

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

**Thursday, April 11, 2024
6:00 p.m.
City Council Chambers
4580 South 2300 East
Holladay, Utah**

Briefing Session 5:30 pm

ATTENDANCE:

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

City Staff:

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

Mayor Rob Dahle called the Briefing Session to order at 5:30 p.m. The agenda was reviewed. He noted the continued hearing on proposed amendments to Chapter 13.14.031 – Accessory Dwelling Units. There is a lot of in-depth information included in the packet. The other hearing is a rezone from the RM Zone to the PO Zone. Council Member Gray reported that she is aware of a few residents who want to comment on this public hearing item.

Mayor Dahle reminded Council Members that the City has hired a new City Finance Director. Mr. Larsen will be sworn in across the hall during the City Council Meeting. However, he asked that Mr. Larsen introduce himself. Mr. Larsen reported that he received his bachelor's degree in accounting, and from there, he went to work for Pleasant Grove. He was there for two years mainly working on their payroll. After that, he went to work for Midvale. In between that, he completed his master's degree in accounting. He was with Midvale for three years and worked as their Assistant Finance Director and he looks forward to working in Holladay. Mr. Larsen stated that he loves to run and will run a half marathon in June. He lives in Saratoga Springs. Discussions were had about his previous role in Midvale and the work done at that level.

The calendar items were reviewed and discussed. There are two Council Meetings scheduled to take place in June and one in July. Discussions were had about the future City events. Council Member Durham talked about the next Tree Talk at the library. Mayor Dahle reported that on Monday night, there are two events taking place, including the Interfaith Roundtable.

Additional discussions were had about future events in the City, such as the Shop Local campaign. Conversations with the Utah Independent Business Coalition and others will take place. Council Member Brewer asked about the oldest company in Holladay. It was noted that there are a few long-established businesses in the community, including a dental office on Murray Holladay Road.

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City Staff:
Gina Chamness, City Manager
Carrie Marsh, City Planner
Holly Smith, Assistant City Manager
Jonathan Teerlink, Community Dev. Director
Stephanie Carlson, City Recorder
Todd Godfrey, City Attorney

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.

Mayor Dahle asked the City Council to take the City Council Meeting agenda out of order and move up Item 6 so it could be considered first.

Council Member Fotheringham moved to take the City Council Meeting Agenda out of order and consider Item 6 next. Council Member Brewer seconded the motion. The motion passed with the unanimous consent of the Council.

III. *Public Comments.*

Mayor Dahle opened the public comment period.

Trudy Jorgensen-Price shared information about the library. She reported that on April 23, 2024, there will be the Bloodmobile Bus in the parking lot and asked people to donate. Additionally, there is the Thrills and Chills Book Club on that date. Ms. Jorgensen-Price explained that as of Monday, the Salt Lake County Library System went fine free for all juvenile and young adult materials. The only time there will be a fine associated with those items is if the item is not brought back at all. She noted that there will not be amnesty for past fines, but there is Food for Fines taking place currently, where people can bring in non-perishable foods to donate. \$5 will be taken off of any existing fines.

Jason Brand - 2251 Melodie Ann Way. He recently sent an email to the City Council about the Holladay fireworks policies. While he understands the previous regulations and policies, he feels the City is being overly conservative after two years of above-average rain and snow. Fireworks have long been part of celebrating special events in Utah and bring a sense of joy and community to the neighborhoods. He has a difficult time explaining to his child why the City does not think it is safe to have fireworks on their street. The City Council will soon be voting on policies for the July holidays and according to his research, Utah State Law prevents firework bans based on existing or historical hazardous environmental conditions. He asked that the fireworks rules return to normal this year and that if restrictions are required, there be a more nuanced approach taken.

David Stephensen - 4538 Suncrest Dr. He is also supportive of revising the fireworks rules to be what they were before the current restrictions were put in place. It makes sense to allow a modest number of fireworks this year. Fireworks have long been used to celebrate independence and he believes that is something that should continue to occur in the City. Mr. Stephensen has fond memories of celebrating the 4th of July in Holladay and watching fireworks.

IV. *Continued Public Hearing on Proposed Amendments to Chapter 13.14.031 Accessory Dwelling Units.*

Mayor Dahle reported that the above item is a continued public hearing as there were a number of questions that Council Members had and needed further study.

