

**MINUTES OF THE
CITY OF HOLLADAY
CITY COUNCIL WORK MEETING**

Thursday, February 17, 2022

5:30 p.m.

City Council Chambers

ATTENDANCE:

Mayor Rob Dahle
Paul Fotheringham
Drew Quinn
Matt Durham
Ty Brewer
Dan Gibbons

City Staff:
Gina Chamness, City Manager
Stephanie Carlson, City Recorder
Todd Godfrey, City Attorney

I. *Welcome* – Mayor Dahle.

Mayor Rob Dahle called the meeting to order at approximately 5:30 p.m.

II. *Presentation from Local Link.*

City Manager, Gina Chamness introduced Lynn Jacobs, who worked for Salt Lake City. Mr. Jacobs reported that he was here to present findings from the Transit Alternatives Analysis Study. He reported that the study was a coordinated effort between Salt Lake City, Millcreek, the City of Holladay, and South Salt Lake. He noted that the study is historic because it is not common for cities to come together to improve the transportation network.

The Transit Alternatives Analysis Study would address population and traffic projections for 2050 by identifying a transit solution that would better connect Sugar House, Millcreek, and the City of Holladay in the future. The roads are currently busy with heavy traffic. As a result, it was important to address the future needs of the community and find a way to make transportation work in the area.

Additional information was included in the packet.

Mr. Jacobs reported that there had been a significant amount of public outreach and over 900 pieces of public input were received. Based on that feedback, the top priorities for the public were ridership, cost, and air quality. The results from the survey found that the streetcar was the preferred option for residents. However, the streetcar was also a polarizing option and some residents were very opposed to the concept. Based on that technical work, the streetcar was determined to not be the ideal solution. It was expensive and would result in the same ridership projections as the enhanced bus solution. Enhanced bus was recommended to better connect the communities.

The study also examined whether the preferred alignment would go down Highland Drive or 1300 East. Overwhelmingly, the public felt that Highland Drive was a better fit for the alignment. Mr. Jacobs believed this was because Highland Drive has a lot of businesses and commercial activity, while 1300 East has more single-family residential properties. The locally preferred alignment was along Highland Drive with a future extension along Murray Holladay Road. Mr.

Jacobs further discussed the enhanced bus option. He explained that the current routes on that road are 213 and 220, which run every 30 minutes. The recommendation was to consolidate the two or make sure one bus runs every 15 minutes. If successful, more buses could be added so there is a 10-minute service. Another recommendation was to add a shelter and bench at every bus stop. Mr. Jacobs explained that it was important to consider electric buses rather than diesel buses. The Utah Transit Authority (“UTA”) was heading in that direction already and the study area could be a suitable pilot project. Electric buses would address resident concerns about air quality. However, there were costs associated with the fleet itself as well as the necessary charging equipment.

Council Member Brewer wondered if electric buses means there would be overhead electric lines or if the buses would be battery operated. He also wanted to know if autonomous buses had been contemplated. Mr. Jacobs explained that electrification of the bus fleet means battery-operated buses with charging stations. Generally, streetcars have overhead power but some streetcars that had moved away from that, which was an option that could be evaluated as well. The recommendation was to do the enhanced bus, and in the future, when there is enough ridership, a streetcar could be reconsidered. He did not see that happening in the next several decades. Mr. Jacobs discussed autonomous buses and explained that the Wasatch Front Regional Council updated the forecasting tools to predict how autonomous vehicles would change transportation in the future.

Council Member Durham asked for more information about the route. Mr. Jacobs explained that the study area was focused on Sugar House to Millcreek to Holladay, but he recognized that it was not a very long route. There could be additional ridership if the buses were able to move residents downtown. The recommendation was for enhanced bus service, but it may make sense to carry the route to the downtown area and possibly to the base of the Cottonwood Canyons. That larger segment had not been studied because it was outside of the scope of the study area, but connections could be made. A recommendation was forwarded to UTA asking them to consider a longer connection that went all the way across the valley.

Council Member Durham asked if the alignment would connect to the Sugar House streetcar. Mr. Jacobs reported that last year, the State Legislature gave UTA \$12 million to extend the streetcar by one block. He was working with UTA on that project currently. The vision was that the preferred alignment would connect to the streetcar. Council Member Durham was curious about the distribution of the surveys. He wanted to know if the surveys were evenly distributed across the various cities involved in the study. Mr. Jacobs believed so.

Council Member Quinn asked if there were plans for a park and ride lot. Mr. Jacobs responded that the study did not focus on park and ride lots because the goal was that people would use the transit line to get to and from their destination. The study looked at how to improve bicycling and walking connections to the bus stops. Mr. Jacobs reported that Salt Lake City is investing in bus routes in that area to reach a 15-minute frequency. As the bus frequencies increase, ridership levels will increase as well.

