PARK CITY

1884

PARK CITY COUNCIL MEETING MINUTES
445 MARSAC AVENUE
PARK CITY, SUMMIT COUNTY, UTAH 84060

April 30, 2020

The Council of Park City, Summit County, Utah, met in open meeting on April 30, 2020, at 4:00 p.m. The meeting was a remote, electronic meeting due to the declared public health emergency.

WORK SESSION

<u>Discuss PC-SLC Connect UTA Agreement/Electric Bus Purchase:</u>
Kim Fjeldsted, Transit Manager, stated the purchase of 14 electric buses was valued at $14.8 million and would cost the City $1.6 million. She detailed the project and indicated Park City had four diesel buses along with four diesel buses from Park City/Salt Lake City Connect that would be replaced with electric buses, as well as the procurement of six additional electric buses for Park City. She noted the additional buses would maximize efficiencies. A Rocky Mountain Power grant would cover the vehicle chargers.

Jerry Benson, Transit Consultant, stated this purchase would advance Park City's net zero goals and was mostly funded by other sources. He noted the extra buses that would be purchased would help Transit staff keep the fleet up to date with scheduled maintenance.

Mayor Beerman congratulated staff and thanked them for the work involved in putting the purchase together.

Council Member Joyce asked where the old buses would go. Fjeldsted stated six buses would be destroyed per the VW settlement agreement. The others would be retired and could be resold. Council Member Joyce asked when the City would get the buses. Fjeldsted stated it would take a year and a half to two years before they would be ready. She noted payment would be due upon receipt, and then forms would be submitted to receive the reimbursement of grant funds. Council Member Joyce asked about bus chargers. Fjeldsted stated the current chargers would be updated to be standard chargers.

Council Member Worel asked if performance issues with the buses had been resolved. Fjeldsted indicated some bugs were still being worked out. She was hopeful that technology was advanced enough that some of the problems were solved. Council

Member Worel asked if the electric buses could travel up Parley's Canyon in the winter with the heater on, to which Fjeldsted affirmed.

Council Member Henney stated Proterra owned the electric bus market and the City had benefitted from that relationship. Technology would improve as competition increased. He was concerned that the grant opportunities were only available for big buses, and hoped for more flexible options with regard to bus size. Fjeldsted indicated the big buses were great for social distancing and they would always be needed. Mayor Beerman stated this purchase was needed, but smaller buses should be considered for neighborhoods in the future.

Council Member Doilney thought the universal charging stations was a smart move by the City.

Mayor Beerman asked if there was a fund balance for the purchase. Fjeldsted stated there were funds for the purchase, but she needed to figure out how to front the money that would be reimbursed to the City.

Council Member Gerber was excited UTA was purchasing 30 electric buses.

Council Member Henney asked if any County funds would be in this purchase. It was indicated there were no County funds that were part of this purchase.

Fiscal Year 2021 Budget Preview:
Matt Dias thanked Council for agreeing to follow the City's guiding principles and staff's recommendations regarding the budget. He indicated the City had been in recession mode for the past six weeks, and noted it would be increasingly difficult to preserve levels of service. He stated some of the budget savings went to help businesses and to those who needed it most in the community.

Jed Briggs, Budget Manager, stated the City would present a tentative FY2021 budget per State code, and indicated with COVID-19, it was difficult to project sales tax revenue for the next year. He indicated the City was cutting back on expenses, but had reserves and other revenue sources which allowed the City to maintain levels of service. He recommended cutting $3 million in operating expenses, delaying $3.8 million in capital projects, and using $1.7 million of General Fund balance reserves.

Erik Daenitz, Budget Analyst, reviewed FY2021 revenue projections, broken down by source, and thought there would be a 21% total revenue reduction. He stated that with staff's projections, the revenues would increase slowly over the next year and should be at normal levels by summer of 2021.

Council Member Joyce asked if the budget cuts could be looked at with the County health order in mind. Daenitz stated the FY2020 cuts were not displayed, but staff could look at the new health order and reevaluate the projections. Council Member Joyce recommended talking to the ski resorts about their projections in order to be in line with that industry. Dias stated this projection would buy the City time until the end of summer when more accurate projections would be made and an adjusted budget would be brought forward for Council consideration. Council Member Joyce asked if the Utah League of Cities and Towns (ULCT) could request that the State release the sales tax numbers in a timelier manner in order to help with budget projections. He was concerned that the proposed budget was too optimistic.

Mayor Beerman stated the City planned to amend the budget in the fall, and it could be tightened if needed. Dias indicated that the City would underspend during the first few months of the budget until more accurate numbers were presented.

Council Member Doilney appreciated the work done on the FY2021 projections, but thought making the hard decisions sooner would be better than scrambling to make cuts later on. Mayor Beerman thought the Chamber would have statistics that could help with the budget projections.

Daenitz explained that the different projects and cuts could be adjusted on a spreadsheet and the savings redistributed to other areas. It was noted that some capital projects were being cut or delayed and then a second tier of projects were in line if future cuts were needed.

Briggs stated the City would use $1.7 million of the General Fund balance and noted this fund was set up for emergencies such as this. He thought the reserves, the delayed projects, and cutting expenses would bridge the funding gap.

Council Member Henney asked if the City was obligated with contracts that had previously been made, such as special events security. Briggs stated he took that into account and cut from those department budgets. He did not consider contracts that had been executed but that would not be utilized, but he would discuss that with staff. Council Member Henney favored the approach presented and encouraged budget adjustments as information was received. Dias stated the security contracts were only paid as services were rendered. Briggs stated the contract cuts might not show up in the projections, but they would show up in the actual budget numbers.

Council Member Worel asked if federal relief money would go into the General Fund. Briggs stated relief would go to General Fund, but infrastructure money would go into the Capital Improvements Fund. Mayor Beerman stated it was unlikely that the federal government would reimburse cities and towns with revenue losses. They were interested in emergency services/response as well as infrastructure and transportation.

The City could see some funds for those things. Council Member Worel asked if Council could see what each department cut. Briggs indicated those figures would be included in the reports provided at the May 14th meeting.

Briggs reviewed next steps with regard to the tentative budget, provisional budget and revised budget over the next few months. He stated the tentative budget would be presented with the assumed 21% budget cuts.

Briggs discussed the Transportation Fund. He reviewed the revenues associated with Transit, including sales tax, resort tax, business licenses, federal grants, regional transit revenue and other sources. He recommended reducing service and employees, delaying capital projects, using some of the Transportation Fund balance, and implementing operating efficiencies. He displayed two options for reducing service and personnel. Option One would save $1.8 million through November, 2020 by retaining only essential personnel. Option Two would save $628,000 through November and would retain extra drivers in order to be ready for winter service.

Mayor Beerman temporarily left the meeting at 5:30 p.m., and Mayor Pro Tem Joyce asked for comments from Council.

Council Member Henney stated these figures were presented at the Joint Transportation Advisory Board (JTAB) and there was general support for the direction Transit had taken. He asked about federal grant support. Jerry Benson stated Utah would receive federal funding for Transit and Summit County/Park City could receive around $6 million in one-time funding. Park City might receive half of that. He thought $1 million could be spent per year and that would help with budget cuts. Council Member Henney stated the preferred option was Option Two, and Transit could use the $1 million in order to retain drivers through November. Benson noted that retaining a driver for two months would cost the same amount as training a new driver.

Briggs reviewed the Water revenue bonding strategy and indicated the City was comfortable combining bonding amounts for this year and next year in order to take advantage of low interest rates. He indicated there could be a minimal revenue reduction in the Water Fund, but felt it would remain fairly stable. The City was reducing stormwater fees and that would result in lower revenues for that fund.

