

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

**Thursday, August 15, 2024**

**6:00 p.m.**

**City Council Chambers**

**4580 South 2300 East**

**Holladay, Utah**

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***ATTENDANCE:***

Mayor Rob Dahle  
Paul Fotheringham  
Matt Durham  
Ty Brewer  
Drew Quinn  
Emily Gray

**City Staff:**  
Gina Chamness, City Manager  
Stephanie Carlson, City Recorder  
Brad Christopherson, Legal Counsel

**I. *Welcome*** – Mayor Dahle.

Mayor Rob Dahle called the City Council Meeting to order at approximately 6:00 p.m.

**II. *Pledge of Allegiance.***

Mayor Dahle led the Pledge of Allegiance.

**III. *Truth in Taxation Public Hearing.***

Mayor Dahle noted that the City Council approved a budget in June that anticipated a 15% property tax increase, which raises approximately \$1.2 million in additional revenue for the City. It increases the property tax on an average home in Holladay (\$944,000) by approximately \$97 per year. When people hear about the 15% there is an assumption that the property taxes are being raised 15%. However, the Holladay portion of the property tax bill is approximately 12%. He reiterated that only about 12% of what is paid in property tax is the Holladay City line item. When the property tax of Holladay City is raised by 15%, the impact on the overall property tax rate is somewhere around 2%. Mayor Dahle clarified that some residents confuse the Holladay City line item with their overall property tax bill.

If the City Council approves the property tax increase, it will be the second time the City has raised property taxes in 25 years, since the City was incorporated. Mayor Dahle reminded those present that the State requires that if there is a property tax increase, there must be a Truth in Taxation hearing.

Mayor Dahle discussed the reasons for the proposed property tax increase. Part of the proposed property tax increase is due to the inflationary pressures seen over the last three or four years. The biggest issue the City has had to tackle over the last three years, and specifically this year, relates to pressures on public safety and police. After the events in 2020, there was a wage war within the police community that led to increased wages. This year, there was a unique situation where the State Legislature essentially forced the separation of the County and the County Sheriff from the Unified Police Department (“UPD”) model, which is the shared model that Holladay participates in. That

forced separation caused a loss of economies in the model. All of the UPD members have had to absorb the costs associated with that change.

The increase in the police line item this year is approximately \$750,000. Mayor Dahle explained that the hope is this is a single impact line item and that the number will stabilize to more of an inflationary increase over time. The police line item represents 34.67% of the entire budget. Approximately 18% of the budget goes towards fire. This means about 53% of the entire City budget is dedicated to police and fire services. Public safety and continued investment into the road infrastructure ultimately impacted the City budget.

Mayor Dahle explained that the property tax revenue is fixed unless there is a Truth in Taxation process. As inflation starts to creep into police, fire, and other areas, the piece that is impacted is capital. However, if there is no continued investment into capital improvements, eventually there will be a similar situation as in the past, where almost nothing was invested into road repairs. Every four or five years, the City Council should be going out to the public to outline the inflationary pressures and discuss a property tax increase.

Council Member Ty Brewer reported that this is his first term serving as a City Council Member. He was surprised to learn how lean Holladay runs and was impressed by the care and concern expressed. He sees the wisdom in what the Utah Taxpayers Association recommended to avoid significant jumps. The Council has tried to be responsible and good stewards of the public trust. Council Member Brewer is also appreciative of the background information shared by Mayor Dahle.

### **Mayor Dahle opened the public hearing at 6:15 pm**

*Sheldon ??* noted that during the presentation, there was mention of a portion of the property tax increase being used for road improvements. The road above Morningside Elementary School is not in good shape. He wondered whether that would be taken care of next year. Mayor Dahle explained that there are not normally back-and-forth conversations with residents during public hearings. That being said, Council Member Drew Quinn, wanted to respond to the comment. She reported that this is a question she has been asked a lot. It is a road that she is familiar with and the reason it is in the condition it is in is because it is on the list for Salt Lake City Public Utilities. Salt Lake City Public Utilities will come in, rip up the road, and put in a new water main. As a result, the City has decided to patch the road and make sure it is serviceable until that water main is put in. It does not make sense to lay a whole new surface down and then have Salt Lake City Public Utilities tear out the entire road.

*Don Reese - 1932 Charleston Lane.* He asked whether an explanation of how the increased funding will be spent was shared already. He reiterated that the hope is to raise approximately \$1.2 million in revenue primarily to absorb an increase in the police line item due to the forced separation between the County and Sheriff's Office. Additionally, there is a continued need to invest in the road infrastructure and to address inflation. Mr. Reese noted that inflation is impacting other areas of residents' lives as well. He asked that the City look at ways to cut back where possible and be aware that the increases impact residents. Every dollar that the City can save will be appreciated by residents in the community.

