PARK CITY COUNCIL WORK SESSION MINUTES
SUMMIT COUNTY, UTAH
MAY 24, 2012

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

Tom Bakaly, City Manager; Mark Harrington, City Attorney; Bob Kollar, Venture Fund Program Manager; Joan Card, Environmental Sustainability Program Manager; Nate Rockwood, Budget Program Manager; Jed Briggs, Budget Program Manager; Clint McAffee, Water Manager, and Michelle DeHaan, Water Quality Program Manager

Rich Bullough, Summit County Board of Health Director; Beau Call, Utah Division of Water Quality

1. Council questions/comments. Alex Butwinski reported on a ULCT legislative meeting. Cindy Matsumoto discussed the Chamber adopting its budget; a grand opening for its new building is slated for August. Andy Beerman was pleased to announce that Park City has been promoted from Bronze to Silver as a Bike-Friendly City. Dick Peek reported on the status of Habitat for Humanity's Marsac Avenue project. The Mayor congratulated the County on a potential open space purchase in Round Valley.

2. Tour of Utah. Bob Kollar explained that the Tour of Utah is on the international race calendar. The start-finish is planned to be located on lower Main Street, heading out to eastern Summit County, Browns Canyon, Wolf Creek Pass, and over Guardsman Pass down Royal Street. Fifteen thousand spectators are expected and staff is working with the Police Department, Fire District, emergency management, and the Summit County Sheriff's Office on mitigating traffic impacts. There will be national coverage of the race and it is felt that the promotional benefits will outweigh impacts caused by the event.

Mr. Kollar stated that sponsor hospitality will be set up at the Kimball Art Center and a public hospitality area on the Town Lift Plaza. The Park Silly Sunday Market will be relocated to the upper portion of Main Street. The Tour of Utah Expo and autograph alley will also be on upper Main Street. The programming on Main Street will help keep people in the area anywhere from four to five hours. The City is partnering with the Chamber and both are contributing $20,000 in cash. The City has also agreed to contribute $7,500 in fee waivers and up to an additional $40,000 will come out of the Joint Venture Fund. Anything above and beyond that will come from the Chamber. In response to a question from Cindy Matsumoto, Mr. Kollar advised that a local organizing committee will focus on sponsorship sales.

With regard to the Joint Venture Fund, Mr. Kollar explained that $25,000 is dedicated to arts and culture, about $40,000 is available for event opportunities throughout the year, and a grant program is administered annually. Members were supportive of supporting the Tour.

3. Air quality monitoring. Joan Card explained that during Visioning, members raised an interest in learning more about air quality issues and the State has an initiative in Summit County. She introduced Rich Bullough, Director of the Summit County Health Department, and Beau Call, Manager of the Division of Air Quality.

Rich Bullough expressed that the Board of Health has identified air quality as being a concern and a couple of years ago, PM2.5 was measured in the County where there are generally low levels. The Board authorized $60,000 to purchase four ozone monitors, but at the same time the State wanted to conduct a saturation study on ozone so the purchase will be delayed after the State has the data. PM2.5 is a visible pollutant and at elevated levels causes health risks. He explained that monitoring began in 2009-2010 and he displayed slides of the equipment on Quinns Junction and Old Ranch Road. Levels above 35 represent health risks. He pointed out a spike one day due to a dust storm but all other levels were low. The 2011-2012 data is similar. The data is considered preliminary because EPA protocol was not followed and the state and federal levels do not consider the data robust enough to make a determination. The intent of the County is to begin to establish a base line to determine whether or not there are problems.

Beau Call explained that he is the Manager of the Air Monitoring for the State of Utah. A few years ago there was an effort to relook at the ozone standard which was expected to be reduced to at least to 70 ppb; it is currently at 75 ppb. There was not a lot of information in outlying areas although there is plenty of information on the Wasatch Front, Cache Valley and Washington County. Two years ago, the State embarked upon a summertime ozone study and EPA is known to bring in neighboring counties when a non-attainment declaration is made. One of the monitors was installed in Summit County and ran for two years.

He explained that the last two years' ozone readings for the Wasatch Front have been really good but some things have changed. The change to the ozone standard that was proposed was shelved by the administration who has decided to relook at this during the normal five year window. No one knows if the standard will change or what it will change to, however, over the last couple of years the weather has been good and as a result the State as a whole has gone from being non-attainment in most places to attainment. It was found was that the Summit County monitor correlated very well to the Hawthorne Monitor which is the primary monitor for controlling the Wasatch Front MSL. Mr. Call relayed that the monitor installed two summers ago in Summit County followed what was recorded at Hawthorne and in the last summer there were some values that were higher than at the Hawthorne Monitor. The State decided to conduct a saturation study and the plan is to place a number of monitors throughout the County and in Park

City to evaluate whether the air in the summer is homogenous. If there are high levels of ozone, trends in origin will be identified. Mr. Call explained that the initial plan was to install five or so monitors in the County and another three to five within the City area.