Dan Kemp - 4437 Butternut Road. He explained that he initially thought he would be able to use his property differently. The property has an accessory dwelling unit (“ADU”) and is ideal to rent out, but under the current code, he is not permitted to do that. Mr. Kemp wanted to use the property as it had been designed. The initial proposals City Staff made would have allowed that to occur, but based on the proposed Planning Commission changes, he would still be unable to use his property in this way. He asked Council Members to look at the changes proposed and consider whether it is possible to make allowances for situations like his, where there is a pre-existing ADU.

There were no further comments. **Mayor Dahle closed the public hearing.**

V. *Public Hearing on Proposed Rezone at 6375 South Highland Drive from RM to PO ()*

Carrie Marsh, City Planner, presented the staff report and explained that the proposed rezone is from RM to PO. This property is currently being used as office space under the Salt Lake County remnant zoning that allows for a mix of uses. Ms. Marsh explained that because this is on Highland Drive, staff included an analysis of the Highland Drive Master Plan, Segment C. This identifies the section as a commercial use or a commercial area. While the PO Zone largely addresses that, it is a less intense use than a commercial zone would be. Staff supports the PO Zone considering the fact that the zone will result in a lower impact than a commercial use ultimately would. The application is fairly straightforward with the request to move from RM to the PO Zone. Both staff and the Planning Commission recommend approval.

Council Member Gray wondered why the C-2 Zone is considered to be more appropriate when the PO Zone is essentially designed for this kind of scenario, as the property abuts residential. Ms. Marsh explained that Staff looked at the uses allowed in PO versus a commercial zone. The PO Zone does not involve any retail or commercial uses at all. The Segment C language states that

commercial uses should be grouped together to create a unified use across Highland Drive that is commercial, allows retail, and has a strong economic base. That is a different land use than an office use.

Council Member Brewer asked if it is the frontage on Highland Drive that would feel the bulk of the impact from traffic coming in and out of a more intense use. Ms. Marsh confirmed this. Council Member Brewer pointed out that with this property, there are residences abutting the property and wanted to better understand the impacts. A question was also asked about the location of the hotel and the intensity of the use. Ms. Marsh reported that the ORD Zone is a more intense zone than C-2. Building heights there are 75 feet, but the hotel has a Development Agreement to reduce the height. As a result, that hotel is not meeting the full intensity of the ORD Zone. The C-2 Zone has some of those buffering requirements to account for neighboring residential and the same is true for ORD.

Council Member Gray thought one of the purposes of the PO Zone was to be a buffer between the more intense options because C-2 allows for uses like bars, retail, and restaurants, which can be more disruptive to neighborhoods, even with setbacks in place. Ms. Marsh reported that the PO Zone specifically addresses buffers between residential zones. Most of that is in accordance with setbacks. Different segments of Highland Drive have different intensities and uses contemplated. Since Highland Drive is an intense use, the language contemplates that intense uses should be placed there. Where there are residential properties that back directly up to Highland Drive, there is not enough space to have multiple zones and transition back.

Mayor Dahle opened the public hearing. He reported that an email comment was received that expressed support for the rezone application to the PO Zone.

Dan Gibbons - 6289 S Howie Dr. He explained that his home is near this building, and for six years, he had his law office on the ground floor of this building. He did not think anyone in the neighborhood would object to a rezone to the PO Zone. The Staff Report did not appear to oppose the rezone request and the City Council is not voting on a C-2 application. He was not super comfortable with the way the C-2 references in the Staff Report were intermixed in the Council discussions. Mr. Gibbons believed C-2 would be inappropriate here as this is a shallow property. This building has been a professional office building for decades, so there would be no change to the neighborhood as far as the use if the rezone occurred. He explained that the neighborhood is still shocked about what happened with the hotel property and the ORD Zone. The traffic issue is significant and he does not believe that issue should be exacerbated with a more intense commercial use. Mr. Gibbons reiterated his support for the rezone from the RM Zone to the PO Zone.

Tom Lloyd - 6284 Wrenhaven Lane. He wanted to talk about the possibility of the PO Zone being permanent in the area and commercial not being part of the conversation. He has developed real estate for 45 years, including commercial properties. This is a smaller parcel and commercial uses are not appropriate. In the past, he has dealt with commercial uses next to residential, and there was always a buffer. In this instance, since there is a small and unique site, commercial zones are not acceptable. Mr. Lloyd expressed his support for the rezone to the PO Zone and asked that it not become commercial.

