PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
APRIL 7, 2011

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

Tom Bakaly, City Manager; Mark Harington, City Attorney; Kent Cashel, Transportation Manager; Bret Howser, Finance Manager

Rob White, District Engineer for UDOT

1. Council questions/comments. Cindy Matsumoto discussed attending the Habitat for Humanity board meeting this week; a fundraiser is planned on April 30. She announced that the Historical Society met this morning. The Museum is showcasing the new Pony Express traveling exhibit and is extending free admission on Tuesday, April 12, 19 and 26. She also attended the Peace House luncheon today where there was a good turn-out. Sales tax numbers were discussed. Liza Simpson stated that she attended the Fire District Administrative Control Board meeting last night. Members are working on a strategic plan; potential spring flooding was also discussed. She reported that the District is organizing a one day fire academy for all elected officials on June 4 but suggested that some staff attend if there are openings. The Recreation Advisory Board met and the Recreation Center construction has passed the 51% completion mark.

Ms. Simpson shared business discussed at the Lodging Association meeting. The Cole Sport Candy Erickson Scholarship Fund has been set up for college bound students, but the first year's collection will go to Brian Erickson who is still in college. The deadline for funding is May 31 and the scholarship will be awarded on June 1. The Park City Foundation endowment fund in her memory has collected over $15,000 in donations. Mayor Williams relayed that the State Capitol gifted a framed American Flag to the City. He expressed the need for disbursing new immigration legislation information to members of the community and specifically what it means to local workers. Having a bi-lingual explanation featured on our website would be helpful. The Mayor relayed that a local band, Rattle & Hum, just returned from an entertainment tour in Kuwait and Iraq and he discussed giving members a certificate of appreciation for their support of our service men and women. All members agreed. He stated that Richard Luskin has resigned from the Planning Commission.

2. Interview process for City Council vacancy. The City Manager pointed out that the interviews will be held in the Council Chambers rather than the Library and Education Center as previously contemplated. Interviews will be held on April 18 and an appointment is tentatively scheduled to be made on April 21. Cindy Matsumoto asked if public input would be accepted and Tom Bakaly advised that it would be up to the discretion of Council members. Discussion ensued on asking each applicant the same questions. Alex Butwinski feared that inviting public input could consume a lot of time. He favored a structured process, asking the same question(s) with a round of follow-up questions. Joe Kernan suggested a decision-making style question to each applicant and felt that giving candidates the questions in advance is fair. Ms. Matsumoto believed that set questions should be asked but that unstructured questions for follow-up should be allowed. The Mayor requested that all questions from members be submitted by Monday morning and distributed to applicants as soon as possible. The City Manager indicated that applicants will also be provided with a candidate information packet.

Liza Simpson asked about the process for bringing names forward for nomination. Mark Harrington felt that after the interviews, the level of consensus or difference of opinion will be obvious. If there is clear consensus, a motion can be made for appointment but if there are differing positions, a ranking system could be used to reach a consensus. This resembles the statutory process if an appointment is not made within 30 days of the vacancy. Members felt that the ranking process should be applied to the top two candidates. In response to a question from Joe Kernan about publicly discussing the appointment, the City Attorney explained that this is a legislative matter so there is no limitation on ex parte contacts outside the meetings. This is essentially supplementing an election and is very much a public process. This is why it doesn't have the protections of a personnel decision that other appointments have. The only restriction is that the Council can not meet in closed session as a group but members may talk to each other as long as there is not a majority meeting. Past candidates have no special bearing and at least three members need to reach consensus. If there is a tie, the Mayor would vote. If the Council fails to reach a decision on April 21, then a more formal statutory process is introduced. The Mayor indicated that 30 minutes should be allocated for each interview.