In response to a question from the Mayor, Mr. Call explained that the monitor was installed on Ranch Road. The highest value was 78 ppb and the standard is 75; that same day the high value at Hawthorne was not 75 or 76. Ozone is a photo-chemical reaction. Ms. Simpson asked why the testing is done in the summer. Beau Call explained that historically ozone is a summertime pollutant involving sun, high temperatures, and stagnant air. In response to a comment from the Mayor, Mr. Call explained that motor exhaust actually lowers ozone but he couldn't pin down exact pollutants. There is stratospheric and ground level ozone.

Rich Bullough explained that the proposal is to place a single monitor in downtown Park City and six monitors throughout the County; five in the Snyderville/Park City area and one in Kamas. A monitor has been set up in Morgan. The State is viewing this from a scientific perspective but there are political implications with regard to location and there needs to be an awareness component. Joan Card added that staff is recommending that the City be proactive in working with the State and County. Mr. Call explained that ozone can be created 30 miles away by blowing in from anywhere through weather patterns.

Liza Simpson felt this information will be beneficial. Joan Card discussed the State returning with findings and Mr. Call spoke about working with staff on appropriately placing the downtown monitor. The Mayor noted that the data is not going to show where the ozone originated making mitigation a challenge. Ms. Card stated that staff can provide political support for efforts in the Wasatch Front. City Council members were supportive.

3. Continuation of Capital Improvements Program Budgets. Nate Rockwood pointed out interest expressed by Council members in increasing the resort cities sales tax and providing a bridge loan from the General Fund to fund the Empire Avenue reconstruction project. In future budgets, adjustments will be made to get the General Fund capital reserve amount back up to 18%. If sales tax revenues continue to come in at the same levels, some of the transfer will be covered immediately. About $600,000 of old bond money will be allocated toward downtown improvements and the first phase can be implemented this construction season. The Mayor invited public input.

Alison Butz, HPCA, understood that the bond funding needs to be used within a certain time frame. Nate Rockwood explained that if the bond revenues were not used for downtown projects, funding would be used to pay down the bond so revenues would never be forfeited.

Mr. Rockwood explained that the resort cities sales tax was set up to allow resort communities the ability to deal with the increased costs of providing services. If Council decides to proceed, it would pass a resolution supporting an increase to the tax and the proposal would go to a city-wide vote requiring 51% approval. If approved, the Council would adopt an ordinance approving the tax and there is a 90 day period to challenge the vote. Nate Rockwood pointed out that members have discussed using the tax revenue to fund the downtown, OTIS and storm drain projects. In all likelihood if the initiative passes, the City would be able to program those projects without bonding. Andy Beerman felt it would be helpful to do some modeling on the level of increase actually need to fund potential projects.

Cindy Matsumoto explained that the Chamber is concerned that Park City not fall on the high end of total sales tax for lodging compared to other resorts. Sales tax may not influence an individual buyer but may impact group sales. She felt if the City goes from 10.45% to 10.95% on lodging, Park City will still be in the middle range.

Nate Rockwood noted that Andy Beerman researched sales tax comparisons from other resorts which were discussed. The Mayor pointed out that the County levies the lodging sales tax with a donation allocated to the Chamber. Mr. Rockwood pointed out that total sales tax includes, the State, the County, local and TRT taxes. The City Manager explained that the City has nothing specific for lodging, but has a general sales tax, transit tax and resort cities sales tax. The lodging tax to the County is 3%. Of the current 10.45%, the base rate is 7.45% of which the City receives roughly 2%. Cindy Matsumoto remarked that the County's rate is a little below the City's and Tom Bakaly believed the County's base rate is in the mid 6% range. The main difference in base rates will be the resort cities sales tax.

Alex Butwinski suggested looking at different options with regard to the level of the resort cities tax increase and the associated cash flows to pay for a bond. He felt it appropriate to dedicate funds from this revenue source to specific areas of impact. Open space should be viewed as a separate bond. Mayor Williams pointed out that this funding could be used to acquire open space but Mr. Butwinski felt the voters should have the opportunity to make the distinction rather than lumping everything together. Nate Rockwood pointed out that bonding for OTIS, storm drains and downtown improvements totals about $36 million; adding open space is about $41 million. He suggested that OTIS be phased over ten years with one or two projects per year. Andy Beerman suggested funding OTIS over 12 or 15 years to keep costs under the deficit level. Nate Rockwood illustrated financing options on the model.

Liza Simpson pointed out that the resort cities sales tax was created to help resort communities with infrastructure to support increased costs due to the added visitor population. In response to a question from Ms. Matsumoto, Mr. Rockwood explained that the pavement management program is funded with a $300,000 transfer from the General Fund and $300,000 from the B&C Road Funds annually. The City Manager pointed out that the days of $7 million surpluses are over and $3 million is anticipated this year which is recommended to be used for the Empire Avenue reconstruction. Funding core infrastructure needs is important. He pointed out that staff will need direction on open space. Mr. Rockwood displayed an iteration on the model including open space with the other three unfunded projects. Alex Butwinski again expressed his concern that open space is distinguished from other projects and stand alone for voters to make a decision. Liza Simpson agreed with Cindy Matsumoto about grouping all needs together because she is concerned about putting two tax increase proposals on the ballot. If the resort cities sales tax generates money for open space, the City will have the funds to purchase property when it becomes available.

