

RICHMOND CEMETERY MAINTENANCE DISTRICT

OCTOBER 7, 2013

The regular meeting of the Richmond Cemetery Maintenance District was held on Monday, October 7, 2013 at the Richmond City Office Building, 6 West Main, Richmond, Utah at 7:00 P.M. Chairman Jeff Young was in the chair.

The following board members were in attendance: Denise Allen, Paul Thatcher and Albert Purser.

Richmond City Mayor Michael Hall was also in attendance.

The opening remarks were made by Board Member Purser.

PUBLIC HEARING TO CONSIDER THE APPROVAL AND ADOPTION OF A RESOLUTION OF THE BOARD OF TRUSTEES OF THE RICHMOND CEMETERY MAINTENANCE DISTRICT, UTAH (THE "DISTRICT") APPROVING AN INTERLOCAL AGREEMENT WITH THE CACHE COUNTY REDEVELOPMENT AGENCY TO SHARE CERTAIN TAX INCREMENT REVENUES TO SUPPORT THE CACHE COUNTY PEPPERIDGE FARM COMMUNITY DEVELOPMENT PROJECT AREA; AUTHORIZING THE EXECUTION AND DELIVERY OF SAID INTERLOCAL AGREEMENT; AND RELATED MATTERS.

A motion to close the regular meeting and open the public hearing was made by Albert, seconded by Paul and the vote was unanimous.

Yes Vote: Young, Allen, Purser, Thatcher

No Vote: None

Bruce Jorgensen, Richmond City Attorney and Richmond Cemetery District Attorney, came before the board to explain the proposal by Cache County and Pepperidge Farms. Bruce explained that redevelopment areas can be created for a designated area and that they are formal organization and have to pass a budget. They exist in various areas throughout the valley. Pepperidge Farms went to Cache County a couple of years ago and asked for a tax incentive to stay in the area as they wanted to expand at one of their facilities and other areas had offered them tax breaks to do the expansion there. After reviewing the offers from the various locations they chose to accept the offer made by the Cache County Council and do the expansion at the plant north of Richmond.

Mayor Hall stated that the expansion added 57 new jobs and 94,000 square feet to the size of the manufacturing plant.

Bruce explained that the redevelopment agencies are organized by State of Utah law. The taxable value of the property is determined before the expansion and then again after the expansion. The base value was determined in 2011. The current value of the building established in 2011 will not be part of the equation to determine the tax incentive. Only the additional change in value will be used to determine the tax savings given back to Pepperidge. Pepperidge was offered a 50/50 split of the difference in property value by the county council and they agreed. The entities affected by the offered incentive are the Cache Mosquito Abatement District, Richmond Cemetery Maintenance District, Cache County Corporation and the Cache County School District. The proposed agreement would be to give back 50% of the property tax increase for a period of 10 years. That would mean that the period of years of 2015 through 2024 would be those were the incentive was offered according to Bruce. Currently, the cemetery district is receiving \$756 per year from Pepperidge Farm for annual property tax.

Mayor Hall stated that there was a ribbon cutting ceremony at the plant today.

Bruce then went on to explain that Pepperidge did the expansion now because of the low interest rates. The proposed agreement would give 50% of the property tax increase back to Pepperidge Farms but the district would get to keep the other 50% of the increase. In 10 years, the district would get the full amount of the property tax increase.

Jeff stated that the increase for 10 years would be an extra \$2,359 per year and after the ten year period it would then increase to \$4,718 per year.

Bruce explained that the 50/50 split was a very good deal as normally the entities only get pennies on the increase amount. Bruce then explained that the value of the asset will diminish over time and that the \$4,718 will be decreased over the next 10 years. Bruce explained that the cemetery district and mosquito abatement district had asked for the associated attorney fees to put this deal together be paid back to the entities on the first year they paid the new tax basis. Pepperidge had agreed to this request so in the year 2014 the cemetery district will recoup the attorney fees that were spent in 2013 for this project and proposal. The property tax funds are paid to the county and then they distribute to the various agencies. Justin stated that the attorney fees will be paid by the district in 2013 and paid back in 2014 through the incentive program. Bruce stated that the city would receive the original \$756 in 2014 plus the 50% increase of a couple of thousand dollars plus the incurred attorney fees.

In Bruce's opinion they are a great neighbor and employer to the city and this agreement is a good deal for all involved parties. Jeff concurred that there are several citizens that work there currently. Mayor Hall stated that with the expansion they will now employ over 450 people and the new Goldfish Cracker line will run 24 hours per day, 7 days per week and produce 6,000 pounds of Goldfish per hour. Pepperidge is also expanding their Goldfish Cracker operation at their Ohio facility as well.

