

**NOTICE OF A MEETING OF THE
CITY OF HOLLADAY CITY COUNCIL
THURSDAY, DECEMBER 2, 2021**

PUBLIC NOTICE IS HEREBY GIVEN that the Holladay City Council will hold a Council meeting **Thursday, November 18, 2021 at 5:30 pm** It is possible that a member of the Council will be participating by electronic means. The Council Chambers shall serve as the anchor location.

** Agenda items may be moved in order, sequence and time to meet the needs of the Council*

All documents which are available to the City Council are also available on the City's website or are linked in this agenda. Persons desiring to make public comment or to make comment during any public hearing may provide such comment as follows:

1. Email your comments by 5:00 pm on the date of the meeting to scarlson@cityofholladay.com
2. Live Stream - <http://cityofholladay.com/government/elected-officials/meetings-and-agendas/>

AGENDA

I. Welcome – Mayor Dahle

II. Pledge of Allegiance

III. Public Comments

Any person wishing to comment on any item not otherwise on the agenda may provide their comment via email to the Council prior to 5:00 p.m. on the date of the meeting to scarlson@cityofholladay.com, with the subject line: Public Comment. Comments are subject to the Public Comment Policy set forth below

IV. Audit Report 2021 – Rob Wood, HBME

V. Consideration of Ordinance 2021-29 Amending the Budget for the Fiscal Year Beginning July 1, 2021 and Ending June 30, 2022

VI. Consideration of Ordinance 2021-30 Amending Portions of the City's Adopted Fire Code (Chapt. 9, Chapter 14 & Appendix D)

VII. Consideration of Resolution 2021-37 Adopting the 2022 Meeting Schedule

VIII. City Manager Report – Gina Chamness

IX. District Issues & Board Reports

X. 6:30 pm
Presentation and Recognition for Outgoing Council Member Sabrina Petersen

XI. Adjourn

CITY OF HOLLADAY

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Holladay

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Holladay (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Holladay as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Redevelopment Agency Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and pension schedules on pages 5 through 12 and 49 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary comparison schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

November 17, 2020

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CITY OF HOLLADAY
Management's Discussion and Analysis
Year Ended June 30, 2021

As management of the City of Holladay (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. Please read it in conjunction with the City's financial statements which begin on page 13.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$96,724,902 (\$93,446,664 in 2020) (*net position*), consisting of \$80,225,860 (\$81,525,497 in 2020) net investment in capital assets, \$2,303,263 (\$2,076,442 in 2020) in restricted net position and an unrestricted net position of \$14,195,779 in 2021 (\$9,844,725 in 2020).
- The City's net position increased during 2021 by \$3,278,238 (and by \$1,232,216 in 2020).
- The City's governmental funds reported combined fund balances of \$16,881,040 (\$12,477,438 in 2020). \$14,298,141 (\$12,434,581 in 2020) is either nonspendable, assigned, or restricted as to use, leaving an unassigned fund balance of \$2,582,899 (\$42,857 in 2020).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

- The statement of net position presents information on all the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

All of the City's functions are principally supported by taxes and intergovernmental revenues (governmental activities). The City has no functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

CITY OF HOLLADAY
Management's Discussion and Analysis
Year Ended June 30, 2021

The governmental activities of the City include: general government, public safety, community development, streets and highways, and parks, recreation and culture.

The government-wide financial statements can be found on pages 13-14 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific functions or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are categorized as governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, the redevelopment agency, and the general debt service fund, all of which are considered to be major funds.

The City adopts an annual appropriated budget for its general fund and the redevelopment agency. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets. Budgetary comparisons for the remaining funds can also be found in the supplemental section of these financial statements.

The governmental fund financial statements can be found on pages 15-20 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-46 of this report.

Required Supplemental Information. Information regarding pensions can be found on pages 47-49.

Other Supplemental information. Individual fund schedules can be found on pages 51-52 of this report.

CITY OF HOLLADAY
Management's Discussion and Analysis
Year Ended June 30, 2021

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$96,724,902 at the close of the most recent year (\$93,446,664 as of June 30, 2020.)

As of June 30, 2021, \$80,225,860 (\$81,525,497 as of June 30, 2020) of the City's net position reflects its net investment in capital assets (e.g. land, buildings and improvements, machinery, equipment, vehicles, and infrastructure assets). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position (\$2,303,263 in 2021 and \$2,076,442 2020) represents resources that are subject to external restrictions on how they may be used. *Unrestricted net position* represents net position which may be used to meet the government's ongoing obligations to citizens and creditors as cash is made available through the collection of taxes and other receivables. As of June 30, 2021 the City has unrestricted net position of \$14,195,779 (\$9,844,725 2020).

City of Holladay's Net Position

	2021	2020
Current and other assets	\$ 27,804,346	\$ 22,447,950
Capital assets	85,981,974	89,266,614
Total assets	113,786,320	111,714,564
Deferred outflows of resources	380,915	400,741
Other liabilities	3,359,730	3,514,949
Noncurrent liabilities	5,480,156	7,033,409
Total liabilities	8,839,886	10,548,358
Deferred inflows of resources	8,602,447	8,120,283
Net position:		
Net investment in capital assets	80,225,860	81,525,497
Restricted	2,303,263	2,076,442
Unrestricted	14,195,779	9,844,725
Total net position	\$ 96,724,902	\$ 93,446,664

CITY OF HOLLADAY
Management's Discussion and Analysis
Year Ended June 30, 2021

Governmental Activities

Governmental activities increased the City's net position by \$3,278,238 (\$1,232,216 in 2020). Key elements in the change in net position include:

- Property taxes and other general revenues increased over 2020 by \$3,302,934 (increase of \$590,359 from 2019).
- Program revenues increased over 2020 by \$2,424,000 (decrease of \$1,209,335 over 2019). The largest increase was related to operating grants and contributions, mainly for additional CARES Act funding of \$1,654,016. In addition, charges for services had significant increases for permits and other construction related fees of \$545,681 as residential and commercial construction continue to have strong growth. However, a decrease in capital grants and contributions of \$407,399 mainly from less capital projects and the significant funding received in 2020 for Knudsen Park.
- Expenses increased from 2020 by \$1,256,912 (\$661,282 increase from 2019). Increased amounts for public safety of \$46,976, increase in highways and public improvements of \$1,087,822, increase in community and economic development of \$284,242, and a decrease in parks, recreation and public property of \$54,337.

City of Holladay's Changes in Net Position

	2021	2020
Revenues		
Program revenue:		
Charges for services	\$ 2,128,576	\$ 1,606,507
Operating grants and contributions	5,770,839	3,461,509
Capital grants and contributions	303,067	710,466
General revenues:		
Property taxes	5,214,238	5,074,195
Sales taxes	6,343,512	5,383,337
Franchise taxes	2,417,126	2,440,017
Investment earnings	95,475	287,117
Miscellaneous	93,215	99,966
Total revenues	22,366,048	19,063,114
Expenses:		
General government	2,111,808	2,117,432
Public safety	8,800,881	8,753,905
Highways and public improvements	5,045,972	3,958,150
Community and economic development	2,042,498	1,758,256
Parks, recreation and public property	902,116	956,453
Interest and fiscal charges on long-term debt	184,535	286,702
Total expenses	19,087,810	17,830,898
Change in net position	3,278,238	1,232,216
Net position, beginning	93,446,664	92,214,448
Net position, ending	\$ 96,724,902	\$ 93,446,664

CITY OF HOLLADAY
Management's Discussion and Analysis
Year Ended June 30, 2021

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the 2021 fiscal year, the City's governmental funds reported combined ending fund balance of \$16,881,040 (\$12,477,438 in 2020). In 2021, the City showed a combined unassigned fund balances of \$2,582,899, compared to \$42,857 in 2020. The redevelopment agency fund reports an unassigned deficit fund balance of \$2,866,271 which has arisen primarily from expenditures related to community development. During 2000, an interfund note payable to the capital projects fund was issued to fund these expenditures. As development projects are finished, the increased value of the property within the development areas is expected to generate additional tax revenues that have and are expected to decrease the deficit. The general fund, capital projects fund, and debt service fund all show positive amounts in assigned and unassigned fund balance, which is available for spending at the government's discretion. \$14,298,141 of total fund balance consists of assigned, restricted, or nonspendable fund balance which is not available for new spending because it has already been committed 1) to liquidate contracts of the prior period, 2) to pay debt service, 3) to pay capital improvement commitments, 4) or for a variety of other restricted purposes.

The general fund is the chief operating fund of the City. At the end of the 2021 fiscal year, the unassigned fund balance of the general fund was \$5,373,168 (\$3,602,145 in 2020), which is available help meet current operational needs. Revenues and expenditures remained relatively consistent as compared to 2020 with some increases in tax and grant revenues and increases in expenditures related to grants for general government, public safety, highways, and community development. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. The general fund's unassigned fund balance represents 28.2% of total general fund revenues (22.9% in 2020).

At the end of fiscal year 2021, the capital projects fund had a total fund balance of \$10,883,860 (\$9,812,563, in 2020), which consisted of \$7,107,858 in assigned fund balance, \$3,700,000 in nonspendable fund balance, and the remaining as unassigned. Expenditures included approximately \$976,329 in highways and public improvements and vary by year depending on needs within the City and size of capital projects.

The fund balance in the redevelopment agency special revenue fund increased \$859,722 (\$1,038,242 in 2020). The increase is related to additional tax increment revenue of approximately \$156,000 received from the agency's project areas and expending less than revenues to help reduce the funds deficit fund balance.

The debt service fund balance decreased \$6,059 (\$12,484 in 2020), which was a result of more debt service payments with the addition of the Series 2020 bonds.

CITY OF HOLLADAY
Management's Discussion and Analysis
Year Ended June 30, 2021

General Fund Budgetary Highlights

During the fiscal year, the general fund's budget was amended from an original expenditure budget of \$16,701,375 to a final budget of \$19,192,754, an increase of \$2,491,379. This increase was related primarily to budgeting for increased general government expenditures as well as an increase in transfers for capital project expenditures. The increase was funded from additional taxes, building permit revenues, and intergovernmental revenues, as well as projected use of fund balance reserves.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets as of June 30, 2021 amounts to \$80,225,860, net of accumulated depreciation and related debt (\$89,266,614 in 2020). This investment in capital assets includes land, buildings and improvements, infrastructure, machinery, equipment, vehicles, and office furniture and equipment.

