PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
MAY 26, 2011

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

Tom Bakaly, City Manager; Mark Harington, City Attorney; Troy Johnston, Budget Intern; Jed Briggs, Budget Analyst; Chad Root, Chief Building Official; Roger Evans, Building Inspector; Matt Cassel, City Engineer; Thomas Eddington, Planning Manager; Nate Rockwood, Budget Analyst; Craig Sanchez, Director of Golf; Ken Fisher, Recreation Manager; Linda Tillson, Library Director; Jon Pistey, Ice Operations; Scott Robertson, IT Manager; Clint McAffee, Water Analyst; Kent Cashel, Transportation Manager; Phyllis Robison, Public Affairs Manager; Bret Howser, Budget Manager; Michael Kovacs, Assistant City Manager

1. Council questions/comments. Cindy Matsumoto spoke about visiting Durango and suggested that it be considered for a future summer tour destination. Dick Peek reported that he attended the Library Board meeting, Mayor Williams shared SBWRD business.

2. Monthly financial update. Troy Johnston reported that there was a slight decrease in sales tax this past month, recreation fees are down almost 30% because of the Recreation Building construction. He described looking at sales tax information on an interactive model which is on-line. Sales tax year to date is up 8.3% from last year. General Fund expenditures are under projections. He reviewed enterprise funds.

3. Operating expenditures. Jed Briggs discussed the Budgeting for Outcomes sessions which spanned from July to January with results being presented in February at Visioning. Teams prioritized options for departments and were asked to offset options. Approved options in 2012 totaled $1.6 million, not including revenue offsets or capital changes, debt service, inter-fund transfers, etc. In FY 2013, options dropped by $500,000.

Chief Building Official Chad Root explained changes in personnel and moving a contract position from the Building Department to the Planning Department in order to assist with work load. He believed that 2007 construction levels will return by 2013 and it is recommended that the Building Analyst II position be moved to the Planning Department which is a result of prioritizing community objectives including the General Plan update. Roger Evans confirmed that constructions numbers will swing back up. Thomas Eddington clarified that the $140,000 contract position moved from Building is intended for a one year contract planner, consulting services for the General Plan and other long range planning. Some of the money is reserved for historic preservation training and services. The architect/planner will be the Historic District Coordinator focusing on coordination of Historic District Design Review, consulting services, Historic Site Inventory update, and any other associated activities. The Mayor pointed out that Kayla Sintz is a LEED certified architect and he didn't want that effort lost. Mr. Eddington clarified that she will still be working with the Department on other responsibilities and all planners will be working on Historic District applications. Matt Cassel spoke about Engineering sharing a position with Public Works and the water team providing field inspection services for the next few years. The other request was to provide landscaping maintenance for Sandridge and Hillside Avenue in the amount of $2,600 a year.

Michael Kovacs explained that the Executive/Legal Team has more property to insure with different projects and infrastructure coming on–line and there is some election expense this year. Nate Rockwood stated that the victim advocate position supported by the Legal Department is contingent on receiving a grant from the Federal Government in the amount of $25,000. The program will be housed in the Police Department and the budgeted amount represents a portion of the matching funds from the Legal Department with some police oversight time and volunteer hours and about 50% is matched including in-kind services. The total cost of the program, not including in-kind, would be about $36,000. Mr. Kovacs stated that Senior Recorder Cindy LoPiccolo will be leaving the City after about 15 years of service. It is proposed to split functions of her position with safety programs going to Engineering and insurance to the Legal Department. Executive would conduct Elections and receive a part-time entry level position. Some funds will be transferred to Legal to offset contract expenses. It is estimated that there will be a $13,000 savings with this approach returning to the General Fund. Developing safety programs and saving on workmen's compensation claims were discussed.