There was not any citizens in attendance or citizen input during the public hearing.

A motion to close the public hearing and reopen the regular district meeting was made by Albert, seconded by Denise and the vote was unanimous.

Yes Vote: Young, Allen, Purser, Thatcher
No Vote: None

DISCUSSION AND POSSIBLE VOTE ON THE RESOLUTION TO SUPPORT THE CACHE COUNTY PEPPERIDGE FARM COMMUNITY DEVELOPMENT PROJECT AREA

Bruce explained that if the board should choose to approve the Resolution that there is some documentation that would need to be signed and it would be official. The Cache Mosquito Abatement District will meet on this matter in the next couple of weeks and Cache County and the Cache County School District have already passed the Resolution. If approved by all parties it would go into effect for 2014 and the first funds distribution would be at the end of 2014 or early part of 2015.

A motion to approve the Resolution to support the Cache County Pepperidge Farm Community Development Project Area was made by Albert, seconded by Paul and the vote was unanimous.

Yes Vote: Young, Allen, Purser, Thatcher
No Vote: None

APPROVAL OF DISTRICT MEETING MINUTES

Jeff informed the board that in the future that Richmond City would be including the minutes, agendas and other items on the Richmond City website for the district. www.richmond-utah.com.

A motion to approve the Richmond Cemetery Maintenance District meeting Minutes from November 27, 2012 was made by Albert, seconded by Denise and the vote was unanimous.

Yes Vote: Young, Allen, Purser, Thatcher
No Vote: None

Albert asked for two clerical items to be amended in the September 25, 2013 meeting minutes.

A motion to approve the Richmond Cemetery Maintenance District meeting minutes from September 25, 2013 as amended was made by Albert, seconded by Denise and the vote was unanimous.

Yes Vote: Young, Allen, Purser, Thatcher
No Vote: None

DISCUSSION OF THE CREATION OF A BROCHURE OUTLINING THE RULES AND REGULATIONS OF THE CEMETERY DISTRICT

Jeff and the board reviewed a brochure that Smithfield City gives out to people with questions on their cemetery and it explains the rules and regulations of the cemetery. Jeff asked the board their thoughts on doing something like this for the Richmond Cemetery District. Denise and Albert both supported the idea. Jeff stated that the Richmond brochure would be tweaked and changed by the board to meet the needs and rules of the Richmond Cemetery District. Justin stated he would work on putting together the brochure and that it could be saved on the city website as well after it is developed.

DISCUSSION AND POSSIBLE VOTE ON ENTERING INTO A MAINTENANCE CONTRACT FOR THE DISTRICTS GROUND CARE

Jeff stated this is a continuation of the discussion at the last district meeting of whether or not to enter into a maintenance contract or keep the current hourly wage agreement in place. Ted and Yumi Collins had been working for Richmond City most of the year with a few hours at the cemetery but recently had been at the cemetery on a regular basis. The contract would be developed for anyone not just Ted and Yumi Collins. Jeff expressed that in his opinion it was quite logical to enter into an agreement with the Collins as they already have knowledge of burials and the other items that need to be taken care of at the cemetery. Albert stated that the concerns and hesitation mentioned at the last meeting were still a concern but wanted to move forward with a written agreement and that the contractee should understand the Standard Operating Procedures of the district and what is expected of them by signing the contract. Albert expressed that the board knows what needs to be done but that the Collins need to be made aware of what needs to be done also.

Jeff stated that he would like to finalize the specifics of the contract at this meeting and that Mayor Hall was attending the meeting as the city would be involved in the logistics of the contract. Jeff asked the board; what do we want to see in the contract? What needs to be included for the needs of the district? Jeff expressed a concern for certain hours being spent at the cemetery but that he did not think having set hours would be appropriate. There needs to be a check and balance to make sure the work gets done but at the contractee and district timeline as well. The work must be done but Jeff expressed that he did not care if it was done early in the morning or late at night; that would be up to the contractee. Jeff did state that there needs to be specific wording in the contract of what work is going to be done. Jeff also expressed that the board needs the ability to make changes to what needs to be done at the cemetery when needed. Jeff stated that he believed that Richmond City should be the managers of the contract as they have full representation in the city at all times.

Denise expressed that there are currently four district board members but that the contractee should only have to deal with one of the board members not all four. Denise expressed she thought that Albert should be that person. Albert stated he would be fine with that and agreed that the contractee should not deal with all four board members that the board members should let him know of anything to pass onto the contractee.

