



PARK CITY

FISCAL YEAR

2015 BUDGET

COUNCIL ADOPTED
BUDGET

ADJUSTED BUDGET FISCAL YEAR 2014

ANNUAL BUDGET FISCAL YEAR 2015

ANNUAL PLAN FISCAL YEAR 2016

SUBMITTED TO PARK CITY COUNCIL

Volume 1: Executive Summary

PREPARED BY:

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THE BEST MANAGED RESORT TOWN IN AMERICA



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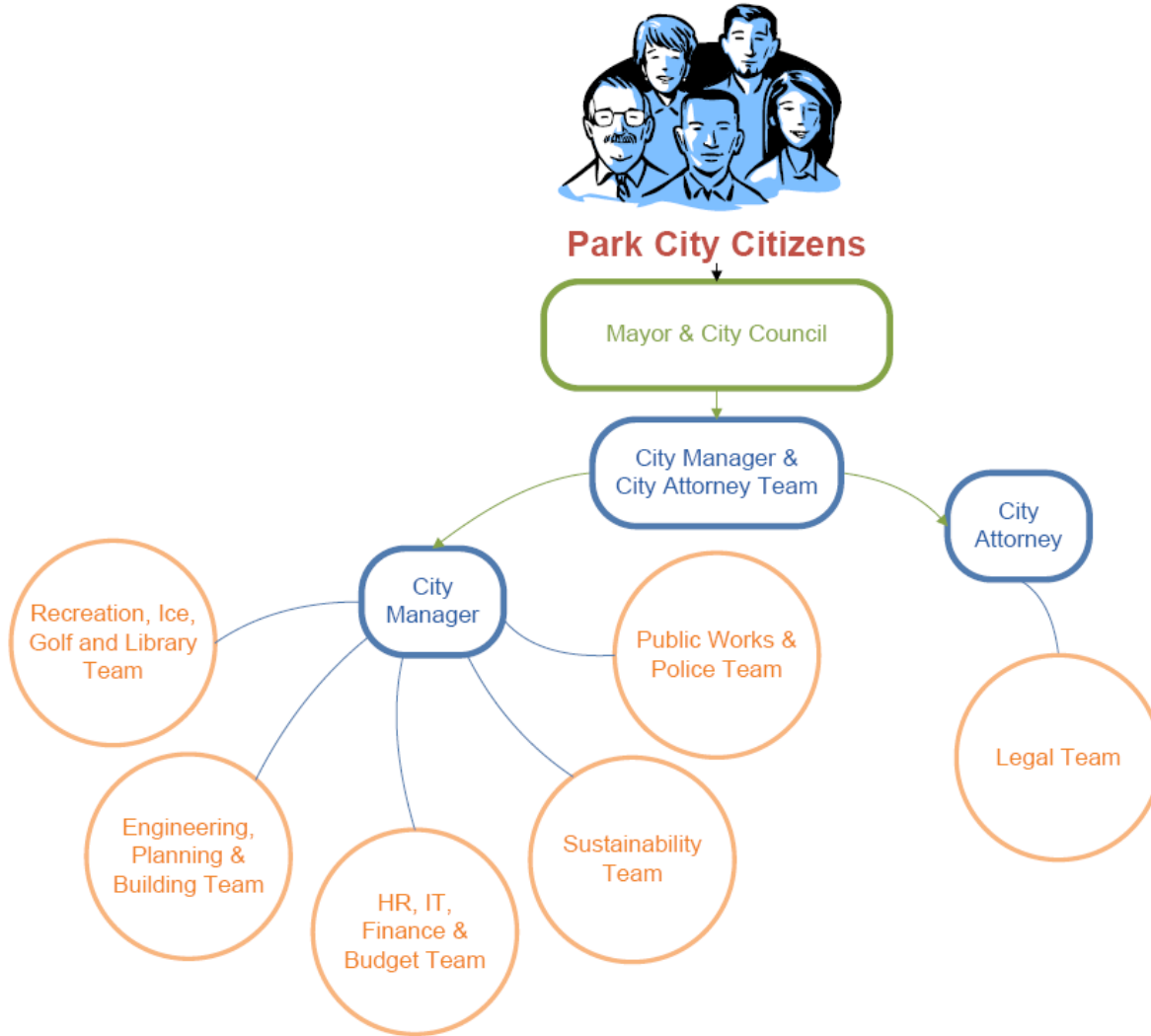
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Park City Municipal Corporation’s Budget Document is divided into three documents each geared toward a certain reader:

Volume I: Executive Summary is intended for City Council and outlines the process, policies, and important issues of the FY 2015 & 2016 financial plan for Park City Municipal Corporation. The principal objective of Volume I is to clearly describe the City’s budget process and highlight proposed changes to the budget. City Council can then use this tool to provide policy direction during the budget process.

Volume II: Technical Data displays Park City’s budget in a much more detailed fashion than Volume I. The first half of the document shows information organized by municipal function and department. Function organizational charts, department descriptions, and performance measures are all included here. The second half presents the data by fund. The data in Volume II is intended for City Council and staff, but is available for those in the general public who may be interested.

The Citizen’s Budget was designed to inform the general public about Park City’s financial plan. The document seeks to answer two basic questions: (1) How is the City funded? (2) How are those funds spent? The information in the Citizen’s Budget is quite intentionally lean on figures, charts, and technical jargon as it seeks to give those of a casual interest a general understanding of what the City does.

VOLUME I: EXECUTIVE SUMMARY

INTRODUCTION

Foreword and brief explanation of basic concepts necessary to grasp the contents of the document. This section outlines Park City’s goals and objectives as well as the process by which the budget puts those goals into action.

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CITY MANAGER MESSAGE

May 5, 2014

To the Mayor, City Council, and Residents of Park City:

Pursuant to §10-6-109, Utah Code Annotated, the following budgets: Fiscal Year 2014 Adjusted Budget, Fiscal Year 2015 Budget, and Fiscal Year 2016 Plan have been prepared for Park City Municipal Corporation using budgetary practices and techniques recommended by the Governmental Accounting Standards Board (GASB) and the Governmental Finance Officers Association (GFOA). As required by State law, the proposed budget is balanced.

The proposed budget presented herein has been compiled with goals and objectives outlined by City Council during the Council Retreat as guiding principles.

The City employs a Budgeting for Outcomes (BFO) process that focuses on Council priorities and objectives as the driving factor for determining the annual budget. BFO provides a comprehensive review of the entire organization, identifying every program offered and its cost, evaluating the relevance of every program on the basis of the community's priorities, and ultimately guiding elected and appointed officials to the policy questions they can answer with the information gained from the process. We are confident BFO provides us with the tools we need to build a budget that reflects our city's values and needs. This budget process will help us do this by focusing on outcomes that matter to our residents and others who have a stake in this community.

The economic recovery continues in Park City; however, two third-party tax collection errors have been rectified over the past year, resulting in more modest revenue increases. So while revenues continue to grow, the corrections have resulted in more modest growth than years past. Regardless, it is anticipated that the proposed budget will allow City staff to carry out Council's goals and high levels of service without a recommended property tax increase in the FY 2015 Budget. Staff's commitment to administering municipal services and managing the capital program with a high degree of efficiency at a minimum cost to residents and taxpayers affirms that the City is maintaining a sound financial footing.

On behalf of the many staff members who contributed to the development of this budget, and with special thanks to Jed Briggs and Nate Rockwood, I present the City Manager Recommended Budget for FY 2015 to City Council, residents of Park City, and other interested stakeholders for your review.

Sincerely,

Diane Foster
City Manager
Park City Municipal Corporation

INTRODUCTION

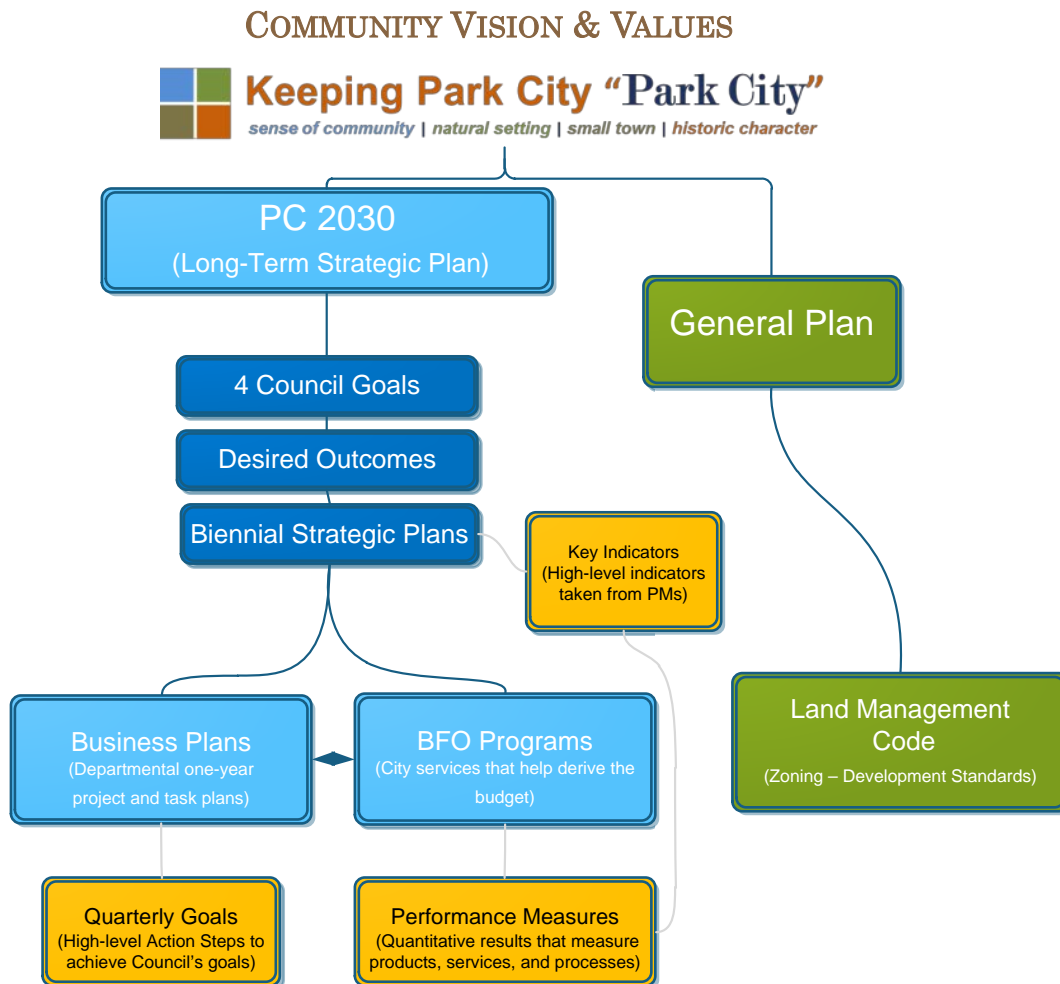
PARK CITY MISSION STATEMENT

Through high quality service to our community and guests, we will provide a memorable and unique experience while preserving and enriching Park City's heritage, diversity and environment.

PARK CITY GOALS & TARGETS FOR ACTION

When the City Council met in January, 2014, at its annual visioning workshop, the Mayor and Council reaffirmed their long-range vision for Park City and updated their annual action plan. At that time Council reviewed and approved four goals for Park City which are highlighted below:

- Preserving & Enhancing the Natural Environment
- World Class, Multi-Seasonal Resort Destination
- An Inclusive Community of Diverse Economic and Cultural Opportunities
- Responsive, Cutting-Edge & Effective Government

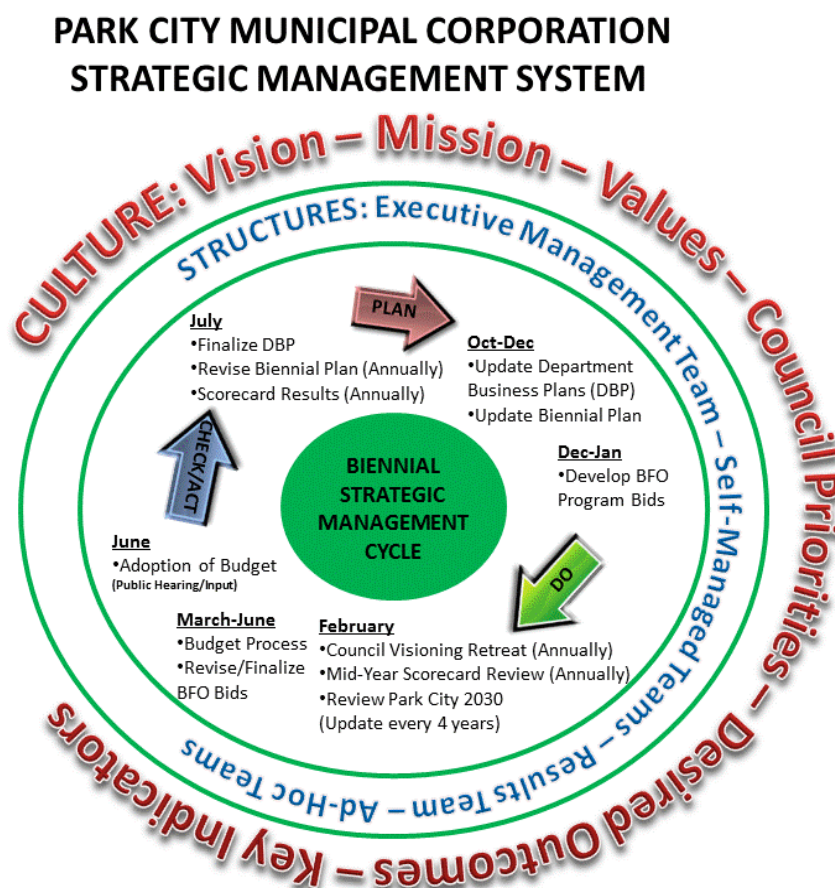


INTRODUCTION

The budget process is a way to link Council’s policy goals to the day-to-day management operations of the City. These longer-term goals are taken into account when department managers must identify which Council goals will be met when requesting budget operating and capital options. Furthermore, to ensure that Council’s goals are carried out, department managers must also identify and refer to them when making departmental performance measures (or short-term goals). Performance measures can be found in Budget Volume II. Finally, through the budget process, Council will adopt a budget and fiscal plan to accomplish its action targets and work towards the City’s goals.

BUDGET PROCESS

The budget process is an essential element of financial planning, management, control, and evaluation for the City. It provides an opportunity for the citizens paying for governmental services to be heard by their elected representatives.



Currently, the City employs a Budgeting for Outcomes (BFO) process that focuses on Council priorities and objectives as the driving factor for determining the annual budget. BFO provides a comprehensive review of the entire organization, identifying every program offered and its cost,

INTRODUCTION

evaluating the relevance of every program on the basis of the community's priorities, and ultimately guiding elected officials to the policy questions they can answer with the information gained from the process. BFO informs the development of the City's 2015 and 2016 Proposed Budget and serves as a tool to identify potential service reductions and eliminations. By creating Desired Outcomes within Council goals and then receiving offers from City departments, the City can make better-informed decisions regarding the prioritization and cost of City services and programs.

Utah State law requires that the City Manager present to Council a balanced budget at the first regularly scheduled Council meeting in May. A balanced budget is defined by Utah Code: "The total of the anticipated revenues shall equal the total of appropriated expenditures."¹ The proposed budget must be available for public inspection during normal business hours after it has been filed with the City Council. Between the first City Council meeting in May and the presentation of the Final Budget on June 12, the Council has the opportunity to review the proposed budget, consider public comment, and finally, adopt a balanced budget. Before June 22 the Council must adopt either a tentative budget if the certified tax rate is to be exceeded (tax increase) or a final budget and proposed tax rate (no tax increase). If there is a property tax increase, the Council holds an additional public hearing before adopting the budget in August.

Budgetary control of each fund is managed at the department level. Department managers play an active and important role in controlling the budget. The City Council may amend the budget by motion during the fiscal year; however, increases in overall fund budgets (governmental funds) require a public hearing. Enterprise fund budgets may be increased by the City Council without a public hearing. Expenditures may not legally exceed appropriations at the overall department level.

DISTINGUISHED BUDGET AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to Park City Municipal Corporation, Utah for its annual budget for fiscal years beginning July 1, 1991 and 1992; and the biennia beginning 1993, 1997, 1999, 2001, 2003, 2005, 2007, 2009, 2011 and most recently, 2013.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communication device.

A portion of the Park City's Policies and Objectives were included in the GFOA Best Practices in Public Budgeting in the 2001 Edition Narratives and Illustrations on CD-ROM.

The award is valid for a period of two years. We believe our current budget continues to conform to program requirements; and it will be submitted to GFOA to determine its eligibility for another award each cycle.

¹ Utah State Code Title 10-6-110 (2)

INTRODUCTION

Submitted by:
Diane Foster, City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Park City Municipal Corporation

Utah

For the Biennium Beginning

July 1, 2013

Executive Director

BUDGET OVERVIEW

This year's budget process is the first of a two-year budget cycle; budget discussions will focus on FY 2015 and a Plan for FY 2016. The following are a few of the more significant issues to be discussed with City Council during the budget hearings in May and June. For each of the budget hearings, Council will receive a staff report providing thorough details of all the issues that are expected to be discussed.

The FY 2014 Adjusted Budget reflects a .03 % increase from the FY 2014 Original Budget and an overall 5.7% increase from FY 2013 actual expenses (with capital excluded). Most of this increase has to do with grant revenues that result in budget adjustment increases (we do not budget to receive grants, as their receipt is not guaranteed) as well as PC Heights engineering inspection costs, for which there will be a revenue offset.

The proposed FY 2015 budget increased by \$2.8 million over the FY 2014 adjusted budget. Much of this increase is due to inflationary pressure and bringing the City in compliance with the provisions of the Affordable Care Act (ACA).

Expenditure Summary by Major Object - All Funds

	FY 2011	FY 2012	FY 2013	FY 2014 Ori Bud	FY 2014 Adj Bud	FY 2015 Budget	FY 2016 Plan
Personnel	21,002,701	22,750,251	23,724,613	26,613,165	26,565,613	27,984,789	29,016,004
Materials, Supplies & Services	12,194,207	13,330,837	14,135,698	13,587,399	14,524,907	14,894,569	14,973,448
Capital Outlay	32,453,266	29,823,669	15,277,156	44,388,144	91,890,680	36,699,481	19,275,315
Debt Service	13,212,086	10,399,905	10,562,058	10,638,677	13,100,177	10,812,058	10,638,597
Contingency	21,850	3,946		321,000	321,000	346,000	371,000
Actual Budget	\$78,884,110	\$76,308,608	\$63,699,525	\$95,548,385	\$146,402,377	\$90,736,897	\$74,274,364
Budget Excluding Capital	\$46,430,844	\$46,484,939	\$48,422,369	\$51,160,241	\$54,511,697	\$54,037,416	\$54,999,049
Interfund Transfers	9,898,612	9,177,643	7,667,140	7,204,457	13,929,137	9,097,113	9,168,425
Ending Balance	68,377,411	71,208,563	70,184,139	25,205,012	29,889,515	33,414,279	34,876,081
Subtotal	\$78,276,023	\$80,386,206	\$77,851,279	\$32,409,469	\$43,818,652	\$42,511,392	\$44,044,506
Grand Total	\$157,160,133	\$156,694,814	\$141,550,804	\$127,957,854	\$190,221,029	\$133,248,289	\$118,318,870

Table B01 – Expenditure Summary by Major Object

FINANCIAL IMPACT ASSESSMENT REPORT (FIAR)

In January 2014, the Budget Department presented an update of the Financial Impact Assessment Report (FIAR) to the City Council at its annual retreat. This report was organized to forecast revenues and operating, capital, and debt service expenses for the General Fund. The information contained in the report was intended to inform decision makers in the upcoming budget process by illustrating the potential impacts of current financial decisions on the financial health of the City in both the near and distant future. The figures presented in the FIAR help set the funding limits for both the operating and capital budget process.

The table below is from the FIAR presented to Council in January. It has been updated to incorporate the City Manager's FY 2015 Recommended Budget, which changes trickle through having an effect on future projections. The figures below incorporate expenses and revenues from the General Fund as well as the general fund transfer to the CIP, and are not designed to match the Budget Summaries which give a citywide accounting of all funds.

BUDGET OVERVIEW

Ten-year Financial Impact Forecast

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	\$30,078	\$30,972	\$31,876	\$32,753	\$33,580	\$34,372	\$35,127	\$35,861	\$36,585	\$37,313
Op. Expenses (Base)	\$25,633	\$25,633	\$25,633	\$25,633	\$25,633	\$25,633	\$25,633	\$25,633	\$25,633	\$25,633
Inflationary Growth	\$836	\$1,699	\$2,592	\$3,513	\$4,466	\$5,450	\$6,466	\$7,517	\$8,602	\$9,723
Operating LOS Growth	\$331	\$666	\$1,005	\$1,349	\$1,698	\$2,051	\$2,409	\$2,771	\$3,138	\$3,510
CIP Expenses	\$3,063	\$2,732	\$2,395	\$2,115	\$2,105	\$2,105	\$2,155	\$2,155	\$2,205	\$2,205
Debt Service	\$180	\$183	\$179	\$178	\$181	\$182	\$0	\$0	\$0	\$0
Total Expenses	\$30,043	\$30,914	\$31,804	\$32,789	\$34,082	\$35,420	\$36,662	\$38,075	\$39,577	\$41,070
Rev/Exp	\$35	\$58	\$73	-\$35	-\$502	-\$1,048	-\$1,535	-\$2,214	-\$2,992	-\$3,758

*In Thousands (x1,000)

Aggregate Surplus/(Shortfall) Over Ten-Years (2015 to 2024)	-\$11,918,533
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Table B02 – Ten-year Financial Impact Forecast

Operating expense projections are now made using the service level associated with the 2015 Proposed Budget as the base level. Table B02, above, shows the FY 2015 service level projected over ten years using the growth rate identified in the 2010 Service Level Assessment Committee (SLAC) update. The projected surpluses (or deficits) for each year are shown in the following graph.

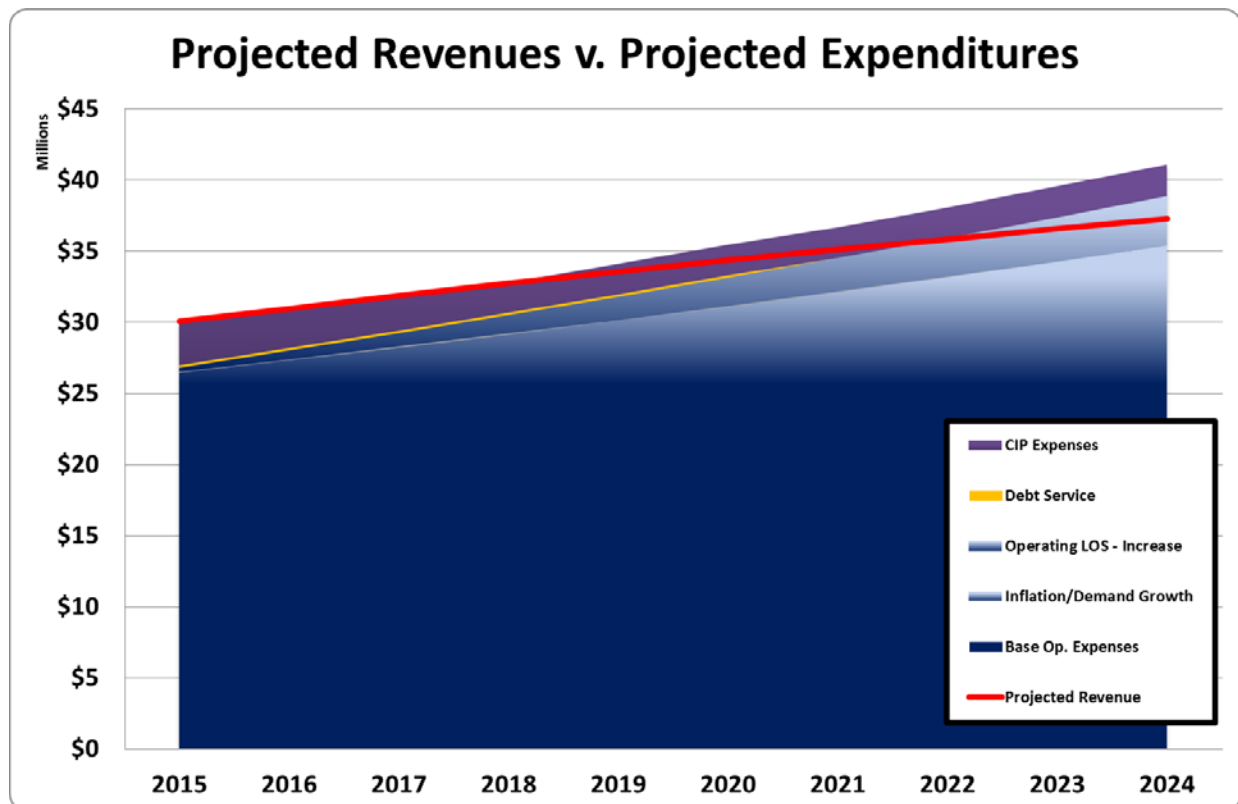


Figure B03 – Financial Impact Assessment Trends

The FIAR projections are based on long-range historical trends. As the economic environment of a resort economy ebbs and flows, the FIAR is intended to act as a long-range measure and reference for future financial decisions. As seen in the Economic Outlook section of the City Manager’s Recommended Budget Vol. 1, building and sales activity are trending up dramatically. This year is expected to be the highest grossing year for sales in Park City. This is

BUDGET OVERVIEW

due primarily to a rebounding winter recreation economy and the effects of large-scale lodging developments in recent years. As the City moves forward, this year's revenue growth will be added and evaluated in the contexts of the historical trends and will help form an updated FIAR projection in 2015 which will guide the City in the subsequent budget process.

For more detailed explanations of projection methodology and long-range financial planning, please consult the January 2014 FIAR document, a copy of which can be obtained from the Budget Department or at this website: <http://www.parkcity.org/index.aspx?page=95>

CITY'S LONG-TERM BUDGET STRATEGIES

This budget season will be the first year of the budget biennium. Between now and June, we will be working on adjusting the FY 2014 Budget as well as developing the FY 2015 Budget and the FY 2016 Plan.

The City Manager's Recommended Budget is constructed drawing upon Council input and direction received during the Council Retreat in January, as well as Council input received during work sessions and study sessions throughout the year. During the budget section of the City Council Retreat, Council was presented with the FIAR projection of the City's expenditures and revenues over the next ten years. In essence, the FY15 and FY16 budgets have to fit within the confines of the FIAR's projected expenditure increases (based off of a 10-year historical analysis of an average annual increase of Park City's expenditures), approved by Council. The funding level recommendation has to account for what could be considered "inflationary" increases like Pay Plan, health insurance, and retirement as well as more discretionary increases like Affordable Care Act (ACA) provisions, departmental requests, CIP enhancement, etc. Below are the City's Long-Term Budget Strategies for crafting the City Manager's Recommended Budget:

1. Budget draws upon Council input from Council Retreat and FIAR projections as a guide
 - Performance-driven operating budget based upon Council's goals, objectives, and desired outcomes
2. Two-year budget process with fewer budget requests coming in the "off-year" (the "off-year" is FY16 in this particular biennium budget)
 - Second-year budget requests that will be considered are ones that
 - i. will come with revenue offsets;
 - ii. are accompanied by expense reductions, or that;
 - iii. are required by law; or
 - iv. are necessitated by market/environment changes that happened since the last budget adoption (since the adoption of the FY15 budget, in this case)
3. Budget committees' recommendations will be considered
 - Committees include Results Team as well as CIP, Pay Plan, and Fleet Committees and any other ad hoc committees needed for unique circumstances (such as this year's recommendations for the provisions of the Affordable Care Act)

BUDGET OVERVIEW

- Results Team will make recommendations by considering BFO score, manager's bid request, established need, available resources, and performance measures
4. All operating and capital budget requests should be considered during the budget process
 5. General Fund budget surplus should be used for capital projects

BUDGET RECOMMENDATIONS

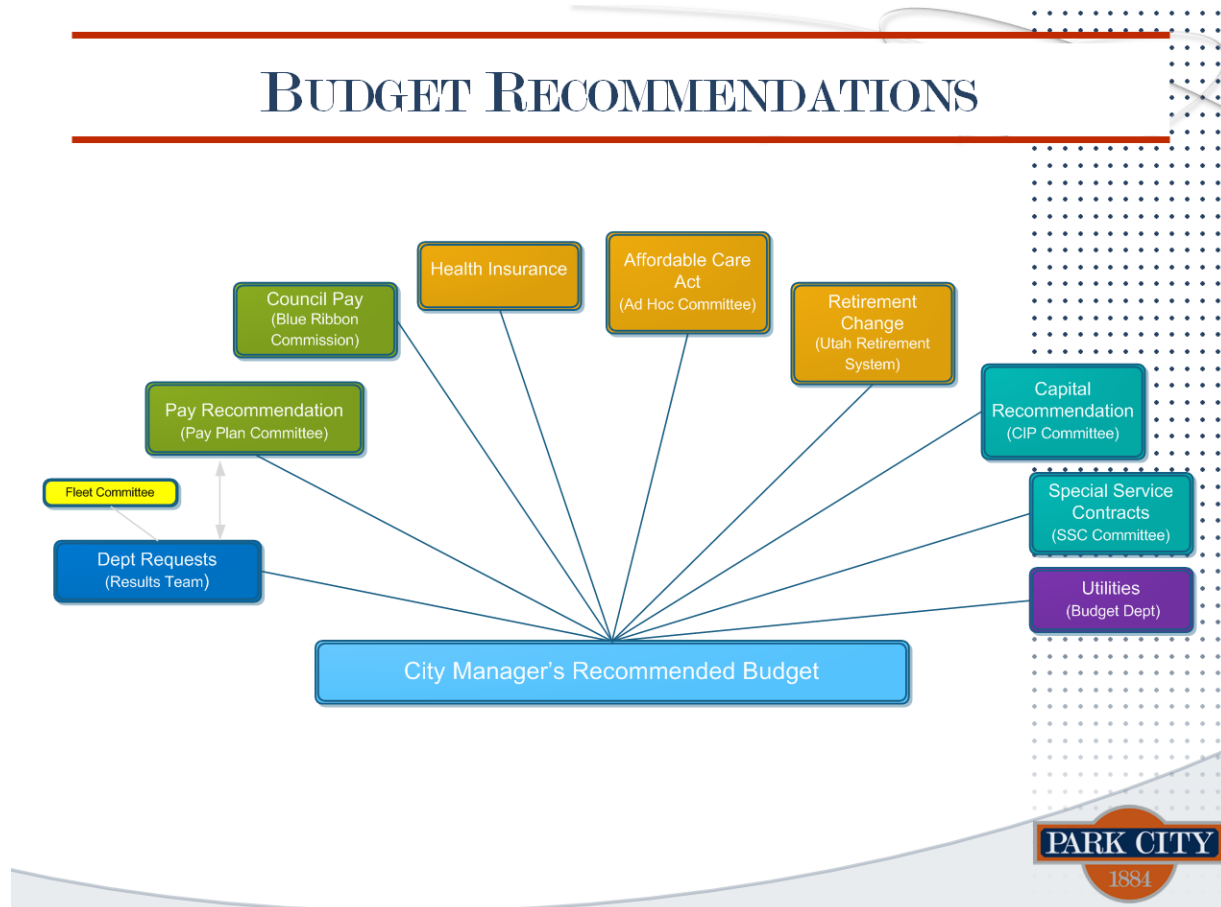


Figure B04 – Budget Recommendations to City Manager by Committee

Budgeting for Outcomes

As discussed in the Introduction section, the City employs a Budgeting for Outcomes (BFO) process that focuses on Council priorities and objectives as the driving factor for determining the annual budget. By creating Desired Outcomes within Council goals and then receiving offers from City departments, the City can make better-informed decisions regarding the prioritization and cost of City services and programs.

BFO provides a comprehensive review of the entire organization, identifying every program offered and its cost, evaluating the relevance of every program on the basis of the community's priorities, and ultimately guiding elected officials to the policy questions they can answer with the information gained from the process.

BUDGET OVERVIEW

BFO informs the development of the City's 2015 and 2016 Proposed Budget and serves as a tool to identify potential service reductions and eliminations. The evaluation of programs as part of this process may also identify potential duplication of efforts or opportunities to consolidate similar programs and/or services that are delivered through partnership with other governmental agencies, non-profit agencies, or the private sector.

Department Manager's Role

Bids or offers can be submitted by one department or multiple departments working in partnership/collaboration with each other. A proposal (or bid), submitted in response to a Desired Outcomes, describes what a service, program, or activity will do to help achieve the Council-approved goals. Managers need to explain the scope of the service and any enhancements or decreases to level of service. The total expenditure and revenue budgeted amounts are included in the bid as well as FTEs.

Managers are encouraged to explain any cost savings, innovation, or collaboration that their program would be able to accomplish during the next fiscal year. There's also a section on the bid that explains the consequences of funding it a lower level. And finally the bid ends with performance measures tailored specifically to that service used to measure its success. Performance measures are taken from the usual department performance measures, the National Citizen's Survey, or ICMA's Center for Performance Measurement.

When submitting budget requests, managers were encouraged to have a corresponding expense reduction, revenue enhancement (e.g., fee or rate increase, state and federal grants, profit gains, etc.), or justification as to why the adjustment is necessary. Managers bringing budget requests to the Results Team were asked to look first within their existing departmental or team budget. By enhancing or adding a service with the same amount of current budget the City is able to build efficiencies and make the cost of doing service more effective.

Also, managers were encouraged to look for opportunities to find cost savings in their current operations, to think creatively and collaborate with others, inside and outside of City Hall, to identify ways that they could achieve the same or better results at lower costs. Managers' hard work has helped to craft a more streamlined budget and fund the services necessary to achieve the community priority outcomes despite the current economic times.

The Results Team

The Results Team (staff-led budget committee) receives service proposals (bids) for programs and activities in each Council goal. Members of this committee include Clint McAfee, Clint Dayley, Michelle Downard, Vaughn Robinson, Phil Kirk, Matt Abbott, and Rebecca Gillis. These BFO programs are scored by departmental managers based off of scoring criteria that were discussed during the Council Retreat. The Results Team reviews these scores and changes them to arrive at a composite score agreed on by the group. This provides the ranking of proposals within each Council goal with a quartile ranking as well, numbered from 1 to 4, with 1 being the highest ranking and 4 the lowest.

The Results Team then identifies questions or gaps in specific proposals and requests additional information from the proposal owner, including potential implications of level of service

BUDGET OVERVIEW

adjustments or the suggestion of additional collaboration. The scoring and prioritization of the BFO programs is the start of the discussion on where to fund programs—not the end. Decisions on budget enhancements or decreases are based on the scoring of each BFO program, as well as the department manager’s rationale, established need, and availability of resources. The team discusses their overall rankings and rationale for budget enhancements or decreases and prepares a final recommendation to the City Manager, who examines and refines this recommendation and may include it in the overall budget recommendation.

Figure B05, below, shows how the ranking breaks out, by quartile, in the FY2015 recommended budget.

BFO Budget Allocation by Quartile (All Funds)

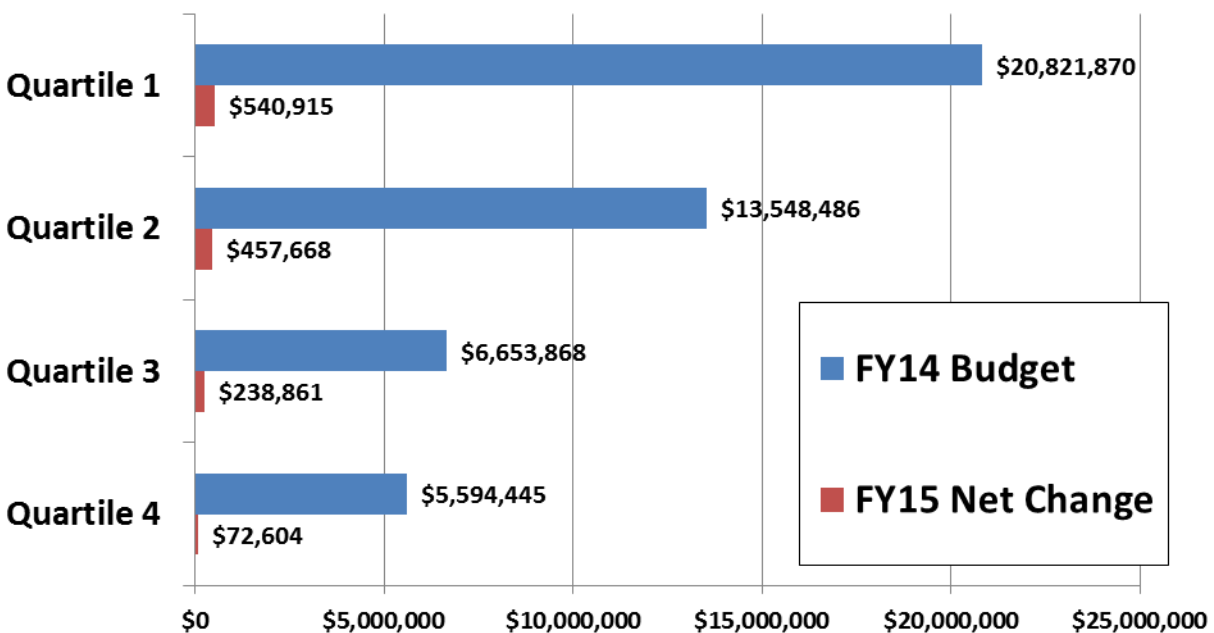


Figure B05 – BFO Budget Changes Highlighted

It is important to note that a high rating of a program will not guarantee that a program will be retained; nor does it guarantee that a lower-ranking program will be proposed for elimination. Also, the rankings do not reflect whether a program is being delivered in the most efficient manner. The prioritization process provides valuable information for budget proposal development and City Council deliberation. It is not the "only answer" on to how best to determine the City’s budget.

Budget Constraints

The Results Team had to make tough decisions in order to fit their recommendation within the confines of the FIAR’s projected expenditure increase, which also has to cover inflationary costs like Pay Plan, health insurance, retirement, and any other non-departmental budget increases. After accounting for these inflationary costs as well as other major operating items like the new Affordable Care Act provisions and the Blue Ribbon Commission Pay Recommendation the maximum net allowable operating increase is around \$325k in FY15 and \$745k in FY16 for the

BUDGET OVERVIEW

General Fund. With around \$1.5M in budget requests in the General Fund alone the Results Team had their work cut out for them. Staff will present these changes during the Budget work session on May 29.

This year's budget is one of the tightest overall budgets in recent memory, exacerbated by the loss in revenue from Kimball Junction businesses that had incorrectly coded their taxes to Park City (\$465k/year decrease in General Fund) and the Affordable Care Act provisions (\$200k increase in General Fund). Thus to work within the budget constraints the Results Team and the City Manager are actually recommending functional budget cuts: where department managers have requested inflationary increases for materials and supplies, little to no increases are being recommended by the Results Team and the City Manager.

