

RICHMOND CITY COUNCIL

OCTOBER 17, 2017

The regular meeting of the Richmond City Council was held at the Richmond City Office Building located at 6 West Main, Richmond, Utah on Tuesday, October 17, 2017. The meeting began at 7:00 P.M.; Mayor Jeffrey Young was in the Chair. The opening remarks were made by Mayor Young.

The following Council members were in attendance: Paul Erickson, Tucker Thatcher, Cheryl Peck, Lyle Bair and Kelly Crafts.

City Manager Marlowe Adkins, City Recorder Justin Lewis and City Treasurer Christine Purser were also in attendance.

APPROVAL OF CITY COUNCIL MEETING MINUTES

A motion to approve the September 26, 2017 City Council meeting minutes was made by Lyle, seconded by Cheryl and the vote was unanimous.

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

DEPUTY'S REPORT

DEPUTY ROBERT BERGSJO: I would like to introduce Deputy Tyson Nielsen. Tyson is replacing Deputy Brad Nelson for the city.

DEPUTY TYSON NIELSEN: I grew up locally. I am excited to be here and work with the city.

DEPUTY BERGSJO: We have been monitoring the cemetery at night per your request. We have not noticed any abnormal behavior but will continue to monitor the area.

MAYOR: Welcome to the city Deputy Nielsen. We appreciate your service and look forward to working with you and Deputy Bergsjo.

BUSINESS LICENSE REQUEST

THE BEAUTE SHOPPE

JANALYN TAWAKELEVU: I have been doing hair for 18 years. I want to start to bring some clients to my home. I want to have an in home salon. It would just be myself. I have worked in Logan for 18 years doing hair. I relocated to Richmond in January. I just want to transition some of my clients this way.

PAUL: Tell us how much parking you have available and if you will be storing any chemicals.

JANALYN: We have a circle driveway as well as a driveway that will hold at least six cars.

TUCKER: How many clients will come to your home per day?

JANALYN: I work around ¾ time. I would say around three to six clients per day.

PAUL: How many at one time?

JANALYN: One possibly two.

PAUL: Do you have any flammable products or large quantities of chemicals?

JANALYN: All of my products are quart sized or less.

A motion to approve the business license request for The Beaute Shoppe (Janalyn Tawakelevu) was made by Tucker, seconded by Cheryl and the vote was unanimous.

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

MAYOR: If you need the license now the cost is \$25. If you want to wait and pick it up in January that is fine as well. Licenses are good from January 1st through December 31st.

JANALYN: What kind of signage can I have?

TUCKER: A smaller banner or yard sign.

JANALYN: Can I have something similar to the sign on the highway for the karate studio?

TUCKER: I don't recall the size of that sign. The sign cannot be in the city right-of-way. We review all sign requests.

MAYOR: Marlowe please let Janalyn know the process.

MARLOWE: All sign requests are approved by the planning commission. The city has a sign ordinance that must be abided by.

JANALYN: I am excited to be here and meet and get to know the residents.

QUARTERLY REPORTS

FIRE DEPARTMENT

LYLE: The fire department is looking into an agreement for daytime coverage. The council will consider it at a future council meeting.

TREASURER

CHRIS: I don't have any additional items tonight.

MAINTENANCE

MAYOR: The public works department is working on winterizing items in the city. The snowplow trucks are being worked on and prepared for winter as well.

LIBRARY

LORA SMITH: We used some of our extra hours in the summer to work on our picture books. We worked on signage as well. Some of the books that were repaired now look new. We are making a focus to go through all of our books now in case we relocate at a later time. We want to remove the old books which are never checked out. Over the last few months I have been able to attend three conferences. Tina Reese, who has worked for the library for about twenty years, was able to attend one of them as well. The extra training funding has helped this year. We are talking to other libraries to see how they transitioned when they relocated from one building to another. We want to know what they did right or wrong so we know in case we relocate. We recently received a grant for \$1,300. The Meet the Candidates Night will be on Thursday, November 2nd at 7:00 P.M. at the library. I am hopeful a lot of the residents will attend. In November, we will do a cans for fines food drive. Fees are waived if non-perishable cans of food are brought in their place. We will have a book sale in the future as well.

PRESENTATION BY REPRESENTATIVES FROM ALLRED JACKSON ON THE AUDIT FOR FISCAL YEAR 2017.

