

RICHMOND CITY COUNCIL

AUGUST 21, 2025

The regular meeting of the Richmond City Council was held at the Park Community Center located at 90 South 100 West, Richmond, Utah on Thursday, August 21, 2025. The meeting began at 6:30 P.M.; Mayor Paul J. Erickson was in the chair. The opening remarks were made by Lyle Bair.

The following Council Members were in attendance: Lyle Bair, Joel Draxler, Bryce Wood and Daryl Black.

Amber Ervin was excused.

City Administrator HollyJo Karren, Karyn Tejan, and City Recorder Justin Lewis were also in attendance.

VISITORS: Ronald Natali, Craig Harris, John Harris, Coleen Fenton, Todd Smith, Wyman Satchel, Terrie Wierenga, Stuart Smith, Jeff Young, Cindy Allen, Tyrell Hester, Damon Hester, Carter Hester, Jay Bair, Fran Schumann, John Whitney, Christopher Lusk, Krista Lusk, Kevin Stallard, Tad Spiekerman, Jon Schumann

PUBLIC HEARING TO DISCUSS THE PROPOSED INCREASE IN PROPERTY TAX REVENUE FOR THE CITY. THE RICHMOND CITY TAX ON A \$471,000 RESIDENCE WOULD INCREASE FROM \$253.09 TO \$287.55, WHICH IS \$34.46 PER YEAR. THE RICHMOND CITY TAX ON A \$471,000 BUSINESS WOULD INCREASE FROM \$460.17 TO \$522.81, WHICH IS \$62.64 PER YEAR. IF APPROVED, THE CITY WOULD INCREASE ITS PROPERTY TAX REVENUE BY 13.52% ABOVE LAST YEAR'S PROPERTY TAX BUDGETED REVENUE EXCLUDING ELIGIBLE NEW GROWTH. IF THE PROPOSED BUDGET IS APPROVED, THE CITY WOULD RECEIVE AN ADDITIONAL \$50,286 IN PROPERTY TAX REVENUE PER YEAR.

MAYOR: Before we go to the public hearing, I have asked Justin to provide some background information on tonight's discussion.

JUSTIN: The entity certified tax revenue as calculated by the county would be \$369,394. The amount proposed by the city is \$419,680 or an increase of \$50,286. The request is to keep the same property tax rate in place, 0.001110, as was in place in 2023 and 2024. The intent of the city council is to have smaller increases year by year to stop from having to have a large increase in the future. If the same rate is adopted this year as last year and the property valuation of the parcel stays the same, the property owner would pay the same amount to Richmond City on the Richmond City portion only. The amount calculated for the city takes 55% of the assessed value and multiplies it by the rate approved by the city council to determine the amount of property tax revenue received by the city. Businesses are taxed at 100% of the assessed value. If the council approves this increase it will be to help keep up with rising costs due to inflation, major equipment purchases and capital improvement projects. New legislation requires this meeting to be broadcast and questions accepted from those attending online. The intent this evening is to allow those in attendance to speak first and then one by one bring those who are online and have questions to be able to ask them.

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

Yes Vote: Bair, Draxler, Wood, Black

No Vote: None

Absent: Ervin

The public hearing opened at 6:40 P.M.

JEFF YOUNG: I am a resident of the city. I was involved in the original concept to hold the same rate year after year when I was serving. Mayor Erickson explained the purpose for doing this at the last city council meeting on Tuesday. The city has very few sources of revenue. When I was serving the property tax rate had not been adjusted for approximately 40 years. We were faced with a General Fund that barely balanced. We didn't have any extra funds. It was very difficult. We knew that eventually more sales tax revenue would come as more businesses opened. We needed to address property tax revenue. It is hard to do a large increase every few years. Each year, if the same

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rate is kept in place, the increase would be smaller. The entire intent behind keeping the same rate year after year is to keep from having a larger increase later. I support holding the same rate year after year. I don't want to see the city get in a position where a large increase is needed later. I want to avoid seeing a 200% or 300% increase later on. The community has supported this request in the past. The request we have for the council tonight is what happens with the extra funds which are collected. It is the obligation of the council to handle the funds carefully and with respect. It is a tough decision but it is the right decision. The Park Bench budget is around \$80,000 per year. Without doing something like holding the same rate in place year after year The Park Bench doesn't exist.

