PARK CITY COUNCIL MEETING

SUMMIT COUNTY, UTAH

APRIL 4, 2002

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building City Council Chambers, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, April 4, 2002.

AGENDA

Closed Session

3:15 p.m. Property and personnel

Work Session

4:45 p.m. Council questions/comments

5:15 p.m. Silver Meadows units

5:25 p.m. Review of regular meeting

5:50 p.m. Break

Regular Meeting

6:00 p.m.

I ROLL CALL

II PUBLIC INPUT

III COMMUNICATIONS FROM COUNCIL AND STAFF

IV WORK SESSION NOTES AND MINUTES OF MEETING OF MARCH 21, 2002

V RESIGNATIONS AND APPOINTMENTS

Appointments (3) to the Parks, Recreation and Beautification Advisory Board for terms expiring January 2005

VI NEW BUSINESS

1. Resolution approving a Transportation Agreement between Park City Municipal Corporation and Summit County

2. Interlocal Transportation Agreement between Park City Municipal Corporation and Summit County

VII ADJOURNMENT

Posted: 04/01/02

See parkcity2002.org

Note: This future meeting schedule is TENTATIVE and subject to change.

PARK CITY COUNCIL TENTATIVE MEETING SCHEDULE

March 2002

28 **Jim gone**

April 2002

4 **Jim gone**

11 **No meeting**

18 LMC - work session

McPolin Farm - work session

Ordinance - April Mountain Subdivision subdivision Phase 1 - KW

Ordinance - 835 Norfolk plat amendment - JW

Ordinance - 777 Park Avenue Coalition West Subdivision - KW

Vegetarian Day resolution

25 Continuation of hearing - Amendments to Land Management Code - Phase 2: Comprehensive and substantive rewrite of Chapter 6, Zoning Administration and Enforcement; Chapter 8, Supplementary Regulations; Chapter 10, Master Planned Developments; Chapter 11, Master Planned Moderate Income Housing Developments; and Chapter 14, Child Care Regulations; additional provisions; to Chapter 1, General Provisions; and Chapter 15, Definitions

Shauna Kerr - public input

Senior citizens - public input

May 2002

2 Budget review

Arbor Day resolution

9 Budget review

16

23 Budget review

30

June 2002

7 Public hearing - budgets

Adoption of tentative budget

14 **Fred gone**

Continuation of budget hearing

21 Continuation of budget hearing

Adoption of final budget

28

Mine Road truck traffic

CIP review

Parks and Rec Board appointments

Council mini-retreat

PARK CITY WORK SESSION NOTES
SUMMIT COUNTY, UTAH
MARCH 21, 2002

Present: Mayor Dana Williams; Council members Peg Bodell, Kay Calvert, Candace Erickson, and Jim Hier

Toby Ross, City Manager; Gary Tackman, GIS Coordinator; Jerry Gibbs, Public Works Director; Kathy Gammell, Water Manager; Tom Bakaly, Assistant City Manager; Mark Christiansen, Budget Manager

Alan Domonoske, Montgomery Watson Harza

Absent: Council member Fred Jones

1. **Customer service award.** Candace Erickson explained that six nominations were submitted for the quarterly customer service award, but Gary Tackman, GIS Coordinator, was ultimately selected. She read a letter noting his customer service skills and a letter from the Department of the Treasury applauding his professionalism in the production of a document illustrating the elements of the operational security plan at the Utah Olympic Park.

2. **Council questions/comments.** Through illustration of renderings, Rick Lewis displayed plans for the proposed bulb-outs on Main Street. He emphasized that this project is a result of the Downtown Action Plan formulated by a committee consisting of staff, Planning Commissioners and Main Street merchants. It was completed in October 1998 and he pointed out the many projects that have materialized as a result of the Plan. The same contractor used for Miners Park has been hired, and Matt Twombly is the project manager. Ms. Bodell asked if there is a public art element as a part of this project and it was pointed out that the bear on the bench sculpture is located in one of the areas. Mr. Lewis felt there is the capability of adding art to the bulb-outs.

Ms. Bodell thanked Bob Stephens for arranging the City Council workshop last week and recognized the City Manager's patience in re-grouping every two years. There was discussion about an expanded 4th of July celebration this summer, specifically recognizing our athletes. Kay Calvert discussed the possibility of an Olympic photo exhibit at the Kimball Art Center. Peg Bodell reported that she attended the School District meeting and relayed that the Board is appreciative of the inter-agency meetings and quarterly breakfasts and look forward to a continued good relationship. Candace Erickson explained that after the workshop, Tom Bakaly, the Mayor and she went to Washington D.C. to secure funding for the City. Mayor Williams thanked Mr. Bakaly for his exceptional assistance and knowledge; they attended about 15 meetings in two days which seemed to be very promising with regard to federal support. The primarily focus included the water treatment and pipe line projects. He added he now understands why Park City's has a lobbyist in D.C.

3. **Water update.** Jerry Gibbs explained that last year a consultant provided an analysis of our rate structure and Council approved a 5% across the board increase to all user groups and meter sizes. A single family upper tier rate was also added to promote conservation for use over 100,000 gallons per month. The study suggested imposing another 5% increase this summer which will be considered during the upcoming budget process. Mr. Gibbs continued that the City received a grant from the Division of Natural Resources to perform a study with weather station technology which communicates with controllers. There are approximately 50 test units which automatically set sprinkling cycles based on evaporation. For large irrigated areas, this method provides a decrease in water consumption but hasn't proved to be effective for small parcels. He discussed the alternate rate study which is proposed to be postponed for another six to eight months. Jim Hier asked if there was consideration of hiking rates for large water users, and Mr. Gibbs indicated that this was debated at length last year. Home owner associations argued that they were being penalized because many have large landscaped areas with one irrigation meter. Councilman Hier stated that he supports high water rates for users in the top tiers and there may be a way to accomplish this without placing a burden on condominiums. Ms. Bodell agreed that an across

the board increase does not provide conservation incentives. Mr. Gibbs explained that 69% of our water consumption is for irrigation, but indoor conservation provides more incentive options for residents. Currently, impact fees affect landscaping choices because they are based on the amount of irrigated area and 69% of the fee is allocated for outside watering. Jim Hier pointed out that impact fees may not be an issue for some home owners, but a punitive rate structure may generate revenue to offset costs for water improvements. Jerry Gibbs noted that our program focuses on compliance not enforcement and in most cases, people are accommodating. Councilman Hier countered that the effort should be simply charging people for the water they are using. Mr. Gibbs suggested that additional tiers can be considered during the budget discussion.

