PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
MAY 17, 2007

Present: **Mayor Dana Williams; Council members, Marianne Cone; Candace Erickson; Jim Hier; and Joe Kernan**

Tom Bakaly, City Manager; Mark Harrington, City Attorney; Alison Butz, Project Manager; Bret Howser, Budget Analyst; Seth Atkinson, Budget Analyst; and Patrick Putt, Planning; Dave Gustafson, Project Manager; Ron Ivie, Chief Building Official; Gary Hill, Budget Manager; Scott Robertson, IT Director; Lloyd Evans, Police Chief; Lt. Rick Ryan; Lt. Phil Kirk; Kathy Dunks, Water Manager; Eric Nessett, Transit Manager; Pace Erickson, Streets and Parks Manager; Clint Dayley, Golf Course/Parks Superintendent; Mike Lennon, Maintenance Manager; Troy Dayley, Streets Manager; Linda Tillson, Library Director; Ken Fisher, Recreation Director; and Max Paap, Special Events Manager

Lisa Romney, Johnson Controls

Absent: **Council member Roger Harlan**

1. Council questions/comments. Candace Erickson encouraged everyone to participate in Bike to Work Day tomorrow, Pride in the Park Day on Saturday and a quilting demonstration at the Farm also to be held on Saturday. Jim Hier stated that the joint transportation committee reached consensus on capital projects and will educate students about jaywalking and the permit parking system. Joe Kernan commented on several employees who bike everyday to work, and suggested creating an alternative transportation award to recognize them. Tom Bakaly explained that there is a program during Sundance. Alison Butz described great participation in the employee Bike to Work Week Program which is facility-wide and will send a City-wide email on the final tally of miles. In response to a comment from Joe Kernan about the Eden System, Mr. Bakaly explained that the general ledger is in place, the utility billing system is being integrated, and budget will be next. The water billing system is about a month away. Marianne Cone commented on Library business and also encouraged the audience to participate in Bike to Work Day. Mayor Williams referred to an article in *USA Today* about Park City being one of the top ten bicycle communities in the country. He strongly criticized the front page story in the *Park Record* about the discussion of lowering property taxes as being inaccurate and an editorial for stirring up unneeded controversy and dividing the community. Candace Erickson remarked on the noxious weed guide recently mailed to citizens from the County and hoped that there is also information available to the public on environmentally friendly options rather than using chemicals and pesticides.

2. Green building policy. Alison Butz stated that the City Council first incorporated LEED green building practices in capital projects with the construction of the Quinns Junction Recreation Complex. Four percent of the project cost was allocated toward the police building, including consulting to draft a policy to effectively execute the initiative. She introduced Lisa Romney, Johnson Controls, who is an energy efficiency specialist and the former advisor for Salt Lake City.

Lisa Romney spoke about the process of getting a high performance building ordinance adopted in Salt Lake. Park City's draft is better than most other communities because of the inclusion of LEED guidelines, U S Green Building Council, and Energy Star. She explained the importance of utilizing the Energy Star rating as it relates to on-going operations costs and increased renewables. There have been instances where communities achieve the LEED standard but not the Energy Star certification because of the credits selected by the architect. She understood Park City's goal is to reduce on-going operational costs; there is a LEED guideline rated at 60 and Energy Star requires at least a 75 point score for certification. She felt that memorializing a green building policy in a resolution has the potential of decreasing the learning curve and expenses. In fact, most architects perform LEED certifications without additional charges. The certification includes four categories, certified, silver, gold, and platinum and Park City's resolution specifically speaks to all buildings meeting the LEED certified level, and does not require the third-party USGBC approval. Engineers typically deal with the Energy Star component and she believes their related services can be also rendered at no additional cost. Obtaining a LEED plaque comes at a cost but Energy Star is free and there are on-line tools available. The only cost with Energy Star is the audit performed by an engineer, estimated at $1,000. Ms. Romney stated that the resolution clearly provides for criteria for qualifying buildings, described as 3,000 square feet and above of occupied space, will need to meet LEED and Energy Star. Alison Butz explained that the resolution adds the ability for the Council to determine that an additional 4% on top of the construction budget be used to achieve a higher green building standard. There is flexibility to assign the 4% to a CIP Fund which can be used for other efficiency improvements or other facilities or projects, selected on a case-by-case basis.

