

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

**Thursday, June 8, 2017
5:30 p.m.
City Hall – Mt. Olympus Room
4580 South 2300 East
Holladay, Utah 84117**

ATTENDANCE

Mayor Rob Dahle
Council Members
Lynn Pace
Sabrina Petersen
Patricia Pignanelli
Mark Stewart
Steve Gunn

City Staff
Gina Chamness, City Manager
Stephanie Carlson, City Recorder
Todd Godfrey, City Attorney - *excused*

1. Call to Order.

Mayor Dahle called the meeting to order at 5:42 p.m. The Mayor reported that an Open House on the proposed Tree ordinance will be held on Tuesday night. Staff will also be present to answer questions. Council Member Stewart suggested that during the Open House, if there is a time when 20 or 30 people are gathered, someone could briefly explain the ordinance.

2. Budget Discussion.

a. Salt Lake County Animal Services – Talia Butler, Rick Graham, Jared Steffey, and Scott Baird.

Mayor Dahle reported that 3½ years ago the Animal Services budget was \$95,000 per year. At that time, he was told that Holladay was not covering their share of the shared costs of service. They reached a compromise to increase the fees each year by 15%, 15%, and 20%. This year the budget item is \$177,000 and they have been told that it will escalate beyond that.

Rick Graham, Deputy Mayor/Chief of Operations for Salt Lake County, hoped they could continue to work together and address the challenges that exist. Mr. Graham introduced Animal Services Director - Talia Butler, Finance Director - Jared Steffey, and Public Works and Municipal Services Director - Scott Baird.

Mr. Graham stated that in previous years, the accounting and way of determining the cost of services provided to municipalities was based on less than the full cost. What has not been charged included much of the administrative expense of the program, which have come from the County's General Fund. A portion of Animal Services will continue to be paid for by the General Fund, particularly many of the educational services. The difference was historically charged to the Municipal Services Fund, which worked well until the Municipal Services Fund became the Municipal Services District (MSD). The District consists of Kearns, Copperton, Magna, White City, Emigration Canyon, and the Unincorporated County. Five of the six entities became metro townships and municipalities with control over their affairs and budgets. Every dollar of sales tax that was coming to the County to provide services to those areas now belongs

to the Municipal Services District which funds the services of the new metro townships. The challenge was that the MSC Fund has been subsidizing the County's Animal Services Fund, which cannot continue.

Mr. Graham explained that they are having a similar conversation with each of their contract cities. They realize the situation is challenging but want to work through the issues and continue to provide the services. They take great pride in the programs they offer and believe they are the standard that other agencies ought to compare themselves to.

Mayor Dahle commented that the City has never questioned the quality of the service but the concern is the affordability of the service going forward. Increasing costs force the City to consider other options such as contracting or partnering with another municipality or service provider.

Council Member Pace remarked that when he began serving on the City Council, animal control services were provided by South Salt Lake City. They ultimately made a change and paid a bit more for services to be provided by the County. He compared animal control services to UFA and UPD, which were separate from the County. He explained that the costs were the same but were allocated differently. Council Member Pace stated that the budget increase on this line item is nearly \$40,000 or a 29% increase. That was of concern to the City because their budget is basically flat. The County's however, is not and the cost is increasing at an unsustainable rate.

Mr. Steffey stated that in 2016 and 2017 they changed their model to go with the per resident cost which is about \$9.63/per resident. That is the fully loaded cost including all administrative services. Beyond that, the increase would be a maximum of 5%.

Council Member Petersen commented that she has only seen one animal control truck in her neighborhood in several years. She stated that the service is not being used by her or her neighbors.

Council Member Pace considered Salt Lake County Animal Control to be the gold standard, but stated that perhaps the City cannot afford the gold standard. He asked if they can choose to pay less and choose their level of service. Ms. Butler explained that the challenge is that allowing flexibility will affect every other participating city. If the City does not have the ability to control costs, they will have look elsewhere. In order to keep Holladay as a customer the County must find a better way to manage costs. Ms. Butler expressed a desire to keep the City's business, but stated that over the past several years, the City has been getting a very good deal. The first year they began serving the City, the rate was \$82,000 and it remained at that rate for four years after which it increased by 5% and 15% the last two years.