It is the intention of BFO for managers to submit the most cost-effective program budgets. In theory, this could result in budget decreases from previous fiscal years, however, in most cases managers feel that their current budget level is the lowest it can be without impacting levels of service. If anything, some managers feel that their current budgets are not adequate enough to provide the level of service required, due to existing and projected demands levels and because of extensive budget cuts during the recession years.

Most cities start using BFO or a similar tool when experiencing significant decreases in revenues because it allows them the opportunity to cost out and prioritize all the cities services and decrease or cut the services that score low. With modest revenue increases projected and knowing that further cuts could result in a decrease to levels of service, the Results Team made the decision to recommend a budget that minimally cuts departmental budgets and increases only for items that score high and an immediate need was obvious. Albeit, there are still programs that scored high that are not included in the proposed FY2015 budget, simply due to budget constraints.

Throughout the budget process Council will have many opportunities to consider service level reductions and corresponding program budget cuts as well as to consider program funding or program increases not recommended in the proposed FY2015 budget.

BFO Summary

The City Manager's Recommended Budget is what is what is being presented to City Council. The budget changes this year will be presented through the lens of the Desired Outcomes and Council goals. We are confident BFO provides us with the tools we need to build a budget that reflects our city's values and needs. This budget process will help us do this by focusing on outcomes that matter to our residents and others who have a stake in this community.

BUDGET OVERVIEW

MAJOR OPERATING BUDGET ITEMS

Pay Plan

The Pay Plan Committee convened this year to evaluate compensation benchmarks for the City's budgeted positions. Members include Phyllis Robinson, Ann Ober, Kim Atkinson, Destry Pollard, Darwin Little, Jason Christensen, and Jon Pistey. The Pay Plan Committee typically meets biennially to review these benchmarks and provide a recommendation for the City Manager. The Pay Plan Committee meets in the first year (on-year) of the budget biennium. This benchmarking process is done in an effort to ensure the uniform and equitable application of pay in comparison to the Utah and Colorado municipal employee market. Job positions are compared with similar positions or "benchmarks" to determine market pay for any given position. The pay plan increase for FY 2015 is \$363,000 and an additional \$585,000 increase is planned for FY 2016 when an across the board 2% grade increase is put into place.

Health Insurance Costs

In recent years, the cost of Park City's health insurance has risen dramatically between 8-15% per year. The City has picked up almost the entirety of the tab for these increases, until four years ago when the City asked employees to pay \$50 more per month for family health insurance. These increases, while consistent with trends seen across the nation, are nonetheless alarming and indicate that a different approach to providing this benefit may need to be explored in the future. In FY 2015 there will be no increase to health insurance costs.

Retirement Expense

All Full-time Park City employees are part of the Utah Retirement System (URS) defined benefit program. The City is required by statute to contribute a certain percentage of employee pay toward the URS pool annually. During FY 2014, URS required a 17.29% contribution for general municipal employees (32.14% for sworn officers). For FY 2015, URS will require a 18.47% contribution (34.04% for sworn officers).

Affordable Care Act (ACA) – Employer Shared Responsibility Provisions

The Affordable Care Act (ACA) provisions outline rules for the City on positions which may be required to include health coverage. The City currently employs several groups of employees who could be eligible for coverage under the new law. Over the last year through an "Affordable Care Act Committee", the HR department has teamed with all departments who have any potentially eligible employees to examine hours worked, City needs and potential reductions hours worked or service levels. Each position which fits certain criteria has been examined individually, and in many cases hours have been reduced, schedules changed, and/or additional employees have been hired to reduce the total hours worked by one individual and eliminate health coverage eligibility. Service levels have not been reduced, but may be impacted slightly. However, in limited cases it has been impossible to reduce hours worked by one position to eliminate health coverage eligibility without a large impact on service levels.

The departments most impacted would be the Transit, Streets and Parks departments. While mainly reductions have been looked at Citywide, maintaining similar service levels in these departments would be impossible. Some hours and changed schedules even in these departments have occurred, however part-time and/or seasonal employees are not able to completely cover

BUDGET OVERVIEW

service needs. After much consideration, it has been determined that a severe impact to service levels would occur if all eligible employees had their hours cut below the ACA threshold and thus a workable and cost-effective solution was determined to be necessary.

Thus, the “Affordable Care Act Committee,” along with the City Manager, recommend a hybrid approach of offering health insurance to some eligible employees and cutting back hours of others over a period of time. This is staff’s recommended option because 24 current employees would be offered health insurance and the level of service decrease should be minimal. The net cost to the General Fund is \$194k. The Transit Fund will pay for the cost within existing resources.

CAPITAL IMPROVEMENT PLAN (CIP)

Being the first year of a budget biennium, the CIP Committee performed a full reprioritization of the 5 Year Capital Improvement Plan. This year’s CIP committee (Blake Fannesbeck, Jon Weidenhamer, Ken Fisher, Marina Smith, Nate Rockwood, Matt Cassel, Scott Robertson, Kayla Sintz and Matt Twombly) scored and prioritized all new and existing projects and all projects with significant changes in funding types or amounts and integrated them into the 5-Year Capital Improvement Plan. These projects were reviewed and ranked based on five criteria: Objectives (City Council Goals), Funding, Necessity, Previous Investment, and Cost/Benefit. In addition, this year projects were also evaluated and scored based on environmental impact (as measured by potential carbon reduction or increase to the City). The CIP requests and recommendations are highlighted in the Expenditures section of the City Manager’s Recommended Budget Vol. 1, with a complete detailed CIP report included in the Volume II.

At the time of prioritization, projections showed a general fund transfer to the CIP Fund of approximately \$3.2 million in FY 2014, \$3.1 million in FY 2015 and \$2.7 million in FY 2016. These figures include approximately \$900K to \$1 million in transfers from the General Fund for equipment replacement. The current CIP budget includes some minor additional general fund transfer to the CIP beyond what was allocated during the FY 2014 budget process (approximately \$130,000 to \$150,000 in FY 2015 to 2017 respectively). With such limited additional funding, the CIP committee was tasked with funding new projects primarily within the current planned transfer. This was accomplished by evaluating the funding of current projects and recommending reallocation of some previously funded projects and evaluating and reducing, where possible, the ongoing CIP projects.

The Committee recommended funding projects requiring operating surplus in the amount of \$3,168,000 in the current fiscal year, \$3,063,000 in FY 2015 and \$2,732,000 FY 2016. The recommended project totals then taper from \$2.4 million in FY 2017 to \$2.1 million in FY 2019. The City Manager made one small adjustment to the CIP committee recommendation, which was to include the Council Chambers Advanced Technology Upgrades in the CIP for the amount of \$68,000 in FY 2014.

The total proposed CIP budget (all funds combined) for the FY 2014 Adjusted Budget is \$85.8 million (\$41.7 million original budget and \$44.1 million carry-forward budget). The proposed FY 2015 CIP budget is \$33.2 million; FY 2016 CIP is \$15.4 million. The General Fund surplus

BUDGET OVERVIEW

required to fund projects in FY 2015 will be approximately \$3 million—the majority of which is dedicated to completing current projects, ensuring the maintenance of existing infrastructure, or securing funding for previously-identified needs. Projects in these categories include Pavement Management, Trails Master Plan Implementation, Traffic Calming, Asset Management, Walkability Asset Management, Irrigation Controller Replacement, and the Royal Street Rebuild.

The list below details each of the new projects recommended for funding in the 5-Year CIP for the first time this year:

New Project Requests (All Funds Combined)											
New Projects Recommended in 5-Year CIP											
New CIP #	Score	Project Name	Project Manager	Fund	Revenue	Total Project Cost By Fund	Total Budget				
							FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
000341	23.0	Prospector Avenue Reconstruction	Cassel	31	TRANS FR GEN FUND	400,000					
				31	FEDERAL GRANTS	1,000,000			1,000,000		
000349	20.8	Fiber Connection to Quinn's Ice & Water Facilities	Robertson	31	TRANS FR GEN FUND	65,000		65,000			
				51	WATER SERVICE FEES (TBD)	-					
000337	20.6	Engineering Survey Monument Re-establishment	Cassel	31	TRANS FR GEN FUND	20,000		10,000	5,000	5,000	
000350	19.9	Fleet Shop Equipment Replacement	Anderson	31	TRANS FR GEN FUND	75,000		15,000	15,000	15,000	15,000
000339	18.3	Engineering Small Projects Fund	Cassel	31	TRANS FR GEN FUND	100,000	100,000				
000338	18.1	Repair of Historic Wall/Foundation above Hillside Avenue	Cassel	31	TRANS FR GEN FUND	125,000	125,000				
000331	17.9	Library Technology Equipment Replacement	Robertson	31	TRANS FR GEN FUND	121,935	10,000	14,387	24,387	24,387	24,387
000347	16.9	Council Chambers Advanced Technology Upgrades**	Robertson	31	TRANS FR GEN FUND	68,000	68,000				

*New projects will be added to Water Fund 51 when the Water Financial Model and Division of Drinking Water Recommendations are finalized. Council will be updated and the Water Capital Budget will be included in the Council Adopted Budget

**Project score fell below funding line but is recommended by City Manager

Figure B06 – Recommended New CIP Amounts

The following figure shows projects that were not recommended for funding in the 5-Year CIP:

New Projects Not Recommended in 5-Year CIP											
New CIP #	Score	Project Name	Project Manager	Fund	Revenue	Total Project Cost By Fund	Total Budget				
							FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
000346	17.7	Solar Installation - MARC	Ober	31	TRANS FR GEN FUND	426,800		426,800			
000345	17.5	Ice Dasher Safety Paneling Retrofit	Pistey	31	TRANS FR GEN FUND	20,000		20,000			
000336	17.0	Snow Creek Bridge Repairs	Cassel	31	TRANS FR GEN FUND	75,000		75,000			
000351	16.9	Survey Monuments for City/County Boundaries	Robertson	31	TRANS FR GEN FUND	35,000		35,000			
000344	16.8	McCleod Creek LOMA	Cassel	31	TRANS FR GEN FUND	200,000				200,000	
000332	15.4	Feasibility & Conceptual Design for Second Sheet of Ice	Fisher	31	TRANS FR GEN FUND	35,000		35,000			
000330	15.4	Additional Parking at McPolin Farm	Carey	31	TRANS FR GEN FUND	75,000		75,000			
000340	15.1	Engineering Incubator Program	Cassel	31	TRANS FR GEN FUND	15,000		5,000	5,000	5,000	
000352	14.8	Legal Software for Electronic Document Management and Workflow	Robertson	31	TRANS FR GEN FUND	65,000	65,000				
000335	13.8	Feasibility & Conceptual Design Indoor Field Space	Fisher	31	TRANS FR GEN FUND	35,000		35,000			
000333	13.3	Feasibility & Conceptual Design for Indoor Aquatics	Fisher	31	TRANS FR GEN FUND	35,000		35,000			
000348	12.9	Additional Parking/ P.C. Police	Gustafson	31	TRANS FR GEN FUND	1,500,000		1,500,000			

Figure B07 –New CIP Amounts Not Recommended

The CIP requests and recommendations are highlighted in the Expenditures section of this document, with a complete detailed CIP report included in Volume II.

Water Projects

Water quality and delivery continue to be a top priority for Park City. With the rate of development that occurred over the past few years, water needs have been identified and the

BUDGET OVERVIEW

financing cost of these improvements has been developed to be fairly distributed between current users and new development. CIP changes to the Water Fund are also reflective of the City's continuing commitment to secure Park City's water needs through improvements to the City's water infrastructure. The Water Department and Budget Department are currently reviewing and evaluating the 2015 Water Fund Financial Model. This model projects the long-range operating and capital needs of the Water System and is used to determine future water rate increases and bonding needs. At the time the City Manager's Recommended Budget was prepared, some water project assessments and funding amounts were still in flux and a finalized water project list is not included in the document. A final list of recommend water projects and water rate adjustments will be presented to Council as part of the budget hearings and will be included in the Final Budget.

CHANGES BETWEEN TENTATIVE AND FINAL BUDGET

Changes to FY14 Adjusted Budget

The Electricity and Natural Gas utilities for McPolin Farm have been adjusted upward to better reflect actual expenditures for the FY14 Adjusted budget.

Ice is requesting an expense budget increase of \$97K. The areas where the department has gone over budget are directly supported by revenues that have already increased the revenue beyond last year's total revenue and projected to be approximately \$110K greater than last year's total revenue. This revenue increase is predominantly in the areas of Classes, Leagues, and Advertising, which have caused increases to Variable Hour Staff, League Officials, Contracts and Bank Charges. Overall, this would be an increase of \$31K in expenses versus last year's expenditures.

Tennis is requesting an increase of \$110k in the part-time budget due to the increased demand for tennis instruction. This includes all types of instruction from private lessons, small group lessons, tennis clinics, and youth clinics. The Recreation Manager projects that Tennis will increase lesson revenue from \$508,442 to \$550,000 this year. The \$110k would cover all tennis personnel for the remainder of this fiscal year including part-time tennis pros hired to get the department through the month of June.

For FY 2014 some revenues budgets were adjusted to more closely reflect actuals. Revenue adjustments include increases to General Fund and Transit Sales Tax, Planning Application Fee, Plan Check Fee and other Building and Planning fees.

The Final Budget has been adjusted to account for police operating grant funds received in the amount of \$25,736. Revenue and expenditure lines have been adjusted accordingly.

The Transit and Transportation Fund federal grant revenue budget was increased to \$2.5 million to match actuals.

BUDGET OVERVIEW

On May 29, the Water Manager presented the recommended capital improvement plan for water and a recommended 12% water user-fee increase. These recommendations are derived from the Long-range Water Financial Model. Changes to water capital budgets, revenues and bonding have been included in the Final Budget for FY 2014.

The Housing Allowance for the Legal department was increased by \$5,650 to cover housing allowances which have been distributed since the beginning of the fiscal year.

The Lower Park RDA operating budget has been adjusted to \$24,801 and the Main St. RDA operating budget has been adjusted to \$1,349. These adjustments have been made in order to accurately reflect what was actually spent in the RDA operating budgets for FY14.

The Building Maintenance department has had its FY14 budget adjusted up by \$28,004 in order to stay within budget for a number of line items including the electrical alarms, contract services, cleaning, and maintenance.

The Fleet Budget for FY14 has been reduced by approximately \$318K from the FY14 Original budget. The adjustment was put into place to better reflect actual expenses.

Several IFTs from the Debt Service Fund to other funds are changing based off of bond payments.

Fund 21, the Police Special Revenue Fund for Tobacco Compliance, increased by \$500 and now has a fund balance of \$29,144. Fund 22, the Police Special Revenue Fund for Drug Confiscations decreased in fund balance to \$17,258.

The Leadership Budget has been adjusted up by \$20,000. \$10,000 is an adjustment to the salary for the Public Affairs Specialist, and \$10,000 for an increase in materials and supplies, based off of actual expenditures.

Changes to FY15 Proposed Budget

The Electricity and Natural Gas utilities for McPolin Farm have been adjusted upward to better reflect actual expenditures for the FY15 Proposed Budget.

A new exempt grade was created for the Police Chief, and the position's grade was changed to the new grade.

The amount for Special Service Contracts was increased from \$492K to \$515K for the FY15 Proposed Budget.

BUDGET OVERVIEW

The Administrative Inter-fund Transfer (IFT) for the Water, Golf, and Transit funds were adjusted. The Water IFT was increased by \$40,421 from \$633,119 to \$673,540. The Golf IFT increased by \$4,091 from \$98,981 to \$103,071. The Transit IFT increased by \$55,682 from \$588,742 to \$644,423.

The Ice Maintenance and Management budget increased by \$23,000 for the FY14 adjusted budget. This increase is offset by revenues from the Snyderville Basin Recreation District.

\$35k increase to the Planning Department in contract services to pay for long-range planning and historic preservation projects: Form Based Code consulting, update Historic Guidelines, BOPA and LOPA printing costs, etc.

\$18k increase to the Building Department to pay for new vehicle due addition of FTR Senior Building Inspector and Business License Inspector/Code Enforcement Officer.

Three citywide personnel items were increased to their current budget amounts in order to correct a line items have been restored to their intended amounts. Incentive pay has been increased by \$20,538, Holiday pay has been increased by \$1,670, and Overtime has been increased by \$29,984.

On May 29, the Water Manager presented the recommended capital improvement plan for water and a recommended 12% water user-fee increase. These recommendations are derived from the Long-range Water Financial Model. Changes to water capital budgets, revenues and anticipated bonding have been included in the Final Budget for FY 2015 & FY 2015 and the 5-Year Capital Improvement Plan (CIP).

Per Council direction, staff has included funding in the amount of \$426,800 for the Solar Installation at the MARC. The FY 2015 sales tax transfer from the general fund has been adjusted by \$426,800 to account for the project. This transfer will allow funding for the project to come from the FY 2014 sales tax revenues in excess of budget and any potential budget savings. All General Fund revenue or budget savings in excess of \$426,800 will be retained in the General Fund Balance.

The Golf budget has been increased by \$10,864. The Community Engagement Specialist position was not allocated. It has now been allocated and the cost of that position in the Golf budget is \$10,684.

The IFTs to the Self-Insurance Fund will be increasing in FY15 due to an increase in insurance premiums; insurance premiums increased by approximately 115K in FY14. As a result there will be an increase in IFTs to the following funds in the following amounts:

- General Fund: \$69,897 increase
- Golf Fund: \$935 increase

BUDGET OVERVIEW

- Transit Fund: \$25,766 increase
- Water Fund: \$16,631 increase

The budget for the Self-Insurance and Workers Compensation departments were also reorganized to better reflect the changes in cost; the reorganization was zero sum. Self-Insurance: General Liability line has been decreased by \$30K, Legal Services has been decreased by \$39K, and the Insurance Premiums line item has been increased by \$69K. Workers Comp: Insurance Premiums has been increased by \$25K and WC Claim Reim. has been decreased by \$25K.

The Fleet Budget for FY15 was adjusted down by approximately \$318K in order to more accurately reflect expenditures. The reduction comes mainly in Fuel, and the Fuel IFTs have also been adjusted downward as a result.

IFTs from the Debt Service Fund to other funds are changing based off of bond payments.

For FY15 the operating account for the Lower Park RDA in the General Fund will no longer be receiving a \$100K IFT from the Lower Park RDA. Instead we will be using a Special Revenue Fund for Lower Park RDA operations.

Budget target amounts of \$30,000 - Main Street RDA and \$50,000 - Lower Park Ave. RDA for Historic Preservation Grants have been included in FY 2015. These amounts are in addition to the \$47,000 available in the General Fund.

The Intergovernmental & Environment budget is being adjusted upward by \$10,000. This is an adjustment for the salary of the Public Affairs Specialist in the Leadership program, which was formerly in the Leadership department.

FUTURE ISSUES

The following issues may have a significant impact on the City's budget.

- Increase in health insurance/penalty costs for eligible employees (over 30 hours/week) due to health care reform legislation (ACA).
- Progress of OTIS, Downtown Projects, Bonanza Drive Reconstruction, and other major capital projects.
- Future open space and environmental efforts, including the discussion on the Treasure Hill project.
- Park City Heights private/public venture to shape development at Quinn's.
- Redevelopment projects in the Lower Park RDA and Bonanza Park.

State legislative actions continue to pose a major fiscal risk to the City's ability to deliver high-quality services in the future. State action is anticipated to continue to focus on efforts to redistribute tax revenues from wealthier towns and school districts to poorer ones. Several efforts were defeated this year with active City involvement, but it is likely these efforts will continue and intensify. The State Legislature is likely to consider the following issues in 2015:

BUDGET OVERVIEW

- Water Rights: Several water bills were defeated at the Utah Legislature in 2013 and 2014. Most had to do with further defining water rights and how government interacts with water owners. One bill proposed to treat some water rights as if they were property rights. Bills such as this would complicate the process of obtaining additional water for the city. We can expect that similar bills will be proposed during FY15.
- Pending Federal legislation for market/main street fairness act it may result in sales tax redistribution.

BUDGET CALENDAR

May 8

Work Session

- Presentation of the Tentative Budget
 - Budget Overview & Timeline
 - Update of Financial Impact Report (FIAR)
- Revenue/Expenditure Summary
- Benefits
 - Pay plan
 - URS-Retirement
 - Health Insurance

Regular Meeting

- [Public Hearing on the Tentative Budget](#)

May 15

Work Session

- CIP Budgets
- Special Service Contracts

Regular Meeting

- [Public Hearing on the Tentative Budget](#)

May 29

Work Session

- Operating Expenditures
- Biennial Plan Team Presentations
- Fee Changes

Regular Meeting

- [Public Hearing on the Tentative Budget](#)
- Adoption of the Tentative Budget

June 5

Work Session

- Personnel Policies and Procedures (P&P) Manual
- City Fee Resolution
- Council Compensation
- Budget Policies
- Outstanding Budget Issues
- Adopt CEMP update by resolution

Regular Meeting

- Adoption of the Personnel P&P Manual by Resolution
- [Public Hearing on the City Fee Schedule](#)
- Adoption of the City Fee Schedule by Resolution
- [Public Hearing on Council Compensation](#)
- Adoption of Council Compensation Resolution
- Adopt CEMP update by resolution

June 12

Work Session

- Presentation of the Final Budget
- Outstanding Budget Issues

Regular Meeting

- [Public Hearing on the Final Budget](#)
- Adoption of the Final Budget by Resolution

Redevelopment Agency Meeting

- [Public Hearing on the RDA Budgets](#)
- Adoption of the RDA Budgets by Resolution

Municipal Building Authority Meeting

- [Public Hearing on the MBA Budget](#)
- Adoption of the MBA Budget by Resolution

* Schedules and topics subject to change

Expenditure Summary by Fund and Major Object (FY 2014 Adjusted Budget)

Description	Personnel FY 2014	Mat, Supplies, Services FY 2014	Capital FY 2014	Debt Service FY 2014	Contingency FY 2014	Sub - Total FY 2014	Interfund Transfer FY 2014	Ending Balance FY 2014	Total FY 2014
Park City Municipal Corporation									
011 GENERAL FUND	\$16,940,974	\$5,957,982	\$394,742	\$0	\$221,000	\$23,514,698	\$2,143,024	\$9,906,951	\$35,564,673
012 QUINNS RECREATION COMPLEX	\$670,447	\$466,190	\$8,000	\$0	\$0	\$1,144,637	\$100	\$-3,340,775	\$-2,196,038
021 POLICE SPECIAL REVENUE FUND	\$0	\$0	\$29,144	\$0	\$0	\$29,144	\$0	\$0	\$29,144
022 CRIMINAL FORFEITURE RESTRICTED ACCOUNT	\$0	\$0	\$17,258	\$0	\$0	\$17,258	\$0	\$10,678	\$27,936
031 CAPITAL IMPROVEMENT FUND	\$0	\$0	\$51,215,539	\$0	\$0	\$51,215,539	\$134,366	\$2,554,602	\$53,904,507
038 EQUIPMENT REPLACEMENT CIP	\$0	\$0	\$2,274,591	\$0	\$0	\$2,274,591	\$0	\$359,663	\$2,634,254
051 WATER FUND	\$2,184,188	\$2,818,331	\$14,809,059	\$4,368,151	\$100,000	\$24,279,729	\$752,846	\$6,402,249	\$31,434,824
055 GOLF COURSE FUND	\$729,396	\$453,642	\$85,385	\$36,080	\$0	\$1,304,503	\$121,931	\$926,234	\$2,352,668
057 TRANSPORTATION & PARKING FUND	\$5,377,559	\$894,291	\$12,965,747	\$0	\$0	\$19,237,597	\$2,340,185	\$6,803,514	\$28,381,296
062 FLEET SERVICES FUND	\$663,050	\$1,937,240	\$10,000	\$0	\$0	\$2,610,290	\$0	\$840,004	\$3,450,294
064 SELF INSURANCE FUND	\$0	\$888,300	\$0	\$0	\$0	\$888,300	\$0	\$1,089,514	\$1,977,814
070 SALES TAX REV BOND - DEBT SVS FUND	\$0	\$0	\$0	\$1,563,113	\$0	\$1,563,113	\$0	\$1,159,267	\$2,722,380
071 DEBT SERVICE FUND	\$0	\$123,931	\$0	\$7,132,833	\$0	\$7,256,764	\$7,164,160	\$400,651	\$14,821,575
Total Park City Municipal Corporation	\$26,565,613	\$13,539,907	\$81,809,465	\$13,100,177	\$321,000	\$135,336,162	\$12,656,612	\$27,112,552	\$175,105,327
Park City Redevelopment Agency									
023 LOWER PARK AVE RDA SPECIAL REVENUE FUND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
033 REDEVELOPMENT AGENCY- LOWER PRK	\$0	\$580,000	\$9,789,914	\$0	\$0	\$10,369,914	\$351,176	\$1,374,200	\$12,095,290
034 REDEVELOPMENT AGENCY-MAIN ST	\$0	\$405,000	\$223,301	\$0	\$0	\$628,301	\$921,349	\$944,306	\$2,493,956
Total Park City Redevelopment Agency	\$0	\$985,000	\$10,013,215	\$0	\$0	\$10,998,215	\$1,272,525	\$2,318,506	\$14,589,246
Municipal Building Authority									
035 BUILDING AUTHORITY	\$0	\$0	\$68,000	\$0	\$0	\$68,000	\$0	\$458,457	\$526,457
Total Municipal Building Authority	\$0	\$0	\$68,000	\$0	\$0	\$68,000	\$0	\$458,457	\$526,457
TOTAL	\$26,565,614	\$14,524,907	\$91,890,680	\$13,100,177	\$321,000	\$146,402,378	\$13,929,137	\$29,889,515	\$190,221,029

Expenditure Summary by Fund and Major Object (FY 2015 Budget)

Description	Personnel FY 2015	Mat, Supplies, Services FY 2015	Capital FY 2015	Debt Service FY 2015	Contingency FY 2015	Sub - Total FY 2015	Interfund Transfer FY 2015	Ending Balance FY 2015	Total FY 2015
Park City Municipal Corporation									
011 GENERAL FUND	\$17,889,361	\$6,064,977	\$373,511	\$0	\$246,000	\$24,573,849	\$2,231,921	\$9,697,361	\$36,503,131
012 QUINNS RECREATION COMPLEX	\$725,387	\$368,843	\$6,000	\$0	\$0	\$1,100,230	\$1,200	\$-3,711,705	\$-2,610,275
021 POLICE SPECIAL REVENUE FUND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
022 CRIMINAL FORFEITURE RESTRICTED ACCOUNT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,678	\$10,678
031 CAPITAL IMPROVEMENT FUND	\$0	\$0	\$13,492,274	\$0	\$0	\$13,492,274	\$134,366	\$2,048,118	\$15,674,758
038 EQUIPMENT REPLACEMENT CIP	\$0	\$0	\$940,000	\$0	\$0	\$940,000	\$0	\$344,663	\$1,284,663
051 WATER FUND	\$2,296,627	\$3,180,342	\$8,016,278	\$4,373,851	\$100,000	\$17,967,098	\$809,898	\$9,405,431	\$28,182,427
055 GOLF COURSE FUND	\$739,008	\$498,529	\$54,565	\$36,081	\$0	\$1,328,183	\$127,458	\$971,293	\$2,426,934
057 TRANSPORTATION & PARKING FUND	\$5,549,899	\$888,038	\$2,795,946	\$0	\$0	\$9,233,883	\$2,425,332	\$6,933,915	\$18,593,130
062 FLEET SERVICES FUND	\$762,296	\$1,937,240	\$10,000	\$0	\$0	\$2,709,536	\$0	\$711,268	\$3,420,804
064 SELF INSURANCE FUND	\$0	\$921,300	\$0	\$0	\$0	\$921,300	\$0	\$835,441	\$1,756,741
070 SALES TAX REV BOND - DEBT SVS FUND	\$0	\$0	\$0	\$1,569,613	\$0	\$1,569,613	\$0	\$1,151,205	\$2,720,818
071 DEBT SERVICE FUND	\$0	\$0	\$0	\$4,832,513	\$0	\$4,832,513	\$0	\$389,005	\$5,221,518
Total Park City Municipal Corporation	\$27,962,577	\$13,859,269	\$25,688,574	\$10,812,058	\$346,000	\$78,668,478	\$5,730,175	\$28,786,673	\$113,185,326
Park City Redevelopment Agency									
023 LOWER PARK AVE RDA SPECIAL REVENUE FUND	\$22,212	\$50,300	\$0	\$0	\$0	\$72,512	\$2,090,000	\$29,488	\$2,192,000
033 REDEVELOPMENT AGENCY-LOWER PRK	\$0	\$580,000	\$10,920,274	\$0	\$0	\$11,500,274	\$326,938	\$3,386,988	\$15,214,200
034 REDEVELOPMENT AGENCY-MAIN ST	\$0	\$405,000	\$90,633	\$0	\$0	\$495,633	\$950,000	\$749,673	\$2,195,306
Total Park City Redevelopment Agency	\$22,212	\$1,035,300	\$11,010,907	\$0	\$0	\$12,068,419	\$3,366,938	\$4,166,149	\$19,601,506
Municipal Building Authority									
035 BUILDING AUTHORITY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$461,457	\$461,457
Total Municipal Building Authority	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$461,457	\$461,457
TOTAL	\$27,984,789	\$14,894,569	\$36,699,481	\$10,812,058	\$346,000	\$90,736,898	\$9,097,113	\$33,414,279	\$133,248,290

Expenditure Summary by Fund and Major Object (FY 2016 Budget)

Description	Personnel FY 2016	Mat, Supplies, Services FY 2016	Capital FY 2016	Debt Service FY 2016	Contingency FY 2016	Sub - Total FY 2016	Interfund Transfer FY 2016	Ending Balance FY 2016	Total FY 2016
Park City Municipal Corporation									
011 GENERAL FUND	\$18,566,760	\$6,053,291	\$370,864	\$0	\$271,000	\$25,261,915	\$2,306,171	\$10,442,745	\$38,010,831
012 QUINNS RECREATION COMPLEX	\$750,633	\$378,843	\$6,000	\$0	\$0	\$1,135,476	\$1,200	\$-4,112,881	\$-2,976,205
021 POLICE SPECIAL REVENUE FUND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
022 CRIMINAL FORFEITURE RESTRICTED ACCOUNT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,678	\$10,678
031 CAPITAL IMPROVEMENT FUND	\$0	\$0	\$7,410,267	\$0	\$0	\$7,410,267	\$134,366	\$618,304	\$8,162,937
038 EQUIPMENT REPLACEMENT CIP	\$0	\$0	\$1,011,000	\$0	\$0	\$1,011,000	\$0	\$329,663	\$1,340,663
051 WATER FUND	\$2,378,824	\$3,260,907	\$7,174,269	\$4,368,151	\$100,000	\$17,282,151	\$809,898	\$12,942,246	\$31,034,295
055 GOLF COURSE FUND	\$748,791	\$498,529	\$54,565	\$36,000	\$0	\$1,337,885	\$127,458	\$1,051,977	\$2,517,320
057 TRANSPORTATION & PARKING FUND	\$5,755,821	\$888,038	\$1,002,443	\$0	\$0	\$7,646,302	\$2,425,332	\$7,649,719	\$17,721,353
062 FLEET SERVICES FUND	\$792,092	\$1,937,240	\$10,000	\$0	\$0	\$2,739,332	\$0	\$552,736	\$3,292,068
064 SELF INSURANCE FUND	\$0	\$921,300	\$0	\$0	\$0	\$921,300	\$0	\$581,368	\$1,502,668
070 SALES TAX REV BOND - DEBT SVS FUND	\$0	\$0	\$0	\$1,563,113	\$0	\$1,563,113	\$0	\$1,156,455	\$2,719,568
071 DEBT SERVICE FUND	\$0	\$0	\$0	\$4,671,333	\$0	\$4,671,333	\$0	\$159,754	\$4,831,087
Total Park City Municipal Corporation	\$28,992,922	\$13,938,148	\$17,039,408	\$10,638,597	\$371,000	\$70,980,075	\$5,804,425	\$31,382,764	\$108,167,265
Park City Redevelopment Agency									
023 LOWER PARK AVE RDA SPECIAL REVENUE FUND	\$23,082	\$50,300	\$0	\$0	\$0	\$73,382	\$2,090,000	\$58,106	\$2,221,488
033 REDEVELOPMENT AGENCY-LOWER PRK	\$0	\$580,000	\$2,145,274	\$0	\$0	\$2,725,274	\$324,000	\$2,427,714	\$5,476,988
034 REDEVELOPMENT AGENCY-MAIN ST	\$0	\$405,000	\$90,633	\$0	\$0	\$495,633	\$950,000	\$546,040	\$1,991,673
Total Park City Redevelopment Agency	\$23,082	\$1,035,300	\$2,235,907	\$0	\$0	\$3,294,289	\$3,364,000	\$3,031,860	\$9,690,149
Municipal Building Authority									
035 BUILDING AUTHORITY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$461,457	\$461,457
Total Municipal Building Authority	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$461,457	\$461,457
TOTAL	\$29,016,004	\$14,973,448	\$19,275,315	\$10,638,597	\$371,000	\$74,274,365	\$9,168,425	\$34,876,081	\$118,318,871

Change in Fund Balance

Fund	Actuals FY 2011	Actuals FY 2012	Actuals FY 2013	Adjusted FY 2014	Budget FY 2014	Increase (red) FY 2014	% Inc (red) FY 2014	Budget FY 2015	Increase (red) FY 2015	% Inc (red) FY 2015	Budget FY 2016	Increase (red) FY 2016
Park City Municipal Corporation												
011 GENERAL FUND	\$6,320,932	\$6,447,817	\$8,367,681	\$9,906,951	\$7,126,464	\$1,539,270	18%	\$9,697,361	\$-209,590	-2%	\$10,442,745	\$745,384
012 QUINNS RECREATION COMPLEX	\$(2,187,227)	\$(2,510,554)	\$(2,919,038)	\$-3,340,775	\$(2,995,165)	\$-421,737	14%	\$(3,711,705)	\$-370,930	11%	\$(4,112,881)	\$-401,176
021 POLICE SPECIAL REVENUE FUND	\$27,082	\$27,532	\$28,644	\$0	\$0	\$-28,644	-100%	\$0	\$0		\$0	\$0
022 CRIMINAL FORFEITURE RESTRICTED ACCOUNT	\$4,176	\$8,985	\$19,133	\$10,678	\$0	\$-8,455	-44%	\$10,678			\$10,678	
031 CAPITAL IMPROVEMENT FUND	\$26,823,812	\$19,876,401	\$18,771,186	\$2,554,602	\$3,247,959	\$-16,216,584	-86%	\$2,048,118	\$-506,484	-20%	\$618,304	\$-1,429,814
038 EQUIPMENT REPLACEMENT CIP	\$1,267,319	\$1,244,133	\$1,586,254	\$359,663	\$208,076	\$-1,226,591	-77%	\$344,663	\$-15,000	-4%	\$329,663	\$-15,000
051 WATER FUND	\$6,663,470	\$11,863,021	\$9,860,717	\$6,402,249	\$4,375,265	\$-3,458,468	-35%	\$9,405,431	\$3,003,182	47%	\$12,942,246	\$3,536,815
055 GOLF COURSE FUND	\$1,165,727	\$850,677	\$927,168	\$926,234	\$714,443	\$-934	0%	\$971,293	\$45,059	5%	\$1,051,977	\$80,684
057 TRANSPORTATION & PARKING FUND	\$13,703,979	\$17,656,077	\$18,038,096	\$6,803,514	\$7,873,331	\$-11,234,582	-62%	\$6,933,915	\$130,401	2%	\$7,649,719	\$715,804
062 FLEET SERVICES FUND	\$409,894	\$521,502	\$874,294	\$840,004	\$510,626	\$-34,290	-4%	\$711,268	\$-128,736	-15%	\$552,736	\$-158,532
064 SELF INSURANCE FUND	\$1,867,103	\$1,848,254	\$1,423,816	\$1,089,514	\$879,652	\$-334,302	-23%	\$835,441	\$-254,073	-23%	\$581,368	\$-254,073
070 SALES TAX REV BOND - DEBT SVS FUND	\$1,881,265	\$1,958,852	\$1,160,392	\$1,159,267	\$1,159,602	\$-1,125	0%	\$1,151,205	\$-8,062	-1%	\$1,156,455	\$5,250
071 DEBT SERVICE FUND	\$408,246	\$412,312	\$407,093	\$400,651	\$358,544	\$-6,442	-2%	\$389,005	\$-11,646	-3%	\$159,754	\$-229,251
Total Park City Municipal Corporation	\$58,355,778	\$60,205,009	\$58,545,436	\$27,112,552	\$23,458,797	\$-31,432,884	-402%	\$28,786,673	\$1,674,121	-4%	\$31,382,764	\$2,596,091
Park City Redevelopment Agency												
023 LOWER PARK AVE RDA SPECIAL REVENUE FUND	\$0	\$0	\$0	\$0	\$0	\$0		\$29,488	\$29,488		\$58,106	\$28,618
033 REDEVELOPMENT AGENCY- LOWER PRK	\$7,823,811	\$9,084,417	\$9,877,290	\$1,374,200	\$631,085	\$-8,503,090	-86%	\$3,386,988	\$2,012,788	146%	\$2,427,714	\$-959,274
034 REDEVELOPMENT AGENCY- MAIN ST	\$1,679,751	\$1,397,569	\$1,237,956	\$944,306	\$837,043	\$-293,650	-24%	\$749,673	\$-194,633	-21%	\$546,040	\$-203,633
Total Park City Redevelopment Agency	\$9,503,562	\$10,481,986	\$11,115,246	\$2,318,506	\$1,468,128	\$-8,796,740	-110%	\$4,166,149	\$1,847,643	126%	\$3,031,860	\$-1,134,289
Municipal Building Authority												
035 BUILDING AUTHORITY	\$518,071	\$521,568	\$523,457	\$458,457	\$278,087	\$-65,000	-12%	\$461,457	\$3,000	1%	\$461,457	
Total Municipal Building Authority	\$518,071	\$521,568	\$523,457	\$458,457	\$278,087	\$-65,000	-12%	\$461,457	\$3,000	1%	\$461,457	

All Funds Combined

Revenue	Actual FY 2011	Actual FY 2012	Actual FY 2013	Original FY 2014	Adjusted FY 2014	% Total FY 2014	Original FY 2015	% Total FY 2015	Original FY 2016	% Total FY 2016
RESOURCES										
Property Taxes	\$17,043,800	\$18,320,525	\$18,191,179	\$17,871,989	\$18,734,714	14%	\$18,277,987	14%	\$18,111,919	15%
Sales Tax	\$12,492,244	\$13,366,791	\$14,039,372	\$17,198,451	\$17,254,167	13%	\$17,197,802	13%	\$17,738,755	15%
Franchise Tax	\$2,906,981	\$2,816,071	\$3,037,408	\$3,136,000	\$3,141,000	2%	\$3,277,000	2%	\$3,414,000	3%
Licenses	\$1,284,053	\$1,280,901	\$1,343,027	\$1,009,000	\$1,337,000	1%	\$1,363,215	1%	\$1,372,699	1%
Planning Building & Engineering Fees	\$1,464,715	\$1,427,160	\$1,932,448	\$2,136,000	\$3,439,000	2%	\$3,011,000	2%	\$3,015,000	3%
Other Fees	\$17,707	\$45,190	\$40,293	\$37,000	\$47,000	0%	\$42,000	0%	\$43,000	0%
Federal Revenue	\$5,818,357	\$7,656,860	\$1,287,283	\$2,131,200	\$4,514,200	2%	\$3,310,000	2%	\$2,060,000	2%
State Revenue	\$452,018	\$426,105	\$668,747	\$3,389,000	\$3,383,597	3%	\$372,000	0%	\$372,000	0%
County/SP District Revenue	\$138,214	\$107,855	\$790,534	\$60,000	\$348,000	0%	\$60,000	0%	\$60,000	0%
Water Charges for Services	\$8,416,666	\$9,915,490	\$12,199,081	\$11,862,500	\$14,607,884	9%	\$15,302,155	11%	\$15,945,141	13%
Transit Charges for Services	\$1,729,833	\$1,918,588	\$2,243,874	\$2,090,000	\$1,969,000	2%	\$2,440,701	2%	\$2,556,039	2%
Cemetery Charges for Services	\$20,516	\$19,196	\$24,777	\$22,000	\$26,000	0%	\$26,000	0%	\$27,000	0%
Recreation	\$1,916,305	\$2,694,849	\$3,020,781	\$3,158,999	\$3,071,000	2%	\$3,234,850	2%	\$3,344,596	3%
Ice	\$583,221	\$682,028	\$648,177	\$886,000	\$700,000	1%	\$720,500	1%	\$725,500	1%
Other Service Revenue	\$94,798	\$79,857	\$75,927	\$101,000	\$91,000	0%	\$92,000	0%	\$91,000	0%
Library Fines & Fees	\$22,408	\$19,661	\$19,079	\$22,000	\$21,000	0%	\$21,000	0%	\$21,000	0%
Fines & Forfeitures	\$708,529	\$621,446	\$757,842	\$678,200	\$749,200	1%	\$679,200	1%	\$679,200	1%
Misc. Revenues	\$3,462,074	\$3,891,592	\$1,635,205	\$4,455,746	\$2,849,948	3%	\$3,942,253	3%	\$1,193,856	1%
Interfund Transactions (Admin)	\$5,740,080	\$5,138,802	\$4,506,999	\$4,893,717	\$4,454,237	4%	\$4,675,808	4%	\$4,679,058	4%
Interfund Transactions (CIP/Debt)	\$4,158,532	\$4,038,841	\$3,160,141	\$2,310,741	\$9,474,901	2%	\$4,421,304	3%	\$4,489,366	4%
Special Revenues & Resources	\$750,993	\$1,694,513	\$720,067	\$238,912	\$430,500	0%	\$392,000	0%	\$392,000	0%
Bond Proceeds	\$2,158,592	\$244,982		\$11,650,000	\$29,393,543	9%	\$20,500,000	15%	\$4,400,000	4%
Beginning Balance	\$85,779,494	\$80,283,334	\$71,208,563	\$38,619,400	\$70,184,139	30%	\$29,889,515	22%	\$33,587,740	28%
TOTAL	\$157,160,132	\$156,690,637	\$141,550,802	\$127,957,855	\$190,221,030	100%	\$133,248,290	100%	\$118,318,870	100%

REVENUES

Property and sales taxes are the most significant sources of City revenue, representing an anticipated 50 percent share in FY 2015 when Beginning Balance and Inter-fund Transfers are excluded. Intergovernmental Revenue, Charges for Service, Franchise Taxes, Licenses and Fees comprise the remaining portion of revenue. Figure R1 shows the makeup of Park City's anticipated revenues for FY 2015.