TERRIE WIERENGA: I am a resident. I served when holding the same rate in place was discussed. I understand the concept. The value of my property has increased four of the last five years. Many of us are on a fixed or limited income, especially those on social security only. We are taxed on social security. The \$50,000 proposed increase is just for the existing properties that are already built. You are getting more new homes all the time and revenue from them. Many new homes have been built since last year. Maybe you only consider doing half of the proposed increase this year. I read in an article today that many of the northern communities parcels were reassessed this year. What are the extra funds being used for? Are they being used for salary and stipend increases, boulders along the roads and other projects? Let us know the path of where the funds are going. How much of this increase is being sent to the Capital Improvement Fund which isn't discussed much.

KEVIN STALLARD: I am not a resident of the city but I operate a business here. Stop using the word revenue. It is a tax. The problem with this is it is like putting a gun to our head. If someone cannot pay it, the person can be removed from their home. I am staunchly against property tax. I say to eliminate property tax. Find other ways to bring in the funds. We cannot force our customers to pay more if we own a business. We have to produce a product people want to buy. There are more choices tonight than yes or no. Nebulous things are happening with the funds. There is a notion the government is being wasteful with the funds. People knew this was happening. DOGE proved it is happening in the federal government. Our instincts told us what the government was doing was wrong and we could see it. We have choices. I strongly encourage you to eliminate property tax.

JOHN WHITNEY: I am totally against this increase. I am a FedEx delivery driver. I see an increase in new homes. There are more people here. A ton more money is coming in with the building going on. There is building permit and other revenue being received. I don't understand the concept you are talking about. I don't know why my house is paid off but I have to rent it from the government because I pay property tax. I bought it fair and square and I have to rent it every dam year. Stop raising taxes. You want to raise it more and suck more blood out of us.

RON NATALI: I am a resident. Between your tax increase and the increase by the county and school district you just ate up my cost-of-living increase plus some. I am now in the negative because of tax increases. In California, properties are valued differently than here. It takes a 2/3 vote of the people to increase property tax revenue there.

CHRISTOPHER LUSK: I have been a resident for four years. I am an electrician by trade. I have told some of those I work with what the impact fees and other fees were when I built here and they told me Richmond is the most expensive in the valley. There are other revenue streams to consider. I am the only provider for my family. I have to work harder and more to bring in extra income to pay things like this.

CRAIG HARRIS: I have lived here for 75 years. I have paid taxes for 75 years. I have owned my home for 40 years. I still pay taxes yearly. I have to rent my house because of the taxes I pay. It is the truth. Tax increases have happened in the valley forever. I pay property tax on the buildings and farm. I have paid on the dairy for over 50 years. I have not had a chance to review the numbers yet. I attended local schools. If you have to have an increase, I would suggest 6-6.5% and see how this year goes. It will go up again in the future. If you do 13% this year and 13% next year that is 26% in two years. Do some this year such as 6.75%. I love Richmond. I have dedicated my life to Richmond. I am involved in Black & White Days as you know. I have been involved for over 50 years. I started in 1972. I love this town and what goes on here. We need to keep it viable and successful.

STUART SMITH: I have lived here for 50 plus years. I am not for or against this increase. We might be the highest taxed little city in the state. I have seen an increase year after year for many years. I remember the large increase. The city has improved. We are getting a better tax base. There is not much tax base here; mainly Maverik and Lee's Marketplace. We don't get a lot from the businesses. There is not a lot of retail here, there is more wholesale. What are you spending the increase on? I see new street signs and curb and gutter. I see a lot of what it is being used for.

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Make the city better. That is what I want and it needs to be better. I have paid taxes from the start and that is fine. Use the funds appropriately.

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

Yes Vote: Bair, Draxler, Wood, Black

No Vote: None

Absent: Ervin

The public hearing closed at 7:00 P.M.