Mayor Beerman returned to the meeting at 5:50 p.m. and noted cutting stormwater fees by 50% was a small way for the City to help the residents during this time.

Council Member Gerber thanked the Budget team for the comprehensive report. She also thanked the Water team for those fee and interest rate cuts that would help residents.

REGULAR MEETING

I) ROLL CALL

Attendee Name	Status
Mayor Andy Beerman Council Member Max Doilney Council Member Becca Gerber Council Member Tim Henney Council Member Steve Joyce Council Member Nann Worel Matt Dias, City Manager Margaret Plane, Special Counsel Michelle Kellogg, City Recorder	Present via technology
None	Excused

II) COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Council Questions and Comments:

The Council members reviewed meetings they attended and discussed COVID-19 information.

III) PUBLIC INPUT (ANY MATTER OF CITY BUSINESS NOT SCHEDULED ON THE AGENDA)

Mayor Beerman opened the meeting for anyone who wished to submit written comments to the Council on items not included on the agenda. No comments were submitted. Mayor Beerman closed the public input portion of the meeting.

IV) CONSIDERATION OF MINUTES

Consideration to Approve the City Council Meeting Minutes from April 9 and 16, 2020:

Council Member Henney moved to approve the City Council meeting minutes from April 9 and 16, 2020. Council Member Worel seconded the motion.

RESULT:	**APPROVED**
AYES:	Council Members Doilney, Gerber, Henney, Joyce, and Worel

V) NEW BUSINESS

1. Consideration to Extend the Street Dining on Main Program for Another Term, Authorizing the Mayor to Sign Updated Leases of City Property/Rights-of-Way with Eight (8) Main Street Restaurants; and Consider Charging no Rental Fees and Removing the Requirement that the Dining Decks are Utilized for Both Lunch and Dinner for the 2020 Program Participants:
Liz Jackson and Jessica Nelson, Planning Department, presented this item. Jackson indicated there were eight participants this season. She noted Exhibit C indicated a 38 foot deck, but stated the deck would actually be 40 feet in length.

The changes for the dining program this year included not charging a fee to participate in the program and not requiring the restaurants to serve both lunch and dinner. She noted the program requirements would return to normal for the 2021 season.

Mayor Beerman opened the public hearing. Margaret Plane read the following comments:

Mary Christa Smith: I ask that you consider the health and safety of patrons through social distancing and the opportunities of merchants to expand business by making Main Street a pedestrian only commercial area.

Ivonne Timar, General Manager Flanagan's on Main: Dear City Council, Thank you for the consideration of waiving the deck fees this year. These are crazy and uncharted waters for sure and we are all in this together. Waiving these fees would send a message that you care and you understand our immediate struggles. On a national level restaurants have been hit the hardest. The PPP loan program just came up with a 96-page guideline document that makes relief on that program very difficult. We have had no relief – ZERO and all 1st quarter taxes are due tomorrow, not to mention the ZERO income for us over the past 45 days. We have no idea what the future holds. We are relying on each other's support and unity. This fee waiver would be a BIG help! Outdoor seating is our most popular summer seating and it turns out to be the safest seating we will be able to offer our guests. Making this full waiver of dining deck fees contingent on having all our tax obligations paid to date seems reasonable. Quite honestly the full priced option is not an option for us at this time. All of the Old Town merchants are interconnected and restaurant vibrancy is a key component. Please do what you can here and now. Thanks again for your consideration. Best Regards

Mayor Beerman read the following comment:

Alison Kuhlow, HPCA Executive Director: HPCA is supportive of the regulations as outlined by the Planning Department.

Mayor Beerman closed the public hearing.

Council Member Worel supported the changes, but was concerned about the distancing requirements, and asked if having four tables on the dining deck was worth the effort. Council Member Doilney stated at least some people could eat outside, and being outside was safer for people.

Council Member Joyce supported the changes as well. He asked if other restaurants could join in the program. Nelson stated the maximum number of dining decks that could be constructed on Main Street was 12. Staff would welcome more restaurants and hoped to have a quick turnaround in approving applications. Council Member Joyce favored expanding the approval to 12 as long as the applications met the CUP and spacing requirements.

Jenny Diersen stated the Economic Development Department supported this program and indicated staff was working on other ways to expand the right-of-way to help businesses.

Council Member Gerber favored this program and other innovative ideas that would help people feel safe as they were on Main Street. Council Member Doilney supported any effort for businesses to adapt to the new normal. Council Member Henney agreed and supported businesses expanding into the right-of-way. He suggested banning vehicles on Main Street. Dias reviewed efforts made to introduce creative ways to use the right-of-ways.

Mayor Beerman asked that staff reach out to the Historic Park City Alliance (HPCA) and listen to their creative ideas with regard to Main Street. Council Member Joyce noted there were other business districts in addition to HPCA, and encouraged staff to get feedback from all the business associations.

Council Member Joyce moved to extend the Street Dining on Main program for another term, authorizing the Mayor to sign updated leases of City property/rights-of-way with eight (8) Main Street restaurants, charging no rental fees and removing the requirement that the dining decks are utilized for both lunch and dinner for the 2020 program participants. Council Member Doilney seconded the motion.

RESULT:	**APPROVED**
AYES:	Council Members Doilney, Gerber, Henney, Joyce, and Worel

2. Consideration to Adopt Resolution 07-2020, a Resolution Recognizing May 2020 as Mental Health Awareness Month in Park City:

Michelle Downard presented this item and indicated this was consistent with resolutions from previous years. She noted mental health was pertinent as a result of COVID-19 and the associated impacts that proved stressful to many.

Mayor Beerman opened the public hearing. Michelle Downard read the following comments:

Deanna Rhodes, Executive Director CONNECT Summit County: Park City Council, The outbreak of coronavirus disease (COVID-19) is stressful for people and communities. The emotional impact of an emergency on a person can depend on the person's characteristics and experiences, the social and economic circumstances of the person and their community, and the availability of local resources. Park City is no exception to the worldwide impacts the COVID-19 pandemic has caused.

CONNECT Summit County brings forward this resolution to declare May 2020 as Mental Health Awareness Month. While May was declared Mental Health Awareness Month in 1949, it has never been more important than today. As a nonprofit organization that was formed to bring together Summit County residents who are concerned about mental health issues facing our community. Our mission is to create a well-informed, stigma-free community with access to mental health resources for all. In support of that mission, CONNECT Summit County has compiled a list of local mental health resources which can be found in the staff report and asks that you acknowledge and uplift the work of all of these critical organizations by passing the resolution. Thank you.

Natalie Herron, Board Chair, CONNECT Summit County: Dear Park City Council, On behalf of CONNECT Summit County, its board of directors, staff, and volunteers we would like to enthusiastically show our support of the adoption of the resolution to declare May 2020 Mental Health Awareness Month. As a former volunteer, board member, and current board chair I would like to thank the council for all of its past, current and future support. Destigmatizing mental illness and creating an atmosphere for mental wellness is an initiative that is supported by all. We would not be able to do the impactful work we are doing without the support of council. With deep gratitude we want to show our appreciation for the recognition of May Mental Health Awareness Month and give genuine thanks to the council for the consideration in passing this resolution. The work of all of those involved will with CONNECT Summit County will not stop until mental illness is destigmatized, the community is educated, and mental health services are accessible to all.

Margaret Plane read the following comments:

Amber McKay, Executive Director Summit County Clubhouse: Dear Park City Council: On behalf of the board, staff and members at Summit Count y Clubhouse we would like to express our support for the adoption of Resolution 07-2020 recognizing May 2020 as Mental Health Awareness Month in Park City, Utah. Summit County Clubhouse was organized in Park City just a short 9 months ago as a result of a recognized need for mental health services for adults with a mental illness. As you know, mental illness does not discriminate and it can easily de-rail an individual's goals, dreams and aspirations.