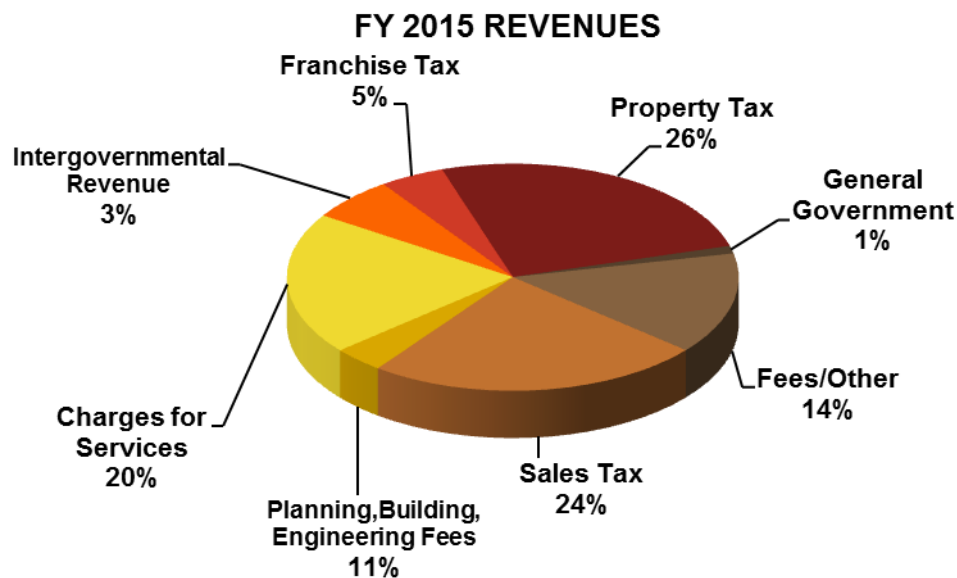


Figure R1 – Budgeted Revenue by Source

PROPERTY TAX

The Property Tax Act provides that all taxable property must be assessed and taxed at a uniform and equal rate on the basis of its "fair market value" by January 1 of each year. "Fair market value" is defined as "the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts."

Summit County levies, collects, and distributes property taxes for Park City and all other taxing jurisdictions within the County. Utah law prescribes how taxes are levied and collected. Generally, the law provides as follows: the County Assessor determines property values as of January 1 of each year and is required to have the assessment roll completed by May 15. If any taxing district within the County proposes an increase in the certified tax rate, the County Auditor must mail a notice to all affected property owners stating, among other things, the assessed valuation of the property, the date the Board of Equalization will meet to hear complaints on the assessed valuation, the tax impact of the proposed increase, and the time and place of a public hearing (described above) regarding the proposed increase. After receiving the notice, the taxpayer may appear before the Board of Equalization. The County Auditor makes changes in the assessment roll depending upon the outcome of taxpayer's hearings before the Board of Equalization. After the changes have been made, the Auditor delivers the assessment roll to the County Treasurer before November 1. Taxes are due November 30, and delinquent taxes are subject to a penalty of 2 percent of the amount of such taxes due or a \$10 minimum penalty. The delinquent taxes and penalties bear interest at the federal discount rate plus 6 percent from the first day of January until paid. If after four and one-half years (May of the fifth

REVENUES

year) delinquent taxes have not been paid, the County advertises and sells the property at a tax sale.

Park City's certified property tax rate is made up of two rates: (1) General Levy Rate and (2) Debt Service Levy Rate. The two rates are treated separately. The general levy rate is calculated in accordance with Utah State law to yield the same amount of revenue as was received the previous year (excluding revenue from new growth). If an entity determines that it needs greater revenues than what the certified tax rate will generate, statutes require that the entity must then go through a process referred to as "Truth in Taxation." The debt service levy is calculated based on the City's debt service needs pertaining only to General Obligation bonds. Figure R2 below shows Park City's property tax levies since calendar year 2007.

Tax Rate	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
General Levy	0.001493	0.001288	0.001087	0.001125	0.001327	0.001389	0.001431	0.001385
Debt Levy	0.000490	0.000386	0.000316	0.000654	0.000821	0.000741	0.000766	0.000746
Total:	0.001983	0.001674	0.001403	0.001779	0.002148	0.002130	0.002197	0.002131

Tax Collected	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 (Est)
General	\$6,325,091	\$6,516,899	\$6,415,910	\$7,042,481	\$7,860,645	\$ 8,960,869	\$ 8,932,263	\$9,476,000
Debt	\$2,188,909	\$2,188,909	\$2,188,909	\$3,997,000	\$4,558,315	\$ 4,568,904	\$4,565,873	\$4,557,989
RDA Increment	\$3,776,412	\$3,928,305	\$4,064,425	\$4,040,075	\$3,877,316	\$ 3,642,916	\$3,426,688	\$3,441,000
Fee-In-Lieu	\$227,953	\$232,688	\$160,187	\$171,183	\$202,117	\$223,561	\$204,935	\$201,000
Delinq/Interest	\$226,115	\$414,909	\$383,579	\$539,521	\$596,321	\$792,034	\$886,736	\$426,000
Total:	\$12,744,480	\$13,281,710	\$13,213,009	\$15,790,260	\$17,094,714	\$18,188,284	\$18,016,495	\$18,101,989

Table R2 – Property Tax Rates and Collections

SALES TAX

Park City depends a great deal on sales tax revenue to fund City services. Sales tax also helps to fund the infrastructure to support special events and tourism. Of the 7.95 percent sales tax on general purchases in Park City, the municipality levies a 1 percent local option sales tax, a 1.10 percent resort community tax, and a 0.30 percent transit tax. As part of the FY 2013 budget process City Council authorized a voter approved 0.50 percent Additional Resort Communities Sales and Use Tax. The additional tax went into effect April 1, 2013. The proceeds of the additional tax are received into the City's Capital Improvement Fund.

Sales tax revenue growth has remained fairly consistent over the past several years. The City projects annual sales tax revenue using a linear trend model. Sales tax revenue has experienced a notable recovery since the 2009 economic downturn. 2014 has shown notably positive growth when compared to 2013. Figure R3 shows actual sales tax amounts along with the forecasted amounts for FY 2015 and 2016. The large shift upwards in FY 2014 relates to the Additional Resort Communities Sales Tax.

Although sales tax revenue has maintained some consistency over the last 6 years, it is still considered a revenue source subject to national, state, and local economic conditions, as seen during the 2009-2010 recession. These conditions fluctuate based on a myriad of factors. Using a linear equation to forecast sales tax revenue helps to smooth out larger fluctuations and conservatively budget the revenue source. Sales tax revenue for the current fiscal year as well as FY 2015 is expected to grow when compared to FY 2013.

REVENUES

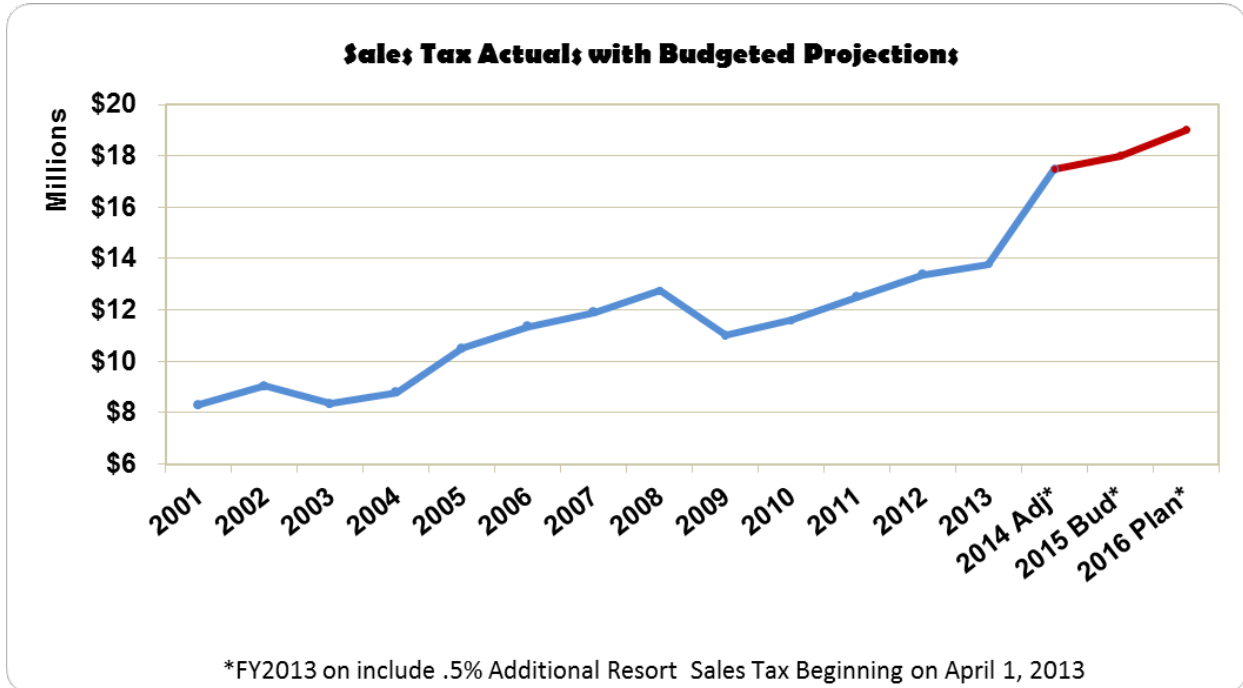


Figure R3- Sales Tax Actuals and Projections

Continued development of events and activities in the spring and summer months has helped to generate sales tax during the “off-season” months. Figure R4 displays the monthly sales tax revenue collections for FY 2014 in comparison with FY 2013 and a five-year historical average. Sales tax met last year’s January and exceeded February of last year. It is expected that March’s Sales Tax revenue will be significantly higher than last year’s March (which was adjusted to account for miscoded sales tax revenue which was redistributed to Summit County for sales in Snyderville Basin from December 2012- March 2013). This year is expected to be the highest grossing year for sales in Park City. This is due primarily to a rebounding winter recreation economy and the effects of large-scale lodging developments in recent years.

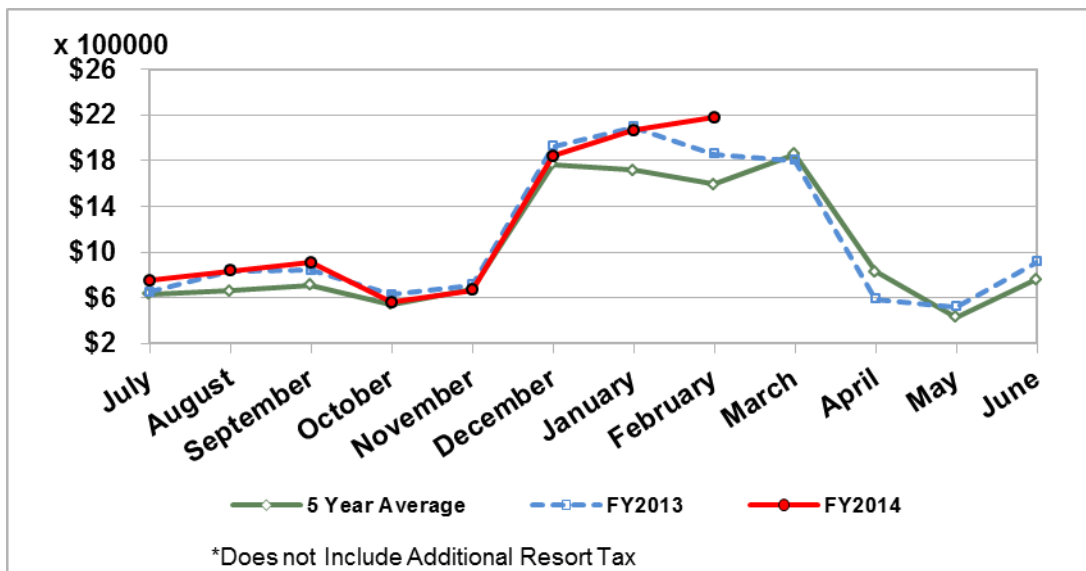


Figure R4 – Sales Tax for FY 2014 (Compared to a Five-year Average and FY 2013)

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STATE LEGISLATION AND SALES TAX

As previously stated, Park City's portion of sales tax is broken down into three components: local option (1%), resort community tax (1.1%, the resort community tax was increased to 1.6% effective April 1, 2013), and transit tax (0.30%). Table R5 shows the current sales tax rate. Park City collects the full amount for the resort community and transit taxes, but the local option tax collection is affected by a State distribution formula. All sales taxes are collected by the State of Utah and distributed back to communities. Sales taxes generated by the local option taxes are distributed to communities based 50 percent on population and 50 percent on point of sale.

Sales Tax Rates

Sales and Use Taxes	Rate Before April 1, 2013	Rate After April 1, 2013	2013 Food Sales
State of Utah			
General Sales & Use Tax	4.70%	4.70%	1.75%
Summit County			
County Option Sales Tax	0.25%	0.25%	0.25%
Recreation, Arts, and Parks Tax	0.10%	0.10%	0.00%
Park City			
Local Option Sales Tax	1.00%	1.00%	1.00%
Resort City Sales Tax	1.10%	1.60%	0.00%
Mass Transit Tax	0.30%	0.30%	0.00%
Total Park City "Base"	7.45%	7.95%	3.00%
Other Summit County Taxes			
Restaurant Tax*	1.00%	1.00%	N/A
Motor Vehicle Rental Tax*	2.50%	2.50%	N/A
Transient Room Tax*	3.00%	3.00%	N/A

* Added to the Park City "Base" depending on purchase

Table R5 – Sales Tax Rates

For communities like Park City, where the population is low in comparison to the amount of sales, the State distributes less than the full 1 percent levy. The State had in the past instituted a "hold harmless" provision to ensure that communities in this situation receive at least three quarters of the local option sales tax generated in the municipality. Due to this provision, Park City had always received around 75 percent of the 1 percent local option tax. During the 2006 Legislative Session, the State removed the "hold harmless" provision. As part of that same legislation, Park City, as a "hold harmless" community, was guaranteed by the State to receive at least the amount of local option sales tax that was distributed in 2005, or \$3,892,401. This provision was sunsetted in 2012.

Due to natural economic growth in the past, Park City had surpassed the 2005 sales tax revenue. This has in past years resulted in Park City receiving less than the 75 percent of the 1 percent local option sales tax. Park City currently receives around 64 percent of the 1 percent levy. However in FY 2009 and FY 2010, due to the economic downturn, the local option sales tax fell below the 2005 level and consequently Park City received local option sales tax at the 2005 level.

Figure R6 shows the percentage of the sales tax revenue lost in FY 2011 compared to the previous five year average before the legislative change. This amounts to an estimated loss of

REVENUES

\$895,000 in sales tax revenue during FY 2011; due to the 2005 local option sales tax level provision (hold harmless) estimated losses for FY 2009 and FY 2010 were less significant. FY 2011 is displayed in the following table to reflect a non-recessionary year in which no hold harmless payments occurred. Redistribution percentages in subsequent years have remained relatively consistent with those shown in FY2011.

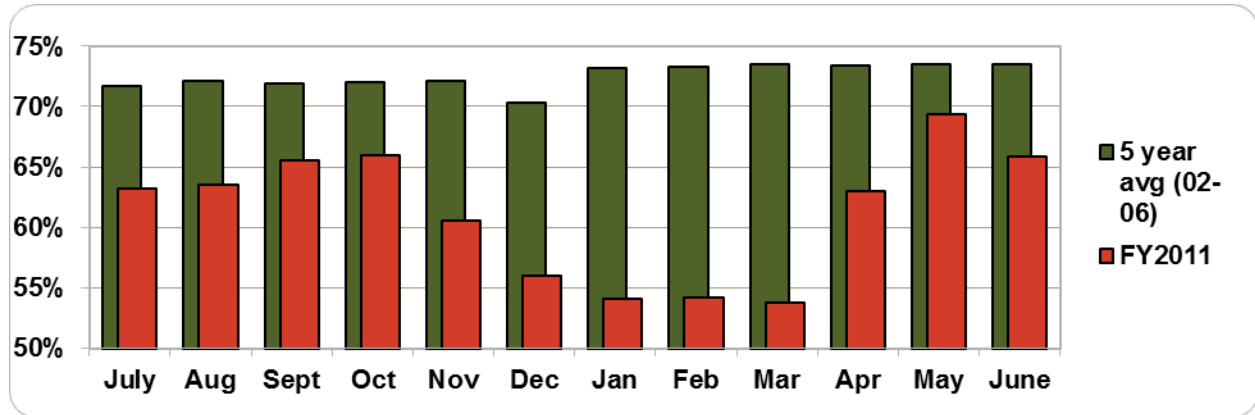


Figure R6 – Local Option Tax Distribution

The local option tax contributes a significant portion of the total sales tax revenue. Figure R7 shows the portions of total sales tax attributable to local option, resort community and transit taxes. FY 2014, FY 2015 & FY 2016 include the full additional resort sales tax revenue. The additional resort sales tax is projected and on track to generate an approximate \$3.2 million in FY 2014.

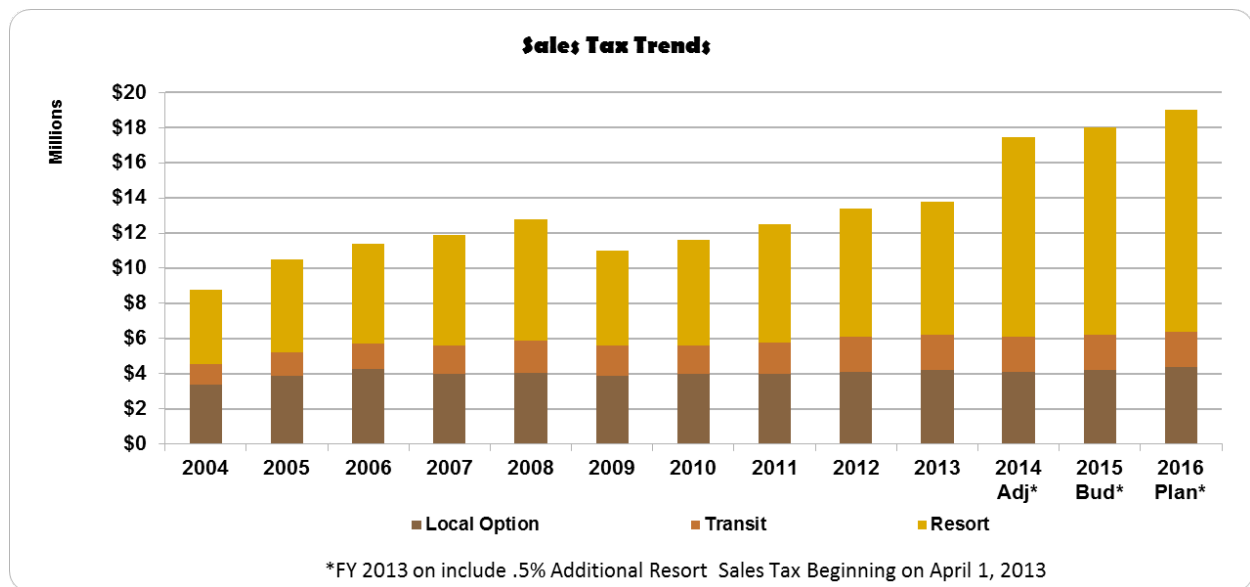


Figure R7 - Sales Taxes Breakdown

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OTHER REVENUE

Revenue sources other than property and sales tax include fees, franchise taxes, grants and other miscellaneous revenue. Total revenue from sources other than property and sales tax make up a large portion of the FY 2015 Budget. Figure R8 shows a projected breakdown of other revenue by type and amount.

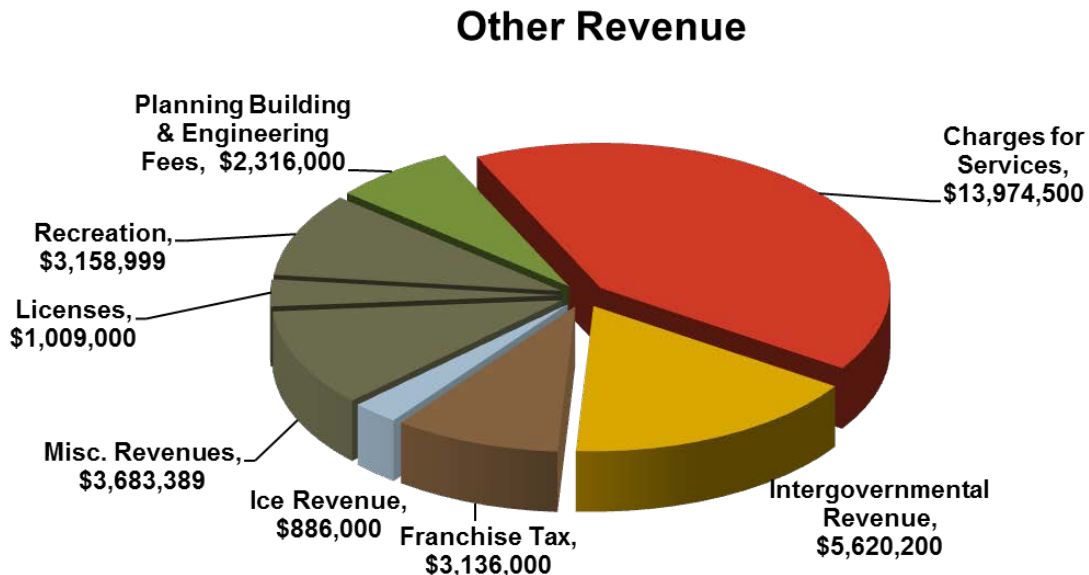


Figure R8 – Other Revenue Breakdown

The City has fees associated with business licenses, recreation, water, planning, engineering, and building services. The franchise tax is a gross receipts tax levied by the City on taxable utilities made within the City to various utility companies. The Fees/Other category consist of license revenue, fines & forfeitures, and miscellaneous revenues. With the exception of water fees and charges for services, revenues such as fee revenue, business license revenue, and franchise taxes, are budgeted on a multi-year trend analysis and assume no significant changes in the local economy. These revenue sources are predicted using a linear trend model. Charges for services are projected using a logarithmic trend, which has the forecasted revenue leveling off over time as the City approaches build-out. Water service fees are calculated on a multi-year trend analysis based on previous water consumption, but also incorporate a new growth factor.

Park City receives additional revenue by collecting development impact fees. These fees include street impact fees, water impact fees, public safety impact fees, and open space impact fees. These fees reflect the calculated cost of providing city services to new, private development projects. State law requires that collected impact fees are applied to the capital facilities plan within six years of the collection date.

The Park City Golf Club receives revenue from greens fees, cart rental, pro-shop sales, golf lessons, and other miscellaneous fees and services. The Park City Golf Club is an enterprise fund; all revenues collected from the golf club are used to fund golf course operating and

REVENUES

improvement costs. The financial objective for the Park City Golf Club is to break even or show a slight profit. The collected revenue of the Park City Golf Club for FY 2013 was \$1,511,977. The Golf course uses and fees remain relatively consistent year to year. It is expected that the Park City Golf Club will see similar revenues in FY 2014 and 2015 as in FY 2013.

Park City also receives grants from the federal, state, and county governments to fund various capital projects. These projects include public safety, transit, and water delivery programs. Grant monitoring and reporting is done through the Budget, Debt, and Grants department. All grants are budgeted when they are awarded. This conservative approach means that core municipal services are not held hostage when grant funding becomes tight or is no longer available.

Municipal bonds are another way for Park City to fund capital projects and the redevelopment agencies on Main Street and Lower Park Avenue. In 2010 Moody's and Fitch increased their rating on Park City General Obligation debt to Aa1 and AA+ respectively. In 2008, Standard & Poor's increased their rating of Park City's General Obligation debt to AA and in 2014 the rating was increased to AA+. The State of Utah limits a city's direct GO debt to 4 percent of assessed valuation. The City's debt policy is more conservative, limiting total direct GO debt to 2 percent of assessed valuation. Park City's direct debt burden in 2013 was 0.56 percent or approximately one quarter of the City's 2 percent policy limits. For more information on Park City's debt management policies, see the Policies and Objectives section of this budget document.

EXPENSES

The FY 2014 Adjusted Budget reflects a .03% operating increase from the FY 2014 Original Budget and a 4.7% operating increase from FY 2013 actual expenditures. FY 2014 adjusted capital budgets appear extremely high, but the vast majority of the \$86 million budgeted for capital is carry-forward budget. Unlike operating budgets, capital projects may take multiple years to complete, thus the budgets for capital need to be renewed each year. At the end of each fiscal year, the unspent budget for each capital project is calculated and added to the new fiscal year's budget as part of the adjusted budget. That carry-forward amount from FY 2013 is \$44.1 million.

Expenditure Summary by Major Object - All Funds

	FY 2011	FY 2012	FY 2013	FY 2014 Ori Bud	FY 2014 Adj Bud	FY 2015 Budget	FY 2016 Plan
Personnel	21,002,701	22,750,251	23,724,613	26,613,165	26,565,813	27,984,789	29,016,004
Materials, Supplies & Services	12,194,207	13,330,837	14,135,698	13,587,399	14,524,907	14,894,569	14,973,448
Capital Outlay	32,453,266	29,823,669	15,277,156	44,388,144	91,890,680	36,699,481	19,275,315
Debt Service	13,212,086	10,399,905	10,562,058	10,638,677	13,100,177	10,812,058	10,638,597
Contingency	21,850	3,946		321,000	321,000	346,000	371,000
Actual Budget	\$78,884,110	\$76,308,608	\$63,699,525	\$95,548,385	\$146,402,377	\$90,736,897	\$74,274,364
Budget Excluding Capital	\$46,430,844	\$46,484,939	\$48,422,369	\$51,160,241	\$54,511,697	\$54,037,416	\$54,999,049
Interfund Transfers	9,898,612	9,177,643	7,667,140	7,204,457	13,929,137	9,097,113	9,168,425
Ending Balance	68,377,411	71,208,563	70,184,139	25,205,012	29,889,515	33,414,279	34,876,081
Subtotal	\$78,276,023	\$80,386,206	\$77,851,279	\$32,409,469	\$43,818,652	\$42,511,392	\$44,044,506
Grand Total	\$157,160,133	\$156,694,814	\$141,550,804	\$127,957,854	\$190,221,029	\$133,248,289	\$118,318,870

Table E1 – Expenditures by Major Object (All Funds Combined)

The FY 2015 Budget is increasing to \$54 million, which is a 5.5% increase from the FY 2014 Adjusted Budget. The increase is due to Pay Plan increases, Affordable Care Act provisions, Retirement increases, and operating expenses to keep up with demand for services. These changes are more fully discussed further in this section as well as in the Budget Issues section along with details on other committee recommendations, operating budget changes, and major capital requests.

Table E1 shows citywide expenditures by Major Object. The FY 2014 Adjusted Budget reflects a decrease in personnel expenses of 0.13% from the FY 2014 Original Budget due to vacancy factor adjustments. This will be closely monitored and probably adjusted again for the final budget. FY 2015 shows a 5.2% increase in personnel from the FY 2014 Adjusted Budget due primarily to personnel additions, ACA provisions, and retirement increase.

OPERATING BUDGET

The Operating Budget consists of Personnel, Materials, Supplies, and Services, Departmental Capital Outlay, and Contingencies for each department.

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PERSONNEL

Three major changes that are affecting personnel budgets are the Pay Plan, the Utah Retirement System (URS), and Affordable Care Act (ACA) provisions increase. These are all described in detail below:

Health Insurance Costs

In recent years, the cost of Park City's health insurance has risen dramatically between 8-22% per year. Historically, the City picked up almost the entirety of the tab for these increases, until three years ago when the City asked employees to pay \$50 more per month for family health insurance. These double digit percentage increases, while consistent with trends seen across the nation, are nonetheless alarming and indicate a different approach to providing this benefit may need to be explored in the future.

There will be no increase to the cost of health insurance for FY 2015, which is very fortunate. The national average is around 10-12%. Health plans will remain largely unchanged, so the vast majority will be able to maintain their current coverage option. Also, Human Resources will be continuing to expand the City's current Wellness Program to help mitigate future increases. Efforts through the City's wellness program to educate and incentivize healthy behavior may have already begun to affect health care costs with this very low renewal. HR is also examining a future increased premium in some benefit areas for those employees who use tobacco products.

The hope continues to be that employees will become more aware of and accountable for medical expenses. Programs aimed at preventative care, such as the City's Wellness program, could keep usage down, and lower usage should translate to more modest renewal rates. In Table E2 the FY16 Plan shows what a typical increase is for the impacted funds below. Staff will not know what the actual rate increases are until this time next year.

Health Insurance Changes by Fund (Change from FY2014 Adopted Budget)

	FY 2015 Budget	FY 2016 Plan
Fund 11 General Fund	\$0	\$264,616
Fund 12 Quinn's Recreation Complex	\$0	\$9,548
Fund 51 Water Fund	\$0	\$32,736
Fund 55 Golf Fund	\$0	\$8,184
Fund 57 Transportation Fund	\$0	\$98,208
Fund 62 Fleet Services Fund	\$0	\$12,276
Total	\$0	\$425,568

Tables E2 – Health Insurance by Fund

Pay Plan

Park City has a market-based pay philosophy. The Pay Plan attempts to ensure the uniform and equitable application of pay in comparison to the Utah and Colorado municipal employee market.

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Every two years Park City compares its employee compensation data with approximately 30 communities from the Wasatch Front, the Colorado Municipal League, and Summit County (the Wasatch Compensation Group). The Technical Committee looks at job descriptions and compares with similar positions or “benchmarks” to determine market pay for any given position. The City Manager chooses the metrics that determine how salaries should be set and defines a threshold at which positions should be reclassified. The Pay Plan Committees is formed to review the benchmark data and make recommendations for reclassification to the City Manager.

The Pay Plan Committee has two major responsibilities:

1. Determine where internal equity positions should fit in the Pay Plan; and
2. Review the recommendations of the Technical Committee.

As the City’s Pay Plan philosophy develops, it is critical that the City’s compensation and reclassification policies are monitored and adjusted as appropriate. Of particular concern is how an employee moves to working level, eligibility for a performance bonus, and professional development within families of positions.

While the Park City economy has had a strong recovery, the same cannot be said for all communities across Utah and Colorado. The average recovery has been more modest than Park City’s, so the Pay Plan adjustments are modest as compared to the strength of Park City’s economic recovery.

The economic recovery will continue to make it more difficult for the City to compete with the private sector. For the City to maintain its high quality staffing, it will be important for the Pay Plan to keep pace.

In Table E3, the FY 2015 increase reflects the pay plan increases to positions that were recommended to move by the Pay Plan Committee, resulting in a \$363,000 personnel increase. In the second year of the biennium an overall 2% increase to the grades in the city is applied. This will result in a \$951,000 increase in personnel over FY 2014.

Pay Plan Changes by Fund (Change from FY2014 Adopted Budget)

	FY 2015 Budget	FY 2016 Plan
Fund 11 General Fund	\$294,294	\$699,910
Fund 12 Quinn's Recreation Complex	\$3,161	\$16,654
Fund 51 Water Fund	\$54,591	\$90,464
Fund 55 Golf Fund	-\$18	\$15,855
Fund 57 Transportation Fund	\$10,939	\$117,185
Fund 62 Fleet Services Fund	\$0	\$10,838
Total	\$362,967	\$950,906

Tables E3 – Pay Plan Increase by Fund

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Retirement Expense

All Full-time Park City employees are part of the Utah Retirement System (URS) defined benefit program. The City is required by statute to contribute a certain percentage of employee pay toward the URS pool annually.

During FY 2014, URS required a 17.29% contribution for general municipal employees (32.14% for sworn officers). For FY 2015, URS will require an 18.47% contribution (34.04% for sworn officers).

The budget impact for this change is detailed in Table E4 below.

URS Adjustments by Fund (Change from FY2014 Adopted Budget)

	FY 2015 Budget	FY 2016 Plan
Fund 11 General Fund	\$137,159	\$298,629
Fund 12 Quinn's Recreation Complex	\$3,813	\$8,102
Fund 51 Water Fund	\$16,265	\$45,405
Fund 55 Golf Fund	\$2,927	\$8,751
Fund 57 Transportation Fund	\$28,555	\$68,344
Fund 62 Fleet Services Fund	\$5,161	\$12,647
Total	\$193,880	\$441,878

Tables E4 – URS Adjustment by Fund

Affordable Care Act (ACA) – Employer Shared Responsibility Provisions

The Affordable Care Act (ACA) provisions outline rules for the City on positions which may be required to include health coverage. The City currently employs several groups of employees who could be eligible for coverage under the new law. Over the last year through an “Affordable Care Act Committee”, the HR department has teamed with all departments who have any potentially eligible employees to examine hours worked, City needs and potential reductions hours worked or service levels. Each position which fits certain criteria has been examined individually, and in many cases hours have been reduced, schedules changed, and/or additional employees have been hired to reduce the total hours worked by one individual and eliminate health coverage eligibility. Service levels have not been reduced, but may be impacted slightly. However, in limited cases it has been impossible to reduce hours worked by one position to eliminate health coverage eligibility without a large impact on service levels.

The departments most impacted would be the Transit, Streets and Parks departments. While mainly reductions have been looked at Citywide, maintaining similar service levels in these departments would be impossible. Some hours and changed schedules even in these departments have occurred, however part-time and/or seasonal employees are not able to completely cover service needs. After much consideration, it has been determined that a severe impact to service levels would occur if all eligible employees had their hours cut below the ACA threshold and thus a workable and cost-effective solution was determined to be necessary.

Thus, the “Affordable Care Act Committee,” along with the City Manager, recommend a hybrid approach of offering health insurance to some eligible employees and cutting back hours of

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others over a period of time. This is staff's recommended option because 24 current employees would be offered health insurance and the level of service decrease should be minimal.

ACA: General Fund

Nine employees in the Streets and Parks departments would be made full-time regulars (FTRs) while the penalty would be paid for the remaining five employees. The City will only be responsible for paying a penalty if there is an eligible employee that the City does not offer coverage to and that employee files for and receives a Premium Tax Credit on their tax return. The eligible employees not receiving coverage would have their hours reduced to below that of eligibility over the next year. For the nine FTRs there would be a cost increase of \$31,165 for a seasonal Parks III to move to full-time, and \$28,937 for a seasonal Streets III to move to a FTR. There would be four new FTR Parks III's and five new FTR Streets III's.

$$(\$3,000 \times 5) + (4 \times \$31,165) + (5 \times \$28,937) = \mathbf{\$284,385 \text{ cost to GF}^*}$$

*Parks and Streets are helping to offset this by decreasing budget to the tune of about \$90,000. They are able to do this due to the increased level of service that having more FTRs would bring. That would bring the total cost to the General Fund to **\$194,385**.

ACA: Transit Fund

The Transportation Fund is able to cover the cost of health insurance through five vacant FTR positions and a reduction in part-time budget. Transit has estimated that it can offer up to 15 eligible employees health insurance without impacting their personnel budget. Due to Transit's budget flexibility an immediate solution is not required. It is anticipated over the next year that Transit will consider whether some of these positions may turn into FTRs. Like Parks and Streets, however, employees not moved to FTR would have their hours reduced to below that of eligibility in a few years. Due to this personnel change, it is staff's hope that they can continue to operate as they do now, but exact impacts to the transit system are unclear, which may lead to more FTR positions requested in the future.

$$\text{Transportation Cost} = 15 \text{ Employees} \times \$18,000 = \$270,000 \text{ TF}^*$$

*Total cost would be offset within Transportation Fund (5 FTR Vacant positions and decrease to part-time budget).