Peg Bodell emphasized that the City must make sure that our projects are good examples of water conservation. Mr. Gibbs assured the Council that landscaping elements are examined for every City project and the Parks Department has decreased its water usage by 50% in the last four years. He pointed out that City Park needs to be watered more often because of heavy use. The City Manager clarified that there is already a tiered water rate structure in place but the proposal last year was very aggressive. The Public Works Director added that in order to effectively raise revenues, the 25,000 to 30,000 gallon segment would have to be targeted. There are few users in the 100,000 gallon a month range.

With regard to water conservation, Kathy Gammell explained that staff is planning on continuing the PSAs and radio interviews. The Board of Realtors became involved in a conservation program last year joined by Recycle Utah this year. It is hoped to recruit property managers which may bring more creative ideas to promote compliance. The Mayor understood the demands on City Park but pointed out the difficulty in practicing water conservation when fields and yards are being watered during the day. He asked if last year's campaign resulted in a reduction. Ms. Gammell stated that the Board of Realtors tracked consumption and there was an immediate response from the community when reports on the low capacity in our wells were aired last summer. Letters to second home owners will be sent out this year. Mr. Gibbs agreed that the general public was very cooperative when asked to adjust timers by a minute or two. Water consumption would drop the next day, so the message was getting out.

Jerry Gibbs continued that a change application has been filed and an agreement signed with JSSD for the pipe line, however, the application has not yet been approved to move water from the Provo drainage to Park City. There is an opportunity to work with the developer of Deer Crest in the Roosevelt Gap area on the line, but there is the downside of losing control of managing the project and a risk of not being reimbursed. Based on this, the Public Works Director recommended that the City build a dedicated line on its own. Jim Hier concurred. The pipe line will provide 1,000 gallons per minute and would provide 45 days worth of water on a 24 hours basis which may be helpful this summer. It is believed that the Park Meadows Well will not be available at full capacity and will be operated intermittently during the summer.

The Public Works Director continued that the Judge Tunnel is a primary source for drinking water and with regular maintenance, a 40 year life is expected. The tunnel provides the highest supply in the system and staff recommends a pilot treatment program immediately to assess building a treatment plant at that location. Because of the turbidity, this source cannot be used 100% of the time and there is concern that it can be affected by surface water. The pilot would test for ground water under the influence which is a higher standard and the new technology should reduce turbidity units and solve 99% of quality problems experienced with Judge Tunnel. The City hired a mining engineer to evaluate the tunnel who relayed that it is still in excellent shape but requires regular maintenance.

In response to a comment from the Mayor, Alan Domonoske of Montgomery Watson Harza, explained he is recommending a membrane for the Judge, which is a micro-filtration unit not reverse osmosis. RO requires a lot of pressure and produces 25% waste, while micro-filtration has a 92% to 98% efficiency rate and is easy to maintain. Mr. Gibbs believed the piloting program, testing different methods, will last six months and evaluating ground water under the influence requires a lot of data. The Mayor understood that there is still a debate with EPA and the Division of Water Quality about the existence of ground water under the influence. Jerry Gibbs responded that the first ground water test the City conducted showed zero organisms, while a scoring of nine is allowed, but the Judge Tunnel is highly fractured and the ground cover at the portal fairly thin, which makes the facility vulnerable. Mr. Gibbs felt that water treatment would be a proactive step to maintain the integrity of the Tunnel and to eliminate particles and Toby Ross pointed out that this would be an inclusive approach. Mr. Gibbs explained that the City has discussed this upgrade with the EPA but has not formally committed to it, and won't until there is Council approval. Staff is not asking Council to build a water treatment plant at this point, but to authorize proceeding with the piloting. For the benefit of Kay Calvert, Mr. Gibbs indicated that arsenic is not an issue in the Judge Tunnel. The cost of a water treatment plant is about $3.5 million and an agreement needs to be reached with United Park City Mines with regard to the location of the facility.

The new arsenic regulations take effect in February 2006; they reduce the current 50 ppb to 10ppb. Additional piloting needs to be conducted at Spiro Tunnel which was delayed because of the Games. After the piloting is completed, staff will be recommending a treatment option to the Council and develop a project which is estimated to be about $1.1 million. The arsenic removal system could be in place by late Spring 2003. Mr. Gibbs continued that one of the quality issues with the Spiro is hardness and it may make sense in the future to pipe the water to the Judge to be treated. There is not adequate space at Spiro for hardness treatment which is a secondary not a primary concern and would cost about $5 million. Once the Weber Basin water is on line, it can be blended reducing Sprio water hardness significantly, together with arsenic and antimony. The City's goal is to get an arsenic program in place by Spring 2003 and reducing arsenic to 3 ppb.

There are about $15 million worth of water projects, but bonding capacity for about $8 million. The water reserve fund is not large enough to cover costs for capital projects and staff will be recommending a bond issue for consideration by Council. Jerry Gibbs emphasized that the $15 million figure does not include the Weber Basin pipe line. Within a couple of years, the City will be retiring a large debt service on the water system, freeing up additional revenue for a new bond issue. Mr. Gibbs continued that there have been recent conversations with Weber Basin who is ready to move the project forward and hopefully an agreement can be reached with Summit County in the near term. Jim Hier pointed out that selling water may be a potential revenue source, and would like to see an analysis of incremental costs associated with increasing the size of the pipe line for more capacity. Jerry Gibbs stated that he can share some information on this, but currently the plans are based on Park City's demands.

