PARK CITY

1884

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
JUNE 4, 1998

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, June 4, 1998.

AGENDA

Work Session - City Council Chambers - Lower Level

5:00 p.m.	City Council questions and comments
	Review of regular meeting
5:30 p.m.	Property acquisition
5:45 p.m.	Budget questions/comments

Regular Meeting - City Council Chambers - Lower Level

6:00 p.m.

I ROLL CALL

II PUBLIC INPUT

III COMMUNICATIONS FROM COUNCIL AND STAFF

IV WORK SESSION NOTES AND MINUTES OF MEETING OF MAY 14, 1998

V RESIGNATIONS AND APPOINTMENTS

Library Board: Appointment of Lani Furr for a term expiring July 2001; appointment of Marydee Ojala for a term expiring July 2000; and reappointment of Frank Nomile for a term expiring July 2001

VI PUBLIC HEARING

Resolution adopting a revised budget for FY 1997-98 and a tentative budget for FY 1998-99 for Park City Municipal Corporation and its related agencies

VII NEW BUSINESS

1. Resolution adopting a revised budget for FY 1997-98 and a tentative budget for FY 1998-99 for Park City Municipal Corporation and its related agencies

2. Acquisition of Snow Creek Subdivision Lot 9

3. Authorization of $14,000 from the Venture Fund for the Mortgage Assistance Program

VIII ADJOURNMENT

Posted: 5/26/98
Repoted: 6/02/98

PARK CITY
1884

PARK CITY WORK SESSION NOTES
SUMMIT COUNTY, UTAH
JUNE 4, 1998

Present: Council members Hugh Daniels; Roger Harlan; Shauna Kerr; Chuck Klingenstein; and Paul Sincock

Toby Ross, City Manager; Eric DeHaan, City Engineer; Linda Cook, Special Projects Manager; and Tom Bakaly, Finance Manager

Absent: Mayor Brad Olch

1. **Council questions and comments.** Hugh Daniels relayed that he used the park and display systems on several occasions while recently traveling in Great Britain. Chuck Klingenstein expressed his desire to hold an interagency dinner meeting, although it may not be until next fall because of summer schedules. Shauna Kerr pointed out that there will be County Commission and School Board elections and felt it may be advantageous to wait if there are new members. Ms. Kerr believes the benefit of the dinners is getting to know each other on a social basis and holding cursory discussions on issues, recognizing that the current group has grown past that stage. But if the election brings new faces, the dinner format may be appropriate. Hugh Daniels interjected that there is an interagency meeting scheduled soon, where he will bring this topic to the table. Roger Harlan reminded the Council of a Mayors meeting on June 15 at the Justice Center at 6:30 p.m., and pointed out that the dinner meetings have merit and felt they prompted better relationships and follow-through on issues. Chuck Klingenstein encouraged Council to contact the Summit County Commission Office if there are items of interest for discussion at the Mayors meeting. Ms. Kerr added that the Park Meadows Country Club is planting 250 trees which may qualify for a Tree USA project award.

Chuck Klingenstein asked for an update of the trees on SR224. Eric DeHaan indicated that the upcoming sewer project may require some trees to be removed. Linda Cook explained that most of the trees are mountain ash which had the highest success rate after the initial loss. Ash trees are ugly as they are the last to bud in the spring and the first to lose foliage in the fall. They are still alive and measures were taken in the winter for their survival. Ms. Kerr felt that the mountain ash is a pretty tree as it has white flowers in the spring and berries in the fall, and hers have budded out. Chuck Klingenstein pointed out that the highway location is not ideal. Ms. Kerr thanked Geneva for hosting a picnic.

2. **Review of regular meeting.**

Snowcreek property acquisition. See staff report. Toby Ross explained that this is an acquisition in the amount of $3.7 million which includes a down-payment of $370,000 and some contingencies which allow the City to investigate the suitability of the site for a transit center. If the City were to secure a letter of no prejudice, it would enhance the possibility of receiving reimbursement. If the City has not received this letter by August 19, 1998, then an action would be before Council to go forward with or reject the purchase. He explained that if the letter is received, then the purchase would proceed and would not require any additional action by the Council. In response to a question from Shauna Kerr regarding public comments, the City Manager indicated that his office received a call from a woman concerned that the City may be committed to the expenditure without reimbursement of a federal grant. He acknowledged that that possibility exists and the Council is aware of that, but that situation has been mitigated to some extent as there is time to explore the issue. Ultimately, the City will not receive a grant in advance of having to make a decision to purchase, but it is conceivable to receive a letter of no prejudice which would increase the probability of reimbursement fairly dramatically. Paul Sincock expressed that he doesn't care if the City is reimbursed as he believes the purchase stands on its own. Two million dollars of the $3.7 million will be returned to the City by the post office with its purchase of the two acres, and the City ends up with seven and a half acres for a reasonable price on the entry corridor, which could be put to good public use like a transit center. Shauna Kerr emphasized that she cares that the City receive the reimbursement from the Federal Transportation Administration, and wouldn't be interested in the purchase if she didn't think the money was coming. Chuck Klingenstein stressed that a fall-back position is to put the property on the market.

Budget questions/comments. Tom Bakaly explained that Council will be tentatively adopting a budget for FY 1998-99 which will begin on July 1 and adopting a revised budget for current FY 1997-98 which will be effective today. Staff may need to make some slight changes on June 18 as there will be two additional capital projects.