Personnel Changes

Departments submitted personnel requests for the FY 2015 Budget and the FY 2016 Plan. The impacts of all recommended personnel budget requests increases are shown for each fund in Table E5.

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Total Personnel Options by Fund (Change from FY2014 Adopted Budget)

	FY14 Adj Budget	FY 2015 Budget	FY 2016 Plan
Fund 11 General Fund	-\$82,170	\$501,106	\$571,227
Fund 12 Quinn's Recreation Complex	\$34,618	\$81,767	\$81,717
Fund 51 Water Fund	\$0	\$51,243	\$51,162
Fund 55 Golf Fund	\$0	-\$3,844	-\$3,904
Fund 57 Transportation Fund	\$0	\$132,330	\$131,901
Fund 62 Fleet Fund	\$0	\$93,934	\$93,890
Fund 64 Self Insurance Fund	\$0	\$0	\$0
Total	-\$47,552	\$856,535	\$925,993

Tables E5 – Recommended Personnel Requests by Fund

Personnel is accounted for using a full-time equivalent (FTE) measure, where 1 FTE indicates the equivalent of a full-time position (2,080 annual work-hours), which could be filled by multiple bodies at any given time. Generally, one Full-time Regular employee is measured as 1 FTE, whereas a Part-time Non-benefited or Seasonal employee might account for a fraction of an FTE. Changes in FTEs per department for the FY 2014 Adjusted Budget, FY 2015 Proposed Budget and FY 2016 Plan are found in Table E6 on the following page.

Building Maintenance Administration is adding 1 FTE in the form of a Building Maintenance IV worker. The additional Cost for this position will be \$72,546.

A Budget Analyst will be added to and split four ways between the Budget, Transportation, Water and Lower Park Operating RDA departments. This will result in an increase of .25 FTEs to all four of these departments. The cost to the Budget department/General Fund is \$22,050.

The Building Department is adding a Senior Inspector and a Business License Inspector. This will increase the Building Department's FTEs by 2. The cost increase will be \$189,404.

City Recreation is increasing part-time recreation instructors by 0.15 FTEs. This will result in a cost increase of \$14,545.

Intergovernmental & Environment is a new department that is taking over some functions of Community Affairs and absorbing Environmental Regulatory and Leadership. The increase of 2.20 FTEs in Intergovernmental & Environment comes from a reduction of .10 FTEs from Leadership, 1 FTE from Environmental Regulatory and 2.10 FTEs from Community Affairs. This is an overall reduction of 1 FTE.

The Fields, Parks & Cemetery, Street Maintenance and Transportation Operations departments were all involved in efforts to bring the City into compliance with the ACA, and these personnel developments are discussed elsewhere in this document.

The Fleet Services Department added 1 FTE in the form of a Mechanic, and .35 FTEs in the form of an Analyst II. The Analyst II used to be an Office Assistant III and was split between the Parking Department 25%, Water Operations 25% and Street Maintenance 50%. In order to better

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reflect the position's workload, it was converted to an Analyst I. The total increase to the Fleet Services Department is \$96,655.

In FY 2015 the Golf Pro Shop added a net total of 1.02 FTEs. The Analyst II with .50 FTEs went away, and a Recreation Coordinator, .70 FTEs; a Beverage Cart Attendant, .59 FTEs; and a Beverage Cart Supervisor, .23 FTEs were added. In FY 2015 the net cost increase is \$14,057.

The Ice Facility is adding .10 FTEs of a part-time Recreation IV worker. The total cost increase is \$4,497.

Library is increasing part-time employees by .03 FTEs. The total cost increase is \$1,072.

The Parking department has a net increase of .20 FTEs. There is a decrease of .25 FTEs with the removal of the Office Assistant III. There is a .25 FTE increase of the Transit and Transportation Manager and a .20 FTE increase with the Parking Adjudicator moving from Transportation Operations to the Parking Department. The total increase is \$41,011.

The Planning Department is adding a Planner I, which is an increase of 1 FTE. The total cost increase is \$91,335.

The Police Department is eliminating the Detective, 1 FTE; a Sergeant, 1 FTE; and a part-time Victim Advocate, .65 FTEs. A full-time Victim Advocate, 1 FTE; and a Lieutenant, 1 FTE are being added to Police. This results in a net decrease of .65 FTEs for Police. The net cost decrease is \$38,956.

Tennis is adding .73 FTEs of Tennis Pros. The total cost increase is \$58,449.

The Analyst II in charge of Water Billing is being moved into Water Operations. This results in a net reduction of 1 FTE in Water Billing. Water Operations is also gaining an Analyst I, .13 FTEs; and a Budget Analyst, .25 FTEs. The Analyst I is replacing the Office Assistant III, .25 FTEs for a net increase of 1.13 FTEs in Water Operations. The net cost increase is \$85,203.

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FTE's By Department

Department	Original FY 2014	Adjusted FY 2014	FTEs FY 2015	Change FY 2015	FTEs FY 2016	Change FY 2016 (From FY14)
BLDG MAINT ADM	5.00	5.00	6.00	1.00	6.00	1.00
BUDGET, DEBT & GRANTS	3.00	3.00	3.25	0.25	3.25	0.25
BUILDING DEPT.	13.00	13.00	15.00	2.00	15.00	2.00
CITY MANAGER	4.00	4.00	4.00		4.00	
CITY RECREATION	27.83	27.83	27.98	0.15	28.34	0.51
COMMUNICATION CENTER	10.39	10.39	10.39		10.39	
COMMUNITY AFFAIRS	5.65	5.65	3.55	(2.10)	3.55	(2.10)
DRUG EDUCATION	0.20	0.20	0.20		0.20	
ECONOMY	5.25	5.25	5.25		5.25	
ENGINEERING	2.75	2.75	2.75		2.75	
ENVIRONMENTAL REGULATORY	1.00	1.00		(1.00)		(1.00)
FIELDS	1.83	1.83	2.83	1.00	2.83	1.00
FINANCE	6.65	6.65	6.65		6.65	
FLEET SERVICES DEPT	8.00	8.00	9.35	1.35	9.35	1.35
GOLF MAINTENANCE	8.98	8.98	8.98		8.98	
GOLF PRO SHOP	4.93	4.93	5.95	1.02	5.95	1.02
HUMAN RESOURCES	5.14	5.14	5.14		5.14	
ICE FACILITY	8.42	8.42	8.52	0.10	8.52	0.10
INTERGOVERNMENTAL & ENVIRONMENT			2.20	2.20	2.20	2.20
LEADERSHIP	0.10	0.10		(0.10)		(0.10)
LEGAL	7.00	7.00	7.00		7.00	
LIBRARY	11.37	11.37	11.40	0.03	11.64	0.27
LOWER PARK AVENUE RDA			0.25	0.25	0.25	0.25
MCPOLIN BARN	0.25	0.25	0.25		0.25	
PARKING	7.75	7.75	7.95	0.20	7.95	0.20
PARKS & CEMETERY	18.24	18.24	18.58	0.34	18.58	0.34
PLANNING DEPT.	8.00	8.00	9.00	1.00	9.00	1.00
POLICE	34.60	34.60	33.95	(0.65)	33.95	(0.65)
STATE LIQUOR ENFORCEMENT	1.30	1.30	1.30		1.30	
STREET MAINTENANCE	17.37	17.37	17.34	(0.03)	17.34	(0.03)
TECHNICAL & CUSTOMER SERVICES	9.47	9.47	9.47		9.47	
TENNIS	4.00	4.00	4.73	0.73	4.69	0.69
TRANSPORTATION OPER	80.79	80.79	77.21	(3.58)	77.21	(3.58)
WATER BILLING	1.00	1.00		(1.00)		(1.00)
WATER OPERATIONS	21.86	21.86	22.99	1.13	22.99	1.13
TOTAL	345.12	345.12	349.41	4.29	349.97	4.85

Table E6 - FTE Changes by Department

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The following Table E7 shows the changes in FTEs by fund. The General Fund is increasing by 3.61 FTEs in FY 2015 from the FY 2014 Original Budget.

Fund	FY 2014	FY 2014	FY 2015	FY 2016
	Original	Adjusted	Budget	Plan
General Fund	201.56	201.56	205.38	205.94
Quinn's Recreation Complex	10.25	10.25	11.35	11.35
Lower Park Avenue RDA	0.00	0.00	0.25	0.25
Water Fund	22.86	22.86	22.99	22.99
Golf Fund	13.91	13.91	14.93	14.93
Transportation Fund	88.54	88.54	85.16	85.16
Fleet Services Fund	8.00	8.00	9.35	9.35
Self Insurance Fund	0.00	0.00	0.00	0.00
TOTAL	345.12	345.12	349.41	349.97

Table E7 - FTE Change by Fund

The following charts display Park City's personnel growth rates compared with state statistics reflecting employment totals for local governments. Figure E8 shows the Number of FTRs and the number of Part-Time Non-Benefitted/Seasonal FTEs employed by Park City over time. Figure E9 shows the percentage change in Park City's full-time regular (FTR) positions compared with the percentage change in employment for local government in the state of Utah. This type of graph is helpful as a benchmark to evaluate changes in employment levels. The unusually high percentage increase in full-time positions in FY 2007 is attributed to the change of several temporary bus driver positions to full-time status.

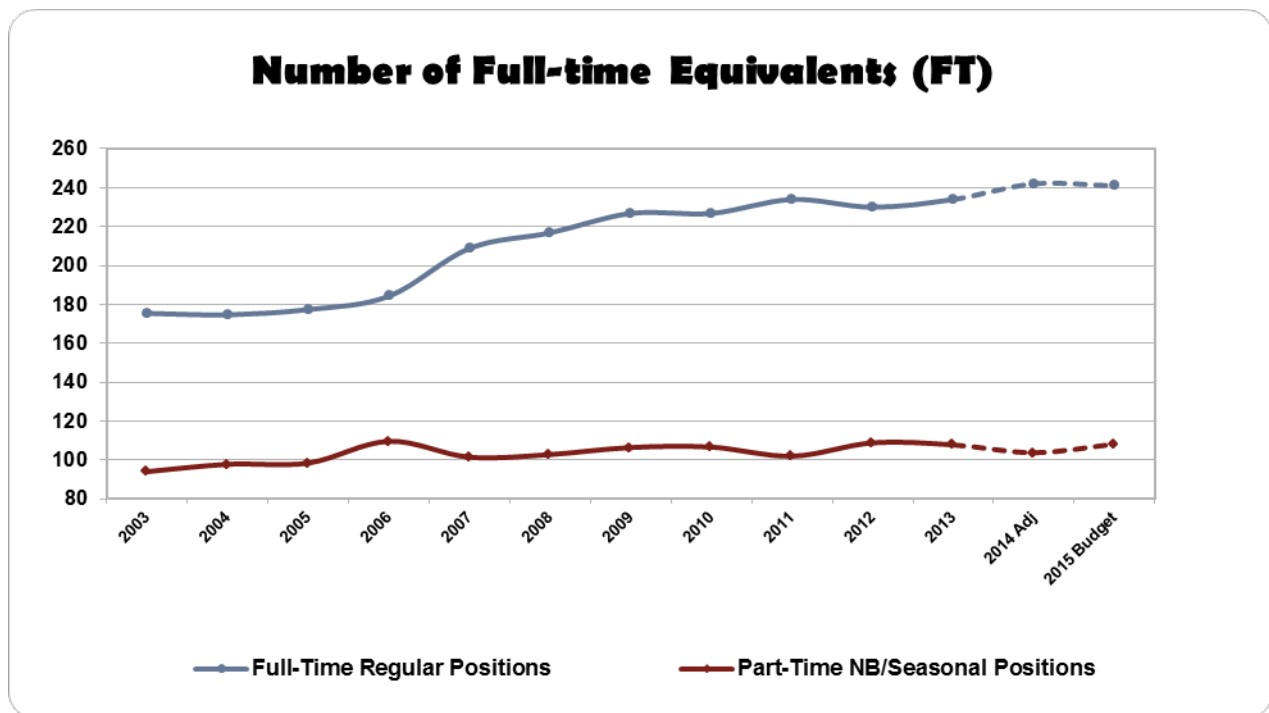


Figure E8 – FTE Totals

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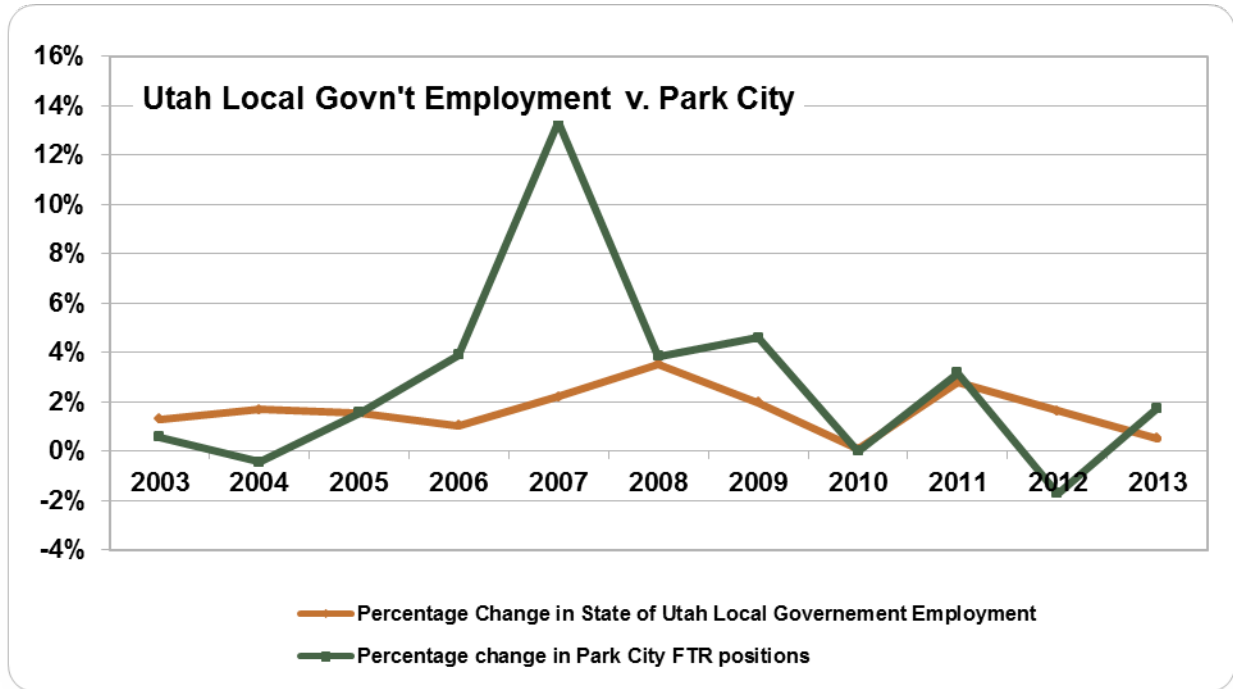


Figure E9 - Percentage Change in Park City and State Employment

The employment totals for Park City FTR positions and local government for the state of Utah are compared in Figure E10. Park City FTR positions saw an increase in FY 2007 after several years of remaining relatively stable. A comparative graph such as this can show whether or not a municipality is following a larger trend among similar local governments. Park City's personnel appears to be growing at the same rate as other cities in Utah in recent years. This is largely due to the recent recession which curbed revenues.

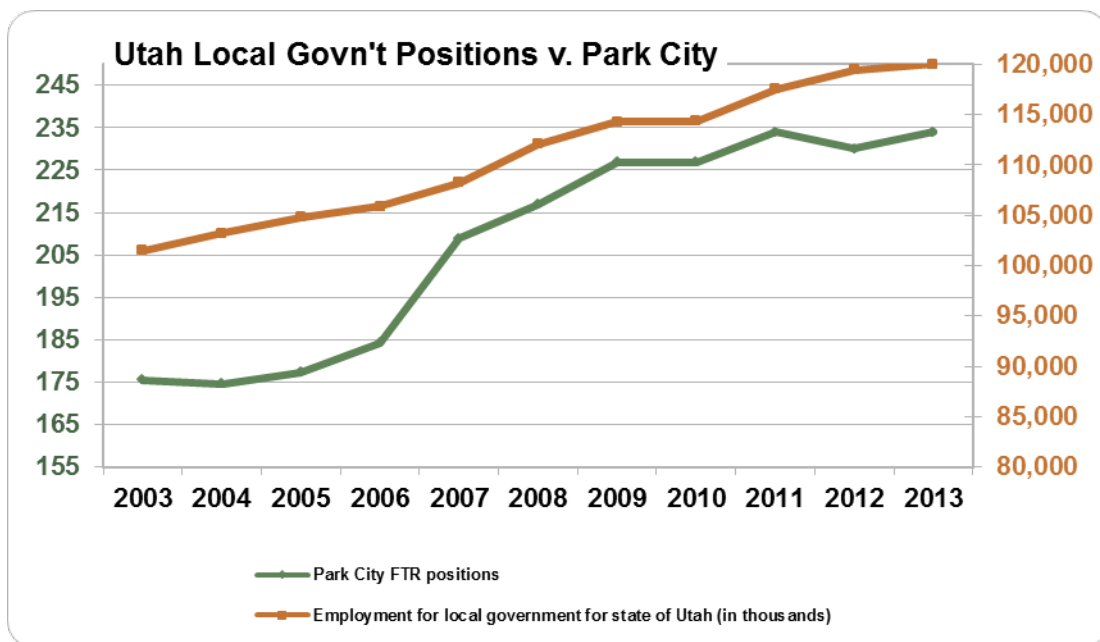


Figure E10 – Employment Totals for Utah Local Government and Park City FTR Positions

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MATERIALS, SUPPLIES, AND SERVICES

The Table E11 below displays the increases to Materials, Supplies, and Services by fund over the FY 2014 adopted budget. The vast majority of requests for increased funding for Materials, Supplies, and Services were not included in the recommended budget; considering the impact of inflation, this was a functional reduction to most budgets. Recommended increases to Materials, Supplies, and Services budgets in the General Fund were only included in the recommended budget if they were deemed very necessary. This is mostly made up of \$40,000 to pay for LEAD training (with a \$20,000 offset in a decrease to the Venture Fund) and materials needed to keep up with extraordinary demand increases. In FY16 the main increases for are for building maintenance supplies and emergency management contingency funds. The Water Fund increase is mainly due to utility cost increases. The Golf Fund increase is to fund its own concessions service, which will have a revenue offset. The Transportation Fund decrease is to offset Affordable Care Act increases. The increase in the Self-Insurance Fund is to fund a new program called Safety and Security.

Total Materials, Supplies & Services Options by Fund (Change from FY2014 Adopted Budget)

	FY 2014 Adj Bud	FY 2015 Budget	FY 2016 Plan
Fund 11 General Fund	\$83,406	\$33,971	\$79,182
Fund 12 Quinn's Recreation Complex	\$100,000	-\$4,000	\$6,000
Fund 51 Water Fund	\$0	\$362,011	\$442,576
Fund 55 Golf Fund	\$0	\$45,807	\$45,807
Fund 57 Transportation Fund	\$0	-\$63,216	-\$63,216
Fund 62 Fleet Fund	-\$318,051	\$0	\$0
Fund 64 Self Insurance Fund	\$0	\$45,500	\$45,500
Total	-\$134,645	\$420,073	\$555,849

Tables E11 – Materials, Supplies & Services Options by Fund

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CAPITAL BUDGET

The capital budget, as proposed by the City Manager, continues to fund high priority projects which meet Councils four goals. The following table shows a summary of current major projects with proposed funding amounts.

Major Capital Projects in 5-Year CIP				
Projects	Proposed Budget	Principal Funding Sources	Scheduled Start	Scheduled Finish
Walkable Community Projects (Total to be Completed)	\$6.8 Million	GO Bond	Underway	Phased
Water Projects (2014 - 2019)	Estimate \$44 Million	Water Revenue (Bonds)	Underway	Phased
OTIS (Total to be Completed)	\$14 Million	Resort Sales Tax & Water Revenue (Bonds)	Underway	Phased Over 8 Years
PCMR Transit Center	\$1.5 Million	Federal Grant Transit Sales Tax	Pending	Pending
Main Street/Downtown Enhancements	11.5 Million 3 Million	Resort Sales Tax GOED ED Funding	Underway	2020
Deer Valley Drive II	\$4.4 Million	Resort Sales Tax	Underway	2015
Royal Street Rebuild	\$950K	General Fund Streets Impact Fees	2014	2015
Soils Repository	\$4.2 Million	Sale of Asset General Fund	Pending	Phased
Storm Drain Improvements	\$8.5 Million	Resort Sales Tax	2015	2022
Library Expansion and Renovation (Total Anticipated Capital Cost)	\$9.3 Million	Lower Park RDA	2014	2015
Open Space Acquisitions	11.5 Million	Resort Sales Tax	Pending	Pending
Senior Community Center	\$1 Million	Lower Park RDA	2015	2016
Multi-Generational Housing	\$8 Million	Lower Park RDA	2015	2018
Prospector Ave. Rebuild	\$1.4 Million	Federal Grant General Fund	2016	2017
Prospector Drain - Regulatory Project	\$3.2 Million	General Fund	Underway	Phased
Bonanza Park Redevelopment Infrastructure	\$1.3 Million	CIP Fund Balance	Pending	Pending

Figure E11 – Major Capital Projects

This year's CIP committee (Blake Foncesbeck, Jon Weidenhamer, Ken Fisher, Marina Smith, Nate Rockwood, Matt Cassel, Scott Robertson, Kayla Sintz and Matt Twombly) scored and prioritized all new and existing projects and all projects with significant changes in funding types or amounts and integrated them into the 5-Year Capital Improvement Plan. These projects were reviewed and ranked based on five criteria: Objectives (City Council Goals), Funding, Necessity, Previous Investment, and Cost/Benefit. In addition, this year projects were also evaluated and scored based on environmental impact (as measured by potential carbon reduction or increase to the City). The CIP requests and recommendations are highlighted in the Expenditures section of the City Manager's Recommended Budget Vol. 1, with a complete detailed CIP report included in the Volume II.

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At the time of prioritization, projections showed a general fund transfer to the CIP Fund of approximately \$3.2 million in FY 2014, \$3.1 million in FY 2015 and \$2.7 million in FY 2016. These figures include approximately \$900K to \$1 million in transfers from the General Fund for equipment replacement. The current CIP budget includes some minor additional general fund transfer to the CIP beyond what was allocated during the FY 2014 budget process (approximately \$130,000 to \$150,000 in FY 2015 to 2017 respectively). With such limited additional funding, the CIP committee was tasked with funding new projects primarily within the current planned transfer. This was accomplished by evaluating the funding of current projects and recommending reallocation of some previously funded projects and evaluating and reducing where possible the ongoing CIP projects.

The Committee recommended funding projects requiring operating surplus in the amount of \$3,168,000 in the current fiscal year, \$3,063,000 in FY 2015 and \$2,732,000 FY 2016. The recommended project totals then taper from \$2.4 million in FY 2017 to \$2.1 million in FY 2019. The City Manager made one small adjustment to the CIP committee recommendation, which was to include the Council Chambers Advanced Technology Upgrades in the CIP for the amount of \$68,000 in FY 2014.

The total proposed CIP budget (all funds combined) for the FY 2014 Adjusted Budget is \$85.8 million (\$41.7 million original budget and \$44.1 million carry-forward budget). The proposed FY 2015 CIP budget is \$33.2 million; FY 2016 CIP is \$15.4 million. The General Fund surplus required to fund projects in FY 2015 will be approximately \$3 million—the majority of which is dedicated to completing current projects, ensuring the maintenance of existing infrastructure, or securing funding for previously-identified needs. Projects in these categories include Pavement Management, Trails Master Plan Implementation, Traffic Calming, Asset Management, Walkability Asset Management, Irrigation Controller Replacement, and the Royal Street Rebuild.

The list below details each of the new projects recommended for funding in the 5-Year CIP for the first time this year:

New Project Requests (All Funds Combined)												
New Projects Recommended in 5-Year CIP												
New CIP #	Score	Project Name	Project Manager	Fund	Revenue	Total Project Cost By Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
000341	23.0	Prospector Avenue Reconstruction	Cassel	31 TRANS FR GEN FUND		400,000			100,000	300,000		
					31 FEDERAL GRANTS	1,000,000		1,000,000				
000349	20.8	Fiber Connection to Quinn's Ice & Water Facilities	Robertson	31 TRANS FR GEN FUND	51 WATER SERVICE FEES (TBD)	65,000		65,000				
000337	20.6	Engineering Survey Monument Re-establishment	Cassel	31 TRANS FR GEN FUND		20,000		10,000	5,000	5,000		
000350	19.9	Fleet Shop Equipment Replacement	Anderson	31 TRANS FR GEN FUND		75,000		15,000	15,000	15,000	15,000	15,000
000339	18.3	Engineering Small Projects Fund	Cassel	31 TRANS FR GEN FUND		100,000	100,000					
000338	18.1	Repair of Historic Wall/Foundation above Hillside Avenue	Cassel	31 TRANS FR GEN FUND		125,000	125,000					
000331	17.9	Library Technology Equipment Replacement	Robertson	31 TRANS FR GEN FUND		121,935	10,000	14,387	24,387	24,387	24,387	24,387
000347	16.9	Council Chambers Advanced Technology Upgrades**	Robertson	31 TRANS FR GEN FUND		68,000	68,000					

*New projects will be added to Water Fund 51 when the Water Financial Model and Division of Drinking Water Recommendations are finalized. Council will be updated and the Water Capital Budget will be included in the Council Adopted Budget

**Project score fell below funding line but is recommended by City Manager

Figure E12– Recommended New CIP Amounts

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The following figure shows projects that were not recommended for funding in the 5-Year CIP

New Projects Not Recommended in 5-Year CIP												
New CIP #	Score	Project Name	Project Manager	Fund	Revenue	Total Project Cost By Fund	Total Budget					
							FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
000346	17.7	Solar Installation - MARC	Ober	31	TRANS FR GEN FUND	426,800		426,800				
000345	17.5	Ice Dasher Safety Paneling Retrofit	Pistey	31	TRANS FR GEN FUND	20,000		20,000				
000336	17.0	Snow Creek Bridge Repairs	Cassel	31	TRANS FR GEN FUND	75,000		75,000				
000351	16.9	Survey Monuments for City/County Boundaries	Robertson	31	TRANS FR GEN FUND	35,000		35,000				
000344	16.8	McCleod Creek LOMA	Cassel	31	TRANS FR GEN FUND	200,000				200,000		
000332	15.4	Feasibility & Conceptual Design for Second Sheet of Ice	Fisher	31	TRANS FR GEN FUND	35,000		35,000				
000330	15.4	Additional Parking at McPolin Farm Trailhead	Carey	31	TRANS FR GEN FUND	75,000		75,000				
000340	15.1	Engineering Incubator Program	Cassel	31	TRANS FR GEN FUND	15,000		5,000	5,000	5,000		
000352	14.8	Legal Software for Electronic Document Management and Workflow	Robertson	31	TRANS FR GEN FUND	65,000	65,000					
000335	13.8	Feasibility & Conceptual Design Indoor Field Space	Fisher	31	TRANS FR GEN FUND	35,000		35,000				
000333	13.3	Feasibility & Conceptual Design for Indoor Aquatics	Fisher	31	TRANS FR GEN FUND	35,000		35,000				
000348	12.9	Additional Parking/ P.C. Police Building	Gustafson	31	TRANS FR GEN FUND	1,500,000		1,500,000				

Figure E13 –New CIP Amounts Not Recommended

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The following table shows all projects funded with the general fund transfer, in order of how each project was scored by the CIP Committee.

Projects Recommended in 5-Year CIP (General Fund Transfer)*									
CIP #	Score	Project Name	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
CP0006	26.4	Pavement Management Implementation	300,000	300,000	300,000	300,000	300,000	300,000	Ongoing
CP0266	24.3	Prospector Drain - Regulatory Project	256,967						256,967
CP0075	23.5	Equipment Replacement - Computer	255,000	275,000	296,000	296,000	296,000	296,000	Ongoing
CP0146	23.5	Asset Management/Replacement Program	582,709	552,709	552,709	552,709	552,709	552,709	Ongoing
CP0312	23.4	Fleet Management Software	27,000	27,000					54,000
000341	23.0	Prospector Avenue Reconstruction			100,000	300,000			400,000
CP0267	22.8	Soil Repository	143,033		300,000				443,033
CP0278	22.0	Royal Street		750,000					750,000
CP0325	21.8	Network & Security Enhancements	80,000	80,000					160,000
CP0326	21.8	Website Remodel	37,000						37,000
CP0290	21.5	APP Development		60,000					60,000
CP0074	21.5	Equipment Replacement - Rolling Stock	650,000	650,000	700,000	700,000	750,000	750,000	Ongoing
CP0217	21.4	Emergency Management Program	10,000	10,000	10,000				30,000
CP0258	21.3	Park Meadows Ponds Control Structure (Close Out)	(19,658)						(19,658)
CP0020	21.2	City-wide Signs Phase I	20,000						20,000
CP0327	20.9	Outdoor Tennis Court Rebuild	70,000						70,000
CP0283	20.9	Storm Water Utility Study		25,000					25,000
CP0061	20.9	Economic Development	50,000	25,000	25,000	25,000			125,000
000349	20.8	Fiber Connection to Quinn's Ice & Water Facilities		65,000					65,000
CP0286	20.7	Ironhorse Electronic Access Control	25,000						25,000
000337	20.6	Engineering Survey Monument Re-establishment		10,000	5,000	5,000			20,000
CP0041	20.5	Trails Master Plan Implementation		30,000	30,000	30,000	30,000	30,000	Ongoing
CP0017	20.4	ADA Implementation	5,000	5,000	5,000	5,000	5,000	5,000	30,000
CP0003	20.3	Old Town Stairs	50,000						50,000
CP0250	20.3	Irrigation Controller Replacement	25,000	20,000	20,000	20,000	20,000	20,000	Ongoing
CP0191	20.0	Walkability Asset Management	45,000	40,500	40,500	40,500	40,500	40,500	Ongoing
000350	19.9	Fleet Shop Equipment Replacement		15,000	15,000	15,000	15,000	15,000	Ongoing
CP0036	19.7	Traffic Calming	50,000	37,500	37,500	10,000	10,000		145,000
CP0142	19.6	Racquet Club Program Equipment Replacement	80,000	60,000	60,000	60,000	60,000	60,000	Ongoing
CP0264	19.3	Security Projects	50,000		50,000				100,000
CP0318	19.3	Bonanza Park/RMP Substation Mitigation	(200,000)						(200,000)
CP0324	18.6	Recreation Software	85,000						85,000
CP0280	18.4	Aquatics Equipment Replacement	15,000	11,250	11,250	11,250	11,250	11,250	Ongoing
000339	18.3	Engineering Small Projects Fund	100,000						100,000
CP0128	18.3	Quinn's Ice/Fields Phase II	60,000						60,000
CP0229	18.2	Dredge Prospector Pond			150,000				150,000
000338	18.1	Repair of Historic Wall/Foundation above Hillside Avenue	125,000						125,000
000331	17.9	Library Technology Equipment Replacement	10,000	14,387	24,387	24,387	24,387	24,387	Ongoing
000347	16.9	Council Chambers Advanced Technology Upgrades**	68,000						68,000
CP0042	Not Rated	Property Improvements Gilmore O.S.	100,000						100,000
CP0214	Not Rated	Racquet Club Renovation	12,865						12,865
Total			3,167,916	3,063,346	2,732,346	2,394,846	2,114,846	2,104,846	15,578,146

Figure E14 – Projects Recommended in 5-Year CIP (General Fund Transfer)

New Ongoing CIPs

Trails Master Plan Implementation

The following figure shows ongoing General Fund projects in the 5-Year CIP. Trails Master Plan Implementation has previously been funded through Rap Tax Grants and larger blocks of Open Space/Parks Impact Fees and General Fund. It is expected that the project will continue to receive RAP Grants from year-to-year. It is recommended that the an annual amount of \$20,000 Open Space/Parks Impact fees go towards the construction of new trail and pathways in the trails system. It is also recommended that \$30,000 in General Fund Transfer is contributed annually towards trails improvement and trails asset management.

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Library Technology Equipment Replacement

Council approved the Library facility remodel that included operational enhancements and public space for a digital media and technology lab. This CIP serves as a fund to replace aging technology not eligible under the Computer Replacement Fund. This consists primarily of the Automated Check in System with 5 bin Sorter, Self-checkout Machines with Payment System and the Security Gate System. Other computer replacement and technology items are included the Equipment Replacement – Computer CIP or within the Library’s annual operating budget.

Ongoing CIP Projects with General Fund Transfer as Funding Source							
CIP #	Project Name	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
CP0006	Pavement Management Implementation	300,000	300,000	300,000	300,000	300,000	300,000
CP0075	Equipment Replacement - Computer	255,000	275,000	296,000	296,000	296,000	296,000
CP0146	Asset Management/Replacement Program	582,709	552,709	552,709	552,709	552,709	552,709
CP0074	Equipment Replacement - Rolling Stock	650,000	650,000	700,000	700,000	750,000	750,000
CP0041	<i>Trails Master Plan Implementation</i>		30,000	30,000	30,000	30,000	30,000
CP0250	Irrigation Controller Replacement	25,000	20,000	20,000	20,000	20,000	20,000
CP0191	Walkability Asset Management	45,000	40,500	40,500	40,500	40,500	40,500
000350	Fleet Shop Equipment Replacement		15,000	15,000	15,000	15,000	15,000
CP0142	Racquet Club Program Equipment Replacement	80,000	60,000	60,000	60,000	60,000	60,000
CP0280	Aquatics Equipment Replacement	15,000	11,250	11,250	11,250	11,250	11,250
000331	<i>Library Technology Equipment Replacement</i>	10,000	14,387	24,387	24,387	24,387	24,387
Total		1,962,709	1,968,846	2,049,846	2,049,846	2,099,846	2,099,846

Figure E15 – Ongoing CIP Projects with General Fund Transfer as Funding Source

Major Project Adjustment and Updates

Prospector Drain

On January 10, 2013, Council reviewed, approved, and signed the Proposed Administrative Order on Consent (Settlement Agreement) for Richardson Flat Tailings Site OU4 (the Prospector Drain) negotiated by Park City Municipal Corporation staff, the Environmental Protection Agency, the U.S. Fish and Wildlife Service, the Bureau of Land Management and the Utah Department of Environmental Quality. This Settlement Agreement provides for the preparation and performance of an Engineering Evaluation/Cost Analysis (EE/CA) and a non-time critical removal action for OU4. The Prospector Drain is a shallow groundwater drain underneath a portion of a historic tailings pond that has been developed with residences on the surface. The project will include site characterization, risk assessment, the development of removal action alternatives and their respective costs, and implementation of selected removal action.

The project is being done under an Administrative Order on Consent with the EPA to address the discharge of metals impacted water from the Prospector Drain and Biocell. Project involves first conducting an Engineering Evaluation and Cost Analysis, then selecting a remedial action and implementation. In addition, a Natural Resource Damage Assessment (NRDA) must be done that will determine compensatory restitution for damages to natural resources.

Previously the Prospector Drain was funded as a capital project in the Water Fund, however based on the recommendation of the city’s financial audit it was determined that the project should be funded within the capital improvements fund (Fund 31), It is the recommendation of the environmental team that previously allocated environmental CIP funds should be used on the

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high priority Prospector Drain project. Funding for this project has been moved up to FY 2014 to cover current costs associated with the project. The current budget adjustment is based on a better understanding of potential outcomes and regulatory requirements of the project. In addition, we now have a better understanding of agency costs and NRDA costs.

We are not 100% certain the EPA will require a treatment plant to be built. But this is a realistic, worst case scenario. In the case where we are required to build a treatment facility, there will be an ongoing operating expense for routine maintenance. This amounts to potentially \$420,000 estimated annual O&M (includes 25% contingency).

Deer Valley Drive

The Deer Valley Drive Reconstruction project was originally funded for FY2011 as part of the FY 2008 budget process. The project includes the reconstruction of Deer Valley Drive including water infrastructure as well as walkable/functional and aesthetic improvements to the street. The project has been divided into two phases. Phase I is partially funded with federal funds (\$1M), water service fees (\$1.6M), storm water funds (Additional Resort Sales Tax \$760K) and General Fund transfer (\$441K). It is the recommendation of the City Manager and the CIP Committee to use the Additional Resort Communities Sales Tax as the potential funding source for phase II (\$950K).

The first phase of the Deer Valley Drive Reconstruction project included replacement of the existing collapsed storm drain, replacement of the gas line (work and design to be performed by Questar Gas), replacement of the existing distribution water line, pedestrian modifications at the round-about, left turn lane at the intersection of Deer Valley Drive and Deer Valley Drive North, bus pullouts, speed limit feedback signs, pedestrian lighting from the round-about to Sunnyside Drive, update of signage and road resurfacing.

The proposed second phase of the Deer Valley Drive Reconstruction project would include additional pedestrian lighting, crosswalks, possible bus shelters/bus stop amenities, cleaning of the creek, landscaping improvements along the corridor, a new entry feature near the intersection of Deer Valley Drive and Deer Valley Drive north, and improved sidewalks.

Water Projects

Water quality and delivery continue to be a top priority for Park City. With the rate of development that occurred over the past few years, water needs have been identified and the financing cost of these improvements has been developed to be fairly distributed between current users and new development. CIP changes to the Water Fund are also reflective of the City's continuing commitment to secure Park City's water needs through improvements to the City's water infrastructure. The Water Department and Budget Department are currently reviewing and evaluating the 2015 Water Fund Financial Model. This model projects the long-range operating and capital needs of the Water System and is used to determine future water rate increases and bonding needs. At the time the City Manager's Recommended Budget was prepared, some water project assessments and funding amounts were still in flux and a finalized water project list is not included in the document. A final list of recommended water projects and water rate

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adjustments will be presented to Council as part of the budget hearings and will be included in the Final Budget.

Walkability Projects

To date, approximately \$7,900,000 has been utilized to fund the twenty seven substantially completed projects. \$7,170,000 in voter approved bond funds remain from the \$15 Million bond initiative. On March 5, 2013, staff presented a walkability update which included the remaining walkability project list and proposed project timeline to Council. At that time Council indicated that they were in favor of moving forward with the listed walkability projects and authorized issuing a General Obligation (GO) Bond for the remaining \$7,175,000 of voter approved Walkability GO Bonds.

Three of the thirty six WALC Projects remain. Two are specifically identified within the Dans-Jans corridor and are currently in design. Easement coordination remains to be a challenge with the west side pathway but staff is confident a pathway will be constructed in the 2014 construction season. The east side pathway and subsequent underpass is still scheduled for 2015 construction. The remaining project identifies widening of the existing poison creek and Kearns pathways. Poison Creek is scheduled for construction June of 2014 and Kearns 2015.

Prospector Avenue Reconstruction

Park City is slated to receive \$1,000,000 in Small Urban Fund Grant money in 2016. These funds require a 7% match but also have strict restrictions on how they are used. The CIP money requested is to allow our staff to complete the project in one season. Elements of the project include updated storm drains, sidewalks, bus pullouts, additional lighting, resurfacing of the road, bike lanes, etc. This project is scheduled for FY 2016, additional details including scope, schedules and community and business impacts will be discussed in detail as the project is designed and developed.

