PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
JUNE 3, 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; Jed Briggs, Budget Analyst; Nate Rockwood, Budget Analyst; Bret Howser, Budget Manager; and Hugh Daniels, Emergency Operations Manager

1. Council questions/comments. Candace Erickson discussed the service award dinner held on Tuesday and her appreciation of long-term employees. Liza Simpson reported on Lodging Association business. Cindy Matsumoto commented on the Education Foundation's indicators forum and the Historical Society's interior design award for the museum.

2. Budget review. Nate Rockwood highlighted amendments to the fee resolution and Joe Kernan asked the percent increase for all fees. Mr. Rockwood stated that there is not an across-the-board increase, although water fees increase by planned increments. Jed Briggs indicated that planning and building fees are increasing about 10% to 12%; they have not been updated for about 10 years. Mr. Kernan felt the increase may not be enough and Mr. Briggs explained that planning fees are phased and planned to increase the next three years and building permits are based on construction valuations which have an inflationary component. He referred to the fee study conducted which contains percentage information. Alex Butwinski asked if an analysis was done on what the market could bear and Mr. Briggs explained that comparables of other cities and towns and the International Code Council were taken into consideration. He felt that Park City is unique in many ways like the value of construction and the application of Historic District Guidelines and in almost all cases, the City is not recovering 100% but usually between 30% to 50%.

Candace Erickson discussed collecting significant building and planning fees for a project like the Montage upfront, but staff costs can continue for years. Mark Harrington relayed that there is consensus in the building community that the City's fees are reasonable and this should be considered. Mr. Butwinski suggested tracking staff and service costs for projects and Jed Briggs explained visiting the Montage with building inspectors to gain a better understanding of the extent of services. It is staff's recommendation to look at building fees again next year in the context of costs and revenues and to incrementally increase planning fees for the next three years to get closer to 50% recovery. Ms. Simpson suggested a philosophical discussion on cost recovery in the upcoming year.

Nate Rockwood indicated that not many changes were made to the budget policies. The asset management plan has been clarified and the recession revenue shortfall plan better defines the levels. Joe Kernan asked if a study has been performed on the effectiveness of the recession plan and Bret Howser stated that the policy has been practiced for the last two years and the City has been able to cover shortfalls based on its methodology. It's a quick reference to follow steps to cover the shortfall but it has to be carefully implemented in the context of the budget.

Hugh Daniels explained that the Comprehensive Emergency Management Plan must be adopted annually in order to meet FEMA and NIMS requirements. A couple dozen changes, outlined in the staff report, were made over the year which will be ratified with the adoption of the resolution. There's a significant amount of data backing up the basic plan. He discussed on-going state and federal updates to the rules and training.

Rather than raising the Mayor's and Council's compensation, Liza Simpson suggested that those funds be allocated to the Council budget to cover travel expenses. Tom Bakaly explained that the adjustment will be reflected in the final budget, as the tentative budget is scheduled for adoption tonight. Bret Howser confirmed that $22,000 will be moved to the meetings, conference and travel budget line item.

Mr. Howser explained that staff looked for $2.3 million in cuts from the CIP to fund the shortfall of the Recreation Center acknowledging that the green elements were removed. The recommendation is to remove $750,000 from the CIP balance, $350,000 from remaining Marsac seismic renovation funds, $500,000 from asset management, $50,000 from Quinns public improvements, $116,000 from the Racquet Club equipment replacement fund, and the remaining money from the OTIS Phase 2A line. He stated that this would leave enough cash in OTIS Phase 2A to complete the Sandridge Project. Staff recommends leaving the remaining money in the energy efficiency and the information systems projects. Discussion ensued about the recreation equipment replacement fund and a strategy to meet needs in the new facility. Ms. Simpson recalled that her notes did not include taking the entire energy efficiencies study money. Alex Butwinski suggested that any reserves beyond 18% be allocated to the asset management fund. Mr. Howser spoke about assigning excess sales tax revenues directly into the CIP Fund.

In response to a comment from Mr. Butwinski about the arrangement for funding for the expanded snow removal service at Quinns, Mr. Howser explained that shared funding from the School District and Snyderville Basin Special Recreation District is required in order for the City to proceed with its capital purchase for the project. Mr. Butwinski suggested looking at raising tennis court fees at the remodeled facility and the City Manager felt this could be reviewed next year.

