

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

Thursday, May 12, 2022

5:30 p.m.

**Mt. Olympus Room
4580 South 2300 East
Holladay, Utah**

ATTENDANCE:

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

City Staff:
Gina Chamness, City Manager
Stephanie Carlson, City Recorder
Jonathan Teerlink, Community Dev. Director
Todd Godfrey, City Attorney

I. *Welcome* – Mayor Dahle.

Mayor Pro Tempore Drew Quinn called the City Council Work Meeting to order at 5:30 p.m.

II. *2022 Legislative Wrap-Up – Dave and Ashley Spatafore.*

Ms. Spatafore explained that she would overview some of the items that had passed last year as well as some newer items.

Ms. Spatafore noted that during the last Legislative Session, there seemed to be more bills related to City issues. There were also a handful of water-related bills. House Bill (“H.B.”) 282 – Water Wise Landscaping Amendments had passed and it included certain restrictions. Essentially, a city could not restrict water-wise landscaping, but the bill still allowed for some enforcement. Mr. Spatafore explained that Court Administration had ebbed and flowed over the years. There would be an interim study that would look at the role of Justice Courts. He noted that additional data related to the court system was desired from the State.

Ms. Spatafore reported that the 2022 Interim Meetings of the Utah State Legislature would be the following week. She explained that economic development and affordable housing would continue to be discussed. Some of the changes to the Commission on Housing Affordability were overviewed. Ms. Spatafore did not know what kind of impact the Commission membership changes would have on cities.

Discussions were had about short-term rentals. Mr. Spatafore understood that short-term rentals were an important issue for the City of Holladay and the intention was to make headway on that issue ahead of the 2023 Legislative Session. Council Member Fotheringham pointed out that affordable housing was impacted by short-term rentals. Mr. Spatafore noted that the limited housing supply had caused the house prices to increase. One of the reasons the housing supply was so limited was because many homes had been turned into short-term rentals. He pointed out that many people in homeless shelters were employed, but could not afford to rent or purchase a home. There was a real need for affordable

housing and short-term rentals made that far more difficult to achieve. Ms. Spatafore reported that the Utah League of Cities and Towns (“ULCT”) had looked into short-term rentals. It was becoming more common for entire houses to be listed as short-term rental rather than a room in a family home. This meant that short-term rentals were not necessarily assisting families with their mortgages, but had become businesses. This ultimately impacted the housing market. There was a lot to be done as it related to affordable housing and short-term rentals.

The Political Subdivisions Committee would discuss eminent domain. For instance, how much it was used and how it was used. Ms. Spatafore stated that there would also be discussions related to billboards and advertisements. One of the bigger items had to do with the Salt Lake County Sheriff and Unified Police Department (“UPD”) budgets. There were some concerns that County funds that were going towards the UPD budget were not assisting all of Salt Lake County.

Ms. Spatafore noted that regional land use planning would be looked at. For example, whether it was better to plan at a regional level rather than a local level. There were a lot of outstanding questions related to that. Council Member Gibbons felt there seemed to be a desire to remove decision-making from the cities. Council Member Fotheringham was okay with the concept of regional planning as it related to regional issues, but there were other factors to consider as well. Further discussions were had about affordable housing. The Council expressed their appreciation for the information shared.

III. *Discussion on Proposal for Purchase/Dedication of Pocket Park.*

The Council was given background information about a proposal for the potential purchase of land on Murray Holladay Road. Community Development Director, Jonathan Teerlink explained that earlier in the year, the Planning Commission reviewed an application from Ron Hilton for a subdivision that spanned the north side and south side of Murray Holladay Road. In the application, the proposal was for a pocket park with a clubhouse. The Planning Commission approved six lots with an area that would be dedicated as open space towards the south side of the subdivision. Mr. Hilton went through the process for preliminary approval and had since received final approval for that subdivision.

Mr. Hilton put forward a proposal that the City purchase the open space to make it a public space rather than an open space requirement only for the subdivision. Mayor Dahle wondered what would happen to the open space area if there was no interest from the City to purchase. Mr. Teerlink explained that it would become part of the open space for the subdivision. Ms. Chamness noted that the requirement for open space was a requirement for the developer and not for the City. Mr. Teerlink reported that maintenance of the open space would be dictated through the Covenants, Conditions, and Restrictions (“CC&Rs”) and maintained by the Homeowners Association (“HOA”).