Nate Rockwood referred to new water projects addressed in the staff report. Clint McAffee described a dewatering facility at Quinns, estimated at $2 million total, to treat the Judge Tunnel water in the next two years which will be reflected in the final budget. Mr. Rockwood explained that these water projects reflect long-term planning goals.

Mr. McAffee discussed the three year pipeline project from Judge to QTP which is being designed; the cost is $4 million and the City has obtained a $2 million grant. The Spiro-Judge pretreatment project is spread out over the next six years and the Spiro Water Treatment Plant will be upgraded over the next three or four years until the plant is removed. Nate Rockwood emphasized that these projects are funded.

With regard to Thaynes Canyon water, Clint McAffee explained that treating stream and drinking water and storing water are elements included in one comprehensive infrastructure plan. The short term goal is to bring Judge Tunnel water and convey it to the new QTP where it will be treated for turbidity and antimony through a blending plan. This is scheduled to occur within the next two years. A site feasibility study will be conducted on a new treatment facility that would treat tunnel waters to a level in compliance with stream water standards which is more stringent than drinking water standards. An engineer is under contract to test the water to determine a process for the tunnel sources and the City is waiting for the final discharge permits from the State. As the final permits are received, a target date can be determined. A local architect is looking at fitting the footprint requirement that will come out of the engineer study and the current Spiro site is a consideration. The Spiro Plant would be removed and replaced with this facility that would treat the tunnel sources and a new pipeline would move the treated water to QTP where it would be treated for drinking water. Mr. McAffee stated that within the next six to seven years a treatment facility will be on line that will just treat tunnel water for either drinking or stream water.

The Mayor asked how these improvements will affect the Thaynes Canyon neighborhood. Clint McAffee pointed out that over the last 18 months; changes have been made to supplying water to Thaynes. Historically, the water primarily came from a combination of Spiro treated water mixed with Theriot Springs water and sometimes just the spring water depending on the season. Since Spring 2011, modifications were made to pump treated Spiro water and spring water to Boothill Reservoir where it is mixed with well water and water from the new QTP. That water is then pumped up to the Woodside Tank where it is further blended with Judge Tunnel water and then fed to the Thaynes Canyon area. This is the same water provided to the rest of the City. The

Mayor invited public input. In response to a question from Andy Beerman, Mr. McAffee described the replacement of the Empire Tank.

Cindy Sharp, Thaynes Canyon resident, stated that water is essential to life and although she is no expert, there is a very serious problem in Thaynes, not just the source of the waters but pipe issues. Instead of spending capital for recreation or aesthetic projects, residents want the money spent on Thaynes water where problems have been going on a long time.

Mr. McAffee described treating Judge Tunnel water in response to a question from Ms. Sharp. He acknowledged that there are contaminants but they are below drinking water maximum contaminant levels. The Mayor stated that there isn't a single water source feeding Thaynes and the water going there is going to other parts of town. Mr. McAffee agreed. Ms. Matsumoto asked if the same mix goes to Park Meadows. Mr. McAffee responded that it all depends on demand, how water is being drawn through the system and how the sources are flowing. A blended mix also goes to Prospector. He explained that there are certain areas of town that get a higher proportion of certain sources than other parts of the City and there is no constant blend throughout the system. The Mayor remarked on the complexity of the City's water system and the ability to switch sources from one tank to another.

Cindy Sharp stated that the Judge source is basically raw water and high in antimony. Mr. McAffee explained that it is no different than well water and is meets maximum contaminant levels. She pointed out that the City is being watched by the EPA. He stated that the City has an agreement with the Department of Drinking Water and is currently operating under a variance. The State has identified concentrations coming out of Judge to be suitable in the short term. Those standards are set by the EPA. The Mayor noted that the water coming out is blended with other sources that don't have the antimony problems.

Ms. Sharp indicated that the next big issue is the pipes. In 2007 and 2010 there were major crises with the water being a dark brown color high in toxic chemicals. The infrastructure in Thaynes is 50 years old although she acknowledged turbidity and monthly testing by the City. She felt flushing the pipes is a good thing but it doesn't remove the scale on the pipes. When sources change, the Ph may change and cause a problem all over again. Replacing pipes would be very expensive but it needs to be done. There could be a bond issue, property tax increase or federal money available to pay for the project. She reported that Park City's water system ranks in the bottom 10% based on 2004 and 2006 statistics which can cause a number of health problems. There is no safe level of exposure to lead and she referred to Ms. Hurwitz's neurological problems during the 2007 crisis and another resident experiencing fatigue. She emphasized that Thaynes Canyon needs solutions now not six years down the road. Color pavement, flowers, etc. are nice on Main Street but does not solve the basic need of providing clean water.