Craig Sanchez presented his options including $10,000 in increased inventory for retail which is offset by tournaments, the second is a professional development plan for a Class A PGA Professional which is offset by fees and staff; changing the Golf Manager's position and his current role from 70-30 split in the Golf Fund and City to a 50-50 split and more City-wide functions. There is an increase of $2,700 to the golf cart repair and maintenance. He explained that in order to host state-wide open tournaments, a certified PGA Professional must be at the facility. In response to a question from Dick Peek about competitively pricing merchandise, Mr. Sanchez explained that most pro shops return about 40% to 50% and more is sold for tournament and non-resident play. Ken Fisher, Recreation Manager, spoke about moving an Analyst II to III. He detailed initiating a birthday party service at the Recreation Building which he believes will generate significant revenue. The new facility will include a pro shop which is a $95,000 option offset by $110,000 in revenue. There is a $1,500 request for group fitness by adding a third studio. Ms. Matsumoto questioned if recreation should get into the retail business with those numbers. Discussion ensued on the mark-up on clothing and equipment and impulse buying. Mr. Sanchez pointed out the importance of customer service and providing retail items is more than just a return on investment.

Ken Fisher referred to the building maintenance option to service a building 30% larger than the Racquet Club. There is a request for maintenance of Creekside Park and $20,000 for handling the bubble offset through increased tennis fees. Mr. Fisher noted a $2,000 day camp option for certification of workers and addressed the option of increasing the number of maintenance hours to 20 at the dirt jump park offset by reduced front desk coverage. Liza Simpson strongly expressed concerns about maintaining a good level of customer service at the new facility. Mr. Fisher referred to the youth soccer option where prices have simply increased for uniforms and an adjustment to the pro shop. Library Director Linda Tillson stated that the most important option is to upgrade the on-line catalog software. Another option is offering night and weekend children's story time and teen programs for working parents using Library Assistants. Liza Simpson suggested using Friends of the Library for volunteer work.

Jon Pistey, Ice Arena, explained that the first option is for $26,000 for staffing a seasonal outdoor ice sheet on the Zoom patio. Alex Butwinski stated that the HPCA is not in favor of the proposal and he questioned its feasibility. The capital side may be better used for a street light at Marsac. He doesn't believe this represents a good test for a rink at the top of the street. Ms. Matsumoto understood that Sky Lodge was to receive the first $15,000 in profits which seems somewhat inequitable. Mr. Pistey explained that the Sky Lodge has agreed to put forth capital for site improvements and he felt this is a great amenity for Main Street. The City would be spending $25,000 on equipment which can be used at the main rink. In response to a question from Ms. Matsumoto, he confirmed the Sky Lodge is spending $15,000 on initial staffing but is uncertain about the scope of improvements on the property to accommodate the rink. Dick Peek encouraged that the Council review drawings of the project before committing to the project and asked a number of questions, including whether the shade structures will obscure Zooms. This was discussed at length. Mr. Butwinski cautioned rushing into this project and felt that waiting a year will be helpful. The Mayor expressed concerns about the terms of the arrangement as the City will be putting up five times the money than the Sky Lodge and the first $15,000 generated goes to them. He would rather consider an economic development grant for a business than have the City staff and operate a private concession. He pointed out that the rink is not yet out of the red. There is really no excess money to experiment with and he is not supportive at this point. Liza Simpson agreed with the Mayor. Mr. Pistey explained that there are few revenue opportunities at the rink left to explore and he felt the satellite rink was a creative option to bring in some new revenue. The Mayor believed that the City should be paid first and the Sky Lodge reimbursed later. Alex Butwinski questioned the estimate of 60 skaters predicted per day on a small rink. Mr. Pistey advised that for other small facilities 60 patrons a day is realistic. Joe Kernan stated that he is comfortable with the Mayor's suggestion that the Sky Lodge is not reimbursed its $15,000 until the City's costs are covered. The rink will be a good draw for the Sky Lodge and it should take on more risk in the first year. Mr. Peek reiterated that he would like to see plans acknowledging that staff, the Planning Commission and the HPB will be involved, but based on available information, he is not supportive of the proposal.

The majority of members were not in favor of moving forward with the Sky Lodge rink but agreed to consider it next year. Members were supportive of the remaining options. The acquisition and use of the scissor lift was discussed. Scott Robertson reviewed the IT budget; there were no questions or concerns.