The Finance Manager explained that the original option for the project manager position was in the Public Works Department, which was moved to the City Manager's budget consistent with Council direction on May 14. The amount was increased from approximately $64,000 to $99,000 to reflect a department head level salary. Hugh Daniels believed the increase was discussed as a possibility, but it is not necessarily Council's intention to offer that salary. Roger Harlan asked for a breakdown of costs. Mr. Bakaly explained that $10,000 is for equipment, and $88,000 represents salary and benefits. This will be a contract and this is an estimated dollar amount to hire a qualified person for large projects. Shauna Kerr interjected that the contract would have to be approved by Council in any event. The City Manager clarified that since the Council decided on this approach, he has explored options on bringing on a project manager. Before this position is filled, he would like to come back to Council. According to policy, if it is a contract employee position, it would not have to come back to Council, but if it is a professional services contract, it would. His goal is to informally bring back information to Council, and is working with a colleague who is doing something similar. It is his feeling that maintaining this level of funding provides more flexibility and what is ultimately spent depends on needs. If it requires this allocation, but only $70,000 is authorized, a budget adjustment would be needed. Mr. Ross explained that there could be several sources of money which could support the entire funding amount. He doesn't feel strongly about this, but understood Council direction to be preserving the option of a senior position which would represent $99,000 rather than $70,000. Chuck Klingenstein pointed out that there have been situations where if a person had been focusing entirely on a project, there may have been considerable savings that would have made up for the salary. Managers are running their departments on a day-to-day basis, and he wants to make sure that the City hires the right person. Roger Harlan agreed that this person could more than pay for the salary spread. Chuck Klingenstein felt it important that the salary is charged to the appropriate account.

Paul Sincock pointed out that the proposed budget includes roughly 11 new positions compared with FY 1997-98, which is 1.62 more than anticipated a year ago. In 1995, the City's payroll costs were 30% of the budget; in 1999, it is 37% with capital expenditures. If the capital expenditures are removed, it went from 33% to 49% which is 148% increase in four years or a 112% increase in four years depending how it is viewed, or a 28% and 37% increase per year average over four years. Revenues and population have not increased that fast; building has decreased and Mr. Sincock expressed his concern of this trend. Chuck Klingenstein felt that this needs to be looked at over a longer term, as the trend may have been flat and then increased with the number of projects at hand. Mr. Sincock acknowledged that he doesn't have figures from other resort communities, but questioned this in a business sense. Roger Harlan appreciated Mr. Sincock's caution, but added that compensation is a factor for morale and Council purposely raised salaries. Mr. Sincock felt it would be helpful to know if salaries are in line. The Finance Manager explained that last year when the two-year budget was adopted, he discussed this issue with Mr. Sincock. Expenses have caught up to operating revenues and from a growth standpoint, and Mr. Sincock's comments are accurate and the City can not sustain these trends. Comparisons with other cities can be accomplished. Chuck Klingenstein pointed out that Mr. Bakaly has been very candid about this and there may be some difficult decisions next year. The Finance Manager explained that as discussed, positions will be charged to the appropriate funds.

The City Manager emphasized in the period from 1987 to 1990, there was an exceedingly high percentage of expenditures for personnel, because there was very little money available for anything else. As a result, there was a strategy to build reserves and expansion of personnel was held back to below the level of the growth rate. In the last two years, the Council has in combination of additional personnel and increases in compensation, made the largest increase in personnel costs in the entire history of the city. He agreed that this can not be done every year, but should be viewed in terms of a decade as opposed to two years. Paul Sincock interjected that he commented on a four year trend, but felt the City Manager's comments are valid. Mr. Ross explained that part of the four year period is that the City was in the middle of its biggest differential where there were major capital expenditures and reduced staffing. On the question of the project manager position, staff met with UDOT on Tuesday where it was indicated that it will endorse reimbursement of either staff or consulting costs associated with capital projects which are funded through ISTEA. In the past, UDOT was only willing to reimburse employee costs which provides the City with flexibility of recovering as much as 80% reimbursement of consulting, which could also apply to Olympic projects, including sidewalks, street improvements, and the transit center. Mr. Ross stressed that it is not proposed to change any ratios and every personnel request is analyzed in context of work load and Council's priorities. In order to slow down the number of employees, prioritization of projects need to be evaluated. This includes not only capital projects, but things like increasing traffic enforcement.

In response to a question from Paul Sincock, Mr. Ross explained that the senior planner is in lieu of a contract position. Mr. Bakaly continued that other changes included housekeeping changes like awarding grants to Habitat for Humanity and graduation night in advance of the close of the fiscal year. There is unspent money in the Venture Fund which will be carried over in the amount of $50,000 for a total of $125,000. He explained that this is the only carry-forward proposed. In the past in the middle of a two-year budget, departments were allowed to carry-over to the next year, but not this year, until there is a better idea of where the City is at the end of the fiscal year. There were no changes made in the capital budget. He added that Council made it clear that money would be budgeted on some new projects, but before staff can proceed with spending it, the project would have to come back for approval.

In response to clarifying a breakdown of projects listed on Attachment A, Mr. Bakaly explained that capital improvements for the current fiscal year, increased $19 million. This is unspent capital project balance from last year and when the budget is adjusted, that balance needs to be recognized and included in the budget. The FY 1998-99 capital improvement budget is $27.7 million including on-going and new projects. Debt service of $4 million is related to refunding RDA bonds on Main Street to purchase the Watts Property. Referring back to capital improvements for FY 1998-99, Mr. Bakaly explained that last year a number of large projects were included mainly relating to the transportation center and parking structure. These projects and funds have been moved to future years. In response to a question from Roger Harlan regarding improvements to the Prospector buffer strip, it was explained that these spreadsheets only include changes, and this project is listed in the May 14 report. Toby Ross added that he sensed that the neighborhood feels the amount is not sufficient which is a separate issue, but there is definitely a project there. Roger Harlan stated that there is no consensus on that point.

Mr. Bakaly pointed out that there may be changes to the final FY 1998-99 budget that relate to computer system improvements and Council will be briefed. The other issue is waiting for property tax information from the County which may prompt changes in the property tax revenue for the RDA as well as the General Fund. All of the information needed for the tax rate may not be available, and it is recommended to authorize him to calculate the certified rate and file it with the state. Council member Klingenstein added that this is a "no increase" certified tax rate and if it were not, a truth and taxation hearing would have to occur.