Clint McAffee advised that new pipes will also develop scale and staff is working on a solution. Ms. Sharp stated that if the water is clean, the scale shouldn't build up. He clarified that scale is common in drinking water systems.

Michelle DeHaan explained that she is the Water Quality Program Manager for Park City where she has been employed for about seven months but involved with this evaluation the past year in her prior position. She was involved nationally on inorganic issues throughout the United States and stated that scaled form and flushing programs are very common. Park City has more aggressively implemented these flushing programs to create higher velocities to remove more scale off of the pipes. A program was conducted throughout the City this spring and will flush again in the fall. She reported that the City is seeing very good results in water quality results in the distribution system. About three weeks ago, samples were collected at two locations within the Thaynes area that were taken just after flushing that were all below the maximum contaminant levels. It is an effective process. Staff is also working with the EPA Office of Research and Development and other national consultants through the Water Research Foundation to gain funding for unique techniques that are being brought into other water systems. She explained swabbing which is similar to a pigging process which cleans the pipe itself as opposed to high velocity flushing, by physically removing the scale from the pipe material. Another novel technique which has not been tried in the United States, is ice pigging which is claimed to be more effective.

Mayor Williams noted that when the Thanes water quality issue came up a few years ago, Council considered the potential of replacing the pipe system and learned a lot about flushing systems and turbidity. The City would be willing to replace the pipes if it solved the problem but the scale returns. He agreed with Ms. Sharp on her point of blended water changing Ph levels and releasing scale into the water. Ms. DeHaan explained that water blending management is very effective and the water doesn't drastically change in concentrations. The Mayor pointed out that tap water is below all regulatory standards. Ms. DeHaan added that one of the reasons turbidity meters were installed in Thaynes was to enable responding immediately to a trigger level that exceeds a set point. She described the pigging process.

Cindy Sharp expressed her concern that residents be notified when there is a problem with the water immediately not five days afterward. She still believed the City needs to do more things.

Beverly Hurwitz, physician and resident in Thaynes Canyon, stated that she began to have neurological problems in 2005 and in 2006 and closed her medical practice because of hand tremors. She didn't learn until the water crisis in 2007 why she was having problems that couldn't be diagnosed. Her manganese level was tested and two weeks after she stopped drinking the water she was still in the top range but the level dropped during the next year and her tremors have dissipated. Most of the time manganese poisoning is irreversible so she considers herself fortunate. She stated that she didn't go public in 2007 because she didn't really know the reasons but it got better when she stopped consuming the water. Ms. Hurwitz relayed that she was not noticed about the water problem in 2010 but felt she should go public at this point and spoke at a City Council meeting. She began doing research. Her symptoms were very much like Parkinsons and after her newspaper article she began receiving calls from people in Park City sharing sad stories about their health or pets dying. It made her start looking at statistics and she stated that Summit County is among the highest in the country for Parkinsons reported by Medicare. She referred to statistics of high cancer rates for Summit County from the Utah Cancer Registry and felt the numbers are alarming for such a relatively young population. She alleged that the distribution system is a huge problem and discussed sediment measurements. Thaynes sediment has twice the amount of phosphorous, ten times the amount of silicon, 11 times the amount of calcium and manganese, 207 times the amount of magnesium, and 40 times the amount of aluminum. Measuring at the source does not reflect what is coming out of the tap. She knows this cannot be fixed immediately but it is time to let citizens know. There needs to be more monitoring at homes and the information posted. She learned that there are many new residents who are unaware of the problems or ways to protect themselves from the potential of contaminants. This should be a budget priority and she spoke again about notifying people.

Kate Averin stated that she agrees with everything that has been said. Monitoring needs to be done on a more regular basis and the information should be available to residents on the website. She doesn't need a notice when the crisis happens. She urged Council to devote more funds to solving this as a shorter term issue.

Rob Slettom, Identity Properties and resident of Thaynes Canyon, relayed that Identity manages quite a few properties in Thaynes and there are probably over 500 rental units in the general area that experienced the 2010 episode. Fortunately, it wasn't over the holidays and he pointed out that visitors would not even think about water quality when traveling in the states. He felt that property taxes should be raised if it means better health.