Solar Installation - MARC

Like all City properties, the MARC has been assessed for renewable energy potential. The MARC has the potential to triple the amount of City-owned solar capacity. This is the last property with major solar potential and the project is estimated to cost \$436,500 after rebates. This project is currently not recommended in the Capital Improvement Plan, however, it was the highest ranked of the projects that are not recommended for funding. In light of the discussion held during the April 24, 2014 Renewable Energy Study Session, Council may wish to discuss reallocation of currently allocated funding sources to consider funding for this project.

A 194kW solar PV system on the MARC is projected to decrease the MARC's annual energy use by at least 16%. This results an average annual savings of \$15,700, or about 14% of the MARC's total electricity expense. This 700+ panel system would be the largest and the most visible renewable energy project in the City. Park City would hedge against future energy costs over the 25-year, warrantied life of the system.

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Lower Park Avenue RDA (LPA RDA)

Pursue an age-in-place and attainable housing project on city-owned land at the location of the current senior center, former Park Avenue fire station and adjacent land acquired from Knudson and Elliott Work Group. On May 15, 2014 City Council will discuss in work session the LPA RDA Master Plan and the possibility of embarking upon a charrette to identify goals, relative density and scope of the project in summer 2014 with a projected start of construction in spring 2016.

The library renovation will start in June 2014 and completion is estimated in Spring 2015. The construction budget is \$6.82 M, and the total budget is \$9.32. The scope includes:

- Interior renovation and expansion of the library into all of floors one and two;
- Interior renovation of the 3rd floor for flexible community space and Park City Cooperative Preschool (PCCP) and Park City Film Series (PCFS). This community space is anticipated to be used in the short term to house senior center functions and support community activities during off hours, including pre and post function support to the Santy;
- An added, single-story entry sequence to the library at the north façade;
- A 2-story addition at the northwest corner providing added function, flexibility and consolidation of services; and
- Modifications of the 1992 addition to expose the original historic structure on the south, west and north facades.

Additional Resort Communities Sales Tax

The City recently secured an additional funding source with the Additional Resort Communities Sales and Use Tax (ARST). It is anticipated that the ARST will generate approximately \$3.2 million in FY 2014. The full amount of the anticipated revenue was designated to be received in the City's Capital Improvement Fund. The total allocation of the ARST funds will be adjusted each year as part of the CIP process. The potential funding type will vary between cash and debt as project timing is adjusted to match projected project expenditures.

The A/B scenario originally adopted by Council during the FY 2013 budget process designates total funding between 2014 and 2021 to the following capital projects:

Designated Project 2014 - 2021	Total Funding Amount
Historic Park City/ Main Street & Downtown Projects	\$14.5 M
OTIS	\$8.5 M
Open Space	\$15 M
Storm Drain Improvements	\$8.5 M
Total	\$46.5 M

Open Space currently includes open space acquisition and easement monitoring fund allocations

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Figure B12 – Additional Resort Communities Sales Tax Total Allocated Project Funding Table

Additionally the City secured a \$3,000,000 economic development grant from the State of Utah Governor’s Office of Economic Development for the Historic Park City Main Street & Downtown project. These funds will be used to offset the total \$14.5 million downtown project therefore freeing up ARST funds for other appropriate capital projects.

The following table shows the current recommended ARST capital plan. This plan continues to show large open space purchasing ability (\$15 million) in the first 4 years of the new tax.

Long Range Financial Model Scenario A/B - Accelerated funding for OTIS											
Project	Funding Type	Total Funding	Funding Available by Fiscal Year								
			FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
OTIS (Phase A)	Cash	\$ 1,800,000	\$ 1,800,000								
OTIS (Phase B)	Debt	\$ 2,300,000		\$ 2,300,000							
OTIS (Phase C)	Cash	\$ 1,900,000			\$ 633,333	\$ 633,333	\$ 633,333				
OTIS (Phase D)	Debt	\$ 2,500,000					\$ 2,500,000				
Downtown Projects (Phase II)	Debt	\$ 3,000,000	\$ 3,000,000								
Downtown Projects (Phase III)	Debt	\$ 3,500,000				\$ 3,500,000					
Downtown Projects (Phase IV)	Debt	\$ 3,200,000						\$ 3,200,000			
Downtown Projects (Cash)	Cash	\$ 1,800,000			\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000		
Additional Open Space (Phase I)	Debt	\$ 3,000,000	\$ 3,000,000								
Additional Open Space (Phase II)	Debt	\$ 4,000,000		\$ 4,000,000							
Additional Open Space (Phase III)	Debt	\$ 5,000,000				\$ 5,000,000					
Additional Open Space (Cash)	Cash	\$ 3,000,000	\$ 1,500,000	\$ 1,500,000							
Storm Drain System (Cash)	Cash	\$ 4,000,000	\$ 761,154	\$ 1,080,000	\$ 1,080,000	\$ 1,080,000					
Storm Drain System (Debt)	Debt	\$ 4,500,000					\$ 1,500,000			\$ 1,500,000	
DeerValley Dr. Phase II	Debt	\$ 950,000	\$ 950,000								
Downtown Improvement Maintenance Fund	Cash	\$ 800,000		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000

Figure B13 – Additional Resort Communities Sales Tax Adjusted Table

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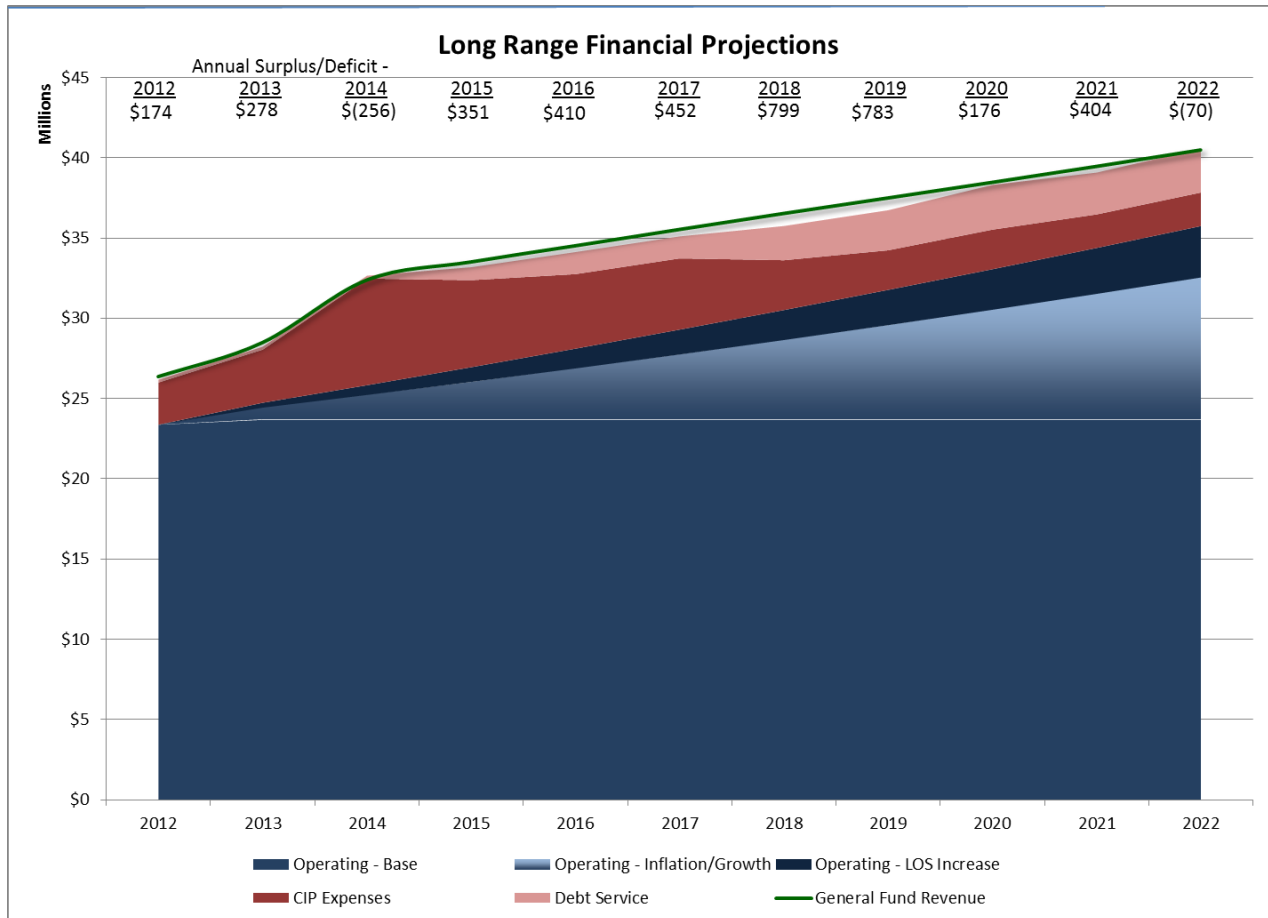


Figure B14 – Additional Resort Communities Sales Tax Adjusted Graph

This plan continues to show large open space purchasing ability (\$15 million) in the first 4 years of the new tax. The plan includes additional ongoing resources for capital replacement/asset Management of the main street improvements in the amount of \$100,000 per year. This asset management fund is similar to the walkability or trails asset management funds. Its allowable uses include capital replacement or renewal, which would extend the useful life of the capital asset. This does not cover expenses such as routine maintenance or enhanced levels of service, which are required to be accounted for in the General Fund operating budget. As can be noted in the graph above, the \$3 million offset from the State for the Main Street improvements results in additional bonding capacity in FY2015 or additional cash in future years. Approximately \$1 million of this additional bonding capacity was allocated to the Deer Valley Drive phase II project.

Originally OTIS Phase A was included in the Additional Resort Tax Plan at \$1.8 million. This was the amount needed to complete the Empire Ave. portion of the OTIS projects. At the time the project was budgeted and contracts were put in place, it was not known if the additional resort tax would pass, therefore the project was budgeted using an additional transfer from the General Fund fund balance with the intention of reimbursing the amount to bring the General Fund fund balance back to the 18 percent once the election outcome was known. Through budget savings and strong revenues in FY 2012, FY 2013 and FY 2014 is anticipated that the General Fund fund balance will reach the newly raised 25 percent cap in FY 2015.

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OTIS phase A funding came from the additional resort sales tax as planned, therefore freeing up the original transfer from the General Fund for other Council supported projects. These projects in FY 2014 include \$1.5 million for the potential visual mitigation of the Bonanza Park Rocky Mountain Power Substation in either its current or proposed location. This project amount has been reduced to \$1.3 million in the current budget. This reduction will allow projects to move forward which were in jeopardy of losing funding. It is recommended that City Council retain the majority of the Bonanza Park Mitigation funds until further discussion and development plans in the area are completed. It is anticipated that these discussions will take place over the next year. After that time Council as part of the next budget process can designate funding needs or reallocate funds to other high priority projects.

The majority of the projects listed above continue to be on schedule with the proposed budget with the exception of open space acquisition, which continues to be defined. To date approximately \$4 million in open space funds have been committed as part of the Gillmor/Toll Canyon open space agreement, leaving an approximate \$11 million for future acquisition or easement maintenance. Staff continues to move forward with implementing the City's open space acquisition program. The Citizens Open Space Advisory Committee (COSAC) continues to meet on a regular basis and have adopted a property criteria matrix.

OPERATING IMPACTS OF CAPITAL PROJECTS

Through a combination of the Additional Resort Communities Sales Tax, Lower Park RDA extension and the remaining Walkability bonds, the City is likely to see an estimated \$70 to 85 million in project funding over the next 10 years. While these improvements are an obvious boon to the services and economic growth of the City, Council must remain aware that the uses of these funds have been restricted to capital improvement projects. Capital projects often place a burden on the ongoing operating costs of the City.

The operating burden will vary from project to project. Reconstruction of an aging street may gain efficiencies while maintenance of a new Main Street plaza, sidewalks that need to be plowed or transit structure may incur additional costs. Council must consider the impacts of capital improvement projects on the ongoing operating budget of the City. Capital projects which necessitate level of service adjustments could potentially impact other city services. It is staff's recommendation that these impacts should not be evaluated in isolation but should be evaluated as part of the Budgeting for Outcomes process in the context of all other city services. Maintaining the long range sustainability of city services continue to a high priority of city staff.

Staff will continue to evaluate the operating costs for projects so they are budget correctly as they come on line. When possible, long term maintenance projects/funds have been established for new projects such as the Main Street Infrastructure Maintenance Project. This project will receive an annual contribution which will be used for capital infrastructure replacement, much like the asset management or pavement management projects/funds. Staff is currently evaluation a possible Storm Water Maintenance Area which could potentially include a new ongoing

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revenue source. Staff is also currently evaluating the Library remodel and other RDA projects for potential impacts on the operating budget.

The largest foreseeable burden for the General Fund will likely be associated with the completion of the Prospector Drain project which may potentially (if a treatment system is installed) have an estimated ongoing operating expenditure \$250,000 starting in FY 2017.

DEBT SERVICE

Park City has various bond issuances outstanding. The debt service to be paid on these bonds is as detailed in Figure E16. Debt service expense comprises 15% of the FY 2014 budgeted expenses, and 16% of the FY 2015 Budget.

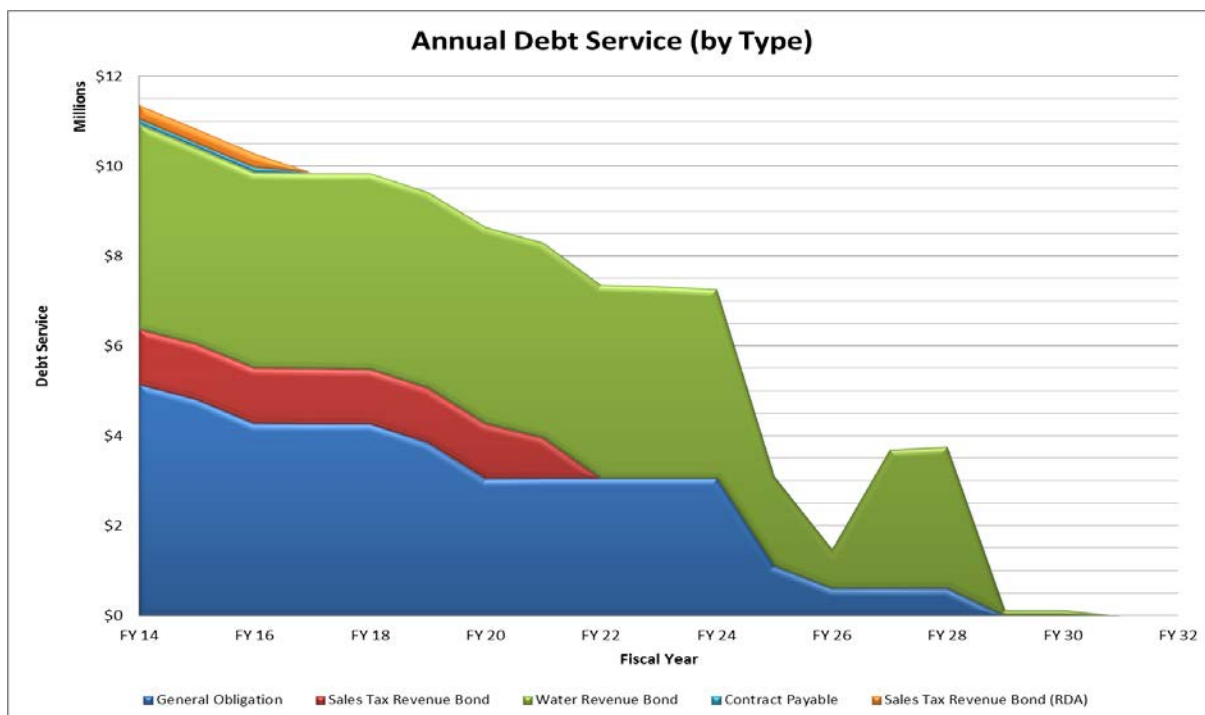


Figure E16 - Long Term Debt

Funding sources for debt service payments in FY 2015 are detailed in Figure E16. General Obligation Bonds have property tax as a dedicated source for repayment, while Water Bonds generally have water service fees as a dedicated revenue source. RDA Bonds are backed by property tax increment. Sales Tax Bonds are backed by sales tax revenue, but the City has dedicated a number of revenue sources for repayment, including lease revenue, impact fees, and unreserved general fund revenue.

EXPENSES

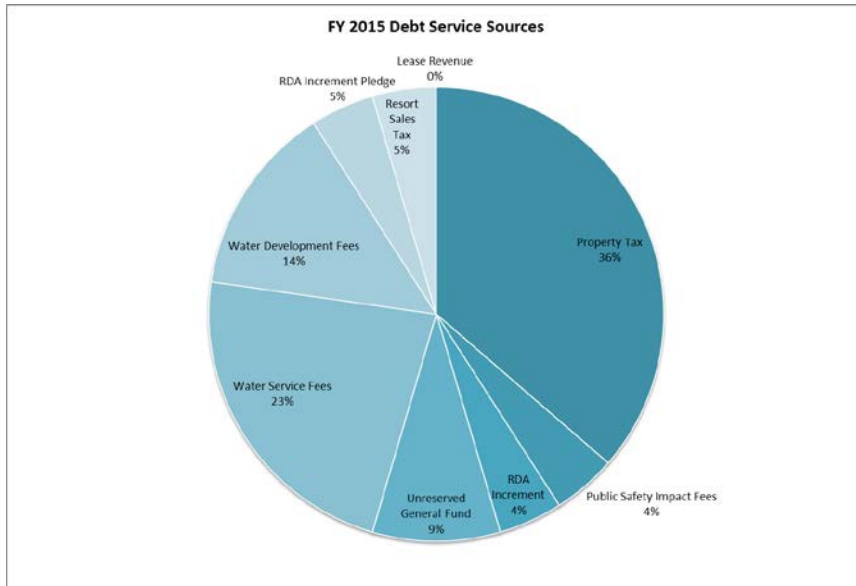


Figure E17 – Debt Funding Sources

The City’s five year Capital Improvement Plan outlines a number of future projects for which it is anticipated the City expects to issue debt. The estimated impact to debt service due to possible future bonding can be seen in Figure E18. This anticipated debt includes planned Additional Resort Sales Tax projects, Lower Park RDA tax increment bonds (Sales Revenue Bonds backed with RDA tax increment) as well as multiple series of Water Revenue Bonds.

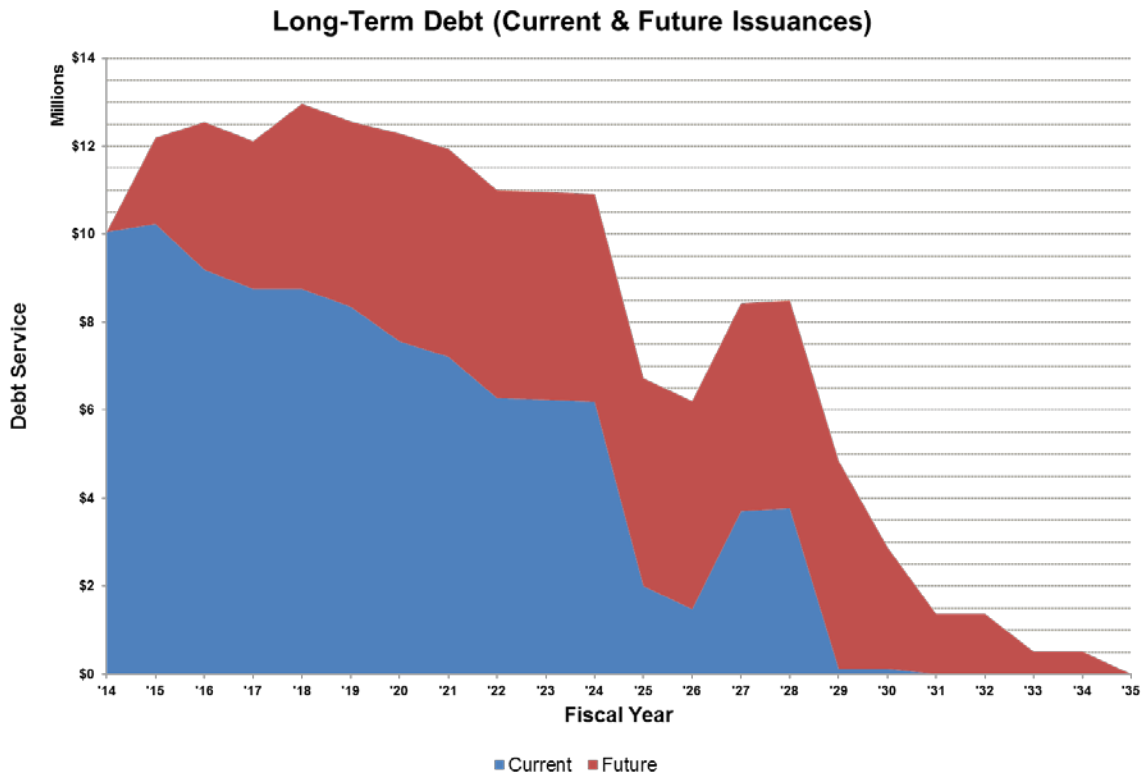


Figure E18 – Anticipated Future Debt Service Compared to Existing Debt

EXPENSES

Perhaps the most significant measure related to debt service is the amount of debt that is secured by a non-dedicated revenue source. As previously discussed, the majority of the City's debt service is paid for with dedicated revenue such as water fees, property tax, or property tax increment, all of which the City can influence through rate adjustments.

The majority of the debt service for the \$20 million sales tax revenue bonds issued in 2006 will come from dedicated revenue such as property tax increment pledged from the Main Street RDA and impact fees. A portion of the debt, however, will be paid for with unreserved or surplus General Fund revenue (sales tax). The figure below shows how much of the City's annual surplus is currently pledged for debt service. Future Sales revenue bonds will come by the Additional Resort Communities sales tax revenue and will therefore not impact revenues or expenditures in the General Fund.

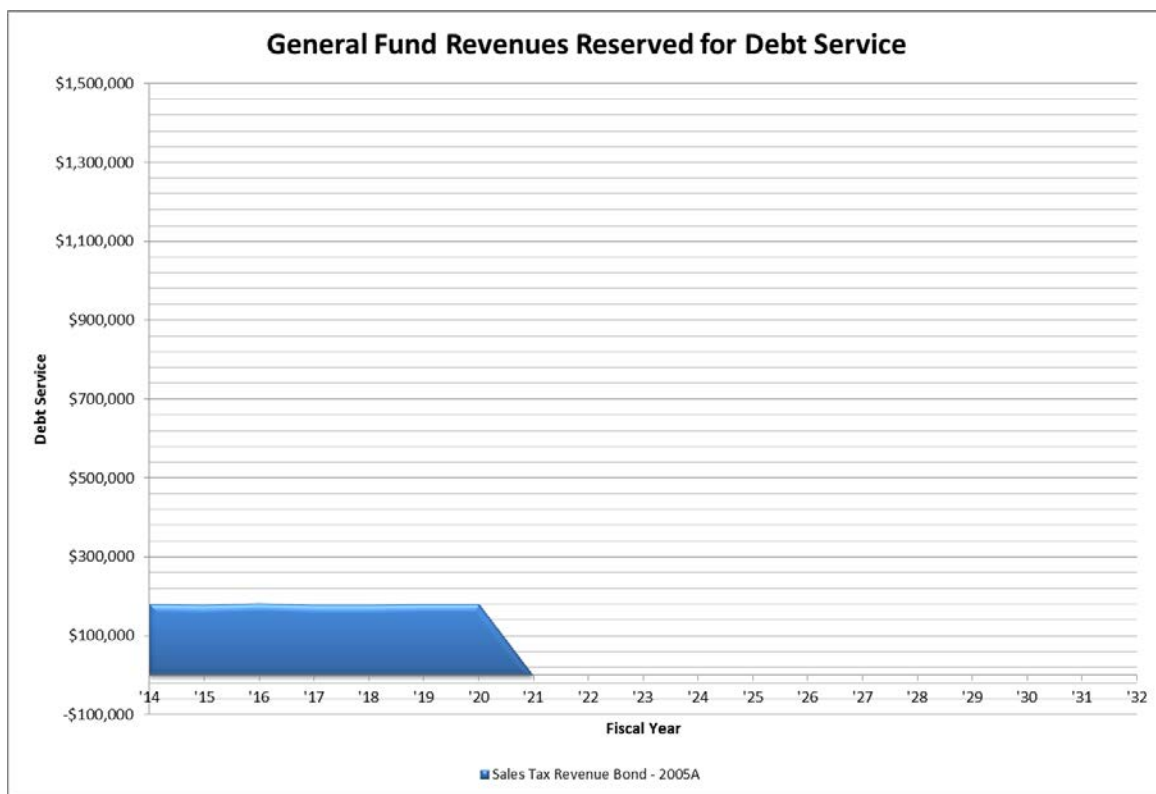
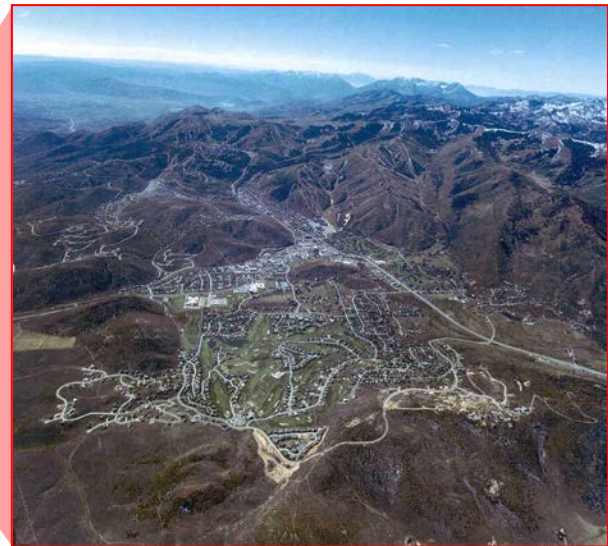
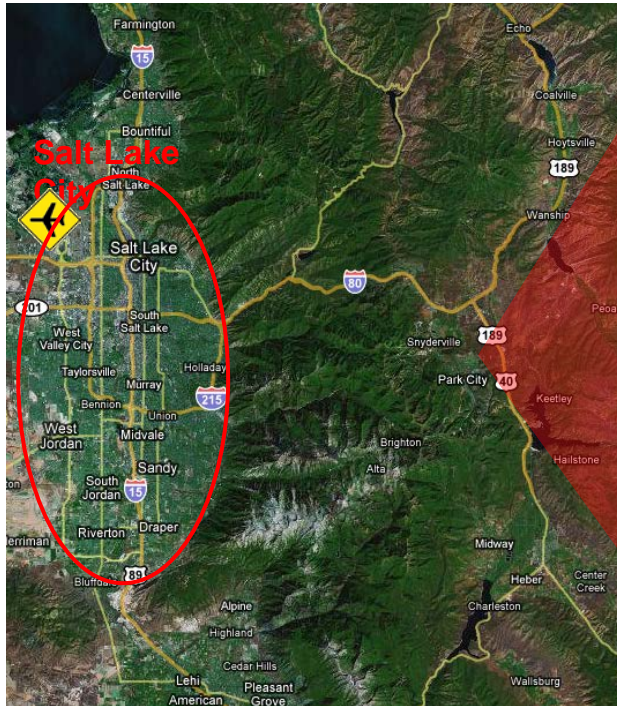


Figure E19 – General Fund Revenues Reserved for Debt Service

ECONOMIC OUTLOOK

Park City is located in Summit County, Utah, in the heart of the Wasatch Mountains, 30 miles east of Salt Lake City and 40 minutes by freeway from the Salt Lake International Airport. Park City is one of the west's premier multi-season resort communities with an area of approximately 12 square miles and a permanent resident population of approximately 8,000.

World renowned skiing is the center of activity being complemented throughout the year with major activities and events, such as the Sundance Film Festival, Kimball Arts Festival, concerts, and sporting events, along with a variety of other winter and summer related activities.



Tourism is the major industry in Park City, with skiing, lodging facilities, and restaurants contributing significantly to the local economy. Park City is the home of two major ski resorts (Park City Mountain Resort and Deer Valley Ski Resort) with a third area (Canyons Resort) located only one mile north of the City limits.

In 1869, silver bearing quartz was discovered in the area of what is now Park City, and a silver mining boom began. From the 1930s through the 1950s, the mining boom subsided due to the decline of silver prices, and Park City came very close to becoming a historic ghost town. During that time, the residents began to consider an alternative to mining and began developing Park City into a resort town.

In 2002, Salt Lake City hosted the 2002 Winter Olympic Games with two athletic venues in Park City and one just north of the City limits. Deer Valley Resort hosted the slalom, aerial, and mogul competitions; Park City Mountain Resort hosted the giant slalom, snowboarding slalom and snowboarding half-pipe; and the Utah Winter Sports Park (Summit County) hosted ski jumping, luge and bobsled events.

ECONOMIC OUTLOOK

Deer Valley Resort hosted a FIS Freestyle World Cup event for the seventh time in eight years in February 2013. Also in February 2009, Deer Valley hosted the first World Cup Skier Cross competition ever held in North America. For the seventh year in a row, Deer Valley Resort was deemed one of the top 5 best resorts in North America by Ski Magazine in 2014. No other resort has topped the rankings seven years in a row. The Park City Mountain Resort is located in the heart of Park City. Park City Mountain Resort and Canyons Resort (located just outside of Park City) were Utah's only other ski resorts to finish in the top ten of Ski Magazine's resort review. The resorts were ranked fifth and tenth respectively.

PARK CITY ECONOMY

Tourism is the backbone of the Park City economy and the majority of local tourism revolves around skiing and snowboarding. Encouraging tourism and the ski industry are objectives for Park City as well as for the State of Utah. With its close proximity to Salt Lake City and Salt Lake International airport, Park City is a major contributor to the State's goals. The total number of statewide skier days for 2012-13 was 4,025,519, which is a 5 percent increase from the previous year. Park City claimed approximately 44.3 percent of the Utah market share, or 1,782,878 skier days. Utah's best season came in 2006-07 with 4,249,190 skier days. With the local economy dependent on tourism and skiing, employment in Park City tends to decline in the spring and summer months. Park City has been mitigating this by diversifying recreational activities in the "off-season". In FY 2014 the City hosted the Triple Crown Girls Fast Pitch Softball World Series for the 11th year. This event draws teams from California, Arizona, Colorado, Oklahoma, Idaho, Utah and Texas. Other events include the Park City Marathon Road Race, Intermountain Cup Mountain Bike Races and the Endurance 100 Mountain Bike Race.

The service population is much larger than the permanent population in Park City due to the number of secondary homeowners and visitors within city limits. The City has approximately 161 restaurants, 314 shops, 27 private art centers and a community-sponsored art center. Many of Park City's restaurants are award winning and among the finest in the inter-mountain west. The Chamber of Commerce estimates that the City has a nightly capacity for 27,178 guests. On average, the City receives almost 8,456 visitors per night with an occupancy rate of 35 percent. In the last ten years nightly capacity has increased by 10 percent.

The Sundance Film Festival made its 33rd annual appearance in Park City in January 2014. The 2014 Sundance Film Festival generated an overall economic impact of \$69.5 million for the State of Utah and supported over 1,400 jobs. Sundance and Park City Municipal Corporation have formally agreed that Park City will remain festival headquarters through the 2026 film festival, with a ten year option after that. The festival presents high quality, independent films. Nationally known actors, directors, writers and other members of the film industry conduct and attend workshops, classes, seminars, dinners and premiers which are open to the general public. It is estimated that the annual cultural event attracted 46,731 attendees in 2012.

The Kimball Arts Center sponsored its 44th annual three-day Park City Arts Festival in August 2013. The Park City Arts Festival is Utah's original, oldest and the longest running arts festival in the West. In the last decade this event has grown substantially and now attracts over 50,000

ECONOMIC OUTLOOK

visitors over the three-day period and features more than 220 of North America's top artists. This is one of the most attended annual events in Utah and consistently makes the Top Ten List by the renowned Harris Poll.

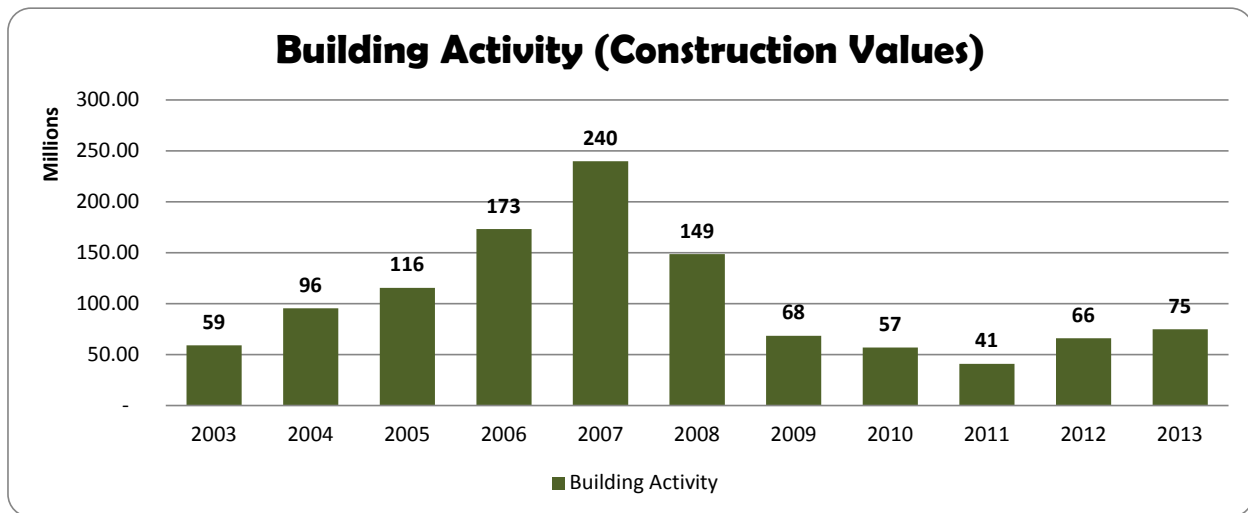


Figure EO1 – Annual Cost of Construction in Park City

Closely connected to the tourist and ski industries in Park City is the real estate industry. During the past ten years, building activity within the City has ranged anywhere from a low of \$40.9 million in 2011 (due to the recession), to a high of \$239.7 million in 2007. Building activity over the last decade has averaged \$106.2 million per year. For calendar year 2013, the building activity (construction, additions and alterations) was approximately \$75 million, with 66.7 percent in residential and 14.6 percent in commercial. The remaining 18.7 percent was in remodeling, expanding, and miscellaneous construction. The residential construction total valuation of approximately \$42.3 million consisted of only single-family homes. Easy access to Salt Lake City has intensified the role for Park City as a bedroom community. This role and the current economy have shifted emphasis to the construction of residential homes. Properties have enjoyed a steady rate of appreciation through the years, which are expected to maintain their value and/or increase in the future.

Statistics compiled by the Park City Board of Realtors show the number of closed sales for the first quarter of 2014 (including single family homes, condominiums and vacant land) is higher than it has been for a first quarter since 2007. Surprisingly, with Park City real estate in strong demand, with total dollar volume just shy of \$327 million (an 11% increase over Q1 of 2013) and with inventory still at record lows, median prices for the Greater Park City Area have increased by only 2% in the past year and are still well below the market high in 2007.

The increasing activity in Park City area real estate in March and April is a good indication that sales will continue to trend upward in 2014. All property types, neighborhoods and price ranges are seeing increased activity. Multiple offers are not uncommon as buyers decide Park City and the surrounding areas are great places to live or own second homes.

Park City's debt service expenditures have increased in amount and as a percentage of total expenditures during the past decade. Much of this is due to the voter approved General

ECONOMIC OUTLOOK

Obligation Bonds that were passed in 1999, 2000, 2005, 2006, 2007, 2008, 2009, and 2010 as well as the Sales Tax Revenue Bonds issued in 2005. The City's bond rating was upgraded in May 2006 by Moody's to Aa2. Furthermore, the City was upgraded in 2008 by Standard and Poor's and Fitch to AA. A bond rating of AA (AAA is generally the highest rating) indicates that Park City as an issuer offers "excellent financial security." The issued Sales Tax Revenue Bond also received a rating of A+ from Standard & Poor's. In the beginning of May 2010, Park City's bond rating moved from Aa2 (Moody's) and AA (Fitch) to Aa1 and AA+ respectively. In 2013 S&P increased the City's bond rating to AA+.

Through the last decade, revenues have been steadily increasing for Park City with no revenue source significantly changing as a percentage of total revenue. FY 2013 sales tax revenues increased 5.3% from FY 2012 (excluding federal revenue). Taxes account for 45 percent of total revenue.

Major employer-types in the City include: accommodation and food service, arts/entertainment and recreation, retail trade, real estate, technical services and government. Unemployment data was unavailable for Park City; however, the current Summit County unemployment rate is estimated at 4.1 percent as of February 2013. According to the Bureau of Labor of Statistics, Utah's unemployment rate is 4.9 percent and the national rate is 7.6 percent as of March, 2013.

Park City has seen substantial growth in revenue in recent years, exceeding pre-recession revenues. Diversification of resort activities, promoting additional special events, and sound financial policies have all aided in ensuring a thriving economy.

ECONOMIC OUTLOOK

CITY SALES TRENDS

Park City has experienced exceptional economic growth in the last decade. After a dip in 2009, sales tax has recovered dramatically for the past four years. Figure EO2 shows the growth in total estimated sales from 2001 to 2013. For FY 2013, Park City collected roughly \$7.3 million in local option sales tax—equating to roughly \$733 million in estimated taxable sales—\$23 million more than the previous year and \$376 million more than FY 2002. Total sales are determined from the annual 1 percent local sales tax collected each year.

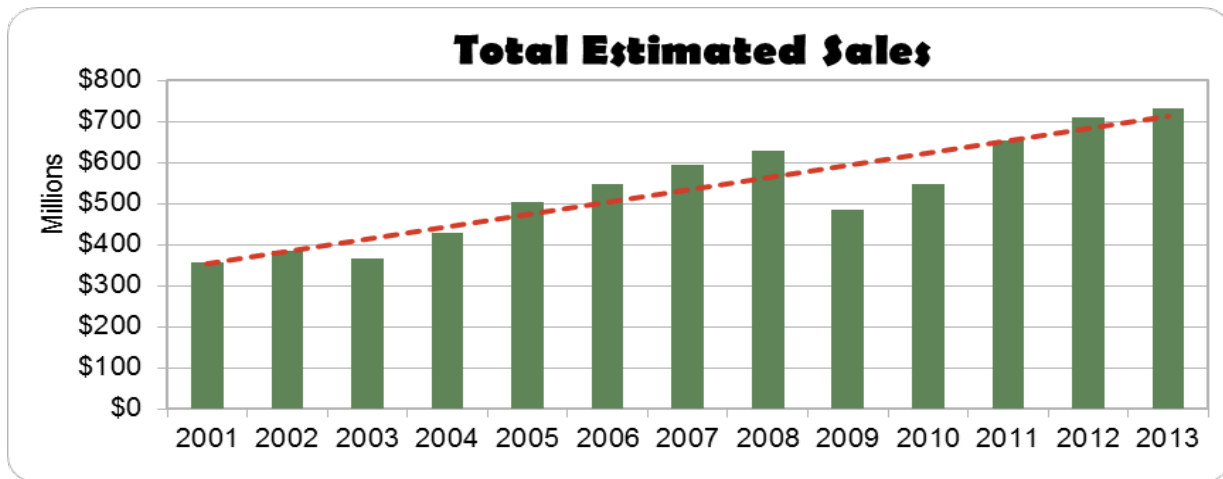


Figure EO2 – Total Estimated Sales

Figure EO3 shows the sales trends by industry from 2003 to 2013. The Lodging Sector has experienced the greatest change with a 10 percent average growth rate in the last 5 years. The Retail Industry still leads all other sectors in absolute dollar terms.