Major capital asset events during the current fiscal year include the following:

- Infrastructure development, vehicles, building improvements, and park projects, all totaling \$396,025.

City of Holladay's Capital Assets (net of depreciation)

	2021	2020
Land	\$ 17,883,431	\$ 18,761,431
Construction in progress	66,852	-
Building and improvements	17,525,559	18,157,886
Infrastructure	50,215,240	52,035,135
Office furniture and equipment	39,923	48,562
Vehicles and equipment	250,969	263,600
Total	<u>\$ 85,981,974</u>	<u>\$ 89,266,614</u>

Additional information on the City's capital assets can be found in Note F on page 32 of this report.

Long-term debt. At the end of the current fiscal year, the City had total long-term debt outstanding of \$6,095,111, including \$5,622,000 in sales tax revenue bonds secured by Class C road funds and sales tax revenues. The City also has outstanding a note payable to Salt Lake County which funded some development expenditures and which had a balance at June 30, 2021 of \$300,000.

As of June 30, 2021, the City had a net pension liability totaling \$55,350, a decrease of \$345,448 from 2020.

CITY OF HOLLADAY
Management's Discussion and Analysis
Year Ended June 30, 2021

City of Holladay's Long Term Debt

	2021	2020
Bonds payable		
Sales tax revenue bonds	\$ 5,622,000	\$ 6,090,000
Tax increment bonds	-	810,000
Plus: amortized premium	12,865	25,730
Total Bonds payable	5,634,865	6,925,730
Capital leases	-	680,889
Note payable	300,000	337,500
Net pension liability	55,350	400,798
Compensated absences	104,896	94,410
Governmental activities long term liabilities	\$ 6,095,111	\$ 8,439,327

The City's bond rating was reviewed in May 2019 in connection with a standard bond surveillance of the revenue bonds. The "AA" rating from Standard and Poor's on its 2011 Sales Tax Revenue and Refunding Bonds was raised and affirmed to "AA+".

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of the taxable value of property within the City. The current limitation for the City is approximately \$177,951,123 and the City currently has no general obligation debt.

Additional information on the City's long-term debt can be found in Note G on pages 33-35 of this report.

Economic Factors and Next Year's Budgets and Rates

Located just 10 miles south of Salt Lake City, in the foothills of the Wasatch Mountains, Holladay offers easy access to the metropolitan region and nearby canyons. It abuts U.S. Forest Service land and is well known for its heavily wooded areas of century old trees. Of the 31,000 people that reside in the City's 8 square miles, about 25% are under the age of 18 and 18% are over the age of 65. The citizens are educated and active in the community. About 78% of households are homeowners in established neighborhoods.

Tradition of fiscal conservatism and cost-conscious operational practices. The City has a small and efficient group of dedicated staff members that continue to provide city services at a high level of service and quality. Additional staff may be needed as programs and services expand to serve a larger population. The City participates in regional negotiates some of the lowest rates for law enforcement and fire protection services in the Salt Lake Valley, but contract costs for these essential services continue to rise. The Holladay City Council and staff remain committed to finding ways to make tax dollars go further while also planning for future needs, including investment in existing infrastructure. As part of the City's twentieth anniversary, the City engaged in a capital and financial planning process, Holladay @20. This process developed recommendations on funding strategies for long term capital needs. In order to fund needed improvements for both neighborhood roads and stormwater infrastructure, the City Council approved a stormwater fee, which will take effect in January of 2022, and increased its property tax rate for 2021-22.

CITY OF HOLLADAY
Management's Discussion and Analysis
Year Ended June 30, 2021

Residency appeal and rise in the building of new homes. The City has many positive features that have solidified its future as a highly desirable place to live in the Salt Lake Valley. With easy access to downtown Salt Lake City, the University of Utah, the southern area of the Salt Lake Valley, and nearby canyons, the City is an enviable area where home values remain strong and the demand to build new homes is on the rise. Over the past few years, the City has seen a substantial increase in requests for building permits. A large portion of new residential construction occurs as infill development or buying existing home lots and then combining the property to build several new homes. This practice will likely continue as large, undeveloped sites are difficult to acquire and rare to find in Holladay.

Holladay Village Project. The City is experiencing significant redevelopment in the Holladay Village area and adjacent block, including both retail, office, and residential development.

Cottonwood Mall Redevelopment Project. The Cottonwood Mall site has transferred ownership to a local developer, and plans are currently underway to develop the site using the existing 2008 site development master plan. This project, known as Holladay Hills, will add additional residential and commercial sites to the City landscape.

In summary, because of the continuation of development, a strong economic base, and a dedicated work force, the City is well equipped for the next decade.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Gina Chamness, City Manager, 4580 S 2300 E, Holladay, Utah 84117.

BASIC FINANCIAL STATEMENTS

CITY OF HOLLADAY
Statement of Net Position
June 30, 2021

	Primary Government Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 16,559,296
Receivables	
Taxes	9,734,478
Intergovernmental	416,439
Other	28,328
Other assets	707,619
Cash and cash equivalents, restricted	358,186
Capital assets not being depreciated:	
Land	17,883,431
Construction in progress	66,852
Capital assets, net of accumulated depreciation:	
Buildings and improvements	17,525,559
Infrastructure	50,215,240
Office furniture and equipment	39,923
Vehicles and equipment	250,969
Total assets	<u>113,786,320</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred loss on refunding	178,751
Deferred outflows related to pensions	202,164
Total deferred outflows of resources	<u>380,915</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	2,605,145
Accrued liabilities	17,173
Accrued interest payable	14,035
Deposits	108,422
Compensated absences	67,590
Bonds payable	509,865
Note payable	37,500
Noncurrent liabilities:	
Compensated absences	37,306
Bonds payable	5,125,000
Note payable	262,500
Net pension liability	55,350
Total liabilities	<u>8,839,886</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred property tax revenue	8,192,566
Deferred inflows related to pensions	409,881
Total deferred inflows of resources	<u>8,602,447</u>
<u>NET POSITION</u>	
Net investment in capital assets	80,225,860
Restricted for:	
Debt service	249,764
Community development - housing	2,053,499
Unrestricted	14,195,779
Total net position	<u>\$ 96,724,902</u>

The accompanying notes are an integral part of this financial statement.

CITY OF HOLLADAY
Statement of Activities
For the Year Ended June 30, 2021

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary Government:					
Governmental activities					
General government	\$ 2,111,808	\$ 1,670	\$ 194,784	\$ -	\$ (1,915,354)
Public safety	8,800,881	510,584	1,581,099	89,357	(6,619,841)
Highways and public improvements	5,045,972	306,396	1,617,088	118,305	(3,004,183)
Community and economic development	2,042,498	1,281,742	2,318,708	-	1,557,952
Parks, recreation and public property	902,116	28,184	59,160	95,405	(719,367)
Interest and fiscal charges on long-term debt	184,535	-	-	-	(184,535)
Total governmental activities	\$ 19,087,810	\$ 2,128,576	\$ 5,770,839	\$ 303,067	(10,885,328)
		General Revenues:			
		Taxes			
		Property taxes			5,214,238
		Sales taxes			6,343,512
		Franchise taxes			2,417,126
		Investment earnings			95,475
		Miscellaneous			93,215
		Total general revenues			14,163,566
		Change in net position			3,278,238
		Net position, beginning			93,446,664
		Net position, ending			\$ 96,724,902

The accompanying notes are an integral part of this financial statement.

CITY OF HOLLADAY
Balance Sheet – Governmental Funds
June 30, 2021

	Governmental Fund Types					
	General	Capital Projects	Special Revenue		Debt Service	Total Governmental Funds
			Redevelopment Agency			
<u>ASSETS</u>						
Cash and cash equivalents	\$ 4,619,297	\$ 7,417,267	\$ 4,043,331	\$ 479,401	\$ 16,559,296	
Receivables						
Taxes	8,682,201	-	1,052,277	-	9,734,478	
Intergovernmental	340,437	76,002	-	-	416,439	
Other	28,328	-	-	-	28,328	
Due from other funds	146,041	-	-	-	146,041	
Interfund note receivable	-	3,700,000	-	-	3,700,000	
Prepaid expenses	707,619	-	-	-	707,619	
Cash and cash equivalents, restricted	108,422	-	-	249,764	358,186	
Total assets	\$ 14,632,345	\$ 11,193,269	\$ 5,095,608	\$ 729,165	\$ 31,650,387	
<u>LIABILITIES</u>						
Accounts payable	\$ 1,285,674	\$ 309,409	\$ 1,010,062	\$ -	\$ 2,605,145	
Accrued liabilities	17,173	-	-	-	17,173	
Due to other funds	-	-	146,041	-	146,041	
Interfund note payable	-	-	3,700,000	-	3,700,000	
Deposits	108,422	-	-	-	108,422	
Total liabilities	1,411,269	309,409	4,856,103	-	6,576,781	
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred property tax revenue	7,140,289	-	1,052,277	-	8,192,566	
Total deferred inflows of resources	7,140,289	-	1,052,277	-	8,192,566	
<u>FUND BALANCES</u>						
Nonspendable	707,619	3,700,000	-	-	4,407,619	
Restricted for:						
Housing projects	-	-	2,053,499	-	2,053,499	
Debt service	-	-	-	249,764	249,764	
Assigned to:						
Capital projects fund	-	7,107,858	-	-	7,107,858	
Debt service fund	-	-	-	479,401	479,401	
Unassigned	5,373,168	76,002	(2,866,271)	-	2,582,899	
Total fund balances (deficit)	6,080,787	10,883,860	(812,772)	729,165	16,881,040	
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 14,632,345	\$ 11,193,269	\$ 5,095,608	\$ 729,165	\$ 31,650,387	

The accompanying notes are an integral part of this financial statement.