Summit County Clubhouse is an inclusive community in which all adults living with a mental health diagnosis achieve their highest potential through opportunities for paid employment, education, skill building, social support and a safe place to be themselves where stigma does not exist. Although the Park City community and communities nationally and internationally have come a long way in beginning the important conversations about breaking the stigma surrounding mental illness, we are not there yet. This resolution brings mental health to the forefront and begins to address the barriers individuals face as they try to re-gain a sense of purpose, self-worth, independence and find their place in the broader community. By knowing their local elected government officials support a resolution to de-stigmatize mental illness, our members can feel more confident with community re-integration. Thank you for considering this resolution and more importantly thank you for supporting the local businesses, nonprofits and citizens who have devoted their work and missions to ensuring individuals with mental illness in our community receive every opportunity they deserve.

Mary Christa Smith: As Executive Director of Communities That Care, we wholeheartedly support the resolution recognizing May 2020 as Mental health Awareness Month in Park City and appreciate the grassroots advocacy work of CONNECT Summit County.

Lizeette Zurita, Parents as Teachers Coordinator Holy Cross Ministries: On behalf of Holy Cross Ministries and the community we serve, I would like to fully support the resolution for adoption of the Resolution 07-2020 recognizing May 2020 as Mental Health Awareness Month in Park City. This couldn't have come at a better time. I have witness a great increase of need of Mental Health support during the COVID-19 Pandemic. Mental illness does not discriminate and we all are susceptible to this. Having the opportunity to have the discussion and bring down the stigma on this matter is vital! Let us continue to support those in need and provide the tools to fully embrace and receive the help needed and let us continue to work on developing additional resources for the Spanish speaking community. Thank you for your consideration to this resolution and for the ongoing support to the Park City residents. Let us continue making Park City a better place to live in! Gracias.

Kathryn Meyer: As a new Board Member of CONNECT Summit County and a long time mental health provider, I would like to support Resolution 07-2020 recognizing May 2020 as Mental Health Awareness Month in Park City. CONNECT Summit County stands with our City in recognizing the importance of creating an open dialogue around mental health issues and creating a stigma free environment. This resolution could not have come at a better time as we face unprecedented circumstances that impact so many of our citizens on so many levels. To support our community during Mental Health Awareness Month in the time of Corona, we have put together a tool-kit to outline resources. https://connectsummitcounty.org/covid-19-resources/. In addition CONNECT is providing free and confidential virtual support groups that can be found on our calendar of events https://connectsummitcounty.org/calendar-events-2/ . We appreciate the support of local mental health providers and our City Council in stepping up to make mental health and wellness a community wide discussion in our community. Thank you.

Mayor Beerman closed the public hearing.

Council Member Henney stated mental wellness was important and he was happy mental illness was being destigmatized in the community. Council Member Gerber stated there were mental health heroes and this was a great opportunity for people to seek out new resources.

Council Member Doilney talked about the available resources for families, especially during this time. Council Member Worel stated there were very few mental health services. She expressed gratitude for the Mental Health Alliance and the services that were now available to the community.

Mayor Beerman stated he was grateful that the community had stepped up and had done important work with regard to mental health.

Council Member Worel moved to adopt Resolution 07-2020, a resolution recognizing May 2020 as Mental Health Awareness Month in Park City. Council Member Gerber seconded the motion.

RESULT:	**APPROVED**
AYES:	Council Members Doilney, Gerber, Henney, Joyce, and Worel

3. Consideration to Adopt Resolution 08-2020, a Resolution Authorizing the Allocation of Emergency Funds to Local Nonprofit Entities Providing Essential Services to the Most Vulnerable in Park City, Utah:
Sarah Pearce, Deputy City Manager, presented this item and stated this resolution would allow the City to allocate funds to some non-profit organizations. The Community Foundation matched the City's donation with $50,000, bringing the total funds available to $200,000. She asked that Council reserve $250,000 in Special Service contracts for additional relief help. Jed Briggs stated the special service contracts funds would be used to help the non-profits as well.

Council Member Joyce indicated the regular service contracts would move forward as usual and would now be reviewed once every four years. This would be more efficient for staff as well as the nonprofits.

Council Member Henney supported this concept of having regular contracts effective for four years.

Mayor Beerman opened the public hearing. Margaret Plane read the following public comment:

Diego Zegarra: Thank you City Council and Mr. Mayor for your leadership during these times. You are all doing a *terrific* job at supporting where you can and beyond. Please keep at it. One of the things this crisis has highlighted is the inequities that exist but were so lightly cloaked by our thriving economy. As we recover, thank you for considering the role for intentional work around this pillar and critical priority of social equity. What systems can we look to address in the next few months and years to further support community members currently in vulnerable positions? I look forward to continue working with you all.

Mayor Beerman closed the public hearing.

Briggs clarified the special service contracts funding would be part of the budget process. Council Member Joyce asked if the RFPs would go out in July. Briggs responded that they normally went out in the spring and then Council determined how much would be put into the contracts fund during the budget process. He noted the actual contracts wouldn't start until July.

Council Member Gerber moved to adopt Resolution 08-2020, a resolution authorizing the allocation of emergency funds to local nonprofit entities providing essential services to the most vulnerable in Park City, Utah. Council Member Doilney seconded the motion.

RESULT:	**APPROVED**
AYES:	Council Members Doilney, Gerber, Henney, Joyce, and Worel

4. Consideration to Adopt Emergency Proclamation No. 3 of 2020, for the Purpose of Ratifying Additional Emergency Powers Related to Reducing the Financial Impact of Public Utilities Bills as a Response to COVID-19:

Clint McAffee, Public Utilities Manager, presented this item. He stated this resolution would set interest rates on utility bill balances to 0%, suspend water shut-offs, and implement a 50% stormwater fee reduction for May-August, 2020. He stated projects could be delayed because of the anticipated $280,000 revenue reduction to the Water Department as a result of the fee reduction. He also acknowledged there could be an impact from large past due accounts at the end of the period.

Council Member Joyce asked what the payback plan would be for those who had large water bill balances. McAffee stated a couple notices would be sent to the owner. He thought a six month payment schedule could be set up. Council Member Joyce reviewed the payment process the Sewer District had set up for this scenario.

Mayor Beerman opened the public hearing. No comments were submitted. Mayor Beerman closed the public hearing.

Council Member Joyce moved to adopt Emergency Proclamation No. 3 of 2020, for the purpose of ratifying additional emergency powers related to reducing the financial impact of public utilities bills as a response to COVID-19. Council Member Worel seconded the motion.

RESULT:	**APPROVED**
AYES:	Council Members Doilney, Gerber, Henney, Joyce, and Worel

VI) ADJOURNMENT

VII) PARK CITY WATER SERVICE DISTRICT MEETING

II) ROLL CALL

Attendee Name	Status
Mayor Andy Beerman Board Member Max Doilney Board Member Becca Gerber Board Member Tim Henney Board Member Steve Joyce Board Member Nann Worel Matt Dias, City Manager Margaret Plane, Special Counsel Michelle Kellogg, Secretary	Present via technology
None	Excused

II) PUBLIC INPUT (ANY MATTER OF CITY BUSINESS NOT SCHEDULED ON THE AGENDA)

Chair Beerman opened the meeting for public input. No comments were submitted. Chair Beerman closed the public input portion of the meeting.

III) NEW BUSINESS

<u>1. Consideration to Authorize the Mayor to Execute a Memorandum of Agreement, in a Form Approved by the City Attorney, to Continue Leasing Surplus Water to Weber Basin through Provisions in the Western Summit County Project Master Agreement:</u>

Clint McAffee, Public Utilities Manager, presented this item and reviewed that Park City was part of the Western Summit County project, which was made up of six entities. The purpose was to interconnect water systems and share water sources. He noted Park City benefitted from being part of the project because it delayed a new water development project, which kept water rates low.