3. **Executive Summary FY2002-2003 Budget.** Tom Bakaly thanked the citizens involved with CTAC who produced the Program and Resource Analysis. The Executive Summary is a component of this study with the intent of producing a condensed budget piece for residents sometime in June or July. Through illustration of graphs, Mr. Bakaly discussed the ratio of revenues and expenditures over the years. He pointed out where Council adjusted the budget in 2001 by reducing expenditures by $650,000 in the General Fund. It is felt that in the future, level growth and expenditures are expected. With regard to capital projects, there are no longer surplus funds.

The Program and Resource Analysis revealed that over 2/3rds of our revenues derive from tourism and about 40% of our expenses are spent on tourism. This illustrates that tourism subsidizes permanent resident services to about $7 million annually. Ms. Calvert asked if there is an opportunity to maximize tourism dollars. Mr. Bakaly felt that the summer could be marketed more but there may be other compatible business opportunities. There hasn't been recent growth in skier days and Council may want to formulate an economic policy outlining different types of businesses to attract, i.e., technology, retail, etc. Peg Bodell felt that our product could be increased in the summer and the fall. Ms. Calvert agreed that this is a huge opportunity and exploring attracting other types of businesses may not be prudent. Mr. Bakaly noted that perhaps an economic development policy may reaffirm that same recommendation.

He referred to the CTAC report which analyses core and enhanced services and the Wilkstrom Report. This City operates on a two year budget and FY2002-2003 was adopted as a plan last year. On May 2, 2002, City Council will review the plan with recommended adjustments including reconciling the Olympics and capital needs in the Recreation Fund. Ms. Calvert brought up the value of input from the proposed Community Vision meetings on recreation and Mr. Bakaly indicated that there may be improvements like the roof or the pool that may have to be addressed before this process begins. Next year, a more comprehensive review of the budget will occur including the pay plan, and the capital improvements budget. There was discussion about the coordination of the two year budget with regard to staggered Council terms. Mr. Bakaly reiterated that CTAC is recommending the development of an economic development plan, Olympics reconciliation, and Recreation Fund strategy this year. With regard to debt service, Mr. Bakaly felt that Council may want to consider bonding for water improvements. Ms. Calvert pointed out that some bonds will be retiring in a couple of years and the favorable interest rates at this time. Mr. Bakaly noted that there won't be an opportunity to fund Main Street improvements with redevelopment funds and there are many unfunded projects in the future.

Mark Christensen explained that the summary outlines the major issues and on May 2, staff will present a balanced budget. Adoption of the final budget is scheduled on June 21, 2002. It was the recommendation of CTAC to present budget information in a different format which will be a supplement to the budget document produced last year. Departmental requests are well within the City's policy. In response to a concern from Ms. Erickson about the extent of pool repairs and the timing of approvals, Mr. Bakaly explained that the $60,000 identified is for mechanical repairs and staff is looking for direction on an approach. It may be that Council may not want to spend $60,000 if the pool is replaced next year or the City discontinues pool programs. Replacing the pool is estimated at $500,000.

Mr. Hier requested clarification on the $6 million five-year capital improvement program. Mr. Bakaly explained that this is a reserve fund where general fund monies have been transferred. It's earmarked for future projects, consistent with state law. There was discussion about the $365,000 reimbursement to Park City for our Olympic sales tax revenue portion which is currently being maintained in the state pool, but can be reinvested by the City. Mr. Bakaly updated the Council on the status of a joint ice facility.

Prepared by Janet M. Scott

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MARCH 21, 2002

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, March 21, 2002. Members in attendance were Dana Williams, Peg Bodell, Kay Calvert, Candace Erickson, and Jim Hier. Fred Jones was excused. Staff present were Toby Ross, City Manager; and Mark Harrington, City Attorney.

II PUBLIC INPUT

1. Habitat for Humanity. Yasamina Roque, Executive Director of Habitat for Humanity for Wasatch and Summit Counties, introduced herself and indicated that two homes were built in the area during her 11 month tenure in Park City. Habitat is a volunteer based organization building decent affordable homes at 0% interest to working people in need. This chapter has never built in Park City proper which is a goal as many employees want to live where they work. She discussed the windfall of materials from the *Good Wood Project* through Recycle Utah and emphasized that Habitat is in favor of planned unit developments and mixed uses. The Mayor reported that there will be a Fannie Mae group from Washington in Park City interested in affordable housing projects here. He stated that he will let Ms. Roque know about the meeting along with other interested parties. In response to a question from Peg Bodell about obtaining property in Park City, Ms. Roque explained that many of her past projects were successful because the lots were donated by cities or counties.

2. Water conservation rates - Joe Kearnin, Silver Meadows Estates, referred to last year's Council discussion on an aggressive water rate structure which would have severely penalized home owner associations on one meter. In 2001, the Association reduced its

irrigation consumption by 44%. Using the same amount of water of 18,000 gallons, a single family user has a rate of $1.82 while they are charged $2.32 which is 25% higher. HOAs should be charged fairly and should be rewarded for conserving water. Mr. Kearnin emphasized that their association does not place a high demand on the system and should be removed from the irrigation category and treated more like single family homes where water usage could be divided by the number of units. He understood that the current billing software may not have the capacity to factor in the number of units on each HOA meter and offered to personally calculate the bills. By correcting the inequities for HOAs, a fair rate structure could be implemented that also has some *teeth* to encourage conservation. There was discussion about an estimate of 300-500 affected units. The Mayor thanked him for presenting this information but felt the term *HOA* is confusing as it is associated with single family subdivisions and perhaps *multi-family* better describes this housing stock. Jim Hier stated that he is not in favor of contracting out the City's water billing but felt it is a manageable task.