Clint McAffee pointed out an increase in the Quinns Water Treatment Plant operation and maintenance due to revised estimates on costs which is offset with the elimination of a reservation fee and an increase associated with the fixed base meter reading system for connection fees, lease fees, etc. This is a level of service reduction affecting maintenance on meters and asset management monitoring. Ms. Simpson stated that she is not excited about reduction in service, especially a new asset management program. Mr. McAffee explained it will be a 20% reduction in refurbishing meters and the City Manager suggested looking at other options but explained that staff was asked to identify offsets and this was a low ranking program. The Mayor hoped that offsets would not always be reductions in service. Tom Bakaly stated that because the Water Fund is an enterprise fund, if costs are not offset, water rates are impacted. Liza Simpson felt that it is important to have an efficient water system and is willing to raise rates including the $9,400 offset just discussed rather than reduce service. Bret Howser discussed modifying the Water Fund model and after discussion members decided not to adjust rates for the offset in the Water Fund since there is no impact to the water customer. Jed Briggs pointed out the new cost for utilities at the water treatment plant but the inter-fund administrative transfer for water is going down somewhat. Mr. McAffee explained that a $100,000 contingency has been established the result of the Thaynes event last summer and serves to cover unexpected emergency expenses.

Kent Cashel addressed an increase for maintenance to accommodate the new transit building which is offset by a reduction in contract services and a contribution from the County for a portion of the costs. The addition of a planner in transit has reduced the need for outside contract services and service delivery will not change. Bus Driver IV is a new position and the transit marketing plan is budgeted. Bret Howser described technical adjustments which originate from outside sources, like URS.

Chief of Police Wade Carpenter described a personnel move from Analyst I to Analyst II based on added responsibilities associated with the Fire Marshal duties. He spoke about a new program providing redundancy in the CAD system with Summit County which has no financial impact. There was no review or questions for his remaining options.

Alex Butwinski pointed out the $250,000 number in the General Fund lump merit pool and Bret Howser explained that it is the additional 3% to the existing 4%. There were a few questions for Phyllis Robinson of Sustainability. Unfinished work session business was partially covered in the regular meeting.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MAY 26, 2011

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, May 26, 2011. Members in attendance were Dana Williams, Alex Butwinski, Joe Kernan, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Tyler Poulson, Sustainability Analyst; Phyllis Robinson, Public Affairs Manager; Tommy Youngblood, Special Events Coordinator; Bret Howser, Budget Manager; Nate Rockwood, Budget Analyst; Troy Johnston, Executive Intern; and Mark Harrington, City Attorney.

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 12, 2011

Alex Butwinski, "I move we accept the work session notes and minutes of May 12th". Liza Simpson 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")*

Alex Butwinski, "I move to approve the Consent Agenda, Items 1 and 2". Liza Simpson seconded. Motion unanimously carried.

1. Consideration of a Resolution designating June 11 to June 18, 2011 as Summit County Invasive Weed Awareness Week in Park City, Utah – Staff recommends approval.

2. Consideration of a Resolution adopting an amended Federal Transit Authority Substance Abuse Policy for Park City Municipal Corporation – Staff recommends approval.

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

1. Consideration of an Ordinance approving a plat amendment for 811 Norfolk Avenue, Park City, Utah – The Mayor opened the public hearing. There was no response from the audience. Dick Peek, "I move that we continue 811 Norfolk Avenue plat amendment to a date uncertain". Joe Kernan seconded. Motion unanimously carried.

2. Consideration of an Ordinance approving a plat amendment for 817 Norfolk Avenue, Park City, Utah – The Mayor opened the public hearing; there was no input. Dick Peek, "I move

we continue the plat amendment for 817 Norfolk Avenue to a date uncertain". Alex Butwinski seconded. Motion unanimously carried.

3. Consideration of a Master Festival License for the MTB Race Series to be held in Round Valley on June 25, 2011 – Tommy Youngblood described elements of the event which is recommended for approval. Bob Saffold of MTB Productions explained that they have a partnership with the Huntsman Cancer Institute where $5 is contributed from each entry fee and there are other fund-raising opportunities. Mr. Youngblood stated that Round Valley will be available to the public during the race. Meeting the 60 day time frame for applications was discussed and it was pointed out that everyone is treated equally. If an event does not meet the timeline, it will be noted in the staff report. The Mayor opened the public hearing; there were no comments. Lisa Simpson, "I move that we approve a Master Festival License for the MTB Race Series on Saturday,June 25, 2011 from 4 p.m. to 7:30 p.m. based on the findings of fact, conclusions of law, and conditions of approval and waiving the time restraint for application, if needed". Joe Kernan seconded. Motion unanimously carried.