DIANA CANNELL: I have good news to report this year. It is always a pleasure to report in Richmond. Your staff is so organized and prepared. A special thanks to Justin, Chris and Marlowe for their help. Your financial statements were in excellent shape. There was only one finding this year. The city council meeting minutes did not get posted to the state website within 72 hours after they were approved for one meeting in the last fiscal year. This is a very minor finding and is pretty insignificant. Justin and Chris are great to work with. They always respond quickly. I enjoy working with the city. I am going to go over some of the highlights of the financials. Page 17 shows all of the funds of the city. Total assets decreased this past fiscal year compared to the previous fiscal year. The main difference being from a large amount of restricted cash the city had on hand. The cash was paid in the last fiscal year against some debt so both debt and assets decreased. Total debt decreased from \$7,935,699 on June 30, 2016 to \$5,889,361 on June 30, 2017. This is a very positive change.

PAUL: It was nice to be able to apply the escrow funds back against the debt.

DIANA: Pages 46 and 47 show the debt obligations of the city. Bonds payable decreased by \$1,926,768 and an interfund note payable decreased by \$350,070. A total reduction in long term debt of \$2,276,838 occurred. Page 45 shows changes in assets. Asset additions totaled \$578,386. Water and sewer assets did not change nearly as much

as the general fund. Your debt is decreasing which is a good thing. Overall you had a very good year. All of the fund balances are positive. Page 21 shows these totals. The fund balance for the Capital Projects Fund did decrease with the forgiving of the loan from the Capital Projects Fund to the Water Enterprise Fund. Page 25 shows yearly revenue totals. Total change in net position was \$692,011 before the transfers were accounted for. The transfer was the forgiving of the loan between funds. You are in a solid position in all funds. Your fund balance in the general fund was within guidelines as well. It cannot be more than 25%.

MAYOR: Thanks for all of your work and the work of your firm. I am appreciative of everyone that is involved. Your firm and our staff put a lot of time into this.

DIANA: It is a requirement of the state to keep the city in compliance.

MAYOR: The audit is actually done for good reason. It gives the residents the peace of mind we are doing what we are supposed to be doing with our funds. It shows everything we do. Nothing is hidden or secret. It shows nothing odd is going on. It is nice to work with a reputable firm that understands the city and can help us as we grow. I appreciate the association we have with your firm when we have questions and need help.

DIANA: We are here to help year round not just at audit time. Call me anytime with questions or concerns you have.

MONTHLY FINANCIAL REVIEW WITH DISCUSSION AND DECISIONS AS NECESSARY.

PAUL: What is the pension liability mentioned in the audit and on the balance sheet?

JUSTIN: The state auditor's office changed reporting requirements last year. We now have to report our pension liability even though we don't actually owe the money. We are part of URS (Utah Retirement System) where we pay a percentage of the benefited employee's wages to the state after every paycheck. Also, we are the exception to the rule for local cities in the fact we do not allow employees to accrue comp time. Anytime an employee has overtime we pay it out immediately. Some other cities allow this to accrue over time and it will cost them hundreds of thousands of dollars when they have to pay it out as they owe it to the employees. We elected to not have this liability and we pay it out every two weeks if it is owed.

MAYOR: I commend Justin for making this change several years ago when it was done. We do not want to have a liability that grows exponentially and is a detriment to a future council and mayor. Plus the employees get paid for the hours they have currently worked. For a small community and budget like we have it is the best option to pay as we go and not accrue the hours for the future.

PAUL: Plus we are saving money by not accruing the hours. If an employee is not paid for those hours earned today until a later date their wage could be increased and the hours paid are based on the current wage not the past wage when the hours were earned. On another note, right now 10,000 baby boomers are retiring daily. The next generation after the baby boomers is basically 50% the size of the baby boomer generation. When they retire it will be at a rate of 6,500 per day. Two generations after the baby boomers are the same population size as the baby boomers. There is going to have to be big changes in social security to make up for the shortfall of having 50% less people to pay for the baby boomer benefits. Millennials are not earning as much as others in the past as well.

JUSTIN: Building permit revenue is staying steady with the White Pine Subdivision being built so quickly.

PAUL: Is the building permit revenue restricted?

JUSTIN: No, it is just part of the general fund. We received our first of six distributions of Class "C" Road Funds for the fiscal year in the amount of \$18,378. Our annual interlocal fire agreement brought in \$4,707 in revenue this year. RAPZ tax revenue for the purchase of the land where the old Texaco station is located was received in the amount of \$23,859. A contractor paid their portion of an engineering model so our cost was recouped. The post office roof was paid for in the amount of \$7,370. The rental house has new carpet and there are only a couple of items left to complete this project.