3. Speeding on Mine Road - Alan Schuler, SR224 and Prospect Avenue resident, stated that this is very hazardous place to live because of motorists ignoring speed limits and stop signs. He stated that he can't work in his yard or driveway and the noise from the traffic in his home is extremely disruptive. He asked if there are any plans underway to making the Mine Road one-way, reducing speeds, and installing speed bumps. Peg Bodell stated that Council addressed this in a work shop last week , it is a high priority and citizens will have an opportunity for input on a City-wide plan. Jim Hier emphasized that the Mine Road is under the authority of UDOT who has failed to transfer the road on two occasions to the City. Until it is owned by Park City, our means for changing traffic patterns are extremely limited. Peg Bodell interjected that citizens can still provide input on solutions when the process is underway. Mr. Schuler indicated that he has not received good response from the police and wondered if enforcement is the obligation of the Highway Patrol. The Mayor thanked Mr. Schuler for his input and expressed that this is somewhat of a different situation than the recent concerns expressed by Park Meadows residents, as the speeding problem is not being created by Mr. Schuler's neighbors. Community Vision meetings have not yet been scheduled

but the Mayor invited Mr. Schuler to meet with him and the Chief of Police as a measure in the meantime.

With no further comments, the public input session was closed.

III COMMUNICATIONS FROM COUNCIL AND STAFF

None.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF DECEMBER 20, 2001 AND JANUARY 17, 2002

Candace Erickson, "I move approval of the minutes". Peg Bodell seconded. Motion carried.

	12/20/01	**1/17/02**
Peg Bodell	Aye	Aye
Kay Calvert	Abstention	Aye
Candace Erickson	Aye	Aye
Jim Hier	Abstention	Aye
Fred Jones	Absent	Absent

V CONSENT AGENDA PUBLIC HEARING

Ordinance approving the Coalition West Subdivision, located at 777 Park Avenue, Park City, Utah **(motion to continue to April 18, 2002)** - The Mayor requested a motion to continue. Jim Hier, "I move to continue this until April 18". Peg Bodell seconded. Motion carried.

Peg Bodell	Aye
Kay Calvert	Aye
Candace Erickson	Aye
Jim Hier	Aye
Fred Jones	Absent

VI CONSENT AGENDA

Assignment of kiosk lease, 514 Main Street, Park City, Utah - See staff report. The Mayor requested a motion to approve. Kay Calvert, "I so move". Jim Hier seconded.

Peg Bodell	Aye
Kay Calvert	Aye
Candace Erickson	Aye
Jim Hier	Aye
Fred Jones	Absent

Council member Bodell referred to a letter from the new tenant, Sally Elliott, which included suggestions to enhance services at the kiosk, like light retail. She recommended that the hours be extended on the weekends when tourists are on the street. There was discussion about the difficulty in recruiting employees to work over the weekends. Peg Bodell suggested providing business data to the Council as her business gets underway and formulating a business plan. With regard to selling food and other significant operational changes, Councilman Hier felt that formal Council approval should be sought. Motion carried.

VII RESIGNATIONS AND APPOINTMENTS

Appointments (3) to Planning Commission for terms beginning April 1, 2002 and expiring (1) February 2005 and (2) February 2006 - Jim Hier, "I move that Diane Zimney and Bob Powers be reappointed to their positions and that Jim Barth be appointed to fill my unexpired term". Peg Bodell seconded. Motion carried.

VIII ADJOURNMENT

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

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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

DATE: April 4, 2002

DEPARTMENT: ASD

AUTHOR: Bob Stephens

TITLE: Silver Meadows Affordable Housing

TYPE OF ITEM: Council Direction

SUMMARY RECOMMENDATION:

Staff requests authorization to keep the two additional Silver Meadows units that were purchased for Olympic emergency housing and rent them to City employees.

DESCRIPTION

1. TOPIC Whether or not to keep the two Silver Meadows units that were purchased for use as Olympic emergency housing and rent them to City employees.

2. BACKGROUND In the Fall of 2001 the City purchased two additional Silver Meadows affordable housing units to be used as emergency housing for the Olympics. These units are located across Hwy 248 from the high school. The City purchased these units with budgeted monies from the affordable housing fund. One unit ended up being used by Public Safety personnel loaned to Park City and the other unit was used by a City staffer and a City intern (who both paid rent). Both are now vacant. A previous City Council had authorized staff to maintain an inventory of four units in the Silver Meadows subdivision for rental to City staff.

3. ANALYSIS Currently there are six City employees who have expressed an interest in renting the units if and when they become available. The current rent is $844 per month. If the Council chooses to sell a unit, the asking price will be in the $145,000 to $150,000 range. The actual price is determined by a formula which allows the units to appreciate in value approximately 1/4% per month. All four of the City's other Silver Meadows units are currently rented by City employees. One unit is expected to turnover in June and another in September as both of these employees are in the process of building homes in the area.

   The City has the 'first right of refusal' for any Silver Meadows unit that comes up for sale. In the past the City has occasionally ended up selling its units to employees then exercising its right of first refusal to buy the next available unit to bring the rental inventory back to four. Currently ten employees live in Silver Meadows with four renting City owned units. Two of the employees are police officers. If the City is unable to rent a unit to a City employee (no one on the list is interested), then the unit is made available to people on the Mountainlands Housing list. This situation has occurred only once in 6 years.

4. DEPARTMENTAL REVIEW This topic was discussed in the Senior Managers' meeting on March 28, 2002.

ALTERNATIVES

1. Approve the Request Keep the 2 additional Silver Meadows units and rent them to City employees.
2. Modify the Request A number of options exist to alter the recommendation. One could be kept and one could be sold. Both could be kept for now, but as employees buy them let attrition reduce the number back to 4. Instruct staff to rent them within 60 days or sell them.
3. Deny the Request Instruct staff to sell both of the units and leave the City inventory at four rental units.
4. Continue the Item This is a difficult option because leaving the units vacant costs money and renting the units with their future in doubt creates difficulties for any new tenants.

SIGNIFICANT IMPACTS The two units in question are two of the nicer units in the subdivision. They were sold by the original owner/occupants who made some non-reimbursable improvements to them such as upgrades in flooring, installation of water softeners and new paint (something other than institutional white). The cost of units doesn't take into account these kinds of improvements since the pricing is formula driven. We should be able to place two more employees in the units now or in the very near future.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION The City would pass on the option to pick up two of the subdivision's nicer units. May miss the opportunity to have two more employees living in the City.