Tom Bakaly explained that the tentative budget contains the pay plan. There was discussion last week about creating circuit breakers to control how quickly an employee can move to the top of the range or working level. He explained that the personnel policies and procedures manual will be considered next week which will address this and a policy discussion on the pay plan will be held later. Liza Simpson felt that capping a move at 7% rather than 10% per six months is a good idea and is in favor of moving ahead with the pay plan. It is important that when mechanisms like the pay plan are put in place that they are revisited regularly. Mr. Butwinski suggested a 5% cap which would result in taking 18 months to reach working level which seems more appropriate. Candace Erickson expressed concern that 5% is not enough in consideration that some positions may be 15% behind the market and she hoped to reach a balance. Ms. Matsumoto pointed out the potential of receiving more than 5% by moving to a higher grade and then moving within the grade, and has not found any city on the internet who is giving raises to its employees. She supports a cap of 5% a year, not six months, and is not supportive of funding the whole pay plan. In response to a question from Cindy Matsumoto, Tom Bakaly confirmed that he and the City Attorney are deferring their salary increases this year. The only statutory officers recommended to receive raises are the Treasurer and Engineer. Liza Simpson added that the pay plan was implemented last in July 2007 which may have resulted in a number of positions being under market. She supports moving ahead with the pay plan and is more inclined to reduce and monitor the cap at 7%.

Joe Kernan stated that he feels comfortable with 5%. He expressed an interest to change the City Manager's Recommended Budget by moving the increase in personnel funds to specific CIP funds and in the short term, fund bonuses through departments. He agreed with Cindy Matsumoto about citizen input and practices of other cities. Although the pay plan has been reduced from $1 million to about $840,000 it is still a big deal because it is gone forever. It might be helpful to wait before committing to the amount and conducting a comprehensive discussion on the pay plan in the meantime. Service levels should be discussed in the context of the pay plan. Studying whether bonuses and/or raises are valid motivators is another topic of interest, and specifically turnover of positions; there is a lot of work to do.

The Mayor stated that he still buys into the performance for pay philosophy and Candace Erickson felt it is time to look at the pay plan again but overall, she feels the approach has worked well. She spoke about the years Summit County attracted City employees with higher pay. Liza Simpson pointed out that less turnover relates to reduced costs in training and liability. Alex Butwinski acknowledged a consensus on a cap of 5% per six months and Joe Kernan expressed that he would feel more comfortable controlling costs until the Council goes through this exercise. Candace Erickson did not support moving personnel funds to the CIP because of the complexity of moving them back to the General Fund. Tom Bakaly discussed budgeting for the pay plan this year and putting in place a circuit breaker to monitor the amount and timing of salary adjustments. See regular meeting minutes.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
JUNE 3, 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, June 3, 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; Mark Harrington, City Attorney; Kent Cashel, Transportation Manager; Bret Howser, Budget Manager; and Hugh Daniels, Emergency Operations Manager.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

None.

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

None.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF MAY 20, 2010

Candace Erickson, "I move we approve the work session notes and minutes of the meeting of May 20, 2010". Joe Kernan seconded. Motion unanimously carried.

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

1. Consideration of authorization for accumulated change orders in an amount not to exceed $35,563 to the contract with Simplex Grinnell for the installation of security cameras and emergency phones at the Richardson Flat Park and Ride – Kent Cashel referred to his staff report and explained the many benefits of a wireless system at this location with no utilities. He clarified that the authorization is an amount not to exceed $35,563, but no other additional cash is needed since the City's contribution to the federal grant is land value which can be adjusted. The Mayor still expressed security concerns because the location is so isolated and Mr. Cashel discussed The Montage hiring a security guard for its use of the lot. This is a potential option that may be considered in the future. The Mayor invited public input; there was none. Alex Butwinski, "I move that Council authorize accumulated change orders in an amount not to exceed $35,563 to the contract with Simplex Grinnell for the installation of security cameras and emergency phones at the Richardson Flat Park and Ride". Liza Simpson seconded. Motion unanimously carried.

2, Consideration of a Resolution adopting a Comprehensive Emergency Management Plan for Park City, Utah and replacing and repealing Resolution No. 14-09 in its entirety – Hugh Daniels explained that adoption of an annual resolution is a requirement of FEMA and NIMS which was discussed during work session. The Mayor invited public input; there was none. Liza Simpson, "I move we approve the Resolution adopting a Comprehensive Emergency Management Plan for Park City, Utah and replacing and repealing Resolution No. 14-09 in its entirety". Alex Butwinski seconded. Motion unanimously carried.

3. Consideration of a Resolution Amending Section 1, Planning Fees; Section 2, Water Fees; Section 7, Parking, Meter Rates, Violations, Towing and Impound Fees; Section 8, Recreation Services and Facility Rental Fees of the Park City Fee Resolution and replacing and repealing Resolution 05-10 in its entirety – See staff report and work session discussion. The Mayor requested public input; there were no comments from the audience. Alex Butwinski, "I move approval of a Resolution Amending Section 1, Planning Fees; Section 2, Water Fees; Section 7, Parking, Meter Rates, Violations, Towing and Impound Fees; Section 8, Recreation Services and Facility Rental Fees of the Park City Fee Resolution and replacing and repealing Resolution 05-10 in its entirety". Joe Kernan seconded. Motion unanimously carried.

