PARK CITY COUNCIL WORK SESSION MINUTES
SUMMIT COUNTY, UTAH
JUNE 14, 2012

Present: **Mayor Dana Williams; Council members Andy Beerman; Alex Butwinski; Cindy Matsumoto; Dick Peek; and Liza Simpson**

Tom Bakaly, City Manager; Mark Harrington, City Attorney; Hugh Daniels, Emergency Preparedness Program Manager; Jed Briggs, Budget Program Manager; Clint McAffee, Water Manager; and Heinrich Deters, Trails Coordinator

Fire Chief Paul Hewitt, Bryce Boyer, National Resources Division of State Forestry, and Cheryl Fox, Summit Lands Conservancy Director

1. Emergency Management Program and Wildland Urban Interface Projects. Hugh Daniels explained that this is the fifth year of the EMP and believes the City is in a good position. The recent Utah Shakeout was helpful because all departments and staff participated and the Emergency Operations Center conducted a training exercise. He was pleased with the event and discussed educating the public about the City's emergency plan when there is a disaster. The City has accomplished a lot over the years with the support of the City Council and grant funding. The Mayor felt the public relations component is very important, specifically relating to personal responsibilities.

Mr. Daniels emphasized that all of Summit County is considered a wildland urban interface area. The City has been working with the County, Fire District and State to reduce risks and to view this as a regional issue. There have been four fires this year in Summit County, exceeding the total for last year. He spoke about the impact of wildfires on tourism; it took Yellowstone about seven years to recover. Educating the public was again discussed and the Building Department is reviewing codes to prevent risks. All three resorts will be meeting with the working group in a couple of weeks. The potential of using snow making equipment to fight fires will be considered as well as using ski trails as fire breaks. A video will be produced for the community to help disburse information, several chipping programs are in place, and another possible program is working with landscapers.

Fire Chief Paul Hewitt emphasized that even with all precautions in place; we still live in a very dangerous area for fire. The most important step is educating citizens, especially with regard to evacuations and fire-watch. He spoke about firework restrictions this year and encouraged the media to get the word out. Bryce Boyer reported that the state-wide fire restrictions are in place. The County spent about $200,000 on fire suppression in 2007 and has been working with the County in anticipation of a year like 2007.

In response to a question from Alex Butwinski, Chief Hewitt advised that landscaping should be 30 feet from a structure and discussed fire-wise landscaping. Mr. Boyer commented helping communities cut fire breaks. Andy Beerman felt it may be helpful to talk to Sun Valley about its wildfire experience and working with the resort. Mr. Daniels indicated that he didn't but has been working with Deer Valley and PCMR about utilizing snow making systems, but it could take up to day to get them on line. All three resorts have never met together with the emergency management team.

2. Outstanding budget issues. Clint McAffee spoke about better identifying operations in the Water Fund, providing more structure in the department and hiring a water quality analyst and superintendent. He recommends an internal recruitment for the water quality position and the superintendent an open recruitment. Cindy Matsumoto felt the Thaynes Canyon neighborhood should be advised of the water quality hire. Discussion ensued on salaries. On the CIP side, Mr. McAffee stated that asset replacement was added for the Quinns Water Treatment Plant and the water quality program funding was decreased to help fund the water quality position.

In response to questions from Alex Butwinski, Nate Rockwood explained that there was $200,000 in 2012 and 2013 and the final recommended budget, the 2013 budget has been reduced by $50,000 and the project extended out until 2017.

Jennifer Danowski clarified that the interfund transfer charges enterprise funds for internal services provided by departments like IT, HR, Legal, Budget, etc. It was pointed out that the large number of employees in transit impacts the level of service support.

Nate Rockwood outlined changes to the CIP. The Mayor emphasized that although projects are identified, like all phases of Downtown Improvements, the outcome is dependent on other sources of income or unforeseen events. Mr. Bakaly explained that a CIP is required and it is usually a five-year strategy.