Jim Hier asked how the cost difference will be measured between normal costs and green building costs. Ms. Romney pointed out that Section 5, relating to the selection of green elements to be applied to a project, provides that at the completion of the schematic design process, the City Council will receive professional a cost estimate detailing the list of green elements including pricing. At that time, the Council will finalize the list and costs. Ms. Butz explained that basic spec information will be provided and Dave Gustafson explained that comparative information was shared with Council on the police building. By way of example, the Code requires an 80% efficiency rate single stage furnace rating and the City is installing a 96% efficiency rate two stage furnace in the police building. This represents an additional $2,000 per unit but a 30% savings in fuel consumption and *it's the right thing to do*. Jim Hier felt cost differentials need to be quantified because of the argument that *it doesn't cost us anything because it is the right thing to do to be green* can't be measured. Alison Butz reminded Council members that when staff presented Council with a green project list, the comment was *you should be doing that anyway*, which equals the Star Energy 75 point score and the Certified LEED level. These levels must be met and anything over that is represented in the 4%. Mayor Williams felt these standards are helpful in explaining the City's green building policy to citizens. Ms. Erickson liked the idea of setting a higher baseline standard and Ms. Butz stated that the Marsac Building will meet this new policy. Achieving a 75 energy rating will reduce energy costs by 20%. Ms. Erickson referred to East-West Resort's report on its green building in Lake Tahoe where quantifiable green building costs only amounted to 1% to achieve a LEED Silver Award.

In response to a question from Marianne Cone, Lisa Romney noted that LEED certified architects are becoming common and more engineers are certified. Joe Kernan stated that he was pleased to learn that goals can be accomplished without additional costs with potential long-term savings. Mayor Williams reported working with Chief Building Official Ron Ivie to draft recommendations to the Governor on building code modifications addressing sustainability issues. Alison Butz stated that the resolution formally adopting the policy will be scheduled next week.

3. Operating budget, departmental requests and special service contracts. Bret Howser reviewed the budget calendar and pointed out that about $1.6 million is requested by departments, of which $1.25 million is represented in the City Manager's Recommended Budget for 2008; respective numbers for 2009 are $1.75 and $1.4 million. Operating requests were pretty evenly split between personnel and materials/services. Eleven FTEs are requested in FY 2008 and seven in 2009. He explained that the FTE benchmarked average per capita is .011 and even with the addition of eleven FTEs, Park City is rated at .010.

Mark Harrington stated that the Legal Department's options are revenue-neutral; the primary adjustment addresses leasing election equipment. He believes his department is somewhat under-budgeted and may need to make a larger request. There are no requests from the City Manager's Office. Chief Building Official Ron Ivie of the Building, Planning and Engineering Team, explained the request for two additional building inspectors and one code enforcement officer. Other requests reflect reclassifying employees. With regard to enforcement, he discussed stopping and inspecting trucks yesterday where several failed; it is important to continue these programs for a safer community. There was discussion about the challenges of recruiting qualified inspectors and maintaining the same inspector on projects. Joe Kernan asked if planning and building fees are adequate to cover services and Ron Ivie explained that a study hasn't been recently conducted but rates seems to adequately cover the operations of departments and small adjustments are made each year based on the valuations.

Gary Hill of the HR, IT, Budget and Finance Team, explained the request for a full-time GIS coordinator where the timing is important because of the conversion of data for Building, Planning and Engineering. It is proposed that the General Fund pay half, with the Transit and Water Funds splitting the balance. He spoke about reclassifications and replacing mobile air cards relating for police software. There is a $35,000 request from HR for temporary contract positions and $15,000 for educational assistance. Scott Robertson explained the variety of sets of data collected for mapping a GIS system and its application for managing infrastructure and other assets. It's very effective because it is dynamic and visual technology.