3. UDOT SR248 Project. Kent Cashel introduced Rob White, District Engineer over maintenance and construction for the UDOT Region 2. He explained that the project involves a pavement overlay of SR248 from SR224 to Kamas, removing the planter on SR248, replacing the pavement, and striping bike lanes on both sides of the road from US40 as far west as Comstock. There are no new travel lanes contemplated in this phase of the project which has a June-July time frame, dependant on when the project is advertised. In response to a question from the Mayor, Mr. White clarified that the planter area will be paved and will be striped very similar to how it is now; there will still be a separation but no physical barrier. Ms. Matsumoto suggested that the area under the median be used for a HOV lane. Mr. White responded that it is possible if there is enough width but there would be substandard shoulders. This project would not include a HOV lane but with the removal of the planter will allow the flexibility to consider other options in the future. Environmental and traffic studies are necessary to develop these types of improvements.

Mr. Cashel acknowledged that the HOV lane is included in the City's strategic plan but there is no current funding. Liza Simpson felt that before that step, other pieces need to be in place like the intersection, the Park and Ride, etc. She asked about lowering the speed on the section of road before the City limits. Mr. White stated that he can not answer that right now and Kent Cashel discussed working with UDOT. He met with a School Board member who suggested the same thing. Cindy Matsumoto expressed concerns about removing the planter because she believes it mitigates speeding. Ms. Simpson recalled most of the concerns about speeding in previous meetings prompted by discussions about widening the road to four lanes.

4. CIP preview, revenue policy, property tax discussion, budgeting for outcomes. Bret Howser stated that this work session is a continuation of the BFO process which is concluding. Members have discussed service level prioritization, pay plan philosophy, and revenue and taxation policies during Visioning. He presented a computerized model he designed to help guide the direction of Council decisions as the budget process begins. The CIP committee has already met. Members focus on projects that are funded with earmarked revenues and those funded with operating surpluses and their recommendation is a $2 million budget for this year. There is a small surplus this year with revenues coming in a little better than expected. This is consistent to what has been done historically prior to the recession. Mr. Howser explained that $2 million will cover projects that are of an on-going nature like asset management, equipment replacement, pavement management, etc. which add up to between $1.8 and $1.9 and the CIP committee will be recommending an additional $100,000 to $200,000 a year to pay for smaller projects. What is not incorporated in the CIP committee's recommendations is the ability to handle larger expensive projects like OTIS or the downtown projects.

He believed that the model might guide a funding strategy for those types of projects if supported by Council. The model also provides a tool with regard to setting revenue policy by addressing sales and property taxes. He explained how the model works in detail and noted that the assumptions matrix confirms assumptions accepted by Council members. He discussed variables relating to the policy matrix including projects and funding options. Fees, recovery levels and inter-fund transfers were explained. In response to a question from Joe Kernan, Mr. Howser believed that recovery levels are based on direct costs not capital costs. Asset management with regard to maintaining WALC projects were addressed. By way of example, Mr. Howser displayed various scenarios on the model for funding OTIS projects by way of cash, bonds, etc. and on different time frames.

Mr. Howser emphasized that currently the Transit Fund has a healthy balance because the City has been very successful in obtaining federal dollars on both the operating and capital sides. In response to a question from Liza Simpson, Kent Cashel discussed grants available for operations and emphasized that the future of this type of funding is unknown. Bret Howser indicated that staff is close to completing a FIAR on the Transit Fund. If federal funding is taken away, transit would be in serious trouble by the end of the decade. The resort tax could be moved from the General Fund to Transit or a voter-approved transit tax could be proposed as revenue sources.

Tom Bakaly relayed that there is discussion in the state legislature about controlling the level of building, planning and engineering fees cities can charge, potentially reducing the City's revenue. Currently the City is recovering 50%. Michael Kovacs stated that this was discussed in interim session, adding that Salt Lake City and Park City have the highest fees in the state. The state is interested in using the section of the International Building Code setting fees and using this type of cap system would represent a loss of several hundred thousand dollars. He pointed out the high level of regulation in Park City. Mark Harrington understood the problem to be municipalities using contract services and passing on the direct costs of those contract services to the applicants without bidding them out and making costs competitive.