DISCUSSION AND POSSIBLE VOTE ON RESOLUTION 2025-05, A RESOLUTION SETTING THE REAL AND PERSONAL PROPERTY TAX RATE.

MAYOR: What happens with the rate if the revenue amount is changed?

JUSTIN: The rate diminishes for any amount approved under \$419,680.

MAYOR: Amber shared her thoughts for this evening and I will share them where she is not in attendance. I would like to hear from all of the council first.

DARYL: I pay taxes like everyone else. I hate it. I grew up in an area where there wasn't any property tax revenue. There was a county tax but not a city tax. There was no support to incorporate. They have nothing there now. They had a nice park by a church. The neighbors helped pay for it. The person who maintained it charged \$200 per year. He is now done. They cannot get any volunteers to help. There is an advantage to having some tax collected. They received a donated building when a school closed. The air conditioning broke and they couldn't fix it because they didn't have any money. Some windows were broken in the building and they didn't have any money to fix them. We need to have some. There are expenses in what we do. The average value of a property in Richmond is \$471,000 which results in an increase of \$34 if approved. There is inflation to deal with. There were many years the city didn't do an increase and keep up with inflation. Our number one request is pickle ball courts. The minimum bid we received was \$60,000 and that is redoing an existing court and that doesn't take into account maintenance. The bid we received to renovate the Community Building to relocate The Park Bench is \$230,000. We need \$95,000 after the grant we received to pay for it. We did a walkthrough of the building and noticed the flashing is rotting, the brick is damaged and the roof might need repairs. We need to fix the outside before we fix the inside. The Relief Society building got a new roof for \$13,000. A grant paid for part of it but the city paid the remaining \$7,000. The building is considered a historic structure. To replace the windows and trim cost over \$10,000. The Rocky Mountain Power Foundation donated \$5,000, an anonymous donor is willing to donate \$3,000 but that still leaves the city to pay several thousand dollars to complete the project. The building needs siding. We cannot get a bid for it due to the condition of the building. The bottom five feet or so of the building is rotten. There are approximately 36 furnaces in all of the city buildings. We have to replace at least two per year for a couple of thousand dollars each. We spent approximately \$388,000 on membranes for the sewer plant in the last fiscal year. Maintenance costs at the sewer plant were approximately \$78,000 and that doesn't include any equipment purchases which were made. If we don't have any emergencies we can probably float along without an increase. If we lose the generator at the sewer plant it costs \$700,000 to replace it. We are not wasting money. We are doing what we can with what we have. If you have ideas please share them with us. I don't like paying taxes. We have nice parks. We are trying to rent the parks and spaces we have to generate extra revenue. We raised the rate to rent the city buildings and people cannot stand it and are upset and continually complain. It takes money to run the city. I would like to hold the same rate in place and next year consider not doing as much if possible.

BRYCE: I own my house and pay the same increase as everyone else. I had a conversation on this topic today. They were talking about the mayor and council as a whole. It is easy to lose sight of the volunteers in the city. We are your neighbors and we are doing the best we can. We put in a lot of hours for not much in return. We are trying to be good stewards. We want to thrive. I have three kids in the local schools. Safety is high on the priority list for me. Sidewalks and curb and gutter is a safety issue and important. We have basic maintenance that is needed because stuff breaks. The residents expect amenities. People want to live here. People want to move here. I want to take care of our kids and make the community shine. Taxes are a bitter pill to swallow. My place is not the greatest looking. If we hold the same rate in place, it will allow us to have some resources if we have an emergency. The sewer plant is going to need very costly improvements soon. We need to have funds set aside as there are some things if they break that could hurt us financially.

