

**PARK CITY COUNCIL WORK SESSION MINUTES
SUMMIT COUNTY, UTAH
APRIL 4, 2013**

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

Diane Foster, City Manager; Mark Harrington, City Attorney; Blake Fannesbeck, Operations Manager; Jason Glidden, Special Projects Manager; Nate Rockwood, Budget Manager; Joan Card, Environmental Regulatory Manager; Craig Sanchez, Director of Golf; Vaughn Robinson, Golf Pro; and Clint Dayley, Parks and Golf Course Superintendent

Kim Olsen and Nancy Day, Utah Recreation & Parks Association

1. Presentation of Outstanding Facility Award from Utah Recreation & Parks Association. Kim Olsen, Executive Director of the URPA, introduced Nancy Day, President and Patty Hansen, President-Elect. URPA was founded in 1951 and is a statewide voluntary membership association and is a state affiliate of the National Recreation & Parks Association. They are dedicated to enriching the professional and educational opportunities available to leisure service personnel in parks, recreation, adaptive recreation and related fields so that they may better service the needs of their communities and participants and to advocate and promote the benefits of parks, recreation and leisure services to congress, state lawmakers, local governing agencies and the general public. He stated that URPA holds an annual conference where outstanding projects and programs are recognized in the state.

Nancy Day relayed that recognitions are awarded for excellence and the award to the PC MARC is very well deserved as being honored as the 2013 Outstanding Facility. She spoke about touring the MARC, and commented on the excellent work of the recreation staff and the importance of keeping it green. She presented the award to the Mayor and acknowledged that these types of accomplishments would not be possible without the support of our elected officials.

2. Council questions/comments. Andy Beerman participated in a regional trails meeting and he reported on a project in the works to connect the Park City trail system all the way down to Dutch Hollow and back up through Pine Canyon to the state park. It is called the *Wow Loop*. He attended the Public Safety quarterly meeting and a lecture at the Eccles Center on positive disruption focusing on serious global problems. Dick Peek noted that he attended the Historic Preservation Board meeting where the appeal of the administrative approval of the Historic District Design Review for 505 Woodside Avenue was denied. Alex Butwinski received sales tax information from ULCT and reported that general distribution is up 20% over last year. The fiscal year at seven months is up 40% and this is the first double digit increase since October 2012. Wages are up 5% overall.

Liza Simpson stated that the Soils Commission met on Monday to finalize its recommendations to be forwarded to the City Council and members look forward to a study session where these will be introduced. She thanked members for devoting their time and committing to meet as needed. She attended the Recreation Advisory Board meeting and congratulated the Tennis Department for being awarded the Professional Tennis Association Member of the Year. A patron survey for the MARC is on-line until the end of April. She attended the Lodging Association meeting where Phase 1 of Deer Valley Drive was presented. She also attended the Park City Fire Service District Board meeting where its new motorcycle program for special event personnel was discussed.

Cindy Matsumoto heard from a citizen wondering about the disappearance of the Shoe Tree Sign. Liza Simpson advised that The Marriott installed the sign and periodically replaces it because of theft. Ms. Matsumoto relayed concerns from Old Town residents about recycling in Old Town and understood that staff is working on this issue. Citizens have suggested that the recycling container be green and not brown. She believed that green is the national norm for recycling and is easily understood by renters and visitors. The Mayor acknowledged that he also met with some residents from Old Town and some of the cans are not marked for recycling. He suggested that a study session be held with Old Town residents and property managers to solicit input. Diane Foster noted that Tyler Poulson is planning to approach Council about recycling issues. Liza Simpson felt that an open house would be a better forum and Cindy Matsumoto believed that green containers are the solution.

Blake Fannesbeck explained that the national standard for recycling cans is blue because some communities collect green waste which is deposited in green containers. The Mayor suggested that the Lodging Association be involved to provide informational pieces in rentals and Ms. Simpson felt the group would be happy to help. Andy Beerman recommended inviting the new recycle person at the County and agreed that Old Town looks like a mess with the variety of cans on the streets. The Mayor stated that he attended the Leadership Class at the middle school.

3. Council questions/comments on Manager's Report. Dick Peek liked the new practice of including the manager's report in the meeting packet.