Jim Helfend, resident, submitted a petition signed by about 80 residents in the Thaynes and Aspen Springs area:

> *We the undersigned residents and/or property owners of the Thaynes area are very concerned about the quality of the water supplied by Park City Municipal Corporation to our homes. We believe that water free from harmful toxins such as antimony, arsenic, lead, cadmium, manganese, mercury, Radium-226 and thallium, is something that customers of Park City Municipal Corporation are entitled to. We are entitled to water that is at or below Maximum Contaminant Levels as set by the Federal Government 100% of the time. We request MONTHLY testing at various tap locations and publication of these test results on the Park City Municipal website via email distribution. We insist that immediate notification be provided to all water customers when any levels of these, or other toxic contaminants, exceed Maximum Contaminant Levels. A new clean water*

> *source or the filtering, monitoring and distribution capabilities of the water treatment facilities of the Spiro Plant must be brought up to the highest technological capabilities to remove these type of toxins and our distribution pipes must be replaced or cleaned so that they no longer contain chemical scale.*

The Mayor pointed out that 60% of our water comes from mine sources and if there was another option, the mines would be closed off immediately. He believes that within the next five years, Park City water will be the most expensive in the United States because of the focus on acquiring water rights, importing water from the Weber River, and solving water quality issues. He encouraged people with homes over 25 years old to look at connections from the water meter into the property. Park City has spent $20 million buying new water to get rid of the mine water altogether or to be able to blend it to a point that is well below the allowable standards. The City is testing Thaynes once a month and the Mayor requested that results be published on the website. The eNotify process was explained. Cindy Matsumoto believed the City has worked hard but the big issue here is the loss of confidence in the City's water quality and she encouraged looking at ways to build trust.

Beverly Hurwitz suggested that the City set up a health surveillance task force that could assess Park City's health issues since the Summit County Board of Health doesn't provide these services.

With regard to Ms. Hurwitz's health statistics for Summit County, the Mayor emphasized that Park City is a relatively small part of the population of Summit County and the majority of people living in the County are not drinking this water. He encouraged everyone to put this matter in perspective and again spoke about monthly testing and regular reports to residents. Liza Simpson felt information should be easily accessible. Tom Bakaly stated that staff will return with options.

In response to a question from Andy Beerman about the City's response to a triggered alert, Clint McAffee explained that the triggers have not gone off yet, but the first reaction would be to test and flush the line, if needed. Michelle DeHaan added that turbidity analyzers are a measure of light and scatter. When the system is meeting all of the drinking water regulations within the distribution system to the levels already at the source levels and meeting the MCLs for all of the parameters in the distribution system and the source is looking at the turbidity trends, then a level is set that is just above any of the higher levels occurring there. Alarms have been set up for two of the areas based on the data available to date.

With no further comments, the work session was adjourned.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MAY 24, 2012

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, May 24, 2012. Members in attendance were Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Matt Cassel, City Engineer; Diane Foster, Deputy City Manager; Phyllis Robinson, Public Affairs Manager; Nate Rockwood, Budget Program Manager; Troy Dayley, Streets Manager; and Pace Erickson, Operations Manager.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Fish pond incident – Thyanes Canyon - Phyllis Robinson explained that the water source where the fish died was not in the City's municipal water system. It is privately owned water on private land. It appears to be an isolated incident as upstream fish are alive. A property upstream from this pond shut off the flow of water for a period of 12 hours which cut off the oxygen level and stressed the stocked trout. The size of the pond and number of fish were also factors. There will be further testing on the dead fish and Council will be updated.

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

None.

IV 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")*

Andy Beerman pointed out that with regard to Item No. 3, there are conditions about trucks which are not relevant to this vendor; staff will amend the agreement. Liza Simpson, "I move approval of the Consent Agenda". Alex Butwinski seconded. Motion unanimously carried.

1. Consideration of authorization to enter into a Construction Agreement with Intermountain Wind and Solar for installation of a solar photovoltaic (PV) array on the roof at the Police Facility, 2060 Park Avenue, in an amount not to exceed $113,500, in a form approved by the City Attorney – Approved.

2. Consideration of awarding a franchise agreement to Yogui's Ice Cream to allow ice cream vending within the public right-of-way for a one year term with automatic

renewal for four successive one year terms, in a form approved by the City Attorney – Approved.

3. Consideration of awarding a franchise agreement to Z-Cycles Ice Cream to allow ice cream vending within the public right-of-way for a one year term with automatic renewal for four successive one year terms, in a form approved by the City Attorney – Approved.

4. Consideration of awarding a franchise agreement to Deliciouz Ice Cream Inc. to allow ice cream vending within the public right-of-way for a one year term with automatic renewal for four successive one year terms, in a form approved by the City Attorney – Approved.

5. Consideration of authorization to execute amendment No. 1 to the Service Provider/Professional Services Agreement with Stanley Consultants for construction engineering management and post construction services related to the 2012 reconstruction of Empire Avenue in the amount of $130,805, in a form approved by the City Attorney – Approved.

V NEW BUSINESS

1. Consideration of an Ordinance approving the 80 Daly Avenue plat amendment located at 80 Daly Avenue, Park City, Utah – The Mayor opened the public hearing. There was no public input. Cindy Matsumoto, "I move that we continue the Ordinance for 80 Daly Avenue to July 12th". Dick Peek seconded. Motion unanimously carried.

2. Consideration of authorization to execute a construction agreement for the re-construction of Empire Avenue with Condie Construction in a form approved by the City Attorney and in an amount of $2,831,127, in a form approved by the City Attorney – Tom Bakaly explained that it is the intent to fund this project from the General Fund balance and he discussed building the General Fund balance again with surplus revenues in the future, if available.