Chair Beerman opened the meeting for public input. No comments were submitted. Chair Beerman closed the public input portion of the meeting.

Board Member Gerber asked if Park City got paid for the water as well as to treat the water for other communities. McAffee stated the City was only paid for the surplus water. Board Member Joyce stated this project had been going on for years and McAffee did a great job managing it.

Board Member Joyce moved to authorize the Mayor to execute a memorandum of agreement, in a form approved by the City Attorney, to continue leasing surplus water to Weber Basin through provisions in the Western Summit County Project Master Agreement. Board Member Gerber seconded the motion.

RESULT:	**APPROVED**
AYES:	Board Members Doilney, Gerber, Henney, Joyce, and Worel

IV) ADJOURNMENT

With no further business, the meeting was adjourned.

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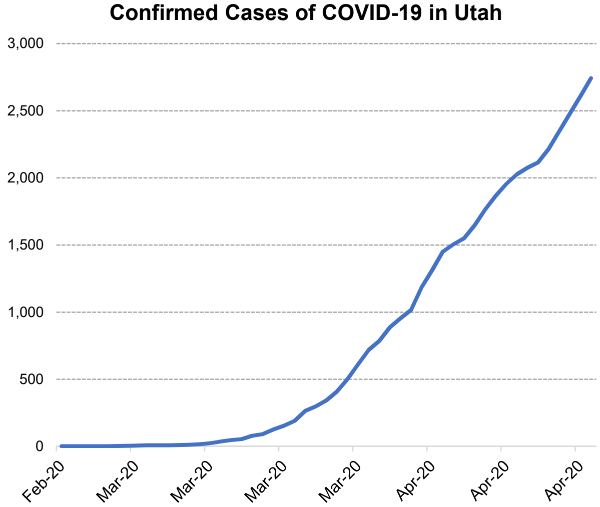
Michelle Kellogg, City Recorder

Fiscal Year 2021 Budget Preview

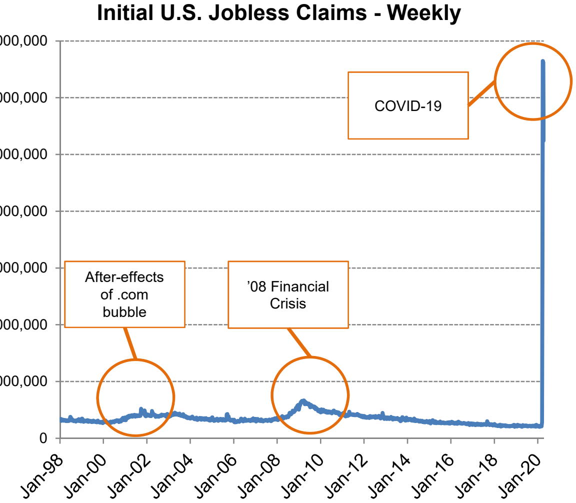
COVID-19 – Causes for Concern

- The growth of COVID-19 continues in Utah and its effects on U.S. jobs reverberated instantaneously

Confirmed Cases of COVID-19 in Utah



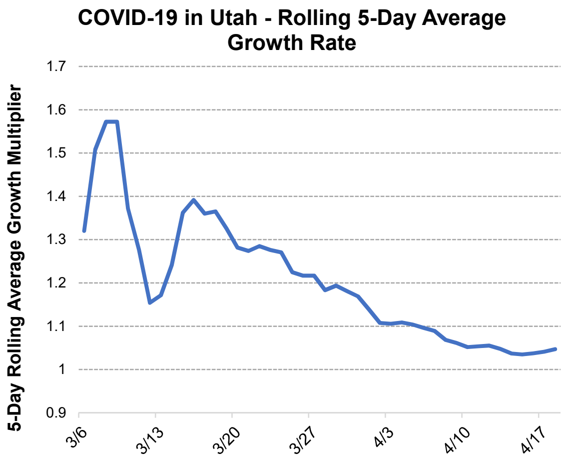
Initial U.S. Jobless Claims - Weekly

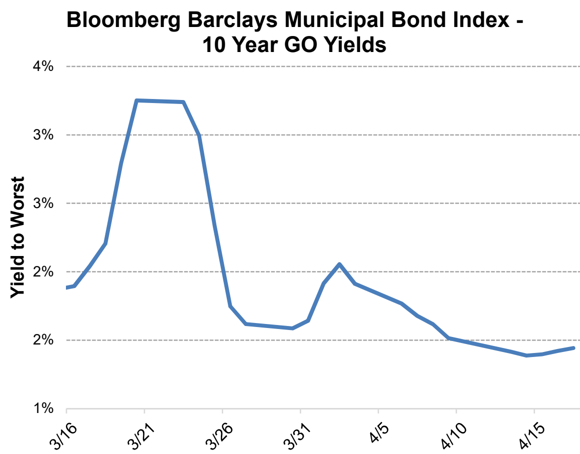


Sources: Utah Department of Health & St. Louis Federal Reserve as of 4/20/2020.

COVID-19 – Causes for Optimism

- Yet, the rate of growth of COVID-19 in Utah is slowing with **zero Summit County virus-associated deaths** as of 4/20/20
- Additionally, the municipal primary market has awakened to quality issuers with interest rates continuing to fall – *markets priced the growth rate of the virus on a two-week lag, approximately equal to the incubation period*





Sources: Park City Municipal Corporation, Utah Department of Health, Bloomberg, Barclays PLC as of 4/20/2020.

FY 2021 Assessment

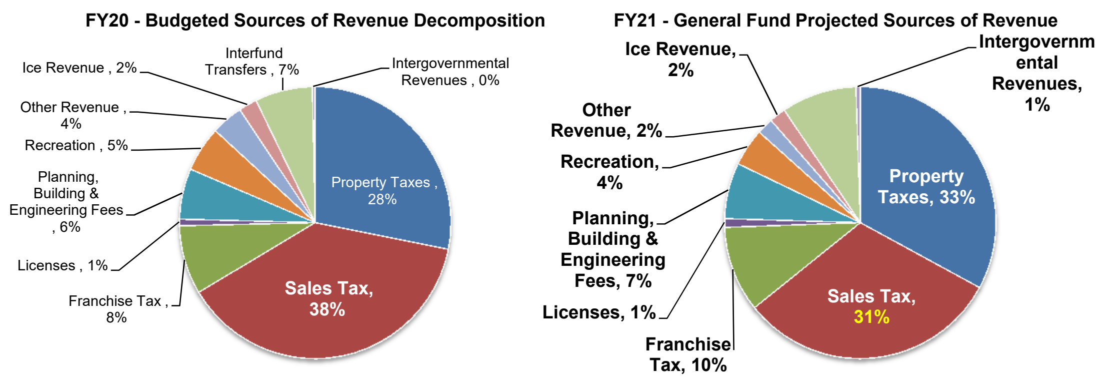
1. Sales tax revenues are uncertain due to their exposure to consumer discretionary spending
2. Budgeting during a time of fiscal ambiguity requires caution
3. Non-discretionary budget increases (healthcare) must be carefully balanced amidst commitment to financial stewardship

Guiding Principles

- Our principles for FY 2020 remain for FY 2021
- A principled and balanced approach:
  - **Fiscal responsibility:** Transparent decision-making and revenue projections, and avoid irresponsible cuts to generate short-term savings at the expense of long-term prosperity.
  - **Compassion & Commitment:** Maintain PCMC's core commitments, community safety and wellbeing.
  - **Shared Sacrifice:** No group should bear a disproportionate burden from this challenge alone.