Andy Beerman referred to the VRBO report and the difficulty of finding specific units at an address on the software. Jason Glidden stated that staff will look into this because the demos he saw revealed unit numbers. Diane Foster felt that condo/hotel type rentals are less likely to be an offender than a condo or home owned by a person.

The Mayor referred to the 4th of July report and asked if the \$36,000 associated with personnel costs and holiday pay is above and beyond the standard for the day. Mr. Glidden explained that public safety recommends the staffing level and this is above and beyond what is normally paid.

4. Revenue update. Nate Rockwood explained that about a month ago, the City received a call from a citizen who had a question about the sales tax charged by a restaurant at Kimball Junction. It appeared that the sales tax charged was too high and that the City sales tax rate was used. The Budget Department conducted some field work at stores there, compared sales tax receipts, and discovered that in fact, there were several sales tax issues occurring at Kimball Junction as multiple rates were being charged. Staff then contacted the Utah State Tax Commission and reported on the situation and later met with the Commission about possible solutions to the problem. Several businesses at the Junction were charging incorrect rates, and the portion of the revenues that should have been allocated to the County was going to the City.

He stated that with the help of the Tax Commission, that number was narrowed and the problem has been corrected so going forward those sales taxes will be charged at the correct tax rate and will be allocated to Summit County. The State Tax Commission has rules regarding this situation and one is that there is a 90 day redistribution period which can be requested by either the County or the City going back 90 days from the time that the problem was found and redistributing those funds which should have been allocated correctly and reallocating those correctly. He displayed a chart showing the City's funds if this were to be done in 90 days which ends up decreasing the General Fund by about \$275,000. The Transit Fund is funded with sales tax and 25% of the resort cities sales tax which equates to about \$120,000. In future years, it is estimated that the General Fund would be affected yearly by approximately \$465,000 and the Transit Fund \$165,000.

Mr. Rockwood stated that the Budget Department, as part of the budget hearings, will return to Council with an update on the FIAR and an update on long-term sales tax projections. He pointed out that property tax is up, which is a huge revenue source, franchise tax is down, building and planning fees down, recreation fees up, etc. and a lot has not changed significantly since the last FIAR. He acknowledged that \$275,000 is a significant hit but staff is projecting that the City will still come in above the projected revenue budget but not by as much as in past years. The total redistribution amount would end up being about \$215,000 for the 90 days. The General Fund would realize about \$155,000 and the Transit Fund about \$61,000. Mr. Rockwood noted it is unclear whether or not the County will request the State Tax Commission to actually conduct the 90 day redistribution. This is not done automatically; it needs to be requested by either entity. If the money is not redistributed, \$120,000 is projected in the General Fund from now until the end of the year and just under \$60,000 for the Transit Fund.

Diane Foster asked if Council supports the County making a request to the Tax Commission. She explained that staff and Councilmember Butwinski met with the County today and there may be reasons why they may not want to request it and the County may make a proposal to the City. Andy Beerman suggested that it makes sense to see the proposal before formulating a policy. Liza Simpson stated that she would like to see the proposal from the County but would support the County making a redistribution request. Members agreed.

Nate Rockwood explained that \$275,000 represents about 1% of the total revenue for the General Fund. He displayed a sales tax chart outlining trends and referred to a question about why December was so low. He explained that The Montage filed quarterly the year before, and it is now filing monthly which represents the difference. He pointed out the significant increase in January from a year ago and the five year average. It turns out that in January the majority of lodging and rentals experienced significant growth over last year and there is no one thing driving the numbers but the 2013 ski season being the best experienced. Occupancy rates in February and March were significantly up compared to last year and the average, and in addition, the average daily rate was significantly up compared to last year and compared to the average. This means that the trend seen in January should occur in February and March. Liza Simpson cautioned not to read too much into the average daily rate increasing because the growth may have been the result of marketing incentives and she expected that the numbers will not represent an increase but a return to normal. Mr. Rockwood understood but felt that February and March look promising and the cumulative year to date is up over last year. Based on those figures, it seems like the redistribution issue is a manageable hit and will not significantly impact the budget. Long term projections will be monitored through the BFO process during the budget process.

In response to a comment from the Mayor, Diane Foster explained that the number of affected business only totaled about ten businesses. Mr. Rockwood explained that 124 businesses were examined but only about ten businesses really contributed to that amount. He felt this issue has been resolved with the Tax Commission and staff will compare our business licenses with our sales tax returns and the County has committed to do the same. Diane Foster stated that the County is developing a program to assist local municipalities in monitoring sales tax information and Nate Rockwood will be involved.