CITY OF HOLLADAY
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
June 30, 2021

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - total governmental funds (page 15)	\$ 16,881,040
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	85,981,974
Long-term liabilities, including bonds payable, note payable, capital leases, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(6,039,761)
Deferred loss on bonds payable refundings are not available for current period expenditures and are, therefore, deferred.	178,751
Interest payable is not due and payable in the current period and therefore is not recorded in the funds.	(14,035)
Net pension assets and liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(263,067)</u>
Net position - governmental activities (page 13)	<u><u>\$ 96,724,902</u></u>

The accompanying notes are an integral part of this financial statement.

CITY OF HOLLADAY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	Governmental Fund Types				
	General	Capital Projects	Special Revenue	Debt Service	Total Governmental Funds
			Redevelopment Agency		
REVENUES					
Taxes (pledged as security for bonds)	\$ 13,182,012	\$ -	\$ 262,501	\$ -	\$ 13,444,513
Licenses, fees and permits	1,548,162	210,065	-	-	1,758,227
Intergovernmental	3,569,031	391,894	2,318,708	-	6,279,633
Charges for services	65,851	86,911	-	-	152,762
Fines and forfeitures	512,184	-	-	-	512,184
Miscellaneous	123,254	-	-	-	123,254
Interest on investments	27,785	27,750	39,076	864	95,475
Total revenues	19,028,279	716,620	2,620,285	864	22,366,048
EXPENDITURES					
General government	1,723,718	-	-	-	1,723,718
Public safety	8,684,035	5,000	-	-	8,689,035
Highways and public improvements	2,523,627	-	-	-	2,523,627
Community and economic development	1,076,443	-	1,029,058	-	2,105,501
Parks, recreation, and culture	604,994	-	-	-	604,994
Capital outlay:					
Highways and public improvements	-	976,329	-	-	976,329
Parks, recreation, and culture	-	49,430	-	-	49,430
Debt service:					
Principal	37,500	-	680,889	1,278,000	1,996,389
Interest and fiscal agent fees	6,000	-	34,013	150,812	190,825
Total expenditures	14,656,317	1,030,759	1,743,960	1,428,812	18,859,848
Excess (deficiency) of revenues over (under) expenditures	4,371,962	(314,139)	876,325	(1,427,948)	3,506,200
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	21,755	32,000	843,647	-	897,402
Transfers in	92,260	1,460,436	-	1,421,889	2,974,585
Transfers out	(2,007,335)	(107,000)	(860,250)	-	(2,974,585)
Total other financing sources (uses)	(1,893,320)	1,385,436	(16,603)	1,421,889	897,402
Net change in fund balances	2,478,642	1,071,297	859,722	(6,059)	4,403,602
Fund balances (deficit), beginning of year	3,602,145	9,812,563	(1,672,494)	735,224	12,477,438
Fund balances (deficit), end of year	\$ 6,080,787	\$ 10,883,860	\$ (812,772)	\$ 729,165	\$ 16,881,040

The accompanying notes are an integral part of this financial statement.

CITY OF HOLLADAY
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances – Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities (page 14) are different because:

Net change in fund balances - total governmental funds (page 17)	\$ 4,403,602
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset purchases	396,025
Current year depreciation expense	(2,773,705)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

2,002,679

Accrued pension costs are not reported as an expenditure in the current period for governmental funds but are recorded as an expense in the statement of activities.

167,083

Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(917,446)

Change in net position of governmental activities (page 14)

\$ 3,278,238

The accompanying notes are an integral part of this financial statement.

CITY OF HOLLADAY
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
General Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Taxes	\$ 11,773,213	\$ 12,873,213	\$ 13,182,012	\$ 308,799
Licenses and permits	955,000	1,530,000	1,548,162	18,162
Intergovernmental	2,258,156	3,172,035	3,569,031	396,996
Charges for services	51,700	51,700	65,851	14,151
Fines and forfeitures	725,000	725,000	512,184	(212,816)
Miscellaneous	107,850	107,850	123,254	15,404
Interest on investments	80,000	80,000	27,785	(52,215)
Total revenues	<u>15,950,919</u>	<u>18,539,798</u>	<u>19,028,279</u>	<u>488,481</u>
<u>EXPENDITURES</u>				
General government				
Administrative services	2,193,694	3,157,573	1,472,207	1,685,366
Mayor and city council	185,722	185,722	183,016	2,706
Governmental buildings	101,500	101,500	68,495	33,005
Public safety				
Police	5,203,595	5,203,595	5,203,571	24
Fire and VECC	2,616,564	2,616,564	2,615,814	750
Justice court	804,398	804,398	603,626	200,772
Animal control	261,024	261,024	261,024	-
Highways and public improvements	2,525,000	2,525,000	2,523,627	1,373
Community and economic development				
Economic development	673,163	1,090,663	933,953	156,710
Building and inspection	250,000	250,000	136,335	113,665
Planning commission	6,805	6,805	6,155	650
Parks, recreation, and culture	838,424	948,424	604,994	343,430
Debt service:				
Principal	37,500	37,500	37,500	-
Interest	6,000	6,000	6,000	-
Total expenditures	<u>15,703,389</u>	<u>17,194,768</u>	<u>14,656,317</u>	<u>2,538,451</u>
Excess of revenues over expenditures	<u>247,530</u>	<u>1,345,030</u>	<u>4,371,962</u>	<u>3,026,932</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of capital assets	-	-	21,755	21,755
Transfers in	82,268	82,268	92,260	9,992
Transfers out	(997,986)	(1,997,986)	(2,007,335)	(9,349)
Total other financing sources (uses)	<u>(915,718)</u>	<u>(1,915,718)</u>	<u>(1,893,320)</u>	<u>22,398</u>
Net change in fund balance	<u>\$ (668,188)</u>	<u>\$ (570,688)</u>	<u>2,478,642</u>	<u>\$ 3,049,330</u>
Fund balance, beginning of year			<u>3,602,145</u>	
Fund balance, end of year			<u>\$ 6,080,787</u>	

The accompanying notes are an integral part of this financial statement.

CITY OF HOLLADAY
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Redevelopment Agency
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Taxes	\$ 4,924,869	\$ 4,924,869	\$ 2,581,209	\$ (2,343,660)
Miscellaneous	43,200	43,200	-	(43,200)
Interest on investments	45,000	45,000	39,076	(5,924)
Total revenues	5,013,069	5,013,069	2,620,285	(2,392,784)
<u>EXPENDITURES</u>				
Community and economic development				
Economic development	3,758,235	4,308,235	1,029,058	3,279,177
Debt service:				
Principal	-	687,152	680,889	6,263
Interest	61,000	61,000	34,013	26,987
Total expenditures	3,819,235	5,056,387	1,743,960	3,312,427
Excess of revenues over expenditures	1,193,834	(43,318)	876,325	919,643
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of capital assets	-	843,700	843,647	(53)
Transfers out	(860,250)	(860,250)	(860,250)	-
Total other financing sources (uses)	(860,250)	(16,550)	(16,603)	(53)
Net change in fund balance	\$ 333,584	\$ (59,868)	859,722	\$ 919,590
Fund balance (deficit), beginning of year			(1,672,494)	
Fund balance (deficit), end of year			<u>\$ (812,772)</u>	

The accompanying notes are an integral part of this financial statement.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Holladay (the City) was incorporated under the laws of the State of Utah in November 1999 and operates under an elected Council-Manager form of government. The City's major operations include police and fire protection, parks, public works, community development and general administrative services.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

These financial statements present the City (primary government) and its component units, organizations that are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Blended component units, although legal separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City.

The City's only blended component unit is the Holladay City Redevelopment Agency (RDA). The RDA serves all the citizens of the City and is governed by a board comprised of the City Council. In conformity with generally accepted accounting principles, the financial statements of the RDA have been included in the financial reporting entity as a special revenue fund. The RDA has a June 30 year end. Separate financial statements are not issued for the RDA.

The City did not have any other component units as of June 30, 2021.

Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, parks, streets, community development and general administrative services are classified as governmental activities. The City has no business-type activities as of June 30, 2021.

The government-wide Statement of Net Position is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (public safety, community development, streets, etc.). The functions are also supported by general government revenues (property, sales, franchise, and other taxes). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property, sales, franchise, and other taxes).

The City does not allocate indirect expenses.

Certain eliminations have been made as prescribed by GAAP in regards to interfund activities, payables and receivables. All internal balances, except for interfund advances, in the Statement of Net Position have been eliminated.

The government-wide statements focus on the sustainability of the City in its entirety and the change in the City's net position resulting from current year activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures, or expenses, as appropriate.

The only fund types used by the City are governmental funds.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

The following is a description of the major governmental funds of the City:

- **General fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Capital projects fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities.
- **Redevelopment agency special revenue fund** is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- **Debt service fund** is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The City has four major governmental funds – the General Fund, the Capital Projects Fund, the General Debt Service Fund, and the Special Revenue Redevelopment Agency Fund which is used to account for revenues generated by development projects overseen by the Holladay City Redevelopment Agency.

Basis of Accounting

Basis of accounting refers to the point at which revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual

The government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under this basis, revenues are recognized when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Cash and cash equivalents, and investments

Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. The reported value of the investment fund is approximately the same as the fair value of its shares, in accordance with GASB Statement No. 72, Fair Value Measurement and Application.

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturities that they present insignificant risk of changes in value due to fluctuations in interest rates. Investments with maturities of three months or less when purchased meet this definition.

Restricted cash and cash equivalents

Certain restricted cash and cash equivalents are held for debt service, capital projects and for bonds payable to developers.

Receivables

Receivables consist primarily of taxes, amounts due from other governmental entities and miscellaneous other items. An allowance for doubtful accounts is not considered necessary at year-end.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on these assets is computed using the straight-line method over their estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15 - 40
Infrastructure	30
Office Furniture and Equipment	5 - 10
Vehicles and Equipment	5 - 10

Deferred outflows/inflows of resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price. The City also has deferred outflows relating to pensions as of June 30, 2021.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. The governmental funds report unavailable revenues from property taxes (property taxes which will be levied and collected more than 60 days after year end). This amount is deferred and recognized as an inflow of resources in the period in which amounts become available. The City also has deferred inflows relating to pensions as of June 30, 2021.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is reported on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is reported in the year in which the resources are measurable and become available.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants and donations. Revenue from property taxes is recognized in the year which the taxes are collected because the property taxes are intended to fund activities in the year of collection and not the fiscal year in which they were levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, matching requirements and expenditure requirements. On a modified accrual basis, revenue from a nonexchange transaction must also be available before it can be recognized.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenues – Exchange and Non-Exchange Transactions (Continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: intergovernmental revenue, sales and franchise taxes, charges for services, interest, and other fees.