Prepared by Janet M. Scott

PARK CITY
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PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
JUNE 4, 1998

I ROLL CALL

Mayor Pro Tem Chuck Klingenstein called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, June 4, 1998. Members in attendance were Hugh Daniels, Roger Harlan, Shauna Kerr, Chuck Klingenstein, and Paul Sincock. Mayor Brad Olch was excused. Staff present were Toby Ross, City Manager; Tom Bakaly, Finance Manager; and Bob Stephens, Administrative Services Director.

II PUBLIC INPUT

The Mayor Pro Tem invited the public to comment on any matter of City business not scheduled on the agenda. Hearing none, the public input session was closed.

III COMMUNICATIONS FROM COUNCIL AND STAFF

None.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF MAY 14, 1998

With no corrections or omissions noted, Hugh Daniels, "<u>I move approval of the Work Session Notes and Minutes of the Meeting of May 14, 1998</u>". Paul Sincock seconded. <u>Motion unanimously carried</u>.

V RESIGNATIONS AND APPOINTMENTS

<u>Library Board: Appointment of Lani Furr for a term expiring July 2001; appointment of Marydee Ojala for a term expiring July 2000; and reappointment of Frank Nomile for a term expiring July 2001</u> - Roger Harlan pointed out the quality of the candidates and there were more applicants than vacancies. Roger Harlan, "<u>I move appointments to the Library for the terms that are outlined on our document; Lani Furr to 2001, Marydee Ojala to July 2000, and the reappointment of Frank Normile to July 2001</u>". Shauna Kerr seconded. <u>Motion carried unanimously</u>.

VI PUBLIC HEARING

<u>Resolution adopting a revised budget for FY 1997-98 and a tentative budget for FY 1998-99 for Park City Municipal Corporation and its related agencies</u> - Tom Bakaly, Finance

Manager, stated that this is the second public hearing, and there will be another held on June 18,1998. According to state law, after the tentative budget is adopted, it must be available at least

VIII ADJOURNMENT

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

* * * * * * * *

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

Prepared by Janet M. Scott

Janet M. Scott

Janet M. Scott, City Recorder

PARK CITY
1884

COUNCIL AGENDA REPORT

DATE: June 4, 1998
DEPARTMENT: Administrative Services
AUTHOR: Tom Bakaly, Finance Manager TBB
TITLE: FY 1999 Budget (next year) & FY 1998 Revised Budget (current year)
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATION:

1) Public Hearing: Open, hold and continue a public hearing on the budget for FY 1997-98 (Revised) and FY 1998-99 (Adopted Budget). The final public hearing on the budget will be on June 18, 1998.

2) Review the budget materials and adopt a resolution (attached) that does the following:

- Approves the recommended changes to the FY 1997-98 budget
- Tentatively adopts the FY 1998-99 City Manager's Recommended budget with recommended changes as described in this report and in Attachment A (Final adoption by resolution is scheduled for June 18, 1998).
- Authorizes staff to file with the County the "Certified Property Tax Rate" {No Tax Increase Rate} for FY 1999, after the county has provided the City with the data necessary to determine the Certified Tax Rate *[Actual tax rate will not be known until at least the June 18, 1998 meeting].*

DESCRIPTION:

A. Topic: In accordance with Utah State Code, the City Council must adopt a budget for each fiscal year. The attached resolution and Attachment A adjusts the FY 1997-98 budget (current) and tentatively adopts the FY 1998-99 budget for next year.

B. Background: On May 7, 1998, the City Council received the City Manager's recommended budget that showed recommended changes to the FY 1997-98 (current) budget and a recommended budget for FY 1998-99. Also at that time, the City Council received a copy of the new budget policies concerning the distribution of grant funds (attached). The budget summary pages attached to this report depicting the City's budget have been modified to reflect City Council adjustments during budget review sessions.

The budget presentation for this year dealt primarily with the recommended operating and capital budgets for FY 1998-99. This year, in accordance with the City's two-year budget format, City Council focused on changes to the FY 1998-99 Plan that was adopted last year. There will not be a budget document created this year because it is the "off year" of the two-year budget. The following is the recommended schedule for the remainder of the Budget Process:

June 4th

1) Public Hearing on budget

2) Budget changes overview, wrap-up and questions

3) Adoption of a resolution that does the following:

Adopts the FY 1997-98 Amended Budget

Tentatively adopts the recommended FY 1998-99 budget

June 18th

1) Continuation of the Public hearing on the budget

2) Public Hearing on Mayor and City Council member compensation. The budget for FY 1998-99 recommends a 2% salary increase for the Mayor and City Council members bringing their salaries to $17,013 and $10,021

3) Final adoption, by resolution, of the FY 1998-99 Budget

C. Analysis:

Since receiving the adjustments to the FY 1998-99 Plan on May 7, 1998, the City Council has heard presentations from staff regarding the Operating and Capital Budgets for FY 1997-98 (current year's budget), and the FY 1998-99 Budget.

Operating Budget:

The focus of these discussions for the Operating Budget has centered on personnel options that were presented by the departments. Attached to this report is an updated personnel spreadsheet. The City Council had the opportunity to ask staff why certain options were included and others were not. The City Council has endorsed the revisions as recommended by staff with the changes described below. The FY 1998-99 Budget includes roughly 11 additional "regular" positions when compared to FY 1997-98. This represents a 1.62 position increase compared to what was approved in the FY 1998-99 Plan last year.

Project Manager: An additional full-time regular Project Manager position was requested by the Public Works Department to assist with Water and Transportation issues and large capital projects. The total amount of that request was $63,933. City Council requested that instead of that option, funds be placed in the City Manager's budget for a contract employee at a higher salary level. Therefore, the Project Manager option has been removed from the Public Works budget and a contract Project Supervisor position has been added to the City Manager's budget. The total cost of this option is $98,902 including salary, benefits, and equipment. This position is still funded by the Water and Transportation enterprise funds.

Senior Planner: During the review of the budget, the Community Development Department requested that their Special Projects Planner position be increased to full time status with benefits. This move is necessary to assist with Swede Alley planning work and other large projects. City Council agreed with this change. In the course of reviewing this position, staff discovered that a "same-level" adjustment was needed for the Special Projects Planner position in FY 1997-98. That adjustment of $7,800 was also made. The additional $28,210 for FY 1998-99 needed for this position will come from the General Fund.