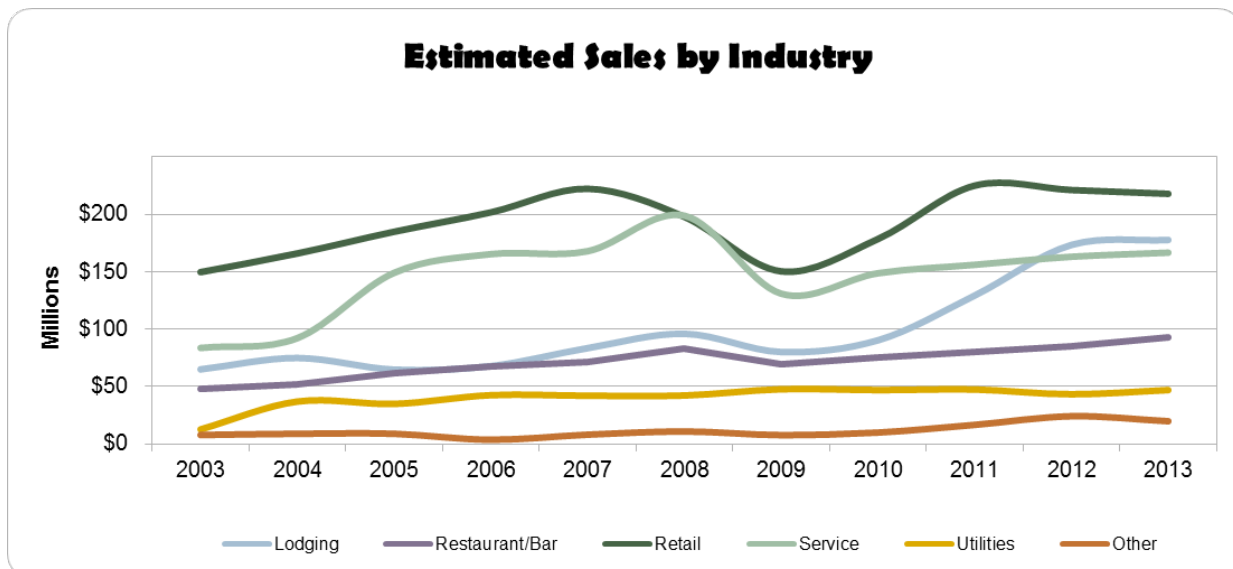


Figure EO3 – Estimated Sales by Industry

ECONOMIC OUTLOOK

Because Park City’s economy relies heavily on the ski industry and tourism, sales tax revenues are extremely seasonal. Figure E04 represents seasonality by industry (based on a ten-year average). The Service Sector is the most seasonal with 56.11 percent of service-related sales coming during Quarter 3. The Lodging Sector—which includes skiing and entertainment amongst other services—is also highly seasonal; 56.4 percent of sales tax revenues coming during Quarter 3. The Utilities Sector showed the least seasonality with only 35.1 percent of total sales coming in Quarter 3, with the rest of its quarters demonstrating minimal variance of seasonality.

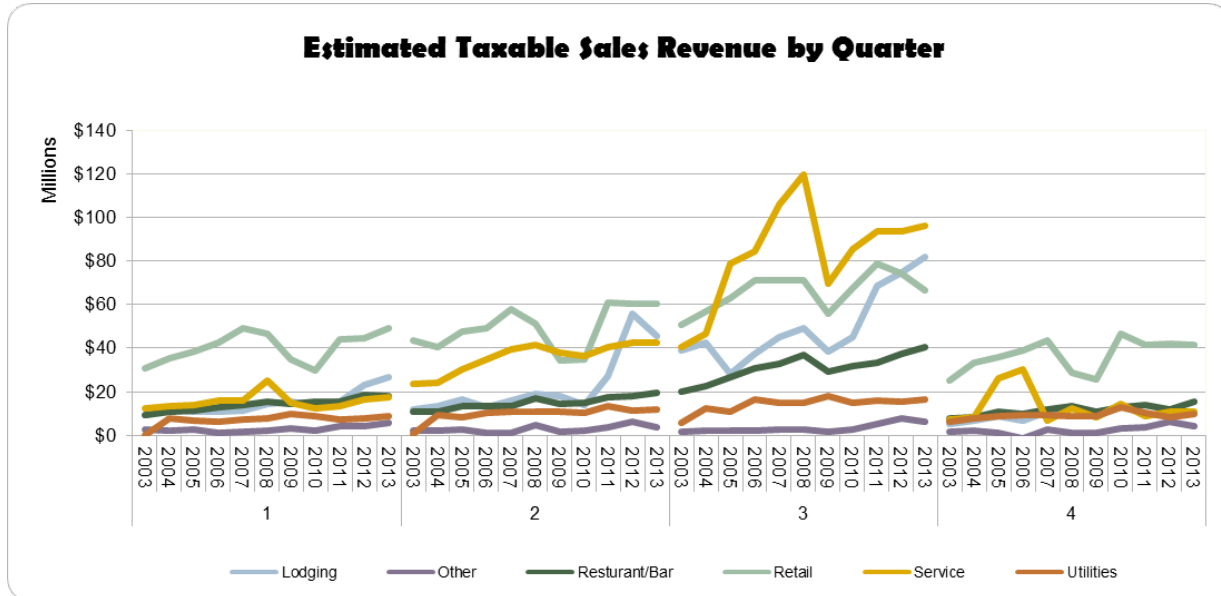


Figure E04 – Estimated Taxable Sales Revenue by Quarter

CITY FINANCIAL HEALTH INDICATORS

In May of 2003, the Citizens Technical Advisory Committee (CTAC) and the staff from Park City Municipal Corporation identified certain concepts in order to measure the financial health of Park City. The ultimate goal for these concepts was to specify indicators that would be monitored in the future and be included in future Budget Documents. These measures are designed to show the financial position of the City as a whole, while the performance measurement program focuses more specifically on each department within the City’s organization.

TYPES OF FINANCIAL HEALTH INDICATORS

The International City/County Management Association (ICMA) produces a manual entitled Evaluating Financial Condition. Within this manual, various indicators and methods for analysis are outlined and recommended. According to the ICMA, the financial condition of a municipality can be defined as “...a government’s ability in the long run to pay all the costs of doing business, including expenditures that normally appear in each annual budget, as well as those that will appear only in the years in which they must be paid.” By recording the necessary

ECONOMIC OUTLOOK

data and observing these indicators, certain warning trends can be seen and remedied before it becomes a problem for the Park City government.

The following indicators were chosen with input from CTAC and the staff from the budget department.

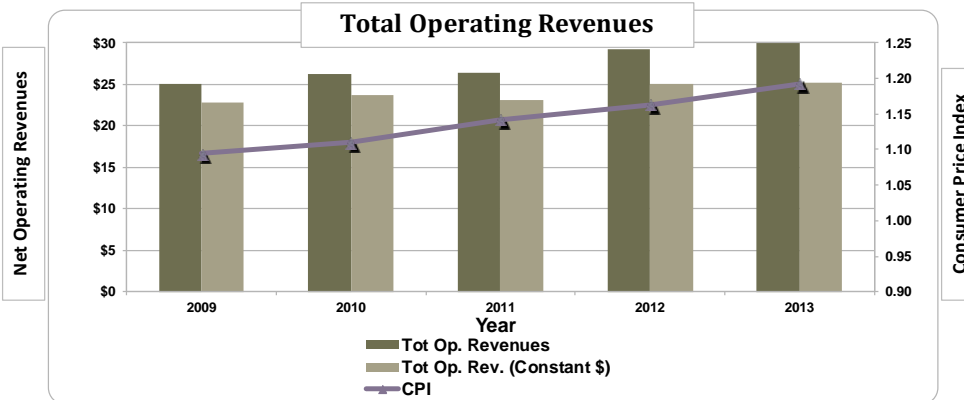
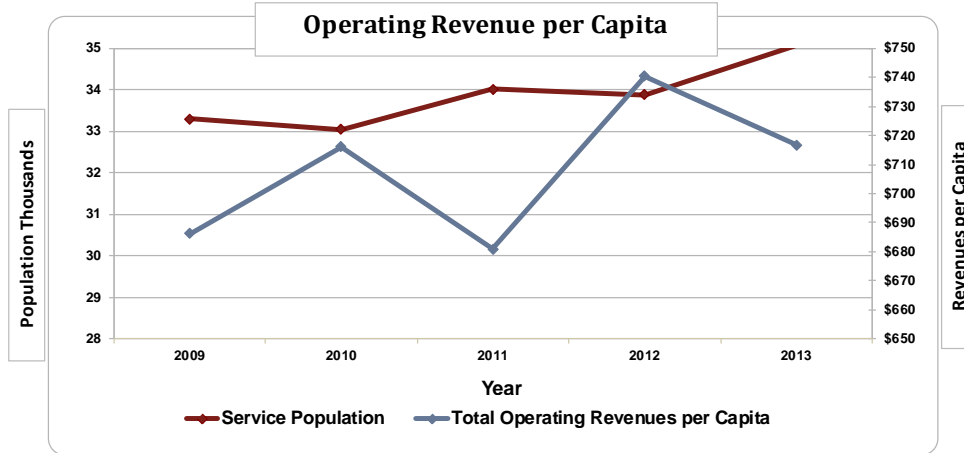
- A. Revenues per capita
- B. Expenditures per capita
- C. Municipal employees per capita
- D. Operating (deficit) surplus per capita
- E. Comparison of the liquidity ratio and long-term debt
- F. Long-term overlapping debt as a percentage of assessed valuation
- G. Administrative costs as a percentage of total operating expenditures
- H. Historical bond ratings

ECONOMIC OUTLOOK

Revenues per Capita

Revenues per Capita are total operating revenues per capita (service population*)

Description	2009	2010	2011	2012	2013
Total Operating Revenues	\$24,998,836	\$26,258,101	\$26,453,856	\$29,170,828	\$29,987,954
CPI	1.09	1.11	1.14	1.16	1.19
Total Operating Revenues (Constant dollars)	\$22,850,855.58	\$23,655,946.85	\$23,164,497	\$25,082,397	\$25,140,456
Service Population *	33,303	33,038	34,020	33,880	35,073
Total Operating Revenues per capita (Constant dollars)	\$686.16	\$716.02	\$680.91	\$740.33	\$716.80



Analysis

Total Operating Revenues includes the General Fund and the Debt Service Fund. Examining per capita revenues shows changes in revenue relative to changes in population size. By using the service population, one can factor in the impact that visitors and secondary homeowners have on sales tax revenue. The consumer price index (CPI) is used to convert current total operating revenues to constant total operating revenues to account for inflation and display a more accurate picture of accrued revenues. The warning trend is decreasing total operating revenues as the population rises.

Source

Total Operating Revenues - Statement of Revenues, Expenditures, and Changes in Fund Balances pg. 31. (General + Debt Service (Sales Tax Revenue and Refunding) + Debt Service (Park City General Obligation).)

Also, note CAFR FY13 Table 2, CAFR 05-06 Schedule 5 for Tax Revenue.

CPI - Bureau of Labor Statistics www.bls.gov, Population - Census Bureau, www.census.gov

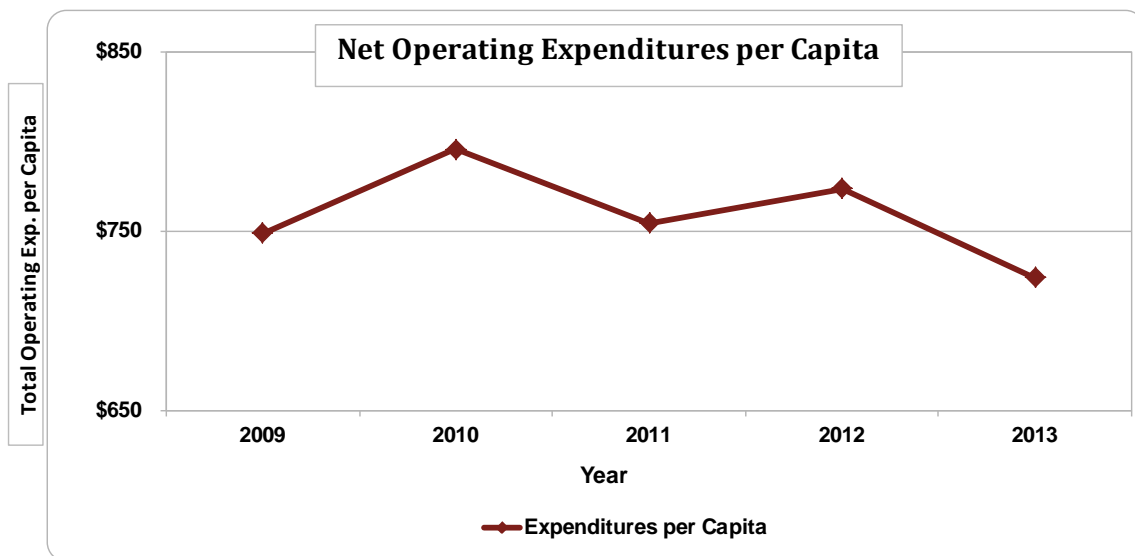
* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors

ECONOMIC OUTLOOK

Expenditures per Capita

Expenditures per capita are net operating expenditures per capita (service population *)

Description	2009	2010	2011	2012	2013
Debt Service*	\$7,006,784	\$8,150,248	\$7,368,091	\$7,159,836	\$6,225,883
Operating Expenditures	\$20,266,054	\$21,019,587	\$21,940,864	\$23,316,646	\$24,069,551
Total Operating Expenditures	\$27,272,838	\$29,169,835	\$29,308,955	\$30,476,482	\$30,295,434
CPI	1.09	1.11	1.14	1.16	1.19
Total Operating Expenditures (Constant dollars)	\$24,929,468	\$26,279,131	\$25,664,584	\$26,205,058	\$25,398,233
Service Population**	33,303	33,038	34,020	33,880	35,073
Net Operating Expenditures per capita (Constant dollars)	\$748.58	\$795.41	\$754.40	\$773.46	\$724.15



Analysis

Changes in per capita expenditures reflect changes in expenditures relative to changes in population. Taking into account the service population and the inflation factor, the indicator shows the increasing costs of providing city services. The rate has fluctuated slightly, but has remained stable since 2009. Total operating expenses increased in 2012, in spite of a reduction in debt service expenditures. The increase is mostly attributed to increased operating expenditures.

Source

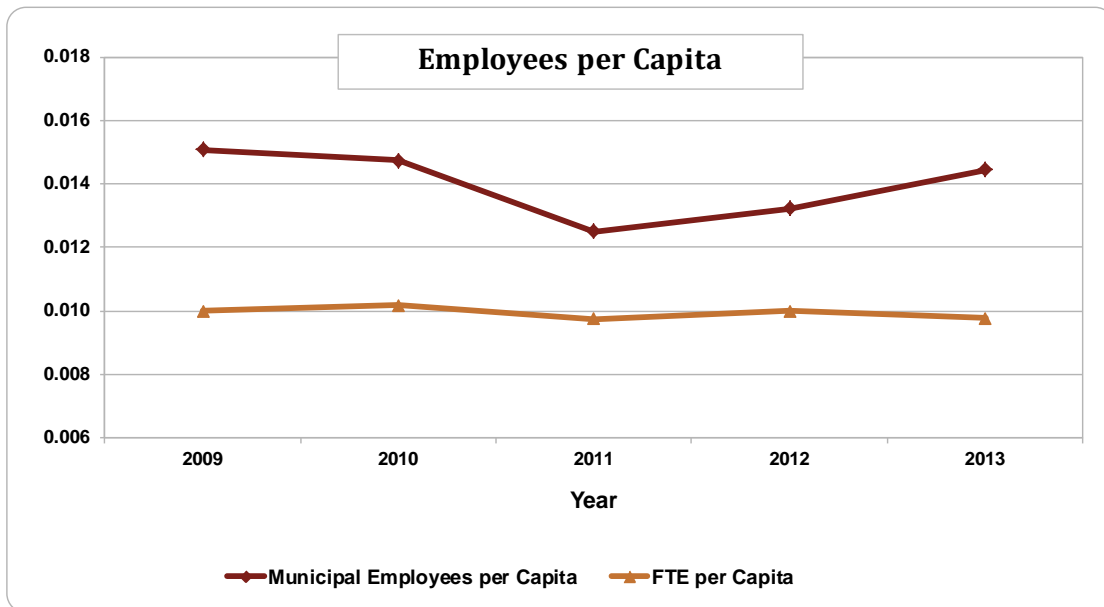
Population - Census Bureau, www.census.gov,
 Debt Service excludes CIP debt service pg. 31 (Total Governmental Funds: Principal + Interest + Bond issuance costs+ Arbitrage rebate - CIP)
 Net Operating Expenditures - CAFR FY13 Table 1, CAFR FY13 Schedule 4
 Total Operating Expenditures pg. 31 (General Total).
 CPI - Bureau of Labor Statistics www.bls.gov
 ** Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors
 *There were no Arbitrage costs in 2013

ECONOMIC OUTLOOK

Employees per Capita

Municipal employees per capita (service population*)

Description	2009	2010	2011	2012	2013
Number of Municipal Employees	502	487	429	448	507
# FTE (Full-time equivalents)	333.3	336.2	334.4	339.1	342.7
Service Population*	33,303	33,038	34,281	33,880	35,073
Number of Municipal Employees per Capita	0.015	0.015	0.013	0.013	0.014
Total FTE Per Capita	0.010	0.010	0.010	0.010	0.010



Analysis

Employees per capita shows the overall labor productivity in relation to population of the city. The FTEs per capita seems to suggest that as population increases the number of employees decreases. Over the last five years the trend has remained fairly consistent.

Source

Number of Employees - CAFR - Schedule 21, CAFR FY13 Table 16, 2005-06 from Human Resources Department.

FTE counts - FY13 Staffing Summary 4-120 and past Budget Documents, FY13 from Schedule 20 in FY13 CAFR

Population - Census Bureau, www.census.gov

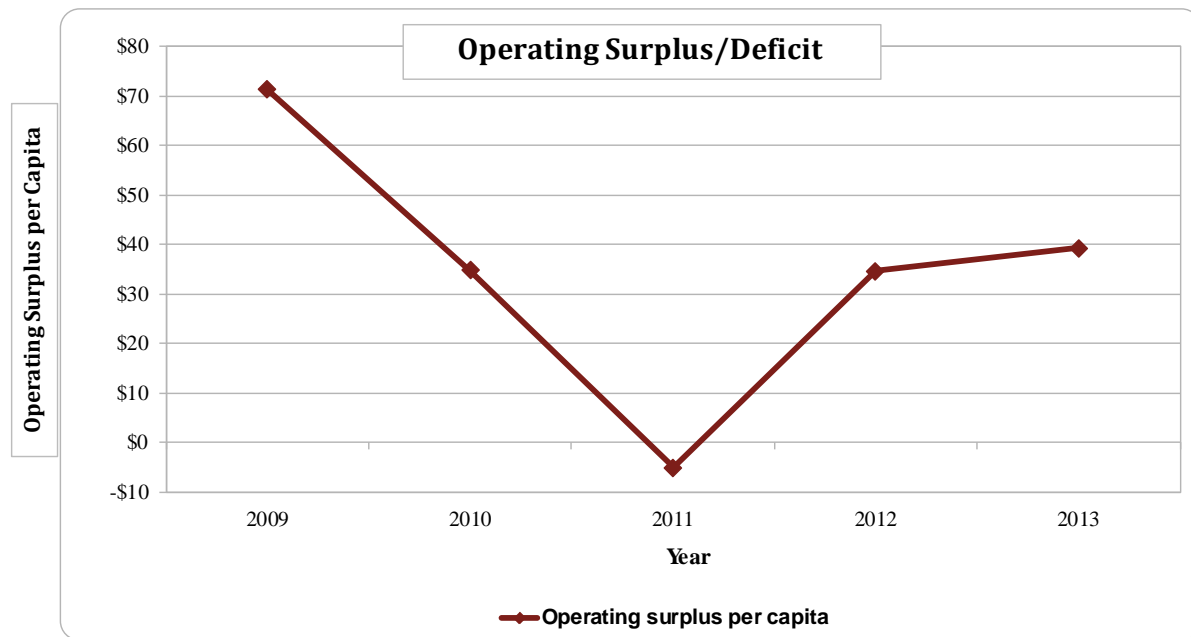
* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors

ECONOMIC OUTLOOK

Operating (Deficit) or Surplus

Operating deficit or surplus as a percentage of operating revenues

Description	2009	2010	2011	2012	2013
Operating deficit or surplus	\$2,374,555	\$1,151,650	-\$171,891	\$1,176,436	\$1,379,901
Net fund operating revenue	\$24,998,836	\$26,258,101	\$26,453,856	\$29,170,828	\$29,987,954
General fund operating surplus (deficit) as % of net fund operating revenues	9%	4%	-1%	4%	5%
Service Population*	33,303	33,038	34,281	33,880	35,073
Operating surplus per capita	\$71.30	\$34.86	-\$5.01	\$34.72	\$39.34



Analysis

An operating surplus is used to fund CIP and fund non-operating expenditures. The City has had a strong fund balance for several years in spite of the recent decrease in operating surplus/deficit from 2008 to 2011. In 2013 the City had an operating surplus and the fund balance is considered very healthy.

Source

General fund operating surplus/deficit - CAFR FY13 pg.33, Net Fund Operating Revenues - CAFR FY13 Table 2, CAFR FY13 Schedule 5 for Tax Revenue; Statement of Revenues, Expenditures, and Changes in Fund Balances pg. 31 for all other revenues. (Includes debt service for investment income and rental and other miscellaneous)

* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors

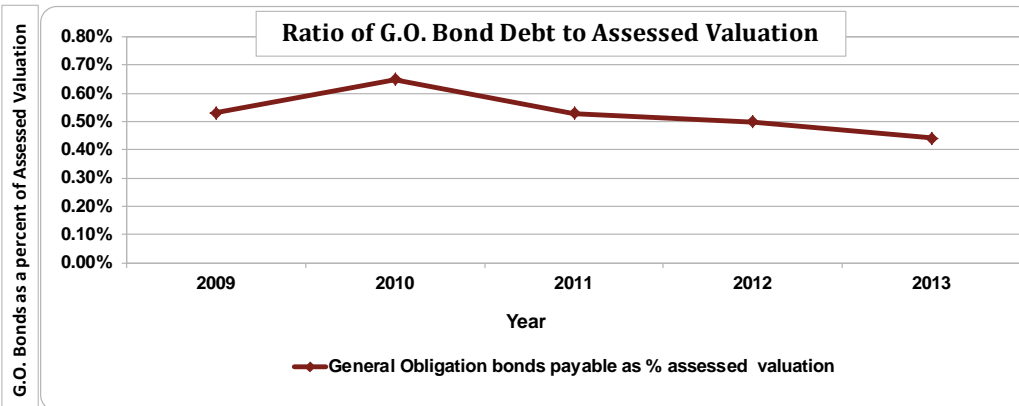
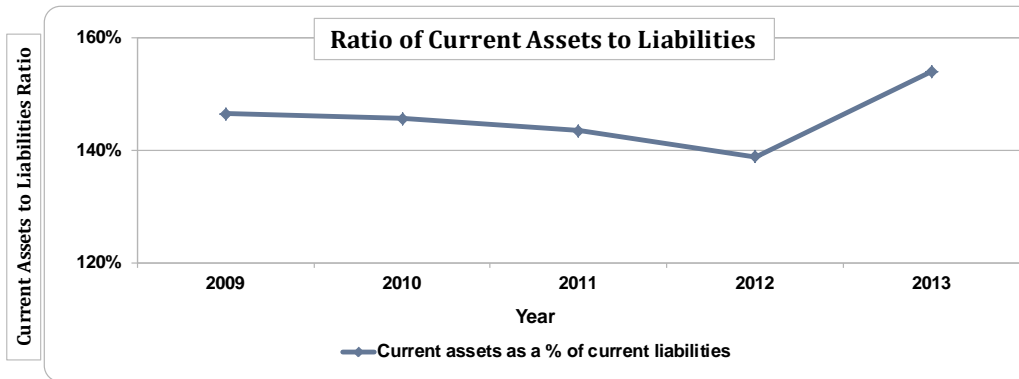
ECONOMIC OUTLOOK

Liquidity & Long Term Debt

Liquidity is defined as cash and short-term investments as a percentage of current liabilities

Long-Term debt is defined as total General Obligation bonds payable as a percentage of assessed valuation

Description	2009	2010	2011	2012	2013
Cash and short-term investments	\$11,805,757	\$12,419,044	\$13,991,178	\$14,467,876	\$15,848,194
Current Liabilities	\$8,058,461	\$8,524,072	\$9,750,900	\$10,419,734	\$10,285,291
Current assets as a % of current liabilities	147%	146%	143%	139%	154%
Description	2009	2010	2011	2012	2013
Assessed valuation	\$6,783,652,435	\$6,073,486,107	\$6,845,702,242	\$6,652,579,338	\$6,725,375,418
Total G. O. bonds	\$36,015,000	\$39,375,000	\$36,135,000	\$33,168,627	\$29,701,426
General Obligation bonds payable as % assessed valuation	0.53%	0.65%	0.53%	0.50%	0.44%



Analysis

Liquidity determines the city's ability to pay its short-term obligations. In the private sector, liquidity is measured with the ratio of cash, short-term investments and accounts receivable over current liabilities. Public sector municipalities use the ratio of cash and short-term investments over current liabilities. According to the International City/County Management Association, both private and public sectors use the ratio of one to one or 100% or above to indicate a current account surplus.

The liquidity indicator for Park City has decreased over the time period shown due to the issue of General Obligation (or voter approved) bonds in 1999, 2000, 2003, 2004, 2006, 2008, 2009, and 2010. The majority of these G.O. bonds were allocated for the purchase of open space*.

Issuing these bonds increases the long term debt and the current liability account, thus decreasing the liquidity ratio. The warning trend to be aware of in analyzing these measures, is a decreasing liquidity ratio in conjunction with an increase in long term debt. This indicates that a government might struggle to cover its financial obligations in the future.

ECONOMIC OUTLOOK

Although it is apparent that the liquidity ratio has declined over the time period shown, it should be noted that the ratio is still above the 100% level, and that the issued G.O. bonds have a dedicated revenue source in property taxes. The Utah State Constitution states that direct debt issued by a municipal corporation should not exceed 4% of the assessed valuation, Park City has a more stringent policy of 2% of assessed valuation. The percentage of long-term debt to assessed valuation has been decreasing since 2010 and it is well below the City policy of 2%.

* 1999 bond issue was passed by a voter margin of 78% & 2003 by 81%.

Source

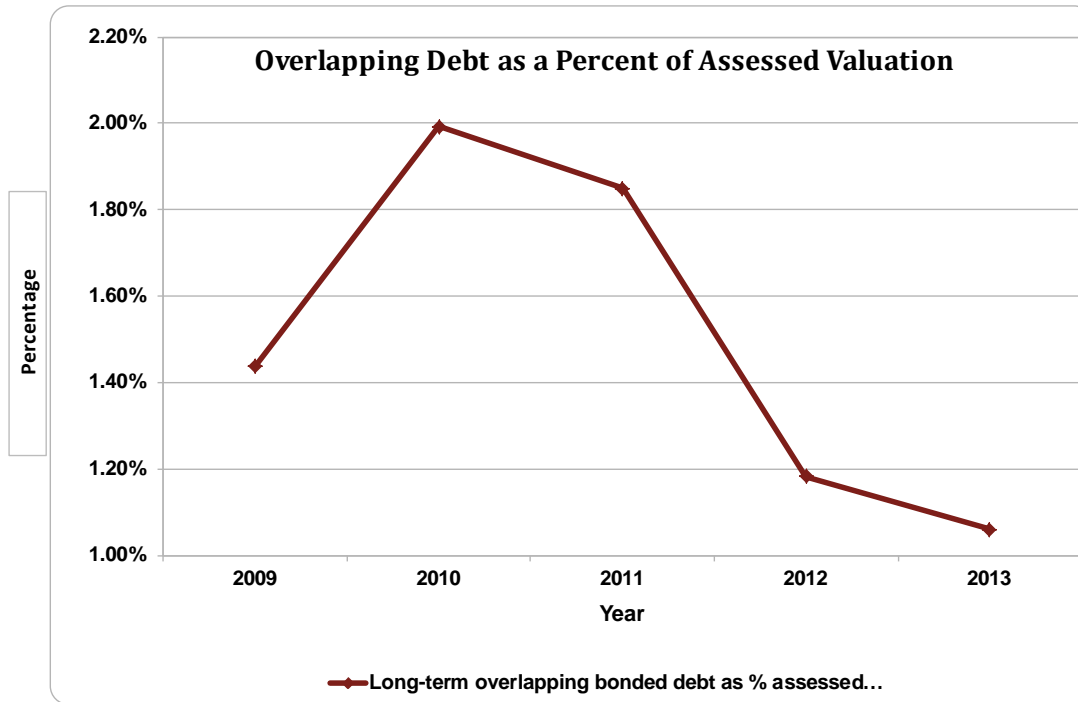
Current Assets - CAFR FY13 pg. 29, (General - Total). Current Liabilities - CAFR FY13 pg. 29, (General - Total Liabilities+Total deferred inflows of resources). Assessed Valuation- Summit County Assessor's Office, Gross Bonded Long-Term Debt - CAFR FY13 Schedule 14. Current Assets - CAFR FY13, Current Liabilities - CAFR FY13,

ECONOMIC OUTLOOK

Overlapping Debt

Long-term overlapping bonded debt is the annual debt service on

Description	2009	2010	2011	2012	2013
Park City	\$36,015,000	\$39,375,000	\$36,135,000	\$43,670,852	\$41,455,507
State of Utah	\$42,987,456	\$63,460,680	\$76,032,027	\$0	\$0
Summit County	\$2,240,705	\$1,951,415	\$1,394,115	\$9,566,217	\$9,310,290
Park City School District	\$14,317,853	\$14,047,914	\$10,978,534	\$6,570,556	\$4,015,550
Snyderville Basin Sewer District*	\$0	\$0	\$0	\$0	\$0
Weber Basin Water Conservancy District	\$2,064,732	\$2,140,498	\$2,006,249	\$18,806,518	\$16,481,103
Total Long-term overlapping bonded debt	\$97,625,746	\$120,975,507	\$126,545,925	\$78,614,143	\$71,262,450
Assessed valuation	\$6,783,652,435	\$6,073,486,107	\$6,845,702,242	\$6,652,579,338	\$6,725,375,418
Long-term overlapping bonded debt as % assessed valuation	1.44%	1.99%	1.85%	1.18%	1.06%



Analysis

The overlapping debt indicator measures the ability of the City's tax base to repay the debt obligations issued by all of its governmental and quasi-governmental jurisdictions. Overlapping debt as a percentage of the City's assessed valuation has fluctuated over the past five years due to variations in assessed valuation and reduction of principal balances from required debt service payments. The overlapping debt percentage dropped in 2013, due to?

*Taken out per financial advisor suggestion.

Source

Long-term overlapping bonded debt - CAFR FY13 Schedule 14, Assessed valuation - Summit County Assessor's Office; CAFR FY13 Schedule 16 pg. 106

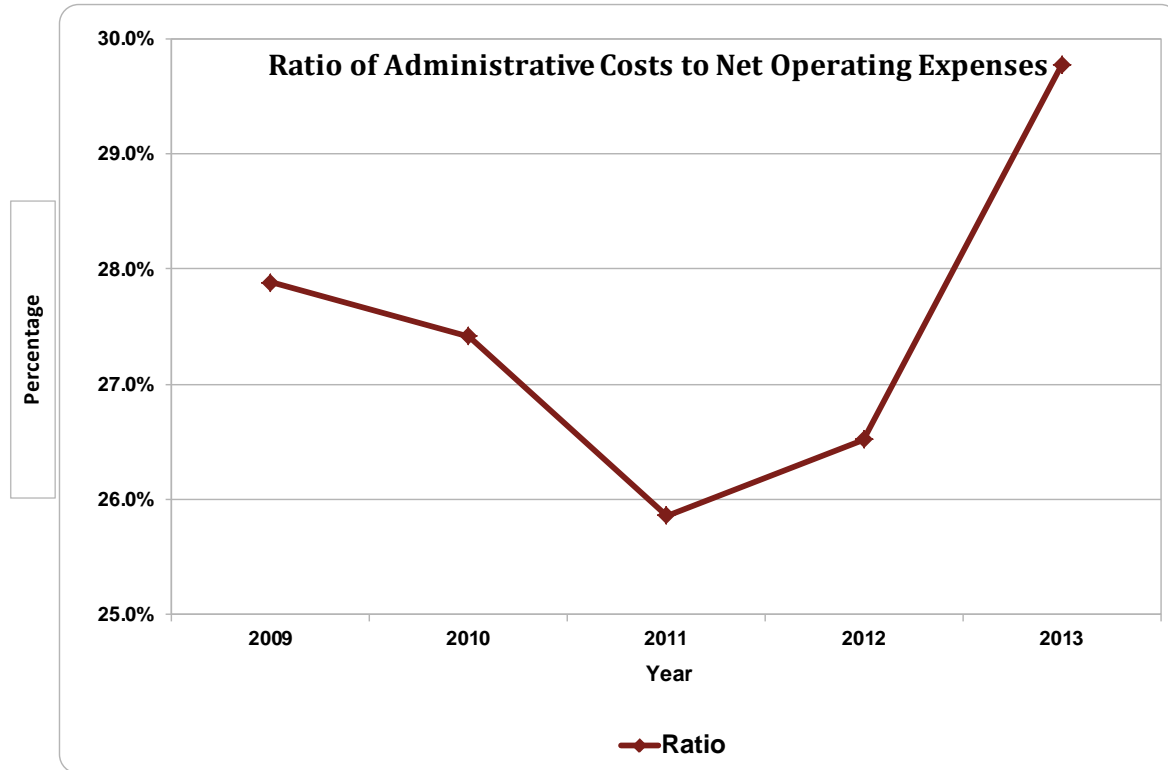
Long-term overlapping bonded debt - CAFR FY13 Table 10, Assessed valuation - CAFR FY13 Table 9

ECONOMIC OUTLOOK

Administrative Costs as a Percentage of Total Operating Expenditures

Administrative Costs were evaluated from specific functions of the

Description	2009	2010	2011	2012	2013
Administrative Costs	\$7,604,763	\$7,996,843	\$7,578,313	\$8,081,453	\$9,018,231
Net Operating Expenses	\$27,272,838	\$29,169,835	\$29,308,955	\$30,476,482	\$30,295,434
Ratio	27.9%	27.4%	25.9%	26.5%	29.8%



Analysis

Examining a function of the government as a percentage of total expenditures enables one to see whether that function is receiving an increasing, stable, or decreasing share of the total expenditures. Administrative expenses were totaled from the actual expenditures for the executive function of the City excluding the Ice Facility. Administrative costs in 2013 are just under 30%.

Source

Expenses by Fund in Board - General Government - General Fund
Net Operating Expenses - CAFR FY13 Table 1, CAFR FY13 Schedule 4 (Debt Service excludes CIP debt service pg. 31)

ECONOMIC OUTLOOK

Bond Ratings for Park City

Description	2009	2010	2011	2012	2013
Moody's	Aa2	Aa1	Aa1	Aa1	Aa1
S & P	AA	AA	AA	AA	AA+
Fitch	AA	AA+	AA+	AA+	AA+

Moody's	Description
Aaa	Highest
Aa1	Top Quality; "Gilt-Edged" High Grade; Very Strong
Aa2	Top Quality; "Gilt-Edged" High Grade; Very Strong
Aa3	Top Quality; "Gilt-Edged" High Grade; Very Strong
A1	Upper Medium Grade; Strong
A2	Upper Medium Grade; Strong
A3	Upper Medium Grade; Strong
Baa1	Medium Grade; Adequate
Baa2	Medium Grade; Adequate
Baa3	Medium Grade; Adequate
Ba1	Speculative Elements; Major Uncertainties
Ba2	Speculative Elements; Major Uncertainties
Ba3	Speculative Elements; Major Uncertainties
B1	Not Desirable; Impaired Ability to Meet Obligations
B2	Not Desirable; Impaired Ability to Meet Obligations
B3	Not Desirable; Impaired Ability to Meet Obligations
Caa1	Very Speculative
Caa2	Very Speculative
Caa3	Very Speculative
Ca	Very Speculative
C	No Interest Being Paid
	Default

Park City Bond Rating

Analysis

A municipal bond rating informs an investor of the relative safety level in investing in a particular bond. As shown in the chart above, the current bond rating for Park City is described as Top Quality; "Gilt-Edged" High Grade; Very Strong with the three major bond rating companies. In 2013 S&P raised our bond rating from AA to AA+.

Source

Park City bond ratings- Budget Documents 2000-2004, 1999 - Official Statement for 1999 issuance of G.O. bonds Bond Rating Scales- Zions Public Finance

ECONOMIC OUTLOOK

PARK CITY DEMOGRAPHIC INFORMATION

Permanent Population (2010 Census)	7,558
Service Population in 2011: <i>(Includes the permanent population, population estimate for secondary homeowners, and average daily visitors)</i>	34, 281
City Size:	18.14 square miles
Government Type:	Elected Mayor and five member City Council / Council-Manager form of government (by ordinance)
Incorporation Date:	March 15, 1884
2011 Total Assessed Value:	\$7,004,533,368
2011 Total Taxable Value:	\$6,109,901,683
Property Use Category Breakdown:	
Primary	27.04%
Residential Non Primary	61.98%
Residential Commercial	6.66%
Other	4.32%
Median Household Income:	\$61,912
Median Family Income:	\$80,378
Median Age (2010 Census):	37.4
Enrolled School Population (2008):	4,400
Percent of persons 25 years old and over with:	
High School Diploma or Higher:	88.7%
Bachelor Degree or Higher:	59.2%
Annual Average Snowfall:	350"
Elevation Range:	6,500' to 10,000'
2010-11 Season Skier Days (3 area resorts):	1,866,317

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POLICIES & OBJECTIVES

CHAPTER 1 - BUDGET POLICY

PART I - BUDGET ORGANIZATION

- A.** Through its financial plan (Budget), the City will do the following:
1. Identify citizens' needs for essential services.
 2. Organize programs to provide essential services.
 3. Establish program policies and goals that define the type and level of program services required.
 4. List suitable activities for delivering program services.
 5. Propose objectives for improving the delivery of program services.
 6. Identify available resources and appropriate the resources needed to conduct program activities and accomplish program objectives.
 7. Set standards to measure and evaluate the following:
 - a. the output of program activities
 - b. the accomplishment of program objectives
 - c. the expenditure of program appropriations
- B.** All requests for increased funding or enhanced levels of service should be considered together during the budget process, rather than in isolation. A request relating to programs or practices which are considered every other year (i.e., the City Pay Plan) should be considered in its appropriate year as well. According to state statute, the budget officer (City Manager) shall prepare and file a proposed budget with the City Council by the first scheduled council meeting in May.
- C.** The City Council will review and amend appropriations, if necessary, during the fiscal year.
- D.** The City will use a multi-year format (two years for operations and five years for CIP) to give a longer range focus to its financial planning.
1. The emphasis of the budget process in the first year is on establishing expected levels of services, within designated funding levels, projected over a two-year period, with the focus on the budget.
 2. The emphases in the second year are reviewing necessary changes in the previous fiscal plan and developing long term goals and objectives to be used during the next two-year budget process. The focus is on the financial plan. In the second year, operational budgets will be adjusted to reflect unexpended balances from the first year.
- E.** Through its financial plan, the City will strive to maintain **Structural Balance**; ensuring basic service levels are predictable and cost effective. A balance should be maintained between the services provided and the local economy's ability to pay.