RECOMMENDATION Staff recommends keeping the two additional units and renting them to City employees. If Council is not comfortable with this approach, staff recommends keeping the two additional units and as employees buy the units from the City reduce the inventory back to four or five.

DATE: April 4, 2002
DEPARTMENT: Office of Capital Management & Budget
AUTHOR: Tom Bakaly & Kent Cashel
TITLE: Agreement with Summit County for Regional Transit Service
TYPE OF ITEM: Legislative

<u>**SUMMARY RECOMMENDATIONS:**</u> City Council should:

Adopt the attached resolution that authorizes the Mayor to enter into a Regional Transportation Agreement for calendar year 2002, in a form approved by the City Attorney, and subject to County approval of said Agreement and institution of a County fee assessment to pay for the County's portion of the service. City businesses will not be charged this County fee.

<u>**DESCRIPTION:**</u>

A. <u>Topic:</u> Agreement with Summit County relating to Regional Transit

B. <u>Background</u>: Regional transportation is a top priority goal in the 2000-2001 City Council Action Agenda. Pursuant to that goal, the City has been in discussions with the County regarding regional transit for several years. In November of 2001, the City and Summit County executed a letter of intent which outlined the process for entering into a regional transportation agreement in June of 2002. The letter of intent called for the City and County to establish a Joint Transit Advisory Board (JTAB), which was in done in August of 2001. The City and County also completed the Summit County Regional Transit Plan which recommended that the City manage and operate the County component of the system. The City managed and operated the Canyons shuttle service through a third party vendor for the Winter season. The Kimball Junction service was operated by a private vendor with contributions from the County and Kimball Junction businesses.

C. <u>Analysis</u>: Listed below are the proposed deal points of the transportation agreement.

<u>Regional Transportation General Deal Points:</u> In summary, the City would manage the operation of the Kimball Junction service from April 15, 2002 through December 31, 2002. The City Council and County Commission would still have authority over their separate and respective districts. The Joint Transit Advisory Board would provide policy recommendations to both the County Commission and City Council. The agreement would be through December 31, 2002 with renewal options.

<u>Service Levels:</u> Please see the attached transportation agreement for a description of the service. The major components of service are Non-Winter and roughly 15 days of Winter fixed route service, with required Americans with Disabilities Act paratransit service. The attached agreement only deals with Winter Service from December 15 - December 31, 2002. The Non-Winter Service will begin on April 15, 2002 and run 7 days a week. City buses and drivers will be used for Non-Winter service. It was determined that it would be roughly $60,000 cheaper per year for the City to provide the Non-Winter based upon the bids received from a third party vendor.

Cost Reimbursement Timing: Upon execution of the agreement in April, the County will pay their proportionate share of the direct costs of the overall system. The current payment schedule (exhibit B of the agreement) contemplates level payments during the non-Winter months. The County will be responsible for paying the City on a monthly basis.

Funding: The County is currently in the process of instituting a fee assessment system that would fund the cost of the transportation system which is truly a commercial system. The County will be holding public hearings over the next few weeks to institute this new assessment. If the County chooses not to fund the regional transportation system this year, the agreement between the City and County will not be executed. The City has ordered federally funded buses for the Winter Service, and would look to utilize the buses elsewhere within the City or return the buses if the County did not choose to partner with the City for the regional transit system.

Regional Transportation Summary: A single, ongoing regional transit system serving the Summit County area is the best interests of all involved. The transit center was obviously an important step towards facilitating regional transit, and was recognized as such by the Governor and the 2001 Quality Growth Awards. Pursuing a single regional transit system is the next logical step. Constituents, employers/employees, and the regional economy will best be served by a single, efficient transit system. The Olympics provided a sample of how beneficial a region-wide transportation system can be. The next step for regional transit would be to use lessons learned to possibly expand service into County residential areas and the Kamas and Heber Valleys.

D. Department Review: This report has been reviewed by the Public Works Department, the Legal Department and the City Manager's Office.

ALTERNATIVES: Listed below are possible alternatives relating to the agreement. Please note that the Summit County Commission will address the agreement and fee assessment at their April 4th meeting. Staff is hopeful that the County would adopt the Agreement at either their April 4th meeting or April 11th meeting. If City Council has significant changes to the agreement, Staff will need to promptly work with the County to address those issues.

A. Approve the Agreement: Council could approve the Transportation Agreement in a form to be approved by the City Attorney and subject to County approval and commitment to fund the County's share of the annual service. This is Staff's recommendation.

B. Deny the Request: Direct Staff to discontinue efforts to implement a regional transit system.

C. Continue the Item: Council will be asked to authorize staff to execute the County regional transportation agreement on April 4th. Given the complexity of this project and the fact that the County is instituting a new assessment to fund the service, Council may want to consider holding an additional meeting on April 18th to approve the agreement if they are not willing to do so on April 4th. Council is currently not scheduled to have on meeting on April 11th . Delaying action on the agreement with the County until April 18th will mean that the regional and system cannot be implemented until roughly a week after the Winter Bus system ends, resulting in a gap in service.

D. Do Nothing: The result of this action would be similar to denying the request.

SIGNIFICANT IMPACTS: So far, direct costs incurred over the last three months related to the regional transportation study and County Olympic Transportation study has totaled roughly $13,000. These were split evenly between the City and County. Enhanced printing costs and signs for the current Winter service have been reimbursed by the County. The County has incurred additional consultant expense in developing the assessment system that will fund their portion of the costs of the new regional transportation system.

The total annual calendar year 2002 cost of the County portion of service is estimated to be $182,810. Please note that the City will be managing the non-winter service at no cost to the County. Existing management resources will be allocated for this service, thus reducing their availability for other expanded City transportation or parking programs. Significant resources from the Public Works Department, Legal, Department and Office of Capital Management & Budget have been utilized to get the agreement to this stage. No additional staff costs (overtime or temporary help) have been expended. The Agreement will not be executed until the County has executed the Agreement and committed to funding the expanded regional service.