City Attorney, Todd Godfrey noted that maintaining a pocket park could be costly and burdensome for a City based on the small amount of public benefit. As a result, very few cities took on pocket parks. The maintenance burden was not justified by the amount of public use. That was his concern with the proposal. Mayor Dahle was not interested in purchasing the property. Even if the property was dedicated to the City, he was not interested, because of the burdens mentioned by Mr. Godfrey. He did not see the public benefit, due to the size of the property and the amount of public use that was likely to occur.

Council Member Brewer did not see enough public benefit for the City to purchase the pocket park. Council Member Gibbons felt that if it was closer to Holladay Boulevard, there may be some benefit, but that was a block away. Council Member Durham agreed. Ms. Chamness noted that if the property was developed for something like a dog park, there would not be any parking for those who visited the area and that could become an issue in the neighborhood. Council Member Gibbons appreciated the suggestion from the developer but agreed with the sentiments expressed by others on the Council. The maintenance and access issues needed to be considered.

IV. Discussion on Tentative Budget.

i. Revenue – Gina Chamness.

Ms. Chamness shared information related to the tentative budget. Overall, the City was looking at a revenue change of approximately \$400,000 from the last fiscal year. She overviewed the line item changes with the Council and reported that there was a \$1 million increase in sales tax revenue from the current year budget. That reflected the considerable growth in sales tax so far. She explained that the tremendous growth was largely driven by online sales. The Council discussed deliveries and point-of-sale purchases and how those impacted sales tax revenue.

Additional line items were overviewed, such as the 4th of July Community Breakfast. She proposed that the production of community banners be eliminated. The City Ordinance allowed people to approach the City for a banner. Alternatively, groups could bring a banner to the City to be hung. There were different fees associated with those options and after looking at the revenues and expenses, she discovered that the City had been losing money for a number of years on banners. It cost more to produce the banners than the City received in revenue. Ms. Chamness clarified that the printer was a City asset and City banners would continue to be produced. Mayor Dahle asked if the City could still hang the banners. Ms. Chamness clarified that this could be done but the banners would need to fit certain specifications and there were costs associated with the labor. The City would not be doing the actual production part moving forward. In terms of when the banners would be hung, banners related to City events would be prioritized and other groups could work around those dates. Council Member Durham asked about eligibility and which groups were able to have banners hung in the City. Ms. Chamness reported that certain criteria in the ordinance needed to be met. For instance, educational groups were permitted.

Ms. Chamness reported that there was a continued decline in Justice Court revenue. The way the agreement was written, the Justice Court looked at cases from both Cottonwood Heights and the City of Holladay. Cottonwood Heights had the largest share of the caseload. They were expected to cover their proportionate share of those costs. Ms. Chamness overviewed the revenues and expenses associated with Justice Court. The Prosecutor was asking for a \$30,000 wage increase, the first increase he had asked for in seven years. There was discussion about the reduced Justice Court revenues. Ms. Chamness noted that this was an issue County-wide and was not unique to the City of Holladay. If down the line the City chose to go in a different direction, she believed the prosecution costs would remain in whatever model was selected. Council Member Durham suggested that the Council consider moving to a Circuit Court in the future.

Ms. Chamness reported that the tentative budget showed \$1.8 million in American Rescue Plan Act (“ARPA”) funding. Half of the total allocation would go towards stormwater. It was recognized in the General Fund and would then be transferred to the Storm Water Fund. Additional ARPA funds

would be directed toward UPD mental health services. Further direction from the Council was needed for the remainder of the funds. It would reside in the General Fund until a decision was made.

ii. Council Budget – Gina Chamness.