Bret Howser discussed non-departmental options, specifically special contracts. He noted the adjustment for Sundance in the amount of $220,000 consistent with the master festival license and city services agreement. Jim Hier asked that a review of the City's policy for pay plan equity adjustments be explained again to the grou, which was then scheduled for discussion on May 31.

Chief Lloyd Evans addressed public safety options including differential pay which is a same service adjustment. The Department is changing to a new local software vendor. Spillman and there are increased costs associated with maintenance. Lt. Rick Ryan discussed upgrading a temporary records position to full-time; that position will also provide front desk services at the new facility. Lt. Phil Kirk spoke to the new full-time traffic enforcement officer requested and reported on the increase in traffic-related issues. There was discussion about the acquisition of tazers.

Kathy Dunks stated that the Water Department is in full support of funding the GIS position; for instance, the system could map leaks and trends and is an effective asset management tool. Eric Nessett, Transit Manager, echoed his support and discussed applications in transit. Clint Dayley, Golf Course/Parks Superintendent, pointed out the previously discussed option of funding maintenance of the course at a higher level. Mike Lennon, Maintenance Manager, added that another full-time position is needed to maintain the City's facilities. Troy Dayley, Streets Manager, referred to his departmental same level adjustment due mainly to increased fuel costs. Eric Nessett discussed the recommended transit supervisor position needed to manage and recruit bus drivers. In response to a comment from Joe Kernan about the expense of the Ampco contract, Brian Anderson explained that the increase represents managing the garage and Main Street loading zones during Sundance. Every time the contract is bid, Ampco stands out from other companies because it has the best regional support in recruiting staff for

Park City's special event needs. It was pointed out that utilities, fuel and supplies are included in maintenance costs. Troy Dayley discussed the request for a pavement recycling machine which can be used for small jobs and will represent a $25,000 offset annually.

Linda Tillson, Library Director, discussed the success of the approved interim reorganization, which also represents a savings of about $7,000. She explained a $21,000 option for a reciprocal borrowing program contemplated with Summit County, beginning with students from age 5 to 18. The County is willing to fund half of the on-going costs; there was discussion about the City and the County operating on completely separate systems. She explained the increased costs associated with serving a larger population and the Library conducted a survey of County residents to plan for an expanded program. Ken Fisher, Recreation Director, explained the reorganization, specifically the front desk and tennis, which resulted in improved supervisory coverage to meet Racquet Club hours. He spoke about funding for youth and adult programming and same level adjustments. The value of Play Magazine as a marketing piece was discussed. In Craig Sanchez's absence, Mr. Fisher pointed out the decrease of $27,000 for materials/services in the Pro Shop and an expenditure of $31,000 toward the purchase the golf carts. Joe Kernan requested General Fund information with regard to support to individual departments and Gary Hill suggested meeting with Council members on this and similar topics to see if data should be presented differently. Ice rink operational costs were detailed.

Max Paap, sustainability team member discussed inter-fund transfers to recreation and the McPolin Farm for special events. Patrick Putt spoke about his options totaling $2,500. Bret Howser explained that the formation of the sustainability team represents a savings because of the elimination of the capital projects/economic development position. A final detailed budget will be distributed to Council members next week.