Source: Park City Municipal Corporation as of 4/20/2020.

Revenue Sources Overview



Source: Park City Municipal Corporation as of 4/20/2020.

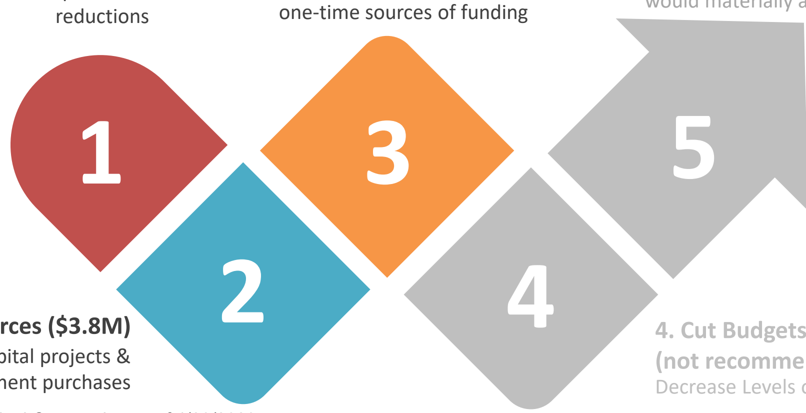
Bridging the Gap – FY21

($8,577,087)

1. Operational Expense Reductions ($3M)
Non-essential expenditure reductions

3. Spend from General Fund Balances ($1.7M)
Utilize General Fund balance as a one-time sources of funding

5. CIP Emergency Reserve (not recommended)
Additional one-time source of funding that would materially alter the City's credit rating



2. Capital Fund Resources ($3.8M)
Delay Capital projects & equipment purchases

4. Cut Budgets Materially (not recommended)
Decrease Levels of Service

Source: Park City Municipal Corporation as of 4/20/2020.

Recommended Actions

($8,577,087) – Estimated Shortfall

1. Operating Expense Reductions & Controls ($3M) – Across the board reductions incurred by each department in non-essential expenditure line items: tuition, training, conferences, supplies, equipment, materials, contract services, merit pay, overtime, hiring freeze.
2. Capital Improvement Funds – Delay, Defer, Cancel ($3.8M)
   - 1) $1.7M Delay capital project budgets
   - 2) utilize 32% or $2.1M of Capital Improvement Fund balance

1. Utilize General Fund Balance (21% or $1.7M) - Fund balances (emergency reserves) are meant to offset declines in revenue during times of economic distress and have been prudently held in abeyance for this purpose.
2. Cut Budget Materially – Not Recommended – Decrease levels of service, reduction in full-time staff
3. Spend from 5-year CIP – Not Recommended

General Fund Revenue Projections - FY21

FY 2021 General Fund Revenue Projections - Summary

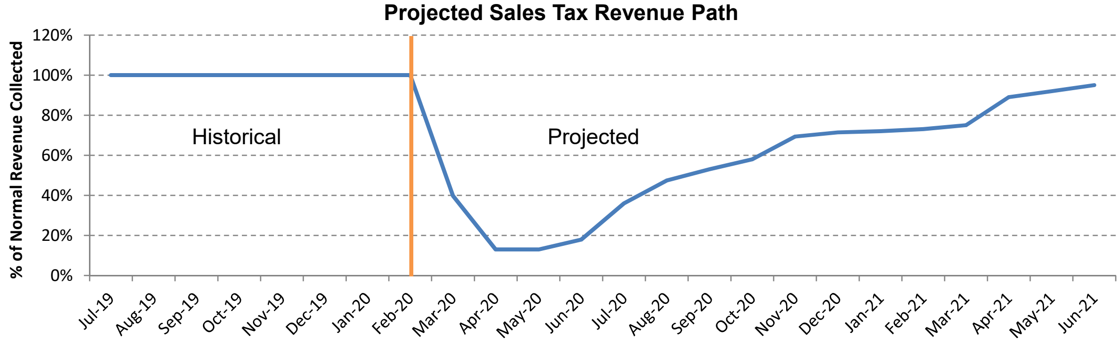
Revenue Type	FY 2020 Revenue Budget	FY 2021 Budget - Under Shutdown Conditions	$, Variance	%, Variance	% of Total Revenue
Property Taxes	$11,196,658	$10,412,892	($783,766)	-7%	33%
Sales Tax	$15,231,123	$9,747,919	($5,483,204)	-36%	31%
Franchise Tax	$3,262,000	$3,229,380	($32,620)	-1%	10%
Licenses	$312,000	$324,480	$12,480	4%	1%
Planning, Building & Engineering Fees	$2,397,000	$2,109,360	($287,640)	-12%	7%
Recreation	$2,145,000	$1,415,700	($729,300)	-34%	4%
Other Revenue	$1,505,227	$617,143	($888,084)	-59%	2%
Ice Revenue	$872,000	$619,120	($252,880)	-29%	2%
Interfund Transfers	$2,724,847	$2,833,841	$108,994	4%	9%
Intergovernmental Revenues	$138,000	$162,840	$24,840	18%	1%
Total	$39,783,855	$31,472,675	($8,311,180)	-20.9%	

FY 2021 Revenue vs. Expenses

FY 2020 Expense Budget	FY 2021 Revenue Projection	$, Variance	%, Variance
$40,049,762	$31,472,675	($8,577,087)	-21.4%

City Wide Sales Tax Projections - FY21

What is the shape of the recovery we are projecting?



Note: For FY 20 previous projections were modeled assuming a COVID-19 shutdown rate of 13%

- *As recap for June 2020 – Assumed a marginal 5% improvement over shutdown rate to generate 18% collection rate of historical average*
- *Moving forward, we have assumed a scaling return of sales taxes with January running at 72% of normal, February running at 73% of normal and March running at 75% of normal*
- *Any additional/significant shocks to these months would have a further material impact on sales tax estimates*
- *Additionally, as mentioned on slide 10, this "scaling return of revenues" methodology has also been applied to the historical revenue averages of License fees, BP&E fees, Recreation, Ice and other service fee revenues*

Source: Park City Municipal Corporation as of 4/20/2020.

General Fund Sales Tax Projections - FY21

General Fund FY21 Sales Tax Projection Methodology				
Month	Normal Budget Estimate/Historical	Assumed % of Normal	FY 2021 Budget Estimate	
July	$890,546	36%	$320,597	
August	$839,320	47%	$397,837	
September	$912,173	53%	$483,452	
October	$715,887	58%	$415,215	
November	$820,365	69%	$568,538	
December	$1,877,541	71%	$1,340,564	
January	$2,167,579	72%	$1,560,657	
February	$1,795,614	73%	$1,310,798	
March	$2,160,171	75%	$1,620,128	
April	$509,306	89%	$453,282	
May	$591,398	92%	$544,086	
June	$771,332	95%	$732,765	
Total Normal Estimate	**$14,051,231**	**Total/Percent Decrease FY21**	**$9,747,919**	**-31%**

Note: For FY 20 previous projections were modeled assuming a COVID-19 shutdown rate of 13%