Ms. Chamness discussed the City Council budget. She reported that there were two main sources of increase, one of which included an increase for the Council Members. This was based on the results of a market survey that showed that the Holladay City Council Members were underpaid compared to other cities. That increase was included in the tentative budget. The same 7% Cost-of-Living-Adjustment (“COLA”) that was included for Staff was also included for Council Members and the Mayor. While the current Council Members did not necessarily want the raise and COLA, failure to meet market standards may impact who would want to run for the positions in the future. Ms. Chamness explained that the increase could be included in the budget and the Council could direct that it not be paid out. This could be done on either an individual or collective basis.

Mayor Dahle noted that the Mayor's wage in the City of Holladay was comparable to others in the area. However, a lot of other Mayors received health insurance. Further discussions were had about wages. Ms. Chamness explained that if some Council Members accepted the raise and others did not, that could create some difficulties on the administrative side. Mayor Dahle felt it might be best for all Council Members to accept the market rate wage and if someone felt inclined to do so, that Council wage could be donated in some form. Ms. Chamness pointed out that the decision did not need to be made at the current time.

iii. Administration.

Ms. Chamness reported that there were some changes proposed for Staff salaries. Those increases were related to market adjustments and COLA. The only other change in that section was related to professional services for a website build. Ms. Chamness noted that there had not been a Requests for Proposal (“RFP”) yet and so the number shown was a placeholder. Mayor Dahle pointed out that not as many market adjustments had needed to be made, because the Council had focused on staying competitive the last few years. He stressed the importance of retaining employees. The retention bonuses sent a good message as did the COLA.

iv. Unified Police Department (“UPD”) – Chief Hoyal.

UPD Chief Justin Hoyal shared information related to the UPD Holladay Precinct Draft 2022/2023 Budget. He reported that the highlights were included in the packet. The proposal for the upcoming budget year for the Holladay Precinct was approximately \$5.2 million. He overviewed the costs of the shared services and explained that the total overall budget was \$7.2 million. This was a 17.97% increase from the previous year. Chief Hoyal informed the Council that the key increases were related to officer salaries, a full-time Bailiff, a new full-time detective, precinct operational costs (such as fuel and vehicle replacement charges), and shared services costs (Valley Emergency Communications Center (“VECC”) increase, Axon contract, and a Training Sergeant).

The revenues for the City of Holladay Precinct were reviewed, which included shared services, such as police reports, fingerprints, and other fees collected. There was also revenue from the Granite School District, which was for School Resource Officers at Olympus High, Olympus Junior High, and Bonneville Junior High. Chief Hoyal explained that a three-year, tiered payment plan was in place to increase the wages for the School Resource Officers so they were comparable to other cities.

Chief Hoyal reported that the Holladay Precinct was projecting that at the end of the budget year, the Fund Balance would be \$817,500. Several options were outlined for consideration, depending on the percentage of the Fund Balance that the Council wanted to maintain. For instance, a 5% maintained Fund Balance would be \$231,300 whereas a 10% maintained Fund Balance would be \$464,622. Mayor Pro Tem Quinn wondered what the Fund Balance was used for. Chief Hoyal explained that it could be used for a number of different purposes. Ultimately, he would come to the City Council with recommendations. He reported that the Fund Balance in the current year had been used for the precinct remodel. Part of the reason the Fund Balance was so high currently was due to low staffing levels.

Council Member Fotheringham asked about the overall increase. He wondered how much of that was for the precinct and how much of that was for shared services. Chief Hoyal reported that the vast majority would be for precinct costs. This was largely due to the two full-time positions that were being added: the Bailiff and the Detective. Additionally, there were the salary increases to consider. The Detective position was discussed. Chief Hoyal explained that there would be additional first-year costs, which included a vehicle and equipment. The ongoing cost would be approximately \$150,000 after the first year. Council Member Fotheringham noted that the UPD increase for the year was quite high and it was important that the Council carefully consider all of the requests.

The Council discussed salary increases, COLA, and the new full-time position. Council Member Gibbons acknowledged that the budget was high, but the increase would keep UPD on the mid to upper end of the market. Mayor Dahle reported that UPD was in the sixth position in the comparable market. However, he believed the organization was competitive. Mayor Dahle noted that the typical UPD increase was 2% above CPI due to the way the budget was constructed. He agreed with concerns shared by Council Member Fotheringham. The overall inflation rate was 8% and yet the UPD budget was increasing by far more than that. Council Member Fotheringham wanted to better understand why the UPD increases were so much higher than normal inflation levels.