Grants and Non Departmental: Some slight changes were made to the Grants and Venture Fund budgets from what was presented on May 7th. Staff had originally planned to carry-forward all of the unexpended balances for the contingency and youth grant categories. These carry-forward amounts needed to be decreased so grants could be given to the Habitat for Humanity ($5,000) and High School graduation night ($2,000) prior to July 1, 1998. Staff is also recommending that $50,000 in unexpended balance in the venture fund be carried-forward to FY 1998-99. This would bring the fund balance of the Venture Fund to $125,000 for FY 1998-99.

Same Level Adjustments: An increase of $27,000 was also needed in the Fleet Fund to address the issue of rising fuel costs.

Capital Budget:

The City Council did not make any changes to the recommended Capital Budget that was presented and discussed on May 14, 1998. City Council did stipulate that prior to spending funds above what was originally budgeted in FY 1997-98 for office space planning, Sandridge Parking Lot and the Public Works Building, staff would need to receive further City Council approval. In addition, a slight correction was made to the amount of the Burniss-Watts purchase. Please see Attachment A for a listing of the CIP budget changes.

D. Department Review: Departmental review was provided in the form of presentations during the budget review process that took place during the month of May.

ALTERNATIVES:

A. **Approve the Request** - Adopt and tentatively approve the FY 1997-98 and FY 1998-99 budgets respectively, as recommended on May 7, 1998, and adjusted during City Council review (relevant spreadsheets attached).

B. **Deny the Requested Changes** - City Council could deny (in total or in part) the recommended changes. The impact of such denial would need to be elaborated upon at the June 4, 1998 City Council meeting.

C. **Continue the Item** - June 18 is the last date that adoption can occur in order for us to meet the filing dead lines with the State and County. A City Council meeting is not scheduled for June 25, 1998, so the budget is schedule for final adoption on June 18, 1998.

D. **Do Nothing** - Not an Option.

SIGNIFICANT IMPACTS: Establishes the level of service that the City will provide for the next year and authorizes expenditure of funds. The total FY 1998-99 budget is approximately $31.6 million. The budget is balanced without a property tax increase.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:

The specific impacts of not approving individual recommended changes have been discussed, but could be elaborated upon further if necessary.

RECOMMENDATION:

The City Council should adopt by resolution (attached) the revised FY 1997-98 budget and tentatively adopt the 1998-99 budget, with final approval scheduled for June 18, 1998.

Resolution No. _____-98

A RESOLUTION ADOPTING A REVISED BUDGET FOR FY 1997-98
AND A TENTATIVE BUDGET FOR FY 1998-99
FOR PARK CITY MUNICIPAL AND ITS RELATED AGENCIES

WHEREAS, the Utah State law requires that city budgets be adopted by resolution: and;

WHEREAS, a public hearing was held on May 14, 1998, June 4, 1998 and one is scheduled for June 18, 1998 at the City Council's regularly scheduled meetings, complying with State law;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Park City, Utah that:

SECTION 1. REVISED BUDGET ADOPTED. The budget as outlined in Attachment (A) is hereby adopted as the Revised 1997-98 Operating Budget for Park City Municipal Corporation and its related agencies.

SECTION 2. TENTATIVE BUDGET ADOPTED. The budget as outlined in the Attachments (A) is hereby adopted as the tentative budget for FY 1998-99 for Park City Municipal Corporation and its related agencies. The City's Finance Manager is authorized, after the County has provided the Certified Property Tax data, to compute the City's Certified Property Tax Rate for 1998 at a "No Tax Increase Rate" and file said rate with the County.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect June 4, 1998 for the FY 1997-98 adjusted budget and July 1, 1998 for the FY 1998-99 budget.

PASSED AND ADOPTED this 4th day of June, 1998

PARK CITY MUNICIPAL CORPORATION

____
Mayor Bradley A. Olch

Park City Municipal Budget for FY 1998 & 1999

	FY 98 Budget				FY 99 Budget			
	Orginal	Adjusted	Change		Plan	Adjusted	Change	
Total all funds Combined	$ 49,223,010	$ 79,151,032	$ 29,928,022	60.8%	$ 65,834,965	$ 48,274,858	$ (17,560,107)	-26.7%
LESS:								
Interfund	(8,574,692)	(8,816,489)	(241,797)		(5,709,671)	(7,770,656)	(2,060,985)	
Ending Balance	(9,793,385)	(16,618,734)	(6,825,349)		(8,160,894)	(8,861,671)	(700,777)	
	$ 30,854,933	$ 53,715,809	$ 22,860,876	74.1%	$ 51,964,400	$ 31,642,531	$ (20,321,869)	-39.1%
Less: Adjustment Due to Carry-over of Prior Year Appropriations for Capitial Improvements			(19,102,105)					
New Appropriations			3,758,771	12.2%			(20,321,869)	-39.1%
Capital Improvement Budget (New appropriations)			36,689				(21,383,245)	
Operating Budget:								
Adjustments & Options								
Public Works			28,882				149,443	
Leisure			0				7,814	
Police			10,132				69,347	
Community Development			11,485				43,116	
Administrative Services			(4,747)				154,016	
General Government			4,217				166,763	
Non-Departmental			0				75,000	
Grants			0				99,972	
Debt Service			4,097,113				215,905	
Contingency			(425,000)				80,000	
			3,758,771				(20,321,869)	