4. Consideration of a Master Festival License for the Classical Concert Series in City Park to be held on July 18 and 25 and August 8 and 15, 2011 – Tommy Youngblood explained that the applicant is Mountain Town Stages. There is no amplified music and about 100 spectators are estimated at performances. Parking will be carefully monitored for each show. Mayor Williams discussed the lack of a written policy for City Park and Tom Bakaly responded that events are examined individually so specific impacts are addressed and mitigated. Tommy Youngblood advised that a use policy for all public areas is underway and events are not turned down without seeking operational solutions first. Mark Harrington interjected that Council holds approval ability, not staff. The Mayor opened the public hearing; there was none and the public hearing was closed. Liza Simpson, "I move we approve the Master Festival License allowing the City Park Classical Concert Music Series". Cindy Matsumoto seconded. Motion unanimously carried.

5. Consideration of extending a line of credit in the amount of $100,000 to Habitat for Humanity for the construction of affordable housing in Park City, Utah – Phyllis Robinson introduced Shelly Barrus, Program Manager and Jeff Graham, Board Member. This line of credit is for 154 Marsac Avenue which was donated by the City a few years ago. The application has gone through all planning processes and is fully permitted at this point. It has been a challenging time to raise funds for many non-profits, including Habitat who initially requested a larger line of credit for both houses. Since only one house is moving forward at this time, staff is recommending this amount and she spoke about other promissory notes to Mountainlands Community Housing Trust which have been successfully repaid to the City. There are conditions of approval outlined in the staff report and staff is recommending a 12 month loan with the potential of automatic six month extensions based upon successful performance of the note. The Legal Department is comfortable with the 2.5% per annum rate on the note based on our current earnings rate at the state. She stated that the City will be monitoring the draw request which will be limited to capital expenses with proof of payment and in the event of default, the land returns to the City. Alex Butwinski asked about establishing a policy for extending credit and Ms. Robinson explained that a loan program policy has not been pursued because the City doesn't want to create expectations. Tom Bakaly added that loan criteria has been used in the past. Mr. Butwinski believed it is important to treat everyone the same and Ms. Robinson pointed out that every loan is structured differetly. Ms. Simpson stated that she has been comfortable with prior requests. The Mayor invited public input; there was

none. Ms. Robinson advised that the $100,000 is coming from the affordable housing CIP. Joe Kernan, "I move we approve New Business Item No. 5 providing a letter of credit to Habitat for Humanity". Liza Simpson seconded. Motion unanimously carried.

6. Consideration of a Professional Service Agreement with Avail Technologies, Inc in the amount of $1,235,008 for the purchase and installation of an Automated Vehicle Location Global Positioning System, in a form approved by the City Attorney – Kent Cashel explained that the GPS will provide real time bus location information in a variety of formats. It also creates data for improved analysis and reporting. There is an 80% FTA grant going toward the purchase, 20% will come from local funds and the County is participating in a proportionate share. The procurement spanned over two years and he believed staff negotiated a fair and reasonable price for the product. There is extensive training but no additional staffing is needed. Mr. Cashel answered a number of questions for Liza Simpson. Cindy Matsumoto, "I move that we authorize the City Manager to execute a professional service agreement with Avail Technologies, Inc in the amount of $1,235,008 for the purchase and installation of an AVL GPS System". Liza Simpson seconded. Motion unanimously carried.