Council Member Gibbons made note of the Utah Department of Transportation (“UDOT”) Little Cottonwood Canyon Environmental Impact Statement (“EIS”). He wanted to know if this study would dovetail into that work. Mr. Jacobs explained that there had not been a lot of coordination

between the two studies but he believed it would make sense for there to be a longer alignment that goes further south and north.

Mayor Dahle asked if Millcreek and South Salt Lake had weighed in on the Transit Alternatives Analysis Study. Mr. Jacobs stated that the study had not been presented to the other cities yet, but the presentations would take place shortly. Mayor Dahle also pointed out that there were challenges related to the bus service that goes to the University of Utah. There was discussion about whether there should be a focus on transit to the downtown area or the University of Utah. Council Members felt there would be more ridership to the University of Utah. Council Member Gibbons pointed out that the shifting work model, where many people were working from home, means that the downtown area may not be as busy as it once was.

Council Member Fotheringham asked how South Salt Lake fit into the study area. Mr. Jacobs explained that South Salt Lake was not related to the transit component. South Salt Lake is more focused on the active transportation component. There is already a streetcar there that connects Sugar House and South Salt Lake, but there are some gaps in certain areas, and the study looked at how to connect those gaps. He clarified that the findings presented to the Council were the portions that were specifically related to the City of Holladay.

Council Member Fotheringham pointed out that most of the time when a bus drives through the City, there are only a few people on it. He wondered if thought had been given to smaller buses at off-peak times. Mr. Jacobs noted that the biggest cost is the driver. Whether a driver is driving a larger bus or a smaller bus, there will be a similar cost.

III. *Emergency Management Update – Brad Jewett.*

Unified Fire Authority (“UFA”) Emergency Management Coordinator, Brad Jewett shared emergency management updates with the Council. The City is mostly surrounded and does not have mass transit. The major roadways are Van Winkle Parkway and I-215. Emergency management could include a natural disaster or a manmade issue. He overviewed the main goals of emergency management planning.

There was a circle of response, which started with preparedness and was followed by response, recovery, mitigation, and prevention. Mr. Jewett discussed the difference between an emergency versus a disaster. An emergency is a life-threatening event that requires immediate action but is usually contained. A disaster is a more widespread event that can overwhelm an entire community. For example, a 911 medical call versus a tornado or significant flood. An example of an intentional manmade disaster was a mass shooting. Mr. Jewett explained that a lot of what is done comes back to preparedness. There are things the City can do to be prepared and ready. There are also things that citizens can do to be prepared and ready. He stressed the importance of having a Plan A, Plan B, and Plan C. It is important to be prepared for various scenarios.

Mr. Jewett explained that a lot of emergency management utilizes the Incident Command System (“ICS”). It was a standardized management tool that is used across all organizations and levels. ICS is used to plan events and helped facilitate communication during an incident. He reported that there are certain things that the City needed to do to be eligible for Federal Emergency Management Agency (“FEMA”) grants and reimbursements.

Mr. Jewett reported that he was working on a checklist that was specific to the City of Holladay. It would tell Staff and Council Members what to do if they are at home and or work. The checklist would include various timelines. He also stressed the importance of family preparedness. Planning helps reduce stress and worry during an event. Mr. Jewett discussed communication and stated that it is essential.

Certified Emergency Response Training (“CERT”) courses were scheduled to take place in North Davis and West Jordan in March 2022. One would be hosted in the City of Holladay in October 2022. For Council Members, there were ICS classes that needed to be taken.

Ms. Chamness asked about a recommended training schedule. Mr. Jewett explained that the training could be broken into 20-minute sessions. Every time there is a City Council Meeting, the 20-minute training could be done either before or after the meeting. He would review all necessary information. By the end of the quarter, Council Members would be ready to take the online test. He stated that he could not do the training for the ICS 402 course because it was being taught by the County. Mr. Jewett explained that the full training plan was in the final review process and would be shared with the City Council in the future.

Mayor Dahle felt it was important to make sure individual households had a list with everything needed for the first 72 hours of an emergency. If residents had that information, it would greatly assist the City in emergencies. He wondered if reminders about 72-hour kit inventories should be sent out by the City. Mr. Lewis noted that there was a 10-page document that overviewed how to shut off water and the gas line that listed what to have on hand. He hoped that information could be added to the website so that residents would have access to the document.

Mayor Dahle recommended that a month be selected each year to share information related to emergency preparedness and 72-hour kit inventories. From a City standpoint, Staff and Council Members could review the Emergency Plan and make sure that all courses have been completed. There were discussions about the role that each member of Staff and Council would play in the event of an emergency.