Dan Moss - 6393 Senoma Dr. He agrees with the previous comments shared by Mr. Lloyd and does not have an issue with the PO Zone, but has concerns about commercial.

Mayor Dahle clarified that there is no application for a C-2 rezone. The intention of City Staff was to clarify what the General Plan stated. Both City Staff and the Planning Commission recommended approval of the rezone from the RM Zone to the PO Zone and there is no pending application for a C-2 rezone.

There were no further comments. **Mayor Dahle closed the public hearing.**

VI. *Consideration of Resolution 2024-11 - Approving Christian Larsen as the City Finance Director.*

City Manager, Gina Chamness, asked for the consent of the City Council to appoint Mr. Larsen to this position. During the interview process for this position, she was impressed with his experience, attitude, and enthusiasm. In the short time that he has been working for Holladay, she has also been impressed with his skill and thoroughness. She believes he will fit in well in Holladay and looks forward to the City Council granting their consent.

Council Member Fotheringham moved to APPROVE Resolution 2024-11 – Approving Christian Larsen as the City Finance Director. Council Member Gray seconded the motion. Vote on Motion: Council Member Brewer-Aye; Council Member Durham-Aye; Council Member Fotheringham-Aye; Council Member Quinn-Aye; Council Member Gray-Aye; Mayor Dahle-Aye. Resolution 2024-11 was approved by a unanimous vote.

Following the vote, City Recorder, Stephanie Carlson, administered the Oath of Office for Mr. Larsen.

VII. *Consideration of Resolution 2024-12 - Approving an Interlocal Agreement with Salt Lake County for TRCC Park Improvements*

Assistant City Manager, Holly Smith, reported that the City was successful in securing some funding from the County Tourism, Recreation, Culture, and Convention (“TRCC”) program to install some sports lighting and refurbish some trellis columns in City Hall Park. The Council has previously discussed the issues with the columns and this would replace the fiberglass with some stone columns. The City received \$125,000 and there is a \$30,000 match. Much of the match is coming from the skate park lighting fundraiser that was held last year.

Council Member Brewer moved to APPROVE Resolution 2024-12 – Approving an Interlocal Agreement with Salt Lake County for TRCC Park Improvements. Council Member Fotheringham seconded the motion. Vote on Motion: Council Member Brewer-Aye; Council Member Durham-Aye; Council Member Fotheringham-Aye; Council Member Quinn-Aye; Council Member Gray-Aye; Mayor Dahle-Aye. Resolution 2024-12 was approved by a unanimous vote.

VIII. Consideration of Resolution 2024-13 - Approving an Interlocal Agreement with Salt Lake County on Behalf of the Salt Lake County Health Department for Public Health.

Ms. Smith explained that in January, the City Manager presented an opportunity for the City to apply for a grant program the County was running that was funded through the opioid settlement that occurred nationally. Staff asked the Council whether there was support to submit an application that would allow the City to hire a part-time Public Health Coordinator and set up a public health program through Happy Healthy Holladay. This agreement acknowledges a grant award of \$72,185. There is a local match of \$7,219 that will be put towards the program. This is a one-year program that can be renewed up to two more times.

Since this has an annual renewal and is evidence-based community programming, there will be a lot of data that comes forward to the Council. Ultimately, the City Council can determine whether there is a desire for this to be a permanent position moving forward. Council Member Durham asked for additional details about the renewal. He wanted to know if there would be a judgment in the future about whether or not Holladay is still eligible. Ms. Smith reported that in the agreement, it is written that there can be up to two renewals, so that is built into the award. There will be meetings with the County monthly, so there will likely be a good deal of confidence in the renewal process.

Ms. Smith explained that the funding amount is the total program cost for the full year. It is approximately \$80,000 for one year of a part-time person and a public health program. Once the agreement is signed, that will start the clock for one year. This time next year, there will be an option to renew. If renewal occurs, the City will receive an additional \$72,185. Council Member Gray asked about the criteria for renewal. Ms. Smith reiterated that there will be monthly meetings with the County and the renewal process is built into the awarded grant funding.

