

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

**Thursday, May 11, 2023
5:30 p.m.
City Council Chambers
4580 South 2300 East
Holladay, Utah**

ATTENDANCE:

Ty Brewer, Mayor Pro Tempore
Paul Fotheringham
Dan Gibbons
Drew Quinn
Matt Durahm
Mayor Rob Dahle - *excused*

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

I. *Welcome* – Mayor Pro Tempore Brewer.

Mayor Pro tem Brewer called the meeting to order at approximately 5:30 p.m. and welcomed those present.

II. *Discussion on Potential Naming Rights – Gina Chamness.*

Manager Chamness asked for Council Member feedback about potential naming rights. In working to address some projects, such as the Skate Park lighting and a match for the historic exhibit, one idea that was suggested was approaching donors about naming part or all of a project. The way it had been discussed so far was that the naming rights could be for either the project’s life or a shorter period of time. Before City Staff looked into potential donors or drafted a policy, it was important to hear from the City Council and find out if there was support.

Council Member Gibbons wondered whether the City would want to allow a business to purchase naming rights or if the donors would be restricted to 501(c)(3) donors. He would be more comfortable if it was a non-profit rather than a for-profit business. Mayor ProTem Brewer did not have a preference about who the donors were as there would still be a contribution received. However, it might be best that the naming rights be subject to approval. Council Member Fotheringham thought it made more sense for something like a concert venue to allow business naming rights for a set period of time. Something like skate park lighting was somewhat different as it was a community-related project. Ms. Chamness confirmed that she had suggestions and had looked at what was being done in other cities. City Attorney, Todd Godfrey believed that St. George has some sort of policy established but he was unable to find it in their Code. Salt Lake City adopted its policy after the ballparks were named and it was a fairly detailed ordinance. He initially had concerns about naming rights but the Salt Lake City approach answered a lot of his questions.

Ms. Chamness believed there was some openness to the concept of naming rights but the City Council wanted to set some parameters. She offered to bring something back to the Council for further discussion and consideration. The Council Members could continue to think about the parameters for naming rights.

III. *Flood Update.*

Ms. Chamness reported that there was another video available from Salt Lake County that outlined the current conditions. Based on the forecasts, she tentatively planned to declare a State of Emergency on Monday. At the same time, the portion of Knudsen Park that is closest to the creek will be closed with portable fencing. There will also be additional signage posted. Council Member Quinn reported that she drove up 6200 South the day before and a lot of sandbags were placed in the area.

Ms. Chamness shared information about recent sandbag events and the areas where they had been placed. A lot of work had been done and the City was as prepared as possible. Council Member Gibbons wondered if there would be more sandbag events scheduled. Ms. Chamness explained that based on the last event, she did not believe it would be worthwhile. Mayor Pro Tem Brewer asked about the State of Emergency declaration. Ms. Chamness explained that if there were damages, the declaration would make it possible to apply for reimbursement through the Federal Emergency Management Agency (“FEMA”) for expenses. Additionally, the declaration would alert other municipalities and the County that the City may need assistance depending on the conditions.

IV. *Discussion on Tentative Budget – Gina Chamness*

a. *Overview of Budget.*

Ms. Chamness reported this was simply an initial review of the 2023/2024 Tentative Budget. She shared a chart that had the overall City budget which included the percentage of the budget that was from the General Fund, Storm Water Fund, and other funds.

Council Member Gibbons asked how the Storm Water Fund had been impacted by the fee increase. Ms. Chamness explained that the budget is just over \$1 million in revenue in the Storm Water Fund. When the fund was created, it was anticipated that it would generate approximately \$1.2 million. It was coming in slower than anticipated. The reason the fund looked so large was because of the bond that was issued last year. Those funds would be spent over the next two years or so.

Ms. Chamness discussed the General Fund. She shared a slide that outlined the revenue sources that went into the General Fund over the last several years. The largest piece of revenue in the General Fund was taxes. There were also Federal funds that had come into the City. The expense side of the General Fund outlined how the money was spent. She reported that police service was the largest expense, at approximately 35% of the overall City budget while Fire Services are approximately 14%. Council Member Fotheringham noted that police service costs tend to increase and he was interested to see how the overall percentage had increased year over year. Ms. noted that Police Services increased from \$5.2 million to \$5.5 million to \$6.7 million to \$7.1 million over the last several years.

