PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
MAY 5, 2011

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

Michael Kovacs, Assistant City Manager; Mark Harington, City Attorney; Matt Cassel, City Engineer; Jed Briggs, Budget Analyst; Bret Howser, Budget Manager; Brooke Moss, Human Resources Analyst; and Nate Rockwood, Budget Analyst

1. Council questions/comments. Cindy Matsumoto reported on Historical Society business and asked about flooding potential in town. Matt Cassel explained that a spike in the run-off was anticipated on May 8 and a portion of Poison Creek has been sandbagged. However, high flow predictions declined and he felt that the City is okay for a while. Alex Butwinski commented on the traveling art exhibition and complimented Summit County's public art program. Ms. Simpson spoke about the Recreation Advisory Board meeting where a survey was discussed; there was a lot of input from the tennis community. She attended the Fire Service District meeting where the board is working on a strategic plan and the Lodging Association meeting where staff presented the City budget. Mayor Williams spoke about the honor of throwing out the first pitch for the Park City High School baseball home game this week.

2. Presentation of Tentative Budget. Jed Briggs detailed the budget review schedule including adopting a final budget by June 16, 2011. He pointed out that all funding sources total $77 million, and $60 million of that is for operating revenues while $17 million is non-operating. Of the operating expenses, $37 million relates to departmental operations, $10 million to debt service, and $6 million for capital expenses.

Bret Howser pointed out that members have reviewed long range projections a couple of times leading into this budget, but the debt service analysis has changed. The estimate of $20 million for remaining OTIS project expenses has been adjusted to $12 million. Each year operating growth is projected and there isn't much change in the operating side since January. The CIP committee recommended an increase in operating surplus in the amount $500,000 to be transferred to the CIP Budget. In response to a question from the Mayor, Mr. Howser explained that the jump in 2014 in debt service is OTIS while the growth in operating expenses steadily increases. Installing conduit is included in the costs for OTIS projects. Mr. Howser clarified that FIAR relates to the General Fund and not enterprise funds like transit and water. In response to a question from the Mayor, he explained that a transfer from the General Fund to the self-insurance fund is suggested.

Jed Briggs pointed out the consolidation of an environmental regulatory budget funded at $400,000 for 2012 which decreases thereafter. Health insurance costs increase every year on average by 8% to 15% and he commended the Human Resources Department for negotiating a 7% increase which represents about a $144,000 adjustment to the 2012 budget. Retirement expenses have increased by $48,000 in the General Fund for next year and $62,000 overall. In response to a question from Liza Simpson about costs for police, Brooke Moss explained that state retirement is much more costly for police officers. Employees are categorized as public or public safety employees which are two separate retirement systems. He relayed that lump merit bonuses were discussed at length in the fall and a swap between doing a 2% across-the-board increase for budgeted positions was made in favor of a 3% increase to unguaranteed lump merit eligibility city-wide at a cost of $250,000. Funding the bonus pool was discussed and he explained that a 7% bonus is not budgeted for each employee but rather the fund is based on projections of lump merit awards. Mr. Howser interjected that 3% equates to a 2% salary increase.

Mr. Briggs relayed that the self-insurance fund is an internal service fund which was growing rapidly and a few years ago, it was decided to stop inter-fund transfers to it. Staff is currently looking at how much all funds should be contributing to the self-insurance fund, but in meantime, it is recommended to allocate $850,000 from the General Fund balance to fund it.

Joe Kernan asked if staff projected the costs of 3% and 2% to fully understand long term impacts. It may affect how fast employee can jump pay grades because the 2% will increase salaries and he would like to know which approach is more expensive. Liza Simpson asked the percentage of increase needed for a position to advance to the next pay band. Bret Howser responded that it is 50% and the 2% across-the-board increase is not going to someone's existing salary but to the top of the pay grade. Mr. Kernan discussed impacts to market comparisons and detailed a scenario of an employee advancing grades. Mark Harrington interjected that it is not an automatic jump and the benchmarking would just be moving that grade. It would be very difficult to project a savings. Mr. Howser added that in the past, the employee would have jumped to the next grade, but when the pay plan was discussed several months ago, it was decided that the next time benchmarking takes place; the pay grades will be redrawn. Mr. Kernan again asked about financial impacts in the future and believed there could be cost savings over the next 25 years. Ms. Simpson suggested doing this type of an analysis when benchmarking is conducted. He argued that this information is helpful in deciding between 2% versus 3% now and in the future. The Mayor encouraged Mr. Kernan to meet with the Budget Department and report back to members.

Nate Rockwood stated that special service contracts are awarded as part of the two year budget and serve as a way for the City to appropriate funds to non-profit organizations serving and meeting the goals and needs of the community. According to policy, the City appropriates up to 1% of the annual operating budget toward special service contracts. He explained that public announcements are made on the radio and in the newspaper and notices are sent to past recipients explaining the process and inviting applications. Once applications are received, a subcommittee meets to evaluate and rank all requests. Mr. Rockwood commented that the two year total is $870,000 and is based on the total operating budget for 2011, excluding capital and inter-fund transfers, but the final 1% will be based on 2012 numbers and will probably increase slightly. Two years ago, the funding increased by about $150,000. Awards must fall in one of four categories and there is an effort to evenly distribute the money between those designations. Applications are reviewed by the subcommittee to determine eligibility and services are evaluated with an informal cost benefit analysis.