Council Member Brewer noted that the intention is to have a part-time employee as opposed to a contractor on a limited basis. Ms. Smith noted that this is similar to what happened when the Arts Council Director was hired. There was a similar program in place then. The person hired in this part-time position will be informed that there is a possibility that after three years the position will no longer exist. It is important to be straightforward about what the different possible outcomes are.

Council Member Durham moved to APPROVE Resolution 2024-13 – Approving an Interlocal Agreement with Salt Lake County on Behalf of the Salt Lake County Health Department for Public Health. Council Member Quinn seconded the motion. Vote on Motion: Council Member Brewer-Aye; Council Member Durham-Aye; Council Member Fotheringham-Aye; Council Member Quinn-Aye; Council Member Gray-Aye; Mayor Dahle-Aye. Resolution 2024-13 was approved by a unanimous vote.

IX. City Manager Report – Gina Chamness.

Ms. Chamness shared updates with the Council. She explained that generally speaking, April is a difficult month for the Parks Department. There has been one resignation and a few medical issues. She asked that there be patience over the next month. All of the weeding and clean out will take place, but it will take time.

Council Member Quinn asked if there are any concerns about runoff this year. Ms. Chamness has not heard a lot of concern so far. There have not been the weekly videos that were received last year about runoff and where it was projected to be, so unless there is a warm-up, she believes the City is in good shape. Council Member Brewer noted that this year has been very different than last year.

X. Council Reports and District Issues.

Council Member Gray reported that Wasatch Front Waste and Recycling and their partner, Momentum Recycling, are expanding food waste recycling to the City in the next few weeks. There will be a mail campaign and door-to-door campaign to allow people to opt into this. It is essentially curbside food waste. One of the reasons Holladay was chosen for the first level of expansion is because Holladay had a high number of residents express interest in this program. There is a lot of excitement about this moving ahead.

Council Member Quinn referenced an article in the Tribune about Rocky Mountain Power. Every year, Rocky Mountain Power is required to publish an update about its 10-year plan. In their most recent update, the coal plants will stay with retirement dates of 2036 and 2042 and there is no longer a plan for any nuclear plants. This news makes the Utah Renewable Communities Program even more important. Council Member Quinn reported that three additional cities are thinking about joining the Utah Renewable Communities Program, which would expand it quite a bit.

Council Member Fotheringham reported that it is budget season for the Unified Fire Authority (“UFA”). He does not believe the number will be astronomical, but it will likely be higher than the City has seen over the last few years. As for Holladay Arts, the dance concert will take place on Monday at 7:00 p.m. at Olympus Junior High School. Last night at the Rotary, there was a speaker who reached out to Legislators and the Governor about the state of the roadways and the amount of pollution on the side of highways. He has been filming YouTube videos and tagging relevant parties. This is proof that a single person can make an impact. The Rotary will volunteer as part of its annual cleanup of Olympus Pines Park on April 20, 2024. He believes the Rotary will come to the City about possibly sharing funding to repair signage.

Council Member Durham shared information about the Tree Committee. For the 14th year in a row, Holladay has been designated a Tree City as part of Tree City USA. That is a reflection of the efforts of the Tree Committee and staff who have undertaken activities to ensure that the city continues to qualify. This Saturday at the library at 10:30 a.m. there is a Tree Talk on forest bathing which is being mindful of the environment. On April 20, 2024, at Morningside Elementary School, there will be an Arbor Day event, which will be student-directed.

Council Member Brewer discussed the Mosquito Abatement meetings. There were conversations had about the marshlands and the fact that there will be a more active year than normal for mosquitos. He suggested that some information be shared on social media that is specific to Holladay. As for the Historical Commission, on May 13, 2024, there will be the Speaker Series event. The month of May is Preservation Month and the Historical Commission will place signs with QR codes throughout the City so residents can scan the code and read historical information about the location. The Commission has a lot of passionate volunteers, but the ordinance only allows for two three-year terms to be served consecutively. Some people would serve longer if it

was possible, but it is not, so there will be three vacancies. He asked those interested to reach out about volunteering.

Mayor Dahle wondered whether that policy should be reconsidered, as it is internal to the City. It does not necessarily make sense to ask passionate volunteers to leave, especially if there are no people who are interested in replacing them. Council Member Durham noted that this has been an issue on the Tree Committee as well. Ms. Chamness explained that it is within the purview of the Council to consider making a change to the current policy in place. She reported that for the Historical Commission, there are planned advertisements that are intended to recruit new members. She does not have a sense of the number of applicants there might be.