Council Member Pace's understanding was that the City's choice was to accept the price proposed by the County with no ability to negotiate a different level of service or find their own provider. He commented that with the UPD contract, the City has a say in how many officers are hired and what level of service to provide.

Council Member Stewart asked if the number of calls received is included in the County's numbers. Mr. Graham stated that it is not. Council Member Stewart agreed that Holladay uses the services less than other cities. He did not think it was fair for their residents to be paying the

same. He also questioned whether citizens are aware that they can get free microchips and vaccinations for their pets. If a gold standard service is available, he wanted the residents to be aware of them. He asked that there be more outreach in the community.

Ms. Butler agreed to report to the City on how many residents get vaccines, microchips, and sterilization each quarter. She felt that those numbers would help the Council see the value. She stated they can also provide information on how much time is spent in the City of Holladay.

Ms. Butler reported that in 2006, they euthanized 3,000 cats at the shelter. Last year they euthanized of less than a total of 300 animals. That was due in large part to the programs they offer. Ms. Butler stated that it costs more to be a no-kill shelter.

Council Member Petersen commented that it appeared that the proposal is exclusively focused on the revenue side and there is not a lot of flexibility on the expense side. Ms. Butler responded that in terms of revenue they have increased the fees, asked all of the contract cities for an increase, and asked for a very large amount from the General Fund this year. On the reverse side, they have not filled eight vacant positions and made a reduction in force. Ms. Butler stated that cuts will need to be made to their budget to avoid going into the negative this year.

Mr. Graham commented that their total costs have more than doubled but they are looking at ways to cut their expenses and be more efficient. Ms. Butler reported that their total budget is approximately \$6 million. They receive \$1.2 million from the General Fund, \$83,000 of which is a pass through, and \$4.7 from their contract cities.

Ms. Butler stated that currently they are doing a year-to-year contract with each city, which is a challenge for them to budget. The community is growing and they are serving more on the south side of the Valley. They would like to expand and provide a regional service. She proposed that the cities consider entering into longer term contracts where the increase is spread further but with a guarantee that they are invested in what they are doing. Council Member Peterson thought that serving on an Advisory Committee would help the contract cities be more involved.

In response to a question raised by Council Member Pace, it was confirmed that the current contract includes a 180-day termination clause. Ms. Butler stated that it is that specific length because they have an exit strategy. The main reason for the 180 days is because their employees are so valuable that they must give them adequate notice when there is to be a reduction in force.

Ms. Butler indicated that every animal that is adopted from the shelter is spayed or neutered. She explained that because every adopted animal becomes the property of the County, they are sterilized. After an animal has been held for five days they become adoptable and are sterilized, vaccinated, and microchipped. Animals are held as long as they are healthy, adoptable, and able to be moved. The average hold time is 10 days. She commented that animals are moved quickly. Ms. Butler explained the difference between an adoption and a rescue. An adoption is when a family adopts a pet from the shelter. A rescue is when an animal is taken by a rescue organization. Enrichment programs offered at the shelter were described and include agility courses, snacks, training, walks, etc.

Mr. Graham stated that they are committed to keeping an open dialog open and will pursue the establishment of an Advisory Board. They made dramatic changes this week and will continue to analyze their budget. They will also look at ways to improve their product and pricing.

Council Member Pace appreciated the work of Salt Lake County Animal Services. He sees no reason for the community as a whole to pay for someone else's choice to adopt an animal. He recommended those services no longer be subsidized. Community wide costs should include services such as picking up dead animals.

Ms. Butler explained that the City is not paying for microchipping, vaccinations, etc. Their non-profit partner, Utah FACES and grant proceeds pay for those services. The City only pays for the service level items. Licensing is paid for by residents and cannot be adjusted by the County. They do not have the ability to adjust licensing as it is in Holladay's ordinance and is also something they cannot refund.

Mr. Steffey confirmed they will prepare a matrix of the fees as well as who has control over them and who pays the subsidy.