He went through an exercise on the model of a property tax increase scenario of 6% every other year and timing options. Cindy Matsumoto expressed her opposition to committing to a 6% property tax increase every other year with so many unknowns. She preferred one property tax increase that would cover expenses into the long term. Liza Simpson suggested that there be a regular analysis of property taxes because 6% may not be necessary every other year. Mr. Kernan expressed his appreciation of discussing a property tax increase which is a reasonable option for many cities. He would like to explore establishing a policy on property tax increases triggered by the financial condition of the City. Voter approval on property tax increases is another interest. Ms. Matsumoto pointed out that although there has not been a property tax increase in decades, there have been voter tax increase increases for open space bonds, WALC, etc. Mr. Howser demonstrated a number of strategies on the model to cover costs. Alex Butwinski believed that a property tax increase is inevitable but agreed with Ms. Simpson that it may not be 6% every time. There may be a way to tie the amount of money needed in the second year of the truth and taxation hearing to Salt Lake City's CPI or property values. Mr. Howser discussed tying the increase to wages by calculating the property tax burden as a percent of area income and setting a policy on not exceeding a certain percentage of wages being paid for municipal services funded by the general levy. He explained that the median household income number is taken from our affordable housing information.

Joe Kernan spoke about creating criteria for evaluating downtown projects and appropriately assigning funding sources. He would like to have more discussion on tax revenues. Tom Bakaly stated that the City Manager Recommended Budget will be presented to Council on May 5 and larger projects may have to be funded by a potential property tax proposed in 2013.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
APRIL 7, 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, April 7, 2011. Members in attendance were Dana Williams, Alex Butwinski, Joe Kernan, Cindy Matsumoto, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Phyllis Robinson, Public Affairs Manager; Kirsten Whetstone, Planner; Francisco Astorga, Planner; Thomas Eddington, Planning Manager; and Mark Harrington, City Attorney.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Outreach to community on immigration law – Phyllis Robinson stated that staff has contacted several Latino organizations in Salt Lake and feel confident the City will be able to put a program together in the short term. Holy Cross Ministries has been very helpful. Joe Kernan encouraged her to speak with long term employee Janero Armendariz for ideas and the Mayor stated that he has a list of five volunteers who are willing to help with the program.

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

1. Non-payment of sub-sub contractors – Transit Center project – Messrs. Judd and Shaw missed the public input session, but the Mayor accommodated their request to comment. This discussion occurred after New Business Item No. 1 but appears here for reference purposes.

Whitney Judd stated that he worked on the Iron Horse Project and is still waiting to get paid. He's been trying to get paid from Jacobsen but hasn't heard anything and no one knows were M L Stevens is. They are just two local guys trying to make a living and want to get paid from that job. In response to a question from the Mayor, the City Attorney indicated that he will check on the current status with the Legal Department and report back.

Steve Shaw stated that he can't figure out why the Council won't help them out. The Mayor interjected that the City did not contract with them. He continued that it costs them money to work on the job and he is owed $7,500. This is a $9 million project and it just doesn't seem right. Why can't they get their money. . .it's been almost a year. This is federal stimulus money. He stated that they are local and have been paying taxes in the County for 20 years. He is going to have to lay off his crew if he doesn't get paid this money.

Mr. Judd acknowledged that they contacted with M L Stevens but no one can get a hold of him. Mr. Shaw made allegations that Jacobsen took the lowest bid which caused problems. The Mayor asked if they filed pre-application liens and Mr. Shaw insisted that they don't have to lien a government job. He felt the City should put pressure on Jacobsen and not only is he out this money but he could have been working somewhere else in June and July. Adding that in, his losses are $13,000 or $14,000 to work on a federal stimulus job in his City where he has been paying property taxes for 20 years and the Judd Family longer. What if this happened to Council members? Put some pressure on them. Mr. Judd expressed that although they contracted with Stevens they have an agreement with Jacobsen as well. Mr. Shaw reiterated his comments. Joe Kernan discussed the hardships experienced by a number of local businesses during these times. Tom Bakaly stated that staff will return with a manager's report on April 21 on the status of this issue.