Seth Atkinson explained the review process conducted by the subcommittee and youth advisory committee for recommendations regarding awarding 1% of the budget to special contract requests. He explained ranking and criteria to qualify for additional funding. Joe Kernan asked that Valley Mental Health's application be re-considered for funding and Marianne Cone pointed out that the specific benefit to Park City was not quantified. Ms. Erickson, subcommittee member, explained that VMH lacked crucial funding from two other sources for its identified program which was not clearly described. She stated that she doesn't have a problem reconsidering this request, but funding would have to be pulled from other commitments. Jim Hier asked Mr. Kernan his reasoning for making an exception. Mr. Kernan responded that he reviewed criteria and compared applications and feels it is appropriate to re-evaluate VMH. Mr. Hill recalled that the Youth Advisory Board was supportive of the concept but since it was a new position and the program and didn't have a history, the Board decided to give it time before considering an award. Joe Kernan insisted that coordination of programs is not a new service, and a vital part of the mental health industry. Seth Atkinson explained that the subcommittee questioned the feasibility of the success of the program with a .5 position, which lead to the discussion to decline the award. Marianne Cone suggested asking the Police Department for its opinion and the Mayor pointed out that the other required funding will not be available when the City's award would be made. Jim Hier added that besides that, there was lack of definition of VMH's target market. As the process proceeded and the criteria applied, VMH dropped in ranking and the subcommittee simply ran out of money. Marianne Cone expressed her support of funding VMH at $10,000 and Mark Harrington felt that there may be information from the courts supporting the request. Jim Hier feared setting a precedent and revisiting all other unfunded or partially funded requests. Council member Erickson indicated that she is willing to look at it again if there is new information. Mr. Atkinson explained that recent minor adjustments to this fund resulted in an additional $2,000. Jim Hier suggested that Council look at this application again at another work session before the budget is adopted, once more information is obtained.

Gary Hill referred to the portion of his staff report dealing with sales tax. Operating revenues are predictable but the biggest revenue growth generally is sales tax. In fact General Fund surpluses tracks concurrently with sales tax growth, and the City's relies on surpluses to fund a portion of capital projects, including the Marsac seismic upgrade, police facility, fields at Quinns and all of the OTIS projects. Mr. Hill continued to explain that changes in state law over the past two have had an impact on this source. The effects of the two-year hold-harmless compromise have now been realized and it is estimated that last year, Park City received 75% of the 1% levied but the new allocation would be closer to 63% or less. Staff will have a better idea after receiving first quarter numbers. The loss to date is about $420,000 and the total loss of that tax for this year will be closer to $850,000 to $875,000. Mr. Hill stated that this year the legislature removed food from the base of the resort cities tax and transit tax, which staff estimates will cost the City $400,000 this first year which will grow with the lost opportunity of revenue. He emphasized that losing $1.2 million a year is significant, and it is likely that the legislature will again consider reducing sales tax on food, which is a concern to staff. S&P has recently changed its criteria for rating sales tax, relying more on population as an indicator of stability. Mr. Hill indicated that this would be an appropriate time to consider adjusting the rate to ensure better stability. On June 14, a recommendation will be presented to Council, authorized by the state legislature last year, to hold ourselves harmless for the reductions in the base, which would be to increase the resort communities sales tax by .1% and the transit tax by .05%. The impact on the average visitor would be about $.18 a day in the winter and $.13 to the summer visitor, and even with the increase, would be represent about a $25 annual savings to residents because of the decrease in sales tax for food. He will be meeting with the Chamber to present this information.

Joe Kernan suggested holding off for a year or two on raising sales tax, acknowledging that the City is about 3% ahead in revenue collections to date this year and has experienced high growth in recent years. Mr. Hill agreed, however, the 3%, assumes *no reduction in sales tax* ability and an increase in the rates to make up for the change in the base. Mr. Kernan emphasized that projections have been conservative while collections have consistently exceeded those numbers. Tom Bakaly explained that the prior surplus was based upon the general sales tax growing, and that has now been frozen and should not be expected in the future. The bill was originally crafted so that the state would incrementally increase the tax, but at the last moment, the bill was modified and cities are now required to increase the tax if desired. He recommended discussing this further on June 14 and inviting the business community to comment. Joe Kernan insisted that sales tax is still growing, and Mr. Hill explained that if the 7.5% were still in place, the City would be receiving about $4.7 million in local option tax. The City will be losing approximately $900,000 annually plus growth. Mr. Hier personally felt that the City should take advantage of this approach before the state legislature further restricts cities and supports staff's recommendation. There was discussion about most cities taking advantage of increasing the transit tax and qualified communities increasing their resort tax. Candace Erickson expressed that she is in favor of increasing the transit tax but suggested providing an analysis of considering only one-half of the resort cities tax and maintaining the taxable rate as it exists now for the benefit of consistency. She commented on the number of tourists surprised by the tax on clothing.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MAY 17, 2007

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 17, 2007. Members in attendance were Dana Williams, Marianne Cone, Candace Erickson, Jim Hier, and Joe Kernan. Roger Harlan was excused. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Brooks Robinson, Planner; Katie Cattan, Planner; and Kirsten Whetstone, Planner.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Joe Kernan disclosed that his recycling customers include the Museum, Kimball Art Center, and the School District.