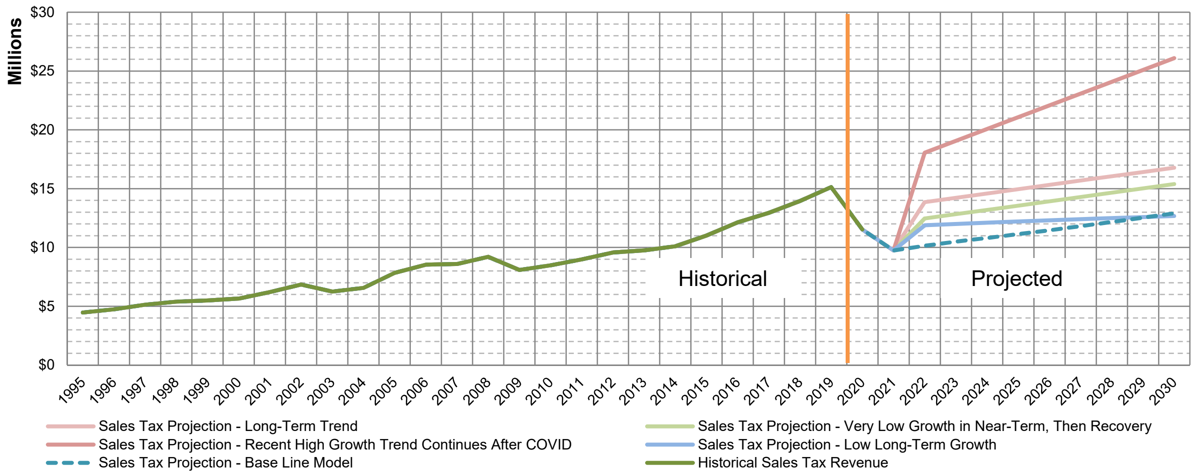
- *As recap for June 2020 – Assumed a marginal 5% improvement over shutdown rate to generate 18% collection rate of historical average*
- *Moving forward, we have assumed a scaling return of sales taxes with January running at 72% of normal, February running at 73% of normal and March running at 75% of normal*
- *Any additional/significant shocks to these months would have a further material impact on sales tax estimates*
- *Additionally, as mentioned on slide 10, this "scaling return of revenues" methodology has also been applied to the historical revenue averages of License fees, BP&E fees, Recreation, Ice and other service fee revenues*

Source: Park City Municipal Corporation as of 4/20/2020.

General Fund Sales Tax Projections – The Forward

What FY 2020 and FY 2021 declines mean for the future – the recovery will take time

Historical & Projected Sales Tax Models

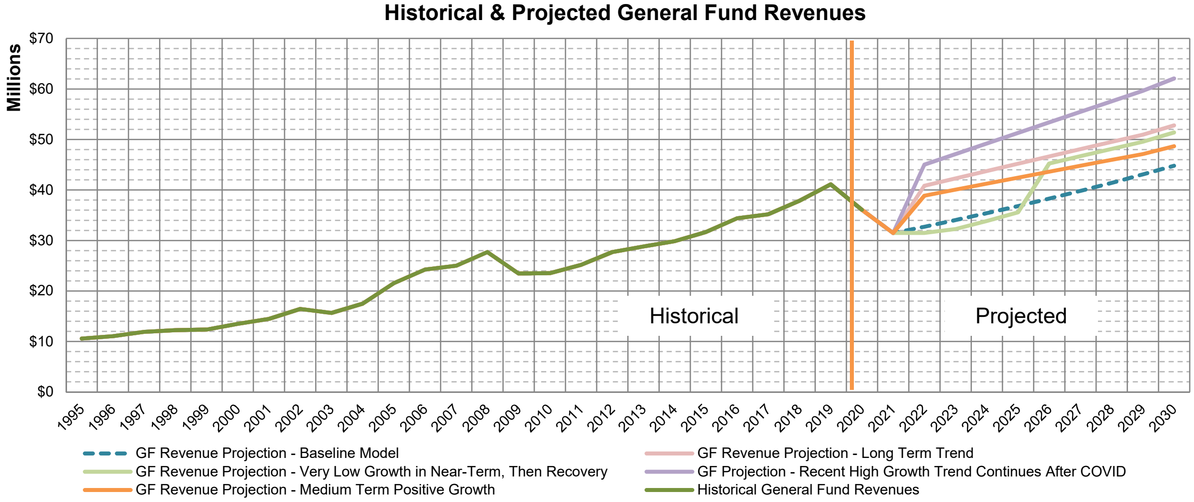


Source: Park City Municipal Corporation as of 4/20/2020.

General Fund Revenue Projections – The Forward

The run on effects will be felt by the General Fund, yet additional revenue sources (e.g. Property Tax, Franchise Tax, etc.) may also help to stabilize the Fund – recovery to FY 2019/2020 levels takes 4-5 years

Historical & Projected General Fund Revenues



Source: Park City Municipal Corporation as of 4/20/2020.

Recommended Actions

($3M from operating cuts)

1. Operating Expense Reductions & Controls ($3M)

– Across the board reductions incurred by each department in non-essential expenditure line items: tuition, training, conferences, supplies, equipment, materials, contract services, merit pay, overtime, hiring freeze.

FY21 - Proposed Operating Budget Reductions

Expense Type	FY 2020 Expense Budget	FY 2021 Expense Budget	$, Variance	%, Variance
Materials, Supplies, Equipment	$2,055,796	$1,619,700	($436,096)	**-21%**
Training, Meeting, Events	$1,638,821	$1,194,701	($444,121)	**-27%**
Contingency	$350,000	$150,000	($200,000)	**-57%**
Utilities	$1,744,597	$1,707,240	($37,357)	**-2%**
Personnel - Merit Pay, Overtime, Part-Time	$3,996,953	$3,022,172	($974,781)	**-24%**
Contract Services	$ 4,434,074	$ 3,860,904	($523,170)	**-12%**
Other	$332,700	$20,000	($312,700)	**-94%**
Total	**$14,552,941**	**$11,574,717**	**($2,978,224)**	

*Impact: Delays in professional development, delays to office equipment maintenance, reduction in personnel capacity, flexibility, potential service-level reductions

Recommended Actions

($1.7M from delaying capital project expense)

2. Capital – Delay & Defer ($3.8M)
   - $1.7M Delay Expenses, $2.1M CIP Fund Balance (Revs)
   - Projects closely tied to the General Fund with flexible funding (General Fund Transfer and Sales Tax)

*Impact: Projects or purchases will be pushed back to later dates. Undetermined when funding would be restored to original level.

**Note: Please refer to additional Exhibit A in staff report "*FY21 List of Capital Improvement Projects to Delay/Defer*" to review detailed list of proposed capital projects and paired deferral amounts

Recommended Actions

($2.1M from capital fund balance/revenues)

2. Capital – Delay & Defer ($3.8M)
   - $1.7M Delay Expenses, $2.1M CIP Fund Balance (Revs)
   - $2.1M (or 32%) in funding can be re-allocated back to the General Fund to bridge the funding gap
   - Budget dept estimates that the capital fund will have about $6.4M in fund balance by the end of FY21

*Impact: Less flexibility to backup capital project budgets.

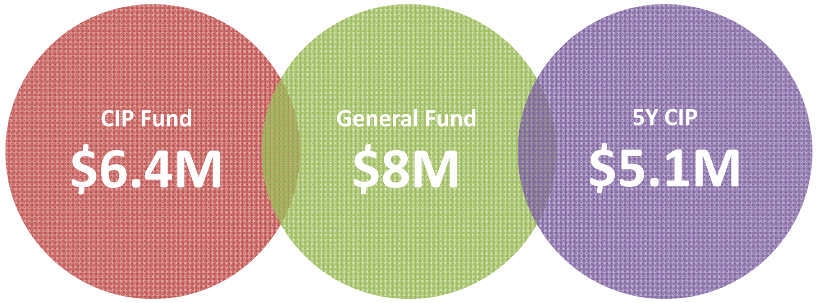
Recommended Actions

($1.7M from General Fund Balance)

3. Utilize General Fund Balance (21% or $1.7M)
   - Fund balances are meant to offset declines in revenue during times of economic distress

*Impacts: Less flexibility in General Fund. City should maintain a healthy fund balance for next fiscal year due to uncertain revenue projections. Budget department estimates that by the end of FY21 General Fund balance will stand at $8M or 19% of projected FY21 revenues.

