MINUTES OF THECITY OF HOLLADAY
CITY COUNCIL WORK MEETING

Thursday, May 14, 2026
5:30 p.m.
City Council Chambers
3330 South 1300 East
Millcreek, Utah

ATTENDANCE:

Paul Fotheringham, Mayor	**City Staff:**
Emily Gray	Gina Chamness, City Manager
Drew Quinn	Stephanie Carlson, City Recorder
Natalie Bradley	Christian Larsen, Finance Director
Matt Durham	
Dave Sundwall	

I. ***Welcome –*** *Mayor Fotheringham.*
Mayor Paul Fotheringham called the City Council Work Meeting to order at 5:30 p.m.

II. ***Overview of Budget - Christian.***
Finance Director, Christian Larsen, reported that he will review the budget document with the City Council. During the Work Meeting, there will be a broad overview provided of the City budget. There will also be a focus on the General Fund Revenues and Expenditures. In addition, there will be a review of some departments within the General Fund, such as Administration, Community Development, Justice Court, and the Attorney's Office.

Mr. Larsen started with a review of the overall budget. The total expenditure that is projected for Fiscal Year 2026-2027 is $50,400,000. The numbers shown for 2023-2025 are all actual numbers, but the numbers for 2026 and 2027 are budgeted numbers. The green bar shown in the presentation document represents the Local Building Authority ("LBA"). In 2026 and 2027, the full cost of the project was budgeted, because there was some uncertainty about the timing of the project. In 2026, the orange bar shown represents the transfer from the Capital Projects Fund to the LBA. He explained that this is an internal transfer and does not indicate the City sending money out to someone else.

The General Fund is the largest fund in the City and it covers all of the regular operations. Mr. Larsen reviewed information about the overall revenue for the City, which is listed as $35 million. This is a significant difference compared to the expenditures of $50 million. The difference is approximately $15 million, but there is approximately $15 million planned to be spent in the LBA for the two major projects: the City Hall renovation and Spring Lane site. Mr. Larsen pointed out some of the major revenue sources for the City. For example, property tax is 24% of the revenue and sales tax is 21%.

Mr. Larsen reviewed personnel changes and explained that this budget contemplates the addition of a City Prosecutor, which was previously a contracted service, and the addition of two part-time Legal Assistants. The total dollar amount of the overall increase is $585,000. He explained that there had previously been a part-time Building Inspector in the budget, but this position has been difficult to fill on a part-time basis. The budget contemplates increasing that to a full-time position. One of the part-time Court Administrator positions is also shown to shift to a full-time position in order to handle the additional workload that has been seen. Mr. Larsen noted that there is a change in the community theater model shown as well. Previously, this involved contract work, but the budget contemplates hiring a seasonal employee rather than contracting out those services. There is also a change shown to Utah Retirement Systems ("URS"). The Tier 1 rates decreased, and the Tier 2 rates increased, but because of the mixture of employees in the City of Holladay, the overall result is a decrease for the URS costs.

There was a change to the health, dental, and vision insurance, with a small increase. In addition, the budget shows some market adjustments. Mr. Larsen reported that there is a Human Resources consultant who performs an analysis of similarly sized communities and looks at the salaries that City of Holladay employees are receiving compared to other communities. Specific positions are targeted to ensure the City remains competitive. He noted that this budget includes a 2.7% cost of living adjustment ("COLA") for all employees. The total amount is $4,375,000, which is a 15.5% increase.

Mr. Larsen reviewed the Fund Balance information with the City Council. In the General Fund, the estimate is that there will be $8,141,000 of unassigned Fund Balance. In the Capital Projects Fund, there was $7.8 million in 2026. In 2027, there is $879,000 budgeted to be used. He explained that certain line items are budgeted each year, but the full dollar amount is not necessarily spent each year.

In the RDA, there is $1.5 million of budgeted use of Fund Balance in 2026. Mr. Larsen explained that there are some affordable housing dollars that need to be spent and there is a specific deadline. He believes that is still on track, but if there is a change, then there will need to be an amendment made. There has been work done on the LBA to solidify the numbers for City Hall and Spring Lane. He would anticipate a small adjustment to the line item as the budget process moves forward.

Information about the Stormwater Fund was shared. Mr. Larsen clarified that this budget does not currently contemplate the stormwater utility increase halfway through the year. He next reviewed information specific to the General Fund. The largest expenditure category relates to law enforcement. He explained that a portion of the UPD contract was reallocated to the Justice Court for the Court Bailiff position. Class C Road Funds is the next largest, shown at $3.5 million, and the Fire Department is next with $3.2 million. There are also Intergovernmental Charges shown.

Mr. Larsen reviewed the charges for services, which include UPD, UFA, and the County contract. The overall increase for UPD is 2.4% or $199,000. In the previous Fiscal Year, there was $100,000 of Precinct Fund Balance appropriated, which offset the member fees that year. This year, that $100,000 that was offset has to be taken into account as well as the percentage increase. There is also a small change in the percentage as far as how the Court Bailiff is allocated between the Justice Court, General Fund, and UPD line items. The UFA change is a 2.11% increase or $67,000. The Salt Lake County Public Works contract is increasing by 10.3% or $311,000. He clarified that the County is doing additional roadwork not done in prior years, so more is being done than in a typical year.

Mr. Larsen highlighted the transfer to the LBA for Debt Service for the 2025 bond. Last year, it was approximately $250,000 and this year it is $492,000. This is because the debt was issued approximately halfway through the year and now there is a full year that needs to be accounted for. He next discussed the lease of this building for City use. After certain discussions, it was determined that it is more accurate and correct to recognize those expenses within the General Fund. Mr. Larsen mentioned the software that went out for a request for proposal ("RFP") that is related to Community Development. Mayor Fotheringham shared comments about the UPD and UFA increases, which include training, inflation, and market adjustments. He was pleased with the lower percentages.

