PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
OCTOBER 14, 2010

Present: **Mayor Dana Williams; Council members, Alex Butwinski, Candace Erickson, Joe Kernan, Cindy Matsumoto, and Liza Simpson**

Tom Bakaly, City Manager; Mark Harrington, City Attorney; Matt Cassel, City Engineer; Michael Kovacs, Assistant City Manager; Bret Howser, Budget Manager; Linda Galindo, Consultant; Kim Leier, Human Resources Manager; and Craig Sanchez, Director of Golf

1. Council questions/comments. Liza Simpson requested an update on the green roof on the garage shell. Joe Kernan commented on his trip to Costa Rica where he is building a house. Cindy Matsumoto stated that she attended the HPB meeting where liaisons were appointed to the Planning Department and the design review team and an award program was also reviewed. She invited the public to attend the Friends of the Library luncheon next week and the Peace House candlelight vigil to be held on October 19 in City Park. Alex Butwinski noted that he attended a Public Art Advisory meeting and a Planning Commission meeting. The Viper event on Main Street was excellent. Candace Erickson relayed that the Historical Society met on October 7 and attendance numbers were discussed. The annual membership Dungeon Party is scheduled on October 29 and will be held at the Elks Lodge. She commented on how well the Holiday Ranch paving project has gone. Mayor Williams spoke about the Play for Change Concert at the Eccles Center and Jim Santy's memorial service.

Matt Cassel updated members on the Bonanza Drive project. The color concrete and planter work is slated for next year but Bonanza Drive will not be closed again. The Comstock Tunnel project was discussed.

2. Guidelines for conducting City Council meetings. Tom Bakaly explained that it is recommended to put meeting practices into writing. If public input is anticipated, he suggested addressing technical issues first and reserving stating policy positions until after public input. If discussion of an item is moved to *Additional Discussion* on the agenda, Mark Harrington suggested making a motion so that the public is noticed that it will be addressed again later in the meeting.

Joe Kernan felt the staff report should be presented first with questions from members, and then take public input, then Council gives input and staff provides additional feedback. He encouraged not expressing too strong of a position, direction or decision until all of the input from members, staff and the public are heard. The steps could be better clarified on the agenda. The Mayor felt meetings are already conducted in that order. Alex Butwinski agreed but felt there is a grey area between technical questions and beginning to form an opinion without the benefit of public input. Liza Simpson acknowledged the importance of receiving public input first but doesn't have an issue with a member explaining his or her opinion on an issue before a full discussion has taken place. She felt Council members are respectful of each other and sometimes change each other's minds during discussion of an item. Often an expressed opinion frames a discussion. Mr. Kernan again described an extra step of conducting a full discussion and hoped a *sentence* could be added to the agenda to remind members of the process. Candace Erickson pointed out that at the point of a final vote; every member has the right to speak. Tom Bakaly advised that the guidelines do not need to be formally adopted.

Mayor Williams acknowledged the proposed time limits for speaking in the recommended guidelines and questioned if they are needed. Mark Harrington explained that it provides Council with the authority to impose time limits in the event there is a disturbance or problem during a meeting. Joe Kernan felt that limits on input may reserve more time for members to deliberate. Candace Erickson recognized that someone could deliberately monopolize a meeting and having time limits in place is a tool to control the situation.

3. Budgeting for Outcomes and Pay Plan philosophy. Bret Howser discussed better utilizing performance measure information. One of the goals of budgeting for outcomes is to link the dollars spent to Council goals and the community vision. The results team is working on a process to strengthen the links and is creating strategy maps identifying key factors in achieving goals. He discussed departments bidding on levels and costing out services. Council will prioritize these services and *purchase the bids* on an annual on-going basis and part of the bids will be performance measures related to that service. New performance measures will be benchmarked with other cities.

By way of example through a PowerPoint presentation, he displayed and explained a strategy map on preserving Park City's character. Mr. Howser clarified that each department will submit a bid for a program associated with a goal or key factor and how it relates on the strategy map. The costs at different levels of service and the performance measures will be provided to Council. At the end of the year, a report will be generated on all of the performance measures included in the bids with comparables. He reiterated the purpose in linking dollars spent to community vision and producing more meaningful performance measures. Mr. Howser felt the process will make the organization more accountable.

Consultant Linda Galindo explained that the experience and success of hosting the 2002 Winter Olympic Games provided an opportunity for the City to focus on a culture of teams and accountability. Today, the City is ready with a culture of teams and accountability to respond to current economic pressures and Council's service level prioritization. It is a shift is from a hierarchical operation and it challenges everyone to consider the big picture and not just their part to ensure Council goals are owned and direction is implemented. Ms. Galindo relayed that an outcome from teams has been a much broader development of employees and the concept of teams and accountability is well established in many organizations. She spoke about an accountability assessment conducted in 2008 with 18 cities in the Utah City Management Association. Park City's results have steadily being increasing between 2003 and 2008 in the areas of personal responsibility, accountability, team, and culture for high performance. Ms. Galindo interpreted the responsibility and accountability scores in the 2010 assessment to mean that the work force is very anxious to own, act on, and answer for results but tend to over-commit. She emphasized the importance of giving clear directives and pointed out that operating at a high performance level is an on-going process. Ms. Galindo described Park City as operating at a Level 3 Team which is self-managed. She felt that teams promote high level performance without a lot of stress.