MAYOR: The rental house is under contract and supposed to close on November 6th. We will use those funds to pay for Phase 1 of the Park School renovation project. We don't want a loan as we renovate that building. Phase 1 will consist of a sheriff's office, city council room and area for the city manager and city treasurer.

JUSTIN: The Cub River Sports Complex fund received \$2,150 in revenue for the rental of the portable bleachers. Lewiston oversees the rental of the bleachers to other local cities and the county if they have an interest. This is a great revenue source for the sports complex as the only other revenue source is Richmond and Lewiston each paying 50/50 of the associated costs.

PAUL: We have a very nice facility for only \$20,000 per year in maintenance costs.

LYLE: I have had several compliments about the facility from teams that are not locally based.

MAYOR: I forgot to mention but our intent with the Texaco station we purchased is to have it razed in the next month. Then it will sit until we can come up with a long term plan of what we want to do with the area.

JUSTIN: Year-to-date impact fees collected for water total \$42,075 and for sewer \$49,496. Water impact fees help to pay for the new water tank and well project. Sewer impact fees help to pay for the MBR plant and the new north trunk line.

PAUL: The council needs to be aware I have committed some funding to road surface improvements behind L.D.'s Café and Dr. Awada's building. The city has a right-of-way through this area and it is our only access to the ball diamond from the north. Dr. Awada and L.D. have committed to repair the pot holes in the area. I have talked to our road specialist, Norton Thurgood, and he has recommended we chip seal our right-of-way area. I have let Dr. Awada and L.D. know this will happen in either July or August of 2018 when the county comes to town to do our annual chip sealing for the year.

MARLOWE: All of the potholes have already been repaired in that area.

JUSTIN: As a final item; typically we are able to grant additional budget requests in departments as the budget year moves along. This year I don't expect to be able to make additions to individual budgets. We have some large projects going on that have somewhat of an unknown cost at this time. Until we see the final numbers we cannot grant budget increase requests to any other projects or departments. Right now we are looking at a daytime fire and EMT coverage contract. We don't have the final cost to raze the Texaco station. We are in the process of finalizing the cost to upgrade the sidewalk on 300 East along the White Pine Subdivision from five feet wide to eight feet wide as it is considered part of our trail system. The rental house should be sold in the next month. The intent is to take those funds to pay for the Park School renovation project. Until we most likely get into the last quarter of the fiscal year I don't see any budget increases being approved for anything other than these items.

DISCUSSION AND POSSIBLE APPROVAL OF CHANGES IN THE AMOUNT THE CITY CONTRIBUTES TOWARDS EMPLOYEE HEALTH INSURANCE.

MAYOR: We are a small town with only a few employees but need to be reasonable on the wages and benefits we offer. We need to be comparable to other cities. We have not really had to deal with the issue Justin is going to discuss. The question is what should the city contribute towards the cost of employee's health insurance for their spouse or family? Right now the city contributes nothing. Right now the employee pays 100% of the cost for their spouse or children. In fairness we need to review this policy.

PAUL: We need to be competitive.

MAYOR: We need to review what we are offering and change if needed.

JUSTIN: I have been asked to review what we are doing and what other local cities are doing. I contacted several other communities in the valley to see how much they pay for two-party and family coverage. The numbers ranged from 100% to 70%. So the employee is paying anywhere from 0% to 30% for family or two-party coverage. Right now city employees pay 100% of the cost of their spouse or children. Right now we don't have any employees we are specifically discussing as we want to have this discussion with no emotion so the best decision is made. We are not making the decision based on one particular employee. We also know we will be hiring a new full-time employee in the near future with Marlowe retiring at the end of the year. Right now what we are offering is not enticing to any person if they need two-party or family coverage. Our current policy could easily keep us from hiring the best possible candidate in the future for any open position. We have not had issues with this in the past but it could be a problem in the near future. I would propose the council consider changing the policy to where the employee pays 20% of the cost for two-party coverage and family coverage. The city would continue to pay 100% of individual coverage.

JEREMY KIMPTON: Right now I pay \$813 per month for family coverage through my spouse.

JUSTIN: Right now any change to the policy would not change our current coverage. Right now Rob and Yumi are the only two employees with coverage and they are covered individually.

MAYOR: Jeremy is not on our coverage as he had better options elsewhere.

JEREMY: I am on my spouse's insurance as the coverage is better and about the same cost. My spouse's coverage also includes vision and dental coverage.

PAUL: It is not something we have budgeted for this year.

MAYOR: I think we need to make a change from what we currently offer.

CHRIS: Our coverage requires we only pay for the first two children. So if an employee has more than two we still pay for only two but all of the children would be covered.

PAUL: Right now unemployment is extremely low at 3.1%. It is hard to find good employees.