4. Consideration of an Ordinance establishing compensation for the Mayor, City Council and Statutory Officers for Fiscal Year 2010-2011, Park City, Utah – Tom Bakaly pointed out that this Ordinance addresses compensation for the Mayor, City Council, City Manager, City Attorney, City Engineer, City Treasurer and City Recorder, all statutory officers of the City. Increases for the Engineer and Treasurer are reflected in the draft Ordinance. The Mayor requested a motion to move this item after Item 5 on the agenda. Candace Erickson, "I so move". Alex Butwinski seconded. Motion unanimously carried.

The Mayor referred to the motion below for the adoption of the tentative budget, so increases for the Treasurer and Engineer, outlined in the Ordinance, are compliant with direction given by members regarding the 5% circuit breaker per six month period. The City Recorder's salary is not changing. Minor corrections were discussed including the fee charged for officiating a wedding. The Mayor opened the public hearing; there were no comments and it was closed. Joe Kernan, "I move we pass the Ordinance establishing compensation for the Mayor, City Council and Statutory Officers for Fiscal Year 2010-2011, as amended". Liza Simpson seconded. Motion carried unanimously. Liza Simpson thanked Mr. Kernan for his contributions to the budget review.

5. Consideration of a Resolution adopting a tentative revised budget for fiscal year 2010 and the budget for fiscal year 2011 for Park City Municipal Corporation and its related agencies - This item was discussed prior to action on Item 4. The Mayor opened the public hearing. There were no comments from the audience and the public hearing was closed.

Joe Kernan suggested that bonuses be funded out of departments because of the timing of the economy and what other cities are doing. This is more than just $840,000 in personnel because it is a commitment to an on-going expense. These funds should be set aside until important discussions on personnel and levels of service are conducted. The amount of $840,000 could represent a bond payment or hiring up to nine employees with benefits and supplies. Joe Kernan, "I move that we take the $840,000 increase out of the personnel budget and set it aside in the CIP budgets". Alex Butwinski seconded. (Motion later withdrawn).

Candace Erickson understood that the motion would mean that no employee will receive an increase, even in the case of a reorganization. There is no flexibility with moving the funds to capital and nothing is budgeted in the General Fund to add employees. Joe Kernan spoke about funding part of the pay plan which Cindy Matsumoto questioned. He stated that he will amend his motion to move funding somewhere else if it can be accessed easier. Ms. Erickson pointed out that managers do not have the funds in their individual budgets to give bonuses because departmental cuts have already been made. Liza Simpson envisioned conducting a detailed discussion on the pay plan in the upcoming months and understood that Mr. Kernan would like to freeze bonuses and raises until that discussion occurs.

Tom Bakaly agreed that moving the funds to the General Fund or a contingency would be better than the CIP and explained the reasons for creating a bonus pool. Candace Erickson discussed employees who have taken on more responsibility and deserve an increase in pay and Joe Kernan suggested setting aside funds that the City Manager can disperse at his discretion. Liza Simpson strongly felt that this conversation deserves more time in the upcoming months and not funding the pay plan now is inefficient. She believed that creating a bonus pool is more appropriate because it is a transparent approach. Bret Howser described applying the vacancy factor to the budget. Cindy Matsumoto favored placing a cap on increases. Recruitments and pay for new employees were discussed.

Mayor Williams publicly acknowledged Joe Kernan's hard work during the budget process, however he felt the motion is too sweeping and can't support it. Mr. Kernan withdrew his motion and Alex Butwinski withdrew his second. Joe Kernan, "Instead of the sweeping $840,000, I move to leave $100,000 in there for the City Manager to make whatever pay range increases are needed for those people who are actually changing their levels of responsibility". Motion died for lack of second. Alex Butwinski also thanked Mr. Kernan for his efforts on the budget. Mayor Williams confirmed consensus on a 5% cap on bonuses and raises per six months. Alex Butwinski, "I move that we implement the pay plan as presented with a 5% six month circuit breaker to achieve the grade level". Liza Simpson seconded with an amendment that the raise in compensation for the City Council be moved to operating rather than personnel; Alex Butwinski accepted the amendment. Motion carried.

Alex Butwinski	Aye
Candace Erickson	Aye
Joe Kernan	Nay

Cindy Matsumoto	Aye
Liza Simpson	Aye

VI ADDITIONAL DISCUSSION – AGENDA ITEMS

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 3:30 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; and Mark Harrington, City Attorney. Alex Butwinski, "I move to close the meeting to discuss property and litigation". Liza Simpson seconded. Motion carried unanimously. The meeting opened at approximately 4:30 p.m. Joe Kernan, "I move to open the meeting". Candy 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.

Prepared by Janet M. Scott

Janet M. Scott, City Recorder