7. Consideration of a Resolution adopting a tentative revised budget for fiscal year 2011 and the budget for fiscal year 2012 for Park City Municipal Corporation and its related agencies – The Mayor opened the public hearing and with no input, continued it to June 2, 2011. The work session discussion was continued. Troy Johnston pointed out that the three major enterprise funds Golf, Water and Transit and the General Fund receive services from department programs. The last inter-fund transfer study was done ten years ago and was an indirect cost analysis. Adjusted totals reflect a reduction of $76,000 for the Water Fund, increase of $3,000 for Golf and a decrease of $60,000 for Transit for a total reduction of $133,000. Enterprise funds will now be made directly responsible for janitorial and utility costs and some fees processed by the Finance Department are being directly allocated to the General Fund. He stated that the administrative inter-fund plan will be updated every two to three years.

Nate Rockwood referred to the Transportation and Parking Fund study completed this year. In recent years, there has been discussion about moving the Resort Cities Sales Tax from the Transportation Fund to the General Fund. The bulk of the study consisted of creating the transit fund model and analyzing service levels without federal financial assistance. It was determined that without federal funding, the fund would still be able to cover all of its current services which has been a long-term goal. Additional services in the future, however, add challenges mainly because of the timing of capital projects. Mr. Rockwood stated that it is anticipated that in the short term the Fund will continue to add to the fund balance and that federal funding will continue, but maybe not to the degree it has been in the past. The Transit Department is currently working to provide the short range transit plan which will recommend services to be added. In response to a question from Liza Simpson about staffing, Kent Cashel detailed hiring seasonal employees. Mr. Rockwood noted that paid parking is also addressed in the study.

Bret Howser described the Marsac Avenue street light request which has gone through the RELS process where it was recommended to send it through the capital improvement team again, as it was determined that it is not an elevated service. The CIP committee looked at it again and reaffirmed its original decision to deny, but Council can override this decision. Funding options including cutting another capital project or drawing on the fund balance. All members were supportive of overturning the decision. Alex Butwinski referred to discussions about authorizing the City Manager to manage a CIP contingency account to handle these types of requests. Mr. Howser stated that about $200,000 exists in the contingency fund and there is a policy on how this money is accessed including emergencies or short-term service requests. It is not recommended to use more than 50% during the course of the year. Members agreed to fund the street light with CIP contingency funds.

Liza Simpson brought up awarded special service contracts, specifically the one for general performances at the Egyptian Theater, not youth programs. She didn't feel it meets criteria and sets precedence. The second concern is Habitat for Humanity's grant for a capital project as many non-profits have capital needs. Nate Rockwood explained that the committee struggled with Habitat's request for funding a capital project but he clarified that it is a non-profit providing services which happen to be capital projects. This is different than non-profits asking for money for a new building, for instance. Habitat is providing a capital project which then is included in the affordable housing inventory. Ms. Simpson stated that she is uncomfortable with both grants unless the parameters for special service grants are expanded to include these types of requests. Mark Harrington suggested that this be scheduled on an upcoming agenda so that applicants can attend as they weren't anticipating this discussion. Ms. Simpson believed that grants can't be given to performing companies for performances. Mr. Rockwood explained that arts is a category included in the criteria and the award to the Egyptian is within the scope of the policy. Liza Simpson felt that all performing organizations would have been applying if they were under the impression they could. The City Attorney pointed out that there have been several in the past and the proposal has to be written to deliver a public benefit. She asked for more information on the Egyptian. A majority of members were not supportive of reopening this issue.

VII ADDITIONAL DISCUSSION – AGENDA ITEMS

VIII 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, Alex Butwinski, Joe Kernan, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Diane Foster, Sustainability Manager; Tom Daley, Deputy City Attorney; Jason Christensen, Legal Intern; Joan Card, Enviornmental Consultant; Jon Weidenhamer, Economic Development Manager; and Mark Harrington, City Attorney. Cindy Matsumoto, "I move to close the meeting to discuss property, personel and litigation". Liza Simpson seconded. Motion carried unanimously. The meeting opened at approximately 3:30 p.m. Alex Butwinski, "I move to open the meeting". Joe Kernan seconded. Motion unanimously carried.

The City Council convened in closed session at the adjournment of the regular meeting. Members in attendance were Mayor Dana Williams, Alex Butwinski, Joe Kernan, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Tom Bakaly, City Manager and Mark Harrington, City Attorney. Liza Simpson, "I move to close to discuss personnel". 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