Fund Balance Overview – FY21



- **Capital Fund Balance – (32% or $2.1M)** - Capital fund balance at the end of FY2021 is projected at $6.4M, prior to any recommended fund balance reductions to help offset shortfalls. Staff recommends utilizing some of the projected fund balance FY2021.
- **General Fund Balance – (21% or $1.7M)** - Due to using $750k to help bridge some of the FY2020 funding gap, General Fund balance is projected at $8M. Staff recommends utilizing more of this fund balance in FY2021.
- **The 5Y CIP** - Reserves funds for debt service payments with regards to City bond issuances and is a strategic tool in the City's credit rating (not recommended)

Recommended Actions

($8,577,087) – Estimated Shortfall

1. Operating Expense Reductions & Controls ($3M) – Across the board reductions incurred by each department in non-essential expenditure line items: tuition, training, conferences, supplies, equipment, materials, contract services, merit pay, overtime, hiring freeze.
2. Capital Improvement Funds – Delay, Defer, Cancel ($3.8M)
   - 1) $1.7M Delay capital project budgets
   - 2) utilize 32% or $2.1M of Capital Improvement Fund balance
1. Utilize General Fund Balance (21% or $1.7M) - Fund balances (emergency reserves) are meant to offset declines in revenue during times of economic distress and have been prudently held in abeyance for this purpose.
2. Cut Budget Materially – Not Recommended – Decrease levels of service, reduction in full-time staff
3. Spend from 5-year CIP – Not Recommended

Fiscal Year 2021 Budget Process In Times of Uncertainty

FY 2021 Activities

FY 2021 budgeting assumes a 21% revenue shortfall using a balanced approach to fill gap

May 14, 2020

FY 2021 "provisional" budget adopted

June 25, 2020

- **Operate under Recession Plan provisions**
- **Potentially adopt amended budget after 90 days utilizing economic outlook leading into next ski season**

FY 2021 (First Quarter)

Source: Park City Municipal Corporation as of 4/20/2020.

Recommended Actions for FY 21

1. Adopt Tentative Budget on May 14 with revenue shortfall scenario of 21%
2. Include non-discretionary and critical adjustments
3. Minimalist budget document for approval with desired scenario
4. Adopt “provisional” FY21 Budget on June 25 for 90 days
5. Recession Plan implementation until economy improves
6. Potentially adopt amended budget after 90 days utilizing economic outlook leading into next ski season

Transportation Financial Forecast

Revenue Type	FY20 Normal Conditions (Budgeted)	FY21 Projection	$, Variance FY21	%, Variance FY21
057-31212 TRANSIT SALES TAX	$5,455,896.35	$3,382,655.74	-$2,073,240.61	-38%
057-31214 RESORT TAX TRANSPOR	$3,218,494.43	$2,059,836.43	-$1,158,657.99	-36%
057-32111 BUSINESS LICENSES	$719,565.00	$575,652.00	-$143,913.00	-20%
057-33110 FEDERAL GRANTS	$6,281,051.00	$7,500,000.00	$1,218,949.00	19%
057-34230 REGIONAL TRANSIT REVENUE	$8,500,000.00	$5,250,000.00	-$3,250,000.00	-38%
OTHER FUNDING SOURCES	$1,216,595.00	$1,087,128.74	-$129,466.26	-11%
Totals	$25,391,601.78	$19,855,272.91	**-$5,536,328.87**	-22%

Transportation Sales Tax Forecast

FY21 Projection	Normal Estimate/Historical	Assumed % of Normal	FY 2021 Shortfall Estimate
July	$461,866	25%	$115,466
August	$475,832	30%	$142,749
September	$536,080	40%	$214,432
October	$375,342	45%	$168,904
November	$436,579	50%	$218,290
December	$1,223,616	60%	$734,169
January	$1,232,328	70%	$862,630
February	$1,215,468	70%	$850,828
March	$1,407,622	75%	$1,055,717
April	$435,426	80%	$348,341
May	$329,927	85%	$280,438
June	$544,304	90%	$489,874
	$8,674,390		$5,481,838

Recommended Actions for FY 21

Combat shortfall:

- Reduce transit service and employees
- Delay and defer capital projects tied to sales tax
- Dip into Transportation Fund Balance
- Implement operating efficiency improvements
- Maximize federal CARES Act resources

Recommended Actions for FY 21

COVID-19 Measures:

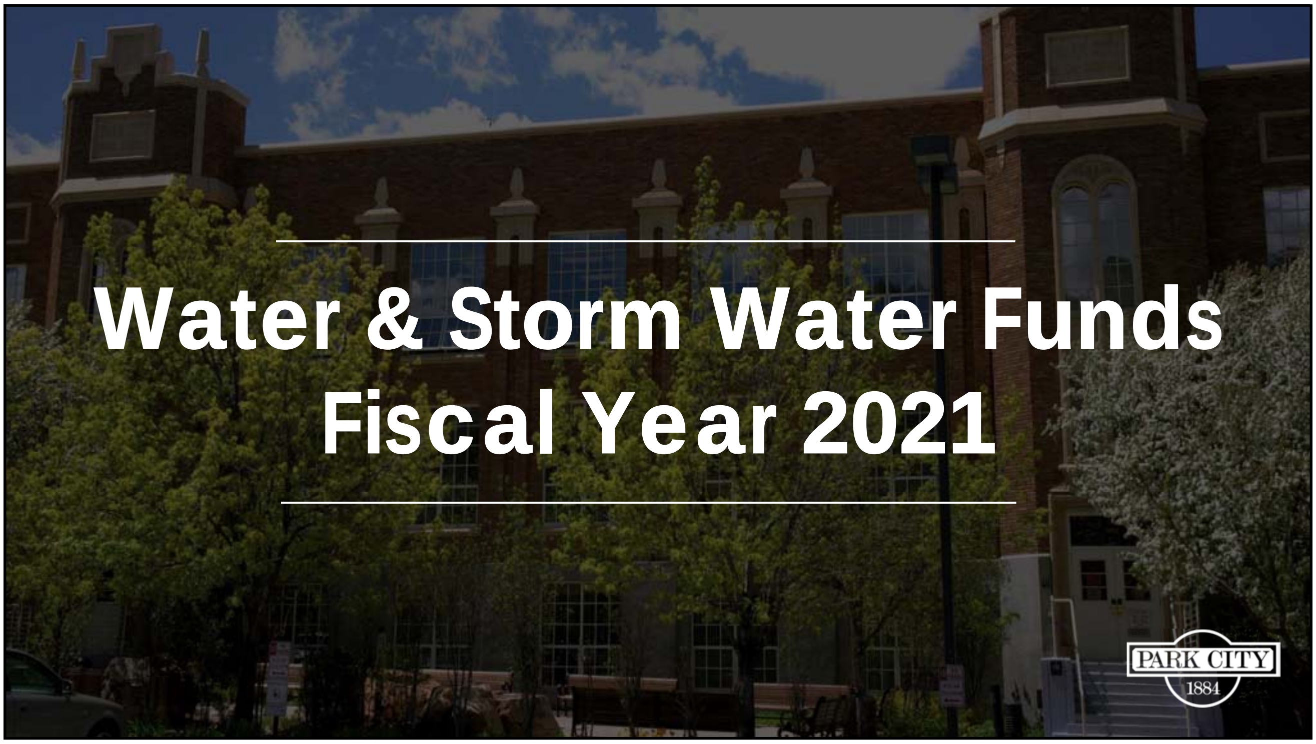
- Extra cleaning
- Social distancing
- PPE (personal protective equipment)
- Employee monitoring