Brooks Robinson confirmed with Council, consensus of expediting the review of the Museum's application by the Historic Preservation Board and the Planning Commission.

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

1. Dog park – Rich Wyman, resident, reported that the citizen committee met this week. He distributed aerial maps of the Quinns Junction Recreation Complex property and pointed out the committee's preference, which is graded, large enough, and has parking. He understood it was contemplated as a future field. Candace Erickson discussed the need for the Council to reach consensus on a location. Tom Bakaly relayed that Council direction was that staff return with options regarding Quinns, and all interested people will be notified. Scheduling the project can also be reconsidered; it is currently slated for mid-August.

2. Snowcreek affordable housing proposal - Tina Smith, Old Town resident, stated she is not opposed to affordable housing but favors wildlife preservation. The five-acre parcel is now open space and she questioned the wisdom of pursuing open space acquisitions and developing City-owned open space.

Rich Wyman, Silver Meadows Affordable Housing Community, stated that his neighborhood is a great example of a successful community which encourages diversity. Silver Meadows sits on two acres with 50 units and the proposal on five acres would not exceed 24. It could be a great project for the community. The Mayor clarified that the building area contemplates about 1.8 acres; the total parcel is seven to eight acres.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF MAY 3, 2007

Marianne Cone, "I move we accept the work session notes and minutes of the meeting of May 3, 2007". Candace Erickson seconded. Motion carried.

Marianne Cone	Aye
Candace Erickson	Aye
Roger Harlan	Absent
Jim Hier	Aye
Joe Kernan	Aye

V CONSENT AGENDA PUBLIC HEARINGS *(items listed will be open for public hearing prior to consideration for adoption or rejection; hearings may also be continued by vote of the Council)*

1. Consideration of an Ordinance approving the amended plat of Lots 21 and 22, Block 26 Snyder's Addition to the Park City Survey located at 1287 Empire Avenue, Park City, Utah – Kate Cattan explained the application. A non-historic home sits on the property, which includes a 15 foot wide portion of vacated Cahoon Street, which is owned by the property owner. The combination and 15 foot wide portion will create two standard lots of record. The Planning Commission forwards a positive recommendation and there was no public input. The Mayor opened the hearing and with no comments, closed the public hearing.

2. Consideration of an Ordinance approving the Museum subdivision, combining an adjacent parcel and replatting part of Lot 4, Lots 5 and 6, part of Lot 7, Block 24 of the Park City Survey, Park City, Utah – Kirsten Whetstone explained the subdivision plat application. With the lot combination, the museum will be located on one lot and brought into compliance with lot requirements of the HCB zone. The resulting lot will be about 9,700 square feet. On April 25, the Planning Commission conducted a public hearing and forwarded a positive. A conditional use permit review is scheduled before the Commission on May 23 and the Historic Preservation Board will consider the design on May 21. The Mayor opened the public hearing; there were no comments from the audience. The public hearing was closed.

3. Consideration of a Memorandum of Understanding and Master Festival License for the Park City Kimball Art Festival to be held August 3 – 5, 2007 – See staff report. Alison Butz explained that the proposed agreement has a five year term with an option to renew for an additional five years to hold the Park City Kimball Art Center on Main Street. The last two festivals were covered under one agreement and the parties desired to formulate a long-term plan. The agreement provides the ability for the KAC to go to a three-day event. The 2007 Festival will again have a Friday night local event and discussions with the HMBA and Lodging Association will continue on this concept. KAC believes that a three-day festival will attract overnight visitors, which is a goal of