5. Air quality update. Joan Card explained that staff has been working with the Summit County Health Department and the Division of Air Quality for some time on air quality issues. Staff presented information to the City Council about a year ago on ozone in Summit County and the County Council was briefed on this topic yesterday. She stated that ozone is generally a mix of sunlight, oxides of nitrogen, which is largely an industrial pollutant, and volatile organic compounds which are both an industrial and natural pollutant. The Division of Air Quality has been monitoring air ozone levels at Silver Summit since 2010 and last year the City was informed that the previous year registered relatively high levels of ozone in the 70 to 75 ppb range. The standard is 75 ppm. Based on that information the state wanted to conduct a saturation study which was done last summer and this data relates to the 2012 Mountain Valley Ozone Saturation Study. Monitors were installed in Huntsville, Morgan, and Heber and several in the Park City area including the existing Silver Summit monitor, Parley's Summit, Jeremy Ranch, Snyderville Basin and the Marsac Municipal Building.

She stated that in 2012, it was found that the ozone levels are similar to the levels recorded in Salt Lake City and there were readings as high as 79 consistent with Salt Lake City. The state is uncertain of the cause but has some indication that it is a result of transport (wind blowing it over) of both NO_x and VOC from the Wasatch Front. The Wasatch Front is currently in attainment for ozone but that may change. In response to a question from the Mayor, Ms. Card indicated that the state's data registered 79 ppm for ten days at Parley's Summit as compared to three days at the Park City monitor. The City Hall monitor was installed last so some data is not available to compare but there are significantly more days of higher ozone at Parley's Summit, Snyderville, and Silver Summit comparable to Salt Lake City levels. Mayor Williams asked if she felt some of the high levels are related to proximity to highway corridors. Ms. Card felt that levels relate to transport from the Wasatch Front but this is a very limited data set. Even though this is new information, it is one summer's *grab*. When air quality decisions are made about attainment, they are based on complex modeling and significant data collected over years. She emphasized that it is difficult to draw any conclusions, but the state believes that in 2012, there was definitely transport occurring and possibly through the freeway corridor.

Ms. Card displayed an EPA ozone graph from 1980 to 2010 showing the average ozone level at 100 ppb as opposed to 79 ppb in 1980. She pointed out the downward trend toward 75 ppb nationally. Even though there is more information about ozone in Summit County, the ozone in 1980 could have been 100 ppb and she emphasized that context is important when considering this issue. The downward trend could be the result of changing national standards for gasoline and engines which decreased NO_x significantly. The 2012 Utah Annual Air Quality Report reflects a slight but real downward trend from somewhere around 80 to 75 ppb ozone from permanent monitoring sites. NO_x comes from vehicles, motors and industrial operations and she displayed the Utah's emissions inventory for 2011. Industrial sources of VOC in Utah are low but the emissions of VOCs from biogenics (trees, leaves, soil, etc.) in Summit County are very high, based on modeling.

She recommended continuing to work with the Division of Air Quality and the Summit County Health Department to gather information and to monitor air quality with Tier 3 standards which should be finalized by the EPA in December. She felt that levels will continue to decline because of fuel and engine standards. Liza Simpson asked about year-round monitoring because she understood that snow contributes to ozone levels because of its interaction with sunlight. Ms. Card stated that she doesn't know what the Division has planned beyond this summer which is to continue to monitor the Silver Summit temporary station and to install a temporary station in Coalville. The federal government is likely to lower the ozone standard to 75 ppb in 2014 and if that happens, there is probably no need to conduct any more monitoring and Utah will become non-attainment as much of the country. Mr. Beerman asked about the ratio of NO_x to VOC in ozone and Joan Card indicated that a chemist would have to answer that question and emphasized that the equation is incredibly complex. However, she feels that incremental improvements are the result of the reduction in NO_x emissions.

6. Golf course update. Craig Sanchez displayed an Excel chart of revenue projections over the next five years. He pointed out that different fees can be inserted to determine associated projections related to the revenue stream. In response to a question from Cindy Matsumoto about resident status, Mr. Sanchez explained that a resident is considered as someone living within the School District boundaries.