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JOEL: When Daryl speaks it is worth listening. He touched on many of the topics I was going to mention. Increasing taxes is a burden. I get an annual review at work and seven of the last ten years I have requested a bigger raise than proposed because costs are increasing. I understand those on a fixed income and the seniors. I am on a fixed income as well. I only get paid so much and then get a small increase each year. I could get additional work. When I was younger, we didn't have any money and I worked three jobs. I don't have to now. It is hard to have to work harder to pay taxes. I understand where people are coming from. I don't like paying taxes. Stuart, I did a random sample of five local cities and the percentage we pay of our overall taxes is the highest of the five. The ones I sampled show 7%, 11%, 13%, and 13%. Fourteen percent of what you pay comes to Richmond City. The most complaints I have received in the last 1 ½ years is about roads and sidewalks. People expect a certain standard. Roads and sidewalks are expensive. I would love to hear ideas about getting additional income. We have some resources and we try and capitalize and make money on those to help offset our expenses. It is expensive to run the city. I appreciate the previous work Terrie has done and her opinion. You always put a lot of thought into it. I am glad we have a rainy-day fund. We have some enormous expenses coming next year and down the road. We are going to need approximately nine to twelve million dollars in the next ten years for sewer plant improvements. If we don't have the funds on hand, we will have to increase the utility rate to pay for it. I would rather have it on hand than have to borrow it. I always want to pay cash and not borrow funds when possible. I am very happy where we are at financially. I could do less than the proposed 13% but I am not on board with doing zero. The worry I have is about the future. I was looking at my tax statement and the county is proposing a large increase. I would rather pay \$35 per year than have to come up with approximately \$20,000 in Millville to hook onto their new sewer system being installed throughout the entire city.

LYLE: Wellington proposed to increase their property tax revenue by about 223% or so. We don't want to get forced into a Wellington type situation. I am not saying to hold the rate or not hold it the same. I think holding the rate has sound logic. We have managed our money now and in the past. I don't like paying increases as well. If we pay local taxes we see the benefit of it. Growth does help increase revenue and cash coming in. When we get new growth, the new home brings in property tax revenue and utility fees. The property tax rate diminishes year over year when property valuations increase unless the city council makes a change. We collect impact fees to help offset new water and sewer infrastructure projects. Impact fees pay for new infrastructure. We want to continue to improve the city. We have been improving our sidewalks over the last decade. The main comments I receive are about pickle ball courts and sidewalks. If we don't do anything we can go back to the point where we didn't do anything with sidewalks for decades. Shopping locally helps us. We get a percentage of the sales tax paid. If you purchase something out of the city, they get the sales tax revenue we don't. As sales tax revenue increases, we can look at other options. We need more business revenue. I am torn right now. I will support the community members who don't support this proposal.

MAYOR: Taxes are not fun. We collect impact fees so new homes pay their part because if they don't the entire community will. The system has to be expanded. Every new home will pay property tax. We have funds in our sewer fund right now. Within the next couple of years they will most likely be gone because of some large projects. We are in the process of bidding on a pipe upsizing project right now. The project is because of growth; we need more capacity in the system. I am estimating right now the project will cost around \$300,000 to \$500,000. If we don't have funds in the Enterprise Fund to pay the cost then we will have to take the funds from the General Fund. Saying our finances are nebulous is inaccurate. They are discussed in detail monthly. I invite you to attend our city council meetings and hear the finance report each month. We don't have nebulous expenses. Amber said she would support the increase if it was used for a public improvement project such as pickle ball courts.

LYLE: The budget is balanced right now. There is growth in the city. People want improvements such as sidewalks and pickle ball courts. If we don't want to do things like that, we can stay the status quo and do nothing which is fine.

DARYL: I had been thinking about adopting the proposed rate this year and then seeing if we could do less next year. I am going to change my thought process and propose we do 10% this year rather than 13%.

A motion to adopt Resolution 2025-05, a Resolution setting the real and personal property tax rate, amending the proposed tax revenue from \$419,680 to \$406,333 was made by Daryl, seconded by Bryce and the motion passed by a vote of 3-1.

Yes Vote: Draxler, Wood, Black

No Vote: Bair

Absent: Ervin

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A motion to adjourn was made by Bryce, seconded by Lyle, and the vote was unanimous.

Yes Vote: Bair, Draxler, Wood, Black

No Vote: None

Absent: Ervin

Adjournment at 7:29 P.M.

RICHMOND CITY CORPORATION

Paul J. Erickson, Mayor

ATTEST:

Justin B. Lewis, City Recorder