POLICIES & OBJECTIVES

- F.** The City will strive to improve productivity, though not by the single-minded pursuit of cost savings. The concept of productivity should emphasize the importance of *quantity* and *quality* of output as well as *quantity* of resource input.

PART II - ECONOMIC DEVELOPMENT GRANT POLICY (ADOPTED JUNE 15, 2006)

Annually, the City will allocate \$20,000 to be used towards attracting and promoting new organizations that will fulfill key priority goals of the City's current Economic Development Plan. Funding will be available for relocation and new business start-up costs only.

A. ED Grant Distribution Criteria

Organizations must meet the following criteria in order to be eligible for an ED Grant:

1. **Criteria #1:** The organization must demonstrate a sound business plan that strongly supports prioritized Goals of the current City Economic Development Plan.
2. **Criteria #2:** The organization must be unique and innovative; with a forecasted ability to generate overnight visitors who would spend dollars within the City's resort offerings.
3. **Criteria #3:** The organization must be new to Park City or represent a distinctly new enterprise supportive of the current priority Goals of the City's Economic Development Plan. Organizations must commit to and demonstrate the ability to do business in the City limits no less than three years. Funding cannot be used for one-time events.
4. **Criteria #4:** The organization must produce items or provide services that are consistent with the economic element of the City's General Plan; enhances the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the City.
5. **Criteria #5:** Can forecast and demonstrate at the time of application an ability to achieve direct taxable benefits to the City greater than twice the City's contribution.
6. **Criteria #6:** Fiscal Stability and Other Financial Support: The organization must have the following: (1) A clear description of how public funds will be used and accounted for; (2) Other funding sources that can be used to leverage resources; (3) A sound financial plan that demonstrates managerial and fiscal competence.

The City's Economic Development Program Committee will review all applications and submit a recommendation to City Council, who will have final authority in judging whether an applicant meets these criteria.

B. Economic Development Grant Fund Appropriations

The City currently allocates economic development funds through the operating budget of the Economic Development & Capital Projects department. Of these funds, no more than \$20,000 per annum will be available for ED Grants. Unspent fund balances at the end of a year will not be carried forward to future years.

POLICIES & OBJECTIVES

C. ED Grant Categories

ED Grants will be placed in two potential categories:

- 1. Business Relocation Assistance:** This category of grants will be available for assisting an organization with relocation and new office set-up costs. Expenses that could be covered through an ED Grant include moving costs, leased space costs, and fixtures/furnishings/ and equipment related to setting up office space within the City limits.
- 2. New Business Start-up Assistance:** This category of grants will be available for assisting a new organization or business with new office set-up costs. Expenses that could be covered through an ED Grant include leased office space costs and fixtures/furnishings/ and equipment related to setting up office space within the City limits.

D. Application Process

Application forms may be downloaded from the City's www.parkcity.org website or available for pick-up within the Economic Development Office of City Hall. Funds are available throughout the City's fiscal year on a budget available basis.

E. Award Process

The disbursement of the ED Grants shall be administered pursuant to applications and criteria established by the Economic Development Department, and awarded by the City Council consistent with this policy and upon the determination that the appropriation is necessary and appropriate to accomplish the economic goals of the City.

ED Grants funds will be appropriated through processes separate from the biennial Special Service Contract and ongoing Rent Contribution and Historic Preservation process.

The Economic Development Program Committee will review all applications and forward a recommendation to City Council for authorization. All potential awards of grants will be publicly noticed 14 days ahead of a City Council action.

Nothing in this policy shall create a binding contract or obligation of the City. Individual ED Grant Contracts may vary from contract to contract at the discretion of the City Council. Any award of a contract is valid only for the term specified therein and shall not constitute a promise of future award. The City reserves the right to reject any and all proposals, and to waive any technical deficiency at its sole discretion. Members of the City Council, the Economic Development Program Committee, and any advisory board, Task Force or special committee with the power to make recommendations regarding ED Contracts are ineligible to apply for such Contracts. City Departments are also ineligible to apply for ED Contracts. All submittals shall be public records in accordance with government records regulations ("GRAMA") unless otherwise designated by the applicant pursuant to UCA Section 63-2-308, as amended.

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PART III - VENTURE FUND

In each of the Budgets since FY1990, the City Council has authorized a sum of money to encourage innovation and to realize opportunities not anticipated in the regular program budgets. The current budget includes \$50,000 in each of the next two years for this purpose. The City Manager is to administer the money, awarding it to programs or projects within the municipal structure (the money is not to be made available to outside groups or agencies). Generally, employees are to propose expenditures that could save the City money or improve the delivery of services. The City Manager will evaluate the proposal based on the likelihood of a positive return on the “investment,” the availability of matching money from the department, and the advantage of immediate action. Proposals requiring more than \$10,000 from the Venture Fund must be approved by the City Council prior to expenditure.

PART IV - OPERATING CONTINGENCY ACCOUNTS

In accordance with sound budgeting principles, a certain portion of the annual operating budget is set aside for contingency or unanticipated cost necessary to fulfill the objectives of Council and the City’s goals and mission. The following policy outlines the parameters and circumstances under which contingency funding is to be administered:

A. Access to Contingency Funds

Monies set aside in the general contingency account shall be accessible for the following purposes. In the event that there are insufficient contingency funds to satisfy all claims on the funding, the City shall strive to allocate funding according to priority order: Top Priority - Purpose #1; 2nd Priority - Purpose #2; Last Priority - Purpose #3.

1. Ensure that the City satisfies State mandated budget requirements
 - a) This purpose may include, but is not necessarily limited to, the following scenarios:
 - i) The City realizes less than the anticipated and budget personnel vacancy
 - ii) One or more budget functions (as recognized by the state auditor) exceed budgeted expenditure levels in a fiscal year
 - iii) Other non-compliances with state budget requirements which could be resolved through utilization of contingency budget
 - b) The City Manager is authorized to approve requests under this section for any expense under \$15,000. Any item over \$15,000 that is not anticipated in the current budget is subject to Council approval (see Purchasing Policy).

2. Enable the City to meet Council directed levels of service despite significant shifts in circumstances unforeseen when the budget was adopted
 - a) These circumstances may include, but are not necessarily limited to, the following:
 - i) A significant increase in the cost of goods or contracted services

POLICIES & OBJECTIVES

- ii) Large fluctuations in customer or user demand
 - iii) Organizational changes requiring short-term or bridge solutions to meet existing LOS
 - iv) Large-scale mechanical or equipment failure requiring immediate replacement
 - v) Other unforeseen changes to the cost of providing City services
 - b) Requests for use of contingency funds under this section must be submitted in writing to the City Manager and the Budget Department with justification clearly detailed
 - c) The City Manager is authorized to approve requests under this section for any expense under \$15,000. Any item over \$15,000 that is not anticipated in the current budget is subject to Council approval (see Purchasing Policy).
- 3. Facilitate Council directed increases in level of service in the short term**
- a) Council may direct staff to use contingency funds for purposes of initiating an increased level of service in the middle of a budget year or for capital projects not previously funded in the 5-Year Capital Improvement Plan
 - b) Long term funding for increased levels of service should be identified in the budget process
 - c) All requests for ongoing level of service increases should pass through the Request for Elevated Level of Service (RELS) process and the Budgeting for Outcomes (BFO) framework, whether the funding source is contingency or another source
 - d) The City Manager is authorized to approve requests under this section for any expense under \$15,000, following direction from the City Council to expand levels of service. Any item over \$15,000 that is not anticipated in the current budget is subject to Council approval (see Purchasing Policy).

B. Monitoring

- 1) The Budget Department will monitor all expenditure from contingency accounts monthly, ensuring that access to the account is compliant with the above procedures.
- 2) Total expenses in the contingency account may not exceed 50% of the budgeted contingency prior to June 30 without the approval of the City Manager. On or after June 30, expenses may be coded to this account in excess of 50% of budgeted levels, but not to exceed 100% of the adjusted budget.

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PART V - RECESSION/ REVENUE SHORTFALL PLAN

- A.** The City has established a plan, including definitions, policies, and procedures to address financial conditions that could result in a net shortfall of resources as compared to requirements. The Plan is divided into the following three components:
- 1. Indicators** which serve as warnings that potential budgetary impacts are increasing in probability. The City will monitor key revenue sources such as sales tax, property tax, and building activity, as well as inflation factors and national and state trends.
 - 2. Phases** which will serve to classify and communicate the severity of the situation, as well as identify the actions to be taken at the given phase.
 - 3. Actions** which are the preplanned steps to be taken in order to prudently address and counteract the anticipated shortfall.
- B.** The recession plan and classification of the severity of the economic downturn will be used in conjunction with the City's policy regarding the importance of maintaining revenues to address economic uncertainties. As always, the City will look to ensure that revenues are calculated adequately to provide an appropriate level of city services. As any recessionary impact reduces the City's projected revenues, corrective action will increase proportionately. Following is a summary of the phase classifications and the corresponding actions to be taken.
- 1. Level 1 - ALERT: An anticipated net reduction in available projected revenues from 1% up to 5%.** The actions associated with this phase would best be described as delaying expenditures where reasonably possible, while maintaining the "Same Level" of service. Each department will be responsible for monitoring its individual budgets to ensure only essential expenditures are made.
 - 2. Level 2 - MINOR: A reduction in projected revenues in excess of 5%, but less than 15%.** The objective at this level is still to maintain "Same Level" of service where possible. Actions associated with this level would be as follows:
 - a.** Implementing the previously determined "Same Level" Budget.
 - b.** Intensifying the review process for large items such as contract services, consulting services, and capital expenditures, including capital improvements. Previously approved capital project expenditures which rely on General Fund surplus for funding should be subject to review by the Budget Department.
 - c.** Closely scrutinizing hiring for vacant positions, delaying the recruitment process, and using temporary help to fill in where possible (soft freeze). The City Manager will review all personnel action with heightened scrutiny, including career development and interim reorganizations, to ensure consistency and equitable application of the soft freeze across the organization.
 - d.** Closely monitoring and reducing expenditures for travel, seminars, retreats, and bonuses.

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- e. Identifying expenditures that would result in a 5% cut to departmental operating budgets while still maintaining the same level of service where possible.
- f. Reprioritizing capital projects with the intent to de-obligate non-critical capital projects.
- g. Limit access to contingency funds.
- 3. **Level 3 - MODERATE: A reduction in projected revenues in excess of 15%, but less than 30%.** Initiating cuts of service levels by doing the following:
 - a. Requiring greater justification for large expenditures.
 - b. Deferring non-critical capital expenditures.
 - c. Reducing CIP appropriations from the affected fund.
 - d. Hiring to fill vacant positions only with special justification and authorization.
 - e. Identifying expenditures that would result in a 10% cut to departmental operating budgets while trying to minimize service level impacts where possible.
 - f. Eliminate access to contingency funds.
- 4. **Level 4 - MAJOR: A reduction in projected revenues of 30% to 50%.** Implementation of major service cuts.
 - a. Instituting a hiring freeze.
 - b. Reducing the Part-time Non-Benefited and Seasonal work force.
 - c. Deferring merit wage increases.
 - d. Further reducing capital expenditures.
 - e. Preparing a strategy for reduction in force.
- 5. **Level 5 - CRISIS: A reduction in projected revenues in excess of 50%.**
 - a. Implementing reduction in force or other personnel cost-reduction strategies.
 - b. Eliminating programs.
 - c. Deferring indefinitely capital improvements.

- C. If an economic uncertainty is expected to last for consecutive years, the cumulative effect of the projected reduction in reserves will be used for determining the appropriate phase and corresponding actions.

PART VI – GRANT POLICY

In an effort to give some uniformity and centralization to the grants administration process for the City, the Budget Department has drafted the following guidelines for all grants applied for or received by Park City departments.

A. Application Process

Departments are encouraged to seek out and apply for any suitable grants. The Budget, Debt, & Grants Department is available to assist City departments in the search and application process. Whereas departments are encouraged to work side-by-side with the Budget Department in the application process, they are *required* at a minimum to communicate their intention to apply for a grant to the Budget Department. They are

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further required to send a copy of the finalized grant application to the Budget Department.

B. Executing a Grant

In the event of a successful grant application, the grantee department must notify the Budget Department immediately to schedule a meeting to discuss the grant administration strategy. All grants require approval by the Budget Manager before grant execution. If a check is sent by the granting entity to the grantee department, that check should be forwarded to the Budget Department and not deposited by the grantee department. It will be the Budget Department's responsibility to assure that all grant money is appropriately accounted for.

The Budget Department will create detailed physical and electronic files that include the following information provided by the grantee department

1. A copy of the grant application
2. The notice of award
3. Copies of invoices and expense documentation
4. Copies of checks received from the granting entity
5. Copies of significant communication (emails, letters, etc) regarding the grant
6. Contact information for the granting entity
7. Contact information for project/program managers

Because many grants have varying regulations, terms, and deadlines, the Budget Department will assume the responsibility to meet those terms and monitoring requirements. The Budget Department will also track remaining balances on reimbursement-style grants. Information such as current balances, important deadlines, etc. will be provided to grantee departments on a regular basis or upon request. This centralized maintenance of grant documents will simplify grant queries and audits.

C. Budgeting for a Grant

Generally, operating and capital budgets will not be increased to account for a grant before the grant is awarded. Any department that receives a grant should fill out a budget option during the regular budget process. The option should be to increase either their operating or capital budget (depending on the grant specifications) for the appropriate year by the amount of the grant. The Budget Department will share the responsibility for seeing that the grant is budgeted correctly.

D. Spending Money against a Grant

When a department is ready to spend grant funds on a particular qualifying expense, they are to send copies of invoices for that expense to the Budget Department within one week of receiving the invoice. If the grant is a reimbursement-style grant, the Budget Department will manage the necessary drawdown requests. The Budget Department will provide departments with a report of the grant balance after each expense and/or drawdown. In the case that a reimbursement check is sent to the grantee department, it should be forwarded to the Budget Department for proper monitoring and accounting.

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E. Closing a Grant

Some grants have specific close-out requirements. The Budget Department is responsible for meeting those terms and may call on grantee departments for specific information needed in the close-out process.

Many departments are already following a similar process for their grants and have found it to be a much more efficient practice than the often chaotic alternatives. Of course, no policy is one-size-fits-all, so some grants may not fit into the program. In that case, an alternative plan will be worked out through a meeting with the Budget Department directly following the award of the grant.

PART VII – MONTHLY BUDGET MONITORING

In order to make Park City Municipal more fiscally proficient it is important to monitor the budget more closely and regularly. This will make the entire city more accountable. The goal is to work on focusing City efforts of budgeting in six areas: monitoring, reporting, analysis, discussion, training, and review. This policy outlines the monthly budget monitoring process in three different areas of responsibility: Budget Department, Departmental Managers, and Teams (Managerial Groups).

A. Monitoring

1. **Budget Department** - The department sends out emails to all managers on a weekly basis, detailing any overages or concerns the department has. In the event a department exceeds its monthly allotment a meeting will be set up with the Budget Department and the manager in charge of the department's budget to discuss the reasons for the overage and a plan for recovery.
2. **Managers** - Managers are in charge of their own budgets and are required to monitor it throughout the year using the supplied tools.
3. **Teams** - Team members will act in an advisory role to help or assist other managers with their budgets as well as strategize the sharing of resources to help cover shortages in the short-term.

B. Reporting

1. Budget Department

- The department analyzes and disperses a monthly monitoring report that details expenditures over revenues by fund for council and the city manager to view.
- The department analyzes and disperses a report which shows detailed personnel expenses (budgeted vs. actual) on a position by position basis.
- The department created an up-to-date **monthly budget** for each department available on the citywide shared drive. This report requires minimal training by the budget department

POLICIES & OBJECTIVES

in order to fully understand it. Basically, it implements the concept of a monthly budget in the current annual budget setup by dividing the year into twelve periods. These periods are allotted a certain amount of budget based on past expenditures for those months—this will account for seasonality of certain departments' budgets. This electronic report assists managers in monitoring and analyzing their own budgets throughout the year.

- The department analyzes and disperses any kind of report requested by departmental managers such as Detail Reports, Custom Reports, etc.
2. **Managers** - Managers review their emails and budget reports offered by the Budget Department. If problems or questions arise it is imperative that managers discuss these issues with the Budget Department and their team in a timely fashion, thereby helping to ease the budget option process at the end of the fiscal year. Where possible, departmental analysts charged with budget responsibilities should have a thorough knowledge of the content of these reports and be able to understand and use them appropriately. The Budget Department will rely on departmental managers and analysts to identify and communicate any report errors or inadequacies.
 3. **Teams** - Team members should also look for any problems on budget reports and discuss them with the Budget Department if necessary or with other team members.

C. Analysis

1. **Budget Department** - As far as analysis, the department acts as more of a resource than anything else—helping out managers with specific questions and/or concerns. The Budget Department is always analyzing and breaking down the overall citywide budget, but general analysis of individual departments is the responsibility of the managers. Of course, the Budget Department will lend its resources and expertise for purposes of budget analysis upon the request of the departmental manager.
2. **Managers** - Managers are expected to know the status of their budget at all times as well as understand the primary drivers which may cause shortages. Managers should analyze the data provided by the Budget Department throughout the fiscal year with the help of monthly monitoring, personnel, department-specific, and detail reports to assist them in managing their budgets. Managers set their own budget during the budget season by determining current expenditures (and revenues) and forecasting them for the remaining fiscal year as well as the following one. This process also helps managers to determine budget options at the beginning of the calendar year.
3. **Teams** - Team members assist other managers on budget concerns and share ideas on how to make budgeting more efficient.

D. Discussion

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- 1. Budget Department** - The Budget Department meets with managers on a monthly basis when there are major issues or problems with their budgets upon request. It is expected that the department meets with teams on a quarterly basis to go over budgeting issues within the teams.
- 2. Managers** - Managers will meet with the Budget Department whenever issues arise within their own budgets. Managers will also go over a general overview of their budget with their teams in preparation for the budget season's priority list of options.
- 3. Teams** - Team members may assist other managers with any budget concerns. At quarterly team meetings teams should discuss budget concerns, including possible budget options, the necessity of shared resources, etc.

E. Training

- 1. Budget Department** - The Budget Department will train all managers and selected analysts in the details of the new monthly monitoring program as well as clarify any other general questions regarding the budget and the budget process. The goal here is to make the managers aware of all the tools they need and how to use them. (One hour budget tools training to be offered semi-annually.)
- 2. Managers** - It will be up to the managers to become well-versed on the monthly budgeting program as well as their own budgets.
- 3. Teams** - Team members will become well-versed on the monthly budgeting program and discuss with other managers any questions or problems. To the extent that further training is required, teams should request specific training to be given by the Budget Dept at quarterly meetings.

F. Review

- 1. Budget Department** - There is a performance measure for the Budget Department establishing the goal of coming in within budget for the entire city. A question regarding the Budget Department's usefulness as a budget monitoring resource will be included on the Internal Service Survey, which will directly affect the Budget Officer's performance review.
- 2. Managers** - A new performance measure is included for each department establishing the goal of coming in within budget.

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3. **Teams** - Team members will take part in 360 reviews of managers that includes a section for fiscal responsibility in their job description. This allows team members to consider a manager's fiscal performance in the context of extenuating circumstances.

CHAPTER 2 - REVENUE MANAGEMENT

PART I - GENERAL REVENUE MANAGEMENT

- A.** The City will seek to maintain a diversified and stable revenue base to protect it from short-term fluctuations in any one revenue source.
- B.** The City will make all current expenditures with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.

PART II - ENTERPRISE FUND FEES AND RATES

- A.** The City will set fees and rates at levels that fully cover the total direct and indirect costs, including debt service, of the Water and Golf enterprise programs.
- B.** The City will cover all transit program operating costs, including equipment replacement, with resources generated from the transit sales tax, business license fees, fare revenue, federal and state transit funds, and not more than 1/4 of 1 percent of the resort/city sales tax, without any other general fund contribution. Parking operations will be funded through parking related revenues and the remaining portion of the resort/city sales tax not used by the transit operation. The City will take steps to ensure revenues specifically for transit (transit tax and business license) will not be used for parking operations. The administrative charge paid to the general fund will be set to cover the full amount identified by the cost allocation plan.
- C.** The City will review and adjust enterprise fees and rate structures as required to ensure they remain appropriate and equitable.

PART III - INVESTMENTS

A. Policy

It is the policy of the Park City Municipal Corporation (PCMC) and its appointed Treasurer to invest public funds in a manner that ensures maximum safety provides adequate liquidity to meet all operating requirements, and achieve the highest possible investment return consistent with the primary objectives of safety and liquidity. The investment of funds shall comply with applicable statutory provisions, including the State Money Management Act, the rules of the State Money Management Council and rules of pertinent bond resolutions or indentures, or other pertinent legal restrictions.

B. Scope

POLICIES & OBJECTIVES

This investment policy applies to funds held in City accounts for the purpose of providing City Services. Specifically, this Policy applies to the City's General Fund, Enterprise Funds, and Capital Project Funds. Trust and Agency Funds shall be invested in the State of Utah Public Treasurer's Investment Pool.

C. Prudence

Investments shall be made with judgment and care under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital and the probable income to be derived.

The standard of prudence to be used by the Treasurer shall be applied in the context of managing an overall portfolio. The Treasurer, acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided derivations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

D. Objective

The City's primary investment objective is to achieve a reasonable rate of return while minimizing the potential for capital losses arising from market changes or issuer default. So, the following factors will be considered, in priority order, to determine individual investment placements: safety, liquidity, and yield.

- 1. Safety:** Safety of principal is the foremost objective of the investment program. Investments of the Park City Municipal Corporation shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 2. Liquidity:** The Park City Municipal Corporation's investment portfolio will remain sufficiently liquid to enable the PCMC to meet all operating requirements which might be reasonably anticipated.
- 3. Return on Investment:** The PCMC's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the PCMC's investment risk constraints and the cash flow characteristics of the portfolio.

E. Delegation of Authority

Investments and cash management will be the responsibility of the City Treasurer or his designee. The City Council grants the City Treasurer authority to manage the City's investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transaction undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

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F. Ethics and Conflicts of Interest

The Treasurer is expected to conduct himself in a professional manner and within ethical guidelines as established by City and State laws. The Treasurer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The Treasurer and other employees shall disclose to the City Manager any material financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the PCMC, particularly with regard to the time of purchase and sales.

G. Authorized Financial Dealers and Institutions

Investments shall be made only with certified dealers. “Certified dealer” means: (1) a primary dealer recognized by the Federal Reserve Bank of New York who is certified by the Utah Money Management Council as having met the applicable criteria of council rule; or (2) a broker dealer as defined by Section 51-7-3 of the Utah Money Management Act.

H. Authorized and Suitable Investments

Authorized deposits or investments made by PCMC may be invested only in accordance with the Utah Money Management Act (Section 51-7-11) as follows:

1. The Public Treasurer’s Investment Fund (PTIF)
2. Collateralized Repurchase Agreements
3. Reverse Repurchase agreements
4. First Tier Commercial Paper
5. Banker Acceptances
6. Fixed Rate negotiable deposits issued by qualified depositories
7. United States Treasury Bills, notes and bonds

Obligations other than mortgage pools and other mortgage derivative products issued by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer:

1. Federal Farm Credit Banks
2. Federal Home Loan Banks
3. Federal National Mortgage Association
4. Student Loan Marketing Association
5. Federal Home Loan Mortgage Corporation
6. Federal Agriculture Mortgage Corporation
7. Tennessee Valley Authority

Fixed rate corporate obligations that are rated “A” or higher
Other investments as permitted by the Money Management Act

I. Investment Pools

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A thorough investigation of the Utah Public Treasurer's Investment Fund (PTIF) is required on a continual basis. The PCMC Treasurer shall have the following questions and issues addressed annually by the PTIF:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement process), and how often are the securities priced and the program audited.
4. A description of who may invest in the program, how often and what size deposit and withdrawal.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it except such proceeds.

J. Safekeeping and Custody

All securities shall be conducted on a delivery versus payment basis to the PCMC's bank. The bank custodian shall have custody of all securities purchased and the Treasurer shall hold all evidence of deposits and investments of public funds.

K. Diversification

PCMC will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50 percent of the PCMC's total investment portfolio will be invested in a single security type.

L. Maximum Maturities

The term of investments executed by the Treasurer may not exceed the period of availability of the funds to be invested. The maximum maturity of any security shall not exceed five years. The City's investment strategy shall be active and monitored monthly by the Treasurer and reported quarterly to the City Council. The investment strategy will satisfy the City's investment objectives.

M. Internal Control

The Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

N. Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The City's investment strategy is active. Given this strategy, the basis used by the Treasurer to determine whether market yields are being achieved by investments other than those in the PTIF will be the monthly yield of the PTIF.

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O. Reporting

The Treasurer shall provide to the City Council quarterly investment reports which provide a clear picture of the current status of the investment portfolio. The quarterly reports should contain the following:

1. A listing of individual securities held at the end of the reporting period
2. Average life and final maturity of all investments listed
3. Coupon, discount, or earnings rate
4. Par Value, Amortized Book Value and Market Value
5. Percentage of the portfolio represented by each investment category

The City's annual financial audit shall report the City's portfolio in a manner consistent with the Governmental Accounting Standards Board (GASB) market based requirements that go into effect in June of 1997.

P. Investment Policy Adoption

As part of its two-year budget process, the City Council shall adopt the investment policy every two years.

PART IV - SALVAGE POLICY

This policy establishes specific procedures and instructions for the disposition of surplus property. Surplus property is defined as any property that a department no longer needs for their day to day operations.

Personal Property of Park City Municipal Corporation is a fixed asset. It is important that accurate accounting of fixed assets is current. Personal property, as defined by this policy will include, but not limited to rolling stock, machinery, furniture, tools, and electronic equipment. This property has been purchased with public money. It is important that the funds derived from the sale be accounted for as disposed property.

A. Responsibility for Property Inventory Control

It is the responsibilities of the Finance Manager to maintain an inventory for all personal property. The Finance Manager will be responsible for the disposition of all personal property. The Finance Manager will assist in the disposition of all personal property.

B. Disposition of an Asset

Department heads shall identify surplus personal property within the possession of their departments and report such property to the Finance Manager for consideration. The department head should clearly identify age, value, comprehensive description, condition and location. The Finance Manager will notify departments sixty (60) days in advance of pending surplus property sales.

C. Conveyance for Value

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The transfer of City-owned personal property shall be the responsibility of the Finance Manager. Conveyance of property shall be based upon the highest and best economic return to the City, except that surplus City-owned property may be offered preferentially to units of government, non-profit or public organizations. The highest and best economic return to the city shall be estimated by one or more of the following methods in priority order:

1. Public auction
2. Sealed competitive bids
3. Evaluation by qualified and disinterested consultant
4. Professional publications and valuation services
5. Informal market survey by the Finance Manager in case of items of personal property possessing readily, discernable market value

Sales of City personal property shall be based, whenever possible, upon competitive sealed bids or at public auction. Public auctions may be conducted on-site or through an internet-based auction site at the determination of the Finance Manager. The Finance Manager may, however waive this requirement when the value of the property has been estimated by an alternate method specified as follows:

1. The value of the property is considered negligible in relation to the cost of sale by bid or public auction;
2. Sale by bidding procedure or public auction are deemed unlikely to produce a competitive bid;
3. Circumstances indicate that bidding or sale at public auction will no be in the best interest of the City; or,
4. The value of the property is less than \$50.

In all cases the City will maintain the right to reject any or all bids or offers.

D. Revenue

All monies derived from the sale of personal property shall be credited to the general fund of the City, unless the property was purchased with money derived from an enterprise fund, or an internal service fund, in which case, the money shall be deposited in the general revenue account of the enterprise or internal service fund from which the original purchase was made.

E. Advertising Sealed Bids

A notice of intent to dispose of surplus City property shall appear in two separate publications at least one week in advance in the Park Record. Notices shall also be posted at the public information bulletin board at Marsac.

F. Employee Participation

City employees and their direct family members are not eligible to participate in the disposal of surplus property unless;

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1. Property is offered at public auction
2. If sealed bids are required and no bids are received from general public, a re-bidding may occur with employee participation

G. Surplus Property Exclusion

The Park City Library receives property, books, magazines, and other items as donations from the public. Books, magazines, software, and other items can be disposed from the library's general collection through the Friends of the Library. The Friends of the Library is a nonprofit organization which sponsors an ongoing public sale open to the public located at the public Library for Park City residents.

H. Compliance

Failure to comply with any part of this policy may result in disciplinary action.

PART V - COMPREHENSIVE FINANCIAL MANAGEMENT PLAN

To provide the City with the opportunity to identify and resolve financial problems before, rather than after, they occur, the City intends to develop a strategy for fiscal independence. The proposed outline for this plan is below.

A. Scope of Plan

1. A financial review, including the following:
 - a. Cost-allocation plan
 - b. Revenue handbook (identifying current and potential revenues)
 - c. City financial trends (revenues & expenditures)
 - d. Performance Measures and Benchmarks
2. Budget reserve policies
3. Long Range Capital Improvement Plan
 - a. Project identification and prioritization
 - b. CIP financing plan
4. Rate and fee increases
5. Other related and contributing plans and policies
 - a. Water Management
 - b. Flood Management
 - c. Parking Management
 - d. Budget
 - e. Pavement Management
 - f. Property Management
 - g. Facilities Master Plan
 - h. Recreation Master Plan

B. Assumptions

1. Growth
 - a. Population

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- b. Resort
2. Inflation
3. Current service levels
 - a. Are they adequate?
 - b. Are they adequately funded?
4. Minimum reserve levels (fund balances)
5. Property tax increases (When?)

C. Findings, Conclusions, and Recommendations

1. Current financial condition and trends
2. Capital Improvement Program
3. Projected financial trends
4. General operations
5. Capital improvements
6. Debt management

PART VI - RESERVES

A. General Overview:

1. Over the next two years the City will do the following:
 - a. Maintain the General Fund Balance at approximately the legal maximum.
 - b. Continue to fund the Equipment Replacement Fund at 100%.
 - c. Strive to build a balance in the Enterprise Funds equal to at least 20% of operating expenditures.

This level is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for the following:

- a. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
 - b. Contingencies for unseen operating or capital needs.
 - c. Cash flow requirements.
2. The Council may designate specific fund balance levels for future development of capital projects that it has determined to be in the best long-term interests of the City.
3. In addition to the designations noted above, fund balance levels will be sufficient to meet the following:
 - a. Funding requirements for projects approved in prior years that are carried forward into the new year.
 - b. Debt service reserve requirements.

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- c. Reserves for encumbrances
 - d. Other reserves or designations required by contractual obligations or generally accepted accounting principles.
4. In the General Fund, any fund balance in excess of projected balance at year end will be appropriated to the current year budget as necessary. The money will be allocated to building the reserve for capital expenditures, including funding equipment replacement reserves and other capital projects determined to be in the best long-term interest of the City.

B. General Fund:

1. Section 10-6-116 of the Utah Code limits the accumulated balance or reserves that may be retained in the General Fund. The use of the balance is restricted as well. With the advent of Senate Bill 158 from the 2013 General Session, the maximum balance retained allowed increased from 18 percent to 25 percent of total, estimated, fund revenues and may be used for the following purposes only: (1) to provide working capital to finance expenditures from the beginning of the budget year until other revenue sources are collected; (2) to provide resources to meet emergency expenditures in the event of fire, flood, earthquake, etc.; and (3) to cover a pending year-end excess of expenditures over revenues from unavoidable shortfalls in revenues. For budget purposes, any balance that is greater than 5 percent of the total revenues of the General Fund may be used. The General Fund balance reserve is a very important factor in the City's ability to respond to emergencies and unavoidable revenue shortfalls. Alternative uses of the excess fund balance must be carefully weighed.

The City Council may appropriate fund balance as needed to balance the budget for the current fiscal year in compliance with State Law. Second, a provision will be made to transfer any remaining General Fund balance to the City's CIP Fund. These one-time revenues are designated to be used for one-time capital project needs in the City's Five Year CIP plan. Any amount above an anticipated surplus will be dedicated to completing current projects, ensuring the maintenance of existing infrastructure, or securing funding for previously-identified needs. The revenues should not be used for new capital projects or programming needs.

C. Capital Improvements Fund

1. The City may, in any budget year, appropriate from estimated revenues or fund balances to a reserve for capital improvements for the purpose of financing future specific capital improvements under a formal long-range capital plan adopted by the governing body. Thus the City will establish and maintain an Equipment Replacement Capital Improvement Fund to provide a means for timely replacement of vehicles and equipment. The amount added to this fund, by annual appropriation, will be the amount required to maintain the fund at the approved level after credit for the sale of surplus equipment and interest earned by the fund.

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2. As allowed by Utah State Code (§ 9-4-914) the City will retain at least \$5 million in the Five-Year CIP, ensuring the ability to repay bond obligations as well as maintain a high bond rating. The importance of reserves from a credit standpoint is essential, especially during times of economic uncertainty. Reserves will provide a measure of financial flexibility to react to budget shortfalls in a timely manner as well as an increased ability to issue debt without insurance.

D. Enterprise Funds

1. The City may accumulate funds as it deems appropriate.

CHAPTER 3 - CAPITAL IMPROVEMENTS

PART I - CAPITAL IMPROVEMENT MANAGEMENT

- A.** The public Capital Improvement Plan (CIP) will include the following:
 1. Public improvements that cost more than \$10,000.
 2. Capital purchases of new vehicles or equipment (other than the replacement of existing vehicles or equipment) that cost more than \$10,000.
 3. Capital replacement of vehicles or equipment that individually cost more than \$50,000.
 4. Any project that is to be funded from building-related impact fees.
 5. Alteration, ordinary repair, or maintenance necessary to preserve a public improvement (other than vehicles or equipment) that cost more than \$20,000.
- B.** The purpose of the CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness, as well as conformance with established policies. The CIP is a five year plan, reflecting a balance between capital replacement projects that repair, replace, or enhance existing facilities, equipment or infrastructure and capital facility projects that significantly expand or add to the City's existing fixed assets.
- C.** Development impact fees are collected and used to offset certain direct impacts of new construction in Park City. Park City has imposed impact fees since the early 1980s. Following Governor Leavitt's veto of Senate Bill 95, the 1995 State Legislature approved revised legislation to define the use of fees imposed to mitigate the impact of new development. Park City's fees were adjusted to conform to restrictions on their use. The fees were revised again by the legislature in 1997. The City has conducted an impact fee study and CIP reflects the findings of the study. During the budget review process, adjustments to impact fee related projects may need to be made. Fees are collected to pay for capital facilities owned and operated by the City (including land and water rights) and to address impacts of new development on the following service areas: water, streets, public safety, recreation, and open space/parks. The fees are not used for general operation or maintenance. The fees are established following a systematic assessment of

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the capital facilities required to serve new development. The city will account for these fees to ensure that they are spent within six years, and only for eligible capital facilities. In general, the fees first collected will be the first spent.

PART II - CAPITAL FINANCING AND DEBT MANAGEMENT

Capital Financing

- A.** The City will consider the use of debt financing only for one-time, capital improvement projects and only under the following circumstances:
- 1.** When the project's useful life will exceed the term of the financing.
 - 2.** When project revenues or specific resources will be sufficient to service the long-term debt.
- B.** Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The issuance of short-term instruments such as revenue, tax, or bond anticipation notes is excluded from this limitation.
- C.** Capital improvements will be financed primarily through user fees, service charges, assessments, special taxes, or developer agreements when benefits can be specifically attributed to users of the facility.
- D.** The City recently passed a second bond election for \$10,000,000 to preserve Open Space in Park City. This bond was the second general obligation bond passed in five years and represents the second general obligation bond passed by the city for Open Space with an approval rate of over 80 percent, the highest approval of any Open Space Bond in the United States.
- E.** The City will use the following criteria to evaluate pay-as-you-go versus long-term financing for capital improvement funding:
- 1.** Factors That Favor Pay-As-You-Go:
 - a.** When current revenues and adequate fund balances are available or when project phasing can be accomplished.
 - b.** When debt levels adversely affect the City's credit rating.
 - c.** When market conditions are unstable or present difficulties in marketing.
 - 2.** Factors That Favor Long-Term Financing:
 - a.** When revenues available for debt service are deemed to be sufficient and reliable so that long-term financing can be marketed with investment grade credit ratings.
 - b.** When the project securing the financing is of the type which will support an investment grade credit rating.

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- c. When market conditions present favorable interest rates and demand for City financing.
- d. When a project is mandated by state or federal requirements and current revenues and available fund balances are insufficient.
- e. When the project is immediately required to meet or relieve capacity needs.
- f. When the life of the project or asset financed is 10 years or longer.

PART III - ASSET MANAGEMENT POLICY

A. Purpose

The objective of the Asset Management Plan is to establish a fund and a fixed replenishment amount from operations revenues to that fund from which the City may draw for replacement, renewal, and major improvements of capital facilities. The fund should be sufficient to ensure that assets are effectively and efficiently supporting the operations and objectives of the City. The Asset Management Plan is an integral part of the City's long-term plan to replace and renew the City's primary assets in a fiscally responsible manner.

Goals of the Program:

1. Protect assets
2. Prolong the life of systems and components
3. Improve the comfort of building environments
4. Prepare for future needs

B. Management

A project is designated in the Five-year capital plan to which annual contributions are made from the General Fund for asset management. The amount to be contributed should be based on a 10-year plan, to be updated every fifth year, which outlines the anticipated replacement and repair needs for each of the City's major assets. In addition, 0.5 percent of the value of each of the major assets should be contributed annually to the project. The unspent contributions will carry forward in the budget each year, with the interest earned on that amount to be appropriated to the project as well.

A project manager will be appointed by the City Manager, with the responsibility of monitoring the progress of the fund, assuring a sufficient balance for the fund, controlling expenditures out of the fund, managing scheduled projects and associated contracts, making necessary budget requests, and updating the 10-year plan. In addition, a standing committee should be formed consisting of representatives from Public Works, Budget, Debt & Grants, and Sustainability which will convene only to resolve future issues or disputes involving this policy, requests for funding, or the Asset Management Plan in general.