Liza Simpson asked what the local private golf courses charge because the comparisons in the staff report cite Aspen and Vail. Mr. Sanchez clarified that Aspen and Vail are also public golf course. The only one that is not is Jackson Hole, which is semi-private where some public play is allowed. With regard to fees for private courses, he explained that most have an initiation fee and it varies from zero dollars like Jeremy Ranch up to \$80,000 for Glenwilde plus green and cart fees. Promintory allows some public play and green fees for four are in the \$250 range. He acknowledged that the Park City golf course is a great deal by comparison to other resorts but the majority of courses in Utah are municipally owned and subsidized.

Craig Sanchez indicated that staff was considering raising rates somewhat but because of the waterline project, decided to keep fees the same. Wasatch Golf Course raised its green fees from \$46 to \$49 which is a big jump for a state-owned facility. Andy Beerman commented on the challenge of raising more revenue when tee times are pretty much filled. Mr. Sanchez explained that revenue is increased mainly through an increase in fees. Park City has always been on the higher end of public golf. There are separate higher golf rates for lodging packages and visitors seem to buy more in the Pro Shop. He stressed that over \$1.2 million has been invested in capital improvements over the last four years.

Cindy Matsumoto asked about future improvements. Clint Dayley stated that this fiscal year, three hybrid greens mowers will be purchased. The City received \$55,000 from a RAP Tax award for the acquisition which represents about 50% of the cost. A bunker rake machine purchase and a new sprinkler head upgrade are contemplated and \$74,000 of that cost has been funded with RAP Tax monies. Other improvements include a driving range ball dispenser and reservation software for the Pro Shop. The meaning and experience of a more manicured golf course was explained. Vaughn Robinson believed the course will open in about two weeks, depending on Mother Nature.

Prepared by Janet M. Scott, City Recorder

**PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH,
APRIL 4, 2013**

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 4, 2013. Members in attendance were Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Diane Foster, City Manager; Matt Twombly, Project Manager; 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 the agenda)*

None.

IV MINUTES OF MEETING OF MARCH 21, 2013

Andy Beerman, "I move we approve the minutes of March 21, 2013". Cindy Matsumoto seconded. Motion unanimously carried.

V OLD BUSINESS

Consideration of an Ordinance adopting Title 4, Chapter A – Special Event Temporary Alcoholic Beverage Licenses described in the Municipal Code of Park City and amendment Title 4, Chapter 4, Beer and Liquor Licensing; Title 4, Chapter 5, Beer Licenses described; Title 4, Chapter 6, Liquor License Described, of the Municipal Code of Park City – The Mayor opened the public hearing; there were no comments from the audience. He requested a motion to continue to May 9, 2013. Dick Peek, "I so move". 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)*

The Mayor asked members if they had any questions on the Consent Agenda. Liza Simpson referred to Item 1 and using the acronym CMAR (Construction Manager At Risk) which she felt is confusing. Matt Twombly explained that the state recently allowed this type of construction contract for cities. It has been used in the past and staff is recommending applying it to help expedite the project. A CMGC (Construction Manager General Contractor) is the same thing but most contracts reference CMAR.

Ms. Simpson felt that inconsistently using these terms could also be confusing to the general public.

1. Consideration of authorization to proceed with the Main Street Improvements Project and authorization to the City Manager to enter into a construction manager at risk contract, in a form approved by the City Attorney's Office, with Miller Paving Inc. in the amount of \$13,980 - and

2. Consideration of authorization to the City Manager to execute a change order to the Professional Service Provider Agreement, in a form approved by the City Attorney's Office, with MGB+A, for additional work in an amount of \$65,270 – Andy Beerman, “I move we approve Consent Agenda Items 1 and 2”. Liza Simpson seconded. Motion unanimously carried.

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 3 p.m. Members in attendance were Mayor Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Diane Foster, City Manager; Jon Weidenhamer, Economic Development Manager; Brooke Moss, Human Resources Manager; Thomas Eddington, Planning Manager; Phyllis Robinson, Public Affairs Manager; Matt Cassel, City Engineer, Nate Rockwood, Budget Manager; and Mark Harrington, City Attorney. Andy Beerman, “I move to close the meeting to discuss property and litigation”. Cindy Matsumoto seconded. Motion carried unanimously. The meeting opened at approximately 4:30 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