Mayor Dahle reported that there was a good meeting about the upcoming Public Service Recognition Week. He explained that all of the First Responders will be celebrated in May and he looks forward to celebrating their service to the City. There will be a breakfast on May 18, 2024, at Station 104.

XI. *Recess City Council in a Work Meeting:*

Council Member Fotheringham moved to RECESS the City Council Meeting and RECONVENE in a Work Meeting. Council Member Quinn seconded the motion. The motion passed with the unanimous consent of the Council.

a. *2024 Legislative Update – Dave Spatafore and Ashley Spatafore.*

Dave and Ashley Spatafore were present to share 2024 Legislative updates with the Council. Mr. Spatafore noted that there are a few bills that will be reviewed with Council Members. The first is House Bill (“HB”) 12, which is impactful for Holladay as it has to do with the RDA. When a project area ends, there are now five years to spend any of the money that is generated from that project area. Starting on May 1, there will be 60 months to use the money

HB-84. Mr. Spatafore reported that the bill takes effect on May 1, but none of the provisions will be hit by that date. Every public and charter school shall have either a school resource office, a private security company, or an armed school guardian while school is in session. Right now, Olympus High and Olympus Jr are covered as well as Bonneville, except when the school resource officer leaves the campus. There needs to be a backup, whether it is a school resource officer or a school guard. Mr. Spatafore clarified that there is no extra cost to cities, as it is not the responsibility of the cities to handle. Chief Hoyal and his staff can help vet who the guardians are and can assist with the training. There are details about this in the statute. While the bill is well-meaning, he explained that it is difficult administratively. However, he does believe that everything will work out well eventually. Mr. Spatafore reiterated that there needs to be a backup person at schools so there is always coverage.

Mayor Dahle wondered whether the schools would need to raise taxes to cover this. Mr. Spatafore confirmed that this is likely. Discussions were had about who can act as a school guardian and the necessary training for that. As for other elements of the bill, Mr. Spatafore explained that every school has to have cameras and those have to be able to be connected to the Police Department in times of emergency. Most schools have cameras now, but those are not connected to first

responders. As for schools built in the past, some were difficult for public safety personnel to use radios inside and were exempt from public safety radio requirements, but that is no longer the case.

HB-488 relates to Transportation Fund Modifications. Mr. Spatafore explained that this provides \$1.23 million to Holladay for Highland Drive between Van Winkle Expressway and Arbor Lane. The bill does some additional things, including the expansion of uses of the fifth quarter.

Ms. Spatafore reviewed various housing bills. There were a lot of tax increment funding tools, so there were more tools available to build and enhance housing. Some of the bills are not directly related to Holladay, because there is a focus on new development. However, it is important to be aware of these bills because the tools are likely to develop and change over time. The first is HB-13, relates to infrastructure financing districts. It is a new tool that will allow for limited bonding authority by developers and property owners. Bonds cannot be paid by property tax and all debts are borne solely by the initial property owners. They cannot be transferred until there is a final inspection and the bonds are paid.

HB-465 has to do with housing affordability revisions. The Moderate-Income Housing Plan will need to include the number of units that were entitled, but not yet permitted. It also will allow RDA funding to be used for owner-occupied units at 121% average median income (“AMI”). RDA housing funds can also be used outside of the city if an Interlocal Agreement is created.

Ms. Spatafore next discussed HB-476 for municipal land use regulation modifications. She noted that City Attorney, Todd Godfrey, looked over this bill. Ms. Chamness stated that there were concerns due to the possibility of the Spring Lane development. The original version of the bill would have created some challenges. Ms. Spatafore shared information about HB-572, which deals with the Public Treasurer Investment Fund. There will be another pot of money for investment in housing.

Ms. Chamness asked that the inspection bill be shared. Ms. Spatafore reviewed SB-185, which is a building inspector bill. The final bill states that the property owner and builder can make a request and if it is not received in three days, they can go to a list from the city of approved third-party inspectors. Ms. Chamness explained that there has been some difficulty finding people who are willing to sign up for that list, because of the timeframes, responsibility, and associated liability.