Whitney Judd stated that they gave their truck tickets to the supervisor at the site who told them that Jacobsen would pay them. Mr. Shaw interjected that they are not asking for a lot in consideration of $9 million. Have some morals and some ethics here; this is not right. Mayor Williams pointed out that they decided who to work for and this has been brought back to Council a number of times. He added that he didn't appreciate Mr. Shaw insulting him on a regular basis and making false accusations in the Park Record blogs. Mr. Shaw denied this. Liza Simpson advised that it probably is not a good idea to impugn the morals or integrity of the people you are asking for help. The Council is dealing with the public's money. Mr. Shaw argued that it is federal money; it is all our money.

Steve Shaw appeared before Council again after Mr. Watson's testimony which follows. He stated that he does not own a computer and the blogging in the Park Record has nothing to do with him.

2. Walkability/biking projects – Michael Watson complimented the Council on the Bonanza Drive project and bike lane additions. He spoke about installing qualified bike lanes as a part of the SR248 project and considering lowering the speed limit. He also suggested installing bike lane signs to alert drivers that bicyclist could be on the road. Mayor Williams relayed that a representative from UDOT participated in the work session discussion on the SR248 overlay project which will include new bike paths from Quinns all the way into town with new stripping. Mr. Watson pointed out that bicycling attracts visitors and is good for the economy. He urged members to promote the bikeability part of the walkability program.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF MARCH 24, 2011

Alex Butwinski, "I move we approve the work session notes and minutes of the meeting of March 24, 2011, as corrected". Joe Kernan seconded. Motion unanimously carried.

V RESIGNATIONS AND APPOINTMENTS

Appointment of Bruce Taylor as an Alternate Member on the Board of Appeals – Liza Simpson, "I move we appoint Bruce Taylor as an Alternate Member to the Board of Appeals". Alex Butwinski seconded. Motion unanimously carried.

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")*

1. Consideration of a Professional Services Agreement, in a form approved by the City Attorney, with URS Corporation in an amount not to exceed $22,154 for a solar feasibility study - and

2. Consideration of a Resolution proclaiming the month of April as Fair Housing Month in Park City, Utah – Cindy Matsumoto, "I move to approve Consent Agenda Items 1 and 2". Liza Simpson seconded. Motion unanimously carried.

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

1. Consideration of an Ordinance approving the First Amendment to the Silver Baron Lodge at Deer Valley, Phase II, record of survey plat, located at 2800 Deer Valley Drive East – Kirsten Whetstone explained that the request is to amend the 50 unit condominium plat located in lower Deer Valley. The 11th Amended Deer Valley Master Plan was recently approved by the Planning Commission transferring one unit of density from the Snow Park Village area to the Silver Baron Lodge to accommodate one unit of density creating the 50th unit which is reflected in the amended plat. Staff finds good cause as the plat will document as-built conditions permitted by the revised and approved building plans and the plat is consistent with the development pattern envisioned at Deer Valley and in the Deer Valley Master Plan. No exterior changes will be made. On March 23, 2011, the Planning Commission conducted a public hearing and forwarded a positive recommendation to the City Council. The Mayor opened the public hearing.

Bob Wells, Deer Valley Resort, stated that he is here tonight representing Lynn Stillman who is the receiver for certain units in the Silver Baron Lodge. With no further input, the public hearing was closed. Liza Simpson, "I move we approve the First Amendment to the Silver Baron Lodge at Deer Valley, Phase II, record of survey plat according to the Findings of Fact, Conclusions of Law, and Conditions of Approval as found in the draft ordinance". Joe Kernan seconded.

2. Consideration of an Ordinance approving the 109 Woodside Plat Amendment located at 109 Woodside Avenue, Park City, Utah – Francisco Astorga stated that the site is designated as a Landmark site because of the historic main and accessory buildings which span across five lot lines. The original application included a portion of King Road which they currently own but the City requested that it be dedicated to the City as a prescriptive easement as a part of this action. Cindy Matsumoto pointed out that the accessory building's square footage is not counted and Mr. Astorga explained that the LMC was amended to incentivize property owners to maintain historic accessory structures by not including them in the footprint. This accessory building is approximately 370 square feet and can not be used as living space. Setbacks were discussed for this location and an adjacent property.