Alex Butwinski expressed concerns about OTIS being pushed out another ten to twelve years when it should have been completed by now. He struggles with prioritizing open space over OTIS. Plans have a way of becoming expectations and the proposed CIP does not work for him. Making adjustments when deficits occur was discussed. Dick Peek shared Mr. Butwinski's concerns on deferring OTIS projects. Mr. Bakaly clarified that there are a couple of big OTIS projects upfront but the scope decreases into the future. The schedule can be adjusted and a work session arranged to talk about OTIS further. Cindy Matsumoto asked if reconstructed streets are included in the regular paving program once rebuilt and Nate Rockwood stated he will confirm this practice.

Alex Butwinski did not feel that funding should be driving OTIS and much of the work is based on the engineer's estimate of remaining life cycle. He felt that the City is not living up to a commitment to Old Town streets made ten years ago. Mr. Bakaly explained that the schedule was based on when they could get them done not the funding. Ms. Simpson stated that she would feel more comfortable moving Phases 2, 3 and 4 into 2018 and 2020 as a plan. The Mayor pointed out the flexibility with OTIS and Ms. Simpson indicated she would like OTIS projects moved up.

3. Summit Lands Conservancy endowment request and future consideration easements on City open space. Heinrich Deters explained that the City has been working with SLC for a long time who holds outright or co-holds with the City 200 acres of open space. Staff is seeking direction on a request from SLC for a stewardship endowment and Council's interest in placing future conservation easements on properties. The endowment secures funding from political and economic uncertainties. Mr. Deters relayed that the request is specific to existing easements which are held by SLC who is reluctant to take additional easements from the City without the associated endowment. There are some budgetary impacts because of limited funding and most of open space maintenance and monitoring comes from the Flagstaff accounts. He also asked if the endowment is the right mechanism. Summit County provided some stewardship endowment funding for two parcels, Coleman and the PRI/Kimball Parcels. Cheryl Fox interjected that the amount SLC was paid was not what the staff report identified. She stated that SLC received $15,525 for the 10 acre Coleman Parcel.

Mr. Deters stated that staff is recommending to deny the current request and basically limit endowment funding to a process when the property is purchased. This is a known cost that can be included in the purchase agreement. The next aspect is to continue what has been done through special service contracts to provide for that monitoring through a RFP process. SLC's contract is up now and the RFP will be conducted immediately. If the Council believes this is a good idea, the City's auditor recommends setting up a CIP fund as the best means for funding that source. Because the request itself is outside political or financial purview, another option is that Council appoint a board or a commission to oversee the actual fund but this is not supported by the City's auditors.

Cheryl Fox addressed funding the on-going stewardship of the ten conservation easements. The City has made a tremendous investment in these properties and in order to make sure that they are adequately protected, there has to be some sort of on-going funding mechanism for the stewardship that is separate from the political process. There needs to be a program so that the future government cannot withdraw support and the City needs to feel confident in the work being done by the conservancy.

Liza Simpson viewed the endowment as an on-going cost but is more comfortable with it being in the City's hands than managed by a foundation. Ms. Fox explained that SLC has looked at other land trusts across the country and pointed out that things change over the years. Dick Peek asked how many of those land trusts are funded publicly and how many privately. She responded that she doesn't know but spoke about funding endowments and legal defense at the time of acquisition. SLC is not asking for funding for a legal defense fund.

Alex Butwinski expressed concerns about an outside board managing the program as those members also change. He supports staff's recommendation by not funding a separate endowment fund; he is more inclined to support an account in the CIP.

The Mayor referred to the staff report where the first request is to receive funds for an endowment. Cindy Matsumoto liked the concept of having the process outside the political mainstream. Ms. Simpson clarified that her suggestion would be creating a CIP fund, with the commitment to build an endowment fund for the currently acquired pieces. Andy Beerman questioned what the City would be funding and Ms. Simpson suggested that it would be building an endowment in the neighborhood of $1.5 million. It would function like an endowment but would be held and restricted in the CIP.

Tom Bakaly explained that the endowments for future properties would be covered at the time of purchase and managed by the conservancy. Mark Harrington pointed out that this has occurred in some instances. The potential for disagreement emanates from compatibility issues with stewardship, ownership and long term public uses. He encouraged being cautious in contracting those rights away or in a manner that perpetuates more conflict which would be unfortunate. Mr. Harrington emphasized that there was an original RFP and the consideration was the monitoring. The special service contract is direct reimbursement for costs and in the future, doing them simultaneously is truly the more legal an appropriate approach.