Mayor Dahle expressed gratitude for those working on behalf of the City and for the updates.

b. *Discussion on Previous Public Hearing.*

Mayor Dahle clarified that during the rezone public hearing, he was trying to inform residents that according to the General Plan, this is probably appropriate for C-2. However, the application is appropriate and is supported by the Planning Commission and staff. Council Member Brewer explained that he wants to understand the difference in impact on the neighborhood between the different zones. Ms. Marsh noted that the setback on the rear is slightly different with C-2 versus the PO Zone. It was reiterated that the current application before the City Council is to rezone from the RM Zone to the PO Zone.

The Council next discussed the proposed amendments to Chapter 13.14.031 – Accessory Dwelling Units. Council Member Fotheringham explained that he spoke to Ms. Chamness earlier about how to approach this matter since there is a different recommendation from staff and the Planning Commission. Ms. Marsh noted that staff understands the intention of the Commission, which is to ensure that neighboring properties are private.

Mr. Teerlink stated that zoning standards, as far as setbacks are concerned, are largely arbitrary. Council Member Fotheringham understood that but pointed out that it is important to have consistency among certain elements. Discussions were had about various setback requirements. Ms. Marsh explained that accessory structures vary in size depending on the total lot coverage, but by nature, accessory structures are intended to be less impactful than the primary structure. A lot of different impacts can still occur with accessory buildings, so it is necessary to think about mitigation. The same kind of approach is taken with ADUs and the impacts specific to those kinds of uses.

Mayor Dahle asked how the language handles internal accessory dwelling units (“I-ADU”). It was noted that this relates to external accessory dwelling units (“E-ADU”). The goal is to do this correctly and not necessarily move it forward quickly. The matrix that was created illustrates what staff recommended and what the Planning Commission recommended. He suggested that the Council start to review the materials and reach a consensus on some of the items.

Council Member Gray noted that this all started with the idea of enabling existing structures. She wondered whether the language focuses on that scenario or new structures as well. Ms. Marsh clarified that it is for new structures as well. The presentation information was reviewed.

Council Member Fotheringham pointed out that the Commission's recommendation was to base this on the number of bedrooms. Ms. Marsh explained that one bedroom is one parking space, two bedrooms is one and a half parking spaces, and so on. Council Member Gray asked for additional information about the different recommendations. Ms. Marsh explained that staff did not put forward changes to the parking, but the Planning Commission wanted to have additional regulations. Council Member Brewer asked how she felt about the recommendation. Ms. Marsh believed it made sense.

Council Member Fotheringham believed lot size could be one of those potential progression elements, where it starts in one place and ends somewhere else. Ms. Marsh explained that this is what the Planning Commission recommended, to start at a quarter acre and see what happens

Mayor Dahle asked for additional details about the property that Mr. Kemp owns. Ms. Marsh explained that his property is just under 8,000 square feet. His property was originally 8,000 square feet, but because of a dedication, it is under that. He is on the corner and there is a detached garage with dwelling unit underneath the garage. Mayor Dahle wondered whether there was a way to cover that kind of issue inside the code language. Ms. Marsh further reviewed the original staff recommendation for this item. Another way to address the minimum lot size is to keep the 10,000 square feet as permitted and lots that are less than 10,000 square feet could be conditional. The Council was supportive of that suggestion.

Discussions were had about setbacks and the recommendations made. Ms. Marsh noted that there could be a similar process with a conditional use permit for a setback that is smaller than 10 feet. Council Member Fotheringham believed there is support for the 10 feet, but the conditional use permit can consider what the ADU overlooks. Properties abutting non-residential uses could have an accessory building that is on a property line or has a 1-foot or 2-foot setback instead of the 10-foot.

The next item was height. Ms. Marsh stated that it would still be possible to build a 20-foot structure, but it would not be possible to have any living space on the upper level of the structure. That meant there could not be an apartment over the garage if this was approved. A lot of time was spent in 2015 determining that number. It is enough to get a gabled upper-level story. There is enough height available so there is bonus space above the garage. Ms. Marsh reiterated that the staff recommendation is 25 feet for ADUs above detached garages. However, the recommendation is to ask for the architectural feature of a pitched roof.

Discussions were had about graduated heights. Mayor Dahle asked about the difference between what was proposed and the graduated height of a primary structure. Ms. Marsh explained that the regular house would be 8 feet and the proposed language would reduce that to 6 feet for an E-ADU. What is proposed essentially ensures that the ADU is not too intrusive to neighbors. Council Member Quinn wondered if the 6-foot graduated height was workable. Mr. Teerlink did not believe it worked architecturally. Additional discussions were had about graduated height requirements and what was proposed by the Commission.