Operating Reductions

- PCT could save $1.8M through Nov by only retaining essential personnel
- PCT could save $628k through Nov by retaining extra drivers in order to be ready for winter service
- Assuming a “low” risk level for the winter season and by providing 30% fewer miles, PCT could save an additional $2M through April ’21 in personnel costs

Operating Efficiency Improvements

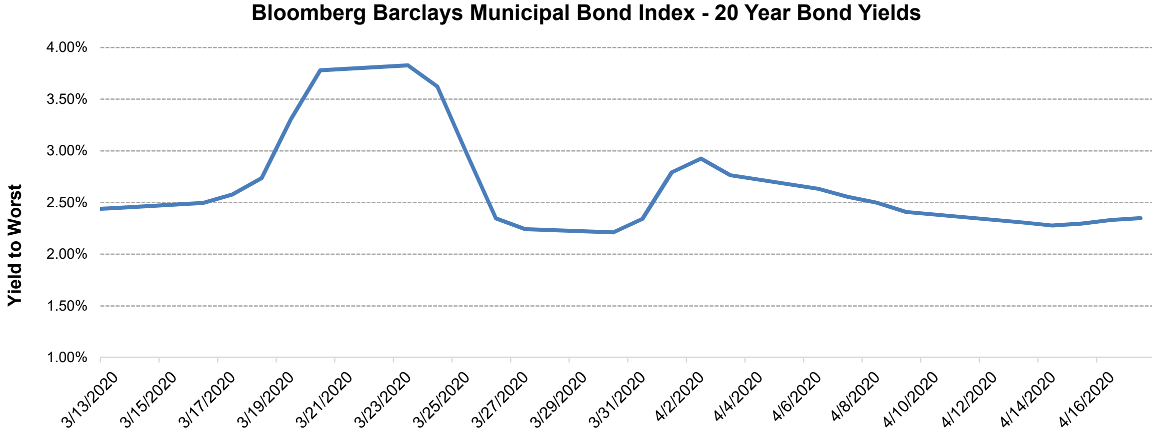
- PCT will analyze route alignments, route frequencies, hours of service, peak hour service, non-driving paid time, paid lunch breaks, driver scheduling, bus cleaning, clock-in and clock-out procedures, overtime and on-demand microtransit to increase efficiency.
- These efficiencies will lead to more savings



Water Revenue Bonding Strategy

- Yields on 20-Year municipal issuances have also been falling
- With regard to the City's anticipated water revenue bond issuance, staff, along with the City's financial advisor sees it feasible to combine previously anticipated FY 2021 and FY 2022 issuance into one 2021 deal, potentially saving the City approximately ~$250k/year, which amounts to ~$5M over 20 years

Bloomberg Barclays Municipal Bond Index - 20 Year Bond Yields



Sources: Bloomberg, Barclays PLC as of 4/20/2020.

Water Fund Revenue Profile

2019 Water Revenue Profile						
Account Type	**Fixed Revenue**		**Variable Revenue**		**Total Revenue**	
	Fixed Revenue	*Percent of Fixed*	*Variable Revenue*	*Percent of Variable*	*Total Revenue*	*Percent of Total*
Irrigation Accounts	$369,577	5%	$1,448,330	11%	$1,817,907	9%
Commercial	$1,881,189	27%	$3,171,507	24%	$5,052,696	25%
Single Family Residential	$3,207,280	47%	$4,597,754	35%	$7,805,033	39%
Multi-Family Residential	$1,399,037	20%	$1,928,337	15%	$3,327,374	17%
Impact Fees	$0	0%	$1,885,478	14%	$1,885,478	9%
Totals	**$6,857,083**		**$13,031,406**		**$19,888,489**	
Percent of Total Revenue	34%		66%		100%	

Potential Water Fund Reductions

Estimated Water Revenue Reductions				
Account Type	**2006 vs 2010 (normal year vs peak of recession)**		**Current water reduction extrapolated for an entire year**	
	Water Use Reduction	*Revenue Reduction*	*Water Use Reduction*	*Revenue Reduction*
Irrigation Accounts	15%	$217,250	15%	$217,250
Commercial	24%	$761,162	62%	$1,966,335
Single Family Residential	14%	$643,686	11%	$505,753
Multi-Family Residential	8%	$154,267	28%	$539,934
Impact Fees (estimated)	*50%*	*$942,739*	*75%*	*$1,414,109*
Totals		**$2,719,103**		**$4,643,380**
Percent of Total Revenue Reduction		**14%**		**23%**

Water Fund Financial Stability

- Water fund remains financially stable even with a 10% revenue reduction in the current fiscal year and a 23% reduction in FY's 21, 22, and 23.
- If revenue reductions are less severe, the projected FY 23 bond amount will likely be less
- Future rate increases continue to be projected at 3% per year

Storm Water Fund Fee Relief

Temporary Stormwater Fee Relief		
Percent Fee Reduction	**Monthly Revenue Loss**	**4 Month Revenue Loss**
0%	$0	$0
25%	$35,000	$140,000
50%	$70,000	$280,000
75%	$105,000	$420,000
100%	*$140,000*	$560,000

Storm Water Fund Financial Stability

- Stormwater fund remains financial stable with short term fee reductions
- Potential project delays include vactor truck and street sweeper dump station and Payday Drive stormwater improvements

Street Dining on Main 2020

Program Details

-8 participants

-Same participants as 2019, as well as Bangkok Thai resuming participation

-Participants in support of proposed changes for 2020 program

For Council's Consideration

2020 Topics

-Coronavirus impacts

-Summit County Health Department Orders

-City to charge no fee for program participation and remove the requirement that restaurants serve both lunch and dinner

-Historic Park City Alliance (HPCA) and Kimball Arts Center support

-Resume typical program requirements in 2021

Thank you!

Emergency Proclamation No 3

Summary

- Set Interest Rate on Utility Bills to 0%
- Suspension of Standard Collection Practices and Water Shut Offs
- 50% Stormwater Fee Reduction
- In Effect May, June, July, and August

Emergency Proclamation No 3

Stormwater Budget		
Category	**Amount**	**Percent of Revenue**
Storm Water Revenue	$1,600,000	
Personnel, Utilities, IFT Expense	$1,100,000	69%
Materials, Services, CIP, Fund Reserve Expense	$500,000	31%

PARK CITY
1884

Emergency Proclamation No 3

Temporary Stormwater Fee Relief		
Percent Fee Reduction	**Monthly Revenue Loss**	**4 Month Revenue Loss**
0%	$0	$0
25%	$35,000	$140,000
50%	$70,000	$280,000
75%	$105,000	$420,000
100%	*$140,000*	$560,000

Emergency Proclamation No 3

Impacts

- Stormwater
  - Stormwater fund remains viable with short term fee reductions
  - Potential project delays include vactor truck and street sweeper dump station and Payday Drive stormwater improvements
- Water
  - Minimal revenue loss
  - Likely to result in large number of past due accounts

Re: Dining Deck Staff Report

roberta walski <robertawalski@gmail.com>

You replied to this message on 4/28/2020 10:30 AM.

Sent: Tue 4/28/2020 10:24 AM
To: Jessica Nelson
Cc: Elizabeth Jackson

Thank you for the information! I signed up to submit an e-comment and am waiting for a validation code. There is no way I could afford to do the deck if I was charged any rate this year since our income has been extremely minimal and would not even come close to being able to include that in our budget. We really feel that having an outdoor dining deck will give us additional opportunity to provide dining. I believe many patrons will prefer to sit outside during this time during COVID. We do plan on offering lunch and dinner daily.

I went on the website for the building dept. to try to apply for a permit, but I did not speak to anyone and have no idea if I did it correctly. I will try to place a call in to them directly.

I do not have a copy of the prior lease to review. Do you have a copy to send to me? I do not know the insurance requirements.

Thank you so much!!

Roberta