If the City manages and operates the Kimball and Canyons service for calendar year 2003, the contract will need to be renewed. Issues such as an additional bus maintenance facility and a contribution from the County for their portion of the match requirement for buses will need to be incorporated into the agreement. Since the City has the bus capacity and maintenance facility capacity for the non-Winter service, these items are not addressed in the current contract.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION: If the agreement is not adopted, it is possible that the Canyons would contract again with the City for the Winter service. The County might also participate with the Canyons for 2002-03 if a County/City agreement is not executed.

RECOMMENDATION: City Council should:

Adopt the attached resolution that authorizes the Mayor to enter into a Regional Transportation Agreement for calendar year 2002, in a form approved by the City Attorney, and subject to County approval of said Agreement and institution of a County fee assessment to pay for the County's portion of the service. City businesses will not be charged this County fee.

A RESOLUTION APPROVING A TRANSPORTATION AGREEMENT BETWEEN PARK CITY MUNICIPAL CORPORATION AND SUMMIT COUNTY

WHEREAS, the Interlocal Cooperation Act provides that any power that may be exercised by any public agency may be exercised and enjoyed jointly with other public agencies pursuant to an agreement approved by resolution of the governing bodies of each such public agencies; and

WHEREAS, Park City Municipal Corporation ("PCMC") has determined by vote of its governing body to enter into these Interlocal Cooperation Agreements to enhance the effectiveness of cooperative efforts between the parties and anticipates that Summit County ("County") will do likewise; and

WHEREAS, it is necessary that PCMC and County cooperate with one another to effectively provide transportation services within and between the boundaries of both Park City and Summit County; and

WHEREAS, the PCMC and County executed a letter of intent to enter into a Transportation Agreement by which Park City would manage the day-to-day operation of the Kimball Area Transportation Special Service District on November 15, 2001; and

WHEREAS, the PCMC and County jointly appointed the Joint Transit Advisory Board to assist with the formulation of a Regional Transportation system and the Transportation Agreement; and

WHEREAS, the PCMC, County and the Joint Transit Advisory Board completed the Summit County Regional Transit Plan in October of 2001; and

WHEREAS, both PCMC and County will benefit from the coordinated operations contemplated by this Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Park City, Utah as follows:

5. The City Council hereby authorizes the Mayor to execute Transportation Agreement (attached as "Exhibit A"), in a form approved by the City Attorney's Office, and subject to County approval of the Transportation Agreement and institution of a County transportation funding system.

PASSED AND ADOPTED this 4th day of April, 2002.

PARK CITY MUNICIPAL CORPORATION AND SUMMIT COUNTY INTERLOCAL TRANSPORTATION AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _______________, 2002 by and between the Park City Municipal Corporation (hereafter "the CITY") and the County of Summit (hereafter "COUNTY"), bodies corporate and politic of the state of Utah.

WHEREAS, the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Ann. 1953, as amended, authorizes public agencies to enter into agreements with one another for joint or co-operative action; and

WHEREAS, the COUNTY and the CITY are public agencies desiring to provide quality and efficient transit services for residents within their respective jurisdictions; and

WHEREAS, the COUNTY has established the Kimball Area Transportation Special Services District to provide partial funding for operational and capital expenses associated with public transit services in the Kimball Junction area; and

WHEREAS, the CITY has the management and technical personnel and the necessary expertise and assets useful for the support of the COUNTY's transportation project; and

WHEREAS, the COUNTY desires to obtain such services from the CITY; and

WHEREAS, the CITY is desirous of providing such services; and

WHEREAS, it is in the best interests of both parties to provide efficient delivery of transportation services:

NOW THEREFORE, in consideration of the foregoing recital, and the consideration and covenants hereinafter agreed to, the parties commit themselves to the following contract terms:

INCORPORATED DOCUMENTS: In addition to the terms and conditions of this Agreement, the parties agree that the following documents are hereby incorporated by reference and are as fully a part of this Agreement:

6. The Cost Worksheet and Monthly Payment Schedule attached as Exhibits "A" and "B" and hereinafter referred to as "Cost Worksheet" and "Monthly Payment Schedule."

The parties further agree that the precedence of the documents in descending order, shall be as follows:

a. This Agreement
b. The Cost Worksheet and Monthly Payment Schedule
c. Summit County Regional Transit Plan - Prepared by LSC - October, 2001

1. SERVICES:

1.1 **__Purpose__:** The COUNTY hereby contracts with the CITY to provide transportation management and operations services upon the terms and conditions hereinafter set forth.

1.2 **__Scope of Work__:** To provide Management and staff for the operations of the COUNTY service including: management, accounting, operations, as further detailed in this Agreement.

1.3 **__Joint Transit Advisory Board__:** The CITY and COUNTY have established a Joint Transit Advisory Board which will make recommendations to both the CITY and COUNTY regarding service rate fees, scheduling, routes, level of service, look of buses and strategies for supplementing service as well as further regionalization. The Joint Transit Advisory Board shall have members appointed by both the City and the County in equal proportions and for terms to be determined and established by the County and City. The initial term of the Advisory Board shall be from August 9, 2001 until the expiration of the first term of this agreement (December31, 2002).

2. TERM AND TERMINATION

2.1 **__Contract Term:__** The term of this Agreement shall be from April 15, 2002 through December 31, 2002 and shall automatically renew for successive one (1) year terms, until such time as either party serves written notice of termination. Such termination notice may only be given on or before August 30th each year. Under no circumstances shall this Agreement exceed fifty (50) years in duration.

2.2 **__Review Process:__** The CITY and the COUNTY shall annually review their transportation services and shall cooperate in resolving issues as they arise in a manner that is mutually beneficial and satisfactory to CITY and COUNTY. The COUNTY will determine what routes & services are provided outside Park City municipal limits if paid for by the COUNTY. The CITY will determine what routes & services are provided inside Park City municipal limits if paid for by the CITY. In the event that any modification to this Agreement is required in light of these annual reviews, the parties may enter into amendments, addenda, or other written manifestation of any modifications to this Agreement, which modifications must be in writing and signed by both the CITY and the COUNTY.