Jeff asked the board about their thoughts of having a rotating district chairman. New board members would know that at some point during their term they would be chairman for one year. Jeff also suggested that the board be increased to five members. New people bring new thoughts and energy. Albert stated he did not agree with the revolving chairman concept as there are people that are willing to be board members but do not want to be chairman but that they add strength and support to the board. Mayor Hall stated that the bylaws would need to be checked to see if this was even allowed. Jeff commented that he was still working on getting a copy of the bylaws but that his understanding was that there was a lot of leeway given to the local organizations on how they are run.

Jeff agreed that there should only be one contact member between the board and the contractee. Jeff stated that he supported Albert in this role.

Jeff informed the board that everyone's term expired at the end of the year and to keep that in mind. Jeff said he was not sure what Lynn Lemon or the county council's thoughts were on this towards year end. Albert suggested that they move forward without an end in mind and get everything that can be accomplished completed by the end of the year.

Jeff said that one contact moving forward was the way to go as directed by the board and asked Albert to make sure he was okay with this role. Albert stated that he was okay being in this role but wanted to know how that role played into what the city is going to do with the contractee. Jeff stated that the interlocal agreement spells out the relationship between the city and the board. Mayor Hall stated that he envisioned that Albert would oversee the maintenance of the district and be the contact person for Ted and Yumi. If there were problems that need to be addressed he could address them with both the city and the Collins. Albert should watch over and give instruction on what needs to be done in regards to trimming, watering, mowing, etc. Mayor Hall stated the contract maybe a work in progress over the next two years and that quite possibly the first contract could be for 18 months to get away from the lagging months of winter. Mayor Hall suggested that the board and a member of the city meet to discuss what worked, what did no work and what needs to be changed for the agreement as it is renewed. Mayor Hall suggested that there be a weekly and monthly punch list of what needs to be accomplished at the cemetery.

Albert asked Mayor Hall when he thought the agreement would be in place? The Mayor stated that if the cemetery board gives approval this evening then the council would discuss at next week's council meeting and put to a discussion and vote at the November council meeting. Jeff explained that by delaying the contract that it would put the Collins in a predicament as right now they are paid hourly and by the end of the month most of the work would be done for the year and that basically it would be a two month furlough to get them to the first of the year when the contract would kick in. Mayor Hall suggested that after the mowing season has ended that they work on cleaning up and maintaining the maintenance shop at the cemetery. Albert agreed that considerable work needs to be done to the shop and that with his background and Paul's that they could meet with the Collins and come up with a list of things that need to be accomplished. This would take a considerable amount of time and not be accomplished in one afternoon. Mayor Hall stated that between the city and the cemetery there should easily be enough work to keep the Collins going through the end of November. Jeff also stated that there is some detailed cleaning that needs to be done at the city office buildings as well. The city council will consider the agreement at their next meeting on October 15th and hopefully vote to approve the contract at the November council meeting. Jeff wanted to get the contract put together for review with the hope that it could be approved and effective in December.

Jeff stated that the agreement would call for a base payment of \$40,000 per year with a contingency of up to \$5,000. Jeff stated that in his opinion that December of each year would be a good time to pay the contingency as things would have been completed at both the city and the cemetery by then. Jeff also stated that the district always meets at the end of November or early December to finalize the budget and they could discuss the contingency payment at that time as well. The contingency would be paid by the city or the district based on the amount of time the contractee spent working for that entity for the year. Jeff stated that the city will have more work for the contractee in the winter than the district will. Albert inquired of how it would be tracked where they were working? Jeff stated they would keep track of their hours on a timecard created by the district and a timecard created by the city. Albert stated he did not just want to give out a \$5,000 bonus but wanted a way to justify that they had earned it. Jeff commented that even if the entire \$5,000 is paid that between the district and the city there would still be a savings of \$20,000 per year. Mayor Hall stated that the city will pay the majority of the contingency as they have more work that needs to be done in the off-season like snow plowing and building cleaning. Part-time wages that are paid to help with the parks and at the cemetery would be deducted from the contingency amount. Jeff stated that was quite a generous offer by the city to pay the majority of the contingency money. Jeff stated that right now there is more work to be done in the cemetery than in the city to get things caught up to where they need to be. Jeff also stated that he had not been able to find a private contractor that would do this job for \$45,000 per year.