ATTACHMENT A

Park City Municipal Budget for FY 1998 & 1999

	FY 98 Budget Orginal	FY 98 Budget Adjusted	Change	FY 99 Budget Plan	FY 99 Budget Adjusted	Change
RESOURCES:						
Sales Tax	5,823,000	5,823,000	0	5,703,000	5,823,000	120,000
Building/Planning	3,146,000	3,140,922	(5,078)	3,309,050	2,982,850	(326,200)
Charges for Services	4,617,839	4,617,839	0	4,708,984	4,763,672	54,688
Intergovernmental	908,166	1,225,788	317,622	9,976,486	1,941,386	(8,035,100)
Franchise Tax	919,000	919,000	0	919,000	919,000	0
Other	1,809,577	7,489,244	5,679,667	15,369,494	2,164,394	(13,205,100)
Interfund Transactions	8,574,689	8,816,489	241,800	5,709,671	7,770,656	2,060,985
Property Tax	7,247,198	7,247,198	0	7,173,709	7,173,709	0
Beginning Balance	16,177,541	39,871,552	23,694,011	12,965,571	14,736,191	1,770,620
	49,223,010	**79,151,032**	**29,928,022**	**65,834,965**	**48,274,858**	**(17,560,107)**
REQUIREMENTS:						
Community Development	$ 2,217,091	$ 2,228,576	$ 11,485	$ 2,357,333	$ 2,400,449	$ 43,116
Public Works	5,182,469	5,211,351	28,882	5,306,358	5,455,801	149,443
Public Safety	2,365,996	2,376,128	10,132	2,510,053	2,579,400	69,347
CIP Budget	7,794,437	26,933,231	19,138,794	28,324,604	6,941,359	(21,383,245)
Leisure Services	4,489,822	4,489,822	0	4,641,296	4,649,110	7,814
Administrative Services	1,797,128	1,792,381	(4,747)	1,873,502	2,027,518	154,016
General Government	1,128,446	1,132,663	4,217	1,151,512	1,318,275	166,763
Non-Departmental	1,504,390	1,504,390	0	1,484,390	1,559,390	75,000
Grants	312,428	312,428	0	238,175	338,147	99,972
Debt Service	3,637,726	7,734,839	4,097,113	3,632,177	3,848,082	215,905
Contingency	425,000	0	(425,000)	445,000	525,000	80,000
Interfund Transfers	8,574,692	8,816,489	241,797	5,709,671	7,770,656	2,060,985
Ending Balance	9,793,385	16,618,734	6,825,349	8,160,894	8,861,671	700,777
	$ 49,223,010	**$ 79,151,032**	**$ 29,928,022**	**$ 65,834,965**	**$ 48,274,858**	**$ (17,560,107)**
REQUIREMENTS:						
Personnel	$ 10,815,856	$ 10,853,325	$ 37,469	$ 11,535,868	$ 11,864,957	$ 329,089
Materials, Supplies & Services	7,422,314	7,540,814	118,500	7,298,151	7,661,533	363,382
Capital Outlay	8,554,037	27,688,431	19,134,394	29,053,204	7,742,959	(21,310,245)
Debt Service	3,637,726	7,633,239	3,995,513	3,632,177	3,848,082	215,905
Interfund Transactions	8,574,692	8,816,489	241,797	5,709,671	7,770,656	2,060,985
Contingencies	425,000	0	(425,000)	445,000	525,000	80,000
Ending Balance	9,793,385	16,618,734	6,825,349	8,160,894	8,861,671	700,777
	$ 49,223,010	**$ 79,151,032**	**$ 29,928,022**	**$ 65,834,965**	**$ 48,274,858**	**$ (17,560,107)**

ATTACHMENT A

Park City Municipal Budget for FY 1998 & 1999

		FY 1998 Adj Budget		FY 1999 Budget
Park City Municipal Corporation				
General Fund		16,087,653		16,186,385
Police Special Revenue Fund		11,845		0
Recreation Fund		1,937,739		1,787,600
Golf Course Fund		1,749,375		1,456,954
Water Fund		9,257,441		5,247,279
Transportation and Parking Fund		6,817,514		5,141,607
Debt Service Fund		365,387		372,145
SID - Debt Service Fund		6,815		6,815
Fleet Services Fund		776,546		775,784
Circuit Court Fund		195,065		178,299
Equipment Replacement Fund		3,066,477		656,746
Self Insurance Fund		2,391,230		1,746,704
Capital Improvement Fund		14,331,141		3,884,190
	$	**56,994,228**	$	**37,440,508**
Park City Municipal Building Authority				
Debt Service Fund		7,128,249		568,182
Building Authority		2,347,451		4,872,623
	$	**9,475,700**	$	**5,440,805**
Park City Housing Authority				
Housing Authority	$	**109,416**	$	**0**
Park City Redevelopment Agency				
RDA Debt Service		6,309,561		1,703,712
RDA Main Street		4,173,390		2,320,711
RDA Lower Park Ave.		2,088,737		1,369,122
	$	**12,571,688**	$	**5,393,545**
Grand Total All Units	$	**79,151,032**	$	**48,274,858**
Less: Interfund Transfers		(8,816,489)		(7,770,656)
Less: Ending Balance		(16,618,734)		(8,861,671)
	$	**53,715,809**	$	**31,642,531**