Property taxes are measurable and susceptible to accrual when they attach as an enforceable lien on the property. They become available when they are due. Amounts that are measurable but not available are recorded as deferred revenue. Property taxes become an enforceable lien on January 1 but are not due until November 30.

Compensated Absences

Accumulated unpaid leave is accrued as incurred based on the years of service for each employee. Time off with pay is accumulated on a monthly basis and is fully vested when earned. Accumulated time off with pay cannot exceed 240 hours for vacation and 100 hours for comp time at the end of any fiscal year and any time off with pay in excess of this amount is forfeited. At retirement, death, or termination, all unpaid accrued time off with pay is paid to the beneficiary. Governmental funds report an expenditure as the vacation is paid or at termination. The current portion is determined by the City to be the portion of vacation pay due employees who terminated prior to year-end. Compensated absences and pension of governmental activities are generally liquidated by the general fund.

The noncurrent portion of these amounts (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

Interfund Activity

Interfund activity is reported as either loans, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and in the government-wide statement of activities, reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable columns for governmental activities. Bond premiums and discounts are deferred and amortized over the life of the applicable debt. In the governmental fund financial statements, bond premiums and discounts are recognized during the current period as other financing sources and uses. The par value of debt issued is also reported in the category with other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the current period.

Fund Balance

GASB Statement No. 54 provided new reporting categories for fund balance in governmental funds as follows:

Nonspendable fund balance. This classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the City Council – the City’s highest level of decision making authority.

Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes but are neither restricted nor committed. The City Council and the City Manager have the authority to assign amounts to be used for specific purposes.

Unassigned fund balance. This fund balance is the residual classification for the General Fund, or negative residual fund balance for other funds.

When both restricted and non-restricted fund balances are available for use, it is the City’s policy to use restricted fund balance first, then non-restricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those non-restricted fund balance classifications can be used.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgetary Control

Annual budgets are prepared and adopted, in accordance with state law, by the Mayor and City Council on or before June 22 for the following fiscal year, beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund and the Special Revenue Fund. Annual budgets are also adopted for Capital Projects and Debt Service funds. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established by activity and purpose within an individual fund. Each department head is responsible to the Mayor and City Council for spending within the budget for their department. All annual budgets lapse at fiscal year-end.

Utah State law prohibits the appropriation of unrestricted General Fund balance until it exceeds 5% of the General Fund revenues. Until unassigned fund balance is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Additionally, Utah State Law prohibits the aggregate amount of unassigned, assigned, and committed fund balance greater than 35% of the current year's actual revenues.

Once adopted, the budget can be amended by subsequent City Council action. The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held to increase total appropriations of any governmental fund. With the consent of the City Manager, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Budgetary information included in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the General Fund, the Redevelopment Agency, Capital Projects Fund and Debt Service Fund are prepared on the modified accrual basis of accounting. Encumbrance accounting is not used by the City.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE B – DEPOSITS AND INVESTMENTS

The City's deposits and investments are governed by the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) and rules of the State of Utah Money Management Council.

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The Money Management Act requires deposits be in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The deposits in the bank in excess of the insured amounts are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. At June 30, 2021, \$1,390,470 was exposed to custodial credit risk as uninsured and uncollateralized.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities.

The Act authorizes investments in both negotiable and nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), and Student Loan Marketing Association (Sallie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; and shares or certificates in a money market mutual fund as defined in the Act.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

The City's investments at June 30, 2021 are presented below:

Investment Type	Fair Value	Investment Maturities (in Years)		Quality Ratings
		Less Than 1	1-5	
Debt Securities				
Public Treasurer's				
Investment Fund	\$ 15,443,631	\$ 15,443,631	\$ -	Unrated
	<u>\$ 15,443,631</u>	<u>\$ 15,443,631</u>	<u>\$ -</u>	

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment.

The City's policy for managing interest rate risk is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City follows the Money Management Act as previously discussed as its policy for reducing exposure to investment credit risk. The City's rated debt investments are presented below:

Investment Type	06/30/21	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt Securities				
Public Treasurer's				
Investment Fund	\$ 15,443,631	\$ -	\$ 15,443,631	\$ -
Total debt securities	<u>\$ 15,443,631</u>	<u>\$ -</u>	<u>\$ 15,443,631</u>	<u>\$ -</u>

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

All of the City's investments at June 30, 2021 were with the Utah Public Treasurer's Investment Fund and therefore are not categorized as to custodial credit risk. Additional information regarding the Utah Public Treasurer's Investment Fund is available at Note C.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer.

The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to between 5 and 10 percent depending upon the total dollar amount held in the portfolio. The Money Management Council limitations do not apply to securities issued by the U.S. government and its agencies.

All of the City's investments at June 30, 2021 were with the Utah Public Treasurer's Investment Fund and therefore are not categorized as to concentration of credit risk. Additional information regarding the Utah Public Treasurer's Investment Fund is available at Note C.

NOTE C – EXTERNAL INVESTMENT POOL

The City invests in the Public Treasurer's Investment Fund (PTIF) which is an external investment pool administered by Utah State Public Treasurer. State agencies, municipalities, counties, and local governments within the State of Utah are allowed to invest in the PTIF. There is no required participation and no minimum balance or minimum/maximum transaction requirements.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Chapter 51-7, Utah Code Annotated, 1953, as amended. The Act establishes the Money Management Council which oversees the activities of the State Treasurer and the PTIF. The Act details the investments that are authorized which are high-grade securities and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participants' balance is their investment deposited in the PTIF plus their share of income, gains and losses, net of administration fees, which are allocated to each participant on the ratio of each participant's share to the total funds in the PTIF.

Twice a year, at June 30 and December 31, the investments are valued at fair value to enable participants to adjust their investments in this pool at fair value. The Bank of New York and the State of Utah separately determine each security's fair value in accordance with GASB 72 (i.e. for almost all pool investments the quoted market price as of June 30, 2021) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2021, the City had \$15,443,631 invested in the PTIF which approximates fair value. The fair value of these investments was \$15,495,404 using a fair value factor of 1.00335237.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE D – RESTRICTED ASSETS AND FUND BALANCE

Cash and cash equivalents have been restricted as of June 30, 2021 for the following purposes and amounts as required by the provisions of the City’s various bond resolutions and other restrictions:

	Restricted Cash and Cash Equivalents	Reported as part of: Fund Balance	Liabilities Payable From Restricted Assets
Sales tax bonds			
Current debt service	\$ 249,764	\$ 249,764	\$ -
Deposits	108,422	-	108,422
Tax increment revenues restricted for use in housing projects	-	1,541,294	-
	<u>\$ 358,186</u>	<u>\$ 1,791,058</u>	<u>\$ 108,422</u>

NONOTE E – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables consist of \$416,439 at June 30, 2021, representing the following: Class C road funds from the State of Utah for the quarter then ended, a reimbursement from another city for road repair work, a reimbursement from another city for justice court work, and another receivable for support.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 is as follows:

	07/01/20	Increases	Decreases	06/30/21
<u>Governmental activities</u>				
Capital assets, not depreciated:				
Land	\$ 18,761,431	\$ -	\$ (878,000)	\$ 17,883,431
Construction in progress	-	66,852	-	66,852
Total capital assets, not being depreciated	18,761,431	66,852	(878,000)	17,950,283
Capital assets, depreciated:				
Buildings and improvements	24,312,185	-	(9,200)	24,302,985
Infrastructure	84,718,512	223,494	-	84,942,006
Office furniture and equipment	565,795	-	-	565,795
Vehicles and equipment	1,321,979	105,679	(86,092)	1,341,566
Total capital assets, depreciated	110,918,471	329,173	(95,292)	111,152,352
Accumulated depreciation:				
Buildings and improvements	6,154,299	624,558	(1,431)	6,777,426
Infrastructure	32,683,377	2,043,389	-	34,726,766
Office furniture and equipment	517,233	8,639	-	525,872
Vehicles and equipment	1,058,379	97,119	(64,901)	1,090,597
Total accumulated depreciation	40,413,288	2,773,705	(66,332)	43,120,661
Depreciable capital assets, net of accumulated depreciation	70,505,183	(2,444,532)	(28,960)	68,031,691
Governmental capital assets, net	<u>\$ 89,266,614</u>	<u>\$ (2,377,680)</u>	<u>\$ (906,960)</u>	<u>\$ 85,981,974</u>
Depreciation was charged to the functions as follows:				
Governmental activities:				
General government				\$ 458,835
Public safety				135,735
Highways and public improvements				1,865,443
Parks, recreation, and culture				313,692
Total depreciation expense - governmental activities				<u>\$ 2,773,705</u>

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE G – LONG-TERM DEBT

Long-term debt consists of the following as of June 30, 2021:

Sales Tax Revenue Improvement and Refunding Bonds, Series 2011, original issue of \$8,935,000, principal due in annual installments beginning May 2012, interest ranges from 2.50 - 3.75% due in semi-annual installments in May and November, with the final payment due May 2032. A portion of these bonds, \$4,930,000, was refunded in 2020 with the issuance of the Series 2020 Sales Tax Revenue Refunding Bonds. Balance includes \$25,730 of unamortized bond premium. \$ 462,865

Sales Tax Revenue Refunding Bonds, Series 2020, original issue of \$5,200,000, principal payments due in annual installments starting in November 2020, interest at 1.68% to 2.13%, with the final payment due November 2031. These bonds were issued to finance the partial refunding of the Series 2011 Sales Tax Revenue Bonds and paying the costs of issuance. Debt service payments will be backed by the General Fund sales tax revenues. 5,172,000