The General Fund Revenue was reviewed. Mr. Larsen reported that property tax and sales tax are the largest revenue sources, but there are also several smaller categories. He shared additional information about sales tax. The blue line shown represents the actuals each month and the red line is the budgeted amount. In Fiscal Year 2026-2027, there is an increase in sales tax revenue of 3.62% budgeted compared to the previous budget. The General Fund Revenue highlights were shared.

Justice Court information was provided to the City Council. Mr. Larsen presented the organizational chart. He pointed out that there is one vacant position, which was previously a part-time position. He shared a breakdown of the costs within the Justice Court Department, with 63% used for salaries and 25% related to charges for service. There is also operations and maintenance listed in this section.
It was noted that the interpreter fees are increasing because there is a certain level of demand. There has been an increase in other languages that are more costly to translate than Spanish. Some of the interpreters needed are not local, so the two-hour minimum must be paid. Additionally, there has been an 18% increase in the volume of cases, so there is a desire to shift from a part-time Judicial Assistant to a position that is full-time. Mr. Larsen reported that the budget contemplates an increase of $8,000 for the translation fees.

It was stated that many of the more expensive translators are needed for Millcreek cases. Council Member Drew Quinn asked if the cities divide the amount equally or if Millcreek covers more of the translation cost. Mr. Larsen explained that the allocation spreadsheet is currently based on the number of cases. For instance, if there are more cases in Millcreek, then that would impact their overall cost. The translation fees are part of the split costs, but the more expensive translator needs are not separated out by area in the spreadsheet. There was additional discussion were had about the translation costs.

Mr. Larsen reviewed the Administration section of the budget document. He reported that Administration includes the City Recorder, Finance Director, Assistant City Manager, Communications Manager, Administrative Assistant, and several other positions. The overall budget for Administration is $1.94 million with 70% going toward salaries and 13% going toward charges for service. He clarified that the charges for service include the Federal Lobbyist and Auditors. The operations and maintenance line item includes software, insurance, and computer hardware. He shared information about reallocation to more accurately represent costs in each of the departments.

City Manager, Gina Chamness, shared information about the Utah Community Clean Energy Program, which was discussed at the last City Council Meeting. Mr. Larsen provided budget information related to Community Development. He explained that the organizational chart shows the addition of a full-time Building Inspector, which was a previously vacant part-time position.

Mr. Larsen shared a graph that looks at the Community Development expenses. In 2027, there is a significant increase in the operations line, which is associated with some software. There are implementation fees associated with that software that are higher. There is also some reallocation of costs from Administration shown. Some of the key changes for Community Development include an $80,000 budget increase in the line item for the Building Inspector and a decrease in Professional Services of $10,000. The decrease is based on the actuals seen in the last few years. The Employee Benefits are increasing by $24,000, and Salaries are increasing by $58,000. Those costs are associated with the addition of a position, COLA, market adjustments, and increases in health insurance. There is also a Computer Software increase shown at $152,000, with much of that relating to the implementation fees. There are also some Miscellaneous changes of $3,900 listed in the budget.

Community and Economic Development Director, Jonathan Teerlink, shared information about the workload for a full-time Building Inspector. There is a lot of activity happening at the mall site. In addition, there has been a decrease seen in the quality of inspection services from contracted inspectors. Some residents do not see the same inspector throughout the lifetime of a project. It would be beneficial to have a full-time Building Inspector who is aware of community concerns and can provide continuity for residents. The City has outgrown the capabilities of the current software. There are many options available, as seen during the RFP process, where there were 16 proposals submitted. It is possible to address security issues and improve workflow. There was discussion about implementation costs as well as future costs associated with the software.

He next discussed the Attorney's Office. The budget contains what was previously a Prosecutor contract within the Justice Court. It is now included in the Attorney's Office section. There are also contracted services with Hayes Godfrey Bell shown. He reported that there is a dramatic increase shown in the budget document, with the green bar representing the addition of the in-house Prosecutor and the Legal Assistants. For the Legal Services contract, there were anticipated increases above the norm in 2026. However, those increases are not anticipated in 2027, which is the reason for the decreased amount that is shown.

Mr. Larsen reported that one of the Legal Assistant positions is currently vacant and has not been filled. The numbers shown in this section of the document might change slightly depending on the candidate that is selected. Mr. Larsen offered to answer Council Member questions about the budget.

Mayor Fotheringham stated the he feels good about the budget overall, especially that there is not a property tax increase proposed this year. It is possible that there might be a property tax increase needed next year, but it is encouraging that one is not needed at this time. Mr. Larsen thanked everyone who has assisted with the budget process so far. There will be additional discussions at future City Council Meetings. Council Members discussed the proposed software referenced in the budget. Mayor Fotheringham mentioned Code Enforcement items and visibility in the new software.

III. ***Discussion on Tentative Budget.***

- ***a. Administration – Gina Chamness.***
- ***b. Community and Economic Development – Jonathan Teerlink.***
- ***c. Justice Court.***
- ***d. Attorney's Office – Gina Chamness.***

The above items were discussed during the presentation on the budget document.

IV. ***Adjourn.***

<u>Council Member Gray moved to ADJOURN. Council Member Quinn seconded the motion. The motion passed with the unanimous consent of the Council.</u>

The City Council Meeting adjourned at approximately 6:25 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 14, 2026.

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Stephanie N. Carlson, MMC
Holladay City Recorder

Paul Fotheringham, Mayor

Minutes approved: **July 16, 2026**