ATTACHMENT A

Park City Municipal CIP Budget for FY 1998 & 1999

CIP PROJECT	TITLE	FY 1998 ADJ BUDGET	FY 1999 ADJ BUDGET
	CIP BUDGET - Carryforward of Prior Year Balance	19,102,105	
	New Appropriations:		
1	Planning/Capital Analysis		(35,000)
37	Hillside Ave Design and Widening		(182,323)
48	City Park Improvements		(24,000)
52	Gambel Oak Park	10,000	
54	Trails Implementation	72,302	28,000
74	Meadows Drive Connection @ Middle School		(75,000)
85	Pavement Management	201,573	220,000
96	Miner's Hospital Improvements	4,352	
110	China Bridge & Marsac Hill Landscape Project		50,000
140	Park Meadows Rec Facility		(50,000)
418	Water Source Development & Protection		300,000
419	Transit Coaches	18,000	(18,000)
426	Public Works Facility	(250,000)	500,000
436	School Fields	(372)	
439	Old Sewer Plant	56,233	(60,000)
441	Auto Meter Reading	(290,456)	
445	Affordable Housing Program	55,200	(30,700)
460	Park Meadows Sidewalk	(35,302)	(15,000)
481	Main Street Parking	(360,000)	(7,000,000)
485	Lower Park Ave Street Improvement		(221,352)
494	Marsac Building Remodel		150,000
495	Implementation of Old Town Streets & Utl Plan	175,000	(175,000)
496	Bonanza/Kearns Intersection	136,318	(28,500)
548	Source Protection Study	(9,656)	
563	Education Center		(15,000)
575	Bleachers	(6)	
576	Prospector Park Expansion	3,820	
577	Buildings	100,000	
578	Bonanza Drive Buffer	(16,328)	
579	Library Donation Expenditures	37,336	
583	Water System Repairs & Replacements		20,000
584	Pump Station Upgrades		157,000
585	Last Chance Pump Station	(194,364)	12,000
586	Spiro Water Filtration Plant Filter		65,000
588	Boothill Pump Station		(530,000)
589	Coleman Purchase	100,000	(100,000)
591	Public Works Equipment (New)	4,139	
592	City Wide Signage		(12,000)
594	4th Street Boardwalk	5,000	
596	Cochise Court Drain		10,000
597	Bonanza/Deer Valley Dr Signalization	(137,530)	
598	GIS/Computer Mapping	47,590	10,000

ATTACHMENT A

Park City Municipal CIP Budget for FY 1998 & 1999

CIP PROJECT	TITLE	FY 1998 ADJ BUDGET	FY 1999 ADJ BUDGET
599	Additional Amenities (Flower Projects)	(44,714)	
601	Education Center - Outside Sitting Area	(7,510)	
602	Fiber Optics		200,000
603	Gateway Parking Membrane	83	
605	Land Improvements-Mawhinney		(10,000)
609	Fence Road Access		(20,000)
612	Land Improvements-Baingo		(2,000)
614	Royal St. Wall, Drain & Rail Replacement		58,700
615	Baingo-Wortley Land Purchase	(263,317)	(692,770)
616	Land Improvements-Colman		(5,000)
617	Meadows Curb / Gutter	(26,250)	
620	Sandridge Parking Lot	360,000	
626	Cemetary Storage building	22,000	(22,000)
627	Snow Creek to Holiday Ranch Loop		(36,800)
630	Bus Shelters		(24,000)
631	Tank 15 Fairway Hill	(36,559)	
632	Deer Valley Line 10"	(1,493)	
633	Olympic Thoroughfares, Equipment & Facilities		(2,980,000)
636	Underground Service Lines		(62,500)
643	Public Area Improvements		100,000
648	5 Year CIP Funding	(2,915,027)	
664	Park City Temporary Parking Facility		(1,500,000)
667	Salt Storage Dome		(53,000)
669	Park City Pedestrian Olympic Improvements		(1,320,000)
672	Intermodal Facilities	500,000	(8,600,000)
676	Building Maintenance Equip	16,500	
677	Zion's Purchase/Carwash Demolition & Improv	602,250	100,000
679	Burnis Watts Purchase	937,469	
680	Offret Land Purchase	1,002,408	
682	Emergency Repair Storage		45,000
683	Systems Improvements		100,000
684	Easy Street Pedestrian Improvements		61,000
685	Historic District-Acquisition/Loan fund	50,000	
686	Offret/Mawhinney-Exisiting Bldg Improvement		250,000
687	Senior Center Parking Lot	20,000	
689	Radio Transmit Ability		45,000
690	Water Engineering Review		35,000
691	Pro Shop	88,000	
	New Capital Improvement Appropriations	36,689	(21,383,245)

ATTACHMENT A

GRANTS POLICY - Amended 5/14/98

As part of the budget process, the City Council appropriates funds to organizations and endeavors whose missions are consistent with those of the City. Depending upon the type of grant category, grants may take the form of cash contributions, one-time capital project donations, forgone fees or rent relating to City property. The use of the grant funds will be for specific services rendered, special projects, or organizational "seed" money.

Grant Distribution Criteria: Organizations or projects must meet the following criteria in order to be eligible for a grant: 1) Accountability and Sustainability of Organization; 2) Program Need and General Public Benefit and; 3) Fiscal Stability and other Financial Support.

> **Criterion #1** - Accountability and Sustainability of Organization or Endeavor: The organization or endeavor must have: 1) Quantifiable goals and objectives; 2) Non-discrimination in providing programs or services; 3) Cooperation with existing related programs and community service; 4) Compliance with the City contract and 5) Not-for-profit Status.
>
> **Criterion #2** - Program Need and General Public Benefit: The organization or endeavor must have: 1) A clear demonstration of public benefit and provision of direct services to City residents and; 2) A demonstrated need for the program or activity.
>
> **Criterion #3** - Fiscal Stability and other Financial Support: The organization or endeavor must have: 1) A clear description of how public funds will be used and accounted for; 2) Other funding sources that can be used to leverage resources; 3) A sound financial plan that demonstrates managerial and fiscal competence; and 4) A history of performing in a financially competent manner.

Total Grant Appropriations: The City appropriates a total of 2.25% of its annual General Fund budget year for grants in categories 1 - 5 as described below. In addition, the City appropriates specific dollar amounts from other funds specifically related to categories 6 - 7 as described below. The General Fund budget is defined as the sub-total of the General Fund operating budget, less interfund transactions.

Grant Categories and Percentage Allocations: For the purpose of distributing grant funds, grants are placed into the following categories: 1) Special Services; 2) Arts, Culture, Humanities; 3) Youth; 4) Rent Contribution; 5) Grant Contingency 6) Housing and; 7) Historic Preservation. A percentage of the General Fund budget (whose sum does not exceed 2.25 %) is allocated to each of the first five individual categories by the City Council. A specific dollar amount is allocated to categories 6 and 7.

The General Fund category percentage allocation does not vary from year-to-year. However, as the City's budget fluctuates (up or down) due to economic conditions, the dollar amounts applied to each category will fluctuate proportionally. In the case of categories 2, 3, and 5 (Arts, Youth and Contingency), unspent grant balances from a prior fiscal year are reappropriated on a one-time basis to the upcoming fiscal year. The unspent prior year balance is added to the new grant amount for the upcoming fiscal year.