the Chamber. If the festival goes to three days, the agreement allows for $10,000 contingent on KAC providing a free local event. Enhanced perimeter collection funding amounts to $5,000 this year. Jim Hier asked how this year differs with funding last year. Ms. Butz explained that last year, the $10,000 for the free Friday event came from garage revenues, but this source is not identified in the agreement and there is now no cost-sharing ratio. In response to a question from Marianne Cone, Ms. Butz explained that *local* is defined as *anyone residing within the Park City School District*. There was discussion about the Gallery Stroll also held on Friday night. Marianne Cone suggested polling artists about interest in a three-day festival. Pam Crowe-Weisberg felt it is a good idea and could be easily added to the survey. She felt most artists would favor three days because of the reputation of the festival and the lodging community has offered one free night. The goal of KAC is producing a three-day event and making Park City a destination for overnight visitors. This agreement will also give the Utah Office of Tourism confidence in continuing to provide funding for out-of-state advertising. Ms. Erickson commended the business plan and liked the three-day concept.

The Mayor opened the public hearing, and with no comments from the public, closed the hearing.

Vi 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")*

Joe Kernan, "I move we approve Consent Agenda Items 1 and 2". Candace Erickson seconded. Motion carried,

Marianne Cone	Aye
Candace Erickson	Aye
Roger Harlan	Absent
Jim Hier	Aye
Joe Kernan	Aye

1. Ordinance approving the amended plat of Lots 21 and 22, Block 26 Snyder's Addition to the Park City Survey located at 1287 Empire Avenue, Park City, Utah – See staff report and public hearing.

2. Ordinance approving the Museum subdivision, combining an adjacent parcel and replatting part of Lot 4, Lots 5 and 6, part of Lot 7, Block 24 of the Park City Survey, Park City, Utah - See staff report and public hearing.

VII NEW BUSINESS *(new items with presentations and/or anticipated detailed discussions)*

1. Consideration of a Memorandum of Understanding and Master Festival License for the Park City Kimball Art Festival to be held August 3 – 5, 2007 – See public hearing. Joe Kernan, "I move we approve the Memorandum of Understanding between the Kimball Art Center and the City for the Master Festival License". Marianne Cone seconded. Motion carried.

Marianne Cone	Aye
Candace Erickson	Aye
Roger Harlan	Absent
Jim Hier	Aye
Joe Kernan	Aye

2. Consideration of a Resolution adopting a Joint Use of Facilities for Recreation Interlocal Agreement between Park City School District, Snyderville Basin Special Recreation District, and Park City Municipal Corporation **(motion to table)** – The Mayor requested a motion. Marianne Cone, "I move to table to May 24". Candace Erickson seconded. Motion carried.

Marianne Cone	Aye
Candace Erickson	Aye
Roger Harlan	Absent
Jim Hier	Aye
Joe Kernan	Aye

VIII ADDITIONAL DISCUSSION – AGENDA ITEMS

Jim Hier shared compliments from a Kiwanis group in Salt Lake about a recent presentation made by the Mayor to the group

IX PUBLIC HEARING ON BUDGET

Revised budget for fiscal year 2007 and the budget for fiscal year 2008 for Park City Municipal Corporation and its related agencies – The Mayor opened the public hearing; there were no comments from the audience. The public hearing will continue to May 24.

X 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, Marianne Cone, Candace Erickson, Jim Hier, and Joe Kernan. Roger Harlan was excused. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Tom Daley, Deputy City Attorney Craig Smith, outside counsel; Dave Gustafson, Project Manager; and Alison Butz, Project Manager. Marianne Cone, "I move to close the meeting to discuss property, personnel and litigation". Candace Erickson seconded. Motion carried.

Marianne Cone	Aye
Candace Erickson	Aye
Roger Harlan	Absent
Jim Hier	Aye
Joe Kernan	Aye

The meeting opened at approximately 3 p.m. Jim Hier, "I move to open the meeting". Marianne Cone seconded. Motion carried.

Marianne Cone	Aye
Candace Erickson	Aye
Roger Harlan	Absent
Jim Hier	Aye
Joe Kernan	Aye

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