3. COMPENSATION AND PAYMENT

3.1 **__Maximum Obligation:__** The COUNTY agrees to pay for COUNTY's services as described herein as Exhibit A and Exhibit B. The maximum price to be paid by the COUNTY to the CITY each contract year shall not exceed the sums set forth in the Cost Worksheet, attached to this Agreement as Exhibit "A" and reviewed annually except as such Maximum Obligation may be increased upon mutual written agreement because of an increase in number of Vehicle Service Hours or Vehicle Service Miles, or other material change in the project, above those set forth in Exhibit "A". The timing of payments shall be in accordance with Exhibit "B". Any increase in the Maximum Obligation shall require approval by the applicable governmental funding agencies.

3.2 **Price Formula:** The COUNTY to agrees pay for performance of the services set forth in this Agreement in accordance with Exhibit "A."

1. The COUNTY will pay the monthly charges identified in Exhibit "B," which shall be deemed compensation for the cost of performing services which may vary according to the level of service, including, without limitation, the following: vehicle operator's revenue wages and associated fringe benefits, maintenance/operations facility, vehicles, vehicle parts and materials, marketing, employee drug/alcohol testing, vehicle washing, fluids, tires, and all other maintenance supplies. These costs are included in the fixed monthly costs defined in 3.2.

2. If changes are desired from the base vehicle-hours of service identified in Exhibit A which do not impact the peak number of buses in operation, the Hourly Rate Charges shown in the bottom portion of Exhibit A shall be deemed compensation for the cost of performing such service. Vehicle Service Hours will be calculated from the time each vehicle enters revenue service until such time that it leaves revenue service, which does not include deadhead time. If changes are desired that impact the peak number of buses in operation, the CITY reserves the right to re-negotiate contract costs.

3.3 **Equipment and Facilities**: The City will administer the purchase of equipment and federal or state grants relating to regional transit services. Any federal or state bus allocations in the name of the County shall be transferred to the City. All equipment purchased with Federal Transit Administration 5309 and 5311 funds on behalf of the COUNTY use shall be conveyed by the City and become the property of the COUNTY for the useful life of the equipment. The COUNTY shall pay the local match for the any/all such purchases. The County and City will make best efforts to jointly secure future sites and funding for park and ride facilities, bus maintenance and other capital facilities needed to facilitate the regional transportation system.

3.4 **Changes**: In the event the COUNTY requests changes in the Scope of Work which, during any contract year, comprise a cumulative total of less than fifteen percent (15%) above or below that specified in the Cost Worksheet, compensations shall be adjusted according to the pricing formula set forth in Paragraph 3.2, Price Formula, and the Maximum Obligation stated in Paragraph 3.1 shall be adjusted accordingly. Changes in the Scope of Work which, during a contract year, comprise a cumulative total in excess of fifteen percent (15%) above or below that specified in the Cost Worksheet shall result in adjustment of the rates specified in Paragraph 3.2, Price Formula herein to reflect the effect on those rates caused by the requested change. The COUNTY shall issue written Change Orders to the CITY detailing all requested changes in scope. Change Orders shall either specify a cost limit or shall be subject to subsequent negotiation and shall require the CITY's acceptance to become effective.

3.5 Audit: Upon reasonable request, CITY shall permit the authorized representatives of the COUNTY, the U.S. Department of Transportation, and the Comptroller General of the United States to inspect and audit all data and records of the CITY relating to performance under this Agreement.

4. INSURANCE

4.1 Comprehensive General Liability Insurance: Throughout the term of this Agreement, the CITY shall procure and maintain a Comprehensive General Liability Policy providing $1,000,000.00 (ONE MILLION DOLLARS) combined single limit Bodily Injury and Property Damage. Said coverage may be provided through one or more policies and shall include coverage for premises, personal injury and blanket contractual, but shall not include coverage for vehicle liability and/or vehicle physical damage insurance. Such vehicle insurance shall be provided as specified in Paragraph 4.2 of this Agreement, Vehicle Insurance. The CITY shall name the COUNTY as additional insured on said policies and shall provide evidence of such insurance. Such policies shall provide that they may not be canceled without at least sixty (60) days prior written notice to the COUNTY.

4.2 Vehicle Insurance:

1. Throughout the terms of this Agreement, the CITY shall provide vehicle liability insurance in the amount of $1,000,000.00 (ONE MILLION DOLLARS) combined single limit Bodily Injury and Property Damage. Coverage may be provided through one or more policies and shall include: Collision and Comprehensive physical damage coverage with a $10,000.00 (TEN THOUSAND DOLLAR) deductible; uninsured Motorist

(UM) and Personal Injury Protection (PIP) with coverage limits as required by law. A separate umbrella insurance policy, following in form, shall provide liability coverage up to $5,000,000.00 (FIVE MILLION DOLLARS). All of aforementioned deductibles will be the responsibility of the CITY. The CITY shall name the COUNTY as additional insured and shall furnish the COUNTY with evidence of insurance. Such policy or policies shall provide that they may not be canceled without at least sixty (60) days prior written notice to the COUNTY.

2. In case of damage or destruction of any vehicle or vehicles provided by the COUNTY under the terms of this Agreement, the COUNTY agrees that liability for the CITY for said damage or destruction shall be limited to the appraised fair market value of the vehicle(s) at the time of the loss. The CITY and the COUNTY agree that the appraised fair market value shall be that value established by an appraiser or appraisers as mutually agreed upon the County and City.

3. In the event that addition, deletion, or acquisition of new vehicles changes the vehicle fleet, the compensation paid to the City for the purposes of maintaining insurance coverage on said vehicles shall be subject to immediate renegotiation up or down to equitably adjust the documented actual premium cost under the insurance policy then in effect.