Andy Beerman, "I move we execute a construction agreement for the reconstruction of Empire Avenue with Condie Construction in a form approved by the City Attorney and in an amount of $2,831,127, in a form approved by the City Attorney". Cindy Matsumoto seconded. Motion unanimously carried.

3. Consideration of a Resolution adopting the Revised Budget for Fiscal Year 2012-2013 and the Proposed Budget for Fiscal Year 2013-2014 for Park City Municipal Corporation and its related agencies – Nate Rockwood continued the discussion from Work Session and noted that transportation is an enterprise fund, funded through transportation revenues and federal funds. A majority of new projects are federally funded. An adjustment is being made to the budget for the bus maintenance facility to make sure all costs are covered and $2 million will be covered with the Transit Fund

balance. The project was federally funded by over 80%. Dick Peek asked if the numbers reflect the City's contribution of land to the project and Mr. Rockwood stated no but the City will continue to seek federal funds.

Tom Bakaly relayed that the Budget Department will return in two weeks to discuss the rest of the CIP budget and an increase to the resort cities sales tax may be a way to fund some of the projects. The model will be used to illustrate different approaches to funding.

Phyllis Robinson explained elements of the open and responsive government and preserving Park City's character strategic plans. Alex Butwinski asked for clarity on the City Manager's Office request for additional funding to cover increased hours of a contract employee. Diane Foster explained that with the potential retirement and/or reduction of hours of the City Recorder that this option is recommended.

Kent Cashel explained the Effective Transportation Strategic Plan and budget changes. The largest increase is the Park City-Salt Lake City transportation service.

Thomas Eddington addressed the Preservation of Park City Character Strategic Plan and budget modifications. There were several changes to the Library and Planning Departments. Andy Beerman inquired about scoring methodology. Jed Briggs explained that the scores were used as a starting point for budget discussion; not the end. He invited Council to look at the scoring criteria and make suggestions on how to improve it.

The Mayor opened the public hearing; there were no comments from the audience. Liza Simpson, "I move to continue the public hearing on the budget to next week". Cindy Matsumoto seconded. Motion unanimously carried.

4. Consideration of an appeal of the rejection of the crack seal bid submitted by Bonneville Asphalt and Repair relating to the 2012 Pavement Management Program – The Mayor described the order of presentations. Police Sergeant Darwin Little administered an oath to Appellant Shaun Heaton and witnesses Matt Messerly and Adam Jones.

Troy Dayley, Streets Manager, explained that the 2012 Pavement Management Program was advertised to bidders and the bid opening was conducted on May 1. There were nine bids submitted. The project encompasses five separate bid schedules in one bid package and contractors could choose which projects within the bid package they wish to bid.

Mr. Dayley relayed that Bonneville Asphalt decided to bid on the crack seal and utility adjustment potions but wanted to amend the crack seal bid on the day of the opening. A post-it note was attached to the envelope by a Bonneville employee to the sealed bid. Pace Erickson emphasized that bids must be submitted in a sealed envelope, marked on the outside “sealed bid” as well as the date of the bid opening. Additionally, all bidders were put on notice that questions on the process should be directed to the Project Manager, or Troy Dayley.

Troy Dayley relayed that Bonneville alleged that they relied on staff when attaching the post-it note and were informed of the procedure to appeal. The instructions to bidders clearly state the appropriate individual to contact regarding any and all questions pertaining to the bid. By directing questions to someone other than the Project Manager, Bonneville erred by not following the instructions in the bid and that decision can be appealed to the City Council. The Mayor invited the appellant to speak.

Shaun Heaton, owner of Bonneville Asphalt, stated that his employee Matt Messerly submitted the sealed bid package on Tuesday, May 1, 2012 at 9 a.m. for $2,090 per ton for crack seal and other bid schedules. Mr. Heaton stated that he decided to make a change to the crack seal bid and called Public Works to ask about making a change before the bid opening. He stated that a secretary instructed him to just come in and that it wouldn’t be a problem. Mr. Heaton directed his employee Mr. Messerly to amend the bid. Mr. Messerly offered to open the bid envelope to make the necessary changes but the City employee said to just put a post-it-note on it and that will be fine. Mr. Heaton explained that Bonneville has done this before on a couple of occasions (other jurisdictions). He felt the City should accept the revised proposal and pointed out that the utility adjustment schedule was submitted in the same bid envelope with the crack seal. This could have been avoided if the secretary had accepted Mr. Messerly’s offer to open the sealed envelope to make the changes.

Matt Messerley, Bonneville Asphalt, stated that he followed an employee’s instructions in the Public Works office and changed the crack seal bid with a post-it-note stuck to the outside of the sealed bid envelope.

Adam Jones, Ridge Rock Construction, stated that he was in the Public Works office during the incident and it was the first time he saw an unsealed modification to a bid at a bid opening. He felt the integrity of the process should be protected by insisting on sealed bids.