Michael Kovacs explained that employee engagement is people actively engaged in their jobs; proactively handling problems. He stated that the Gallop Poll shows the national average at 33% and Park City reached 83% in 2008. It dropped to 81% but he felt our culture is in good shape. He discussed the very favorable results of citizen satisfaction surveys which are not typical of other communities. The internal customer service program to evaluate departments was explained. Ms. Galindo believed team evaluations are more broad-based than individual reviews. She felt the team and accountability concept directly relates to service delivery and implementing Council direction.

Tom Bakaly suggested returning to Council on November 11 with an update and in December to prioritize service levels. He suggested reviewing the pay plan after the service level exercise which could occur at Visioning. Bret Howser explained that a matrix will be developed so that basic differences in service levels will be indicated. The 2008 and 2010 surveys were discussed. The differential bonus structure in 2006 for exempt and non-exempt employees was explained; they are now the same. In response to a question from Mr. Butwinski about directing and evaluating self-managed teams, Tom Bakaly explained that performance is based on accomplishing Council's goals. He reviews all evaluations to make sure that the process is working and very rarely interferes. Craig Sanchez explained elements of the Gallop surveys in response to questions from Mr. Butwinski.

Joe Kernan believed most tasks can be measured whether it is done by a team or an individual and some functions are more suited to an individual than a team. Mr. Bakaly spoke about basic duties that employees have to perform, individual competencies, team competencies, and individual goals or areas of development. He explained the concept of 360° reviews and pointed out that each team is different. The team and accountability approach is a long way from the times when managers were all paid the same salary. For the benefit of Cindy Matsumoto, it was clarified that employees aren't over-committing because of lack of resources. Tom Bakaly spoke about over-seeing teams. Kim Leier explained that in recent years the City Engineer, Planning Director, and Chief of Police positions were filled but there hasn't been an increase in employee turn-over.

Mr. Kernan emphasized that Park City's average cost per employee is growing much faster than the national average which he hopes is appreciated. He referred to the City Manager's recommended budget last year where every extra dollar in the operating budget was going to additional personnel costs, which is a huge commitment. The Council reduced costs but it is a huge commitment to maintain the pay plan philosophy. Candace Erickson expressed her initial uncertainty about the team concept but felt it has gone better than she expected and overall has been pretty impressive. Cindy Matsumoto asked if employees have been surveyed about teams. Craig Sanchez explained that it was included in the employee engagement questions and Tom Bakaly recalled that employees were clear about teams and held them accountable. Liza Simpson believes this approach provides flexibility and has its benefits but there are some departments were the hierarchical system is more appropriate. Joe Kernan believed that teams can also improve individual performance and have a lot of value.

Alex Butwinski suggested conducting the pay plan discussion first or on a parallel track with service levels. The pay plan is more important to him than the methodology to implement the philosophy and some of Mr. Kernan's points should and can be addressed. The discussions should begin sooner rather than later. Cindy Matsumoto agreed. She recalled that adjustments to the pay plan were made as a part of the budget adoption including a decrease in bonuses from 6% to 4% and a cap of 5% every six months. At the time, she expressed that she wouldn't feel comfortable proceeding into the next review period without a detailed discussion of the pay plan.

Ms. Erickson stated that today's discussion is not what she envisioned for the pay plan. The City Manager explained that the adopted personnel policies include the 5% per six months bonus cap. Joe Kernan expressed his concern in delaying the review of the pay plan. Mr. Bakaly stated that his recommendation is not to do a pay plan this year but to award a 2% raise on July 1 to keep up with the market. It's going to be extremely difficult to formulate a pay plan by spring. Liza Simpson stated that she is uncomfortable changing the pay plan until service levels are set but is willing to have a philosophical discussion covering Mr. Kernan's questions. She favored giving the 2% and not doing a pay plan this year. Alex Butwinski felt the discussions should begin now and disagreed that service levels need to be set first. The City Manager suggested beginning with determining the appropriate formula (i.e., average of top five cities) for level of pay. Ms. Erickson expressed her concern that bonuses and/or raises are expected on a regular basis. There are certain jobs that are simply not worth paying more money.

Tom Bakaly suggested keeping the pay plan flipped and providing the 2% this year. A new policy could be implemented the following year. Members agreed that discussions on the pay plan should be regularly scheduled.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
OCTOBER 14, 2010

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, October 14, 2010. Members in attendance were Dana Williams, Alex Butwinski, Candace Erickson, Joe Kernan, Cindy Matsumoto, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Janet Scott, City Recorder; Jon Weidenhamer, Economic Development Manager; Francisco Astorga, Planner; and Mark Harrington, City Attorney.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Main Street event closures - The Mayor understood that some merchants on Park Avenue are concerned about the scope of street closures not providing access to their businesses and attracting patrons. Andy Beerman explained that PCHA is aware of the issue but felt it was inappropriate to bring up the Main Street Halloween application at such a late date. He assured members that it is a topic that will be addressed by the group.