IV. Capital Improvement and Financial Model Update – Gina Chamness.

Ms. Chamness reported that the goal was for the Council to reach a point where they were comfortable choosing an approach for the Capital Projects and the Stormwater Funds. Staff also needed to know the Council’s preference and desired number to adopt a Parameters Resolution and issue a bond. Mayor Dahle did not want the Council to feel rushed to make a decision and pointed out that this was their first time issuing a bond. Fred Philpot, from Lewis Young Robertson and Burningham, noted that the Council was trying to decide whether to utilize a pay-as-you-go approach, utilize debt, or have a combination of the two. In the City of Holladay, there had been some positive changes with regard to fund balances, revenue projections, and outcomes.

Mr. Philpot shared highlights from the previous analysis with regard to bonding and debt. The previous analysis presumed that the City of Holladay would issue debt in 2021/2022 and 2019, with a smaller portion of debt upfront and a larger portion further down the road. In all scenarios, an upfront rate increase was examined with inflationary increases. There would be proactive steps each year to account for inflationary adjustments. The outcome of the previous analysis suggested that there would be action required beyond the 10-year planning horizon.

Mr. Philpot addressed the new assumptions. He reported that sales tax revenues are better than forecasted and the model was updated to account for that increase. The overall change in the General Fund operations and maintenance revenue projections over the next five years was \$5.7 million.

Expenditure changes were overviewed. Mr. Philpot reported that expenditures increased as a result of public safety and Public Works contracts. The CIP was adjusted slightly based on timing. Another change that impacted the model was the overall Capital Improvement Fund Balance. In addition, the previous model assumed that the City would issue debt in the General Fund and the Storm Enterprise Fund in year one or two. Based on the changes caused by a more robust Fund Balance, higher revenues, and higher expenses, the question was whether debt needed to be issued upfront or if it could be pushed out further. There are always moving parts to consider and various scenarios.

Graphs were shared to illustrate the impact on the General Fund Balance and CIP Fund Balance in different scenarios. Mr. Philpot addressed the question of issuing debt now versus waiting to issue debt. He explained that one of the reasons to issue debt now had to do with the Storm Enterprise Fund. There may be a need to issue debt regardless, at least for the Storm Enterprise Fund, and there were some advantages to combining that. Another advantage had to do with the risks. Currently, there is a low-interest-rate environment, but in the future, that may not be the case. Deciding to delay the debt meant accepting the risks associated with the delay. Issuing debt would preserve the Fund Balance and save it for future Capital Projects. Not issuing debt meant spending cash now and issuing debt in a few years when there may be higher interest rates.

Mr. Philpot explained that the General Fund was a percentage of revenue, and statutorily, the City could maintain up to 35% of O&M revenues in the General Fund. The target on the graph was set at 25%. As the revenues increase the Fund Balance also had a corresponding increase target. That was intended to ensure that the City tracked against operational expenses. He explained the significant drop on the CIP Fund Balance graph in the Maintaining Debt Scenario slide. It was up to the Council to decide whether it made sense to issue debt now or issue debt in the future.

Council Member Gibbons reported that the previous analysis showed the City borrowing \$8 million now and \$16 million in 2029. If the City had \$13 million available now and \$8 million was borrowed, that would result in \$21 million. He wondered if it would even be possible to spend that amount of money within a year or two. He did not want to borrow the money and not be able to use it in an appropriate timeframe. Mayor Dahle explained that regardless of the scenario the Council chooses, the \$8 million would be spent in the next year. Council Member Fotheringham liked the idea of one debt issuance. Mr. Philpot clarified that there would still need to be two transactions, but it was up to the Council to determine when those transactions happened.

Mayor Dahle wondered if the City would still have the same bonding capacity it had now in the next three years. He also wanted to better understand that storm drain piece of the bond. Mr. Philpot noted that the City does not have a lot of outstanding debt. However, the model currently assumed a 4% inflation rate. If high inflation rates continue, the modeling will shift. There was a certain level of risk related to inflation. He offered to run that scenario and bring those numbers back to the Council. The Council discussed whether to use the current funds or issue debt. Mr. Philpot stressed the importance of considering risk, interest rates, and inflation.

The Storm Drain Scenario Analysis was shared. Mr. Philpot explained that the previous analysis assumed debt in 2022 of \$5 million and a small amount in 2026. There was a \$6.50 assumed initial rate with a 9.5% annual increase. He noted that actions need to be taken in the Storm Enterprise Fund in addition to establishing the initial rate. The outcomes were a five-year sustainability model with rate increases and debt issuance.