5. RESPONSIBILITIES OF THE CITY

5.1 Management: During the term of this Agreement, the CITY shall provide sufficient executive and administrative personnel as shall be necessary and required to perform its duties and obligations under the terms hereof. The Summit County Regional Transit Plan should be used as a basis when making management decisions.

5.2 **Medical Assistance to Passengers**: In the event of injury or illness on board a vehicle, the driver shall advise the dispatcher and request direction or follow established City policy.

5.3 **Uniforms**: CITY shall require its employees to wear uniforms for the County Service consistent with the City's uniform policy.

5.4 **Emergency Procedures**: In the event of a major emergency such as an earthquake, dam failure, fire or man-made catastrophe, CITY shall be entitled to make transportation and communication resources available to a degree possible for emergency assistance. If the normal line of direct authority from the COUNTY is intact, The City shall follow instruction of the COUNTY. If the normal line of direct authority is broken, and for the period while it is broken, The City shall make best use of transportation resources following, to the degree possible, the direction of an organization such as the police, Red Cross, or National Guard, or other such responsible entity which appears to have assumed responsibility. Emergency uses of transportation may include evacuation, transportation of injured, and movement of people to food and shelter. CITY shall be reimbursed in accordance with the normal "Price Formula" identified on "Exhibit A" or, if the normal method does not cover the types of emergency services involved, then on the basis of fair, equitable and prompt reimbursement of CITY's actual costs. Reimbursement for such major emergency services shall be over and above "Maximum Obligation" specified in Paragraph 3.1 of this Agreement. As soon as practicable after the emergency condition ceases, CITY shall reinstitute normal transportation services.

5.5 **Reporting**: On a monthly basis, the CITY shall prepare and forward to the COUNTY a performance monitoring report, providing at a minimum the following information:

1. Total ridership over the period, by route.
2. Vehicle service-hours and service-miles provided
3. Percent on-time performance
4. Number/percent of missed trips
5. Number of missed passengers
6. Management and marketing activities conducted
7. Financial summary, including budget versus actual expenditures
8. Performance indicators
9. Any press coverage or articles regarding the transit service.

6. AUTHORIZATION

6.1 **Control**: The CITY shall render all services under this Agreement in a manner consistent with the policies of the COUNTY and the Joint Transit Advisory Board. Modification of existing policies or adoption of new policies during the term of this Agreement which affect the CITY's performance of services shall be treated as "Changes" pursuant to Paragraph 3.4 herein.

6.2 The COUNTY shall not interfere with the management of the CITY's normal internal business affairs and shall not attempt to directly discipline or terminate the CITY's employees. The COUNTY may advise the CITY of its inadequate performance which has a negative effect on the service being provided and the CITY shall take prompt action to remedy the situation.

6.3 **Communications**: All notices to be given by parties to this Agreement shall be in writing and served by depositing the same in the United States mail, postage prepaid, registered or certified mail.

6.4 Notices to the CITY shall be addressed to:

Park City Municipal Corporation
Attn: Toby Ross
P O Box 1480
Park City UT 84060

6.5 Notices to the COUNTY shall be addressed to:

Summit County
Attn: Kevin Callahan
P.O. Box 128
Coalville UT 84017

6.6 Either the CITY or the COUNTY may change its officer or address of record for receipt of official notice by giving the other written notice of such change and any necessary mailing instructions.

7. UNANTICIPATED EVENTS

7.1 **<u>Force Majeure</u>**: Neither party shall be held responsible for losses, delays, failure to perform, or excess costs caused by events beyond the control of such party. Such events may include, but are not restricted to, the following: Acts of God, fire, epidemics, earthquake, floods or other natural disaster; acts of the state or federal government; riots, strikes, war or civil disorder; unavailability of fuel.

7.2 **<u>Major Costs Impacts:</u>** The Agreement shall be subject to timely renegotiation in scope in the event that:

1. The inflation rate, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), exceeds a rate of ten percent (10%) in any 12-month period during the term hereof; or

2. Travel and/or insurance costs increase to a level ten percent (10%) greater than the industry prevailing rates in effect as of the date of this Agreement;

3. Mandated minimum wage applicable to project employees is raised to a level above the wages then being paid to those employees; or

7.3 National health care program mandates medical coverage for all employees. In the event that one or more of the conditions occur, the parties shall, in a timely manner, meet to negotiate a mutually acceptable adjustment to the rates of compensation specified in Paragraph 3.2, <u>Price Formula</u> and <u>Maximum Obligation</u> specified in Paragraph 3.1 and/or modification of the services to be provided pursuant to the Scope of Work. If the parties are unable to reach a mutually-acceptable resolution, either party may exercise their rights of termination pursuant to Paragraph 2.1.

7.4 **<u>Shortages and Delays</u>:** In the event that the COUNTY fails to provide or delays providing items as herein provided in the number, size and/or condition required, then the CITY shall not be responsible for any delays or resulting decline in the quality of service.

8. GENERAL TERMS AND CONDITIONS

8.1 **<u>Civil Rights Requirements</u>:** CITY shall comply with all applicable federal, state, and local laws, rules, and regulations with regard to discrimination in employment because of age, race, religion, color, sex, physical or mental disability, marital status or national origin.

8.2 **Disadvantaged Business Enterprise**: In connection with the performance of this Agreement, the CITY shall cooperate with the COUNTY in meeting its commitments and goals for DBE participation.

8.3 **Lobbying**: No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.

8.4 **Complete Agreement**: This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreements whether oral or written. The invalidity in whole or in part of any provision of this Agreement shall not affect the validity of other provisions.

8.5 **Severability**: In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of the Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders the Agreement meaningless.

8.6 **Modification**: The covenants and conditions contained in this Agreement fully express all understandings of the parties concerning all matters covered and shall constitute the total Agreement. Except as may otherwise be provided herein, no addition to, or alteration of, the terms of this Agreement, whether by written or verbal understanding of the parties, their officers, agents or employees, shall be valid unless made in the form of a written amendment to this Agreement, which is formally approved and executed by the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective officers, duly authorized on the date written below their signatures.