Total tax revenue bonds 5,634,865

Note payable obligation with Salt Lake County, payable in annual installments beginning in 2017 of \$37,500. The note is non-interest bearing until maturity in 2026, at which time there is a balloon payment of \$112,500. 300,000

Compensated absences 104,896

Net pension liability 55,350

Total other obligations 460,246

Total long-term debt, governmental activities \$ 6,095,111

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE G – LONG-TERM DEBT – CONTINUED

The following is a summary of the changes in governmental activities long-term debt for the year ended June 30, 2021:

	07/01/20	Increases	Decreases	06/30/21	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Sales Tax Revenue bonds	\$ 6,090,000	\$ -	\$ (468,000)	\$ 5,622,000	\$ 497,000
Tax Increment Revenue bonds	810,000	-	(810,000)	-	-
Plus: unamortized premiums	25,730	-	(12,865)	12,865	12,865
Total bonds payable	6,925,730	-	(1,290,865)	5,634,865	509,865
Capital leases	680,889	-	(680,889)	-	-
Note payable	337,500	-	(37,500)	300,000	37,500
Net pension liability	400,798	-	(345,448)	55,350	-
Compensated absences	94,410	71,670	(61,184)	104,896	67,590
Governmental activities, long-term liabilities	<u>\$ 8,439,327</u>	<u>\$ 71,670</u>	<u>\$ (2,415,886)</u>	<u>\$ 6,095,111</u>	<u>\$ 614,955</u>

As of June 30, 2021, annual debt service requirements to maturity of governmental activities are as follows:

Year Ending June 30,	Bonds Payable		
	Principal	Interest	Totals
2022	\$ 497,000	\$ 99,192	\$ 596,192
2023	515,000	81,774	596,774
2024	520,000	73,080	593,080
2025	529,000	64,268	593,268
2026	543,000	55,263	598,263
2027-2031	2,861,000	135,114	2,996,114
2032	157,000	1,319	158,319
	5,622,000	\$ 510,010	\$ 6,132,010
Plus: unamortized premium	12,865		
Total Revenue Bonds Payable	<u>\$ 5,634,865</u>		

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE G – LONG-TERM DEBT – CONTINUED

The City has entered into a capital lease agreement under which the related land will become the property of the City when the terms of the lease agreement are met.

Year Ending June 30,	Note payable		Totals
	Principal	Interest	
2022	\$ 37,500	\$ -	\$ 37,500
2023	37,500	-	37,500
2024	37,500	-	37,500
2025	37,500	-	37,500
2026	150,000	-	150,000
	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 300,000</u>

The amortization of compensated absences and net pension liability has not been included in the above schedules due to the uncertainty of the timing of the payments.

NOTE H – PLEDGED REVENUES

In 2011, the City pledged a portion of future sales tax revenues totaling \$11,292,338 to pay debt service on sales tax revenue bonds issued in November 2011. These bonds financed the refunding of the 2004 excise tax bonds and also provided funding for the construction of a fire station. As described in Note G, these bonds were partially refunded and defeased. Sales tax revenues will be committed to the repayment of the new bonds (Series 2020) until November 2031. The revenues are projected to produce approximately 575% of the debt service requirements over the life of the bonds. For the current year, principal and interest paid on the bonds was \$460,100 which equaled the amount of the pledged revenues for the year.

In 2015, the City also pledged future property tax revenues totaling \$3,645,225 to pay debt service on tax increment bonds issued in May 2015. Proceeds from these bonds were used to refinance the 2006 Tax Increment Revenue Bonds Payable. The bonds are payable solely from the incremental property tax revenues generated by the increased property taxes in the economic development area. Incremental property tax revenues were projected to produce 169% of the debt service requirements over the life of the bonds. The incremental property tax revenues from this project area are committed to the repayment of the bonds until December 2020. These bonds were retired during the year with the final payment. For the current year, total incremental property tax revenues were \$2,581,209 of which \$830,250 was used to pay the required debt service on the 2015 bonds.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE I - RETIREMENT PLANS

General Information about the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employees, retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employees, retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

General Information about the Pension Plan (Continued)

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.50%

*with actuarial reductions

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE I - RETIREMENT PLANS - CONTINUED

Contribution Rate Summary: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2021 are as follows:

	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111- Local Governmental Division Tier 2	N/A	15.80%	0.89%
Noncontributory System			
15- Local Governmental Division Tier 1	N/A	18.47%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.69%	10.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 190,572	N/A
Tier 2 Public Employees System	29,680	-
Tier 2 DC Only System	6,474	N/A
Total Contributions	<u>\$ 226,726</u>	<u>\$ -</u>

Contributions reported are the URS Board approved required contributions to the System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE I - RETIREMENT PLANS - CONTINUED

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the City reported no net pension asset and a net pension liability of \$55,350.

	(Measurement Date): December 31, 2020				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2019	Change
Noncontributory System	\$ -	\$ 53,461	0.1042243%	0.1053034%	-0.0010791%
Tier 2 Public Employees System	-	1,889	0.0131314%	0.0174425%	-0.0043111%
Total Net Pension Asset / Liability	<u>\$ -</u>	<u>\$ 55,350</u>			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the year ended June 30, 2021, the City recognized pension expense of \$59,574.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 73,461	\$ 865
Changes in assumptions	2,389	7,062
Net difference between projected and actual earnings on pension plan investments	-	395,897
Changes in proportion and differences between contributions and proportionate share of contributions	5,094	6,057
Contributions subsequent to the measurement date	121,220	-
Total	<u>\$ 202,164</u>	<u>\$ 409,881</u>

\$121,220 was reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2020.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE I - RETIREMENT PLANS – CONTINUED

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (87,477)
2022	(41,622)
2023	(137,519)
2024	(65,181)
2025	555
Thereafter	2,307

Pension Expense, Deferred Outflows and Inflows of Resources by System:

Noncontributory System

For the year ended June 30, 2021, the City recognized pension expense of \$41,173. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 71,722	\$ -
Changes in assumptions	-	6,993
Net difference between projected and actual earnings on pension plan investments	-	390,376
Changes in proportion and differences between contributions and proportionate share of contributions	2,827	5,470
Contributions subsequent to the measurement date	103,484	-
Total	<u>\$ 178,033</u>	<u>\$ 402,839</u>

\$103,484 was reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2020.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE I - RETIREMENT PLANS – CONTINUED

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (86,446)
2022	(40,979)
2023	(136,147)
2024	(64,718)

Tier 2 Public Employees System

For the year ended June 30, 2021, the City recognized pension expense of \$18,402. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,739	\$ 865
Changes in assumptions	2,389	69
Net difference between projected and actual earnings on pension plan investments	-	5,521
Changes in proportion and differences between contributions and proportionate share of contributions	2,267	587
Contributions subsequent to the measurement date	17,736	-
Total	<u>\$ 24,131</u>	<u>\$ 7,042</u>

\$17,736 was reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2020.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE I - RETIREMENT PLANS – CONTINUED

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (1,031)
2022	(643)
2023	(1,371)
2024	(464)
2025	555
Thereafter	2,307

Actuarial assumptions: The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE I - RETIREMENT PLANS – CONTINUED

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Expected Return Arithmetic Basis	
		Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.84%
	Inflation		2.50%
	Expected arithmetic nominal return		7.34%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE I - RETIREMENT PLANS – CONTINUED

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 926,857	\$ 53,461	\$ (674,646)
Tier 2 Public Employees System	31,781	1,889	(20,978)
Total	<u>\$ 958,638</u>	<u>\$ 55,350</u>	<u>\$ (695,624)</u>

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The City participates in the following Defined Contribution Savings Plans with URS:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for the year ended June 30, 2021 were as follows:

	2021	2020	2019
401(k) Plan*			
Employer contributions	\$ 52,207	\$ 51,821	\$ 52,302
Employee contributions	38,886	12,892	1,430
457 Plan			
Employer contributions	-	-	-
Employee contributions	10,141	7,280	6,730
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	3,380	970	1,200

* The employer paid 401(k) contributions include the totals paid for employees in the Tier 2 Defined Contribution 401(k) Plan.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE J – COMMITMENTS

The City has entered into contracts with Salt Lake County for public works services. The contracts of approximately \$2,584,870 for these services expire June 30, 2022.

The City has also entered into a cooperative agreement with several other cities and Salt Lake County to create a governmental entity known as the United Fire Authority (the Authority) to provide for fire and paramedic services for the member cities and the County. The City's estimated share of the operating costs of the Authority for operations from July 1, 2021 through June 30, 2022, is approximately \$2,620,865.

Similarly, the City has entered into a cooperative agreement with several other cities and Salt Lake County to create a governmental entity known as the Unified Police Department to provide police services for the member cities and the County. The City's estimated share of the operating costs of this entity for the period from July 1, 2021 through June 30, 2022 is approximately \$5,589,526.

The City has also entered into a contract with Salt Lake County for animal control services. The contract calls for annual payments of approximately \$267,552 and expires June 30, 2022.

NOTE K – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all of these risks of loss except natural disasters. There were no decreases in coverage during 2021. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Expenses and claims not covered by insurance are recognized when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. Claims information for the past two years is as follows:

	<u>2021</u>	<u>2020</u>
Claims liability, July 1	\$ 51,183	\$ 4,672
Claims incurred during the year and changes in estimates	(27,928)	75,520
Payments on claims during the year:		
Payments made by insurance	<u>(11,685)</u>	<u>(29,009)</u>
	<u>\$ 11,570</u>	<u>\$ 51,183</u>

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE L - INTERFUND RECEIVABLES AND PAYABLES

Individual fund receivables and payables at June 30, 2021, are as follows:

<u>Due to other funds</u>	<u>Due from other funds</u>	<u>Amount</u>
Redevelopment agency	General fund	\$ 146,041
Redevelopment agency	Capital Projects fund	3,700,000
		<u>\$ 3,846,041</u>

The interfund receivables/payables consist of operating funds of \$146,041 loaned between the General Fund and the Redevelopment Agency and a note receivable/payable of \$3,700,000 between the Redevelopment Agency and the Capital Projects Fund. The interfund receivable/payable relates to operating cash temporarily loaned to the fund mentioned above by the General Fund to meet the daily operating cash needs of this fund. The note receivable/payable between the Redevelopment Agency and the Capital Projects Fund was used to support specific capital expenditures and repayment will begin at such time the revenues from a particular economic development area are realized. In the meantime, interest is payable annually at a rate equal to what the City earns on its investments held with the Utah Public Treasurer's Investment Fund.