City Manager, Gina Chamness, stated that some have referenced the GIS data and asked that be made available on a monthly basis. Ms. Butler commented it would be desirable to pick up more cities. The more cities they service, the lower the cost for everyone.

Ms. Chamness next reviewed lobbying budgets and the budget for Capital Projects. The property tax number is still preliminary, but there are a couple of favorable changes. The Tax Commission's new growth estimate for the City was estimated at \$58,000.

Holly Smith - Grants Coordinator, stated that she and Ms. Chamness have discussed the value of retaining a Lobbyist. She believed there was value to having a D.C.-based Lobbyist, but did not know if their current firm was the right fit for the community. She expressed concern with the there seems to be a re-education process and that she may not understand where the City is headed or what our priorities are. There did not seem to be a sense of urgency to remedy that. Ms. Smith believed they were not getting the support they are paying for and results are minimal. Since the realignment in the Downtown area, there has not been a notable contribution to the community. The City's Grants Team has been bringing in outside funding sources that include \$11 million for 31 projects over the last six years.

Mayor Dahle pointed out that this may not be the best time to pull out of having a Lobbyist in place, but suggested they come up with a number that is appropriate to leave in the budget and then look for a replacement. Ms. Chamness was in favor of contacting other City Managers to inquire about their current Lobbyist situations. Budgeting options were reviewed and it was suggested that \$30,000 would be the budget for this year. Council Member Pace recommended the initial amount be increased to \$40,000.

She reported that street sweeping will occur twice per year rather than the current three times per year, which will result in savings to the City. In Capital Projects, part of the tentative budget included \$35,000 for fire hydrant replacement. Salt Lake City is not moving forward with that project, which will allow an additional \$35,000 to be spent in the Capital Budget. Installation of new street lights had been eliminated. Traffic speed signs versus trailer signs were reviewed.

Council Member Petersen was in favor of the trailer signs and stated that they are more visible. Solar power signage was considered.

A citizen survey was discussed. Ms. Chamness received bids last March for approximately \$15,000 and would like to include them in the budget with the Council's approval. The contractor she recommended would create a pool of residents who could be used for a follow up and for focus group questions at an additional cost of \$3,000 to \$4,000.

City Recorder, Stephanie Carlson, confirmed that there is a need for a City-wide general election at a cost of approximately \$20,000.

Mayor Dahle pointed out that the way the budget reads currently, if they decide to move forward with a food truck park at a cost of \$140,000, it would take the TRCC money and \$53,000 and reduce how far down on the priority list they go on the park. Council Member Petersen confirmed that it would include money left over after completion of the pergola and swing project.

3. Council Reports & District Issues.

Council Member Gunn reported that has asked business owners in the Village Centre if they would be willing to contribute to the summer concert series. They received a good response and Olympus Clinic agreed to contribute \$1,000 and encourage tenants to contribute as well.

Council Member Pignanelli reported that she recently attended the community IHC event. They planned to build a work out ramp in their park and were very complimentary of Holladay City.

Council Member Stewart asked if they had made a decision on the parking in Heughs canyon. Ms. Chamness proposed placing signs on one side of the street.

Council Member Petersen reported that she received an email from Robin Hough regarding parking on Kentucky and Soho. The City is happy to provide enforcement but stated that the problem is that most of the time it is discovered that the violation is caused by either a resident or someone visiting a resident.

4. Calendar.

June 13- Tree Ordinance Open House
June 15- budget adoption
June 15 – RDA meeting & budget adoption
July 6 & 20 – Council meetings
July 4 – Breakfast & Fireworks
July 8 – Concert in the Park

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

6. Adjourn.

Council Member Gunn moved to adjourn. Council Member Petersen seconded the motion. The Council voted in the affirmative and the meeting adjourned at 8:06 p.m.

I hereby certify that the foregoing represents a true, accurate and complete record of the Holladay City Council Work Meeting held Thursday, June 8, 2017.

Stephanie N. Carlson, MMC
Holladay City Recorder

Robert Dahle, Mayor

Minutes Approved: August 3, 2017