1) Special Services: An amount not to exceed 1.06 % of the General Fund budget will be designated for grants relating to services that would otherwise be provided by the City. Special services that fall into this category would include, but not be limited to; sustain economic development, historical preservation, marketing/sales, public safety, and recycling.

To the extent that is possible, individual special services will be delineated in the budget. Any amount not specifically designated in the budget for special services will be placed in the Grant Contingency Category. Each special service grant will have a special service contract with a term of one year. If a special service grant recipient wishes to increase their budgeted grant amount, they must justify why a change is needed. Funds used to increase individual special service contracts must come from within the Special Services Category or the Grant Contingency Category.

2) Arts, Culture, Humanities: .29% of the total General Fund budget will be designated for a grant to a representative organization of the arts, culture, and humanities community. The representative organization will propose a plan by June 1st of each year of how the grant funds will be distributed to organizations in the arts, culture, and humanities community.

The proposal must be consistent with the criteria listed in this policy. In particular, criterion 1-3: (cooperation with existing related programs and community services) will be closely monitored. Failure to comply with this criteria may result in loss of representative organization status.

Upon being designated by the City Council as the representative organization, the representative organization will enter into a contract prior to July 1st with the City for the distribution of grant funds for a one year period. If a representative organization is not identified by City Council, the grant funds will be held in a City trust fund until a representative organization is identified.

3) Youth: .24% of the total General Fund budget will be designated for a grant to a representative organization for youth services. All of the policies relating to category #2 also apply to the youth category.

4) Rent Contribution: An amount not to exceed .47% of the General Fund budget will be used as a rent contribution for organizations occupying City owned property. To the extent that is possible, individual rent contributions will be delineated in the budget. Any amount not specifically designated in the budget will be placed in the Grant Contingency Category.

The City is required to make lease contributions to the Park City Building Authority for buildings that it occupies. Organizations may enter into a lease with the City to occupy City space at a reduced rental rate. The difference between the reduced rental rate and the rate paid to the Park City Building Authority will be funded by the rent contribution amount. The City Council may make long-term lease commitments for reduced rental rates under this policy. Please note that this policy only applies when a reduced rental rate is being offered. This policy does not apply to lease arrangements at "market" rates.

5) Grant Contingency: .19% of the General Fund budget will be designated as a grant contingency reserve for organizations, programs, or endeavors that arise throughout the year. Use of the grant contingency fund requires City Council approval. The policies stated above will be applied to requests from the Grant Contingency Category. City Council will review contingency fund balance every two years and make decisions for appropriations based upon recommendations from the Grants Committee.

6) Housing: Each year, the City Council will appropriate a specific dollar amount relating to housing issues. The City Council will designate the funding for these expenditures during the annual budget process. In instances where another organization is involved, a contract delineating the services will be required.

7) Historic Preservation: Each year, the City Council will appropriate a specific dollar amount relating to historic preservation. The City Council will designate the funding for these expenditures during the annual budget process. In instances where another organization is involved, a contract delineating the services will be required.

It is at the discretion of the City Council as to which categories individual organizations or endeavors are placed. Any percentage changes to the General Fund categories described above must be approved by the City Council. All final decisions relating to grant funding are at the discretion of the City Council.

FY 1998-99 Positions - June 4, 1998 (City Council Adjustments)
New Requests and Changes from FY 1998-99 Plan

Department	Position	Reg	Temp/Contract	Offset FTE	Offset $	Position Cost	Equipment & Other	Recommended Total w/ Offset	Additional Dept. Recommendation
Police	Lieutenant	1.00		(2.00)	(88,402)	63,933	20,700	(3,769)	117,287
Police	Detective (Community Outreach)		0.50			26,538	100	26,638	6,612
Police	Dispatcher	0.50				13,710		13,710	26,384
Police	Other Department Recommendations								19,623
Total		1.50	0.50	(2.00)	(88,402)	104,181	20,800	36,579	169,906
Public Works	Secretary I	1.00		(0.50)	(9,551)	37,311		27,760	
Public Works	Secretary II					2,433		2,433	
Public Works	Adjudication Officer		0.25			14,532		14,532	
Public Works	Day Transit Supervisor					3,509		3,509	
Public Works	Water Worker II	(1.00)				(44,199)		(44,199)	
Total		0.00	0.25	(0.50)	(9,551)	13,586	0	4,035	
ASD	Info. Sys. II (III)					4,884		4,884	
ASD	Info. Sys. II (III) - GIS					4,884		4,884	
ASD	Accountant (Enterprise Funds)	1.00				63,933		63,933	
ASD	Finance - Housing Allow.						9,753	9,753	
ASD	Secretary I		0.75			18,962		18,962	
Total		1.00	0.75			92,663	9,753	102,416	
Leisure	Library Assistant	1.00	(0.75)		(28,459)	31,879	4,455	7,875	
Leisure	Library Director					5,542		5,542	
Leisure	Parks & Golf Supervisor					5,542		5,542	
Leisure	Secretary I (Temp to Reg.)	0.75		(0.50)	(19,363)	19,617		254	
~~Leisure~~	~~Golf Course Starter~~		~~2.00~~			~~41,850~~		~~41,850~~	
Leisure	Reclass of Recreation Coordinator							0	4,196
Leisure	Rec District Contract	(1.00)				(44,199)	(50,950)	(95,149)	
Total		0.75	1.25	(0.50)	(47,822)	104,430	4,455	61,063	4,196
City Manager	Administrative Secretary	1.00				46,557	0	46,557	
City Manager	Project Supervisor		1.00			88,902	10,000	98,902	
CDD	Sr. Building Inspector (Reclass)					4,196		4,196	
CDD	Special Projects Planner to Full-time	1.00		(0.63)	(37,806)	69,475	(7,800)	23,869	
CDD	Project Manager		1.00	(1.00)	(57,981)	58,126		145	
Total		1.00	1.00	(1.63)	(95,787)	131,797	(7,800)	28,210	
Grand Total		5.25	4.75	(4.63)	(241,562)	582,116	37,208	377,762	174,102
Total FTE Change	5.37	1.62	3.75						

Does not include new positions approved as part of the FY 1998-99 Plan: + 9.5 Regular & - 1.00 Temp
Does not include same level personnel adjustments for FY 1997-98
Does not include an estimated $110,000 for City-wide "Valuing Employees" Program

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PARK CITY 1884

DATE: June 2, 1998
DEPARTMENT: Executive
AUTHOR: Toby Ross
TITLE: Property Acquisition: Lot 9 of the Snow Creek Subdivision
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATIONS: Authorize the Mayor to execute all documents necessary to acquire Lot 9 of the Snow Creek subdivision.