Mayor Dahle asked to look at the shared services in more detail with Chief Hoyal and Ms. Chamness. As for the precinct budget, he believed additional information was necessary to understand why a new Detective position was needed. If the Council decided to fund the additional Detective, there should be more Fund Balance so there was room to respond to potential wage wars. If the Council did not include the additional Detective in the budget, there would be an opportunity to use more Fund Balance. Ms. Chamness reported that the tentative budget included the use of \$250,000 of that Fund Balance.

Mayor Dahle pointed out that the City was financially healthy, but wondered what would happen if a year from now, there was a recession. It made sense to be protective of the Fund Balance and to be as conservative as possible. He asked Chief Hoyal whether it was possible to wait a year to add the new Detective to the Holladay Precinct. This would allow the City to see what would happen with the inflation rates. Chief Hoyal was open to the possibility of waiting a year but explained that there were several reasons that the position needed to be funded. He reported that the precinct historically had four Detectives that had primarily focused on property crimes. The shared services handled more of the person crimes (robberies, assaults, and abuse cases). The precinct was responsible for fraud, theft, burglaries, criminal mischief, forgeries, and so on.

In 2017, the Mental Health Unit was started within the organization. Each precinct needed to have a secondary person assigned to that unit. Chief Hoyal explained that there were so many mental health cases in Holladay that one full Detective had been lost because they needed to do the follow-up work. There had been a significant increase in the number of mental health cases in the City. The increased need for mental health services had reduced the number of property crimes Detectives to three instead of four. The Domestic Violence Unit used to be a shared service, but due to the cuts, that unit was disbanded and the responsibility was pushed back to each of the individual precincts. That had taken another Detective out of the mix because that work required a lot of follow-up. As a result, there were only two left to investigate property crimes. There were 900-11,000 property crime cases per year and two Detectives were doing the work that was traditionally done by four Detectives. That was the reason for the employee's request. Council Member Fotheringham pointed out that shared services seemed to have shifted a lot of work to the individual precincts. Chief Hoyal explained that shared services had been cut due to other cities leaving UPD.

Council Member Durham wondered if there were other professionals who could handle the mental health calls rather than two UPD Detectives needing to go out on each call. Chief Hoyal reported that a lot of different options had been discussed. However, when there was a mental health situation, the police were typically called. Council Member Durham asked if it was possible to have someone else do the follow-ups. Chief Hoyal noted that there was the Social Worker, who assisted the Detective on the follow-up, but the presence of the Detective was still necessary. Council Member Brewer wanted to know if caseload data was shared between precincts. Chief Hoyal explained that he could look into that and share the numbers with the Council at a future date.

Council Member Gibbons noted that UPD was a significant part of the City budget and there needed to be a certain level of scrutiny. He believed that the extra data would be beneficial. Additionally, it would be worthwhile for Mayor Dahle and Ms. Chamness to look at the line items for shared services. Chief Hoyal reported that the Granite School District had asked that when a School Resources Officer was off or at training, they be replaced with another trained School Resources Officer. That meant extra training needed to be done to ensure that there was always someone who could fill in at the schools.

Mayor Dahle was inclined to support a shift down to a 5% Fund Balance. Based on the historical management of the precinct budget, an additional Fund Balance would likely be generated. Ms. Chamness explained that her only concern was that there would not be flexibility if that was needed. 7% Fund Balance might offer a little more room. The Council was supportive of that suggestion. The discussions related to the Detective position would continue and additional data would be shared with the Council. Mayor Dahle thanked Chief Hoyal for his work.

V. *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.

VI. *Adjourn.*

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

The City Council Meeting adjourned at approximately 8:20 p.m.

I hereby certify that the foregoing represents a true, accurate, and complete record of the Holladay City Council Work Meeting held Thursday, May 12, 2022.

Stephanie N. Carlson, MMC
Holladay City Recorder

Robert Dahle, Mayor

Minutes approved: **June 16, 2022**