Ms. Matsumoto asked if the owner will be able to build a bigger house as a result of the plat amendment. Mr. Astorga stated that the original application requested inclusion of the King Road portion yielding a maximum footprint of 2,200 square feet. The recommended plat yields a maximum footprint of 1,700 square feet. The existing historic structure is 754 square feet. He emphasized that the application will have to comply with the Historic District Design Guidelines and it would be difficult to get that much density considering the placement of the main structure and the accessory building. Cindy Matsumoto expressed concerns about accommodating a larger structure by approving the plat and Francisco Astorga pointed out the benefits of removing the interior lot lots.

Alex Butwinski discussed crafting a condition of approval that would limit the size of the house based on compatibility of the neighborhood rather than rely on an administrative approval. Mr. Astorga commented that the application falls under the parameters of the LMC. Mr. Butwinski felt that the house could be potentially 5,500 square feet. Mark Harrington felt that further analysis would have to be conducted by staff to determine what the number is or have it remanded to the Planning Commission for further analysis. Ms. Matsumoto disclosed that she knows the applicant and has done business with him. The Mayor opened the public hearing. There were no comments from the audience, and the public hearing was closed.

Alex Butwinski, "I move that we continue the plat amendment for 109 Woodside pending further analysis from staff regarding a condition of approval to address compatibility of maximum house size". Cindy Matsumoto seconded. Liza Simpson stated that she prefers to remand the issue to the Planning Commission because members are more qualified to do the analysis and she would like to hear their thoughts on this. Alex Butwinski modified his motion to remand it to the Planning Commission. Cindy Matsumoto accepted.

Mayor Williams felt this approach is arbitrary and unfair to the property owner. If there are General Plan or LMC issues, those should be addressed first rather than changing the process at the last minute. Mr. Butwinski agreed, but on the other hand pointed out that the Council continues to struggle with these applications and the amendments to the Code seem to take forever. Cindy Matsumoto suggested that the analysis be done by staff so the applicant is not held up by waiting to be scheduled on the Planning Commission agenda. Ms. Simpson stated that she didn't think continuing this is arbitrary because it is a historic structure on a prominent corner and some extra analysis is justified. In response to a question from Ms. Simpson, Thomas Eddington stated that in terms of time, it would be better for staff to do the study as it couldn't be scheduled until the May 11 meeting. If Council does not feel the analysis is adequate on April 21, the application could be remanded to the Commission at that time. Mr. Astorga pointed out that the applicant is anxious to work on the accessory structure because of its condition; nothing has been submitted on the house. The second motion and second to the motion were removed.

Alex Butwinski rephrased his motion to continue the item to April 21 with direction to staff to do an analysis of compatibility and determination of maximum house size. Motion unanimously carried.

3. Consideration of an Ordinance approving the 335 Woodside Avenue Plat Amendment located at 335 Woodside Avenue, Park City, Utah – Planner Francisco Astorga introduced the owner's representative Lance Kincaid. This is a double lot measuring 50' x 75' with a Landmark structure which is on the Register of Historic Places. Plans to build an addition on the back of the house were submitted last year but it was discovered during design review that a lot line was missing on the survey submitted and a plat amendment was necessary. The final design could not be approved but a variance has been requested to include the garage as part of the footprint. The Board of Adjustment will consider the request in May to gain an additional 450 square feet. Mr. Kincaid explained that the garage will be underground and above it will be a porch area, just as it looks now. Two walls will be saved and the other two panelized and the new addition will be on the back side. The footprint will not be over the 1,517 maximum. A potential carport was discussed. Mr. Kincaid stated that in order to do anything on the house, a lot line adjustment must be made.