Mark Harington stated that we all agree that it can be better and the question is the most efficient vehicle to ensure the public's trust long-term. The Mayor stated that there is agreement among members about future purchases and creating and managing an internal endowment fund.

Andy Beerman stated that he is not completely there yet and would like to know more about the auditor's recommendation. Nate Rockwood explained that he could obtain more details, but the initial reaction was that cities do not typically do this. Tom Bakaly pointed out the difficulty of giving an outside board money for a service that is not directly tied to a service the City is receiving. Dick Peek compared creating the board as a new entity that bypasses the voters. The majority of members felt staff should proceed with a RFP. The Mayor relayed that he read the job description and pointed out the significant charge to the City for monitoring and the minimal stipend paid to people monitoring for SLC. Cheryl Fox explained that stewardship involves a whole lot more than just monitoring and the organization supplements its operations by finding volunteers and interns. Stewardship costs $15 per acre on average and SLC is committed to the price into the future even though prices will increase. The stewardship fund will have to grow with other resources.

The Mayor relayed that the process for monitoring for most land trusts is pretty standardized based on what is required by the IRS. It is possible that someone else could do it substantially cheaper and contract with the City based on SLC's criteria. Cheryl Fox stated that the site visit is one very small part of stewardship and that is why it can be done by a volunteer or intern. There is a whole lot more involved like relationships, interpreting legal documents, and handling complex stewardship issues. These easements are busy and not like easements other land trusts hold. They take a significant amount of staff time. She ran the numbers and in 2010, SLC spent almost exactly $15 an acre on annual stewardship.

Alex Butwinski commented that based on this information, it makes sense to conduct a RFP every five years in fairness to the taxpayer and SLC. Anyone responding to the RFP can make a case about value. He supports staff's recommendations for the most part and Ms. Simpson's suggestion of creating an endowment fund in the CIP. The Mayor also felt that five years is a good duration so there is consistency. Cindy Matsumoto pointed out that non-profit organizations use volunteers all of the time to offset costs. The Mayor believed the third party the City chooses to manage our open space should be monitored.

Andy Beerman pointed out that an endowment in the CIP could be revocable rather than dedicating the monitoring money every year out of the CIP. Ms. Simpson believed it is more tightly bound. She spoke about assigning an oversight board. The Mayor confirmed consensus to fund the endowment in a restricted fund on a five year basis. Cheryl Fox asked that the payments be tied to the easement holder.

The Mayor stated that his issue is that SLC determines the fee. The City Council has asked for comparisons and has a fiscal responsibility to the public. Mr. Beerman understood that if an internal endowment is created, it would not be tied to the easement holder. However, future acquisitions would include an endowment going to the easement holder. Andy Beerman felt that many good ideas have been discussed today but the approach needs to be further refined.

Discussion ensued on the method of protecting acquired open space parcels which may be decided on a case-by-case basis. The Mayor pointed out that Council never intended to place a conservation easement on the Triangle Parcel, for instance. He agreed that properties need to be reviewed individually. If property was purchased with open space bond money, a conservation easement is appropriate.

Mark Harrington pointed out that the most famous case in the country, *Waldon Pond*, was saved by the original deed restriction not a conservation easement. There are different levels of protection and the question moving forward is do you want a contract for that protection and do you want it to expand beyond monitoring the same restriction? Do you want to narrow that to different ones because there are special attributes? He stated that when a land trust manages and operates an open space program and endowment, long term funding may be appropriate, but you are essentially turning over the management to a third party. He felt that it is about making sure the expectations of the public trust of the original authority of the purchase and the long term management align.