Mayor Hall stated that the barometer to base things off of is the next year (2014). There is the possibility that the Collins could come in and say we are spending many more hours than anticipated and cannot do it for the contract amount. The Mayor also explained to the board that the mowing at the city and the cemetery had been previously bid by private businesses and nobody would bid the cemetery due to the headstones and required trimming. Albert pointed out that the private contractors are also supplying the equipment where for this agreement the district and the city would supply the equipment. Jeff stated that this agreement is a starting point to be built upon in the future.

Mayor Hall stated that the meeting of the contractee, city and district in February 2015 would be the true meeting to decide what is working, what is not working and what needs to be tweaked and changed moving forward.

Justin pointed out that the city council needs a decision from the district because they won't move forward with the agreement if the district is not on board with it. The agreement must work for all involved parties or the agreement cannot exist. Mayor Hall stated that he wanted the contract put in stone by the November city council meeting and that he would like a checklist of what the cemetery wants done to attach to the contract. The contract could be weekly, bi-weekly and a monthly list of things that must be accomplished. Albert stated that the standard operating procedures need to be part of the contract. Mayor Hall commented that standard operating procedures are good but that the contractee is an independent contractor and doesn't have to abide by a many page standard operating procedure that works for employees. Albert stated that the intent of the standard operating procedures is to put forth guidelines of what is expected. Albert explained that his background is in safety and that safety at home and safety at work are two very different things as liability comes into place at work and at the district. Mayor Hall explained that the city is the one enforcing the contract and that the city will need to approve it at the November 19th council meeting. The city will write the contract and include the attachment of requirements from the district board. Albert asked that each board member send him a list of what they would like to see included in the agreement.

A motion to approve entering into a tentative maintenance contract with Richmond City Corporation, Ted & Yumi Collins and the Richmond Cemetery Maintenance District for maintenance services at the cemetery and city parks for a contract price of \$40,000 per year with an incentive/contingency amount of up to \$5,000 which will be discussed and approved by both Richmond City Corporation and the Richmond Cemetery Maintenance District before being paid was approved by Denise, seconded by Albert and the vote was unanimous.

Yes Vote: Young, Allen, Purser, Thatcher

No Vote: None

DISCUSSION REGARDING AN AGREEMENT WITH RICHMOND CITY FOR THE UTILITY FEE PAID FOR WATER USE AT THE CEMETERY

Jeff stated this was a discussion item at the last meeting but was not covered due to time constraints. Justin, Jeff and Mayor Hall met and discussed the districts use of the city's water from the culinary water line on 300 East and approximately 450 North. The district has reached a tentative agreement with Richmond City for the year 2014 and 2015 to pay the city \$1,000 per year for the use of the city water. This is not opened use and the city asks that the district be diligent and prudent in when they use the water but at the same time the goal of the district and the city is to have the grounds green and maintained properly. Mayor Hall stated that the next two or three years of water usage would give data of use for the amount of gallons being used by the district. This agreement will allow the district to budget \$1,000 for the next two years for water use fees. Mayor Hall stated that should help defray the cost of the expensive meter that was installed to meter the use of the water and keep track of the usage. Mayor Hall suggested that in two or three years then a new agreement can be made between the two parties after some proven numbers of use are in place. At that point it can be determined if the district is charged at a residential rate, commercial rate or leave as the current agreement stands. The Mayor stated he was fine with this agreement as long as he is Mayor of the city. Jeff stated that the agreement needs to be put in place within the next four years. Mayor Hall stated that the council and himself look at the cemetery grounds like they do the city parks. They need to be kept green and there will be less complaints. Most people view the cemetery as part of the city and the calls come to the city and not to the district board when there are complaints. Justin informed the board that current base charge from the city to the district is \$636 per year and that is just the base fee and does not include overages. It is a tremendous deal being offered by the city. Paul asked if the city would be losing out on revenue at such a low charge and Justin and the Mayor concurred that the city would lose out on thousands of dollars per year but are willing to do that as the district is part of the community and a sacred area for the residents.

Denise asked for a clarification on how the grounds would be watered. Jeff and Justin suggested that due to time constraints and unknowns since the district will no longer have to abide by the irrigation board turns that the watering schedule be a work in progress. Jeff suggested that the watering occur at night to save on evaporation and to allow work to be completed during the day.

Mayor Hall stated that the cemetery is a personal property issue for people and is a very emotional subject. The grounds are usually only visited once per year, if even that, by families and when they are there they expect the grounds to be in top condition. When there are complaints, 90% of the people think the cemetery is owned by the city and therefore the city office, council and Mayor's residence are called with complaints. People don't call to offer help or say that things look nice. Mayor Hall stated that this agreement should allow the cemetery to stay as green as the city parks. Some years will be wetter and require less water; some years will be hotter and require more water. The city is willing to work with the cemetery district and irrigation company to keep the grounds in good condition. Mayor Hall went on to explain that there are some preliminary discussions and the state is thinking of allowing the point of diversion of the shares to be changed which would be a great benefit as well. Mayor Hall stated that possibly some of the city's irrigation shares could be allocated to the district for use as well if needed. Justin stated he would write a formal agreement between the district and the city for review and signatures.