III PUBLIC INPUT *(Any matter of City business not scheduled on agenda)*

None.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF SEPTEMBER 23 AND 30, 2010

Alex Butwinski noted that Brian VanHecke's letter is not made a part of the September 30, 2010 minutes. The City Recorder advised that it was read off of a cell phone and a written letter was not submitted. Liza Simpson, "I move we approve the work session notes and minutes of the meetings of September 23 and 30, 2010". Joe Kernan seconded. Motion unanimously carried.

Liza Simpson referred to comments made in the September 30 work session notes regarding taxi regulation where the Legal Department agreed to investigate a longer waiting period for issuing a license. Mark Harrington explained that the task force understood that the amendment would have to be based on a health, safety and/or actual processing need and reason. Because taxi licenses average ten days to process, imposing a 90 day waiting period is not recommended.

V NEW BUSINESS *(New items with presentations and/or anticipated detailed discussions)*

1. Consideration of a Contract with Design Workshop for Phases III – V of the Lower Park Avenue Redevelopment Authority Action Plan to be shared with the Park City Redevelopment Agency, in the amount of $57,618, in a form approved by the City Attorney – Jon Weidenhamer described the history of the lower Park Avenue Redevelopment Agency and the phases of the project. The City owns property in the area and it is intended to work with adjacent private property owners to accomplish goals articulated by Council members. Phase 3 includes a market analysis and Phase 4 is a carrying capacity study; both are potential components of other plans. Phase 5 is an overall wrap-up of the prior four elements, including a redo of Phase 1, the project list. An internal team reviewed the proposals and recommends the award to Design Workshop. The funding source is split between the City and the RDA.

The Mayor acknowledged that only two bids were submitted and asked why the more expensive one is being recommended by staff. Mr. Weidenhamer responded that Design Workshop worked on Phase 1 and its methodology and project approach seemed more effective in setting the ground work for the market analysis. The other bidder lacked experience in resort economies. Candace Erickson questioned the task described as *diversifying the resort economy*. Jon Weidenhamer explained that it is an attempt to ensure that the same types of resort businesses are not competing against each other or are not redundant because of location. Alex Butwinski asked about participation from Park City Mountain Resort which was suggested in an earlier work session, and Mr. Weidenhamer stated that he did not pursue a partnership. The Mayor invited public input; there was none.

Liza Simpson, "I move we approve a contract with Design Workshop for Phases 3 through 5 of the Lower Park Avenue RDA action plan to be shared with the Park City Redevelopment Agency in the amount of $57,618, in a form approved by the City Attorney". Cindy Matsumoto seconded. Motion unanimously carried.

2. Consideration of an Ordinance for The Deer Valley Place Condominiums Record of Survey Plat located at 601-603 Deer Valley Drive, Park City Utah – Francisco Astorga explained that the project includes non-conforming elements relating to parking, access, retaining walls and landscaping which all have been addressed in the conditions of approval. In response to a question from Liza Simpson, the City Attorney stated that Condition No. 6 has been rewritten so it is clearer. The Mayor opened the public hearing and with no comments, closed the hearing. Joe Kernan, "I move we approve New Business Item No. 2". Liza Simpson seconded. Motion unanimously carried.

3. Consideration of an Ordinance for The Retreat on Deer Valley Drive Condominiums Record of Survey Plat located at 605-607 Deer Valley Drive, Park City, Utah – Francisco Astorga stated that the application was previously named *The Lofts* but the name had already been taken and the project has been renamed *The Retreat*. He pointed out the similar findings of fact, conclusions of law, and conditions of approval as written for Item 2. The Mayor opened the public hearing and hearing no comments,

closed the public hearing. Joe Kernan, "I move we approve New Business Item No. 3". Candace Erickson seconded. Motion unanimously carried.

VI ADDITIONAL DISCUSSION – AGENDA ITEMS

None.

VII ADJOURNMENT

With no further business, the regular meeting of the City Council was adjourned.

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 12:30 p.m. Members in attendance were Mayor Dana Williams, Alex Butwinski, Candace Erickson, Joe Kernan, Cindy Matsumoto, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Karin Hobbs, Consultant, Tom Daley, Deputy City Attorney; Jon Weidenhamer, Economic Development Manager; Bret Howser, Budget Manager; Joan Card, Environmental Regulatory Affairs Manager, Diane Foster, Sustainability Manager; Michael Kovacs, Assistant City Manager; Kathy Lundborg, Water Manager; Jason Christensen, Legal Intern; and Mark Harrington, City Attorney. Liza Simpson, "I move to close the meeting to discuss personnel, property and litigation ". Cindy Matsumoto seconded. Motion carried unanimously. The meeting opened at approximately 4 p.m. Liza Simpson, "I move to open the meeting". Candace Erickson seconded. Motion unanimously carried.

The meeting for which these minutes were prepared was noticed by posting at least 24 hours in advance and by delivery to the news media two days prior to the meeting.

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