NOTE M - INTERFUND TRANSFERS

During the course of normal operations, the City has transactions between funds to construct capital assets and to fund debt service requirements.

A summary of interfund transfers by fund is as follows:

	<u>In</u>	<u>Out</u>
General Fund	92,260	2,007,335
Capital Projects Fund	1,460,436	107,000
Redevelopment agency	-	860,250
Debt service	1,421,889	-
	<u>\$ 2,974,585</u>	<u>\$ 2,974,585</u>

NOTE N – DEFICIT FUND BALANCE

The Redevelopment Agency has a deficit fund balance of \$812,772. Management expects tax increment funds to be collected over the next several years which would decrease the deficit and help to repay the interfund payable.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended JUNE 30, 2021

NOTE O - REDEVELOPMENT AGENCY OF THE CITY OF HOLLADAY

The City of Holladay Redevelopment Agency was created in 2006 to increase and develop the commercial growth in a central area of the City, known as the Village Center Project Area and in a second area known as the Olympus Economic Development Project Area. Redevelopment activity began during 2007, with the first tax increment received in 2007.

NOTE P – TAX ABATEMENTS

The City may negotiate property, sales, and transient room tax abatement agreements with local businesses primarily through its RDA and under the state Limited Purpose Local Government Entities Act. Under the Act, the City may authorize a rebate of these taxes through a written development improvement agreement between the City and the developer. The amount of the tax rebate is based on the provisions as stated in the written agreement. The City further approves these rebates through its budget process, adopted annually by ordinance. The purpose of the tax abatements is to promote economic growth within the City.

The City, as of June 30, 2021, has entered into one active abatement agreement with a developer. The developer met their eligibility requirements in previous years by making all the required project area development improvements outlined in the written agreement. The agreement granted the developer 50% of the transient room tax from the constructed hotel and 50% of the sales taxes remitted from the identified project area for 22.5 years. The City obtained a 15-year loan from Salt Lake County at no-interest for \$450,000 to be used by the developer for the improvements. Beginning in year six of the loan, an annual payment of \$37,500 per year through year 15 will be required. In addition, a balloon payment of \$112,500 will occur at the end of year 15. The developer's rebate portion will be reduced by these payment requirements and any excess will be rebated to the developer. If a deficiency in the rebate exists, the developer will be responsible for that deficiency portion.

For the fiscal year ended June 30, 2021, the City abated the following taxes:

	Sales and Transient Room Taxes	Abatement
<u>RDA Project Area Tax Abatements</u>	<u>Abated in 2021 (net)</u>	<u>Expires</u>
Olympus EDA (Millrock) Project Area	\$ 271	2035

NOTE Q – SUBSEQUENT EVENTS

The City established a new Stormwater Fund that will be an enterprise utility fund responsible for the collection of stormwater utility fees and the operation of the City's stormwater infrastructure system.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HOLLADAY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY – UTAH RETIREMENT SYSTEMS
For the Fiscal Year ended June 30, 2021
With a Measurement Date of December 31, 2020
Last 10 Fiscal Years*

	As of December 31,	Proportion of Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
Noncontributory System	2014	0.1046406%	\$ 454,374	\$ 931,693	48.80%	90.20%
	2015	0.1071115%	606,089	948,284	63.90%	87.80%
	2016	0.1142497%	733,623	1,006,751	72.87%	87.30%
	2017	0.1019250%	446,564	868,721	51.40%	91.90%
	2018	0.1055020%	776,888	888,602	87.43%	87.00%
	2019	0.1053034%	396,875	914,214	43.41%	93.70%
	2020	0.1042243%	53,461	99,140	5.75%	99.20%
Tier 2 Public Employees System	2014	0.0000000%	\$ -	\$ 34,041	0.00%	103.50%
	2015	0.0000000%	-	60,687	0.00%	100.20%
	2016	0.0222287%	2,480	182,293	1.36%	95.10%
	2017	0.0189876%	1,674	185,758	0.90%	97.40%
	2018	0.0215773%	9,241	252,026	3.67%	90.80%
	2019	0.0174425%	3,923	242,221	1.62%	96.50%
	2020	0.0131314%	1,889	210,129	0.90%	98.30%

Note:

* This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

*In accordance with paragraph 81.a of GASB 68, the City will need to disclose a 10-year history of its proportionate share of the net pension liability (asset) in its RSI. The City will continue to present information for available years until a full 10-year trend is compiled.

CITY OF HOLLADAY
SCHEDULE OF CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS
For the Fiscal Year ended June 30, 2021
With a Measurement Date of December 31, 2020
Last 10 Fiscal Years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Noncontributory System	2014	\$ 157,348	\$ 157,348	\$ -	\$ 939,821	16.74%
	2015	170,133	170,133	-	944,393	18.02%
	2016	172,793	172,793	-	960,428	17.99%
	2017	163,644	163,644	-	1,599,416	17.96%
	2018	166,133	166,133	-	917,646	18.10%
	2019	165,065	165,065	-	895,788	18.43%
	2020	170,707	170,707	-	924,243	18.47%
	2021	190,572	190,572	-	1,031,793	18.47%
Tier 2 Public Employees System*	2014	\$ 5,339	\$ 5,339	\$ -	\$ 38,167	13.99%
	2015	6,010	6,010	-	40,230	14.94%
	2016	18,284	18,284	-	122,629	14.91%
	2017	27,223	27,223	-	182,583	14.91%
	2018	33,771	33,771	-	223,502	15.11%
	2019	36,076	36,076	-	232,149	15.54%
	2020	39,906	39,906	-	254,829	15.66%
	2021	29,680	29,680	-	187,850	15.80%
Tier 2 Public Employees DC Only System*	2014	\$ 344	\$ 344	\$ -	\$ 6,173	5.58%
	2015	1,581	1,581	-	23,531	6.72%
	2016	1,304	1,304	-	19,488	6.69%
	2017	3,944	3,944	-	58,955	6.69%
	2018	7,016	7,016	-	104,873	6.69%
	2019	4,458	4,458	-	66,641	6.69%
	2020	5,206	5,206	-	77,826	6.69%
	2021	6,474	6,474	-	96,777	6.69%

Note:

This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

CITY OF HOLLADAY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year ended June 30, 2021
With a Measurement Date of December 31, 2020

1. ACTUARIALLY DETERMINED PENSION CONTRIBUTIONS

Contribution rates include an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and an amount for amortization of the unfunded or excess funded actuarial accrued liability over a closed 20-year amortization period. The rates are determined using the entry age actuarial cost method.

Contributions made were in accordance with actuarially computed funding requirements. For contribution rate purposes the actuary evaluates the assets of the plan based on a 5-year smoothed expected return wherein 20 percent of a year's excess or shortfall of expected return is recognized each year for five years.

2. CHANGES IN ASSUMPTIONS

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the total pension liability, which is about 0.50% of the total pension liability of as December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the "Retirement Office" column using the "Reports and Stats" tab.

CITY OF HOLLADAY
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Licenses and permits	\$ 177,000	\$ 177,000	\$ 210,065	\$ 33,065
Intergovernmental	1,622,792	1,622,792	391,894	(1,230,898)
Charges for services	-	-	86,911	86,911
Interest on investments	2,334	2,334	27,750	25,416
Total revenues	1,802,126	1,802,126	716,620	(1,085,506)
<u>EXPENDITURES</u>				
Capital outlay:				
Highways and public improvements	2,666,110	2,976,110	976,329	1,999,781
Parks, recreation, and culture	1,500	301,500	49,430	252,070
Public safety	20,000	20,000	5,000	15,000
Total expenditures	2,687,610	3,297,610	1,030,759	2,266,851
Excess of revenues over expenditures	(885,484)	(1,495,484)	(314,139)	1,181,345
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of capital assets	-	-	32,000	32,000
Transfers in	460,436	460,436	1,460,436	1,000,000
Transfers out	(107,000)	(107,000)	(107,000)	-
Total other financing sources (uses)	353,436	353,436	1,385,436	1,032,000
Net change in fund balance	\$ (532,048)	\$ (1,142,048)	1,071,297	\$ 2,213,345
Fund balance, beginning of year			9,812,563	
Fund balance, end of year			\$ 10,883,860	

CITY OF HOLLADAY
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Debt Service Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Interest on investments	\$ 6,922	\$ 6,922	\$ 864	\$ (6,058)
Total revenues	6,922	6,922	864	(6,058)
<u>EXPENDITURES</u>				
Debt service:				
Principal	950,000	950,000	1,278,000	(328,000)
Interest	478,811	478,811	150,812	327,999
Total expenditures	1,428,811	1,428,811	1,428,812	(1)
Excess of revenues over expenditures	(1,421,889)	(1,421,889)	(1,427,948)	(6,059)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,421,889	1,421,889	1,421,889	-
Total other financing sources (uses)	1,421,889	1,421,889	1,421,889	-
Net change in fund balance	\$ -	\$ -	(6,059)	\$ (6,059)
Fund balance, beginning of year			735,224	
Fund balance, end of year			\$ 729,165	

CITY OF HOLLADAY

ORDINANCE NO. 2021-29

**AN ORDINANCE AMENDING THE BUDGET FOR THE CITY OF HOLLADAY FOR
THE FISCAL YEAR BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022**

WHEREAS, the City Council of the City of Holladay has adopted, by ordinance, the budget for the City for the fiscal year beginning July 1, 2021 and ending June 30, 2022, in accordance with the requirements of the state statute; and

WHEREAS, the City Manager has prepared and filed with the City Recorder a proposed amendment to the adopted budget for consideration by the City Council; and

WHEREAS, said proposed amendment reflects changes in the budget to account for actual revenues received and expenditures incurred, and are related, primarily, to needed increases in the budget for public safety purposes; and

WHEREAS, the proposed amendments have been duly noticed and a public hearing held on November 4, 2021; and

WHEREAS, all conditions precedent to the amendment of the budget have been accomplished; and

WHEREAS, the City Council determines that amending the fiscal year 2021-2022 budget is in the best interest of the health, safety, and welfare of the citizens of the City of Holladay UT.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Holladay, Utah as follows:

Section 1. Budget Amendment Adoption. The budget amendments attached hereto as Exhibit A and made a part of this Ordinance are hereby adopted and incorporated in the budget of the City of Holladay, Utah for the fiscal year beginning July 1, 2021, and ending June 30, 2022, in accordance with the requirements of state law.