Public Works was another area where there had been increases over time. She explained that the contract with Salt Lake County had grown over the years. Additionally, Public Services include parks and there had been some related increases there. She noted that an Arborist Contract had been budgeted for. Administration was approximately 7% and Community and Economic Development was at 5% as was the Justice Court. The City Attorney number shifted slightly to reflect how often services are requested by the City. Ms. Chamness shared a slide illustrating the trends over time for the different departments.

In 2023, the City received the second American Rescue Plan Act (“ARPA”) payment of \$1.7 million. The budget last year transferred some of those monies into the Storm Water Fund and some was used for the property that was purchased earlier in the year. Ms. Chamness reviewed the expenditures from the General Fund. Operations and maintenance were approximately 5%, which was fairly small compared to other cities.

Ms. Chamness reviewed the direct wages and benefits. Three new positions were requested within the budget. Additional pay from overtime was listed as \$30,000. She explained that the money was largely for the Parks Department. There were not any future hires anticipated beyond what was currently requested. Ms. Chamness discussed the three new positions - a Communications Manager, a Judicial Assistant, and a GIS Manager. Ms. Chamness discussed other personnel adjustments included in the budget. She explained that there were comparisons to show what a position costs the City in the current budget year and what it was estimated to cost next year. Some changes were reflected to accommodate for things like retirement contributions and Workers’ Compensation. Ms. Chamness believed that Staff appreciated having the opportunity to grow in their roles.

Some market adjustments were proposed in the budget, which would impact approximately 40% of the Staff. It was based on an analysis that compared similar positions throughout the County. The largest percentage-based increase was in the Justice Court. The reason for that was that last spring, the Legislature passed a large increase for their employees. It ended up being approximately 18% for their Court Clerks. Some cities responded to that immediately but the City of Holladay did not. As a result, the City was now playing catch up when it came to the market adjustment. The increases for Clerks range from 16% to 18%. She is proposing a 4% COLA with the assumption that inflation rates would continue to slow

b. Revenue.

Ms. Chamness highlighted revenue items in the budget. Council Member Gibbons noted that there was previously a recommendation from the Utah Taxpayers Association about increasing property taxes incrementally, every five years or so, would be best. The Commission discussed property taxes. As for sales tax revenues, she believed the City had hit the point where sales tax revenue was starting to stabilize.

The General Fund revenue sources were reviewed. It was estimated that 82% of the General Fund will come from taxes. There were other sources as well, such as licenses and permits, Justice Court revenue, and so on. She reported that property taxes are a stable source of revenue. Ms. Chamness shared a chart outlining property taxes over the last several years. For Fiscal Year 2024, she budgeted what was budgeted in Fiscal Year 2023. By the time the final budget was adopted in June, there would be a more concrete number in place. Council Member Gibbons thought it was interesting how the property tax numbers and sales tax numbers were so close.

c. Administration.

Ms. Chamness reviewed Administration-related information. In Administration, 65% of the expenses are related to personnel. She highlighted some changes in the budget, which included salary and benefit adjustments for existing Staff and the new positions discussed previously. There were also operational adjustments many of which were fairly minor. There were some adjustments in how software and computer contracts were being budgeted as well. The adjustments more or less balanced themselves out.

Council Member Quinn discussed the Community Renewable Energy Agency program. It was noted that \$10,000 was included in the budget for that. The State Statute that created the program required that participating cities pay for the opt-out letters that would be sent out. Originally, the City was informed that those letters needed to be mailed but recently, the attorneys discovered that State Statute does not specify that the letters need to be mailed. There was hope that those who receive their bills online will be able to be contacted via email rather than by physical mail. That would reduce the overall expense. The \$10,000 might be too small or too much, so there was uncertainty.

V. *Other Business.*

There was no additional business.

VI. *Closed Session Pursuant to Utah Code Section 52-4-204 & 205 to Discuss the Physical or Mental Health or Professional Competence of an Individual, Potential Litigation, Property Acquisition, and Disposition.*

There was no Closed Session.

VII. *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 6:50 p.m.

I hereby certify that the foregoing represents a true, accurate, and complete record of the Holladay City Council Meeting held Thursday, May 11, 2023.

Stephanie N. Carlson, MMC
Holladay City Recorder

Robert Dahle, Mayor

Minutes approved: July 13, 2023