A motion to approve a water use agreement between Richmond City Corporation and the Richmond Cemetery Maintenance District where the district will pay the city \$1,000 per calendar year for the use of water on the cemetery grounds for the years 2014 and 2015 was made by Denise, seconded by Albert and the vote was unanimous.

Yes Vote: Young, Allen, Purser, Thatcher
No Vote: None

FINANCIAL REPORT

Jeff started the financial report by discussing the 2 ½" main sprinkler line that had been installed in the middle of the expansion area. This line will allow for two sections of sprinklers to be run at the same time and the line will also be a marking point for grave plots in the new sections. In the past, roads had been used as the marking point to locate grave plots but roads may shrink or expand over time and the current expansion is only road base and not asphalt at this point. The irrigation line will never change locations and can easily be identified by the green zone boxes in each section. The grave plots will be based north and south of this line for ease of use and location. Albert asked for a clarification of where the irrigation line is located and where it ends. Jeff explained that it runs through every section of the expansion from east to west and then on the far west side goes south into the area where the catch box and turn off valves are located. Jeff explained that A&D Landscaping had been involved with several meetings with Jeff and Justin and made the suggestion of the line in its current location for both grave marking purposes as well as for an increase in pressure. Also, the cost of expanding the lines will be cheaper as smaller diameter pipe can be used going north and south as the water won't have to be pushed completely north from the bottom of the expanded areas.

Albert asked for a clarification of what exactly had been done this year in infrastructure work as both himself and Denise were not aware of everything that had been completed. Jeff explained that the total budget for the year 2013 was \$87,000 and that \$38,025 had been allocated for infrastructure work. The infrastructure work was as follows. Installation of a 4" water meter. Installation of a 4" main water line with drain system from 300 East to the north east corner of the cemetery. Installation of a physical disconnect in the north east corner of the cemetery to allow for the switching between the use of irrigation water and city water. Installation of five faucets, future stubs, valves, piping, fittings and the main line through the middle of the expansion area. Installation of 6" pipe sleeving and wire sleeving and control clock for the expanded area. The pipe sleeves are located under each of the new roads in the expansion. Installation of the sprinkling system in section 1 of the expanded area; the expanded area to the far west. Grading of expansion areas 1 and 2. Preseeding, and final grading of section 1. Boring of 300 East, hot tap of water line, custom cement meter vault, valves, fitting and connection of line to system. Installation of a backflow preventions system. The total of these projects was \$32,350.48.

Jeff explained that it had been explained to him by former Chairman Panter that the chairman oversaw the projects going on in the district and that is why he had done what was completed in 2013. Originally, the plan was to do sprinkling systems and hydroseed in expansion areas 1 and 2 but due to filtration issues and lack of water the completion of area 2 was not completed and the installation of the 4" water main line was completed.

The board agreed that moving forward all projects, expansion, and major purchases would be approved by the board before the work was completed; even if included in the budget.

Justin reviewed the current income statement and explained to the board that the majority of the property tax is collected in November and December and remitted to the district in December and January. On a yearly basis the district collects approximately \$20,000 to \$21,000 in property tax. Justin also explained that the salaries and benefits that are currently listed are just an estimate and are changed to the actual hours spent at the end of the year. The two biggest costs to the district, not including infrastructure work, are wages and maintenance expenses. Justin commented that the cost of the annual audit is normally around \$1,800 per year but for the year 2012 it was \$3,165 as when revenues or expenses are over \$100,000 the audit is taken up a notch and more items required per state guidelines. Justin did not anticipate that 2013 would be near the \$100,000 mark on either income or expense.

Justin stated that he will start providing to the board on a monthly basis the income statement for the district.

Albert stated himself and Paul would get with Ted and Yumi to go over the items that need to be accomplished over the next month or so as the agreement is finalized.

A motion to adjourn at 9:20 P.M. was made by Denise, seconded by Paul and the vote was unanimous.

Yes Vote: Young, Allen, Thatcher, Purser

No Vote: None

RICHMOND CEMETERY MAINTENANCE DISTRICT

Jeff Young, Chairman

ATTEST:

Justin B. Lewis, Recorder