Section 2. Certification. The City Recorder is hereby directed to have this Ordinance certified by the City Manager as the City Budget Officer.

Section 3. Effective Date. This ordinance shall take effect immediately upon posting.

PASSED AND APPROVED this 2nd day of December, 2021.

HOLLADAY CITY COUNCIL

By: _____
Robert Dahle, Mayor

CITY OF HOLLADAY
Budget Amendment #1B, 2021-22

	FY 2021-22 Budget	Additional Funds	Amended Budget
General Fund			
<u>Revenue</u>			
One Time Use of Fund Balance		<u>8,155</u>	86,744
<i>Total Revenue Changes</i>		<i>8,155</i>	
<u>Expenses</u>			
UPD Detective/Court Bailiff			
Additional Funds -- UPD (6 month + one time fixed)	-	70,588	70,588
Additional Funds -- Justice Court	40,000	16,156	56,156
Reduction in GF UPD Expenses for Detective Services /Mental Health Response		<u>(78,589)</u>	
<i>Total Expense Changes</i>	<i>40,000</i>	<i>8,155</i>	
ARPA Fund			
<u>Revenue</u>			
Use of ARPA Funds		<u>78,589</u>	
<i>Total Revenue Changes</i>		<i>78,589</i>	
<u>Expenses</u>			
ARPA Funding for 1/2 of 1 Existing Detective/Mental Health Response		<u>78,589</u>	
<i>Total Expense Changes</i>		<i>78,589</i>	

Unified Police Holladay Precinct Mental Health Cases

Year	Total Cases Reported to UPD	Total Cases	Detective Follow-Up Cases	LCSW Follow-Up Cases	Holladay Percentage of Total Cases	Percentage of Holladay Cases for Detective Follow Up
2019	954	102 - Holladay	78 - Holladay	107 - Holladay	11%	76%
2020	690	125 - Holladay	44 - Holladay	130 - Holladay	18%	35%
	2020 -Fewer cases assigned due to Covid					
2021 (1/1-11/15)	703	178 - Holladay	92- Holladay	104 - Holladay	25%	52%
		142 - Midvale	95 - Midvale	79 - Midvale		
		76 - Magna	58 - Magna	57 - Magna		
		222 - Millcreek	108- Millcreek	98 - Millcreek		
		83 - Kearns	55- Kearns	71 - Kearns		
			188- UPD Wide/Regional	166- UPD Wide/Regional		

CITY OF HOLLADAY

ORDINANCE NO. 2021-30

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HOLLADAY AMENDING
PORTIONS OF THE CITY'S ADOPTED FIRE CODE**

WHEREAS, the Fire Marshall for the City of Holladay has recommended certain amendments to the City Code of the City of Holladay to promote better fire prevention and protection within the City; and

WHEREAS, the City Council of the City of Holladay has held a public hearing and now desires to adopt amendments to the City's ordinances relating to provisions of the fire code;

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Holladay, Utah as follows:

Section 1. Amendment. Section 9.76.020 of the City Code of the City of Holladay is hereby amended to read in its entirety as set forth in Exhibit A, attached hereto and incorporated herein by reference.

Section 2. Amendment. Section 9.76.040 of the City Code of the City of Holladay is hereby amended to read in its entirety as set forth in Exhibit B, attached hereto and incorporated herein by reference.

Section 3. Amendment. Section 9.76.050 of the City Code of the City of Holladay is hereby amended to read in its entirety as set forth in Exhibit C, attached hereto and incorporated herein by reference.

Section 4. Amendment. Section 14.12.130 of the City Code of the City of Holladay is hereby amended to read in its entirety as set forth in Exhibit D, attached hereto and incorporated herein by reference.

Section 5. Amendment. Section 14.12.130 Appendix D, Fire Apparatus Access Roads, is hereby amended to read in its entirety as set forth in Exhibit E, attached hereto and incorporated herein by reference.

Section 6. Severability. If any section, part or provision of this Ordinance is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Ordinance, and all sections, parts and provisions of this Ordinance shall be severable.

Section 7. Effective Date. This Ordinance shall take effect upon publication or posting or thirty (30) days after passage, whichever occurs first.

Exhibit A

9.76.020: AMENDMENTS:

A. The city hereby adopts by reference and incorporates herein the amendments to the IFC adopted by the Utah state legislature pursuant to Utah Code Annotated section 58-56-4 enacted in HB 308 (2010 general session).

B. Section 903.4.2 of the IFC is amended to read as follows:

903.4.2 Alarms. Approved audible devices shall be connected to every automatic sprinkler system serving more than 20 fire sprinkler heads. Such sprinkler water flow alarm devices shall be activated by water flow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. Alarm devices shall be provided on the exterior of the building and interior spaces per NFPA 72 in an approved location. With the exception of R-3 occupancies where a fire alarm system is installed, activation of the automatic sprinkler system shall activate the building fire alarm system.

C. Pursuant to Utah Code 15A-1-103 7(a), the city requires an automatic fire sprinkler system for a structure built in accordance with the international residential code as adopted in the Utah construction code when any one of the following conditions exist:

1. The structure:

a. Is located in an urban-wildland interface area as provided in the Utah wildland urban interface code adopted as a construction code under the state construction code; and

b. Does not meet the requirements described in Utah code, subsection 65A-8-203(4)(a) and Utah administrative code, R652-122-200, minimum standards for wildland fire ordinance;

2. The structure is in an area where a public water distribution system with fire hydrants does not exist as required in Utah administrative code, R309-550-5, water main design;

3. The only fire apparatus access road has a grade greater than ten percent (10%) for more than five hundred (500) continual feet;

4. The total floor area of all floor levels within the exterior walls of the dwelling unit exceeds ten thousand (10,000) square feet; or

5. The total floor area of all floor levels within the exterior walls of the dwelling unit is double the average of the total floor area of all floor levels of unsprinklered homes in the subdivision that are no larger than ten thousand (10,000) square feet.

Exhibit B

9.76.040: FEES:

In accordance with IFC section 113, the city adopts the fees for hazardous materials permitting and inspection, fire inspection, fire watch, reinspection-delay in preparation at work site, and blasting permitting as set forth below. All fees as adopted in Appendix C shall be collected by and paid to the unified fire authority (or other fire and emergency services provider for the city) at the time, the permit, inspection, reinspection, or fire watch staffing is requested and shall be a condition for issuance of the permit and scheduling of the inspection, reinspection or fire watch staffing.

Exhibit C

9.76.050: CONTRACT FOR ADMINISTRATION, ENFORCEMENT AND INTERPRETATION:

The city contracts with the unified fire authority for fire code enforcement, administration, code interpretation and fire protection services. In the event of any conflict between the provisions of the applicable fire code and the provisions of any other applicable ordinance, statute, rule or regulation, the more restrictive provisions shall apply.

Exhibit D

14.12.130: PRIVATE ROADWAYS:

A. Width: The width of all private roadways shall consist of a minimum of twenty feet (20') of unobstructed travel surface. Roadways shall be twenty five feet (25') wide where they form cul-de-sacs greater than five hundred feet (500') in length. Short sections may be reduced to preserve trees or other features as approved by the fire department.

B. Surfaces: All surfaces shall consist of an approved design capable of carrying twenty four (24) ton vehicles.

C. Compliance Required: Except as modified by subsections A and B of this section, all private roadways shall comply with the requirements of this chapter and Appendix D: Fire Apparatus Access Roads, as provided by the International Fire Code.

D. Maintenance And Repairs: Each and every owner of any interest in a private roadway shall be jointly and severally responsible for the maintenance and repairs to the roadway. The city shall have no responsibility or liability for the maintenance of or repair to any private roadway. Each private roadway shall be maintained in a manner which allows easy access and passage of emergency vehicles throughout the entire length of the roadway. (1999 Code)

Exhibit E

Section 14.12.130 Appendix D, Fire Apparatus Access Roads

APPENDIX D

FIRE APPARATUS ACCESS ROADS

The provisions contained in this appendix are not mandatory unless specifically referenced in the adopting ordinance or legislation of the jurisdiction.

User note:

About this appendix: Appendix D contains more detailed elements for use with the basic access requirements found in Section 503, which gives some minimum criteria, such as a maximum length of 150 feet and a minimum width of 20 feet, but in many cases does not state specific criteria. This appendix, like Appendices B and C, is a tool for jurisdictions looking for guidance in establishing access requirements and includes criteria for multiple-family residential developments, large one- and two-family subdivisions, specific examples for various types of turnarounds for fire department apparatus and parking regulatory signage.

SECTION D101 GENERAL

D101.1 Scope. Fire apparatus access roads shall be in accordance with this appendix and all other applicable requirements of the *International Fire Code*.