He stated that there are four new applications. The award for Habitat for Humanity involves helping fund two affordable housing units that will be located on Marsac Avenue. This is different than anything requested in the past but the two houses will remain in the City's affordable housing stock pool. Mountain Trails originally requested $40,000 for providing the trails map, posting trails with signs, and for snow grooming in the Round Valley trail system. It was found that the map and signage were already being funded by the City so the subcommittee is recommending $15,500 for grooming services for two years. Mr. Rockwood noted that The Egyptian Theater requested funding for performances, Youth Theater, and providing community center space. The subcommittee recommends funding a portion of its productions and Youth Theater but didn't feel renting the space fit within the special service contract criteria. The last one is the Business Resource Center and the subcommittee is recommending $20,000 or $10,000 per year. The center will be located in Park City and will provide business resources to new and current businesses. This is the first year the Norwegian Outdoor Exploration Center has been evaluated in the entire process and the subcommittee is recommending funding at the requested amount.

He added that the subcommittee discussed monitoring performance measures and payments are divided 80/20 per year. Ms. Simpson asked about monitoring Habitat's housing project and the timing on releasing the money. Mr. Rockwood stated that a clause is included in the contract that the money is refunded in the event of non-performance. He acknowledged that since it is a construction project, it is a different type of award and suggested that he meet with Habitat and set up performance measures in tandem with its construction schedule. Alex Butwinski pointed out a 30% jump in patronage at the Museum. He asked why the recommendation is $21,400 for the Christian Center while it asked for only $20,000. Subcommittee member Cindy Matsumoto explained that $30,000 was requested the prior year. Mr. Rockwood discussed the additional services offered by the Museum and City funds will be directed at youth programs. Ms. Matsumoto pointed out that last year was the first year the Museum was open and programs and projects continue to increase. Ms. Simpson suggested that the youth portion for the Museum be recognized in the youth category. Subcommittee member Joe Kernan explained that he often evaluates requests based on funding cost per day, like Recycle Utah, to make decisions. The Mayor commented that there is also a reserve for emergency and extraordinary situations and Nate Rockwood reported that it is typically $8,000 or $9,000 annually. The Mayor felt that Park City is very fortunate to be able to do this and the non-profits make the community a much better place. The Mayor invited public input; there was none.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MAY 5, 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 5, 2011. Members in attendance were Dana Williams, Alex Butwinski, Joe Kernan, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Michael Kovacs, Assistant City Manager; Jonathan Weidenhamer, Economic Development Manager; Matt Cassel, City Engineer; 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)*

Park City Historical Society and Museum update – Director Sandra Morrison thanked Council for its support of the Museum and gave an update on 18 moths of operation. Since opening in October 2009, there have been 161,795 patrons and paid admissions totaled $27,153. The Museum has offered 25 free days for 4,936 locals or 200 people per day so far and has hosted school groups. Visitation this winter was up 4% over last year and she reported that 17% were from Texas, 23% from New York, 8% from California, 7% from Park City and Summit County, and another 4.5% were from the rest of Utah. Ninety-six percent of visitors are from the U.S. and the remaining 4% is represented mainly by Australia and Canada.

Dick Pick, Board of Directors, referred to a bridge loan provided by the City which permitted the Historical Society to begin construction early in December 2007 as many of the donations were pledged over three to five years. By December 2009, about $3.5 million was drawn on the line of credit in the amount of $3.6 million. Since that time, the Historical Society has been prepaying its obligation and there is about $245,000 left to pay to the City which is due December 2011. The bridge loan made a world of difference with regard to the success of the project and the partnership has been very good.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF APRIL 21, 2011

Joe Kernan, "I move we approve the notes and minutes of the meeting of April 21st". Alex Butwinski seconded. Motion carried.

Alex Butwinski	Aye
Joe Kernan	Aye
Cindy Matsumoto	Aye

Dick Peek	Abstention
Liza Simpson	Aye

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

1. Consideration of a Resolution celebrating National Tourism Week and declaring May 10, 2011 as "Travel Rally Day" in Park City, Utah – The Mayor invited public input; there was none. Liza Simpson, "I move we approve a Resolution celebrating National Tourism Week and declaring May 10, 2011 as "Travel Rally Day" in Park City, Utah". Joe Kernan seconded. Motion unanimously carried.

2. Consideration to authorize the City Manager to enter into a Letter of Intent with the Park City School District to cost share in replacing the failed pavement at the main High School bus-drop off area – Jonathan Weidenhamer referred to the partnership with the School District and the heavy use of the Eccles Center during the Sundance Film Festival which has contributed to the deterioration of the asphalt. He stated that the LOI addresses a long term fix and the amount is $180,000 to be split between the City and the School District. The scope is about $150,000 with a 16% contingency.

Alex Butwinski believed the Council simply being updated by staff if the amount is exceeded is not enough, and Mark Harrington recommended amendment language to Paragraph 2(b) so that $90,000 is a *not to exceed* number for both parties. Amendments to the LOI would have to be approved by the legislative bodies. In response to a question from Mr. Butwinski about drainage, Matt Cassel explained that the use of concrete will better address poor soils issues. Liza Simpson agreed with Mr. Butwinski's comments. The Mayor invited public input; there was none.

Alex Butwinski, "I move we authorize the City Manager to enter into a LOI with the Park City School District to cost share in replacing the failed pavement at the main High School bus-drop off area with the edit regarding Paragraph 2(b)". Liza Simpson seconded. Motion unanimously carried.

3. 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. There were no comments from the audience. Joe Kernan, "I move to continue Item 3 under New Business to May 12th". Alex Butwinski seconded. Motion unanimously carried.

VI ADDITIONAL DISCUSSION – AGENDA ITEMS

None.

VII ADJOURNMENT

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

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 7 p.m. Members in attendance were Mayor Dana Williams, Alex Butwinski, Joe Kernan, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Michael Kovacs, Assistant City Manager and Mark Harrington, City Attorney. Liza Simpson, "I move to close the meeting to discuss property ". Alex Butwinski seconded. Motion carried unanimously. The meeting adjourned at approximately 7:45 p.m.

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.

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