Cindy Matsumoto stated that she feels the same about this house as 109 Woodside Avenue and would like more analysis done on maximum house size. Mr. Kincaid stated that the Planning staff did not have an issue with the design of the house, aside from the carport garage. Mr. Eddington emphasized that no approvals have been granted. Mr. Astorga described the history of the project and stated that the Historic District Design Review was put on hold because of the lot line adjustment. A conditional use permit must be approved by the Planning Commission for the addition because a portion of the slope is greater than 30%. He noted that the 2009 Design Guidelines will be applied. Liza Simpson stated that she feels different about this application and feels comfortable with it being processed with the new Guidelines as a Landmark and National Historic Register structure. Ms. Matsumoto felt that the two properties are being treated differently and a continuance of two weeks is not unreasonable or creating undue expense to the owner. Francisco Astorga believed that staff can provide an analysis on April 21 and hold the Board of Adjustment meeting on May 3 because the timing will occur within the processes. Mr. Butwinski stated that he feels more comfortable with this application because of the CUP process but an analysis could be conducted. Ms. Simpson did not feel the properties are being treated unfairly because they are very different but if the project is not being held up, an analysis might be helpful.

Lance Kincaid asked for clarification on the discussion and Ms. Matsumoto explained that some members are concerned about the house size allowed associated with the lot combination. Mr. Kincaid stated that he has been given the Guidelines and had to apply for a lot amendment in order to do anything. The design for the house has nothing to do with the lot line adjustment and he expressed confusion about continuing action. Ms. Simpson stated that members would like to see more analysis on how big a house could be built on the property and this delay does not slow down the variance process and eventual submittal. Mr. Kincaid stated that he will not be in town on April 21 and he reiterated that the project has been guided by the Code and applying for something bigger than allowed would trigger a variance. The Codes are already written.

Cindy Matsumoto discussed the concern of big homes being built on combined lots and members would like to look at this. Mr. Kincaid reiterated that the Codes are written already and how would they change from this meeting to two weeks. Mr. Eddington understood that staff should perform an analysis of the neighborhood in terms of compatibility and focus on what can be built on this lot pursuant to the LMC and the Historic District Guidelines as the more restrictive of the two apply to the lot. Joe Kernan believed Council has the discretion not to combine lots and the City Attorney replied only with findings. If an application meets the Code, it has to be approved but if incompatibility is discovered a condition may be added. Alex Butwinski asked if members can regulate the size of the house. The City Attorney cautioned that the Council has allowed lot combinations at a policy level in the Code which isn't done on a case by case determination. The policy language in the zone facilitates the combination of two 75' x 25' lots. This policy is based on a comprehensive analysis done in the 1990s where the determination was that it is worth having a slightly larger single family home in exchange for an overall reduction in density with greater setbacks and opportunities for parking and those sorts of things. The basis for the analysis on 335 Woodside is limited, the burden is on the City to demonstrate incompatibility, and the decision can not be a reversal of the policy on a case-by-case basis.

Mayor Williams emphasized that the application must meet CUP criteria, including compatibility, which is evaluated by the Planning Commission and Ms. Simpson noted that the plans must be approved by the HDDR under the new Historic District Guidelines. There are three processes that this application must go through.

Liza Simpson, "<u>I move that we approve an Ordinance approving the 335 Woodside Avenue plat amendment according to the Conditions of Approval, Findings of Fact and Conclusions of Law</u>".

Alex Butwinski seconded. Motion unanimously carried.

VIII ADDITIONAL DISCUSSION – AGENDA ITEMS

None.

IX 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 2:30 p.m. Members in attendance were Mayor Dana Williams, Alex Butwinski, Joe Kernan, Cindy Matsumoto, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Diane Foster, Sustainability Manager; Joan Card, Environmental Regulatory Affairs Manager; Jason Christensen, Legal Intern; Michael Kovacs, Assistant City Manager; Jon Weidenhamer, Economic Development Manager; Thomas Eddington, Planning Manager; and Mark Harrington, City Attorney. Liza Simpson, "I move to close the meeting to discuss property and litigation". Joe Kernan seconded. Motion carried unanimously. The meeting opened at approximately 3:30 p.m. Liza Simpson, "I move to open the meeting". Alex Butwinski seconded. Motion unanimously carried.

The meeting for which these minutes were prepared was noticed by posting at least 24 hours in advance and by delivery to the news media two days prior to the meeting.

Prepared by Janet M. Scott, City Recorder

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