SECTION D102 REQUIRED ACCESS

D102.1 Access and loading. Facilities, buildings or portions of buildings hereafter constructed shall be accessible to fire department apparatus by way of an *approved* fire apparatus access road with an asphalt, concrete or other *approved* driv-

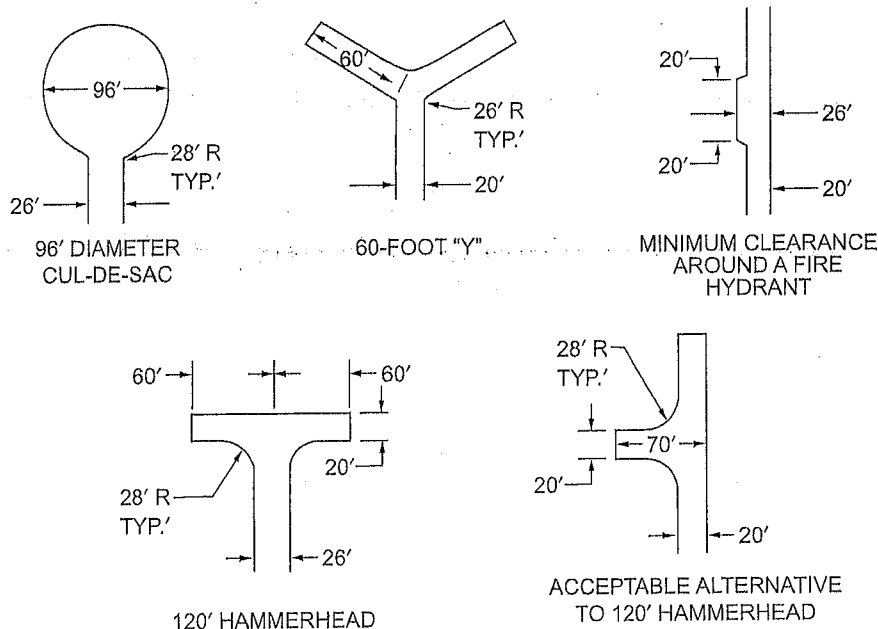
ing surface capable of supporting the imposed load of fire apparatus weighing up to 75,000 pounds (34 050 kg).

SECTION D103 MINIMUM SPECIFICATIONS

D103.1 Access road width with a hydrant. Where a fire hydrant is located on a fire apparatus access road, the minimum road width shall be 26 feet (7925 mm), exclusive of shoulders (see Figure D103.1).

D103.2 Grade. Fire apparatus access roads shall not exceed 10 percent in grade.

Exception: Grades steeper than 10 percent as *approved* by the fire code official.



For SI: 1 foot = 304.8 mm.

FIGURE D103.1
DEAD-END FIRE APPARATUS ACCESS ROAD TURNAROUND

D103.3 Turning radius. The minimum turning radius shall be determined by the *fire code official*.

D103.4 Dead ends. Dead-end fire apparatus access roads in excess of 150 feet (45 720 mm) shall be provided with width and turnaround provisions in accordance with Table D103.4.

TABLE D103.4
REQUIREMENTS FOR DEAD-END
FIRE APPARATUS ACCESS ROADS

LENGTH (feet)	WIDTH (feet)	TURNAROUNDS REQUIRED
0–150	20	None required
151–500	20	120-foot Hammerhead, 60-foot “Y” or 96-foot diameter cul-de-sac in accordance with Figure D103.1
501–750	26	120-foot Hammerhead, 60-foot “Y” or 96-foot diameter cul-de-sac in accordance with Figure D103.1
Over 750		Special approval required

For SI: 1 foot = 304.8 mm.

D103.5 Fire apparatus access road gates. Gates securing the fire apparatus access roads shall comply with all of the following criteria:

1. Where a single gate is provided, the gate width shall be not less than 20 feet (6096 mm). Where a fire apparatus road consists of a divided roadway, the gate width shall be not less than 12 feet (3658 mm).
2. Gates shall be of the swinging or sliding type.
3. Construction of gates shall be of materials that allow manual operation by one person.
4. Gate components shall be maintained in an operative condition at all times and replaced or repaired when defective.
5. Electric gates shall be equipped with a means of opening the gate by fire department personnel for emergency access. Emergency opening devices shall be *approved* by the *fire code official*.
6. Methods of locking shall be submitted for approval by the *fire code official*.
7. Electric gate operators, where provided, shall be *listed* in accordance with UL 325.
8. Gates intended for automatic operation shall be designed, constructed and installed to comply with the requirements of ASTM F2200.

D103.6 Signs. Where required by the *fire code official*, fire apparatus access roads shall be marked with permanent NO PARKING—FIRE LANE signs complying with Figure D103.6. Signs shall have a minimum dimension of 12 inches (305 mm) wide by 18 inches (457 mm) high and have red letters on a white reflective background. Signs shall be posted

on one or both sides of the fire apparatus road as required by Section D103.6.1 or D103.6.2.

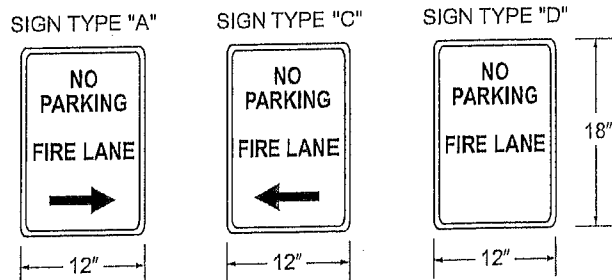


FIGURE D103.6
FIRE LANE SIGNS

D103.6.1 Roads 20 to 26 feet in width. *Fire lane* signs as specified in Section D103.6 shall be posted on both sides of fire apparatus access roads that are 20 to 26 feet wide (6096 to 7925 mm).

D103.6.2 Roads more than 26 feet in width. *Fire lane* signs as specified in Section D103.6 shall be posted on one side of fire apparatus access roads more than 26 feet wide (7925 mm) and less than 32 feet wide (9754 mm).

SECTION D104 COMMERCIAL AND INDUSTRIAL DEVELOPMENTS

D104.1 Buildings exceeding three stories or 30 feet in height. Buildings or facilities exceeding 30 feet (9144 mm) or three stories in height shall have not fewer than two means of fire apparatus access for each structure.

D104.2 Buildings exceeding 62,000 square feet in area. Buildings or facilities having a gross *building area* of more than 62,000 square feet (5760 m²) shall be provided with two separate and *approved* fire apparatus access roads.

Exception: Projects having a gross *building area* of up to 124,000 square feet (11 520 m²) that have a single *approved* fire apparatus access road where all buildings are equipped throughout with *approved automatic sprinkler systems*.

D104.3 Remoteness. Where two fire apparatus access roads are required, they shall be placed a distance apart equal to not less than one half of the length of the maximum overall diagonal dimension of the lot or area to be served, measured in a straight line between accesses.

SECTION D105 AERIAL FIRE APPARATUS ACCESS ROADS

D105.1 Where required. Where the vertical distance between the grade plane and the highest roof surface exceeds 30 feet (9144 mm), *approved* aerial fire apparatus access roads shall be provided. For purposes of this section, the highest roof surface shall be determined by measurement to the eave of a pitched roof, the intersection of the roof to the exterior wall, or the top of parapet walls, whichever is greater.

CITY OF HOLLADAY

RESOLUTION No. 2021-37

**A RESOLUTION ADOPTING THE 2022 ANNUAL MEETING
SCHEDULE FOR THE MUNICIPAL COUNCIL OF THE CITY OF
HOLLADAY.**

WHEREAS, Section 52-4-6 Utah Code requires any public body which holds regular meetings which are scheduled over a course of a year, to give public notice of its annual meeting schedule; and

WHEREAS, the Municipal Council has established its 2022 meeting schedule, attached as Exhibit "A"; and

WHEREAS, formal approval of such meeting schedule is required by Municipal Council rules;

NOW, THEREFORE, BE IT RESOLVED by the Municipal Council of the City of Holladay, Utah, as follows:

- (1) That the 2022 Annual Regular Meeting Schedule attached as Exhibit "A" is adopted.
- (2) That said schedule be published as required by law.

PASSED AND APPROVED this 2nd day of December, 2021.

HOLLADAY CITY COUNCIL

By: _____
Robert Dahle, Mayor

[SEAL]

VOTING:

Matt Durham	Yea ____	Nay ____
Sabrina R. Petersen	Yea ____	Nay ____
Drew Quinn	Yea ____	Nay ____
Paul Fotheringham	Yea ____	Nay ____
Dan Gibbons	Yea ____	Nay ____
Robert Dahle	Yea ____	Nay ____

ATTEST:

Stephanie N. Carlson, MMC
City Recorder

DEPOSITED in the office of the City Recorder this 2nd day of December, 2021

RECORDED this 2nd day of December, 2021

**PUBLIC NOTICE
2022 REGULAR MEETING SCHEDULE
FOR THE CITY OF HOLLADAY**

Pursuant to section 52-4-202(2) of the Utah Code, the City of Holladay hereby gives notice that the Holladay City Council will hold its regular City Council Meetings for the 2022 calendar year on the first and third Thursdays of each month. The regular meetings begin at 6:00 p.m. and are held in the Holladay City Council Chambers located at 4580 S 2300 E, Holladay, UT. A briefing session is held at 5:30 p.m. before each Council meeting in the Mt. Olympus Room at the same address listed above. The Council also meets on the second Thursday of every month for a work meeting beginning at 5:30 pm.

All City Council meetings and work sessions are open to the public unless closed pursuant to Sections 52-4-2044 and 52-4-205 of the Utah Code relative to the applicable provisions of the Utah Open Meetings Act. Special or emergency meetings in addition to those specified may be held as circumstances require. A minimum of 24 hours' notice will be given for such meetings.

In accordance with the Americans with Disabilities Act, the City of Holladay will accommodate reasonable requests to assist the disabled to participate in the meetings. Request for assistance can be made by calling the City Offices at 272-9450 from 8:00 a.m. to 5:00 p.m. Monday through Friday at least 48 hours in advance of the meeting to be attended.

Scheduled regular City Council meeting dates for the 2022 calendar year are as follows:

January 6, 2022	July 7, 2022
January 20, 2022	July 21, 2022
February 3, 2022	August 4, 2022
February 17, 2022	August 18, 2022
March 3, 2022	September 1, 2022
March 17, 2022	September 15, 2022
April 7, 2022	October 6, 2022
April 21, 2022	October 20, 2022
May 5, 2022	November 3, 2022
May 19, 2022	November 17, 2022
June 2, 2022	December 1, 2022
June 16, 2022	December 8, 2022*

* 2nd Thursday

Dated this 2nd day of December, 2021.

BY ORDER OF THE HOLLADAY CITY COUNCIL
Stephanie N. Carlson, MMC
Holladay City Recorder