City Attorney, Todd Godfrey, suggested that there be an ordinance with exception standards rather than conditional uses. That will ensure that the ordinance is enforceable and will work long-term. With conditional uses, as long as the issues can be substantially mitigated, then it has to be granted. That could create some issues in the City. Council Member Gray asked whether the same is true for the previous lot size discussions. Mr. Godfrey explained that there will be the same kind of legal issue with something that is conditional.

Ms. Marsh explained that the Planning Commission was not comfortable with converting existing accessory structures. As a result, the proposed standards were not discussed. Council Member Gray wanted to better understand the concerns of the Commission. Ms. Marsh clarified that it has to do with the fact that existing accessory structures might not meet setbacks or other requirements. Discussions were had about the different recommendations and some example scenarios.

Mayor Dahle suggested making updates based on the input received from the City Council and bringing it to the next Work Meeting in order to review the information again. He does not believe there is a rush to take this matter to a vote.

c. *Budget Discussion – Gina Chamness.*

Ms. Chamness presented the chart that was reviewed during the retreat that highlights the slowdown of sales tax growth. There has been tremendous growth since the middle of Fiscal Year 2020, but that has since slowed down. Currently, the City is trending a little bit under the budget for sales tax. Based on the direction received at the retreat, she will hold sales tax steady for the

next budget. She shared a slide to indicate where the CPI has been since the last time the taxes were increased and it will likely end up at about 4% growth.

Ms. Chamness next reviewed the preliminary revenues. Overall, there is approximately \$600,000 in General Fund revenue increases. As for the expenses, some changes are anticipated at this point. There is not a firm number from UFA, but 6.7% has been placed there based on the calculations. She next discussed what is being projected for the UPD increase. That is not a firm number, but the calculated increase is just under \$800,000.

Some additional changes were highlighted. Ms. Chamness reported that for retirement system changes, there is a reduction in the retirement payments made to most employees. It is because the system has grown and is healthier than it was previously. She asked for some guidance on an appropriate cost of living adjustment (“COLA”). What she has included currently is a 4% COLA. Looking at other cities, the range seems to be between 3% and 6% with combined COLA and merit increases. In many cases, merits are automatic.

Discussions were had about how to address the gap between revenue and expenses. Ms. Chamness explained that the Council could look at decreasing the transfer to the Capital Projects Fund. It is also possible to use Fund Balance, but that is not something she recommends. The City can also postpone some studies or other items. A property tax increase is something else to consider. Some cities tie their property tax to their UPD contribution. Discussions were had about tax increases in other cities. Mayor Dahle noted that funding ongoing expenses using the Fund Balance is not the ideal way to operate. Ongoing expenses should be covered with ongoing revenues. Council Members considered whether a property tax increase makes sense, given the UPD transition that has occurred and the slowing sales tax numbers. Mayor Dahle stated that this should be done every few years.

Council Member Gray asked about messaging to the public. Mayor Dahle shared information about the Truth In Taxation process, which includes a lot of education. Council Member Brewer wanted to see where Holladay falls in comparison to other cities. Ms. Chamness noted that 15% would address inflation rates while 10% would close the gap that was previously mentioned. Council Member Fotheringham believed that smaller and more frequent increases are better than larger less frequent ones. There is a lot of information that will need to be shared with residents about this process moving forward.

Ms. Chamness shared information about the 4th of July breakfast. Residents are charged \$5 and that has been the same for a long time. She noted that the cost is much higher and wanted to raise the issue with the Council. Discussions were had about possibly increasing the number to \$10 for adults and \$5 for children. Ms. Chamness asked if the Council was comfortable with a COLA of 4%, which was confirmed.

d. *Calendar*

Council Meetings – April 25, May 2, 9, 16, June 6 and 13, July 11.

The calendar items were reviewed during the Briefing Session.

XII. *Closed Session Pursuant to Utah Code Section 52-4-204 and 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.

XIII. *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 9:56 p.m.

I hereby certify that the foregoing represents a true, accurate, and complete record of the Holladay City Council Meeting held Thursday, April 11, 2024.

Stephanie N. Carlson, MMC
Holladay City Recorder

Robert Dahle, Mayor

Minutes approved: **June 13, 2024**