Mr. Heaton added that even though he is recommended for the utility adjustment work, he would rather that his bid on this portion be rejected as it simply is not cost effective for him without the crack seal work. He urged the City Council to then consider his original bid without the amendment. If this is unacceptable to members, he asked that both bids be rejected.

Dick Peek pointed out that other contractors in the office could easily read the post-it-note on the sealed bid envelope which taints the process which is of concern to him. Discussion ensued on Mr. Heaton’s request to reject both bids. It was explained that if Bonneville’s bid is rejected that the crack seal work will be awarded to the next lowest bidder, Morgan Asphalt. Discussion ensued on the amount of Morgan’s bid being almost twice the amount of Bonneville's. Pace Erickson assured Council members that Morgan's bid amount is more consistent with bids for crack seal work. Discussion ensued on Bonneville not forfeiting its bid bond, somewhere in the neighborhood of $2,400.

Alex Butwinski, "I move to deny the appeal and uphold staff recommendation to reject Bonneville Asphalt's bid". Andy Beerman seconded. Motion carried.

Andy Beerman	Aye
Alex Butwinski	Aye
Cindy Matsumoto	Nay
Dick Peek	Aye
Liza Simpson	Aye

5. Consideration of acceptance of the 2012 Pavement Management Program and authorization to enter into professional services agreements, approved in form by the City Attorney:
   (a) Kilgore Paving for pavement overlays in the amount of $489,742
   (b) Intermountain Slurry Seal for slurry seals in the amount $87,553
   (c) Ridge Rock for crack seal and trail seal coat in the amount of $89,869
   (d) Bonneville Asphalt for utility adjustments in the amount not to exceed $48,400

Cindy Matsumoto, "I move to accept the 2012 Pavement Management Program, as recommended by staff, but with utility adjustments bid awarded to Morgan Pavement". Dick Peek seconded. Motion unanimously carried.

6. Consideration of an Ordinance annexing approximately 29 acres of property located in the southwest corner of the SR248 and US40 interchange in the Quinn's Junction Area, known as the Quinn's Junction Partnership Annexation, into the corporate limits of Park City, Utah and amending the Official Zoning Map of Park City to rezone the property Community Transition with a Regional Commercial Overlay designation –

Senior Planner Kirsten Whetstone presented an overview of the annexation and the proposed MPD project and summarized the benefits of having control of the property within the City limits. She conveyed the Planning Commission's negative recommendation and summarized the Commission's concerns that the Annexation was not consistent with the General Plan. Planner Whetstone summarized the Planning Staff's positive recommendation and stated that it is based on the Findings of Fact, Conclusions of Law, and Conditions of Approval as outlined in the draft Ordinance attached to the Staff Report. She explained that the Conditions of Approval were modified by the Planning Commission at its April 25th meeting and the Commission requested that the City Council be provided with these Conditions to consider in the event the Council decides to approve the Annexation.

Peter Pillman, IBI, emphasized the effort toward mitigating impacts which is a huge benefit. He spoke about working on improvements to the project for over three months and felt the project has improved significantly. Mr. Pillman presented slides in response to Council's concerns expressed last week regarding parking, berming/landscaping, phasing, LEED certification, fire pits, wildlife, and the trail connection. He described changes to the project if processed by the County and the benefits to the community if annexed by the City. The Mayor opened the public hearing.

Mike Sweeney, property owner, stated that he supports staff's recommendation. It is a great project for Park City and compliments tourism. Staff has done a good job and he feels it complies with the General Plan.

With no further public input, the public hearing as closed.

Mark Harrington detailed minor changes to the Ordinance. Dick Peek made suggestions regarding amendments to the existing conditions, specifically requesting that language regarding a one year review of the Administrative CUP be conducted by the Planning Staff and a report be provided by staff to the City Council.

Cindy Matsumoto asked about the size of the trees shown on the visual analysis and how many years it will take for them to reach maturity. Craig Haan, IBI, replied that the trees are shown with 10-15 years of growth. Planner Whetstone indicated that standard sizes should be indicated on the final landscape plan with minimum sizes of approximately 2-3" caliper deciduous trees and 6"-8" tall conifer trees to be planted initially.

Dick Peek asked about the phasing plan and whether they could physically build only part of a sound stage. He noted that the Agreement stipulates that the sound stage height could not exceed 50 feet unless the studio has a contract with a major movie.