TUCKER: I know the first question I am asked when we are hiring someone new is what type of insurance we offer and what is the cost.

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MAYOR: I would like Justin to prepare some cost estimates so we can continue this discussion at the November council meeting.

PAUL: Justin, base the cost estimates off of our current group of full-time employees.

CHERYL: What do we do if an employee chooses not to have coverage through the city?

JUSTIN: We add to their yearly wage the cost of 80% of the average individual cost if they had insurance.

MAYOR: Justin will put together some numbers and we will review and possibly make a decision at the November council meeting.

OPEN AND PUBLIC MEETINGS DISCUSSION AND TRAINING.

JUSTIN: As part of state compliance we have to have this discussion once per year. Just a reminder we are required to advertise, take minutes, and record official meetings of the city council. A meeting of the mayor and two council members is not considered a quorum. A meeting of three council members is considered a quorum. All official meetings are advertised, meeting minutes taken in written form and the meeting is recorded as well. Within three days of the minutes being officially approved by the council they are required to be uploaded to the Utah Public Notice Website. We are also required to upload the agenda for the meeting at least two days before the meeting is held. All public hearings are advertised locally as well as in the local newspaper. Public hearings are required on all land use issues as well as budgetary changes. Administrative decisions do not require a public hearing. All email and texts regarding city matters must be kept as a record. Personal emails and texts are not required. Recording of voicemail and phone calls for city matters are not required. Even if a personal email address is used for city business the emails must be saved as a record.

MAYOR: All city related communication done by email or text must be kept. Personal emails and texts do not need to be kept. GRAMA requests can be made for these items and in some cases they could be part of a lawsuit and reviewed by a judge. The rule of thumb to keep in mind is if you respond you are accountable. We cannot meet as a quorum without it being an official meeting. There are specific rules we must follow and adhere to. Decisions by three or more council members cannot be made in an unofficial meeting. Lawsuits occur when decisions are not properly made. I have been involved for ten years and we have been very specific to make sure this does not happen. No official vote can take place unless in a regularly scheduled meeting.

COUNCIL MEMBER REPORTS

MAYOR: In the past the each council member has only reported on a bi-monthly basis. Starting this month and moving forward each council member will have the opportunity to report each month.

PAUL: I don't have any additional items this evening.

TUCKER: Have there been any requests to be on the upcoming planning commission agenda?

MARLOWE: Not that I am aware of.

JUSTIN: There will be one most likely in December. I don't know if he can get the survey completed before the November meeting deadline. There will be a lot split or mini-subdivision request in the near future on 400 West.

CHERYL: I don't have any additional items.

LYLE: The fire department is hosting a carbon monoxide seminar on Saturday, November 4th from 11:00 A.M. to 1:00 P.M. Dr. Scott Grover will discuss the common signs of carbon monoxide poisoning. The fire department will also welcome trick or treaters on Halloween at the station from 5:00 to 8:00 P.M.

KELLY: I don't have anything else this evening.

MAYOR'S REPORT

MAYOR: I am grateful for the council. We are always addressing different issues. It is nice to get input from different perspectives. I am glad to live in this community. We are fortunate to have so many volunteers willing to help the city.

JUSTIN: The November council meeting is scheduled for the 21st. State code requires we canvass the election results no sooner than seven days after the general election but no more than 14 days after the general election.

MAYOR: I will not be in attendance that evening and Paul will chair the meeting in my behalf.

JUSTIN: Early voting will happen at the city office from October 24th through the 27th and October 30th through November 3rd. Residents can vote from 9:00 A.M. to 5:00 P.M. on those days. The general election will be held on Tuesday, November 7th from 7:00 A.M. to 8:00 P.M. here at the city office building.

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MAYOR: The city is not doing a vote by mail election. A standard election is being done by the city. The county does a vote by mail election when they are in charge.

JUSTIN: We will advertise the election information on Facebook and through Parlant.

TERRIE WIERENGA: I will post on the website as well.

MAYOR: I appreciate the staff reminding us of deadlines, state code and laws. We want to keep in compliance and get information to the residents.

JUSTIN: I was just informed the approach, sidewalk, curb and gutter project at the fire station will start on Monday, October 23rd.

LYLE: I will notify Chief Hooley.

PAUL: Are we keeping the December council meeting scheduled for the 19th?

MAYOR: Yes.

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

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

No Vote: None

Adjournment at 8:11 P.M.

RICHMOND CITY CORPORATION

Jeffrey D. Young, Mayor

ATTEST:

Justin B. Lewis, City Recorder