All members agreed that the level of protection should be decided on a case by case basis. Andy Beerman emphasized that when properties are purchased with open space funds, they should be protected with a conservation easement. If land is being purchased for recreation or other purposes, it doesn't make any sense.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
JUNE 14, 2012

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, June 14, 2012. Members in attendance were Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Jonathan Weidenhamer, Economic Development Manager; Clint McAffee, Water Manager; and Phyllis Robinson, Public Affairs Manager.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

1. Sundance Institute update – Jon Weidenhamer introduced Sara West and Lizzie Lutenza from Sundance. Ms. West reported that most out-of-state visitors are from California, New York and Colorado. Thirty-five percent of the 31,000 out-of-state festival attendees indicated they came to Utah for the first time and 44% indicated that they would return within a year. The Institute has been working on attracting more international attendance and over 5,700 international attendees were represented by Canada, France, China and England. Over 46,000 attended the Festival this year, a slight increase from last year. She spoke about aggressive marketing and social networking efforts. It is estimated that Sundance brings in $80 million in economic impact to the state and in the last ten years, the Festival has generated over a half billion dollars. Sara West noted that there was a large increase in lodging and discretionary spending this year. This overall number is $67 million and the non-resident spending was about $2,000 per person. She emphasized that film in Utah is strong.

Lizzie Lutenza explained the media tracking service and it was found that $69 million was generated in publicity value. More than 900 registered press from 20 different countries, including Egypt, Macedonia, Kosovo, Norway, etc. were here. There was strong local participation and network forums for businesses have been created. Ms. West encouraged the public to attend the summer film series.

2. Resolution recognizing the efforts of wounded warriors participating in the Sea To Shining Sea Event – The Mayor welcomed participants of the event. Senior Sergeant Mike Sanders explained that The Sea to Shining Sea is one program which helps disabled athletes recover and he introduced the team. He relayed that it has been a dream to travel across the country and to meet the American public. It is an honor to meet people that they have served.

The Mayor mentioned that the National Ability Center is one of the hosting facilities for the Wounded Warrior Program and he read the Resolution into the record.

Liza Simpson, "I move we approve the Resolution recognizing the efforts of wounded warriors participating in the Sea To Shining Sea Event". Dick Peek seconded. Motion unanimously carried. Dick Peek shared his challenging experience riding across country as a young man and commended the group.

3. Resolution supporting the principles of the Community Covenant Program and acknowledging the many contributions of our Service Men and Women in Park City, Utah – Lt Ted Williams - Lt. Williams stated that he is associated with the Orem Community Covenant

Program representing the central region of Utah. In 2010, the state legislature approved the Community Covenant Program and since that time, all of the cities throughout the state have been invited to become a part of the program. He relayed that the military has a lot of resources and it is important to have a liaison between groups to share information with the public. The Community Covenant Program is for all service members, of all branches, both past and present. Lt. Williams thanked the City of Park City for its support.

Andy Beerman, "I move we pass a Resolution supporting the principles of the Community Covenant Program and acknowledging the many contributions of our servicemen and women in Park City, Utah". Alex Butwinski seconded. Motion unanimously carried.

5. Water pipe breaks – Clint McAffee described the locations and the circumstances surrounding recent water pipe leaks throughout town.

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

None.

IV MEETING MINUTES OF MAY 24, 2012

Alex Butwinski, "I move we approve the meeting minutes of May 24, 2012". Cindy Matsumoto seconded. Motion unanimously carried.

V CONSENT AGENDA *(Items that have previously been discussed or are perceived as routine and may be approved by one motion. Listed items do not imply a predisposition for approval and may be removed by motion and discussed and acted upon under "Additional Discussion – Agenda Items")*

Liza Simpson, "I move approval of Consent Agenda Item Nos. 3 and 4". Alex Butwinski seconded. Motion unanimously carried.

1. Consideration of a Resolution recognizing the efforts of wounded warriors participating in the Sea To Shining Sea Event – See Communications.

2. Consideration of a Resolution supporting the principles of the Community Covenant Program and acknowledging the many contributions of our Service Men and Women in Park City, Utah – See Communications.

3. Consideration to authorize the City Manager to execute the Sixth Amendment to the Professional Services Agreement, in a form approved by the City Attorney, with Carollo Engineers, for the design of the Quinn's Water Treatment Plant in an amount of $84,000 – Approved.

4. Consideration to authorize the City Manager to execute a Service Agreement with EC Company for standby generator maintenance in the amount of $55,380, in a form approved by the City Manager – Approved.