Andy Beerman commented that working with the state for funding for structured parking is entirely removed. Mark Harrington clarified that it has been removed as a condition of approval that applied to the last legislative session. Staff will continue to work informally toward that and there is a priority for SR248 improvements, but no on-going parking requirement. The applicant has expressed an interest and willingness in possible tenant uses to continue to continue to work with the state. Mr. Beerman asked about soil testing. Mark Harrington responded that the property is not in the soils ordinance map and testing is not required, however, all general applicable local building, state or EPA regulations must be adhered and building code protocol must be followed. Mr. Beerman asked about the bond to make sure that construction is complete. The City Attorney stated that the amount would be determined at the time of building permit issuance and Council received an updated presentation from the Chief Building Official on incorporating additional parameters of IBC to make the bond more effective. Mr. Harrington emphasized that the bond does not guarantee building completion, it guarantees site remediation in the event the building is not completed. Landscape and construction guarantee bonds work so that the site is remediated, similar to Silver Lake. The bond could be enhanced to make sure it addresses the visibility due to the size of the structures from SR248. The staff is comfortable with this condition with the IBC assurances. The numbers will not be determined until the first Phase is submitted and each phase will have a bond. The installation of the berm will match the phased parking construction. Kirsten Whetstone described the process if the if the City remediates the site and reimbursement to the City. Mr. Beerman asked if the owner is bound by the design guidelines. Mr. Harrington stated that they are binding and the guidelines will be applied by staff at the administrative CUP in conjunction with review of the LMC architectural provisions. If there is a conflict, the MPD controls and any changes would be handled dependent on scope at the time of application. If the change is considered substantial, the revised MPD would return to the Planning Commission.

Cindy Matsumoto referred to the stipulated seven foot high parameter fencing and internal gate fencing may be 12 feet. She felt the 12 feet should only apply to the gates and not internal fencing. Ms. Whetstone will make the language clearer.

Liza Simpson understood the trail crosses City property and the City will maintain it. She asked if it needs to be paved. Mark Harrington noted that initially it was designated as a paved trail but if it is a 12 foot width, just hard surface materials are required.

Alex Butwinski pointed out that the annexation petition was accepted 12 weeks ago and in the meantime, the applicant, Planning Commission, Planning Staff and IBI worked to improve the project. He again thanked Planning Commissioner Jack Thomas for his efforts. He feels they made it as good as possible and wish that there was more time to work on it. It would also be more appealing if it met more conditions of the General Plan but the Planning Commission took a good run at it; its role is regulatory. Mr. Butwinski emphasized that the City Council has a different role and should take a different view.

Mayor Williams stated he is not wild about a trail going through an alfalfa field and cutting in a 12 foot wide asphalt strip. Sooner or later a plan needs to be formulated for maintenance of all of the farm land the City owns as open space. His other point is actually obtaining a LEED certification. The City has given height variations, no affordable housing requirement, no significant open space and five times the amount of zoning on this property. He doesn't feel that acquiring the certification and the plaque is a big deal for the owners. He encouraged reviewing the trail again as it could come down the back of the property rather than bifurcating the field. The Mayor again addressed LEED certification and pointed out that the applicant has already agreed to shadowing standards which may add 3% to 5% to the project and certification should be a condition of approval.

Liza Simpson stated that she has trouble asking someone to do something the City doesn't do for its building. Alex Butwinski stated that he tends to agree with Ms. Simpson and Cindy Matsumoto had no opinion. Andy Beerman and Dick Peek were in favor of requiring the certification. Because of the tie, Ms. Matsumoto stated that she agrees with Liza Simpson and Alex Butwinski on not requiring certification. Ms. Simpson felt they will want to do it and the Mayor was doubtful. He felt that making a best effort to hit the standards is a nebulous statement. The cost of the trail will pay for the LEED certification.

Peter Pillman emphasized that actual sustainable practices and energy conservation has been agreed to.

Alex Butwinski stated that in consideration of these unique circumstances resulting from the known impacts of Summit County's settlement with the applicant versus approving these non-conforming uses for our community, he thinks Park City's interests are better served by annexing the property, "I move that we approve the Ordinance annexing approximately approximately 29 acres of property located in the southwest corner of the SR248 and US40 interchange in the Quinn's Junction Area, known as the Quinn's Junction Partnership Annexation, into the corporate limits of Park City, Utah and amending the Official Zoning Map of Park City to rezone the property Community Transition with a Regional Commercial Overlay designation with the modifications read by the City Attorney and as amended by Council member Peek (Condition Nos. 9, 15, 20 and 41)". Liza Simpson seconded. Motion carried.

Andy Beerman	Nay
Alex Butwinski	Aye
Cindy Matsumoto	Aye
Dick Peek	Nay
Liza Simpson	Aye

VI 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 5:30 p.m. Members in attendance were Mayor Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Jason Christensen, Environmental Regulatory Counsel, Tom Daley, Deputy City Attorney; Jim Blankenau, Environmental Regulatory Program Manager; Diane Foster, Deputy City Manager; Thomas Eddington, Planning Manager; Bret Howser, Budget Manager; and Mark Harrington, City Attorney. Liza Simpson "I move to close the meeting to discuss property, litigation and personnel ". Alex Butwinski seconded. Motion carried unanimously. The meeting opened at approximately 6 p.m. Alex Butwinski, "I move to open the meeting". Liza Simpson seconded. Motion unanimously carried. The Council again met in closed session after the adjournment of the regular meeting. Alex Butwinski, "I move to close the meeting to discuss property and litigation". Liza Simpson seconded. Motion unanimously carried. Andy Beerman, "I move to adjourn". Liza Simpson 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