DESCRIPTION:

A. Topic:

Potential purchase of Snow Creek Lot 9.

B. Background:

Lot 9 of the Snow Creek ("Property") is located along SR 224 at the northeast corner of the intersection with Snow Creek Drive in Park City. The Property has three zoning designations: RDM (residential medium density), FPZ (frontage protection zone), and SLO (sensitive land ordinance.) The property is in the Lower Park Avenue RDA. The Large Scale MPD approved in 1992/93 declared that this Property be processed as an MPD. The 10.14 acre parcel was created in 1995, when it was subdivided from a commercial area that lies to the east of the Property. Groups represented by Fred Fairclough currently own the Property along with the Snow Creek Crossing shopping Center and Top Stop.

Park City has been involved in intermittent discussion of acquiring this property for several years for a variety of purposes. Earlier this year, representatives of the United States Post Office approached City Staff. They indicated to Staff that they were performing an environmental analysis a portion of the Property for use as a Post Office expansion. The Post Office has an agreement to buy about 2.5 acres of the Property at the north end of the parcel. The Post Office wants to proceed with the development immediately. The Post Office is not formally regulated by the City; to date representatives have been very cooperative in trying to develop a project that is consistent with City interests.

The Property would be acquired with the Post Office's agreement to purchase a portion of the Property for about $2 million; the remaining seven plus acres could be used by the City. Some of the remaining land is wetlands. A hotel/condo operator is also interested in the balance of the

Property but has agreed to allow the City to pursue its interests.

C. Analysis:

Park City has considered this Property as a possible site for a transit center and park-and-ride facility and earlier as a site for employee housing or a conference facility. The City has also expressed interest in the Island Outpost (Island) site across the highway for some of the same uses. All things being equal, the Island site may be preferable as a park and ride and transit center site. Things are not equal: the Island site isn't currently available; it is smaller (and more useable) and probably more expensive; and it may have more development constraints. However, it could give us greater flexibility with the golf course. The property would be purchased without any limitation on use or resale. City ownership of the Property would offer flexibility in facility design, trails improvement, wetlands enhancement and open space protection.

Before finally acquiring the property the City would attempt to determine the site's suitability for combined development of a post office, transit center and park-and-ride facility and its eligibility for an acquisition grant from the Federal Transportation Administration (FTA). The City will request a "letter of no prejudice" from FTA which would allow the City to be reimbursed for the acquisition from a future grant. An augmented environmental assessment would be part of the investigation.

The general terms of the purchase agreement are as follows:

1) Purchase Price: $3,700,000;
2) Down payment: $370,000;
3) Seller would finance the purchase: 15 year amortization-with a two-year balloon at an interest rate of 6.5% (taxable);
4) City will have right to inspect and negotiate any required changes in the agreement with the Post Office;
5) City will obtain copies of Phase 1 and Environmental Analysis prepared for the Post Office and the wetlands study prepared for Fairclough;
6) City will be obligated to remove contingencies before August 19, 1998 or release the property;
7) The transaction will close within 15 days of receiving a "letter of no prejudice" from the FTA.
8) City will provide a "threat of condemnation letter" to Seller.

ALTERNATIVES

A. Purchase the Property:
Council can authorize purchase of the entire Property. The City could then in turn sell a portion of the property to the Postal Service.

B. Reject the Purchase Terms:
Council can direct City staff to counter to the current proposal or to communicate to Mr. Fairclough that we are no longer interested in acquiring the Property.

C. Purchase Part of the Property:

Council can authorize purchase of part of the Property after Fairclough sells a portion of the property to the Postal Service.

D. Continue Any Action:
Council can continue action; a delay of more than one week could jeopardize the purchase.

DEPARTMENT REVIEW:

Representatives from the Community Development, Public Works, Finance and Legal Departments have been involved in discussions regarding this potential acquisition.

SIGNIFICANT IMPACTS:

This property acquisition will require a down payment of approximately $370,000 at closing. There will also be debt service fees associated with this purchase. Furthermore, the City may not receive the federal grant, which could be used to cover most of the cost of the purchase. The City reserves the right to resell all or part of the Property. The down payment and debt service could come from several sources: RDA (including bond proceeds), CIP, or the Transportation Fund. The best source of funding will depend on what we learn about potential projects between now and when the Property closes. The City will also spend money for an environmental assessment and do some conceptual planning to be in the best position to receive the grant. We would expect to complete this work for less than $20,000.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:

Negotiations have been very agreeable to this point. The sellers have recently reduced their price by $100,000 and the interest they intend to charge by 1%. They have also accommodated our desire to have a reasonable amount of time to secure a "letter of no prejudice" from FTA. It is unlikely that the price could be reduced further without new information.

Buying part of the parcel would reduce the initial cost and our influence over the design of the Post Office building. The net cost of the part of the property to be retained by the City would likely be somewhat higher. The process of segregating the parcels may be nearly as complicated as receiving approval for the joint development projects.

RECOMMENDATION

The Council should authorize the Mayor to execute all documents necessary to acquire Lot 9 of the Snow Creek subdivision and authorize the City Manager and Finance Director to determine the source of money for the down payment and debt service prior to closing.