VI NEW BUSINESS

1. Consideration of amendments to water supply agreements between US Bureau of Reclamation, Weber Basin Water Conservancy District, Mountain Regional Special Service District, Summit County, and Park City, in a form approved by the City Attorney, to increase Park City's portion of water through the Synderville Basin Project and Expanded Lost Creek Project by 400 acre-feet per year – Clint McAffee explained that the City was approached by Mountain Regional to transfer 400 acre feet of water to Park City for the Lost Canyon Project. This water is pumped from the Rockport Reservoir through Weber Basin and Mountain Regional facilities. It comes with peaking capacity and will add about 500 gallons per minute of capacity to the raw water line coming into town and available at the Quinns Junction WTP for drinking water. This represents an additional annual cost of about $123,000 which will fluctuate over time as O&M costs inflate.

Tom Daly stated that this is an extension of the 40 year agreement. Mr. McAffee stated that the City will own 43% of the storage in the pond at a cost of $7,700 per year paid to Mountain Regional until 2033. Even if a pond in Round Valley comes on line it is recommended to lease storage. Andy Beerman asked how this proposal ties into the regional plan. Clint McAffee stated that if the regional plan occurs, the City's contribution to the regional system would grow by that amount and the City will receive credit. Tom Daley explained the O&M fund which is a shared account.

Liza Simpson, "I move we approve Item No. 1 under New Business as amended by Clint". Alex Butwinski seconded. Motion unanimously carried.

2. Consideration of an Ordinance adopting a revised final budget for Fiscal Year 2012 and a final budget for fiscal year 2013 for Park City Municipal Corporation and its related agencies and authorizing the computation of the property tax rate at a no tax increase rate – The Mayor opened the public hearing. There were no comments. Cindy Matsumoto, "I move that we continue Item No. 2 until next week". Dick Peek seconded. Motion unanimously carried.

3. Consideration of an Assessment Ordinance for Phase I Park City Heights in amount of approximately $3,660,000 – Consultant Dave Miner corrected the amount to read $3,720,000 and this is the second step of a three step process. Once the property is subdivided, assessments will be allocated among the parcels. The final step is approving a bond resolution authorizing the issuance of bond anticipation notes that will finance the cost of the construction. Assessments will be collected over the next three years to repay the bond anticipation notes. There was no public input.

Dick Peek, "I move that we approve the Assessment Ordnance assessing properties in the PC Heights Assessment Area in the amount of approximately $3,720,000". Alex Butwinski seconded. Motion unanimously carried.

4. Consideration of award of construction agreement for publicly-dedicated infrastructure for Phase I at the Park City Heights subdivision with Hadco Construction in the amount of $2,844,113, in a form approved by the City Attorney (contract award subject to the sale and approval of the issuance of bonds for Phase 1 of Park City Heights) – Phyllis Robinson pointed out that the contract is for the publicly dedicated improvements of Phase 1 and the final contract will be in a form approved by the City Attorney in the amount of $2,84,113 which is subject to the sale and approval of the issuance of bonds by the City Council for Phase 1. The City's contract will be for the $2,844,113, and a contract between Hadco Construction and Ivory

Development will cover the remaining utility work and the cost associated with soil remediation if needed. This bid was in accordance with the state contract process and Hadco was selected as the lowest qualified bidder for the project. The special fees assessed for Ivory were explained.

Andy Beerman, "I move we approve New Business Item No. 4". Cindy Matsumoto seconded. Motion unanimously carried.

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 2 p.m. Members in attendance were Mayor Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Tom Daley, Deputy City Attorney; Diane Foster, Deputy City Manager; Thomas Eddington, Plannng Manager; Bret Howser, Budet Manager; Joan Card, Environmental Regulatory Program Manager; Jason Christensen, Environmental Regulatory Council; Jim Blankenau, Environmental Regulatory Program Manager; Phyllis Robtinson, Public Afairs Manager; Clint McAffee, Water Manager; and Mark Harrington, City Attorney. Andy Beerman, "I move to close the meeting to discuss property and litigation". Liza Simpson seconded. Motion carried unanimously. The meeting opened at approximately 3:30 p.m. Liza Simpson, "I move to open the meeting". Alex Butwinski 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.

Prepared by Janet M. Scott, City Recorder

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