Mr. Philpot explained that a Revenue Bond does not necessarily need to be secured with Storm Enterprise Fund revenues. Mayor Dahle asked what the bonding capacity was if the City only used revenues from the Storm Drain Fee. Mr. Philpot explained that several strategies could be used related to the term length and whether the debt was issued through the public market or a bank. Further discussions were had about the term of the bond. Council Member Fotheringham felt it made sense for the term of the bond to be relevant to the life of the assets the bond-funded. He did not want to do a five-year bond on a 20-year asset.

The next step in the bonding process was the Parameters Resolution. Mr. Philpot explained that the Parameters Resolution would set the bond limit. Once the limit is established, discussions would continue, and the Council would make a final decision. As long as the bond amount is lower than the limit, the City would not have to go back to the preliminary steps. The Council could take action on the bond and still comply with all of the legal requirements related to debt issuance.

Mayor Dahle asked for feedback from the Council. Council Member Fotheringham believed it would be best to handle the issues sooner rather than later. If interest rates would likely be higher in the future, it made sense to bond now. Council Member Gibbons noted that the City would need to bond for the stormwater piece anyway. As a result, it made sense to bond now rather than wait. Council Member Brewer agreed. Council Member Quinn pointed out that there was a cost to having debt. She wanted to know what the cost of carrying the debt would be if the City borrowed before they needed to. Mr. Philpot explained that there would be a first-in-first-out approach. The bond proceeds would be spent before the Fund Balance. He reported that the costs would include the interest incurred and the cost of issuance. The tradeoffs pertained to inflation and interest rates. Council Member Durham agreed with the comments made and felt there were efficiencies in bonding for both the stormwater piece and Capital Improvement Projects at the same time.

V. *Redistricting Update – Stephanie Carlson.*

City Recorder, Stephanie Carlson shared the City of Holladay 2021-2022 Redistricting Proposal. She explained that district lines are redrawn every 10 years following the completion of the U.S. Census. Ms. Carlson reported that the City was divided into five City Council Districts and one City Council Member was elected for each district. Each district needs to have substantially equal populations. While there is no specific number describing a substantially equal population, the districts in the City are normally +/- 4%. The timeline for redistricting was six months after the Legislature completed its redistricting process, which means that the City has until May 2022 to redistrict.

Growth in the City of Holladay was discussed. Ms. Carlson reported that the growth rate in the City between 2010 and 2020 was 20.8%. There was an increase of 17.4% housing units in that time. Districts 2 and 5 saw a slight decrease in household size. District 2 had a different growth pattern to the rest of the City and as a result, redistricting was needed.

Ms. Carlson shared several redistricting options. Council Member Gibbons asked about at-large Council districts. Mr. Godfrey offered to look into that further. The Council discussed Option 5 and wondered if it was possible to make some slight changes to the boundary lines. Ms. Carlson explained that the boundaries were chosen based on the overall numbers. Council Member Brewer asked if it was possible to change the boundary between Districts 1 and 2 so that the area west of Holladay Boulevard down Lincoln Lane to Highland Drive is included in District 1. Ms. Chamness offered to look at that suggestion and bring it back for Council consideration.

It was determined that Option 5 would be considered further. Additionally, the suggested boundary line changes would be explored and brought back to the Council, as option 5a. The hearing would take place at the second City Council Meeting in April 2022. Residents could visit the City of Holladay website to view both redistricting options.

VI. *Continued Discussion on Communications Guide.*

Ms. Chamness reported that the Council previously discussed the Staff Guide for Public Information and Communications. Based on those discussions' changes were made to the proposed language.

The Council made some suggested wording changes. Ms. Chamness made note of all the suggested changes. Ms. Chamness explained that at the previous City Council Meeting, there was a suggestion to add a core value of safety. However, as Staff further discussed that suggestion, it was determined that safety was encapsulated in Quality of Life. Council Members were in support of the core values, as presented. Ms. Chamness overviewed the messaging section.

Ms. Chamness explained that Staff would finalize a draft of the Staff Guide for Public Information and Communications and bring it back to the Council for review.

VII. *Closed Session Pursuant to Utah Code Section 52-4-204 and 205 to Discuss Personnel Issues, Potential Litigation, and Property Acquisition and Disposition (if needed).*

There was no Closed Session.

VIII. *Adjourn.*

Council Member Fotheringham moved to adjourn. Council Member Quinn seconded the motion. The motion passed with the unanimous consent of the Council.

The City Council Meeting adjourned at approximately 8:37 p.m.

I hereby certify that the foregoing represents a true, accurate, and complete record of the Holladay City Council Work Meeting held Thursday, February 17, 2022.

Stephanie N. Carlson, MMC
Holladay City Recorder

Robert Dahle, Mayor

Minutes approved: **March 17, 2022**