Mr. Reese next asked about the increase in the police line item. Council Member Paul Fotheringham explained that UPD has a shared services model. Holladay manages their precinct, but also shares in

the cost of certain resources with other municipalities, and formally, with the County. The County was providing a portion of the UPD model and budget. When the County was separated, a significant element in the basic economy of scale was lost. A lot of the fixed costs and shared resources do not change, but fewer people are contributing to that pool of shared resources. The lost economy of scale has resulted in this one-time increase. In addition, over the last few years, there has been a significantly higher inflation level than in previous years. That is something that needs to be addressed. Even though inflation is coming down now, the impacts of previous years are still felt.

*Richard Hadlock - 1873 Lincoln Lane.* He read that the tax increase was 15% but it was then referred to as being closer to 2%. He asked for some clarity about that. Mayor Dahle explained that Holladay City is proposing a 15% property tax increase to their line item. However, if someone were to divide the Holladay City property tax into the overall tax rate, the increase would equate to a 2% increase in the total property tax amount. Based on the average assessed value of a home in the City, the amount will increase by approximately \$97 per year. It is a 15% increase to the Holladay City line item but about a 2% increase to the overall property tax amount shown on the bill.

Mr. Hadlock explained that he is retired and lives on a fixed income. Inflation makes things more complicated for those on a fixed income. City Manager, Gina Chamness, noted that residents interested in speaking to her after the hearing are welcome to do so and they can review their property tax notices in more detail if desired. Mr. Hadlock asked about cuts to City expenses. Council Member Matt Durham pointed out that the bulk of the budget is related to police, fire, and roads. It is difficult to find other areas to cut back on. Council Member Fotheringham pointed out that understaffing police and fire can have significant impacts. Holladay is a fairly lean municipality compared to others in the County. The Council is always looking for different ways to cut back whenever possible.

Council Member Fotheringham reported that he went through all of his property tax bills dating back to the time of incorporation. Even though the value of his home changed dramatically over the years, the Holladay City line item had not. His property tax for Holladay City was essentially the same for approximately 20 years. The only time it went up before the Truth in Taxation hearing in 2021 was the year that a major remodel was done on his home. That essentially represented new growth. Mayor Dahle reported that Granite School District and Salt Lake County are two of the major line items on the property tax bill. Every two or three years, there is a Truth in Taxation process at that level to maintain a balanced budget. There was additional discussion about the property tax bill.

There were no further comments. **The public hearing was closed at 6:40 pm.**

**IV. *Consideration of Ordinance 2024-13 - Determining the Rate of Tax for the 2024-2025 Tax Year and Levying Taxes Upon All Real and Personal Property within the City.***

Mayor Dahle reported that in the budget, the tax rate is listed as 0.001436. This anticipates the previously discussed 15% increase.

Council Member Durham thanked Ms. Chamness and the City Staff who worked on the budget. Mayor Dahle also thanked the residents who took the time to attend the City Council Meeting and comment. There was very little public input during the budget process, so he appreciates those who came out to ask questions and share feedback. Council Member Quinn noted that some of the suggestions heard during the hearing would be useful during the next budget process. She encouraged

residents to come to some of the City Council Meetings in May, listen in on the budget discussions, and share comments about what is contemplated. It is critical to hear feedback at that time as well.

Council Member Fotheringham moved to ADOPT Ordinance 2024-13 – Determining the Rate of Tax for the 2024-2025 Tax Year and Levying Taxes Upon All Real and Personal Property within the City. Council Member Durham seconded the motion. Vote on Motion: Council Member Gray-Aye; Council Member Quinn-Aye; Council Member Fotheringham-Aye; Council Member Durham-Aye; Council Member Brewer-Aye; Mayor Dahle-Aye. Ordinance 2024-13 was adopted by a unanimous vote.

**V. Consideration of Ordinance 2024-14 - Adopting the Final Budget for the Fiscal Year Beginning July 1, 2024 and Ending June 30, 2025.**

Mayor Dahle reported that the City Council now needs to adopt the final budget with the tax rate.

Council Member Fotheringham moved to ADOPT Ordinance 2024-14 – Adopting the Final Budget for the Fiscal Year Beginning July 1, 2024, and Ending June 30, 2025. Council Member Quinn seconded the motion. Vote on Motion: Council Member Gray-Aye; Council Member Quinn-Aye; Council Member Fotheringham-Aye; Council Member Durham-Aye; Council Member Brewer-Aye; Mayor Dahle-Aye. Ordinance 2024-14 was adopted by a unanimous vote.

**VI. 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 6:44 p.m.

*I hereby certify that the foregoing represents a true, accurate, and complete record of the Holladay City Council Meeting held Thursday, August 15, 2024.*

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Stephanie N. Carlson, MMC  
Holladay City Recorder

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Robert Dahle, Mayor

Minutes approved: **November 7, 2024**