C. Accessing Funds

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When funds need to be accessed, a request should be turned in to the project manager. If the expense is on the replacement schedule as outlined in the 10-year plan or is a reasonably related expense under \$10,000 (according to the discretion of the project manager), the project manager should approve it. Otherwise, the Asset Management Committee should be convened to consider the request and decide whether it is an appropriate use of funds.

Requests that should require approval of the Asset Management Committee include:

1. Expenses not anticipated in the 10-year plan, which are in excess of \$10,000.
2. Upgrades in technology or quality
3. Renovations, additions, or improvements that incorporate non-existing assets

PART IV - NEIGHBOURHOOD CIP REQUESTS POLICY

Staff will use this policy for considering and prioritizing CIP requests from Park City neighborhood and business districts.

A. Submission of petition to the Executive Office

1. Must be from a representative number of households/businesses of a given subdivision, business district, or a registered owners association. Accurate contact information and names of each petitioner must be provided along with designation of one primary contact person or agent.
2. Define Boundary - Who does the petition represent? Is it inclusive to a specific neighborhood or business district? Explain why assessment area should be limited or expanded.
3. Define issues - What is being requested?
4. Deadline – In order to be considered for the upcoming fiscal year, the petition must be submitted by the end of the calendar year.

B. Initial Internal Review

1. Identify staff project manager.
2. Present petition to Traffic Calming & Neighborhood Assessment Committee. Meeting called within one month of petition being submitted.
3. Define and verify appropriate, basic levels of service are being provided. If they are not, provide:
 - a. Health, safety, welfare
 - b. Staff's available resources and relative workload
 - c. Minimum budget thresholds not exceeded (below \$20k pre-budgeted – no council approval needed)
4. Define enhanced levels of service that are requested. Are these consistent with Council goals and priorities? If so, continue to step # 3.

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C. Initial Communication to Council (Managers Report)

1. Inform Council of request for assistance - outlines specific issues/requests.
2. Inform Council of any basic service(s) Staff has begun to provide.
3. No input or direction from Council will be requested at this time.

D. Comprehensive Internal Review

1. Assemble background/history & existing conditions. Identify all participants, relevant City ordinances, approval timeline, other pertinent agreements/studies & factors, etc.
2. Criteria to analyze request - What should be done and with what rationale?
 - a. Verify requested services are consistent with Council goals and priorities.
 - b. Cost/Benefit Analysis - Define budgetary implications of providing Enhanced level of services:
 - i. Define need & costs for any additional technical review
 - ii. Define initial capital improvement costs
 - iii. Define annual, ongoing maintenance and operational costs
 - iv. Gather input from City department identified as responsible for each individual item as listed
 - v. Identify available resources & relative workload

E. Initiate Public Forum (Applicant & Staff partnership)

1. Neighborhood meeting(s) - Create consensus from petitioner and general public
2. Identify issues and potential solutions:
 - a. Identify what we can accomplish based on funding availability
 - b. Use cost/benefit analysis to prioritize applicant's wish list
 - c. Funding partner – any district that receives “enhanced” levels of service should be an active participant in funding or, participate in identification of a funding source other than City budget
3. Identify agreeable solutions suited for recommendation for funding assistance

F. Communication to Council (Work Session or Managers Report)

1. Receive authorization for technical review - using “outside” consultants if necessary
2. Identify prioritized project wish list (unfunded)
3. Identify funding source for each item; or move to CIP committee review as “yet to be funded project” for prioritization comparison
4. Council decision whether or not to include in budget
5. Spring of each year, consistent with budget policies of reviewing all new requests at once.

CHAPTER 4 - INTERNAL SERVICE POLICY

PART I - HUMAN RESOURCE MANAGEMENT

- A.** The City will manage the growth of the regular employee work force without reducing levels of service or augmenting ongoing regular programs with Seasonal employees, except as provided in sections E and F below.
- B.** The budget will fully appropriate the resources needed for authorized regular staffing and limit programs to the regular staffing authorized.
- C.** Staffing and contract service cost ceilings will limit total expenditures for regular employees, Part-time Non-Benefited employees, Seasonal employees, and independent contractors hired to provide operating and maintenance services.
- D.** Regular employees will be the core work force and the preferred means of staffing ongoing, year-round program activities that should be performed by City employees, rather than independent contractors. The City will strive to provide competitive compensation and benefit schedules for its authorized regular work force. Each regular employee will do the following:
 - 1.** Fill an authorized regular position.
 - 2.** Receive salary and benefits consistent with the compensation plan.
- E.** To manage the growth of the regular work force and overall staffing costs, the City will follow these procedures:
 - 1.** The City Council will authorize all regular positions.
 - 2.** The Human Resources Department will coordinate and approve the hiring of all Full-time Regular, Part-time Non-Benefited, and Seasonal employees.
 - 3.** All requests for additional regular positions will include evaluations of the following:
 - a.** The necessity, term, and expected results of the proposed activity.
 - b.** Staffing and materials costs including salary, benefits, equipment, uniforms, clerical support, and facilities.
 - c.** The ability of private industry to provide the proposed service.
 - d.** Additional revenues or cost savings that may be realized.
 - 4.** Periodically, and prior to any request for additional regular positions, programs will be evaluated to determine if they can be accomplished with fewer regular employees.
- F.** Part-time Non-Benefited and Seasonal employees will include all employees other than regular employees, elected officials, and volunteers. Part-time Non-Benefited and Seasonal employees will augment regular City staffing only as extra-help employees. The

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City will encourage the use of Part-time Non-Benefited and Seasonal employees to meet peak workload requirements, fill interim vacancies, and accomplish tasks where less than regular, year-round staffing is required.

- G.** Contract employees will be defined as temporary employees with written contracts and may receive approved benefits depending on hourly requirements and length of contract. Generally, contract employees will be used for medium-term projects (generally between six months and two years), programs, or activities requiring specialized or augmented levels of staffing for a specific period of time. Contract employees will occasionally be used to staff programs with unusual operational characteristics or certification requirements, such as the golf program. The services of contract employees will be discontinued upon completion of the assigned project, program, or activity. Accordingly, contract employees will not be used for services that are anticipated to be delivered on an ongoing basis except as described above.
- H.** The hiring of Seasonal employees will not be used as an incremental method for expanding the City's regular work force.
- I.** Independent contractors will not be considered City employees. Independent contractors may be used in the following two situations:
 - 1.** Short-term, peak work load assignments to be accomplished through the use of personnel contracted through an outside temporary employment agency (OEA). In this situation, it is anticipated that the work of OEA employees will be closely monitored by City staff and minimal training will be required; however, they will always be considered the employees of the OEA, and not the City. All placements through an OEA will be coordinated through the Human Resources Department and subject to the approval of the Human Resources Manager.
 - 2.** Construction of public works projects and the provision of operating, maintenance, or specialized professional services not routinely performed by City employees. Such services will be provided without close supervision by City staff, and the required methods, skills, and equipment will generally be determined and provided by the contractor.

PART II - PROGRAM AND RESOURCE ANALYSIS

(Note – The Program and Resource Analysis was completed in FY 2002. The following information constitutes the final report and includes all of the major recommendations. It is included in the Policies and Objectives as a guide for future decisions.)

The City Council has financial planning as a top priority. This goal includes “identifying and resolving financial problems before, rather than after, they occur.” During the FY2001 budget process, Council directed staff to conduct a citywide analysis of the services and programs the City offers. The purpose of the Program and Resource Analysis is to provide a basis for understanding and implementing long-term financial planning for Park City Municipal

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Corporation (PCMC). The study has and will continue to inform the community of the fiscal issues facing the City and to provide Council and the community with tools to help make critical policy decisions for Park City's future.

The Program and Resource Analysis was split into six topics, with an employee task force responsible for each topic. In total, more than 40 employees volunteered and participated in the analysis, representing every department in the City. Each task force included about six employees and was chaired by a senior or mid-manager.

The Employee Steering Committee (ESC) was formed to coordinate with the various committees to insure no overlap occurred and to provide assistance in reviewing policy recommendations. In addition to employees of PCMC, members of the Citizens Technical Advisory Committee (CTAC) and of the City Council Liaison Committee (CCLC) were instrumental with the study.

CTAC consists of three representatives from the community to examine staff recommendations and to be a link between staff and the citizens of Park City. At the time of the original study this group worked with Program Service Level and Expenditure Committee (SLAC), the Recreation Report, and ESC. They advised these groups by providing an outside professional perspective that enriched discussions and add private sector insight. Since that time Council has continued to use the expertise of CTAC. Staff recommends that when appropriate, Council should appoint technical committees such as CTAC to assist with projects and analysis.

The CCLC was made up of two City Council members who served as liaisons between the City Council and the ESC. They attended ESC meetings and were able to comment and question the various group representatives on the ESC.

The six topics covered by this study are outlined and summarized below.

Resort Economy and General Plan Element (A)

This group examined the local economy and how it affects municipal finances and presented an update of the City General Plan.

Program Service Levels and Expenditures (B)

This group assessed the services, programs, and departments to analyze citywide increases in costs as they relate to the growth in the economy. It identified the services provided by Park City. After the analysis, the group was able to provide City Council with information regarding the level and scope of services provided by the City in the past and present, so as to change future expenditure patterns to better meet the needs of the City. (This particular analysis was instrumental in the development of Park City's current Performance Measurement program.)

Revenues and Assets (C)

This group examined PCMC's current and potential revenue sources. To do this analysis, it reviewed long-range revenue forecasts and policies and considered how the city could use its assets to maximize output. Some of the specific areas it looked at were taxes, economic impacts from special events, and general fund services fees.

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Capital Improvement Program (CIP) (D)

This group reviewed all the CIP project funding. It determined whether current project priorities that were identified through a comprehensive public prioritization process in 1999 are still appropriate. It ranked new projects to be added to the CIP and identified projects to be completed prior to the Olympics.

Intergovernmental Programs (E)

This group focused on the current and potential interactions of PCMC with other agencies. It did the following: (1) examined how well the interlocal agreements worked and about developing guidelines for such agreements, (2) determined whether PCMC should combine services and functions, and (3) addressed the creation of a policy that establishes a process for grants application and administration.

Non-Departmental/Inter-fund (F)

This group had two primary tasks. The first was to review the interaction between different City funds, which resulted in participation on the Recreation Fund Study Subcommittee. The second was to be responsible for making a recommendation to the City Manager regarding the two-year pay plan.

The Steering Committee for the Program and Resource Analysis recommended that the Council consider the following conclusions and policy recommendations as part of the budget process. The findings were subsequently included as a permanent part of the Budget Document and will continue to serve as guidance for future decisions.

A. Resort Economy and General Plan Element

Resort Economy: Wikstrom Economic & Planning Consultants conducted a study in 2000 showing that Park City is indeed a resort economy and receives more in revenues from tourism than it spends on tourists. The Wikstrom Report states the following (the report was updated in 2003 and reflects current figures):

Tourist-related revenues already outpace tourist-related expenditures in Park City, even without increasing tourist revenue streams. Our analysis indicates that visitors generate roughly 71 percent of all general fund revenues (not including inter-fund transactions), while roughly 40 percent of general fund expenditures are attributable to tourists. Therefore, based on information provided by the Utah League of Cities and Towns, Park City currently expends roughly \$3,561 for each existing full-time resident for selected services. Seventy one percent of this revenue, or \$2,528 per capita, is attributable to tourists, while forty percent, or \$1,424 goes to tourist-related costs, leaving a net gain of \$1,104 per capita that pays for activities that are not tourist-related. This benefit is seen in such areas as road maintenance, snow removal, libraries, technology and telecommunications, community and economic development, police services and golf and recreation programs. With an estimated population of 8,500 persons, Park City receives a direct net benefit of nearly \$9 million from tourism.

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Staff recommends Council take actions that preserve or enhance Park City's resort economy.

B. Program Service Levels and Expenditures

1. New/growth related service levels: Provision of new/growth related services should be offset with new or growth related revenues or a corresponding reduction in service costs in other areas.
2. Fee Dependent Services: If fees do not cover the services provided, Council should consider which of the following actions to take: (1) reduce services; (2) increase fees; or (3) determine the appropriate subsidy level of the General Fund.
3. Consider all requests at once: Council should consider requests for service level enhancements or increases together, rather than in isolation.
4. Consider ongoing costs associated with one-time purchases/expenditures: Significant ongoing costs, such as insurance, taxes, utilities, and maintenance should be determined before an initial purchase is made or a capital project is constructed. Capital and program decisions should not be made until staff has provided a five-year analysis of ongoing maintenance and operational costs.
5. Re-evaluate decisions: Political, economic, and legal changes necessitate reevaluation to ensure Council goals are being met. Staff and Council should use the first year of the two-year budget process to review programs.
6. Analyze the people served: With a changing population, staff should periodically reassess the number of people (permanent residents' verses visitor population) served with each program.
7. Evaluate the role of boards and commissions relating to service levels: The City Council should encourage boards and commissions to consider the economic impacts of recommendations and incorporate findings into policy direction.
8. New service implementation: Prior to implementing a new service, the City Council should consider a full assessment of staffing and funding requirements.
9. Provide clear City Council direction: City Council should achieve a clear consensus and provide specific direction before enhancing or expanding service.
10. Benchmarking and performance measurement: The City should strive to measure its output and performance. Some departments have established performance measures.

C. Revenues and Assets

1. Building and Planning Fees: Staff has identified revenues that can be increased, and recommends increasing building and planning fees this year.
2. Sewer Franchise Fee: Staff recommends imposing a franchise fee on the sewer district. The City can charge up to a 6 percent franchise fee on the sewer district.
3. Other revenues: Staff has identified the following as additional General Fund revenues, but does not recommend an increase at this time (Transit Room Tax, Sales Tax, and Property Tax).

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4. Special Events: Staff does not recommend increasing fees for special events.
5. Assets: Although Staff identified assets that could be sold; it does not recommend a sale of assets at this time.

D. Capital Improvement Program

1. Prioritized capital projects: Council should adopt the prioritized capital projects during the budget process.
2. Project manager for each capital project: Staff recommends each capital project to be assigned to a project manager at the manager level (unless otherwise directed).
3. Peer review: Staff recommends managers and related agencies offer appropriate peer review to identify and to plan for operating costs before projects are taken to Council.
4. Value Engineering: Staff recommends maintaining a dialogue with suppliers, contractors, and designers to ensure cost-effective projects.
5. Projects with a possible art component: Staff recommends the project manager to determine the necessity, selection, and placement of art on a project by project basis as funding, timing, complexity, and appropriateness may warrant.

E. Intergovernmental Programs

1. Regional Transit: The City should participate in the development of a regional transit action plan.
2. Recreation MOU: The City should decide whether to renew the Memorandum of Understanding with Snyderville Basin Recreation District or to discontinue it.
3. Communications: Staff recommends the decision of whether to combine Park City's and Summit County's communications systems be postponed until a decision on the City's role in the Countywide Communications Study is made.
4. Grants Policy: Staff recommends Council adopts a budget policy, outlining a comprehensive grants process that insures continuity in grants administration and access to alternative sources of funding.

F. Non-Departmental/Inter-fund

1. Employee Compensation Plan: Staff recommends Council adopt the pay plan as presented in this budget.
2. Recreation Fund: Staff endorses the findings and recommendations of the Recreation Analysis completed in February 2001.
3. Water Fund: Staff recommends a focus group be formed in the near future to research the feasibility of implementing a franchise tax on water usage.
4. Self Insurance Fund: Staff recommends leaving the reserve as it currently is, but consider using the reserve fund to pay insurance premiums, rather than using inter-fund transfers from each of the operating budgets. This recommendation has been implemented.

G. Recreation Analysis

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1. Fund Structure: The Wikstrom Report recommends continuing to use the enterprise fund if cost allocation procedures are established that clearly track the use of subsidy monies and individual program costs.
2. Indirect Costs: The Wikstrom Report recommends further evaluation of indirect costs, since present accounting methods do not clearly do so.
3. Adult Programs: The report identified adult programs as an area where policy direction should be received. Specifically, should all adult programs be required to cover their direct costs and indirect costs? Should all adult programs be held to the same standard of cost recovery, or should some programs be required to recover a higher level of costs than others? What level of subsidy is appropriate, on a per user basis, for adult programs? At what point should an existing adult program be eliminated? What criteria should be used in this decision?
4. CTAC Adult Programming: CTAC questioned the practice of subsidizing adult programs. A recommendation came forward from that group suggesting that all youth activities be moved into the General Fund with adult programs remaining in the enterprise fund without a subsidy.
5. Youth Programs: Should all youth programs be held to the same standard of cost recovery, or should some programs be required to recover a higher level of costs than others? What level of subsidy is appropriate, on a per user basis, for youth programs? Is the City willing to subsidize indirect costs of SBRD youth participants in order to increase the quality of life for Park City youth? At what point should an existing youth program be eliminated? What criteria should be used in this decision? Should all youth programs be held to the same standard or should there be a different standard for team sports as opposed to individual sports such as tennis or swimming?
6. Potential Revenue and Capital Funding Alternatives: Currently capital replacement of the Recreation Facility is funded with an unidentified revenue source. Wikstrom posed several policy questions intended to more fully understand this issue, such as the following: Is the City willing to institute a municipal transient room tax with a portion of the revenues dedicated to funding recreation? Is the City willing to request an increase in the resort tax to the legal limit of 1.5 percent, which is a ballot issue and requires voter approval? Is the City willing to request voter approval for a general obligation bond in the amount of roughly \$2 million?

H. Miscellaneous Analysis

1. A comprehensive analysis on the Water Fund is currently underway. The study includes a rate study and fee analysis. The intent of the study is to insure the City has the ability to provide for the present and future water needs (This analysis was updated in 2003 and again in 2004. The City Manager's recommended budget for FY 2005 will incorporate changes to the Water Fund as a result.)
2. Analyses to establish market levels and to study the financial condition of the Golf Fund were conducted in 2000 and 2001. An evaluation of the fund by Staff in spring 2004 revealed that additional changes to fees and expenditures are

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necessary. Staff was will also conduct an in-depth analysis of the course and its operations (including a discussion of the course's underlying philosophy) beginning later this summer.

PART III - COST ALLOCATION PLAN

The City has developed a Cost Allocation Plan detailing the current costs of services to internal users (e.g., fees, rates, user charges, grants, etc.). This plan was developed in recognition of the need to identify overhead or indirect costs, allocated to enterprise funds and grants and to develop a program which will match revenue against expenses for general fund departments which have user charges, regulatory fees, licenses, or permits. This plan will be used as the basis for determining the administrative charge to enterprise operations and capital improvement projects.

Anticipated future actions include the following:

- A.** Maintain a computerized system (driven from the City's budget system) that utilizes the basic concepts and methods used in cost allocation plans.
- B.** Fine-tune the methods of cost allocation to ensure the fair and equitable distribution of cost.
- C.** Develop guidelines for the use and maintenance of the plan.
 - 1.** Long Range Capital Improvement Plan
 - a.** Project identification and prioritization
 - b.** CIP financing plan
 - 2.** Rate and fee increases
 - 3.** Other related and contributing plans and policies
 - a.** Water Management
 - b.** Flood Management
 - c.** Parking Management

CHAPTER 5 - CONTRACTS & PURCHASING POLICY

PART I - PUBLIC SERVICE CONTRACTS (AMENDED JUNE 2004)

As part of the budget process, the City Council appropriates funds to contract with organizations offering services consistent with the needs and goals of the City. Depending upon the type of service category, payment terms of the contracts may take the form of cash payment and/or offset fees or rent relating to City property in exchange for value-in-kind services. The use of the

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public service contracts will typically be for specific services rendered in an amount consistent with the current fair market value of said services.

A. Public Service Fund Distribution Criteria

In order to be eligible for a public service contract in Fund Categories 1-3, organizations must meet the following criteria:

1. **Criterion 1: Accountability and Sustainability of Organization** - The organization must have the following:
 - a. Quantifiable goals and objectives.
 - b. Non-discrimination in providing programs or services.
 - c. Cooperation with existing related programs and community service.
 - d. Compliance with the City contract.
 - e. Federally recognized not-for-profit status.
2. **Criterion 2: Program Need and Specific City Benefit** - The organization must have the following:
 - a. A clear demonstration of public benefit and provision of direct services to City residents.
 - b. A demonstrated need for the program or activity. Special Service Funds may not be used for one-time events, scholarship-type activities or the purchase of equipment.
3. **Criterion 3: Fiscal Stability and Other Financial Support** - The organization must have the following:
 - a. A clear description of how public funds will be used and accounted for
 - b. Other funding sources that can be used to leverage resources.
 - c. A sound financial plan that demonstrates managerial and fiscal competence.
 - d. A history of performing in a financially competent manner.
4. **Criterion 4: Fair Market Value of the Services** - The fair market value of services included in the public service contract should equal or exceed the total amount of compensation from the City unless outweighed by demonstrated intangible benefits.

B. Total Public Service Fund Appropriations

The City may appropriate up to 1 percent of the City's total budget for public service contracts for the Special Service Contract and Rent Contribution Categories described below. In addition, the City appropriates specific dollar amounts from other funds specifically related to Historic Preservation as described below.

C. Fund Categories and Percentage Allocations

For the purpose of distributing Public Service Funds, public service contracts are placed into the following categories:

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- 1. Special Service Contracts**
 - a. Youth Programming
 - b. Victim Advocacy/Legal Services
 - c. Arts
 - d. Health
 - e. Affordable Housing/Community Services
 - f. Recycling
 - g. History/Heritage
 - h. Information and Tourist Services
- 2. Rent Contribution**
- 3. Historic Preservation**

A percentage of the total budget (which shall not exceed 1 percent) is allocated for contracts in the Special Service Contract and Rent Contribution categories by the City Council. A specific dollar amount is allocated to Historic Preservation based on funds available from the various Redevelopment Agencies.

The category percentage allocation does not vary from year-to-year. However, as the City's budget fluctuates (up or down) due to economic conditions, the dollar amounts applied to each category may fluctuate proportionally. Unspent fund balances at the end of a year will not be carried forward to future years. It is the intent of the City Council to appropriate funds for specific ongoing community services and not fund one-time projects or programs.

D. Special Service Contracts

A portion of the budget will be designated for service contracts relating to services that would otherwise be provided by the City. Special services that fall into this category would include, but not be limited to the following: youth programming, victim advocacy/legal services, arts, health, affordable housing/community services, recycling, history/heritage, information and tourist services, and minority affairs. To the extent possible, individual special services will be delineated in the budget.

Service providers are eligible to apply for a special service contract every biennial budget process. The City will award special service contracts through a competitive bid process administered by the Service Contract Subcommittee and City Staff. The City reserves the right to accept, reject, or rebid any service contracts that are not deemed to meet the needs of the community or the contractual goals of the service contract.

Each special service provider will have a special service contract with a term of two years. Half of the total contract amount will be available each year. Eighty percent of each annual appropriation will be available at the beginning of the fiscal year, with the remaining 20 percent to be distributed upon demonstration through measures (quality and quantity) that the program has provided public services meeting its goals as delineated in the public service contract. The disbursement of all appropriations will be contingent upon council approval. Special service providers will be required to submit current

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budgets and evidence of contract compliance (as determined by the contract) by March 31 of the first contract year.

The City reserves the right to appoint a citizen's task force to assist in the competitive selection process. The task force will be selected on an ad hoc basis by the Service Contract Subcommittee.

All special service contract proposals must be consistent with the criteria listed in this policy, in particular criterion 1-4.

Youth Contracts: In addition to the above listed criteria, proposals for Youth Programming must meet the following requirements: (1) Provide a service to or enhancement of youth programs in the Park City community; and (2) Constitute a benefit to Park City area youth, community interests, and needs. Youth Programming funds must be used to benefit Park City area youth Citywide; this may be accomplished through one service contract or by dividing the funds between several contracts.

Deadlines: All proposals for Special Service Contracts must be received no later than March 31. A competitive bidding process conducted according to the bidding guidelines of the City may set forth additional application requirements. If there are unallocated funds, extraordinary requests may be considered every six months during the two-year budget cycle, unless otherwise directed by Council.

Extraordinary requests received after this deadline must meet all of the following criteria to be considered:

1. The request must meet all of the normal Public Service Fund Distribution Criteria and qualify under one of the existing Special Service Contract categories;
2. The applicant must show that the requested funds represent an unexpected fiscal need that could not have been anticipated before the deadline; and
3. The applicant must demonstrate that other possible funding sources have been exhausted.

E. Rent Contribution

A portion of the Special Service Contract funds will be used as a rent contribution for organizations occupying City-owned property and providing services consistent with criterion 1-4 pursuant to the needs and goals of the City. To the extent possible, individual rent contributions will be delineated in the budget. Rent contributions will usually be memorialized by a lease agreement with a term of five years or less, unless otherwise approved by City Council.

The City is required to make rent contributions to the Park City Building Authority for buildings that it occupies. Qualified Organizations may enter into a lease with the City to occupy City space at a reduced rental rate pursuant to criterion 1-4. The difference

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between the reduced rental rate and the rate paid to the Park City Building Authority will be funded by the rent contribution amount. Rent Contribution lease agreements will not exceed five years in length unless otherwise directed by the City Council. Please note that this policy only applies when a reduced rental rate is being offered. This policy does not apply to lease arrangements at "market" rates.

F. Historic Preservation

Each year, the City Council may appropriate a specific dollar amount relating to historic preservation. The City Council will appropriate the funding for these expenditures during the annual budget process. The funding source for this category is the Lower Park Avenue and Main Street RDA. The disbursement of the funds shall be administered pursuant to applications and criteria established by the Planning Department, and awarded by the City Council consistent with UCA § 17A-3-1303, as amended. In instances where another organization is involved, a contract delineating the services will be required.

G. Exceptions

Rent Contribution and Historic Preservation funds will be appropriated through processes separate from the biennial Special Service Contract process and when deemed necessary by City Council or its designee.

The Service Contract Sub-Committee has the discretion as to which categories individual organizations or endeavors are placed. Any percentage changes to the General Fund categories described above must be approved by the City Council. All final decisions relating to public service funding are at the discretion of the City Council.

Nothing in this policy shall create a binding contract or obligation of the City. Individual Service Contracts may vary from contract to contract at the discretion of the City Council. Any award of a service contract is valid only for the term specified therein and shall not constitute a promise of future award. The City Council reserves the right to reject any and all proposals, and to waive any technical deficiency at its sole discretion. Members of the City Council, the Service Contract Sub-Committee, and any Advisory Board, Commission or special committee with the power to make recommendations regarding Public Service Contracts are ineligible to apply for such Public Service Contracts, including historic preservation funds. City Departments are also ineligible to apply for Public Service Contracts. The ineligibility of Advisory Board, Commission and special committee members shall only apply to the category of Public Service Contracts that such advisory Board, Commission and special committee provides recommendations to the City Council. All submittals shall be public records in accordance with government records regulations ("GRAMA") unless otherwise designated by the applicant pursuant to UCA Section 63-2-308, as amended.

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PART II - CONTRACTING AND PURCHASING POLICY

A. Purpose

These rules are intended to provide a systematic and uniform method of purchasing goods and services for the City. The purpose of these rules is to ensure that purchases made and services contracted are in the best interest of the public and acquired in a cost-effective manner.

Authority of Manager: The City Manager or designate shall be responsible for the following:

1. Ensure all purchases for services comply with these rules;
2. Review and approve all purchases of the City;
3. Establish and amend procedures for the efficient and economical management of the contracting and purchasing functions authorized by these rules. Such procedures shall be in writing and on file in the office of the manager as a public record;
4. Maintain accurate and sufficient records concerning all City purchases and contracts for services;
5. Maintain a list of contractors for public improvements and personal services who have made themselves known to the City and are interested in soliciting City business;
6. Make recommendations to the City Council concerning amendments to these rules.

B. Definitions

Building Improvement: The construction or repair of a public building or structure (Utah Code 11-39-101).

City: Park City Municipal Corporation and all other reporting entities controlled by or dependent upon the City's governing body, the City Council.

Contract: An agreement for the continuous delivery of goods and/or services over a period of time greater than 15 days.

CPI: The Consumer Price Index for All Urban Consumers as published by the Bureau of Labor Statistics of the United States Department of Labor.

Local Business: a business having:

- a. A commercial office, store, distribution center or other place of business located within the boundaries of Summit County, with an intent to remain on a permanent basis;
- b. A current County or City business license; and
- c. At least one employee physically present at the local business outlet.

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Local Bidder: A Local Business submitting a bid on a Park City Public Works Project or Building Improvement

Manager: City Manager or designee.

Public Works Project: The construction of a park, recreational facility, pipeline, culvert, dam, canal, or other system for water, sewage, storm water, or flood control (Utah Code 11-39-101). “Public Works Project” does not include the replacement or repair of existing infrastructure on private property (Utah Code 11-39-101), or emergency work, minor alteration, ordinary repair, or maintenance necessary to preserve a public improvement (such as lowering or repairing water mains; making connections with water mains; grading, repairing, or maintaining streets, sidewalks, bridges, culverts or conduits).

Purchase: The acquisition of goods (supplies, equipment, etc.) in a single transaction such that payment is made prior to receiving or upon receipt of the goods.

C. General Policy

1. All City purchases for goods and services and contracts for goods and services shall be subject to these rules.
2. No contract or purchase shall be so arranged, fragmented, or divided with the purpose or intent to circumvent these rules. All thresholds specified in this policy are to be applied to the total cost of a contract over the entire term of the contract, as opposed to annualized amounts.
3. City departments shall not engage in any manner of barter or trade when procuring goods and services from entities both public and private.
4. No purchase shall be contracted for, or made, unless sufficient funds have been budgeted in the year in which funds have been appropriated.
5. Subject to federal, state, and local procurement laws when applicable, reasonable attempts should be made to support Park City businesses by purchasing goods and services through local vendors and service providers.
6. All reasonable attempts shall be made to publicize anticipated purchases or contracts in excess of \$15,000 to known vendors, contractors, and suppliers.
7. All reasonable attempts shall be made to obtain at least three written quotations on all purchases of capital assets and services in excess of \$15,000.
8. When it is advantageous to the City, annual contracts for services and supplies regularly purchased should be initiated.
9. All purchases and contracts must be approved by the manager or their designee unless otherwise specified in these rules.
10. All contracts for services shall be approved as to form by the city attorney.
11. The following items require City Council approval unless otherwise exempted in these following rules:
 - a. All contracts (as defined) over \$25,000
 - b. All contracts and purchases awarded through the formal bidding process.
 - c. Any item over \$15,000 that is not anticipated in the current budget.

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- d. Accumulated "Change Orders" which would overall increase a previously approved contract by:
 - i. the lesser of 20% or \$25,000 for contracts of \$250,000 or less
 - ii. more than 10% for contracts over \$250,000.
- 12. Acquisition of the following Items must be awarded through the formal bidding process:
 - a. All contracts for building improvements over the amount specified by state code, specifically:
 - i. for the year 2003, \$40,000
 - ii. for each year after 2003, the amount of the bid limit for the previous year, plus an amount calculated by multiplying the amount of the bid limit for the previous year by the lesser of 3% or the actual percent change in the CPI during the previous calendar year. (see Park City's Best Practices in Procurement for updated thresholds)
 - b. All contracts for public works projects over the amount specified by state code, specifically:
 - i. for the year 2003, \$125,000
 - ii. for each year after 2003, the amount of the bid limit for the previous year, plus an amount calculated by multiplying the amount of the bid limit for the previous year by the lesser of 3% or the actual percent change in the CPI during the previous calendar year. (see Park City's Best Practices in Procurement for updated thresholds)
 - c. Contracts for grading, clearing, demolition or construction in excess of \$2,500 undertaken by the Community Redevelopment Agency.
- 13. The following items require a cost benefit analysis where there is a quantifiable return on investment as defined by the Budget, Debt, and Grants Department before approved:
 - a. All contracts, projects and purchases over \$25,000
 - b. All contracts and purchases awarded through the formal bidding process.
 - c. Any item over \$15,000 that is not anticipated in the current budget process.
- 14. City Employees or anyone acting on behalf of the City may not receive or accept any gift or loan if the gift or loan could influence a reasonable person in the discharge of the person's official duties including but not limited to the granting of City contracts. This prohibition does not apply to any occasional non-pecuniary (non-cash equivalent) gifts with a value less than \$50.0. Employees must abide by PCMC 3-1-4.

D. Exceptions

Certain contracts for goods and services shall be exempt from bidding provisions. The manager shall determine whether or not a particular contract or purchase is exempt as set forth herein.

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1. Emergency contracts which require prompt execution of the contract because of an imminent threat to the safety or welfare of the public, of public property, or of private property; circumstances which place the City or its officers and agents in a position of serious legal liability; or circumstances which are likely to cause the City to suffer financial harm or loss, the gravity of which clearly outweighs the benefits of competitive bidding in the usual manner. The City Council shall be notified of any emergency contract which would have normally required their approval as soon as reasonably possible. Consult the Emergency Manager regarding purchases for disaster events.
2. Projects that are acquired, expanded, or improved under the "Municipal Building Authority Act" are not subject to competitive bidding requirements.
3. Purchases made from grant funds must comply with all provisions of the grant.
4. Purchases from companies approved to participate in Utah State Division of Purchasing and General Services agreements and contracts and under \$100,000 are not subject to competitive bidding requirements.
5. Purchases made via public auction.
6. Purchases from local government purchasing pools in which the City is a participant as approved by a resolution of the City Council.

E. General Rules

1. **Purchases of Materials, Supplies and Services** are those items regularly purchased and consumed by the City. These items include, but are not limited to, office supplies, janitorial supplies, and maintenance contracts for repairs to equipment, asphalt, printing services, postage, fertilizers, pipes, fittings, and uniforms. These items are normally budgeted within the operating budgets. Purchases of this type do not require "formal" competitive quotations or bids. However, for purchases in excess of \$15,000 all reasonable attempts shall be made to obtain at least three written quotations and to notify via the City website any local businesses that, in the normal course of business, provide the materials, supplies or services required by the City. A written record of the source and the amount of the quotations must be kept.
2. **Purchases of Capital Assets** are "equipment type" items which would be included in a fixed asset accounting system having a material life of three years or more and costing in excess of \$5,000. These items are normally budgeted within the normal operating budgets. Purchases of this type do not require "formal" bids. All reasonable attempts shall be made to obtain at least three written quotations on all purchases of this type in excess of \$15,000. A written record of the source and the amount of the quotations must be kept. A reasonable attempt will be made to notify via the City website any local businesses that, in the normal course of business, sells the equipment required by the City.
3. **Contracts for Professional Services** are usually contracts for services performed by an independent contractor, in a professional capacity, who produces a service predominately of an intangible nature. These include, but are not limited to, the services of an attorney, physician, engineer, accountant, architectural consultant, dentist, artist, appraiser or photographer. Professional service contracts

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are exempt from competitive bidding. All reasonable attempts shall be made to obtain at least three written quotations on all contracts exceeding \$15,000 and to notify via the City website any local businesses that, in the normal course of business, provide the service required by the City. A written record of the source and the amount of the quotations must be kept.

The selection of professional service contracts in an amount exceeding \$25,000 shall be based on ~~an~~ a formal documented evaluation process such as Request for Proposals (RFP), Statement of Qualifications (SOQ), Qualification Based Selection (QBS), etc. (see Park City's Best Practices in Procurement for details). The evaluation process should include an objective assessment, preferably by multiple reviewers, of the services needed, the abilities of the contractors, the uniqueness of the service, the cost of the service, and the general performance of the contractor. Special consideration may also be given to local businesses during the evaluation in instances where knowledge of local issues, geography, statutes, etc., may enhance the quality of service rendered. The lowest quote need not necessarily be the successful contractor. Usually, emphasis will be placed on quality, with cost being the deciding factor when everything else is equal. The manager shall determine which contracts are professional service contracts. Major professional service contracts (\$25,000 and over) must be approved by the City Council.

4. **Contracts for Public Improvements** are usually those contracts for the construction or major repair of roads, highways, parks, water lines and systems (i.e., Public Works Projects); and buildings and building additions (i.e. Building Improvements). Where a question arises as to whether or not a contract is for public improvement, the manager shall make the determination.

Minor public improvements (less than the amount specified by state code): The department shall make a reasonable attempt to obtain at least three written competitive quotations for contracts in excess of \$15,000. A written record of the source and the amount of the quotations must be kept. Procurement for all minor public improvements in excess \$25,000 shall be based on a formal documented evaluation process (see Park City's Best Practices in Procurement for details). The evaluation process should include, at minimum, an objective assessment of the services needed, the abilities of the contractors to perform the service and the cost of the service. A reasonable attempt will be made to notify via the City website any local businesses that, in the normal course of business, provide the public improvements required by the City. The manager may require formal bidding if it is deemed to be in the best interest of the City.

Major public improvements (greater than or equal to the amount specified by state code): Unless otherwise exempted, all contracts of this type require competitive bidding.

5. **Contracts for Professional Services, where the Service Provider is responsible for Building Improvements/Public Works Project (Construction Manager / General Contractor "CMGC" Method)** are contracts where the City contracts with a "Construction Manager/General Contractor" which is a contractor who enters into a contract for the management

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of a construction project when that contract allows the contractor to subcontract for additional labor and materials that were not included in the contractor's cost proposal submitted at the time of the procurement of the Construction Manager/General Contractor's services. It excludes a contractor whose only subcontract work not included in the contractor's cost proposal submitted as part of the procurement of construction is to meet subcontracted portions of change orders approved within the scope of the project. The CMGC contract is exempt from competitive bidding. The selection of CMGC contracts shall be based on a documented evaluation process such as a Request for Proposals (RFP), Statement of Qualifications (SOQ), Qualification Based Selection (QBS), etc. (see Park City's Best Practices in Procurement for details). The evaluation process should include an objective assessment, preferably by multiple reviewers, of the services needed, the abilities of the contractors, the uniqueness of the service, the cost of the service, and the general performance of the contractor. Special consideration may also be given to local businesses during the evaluation in instances where knowledge of local issues, geography, statutes, etc., may enhance the quality of service rendered. The lowest quote need not necessarily be the successful contractor. Usually, emphasis will be placed on quality, with cost being the deciding factor when everything else is equal. The manager shall determine which contracts are CMGC contracts. Major CMGC contracts (over \$25,000) must be approved by the City Council. The selected CMGC will then implement all bid packages and subcontractors under a competitive bid requirement as required herein. The Project Manager will attend the award of all subcontracts which meet the threshold requirements of General Policy 12 (a) or (b) above.

F. Formal or Competitive Bidding Provisions

1. **Bid Specifications:** Specifications for public contracts shall not expressly or implicitly require any product by any brand name or make, nor the product of any particular manufacturer or seller, unless the product is exempt by these regulations or the City Council.
2. **Advertising Requirements:** An advertisement for bids is to be published at least twice in a newspaper of general circulation, printed and published in the city and in as many additional issues and publications as the manager may determine, at least five days prior to the opening of bids. The advertisement shall also be posted on the Park City website and the Utah public legal notice website established by the combined efforts of Utah's newspapers. Advertising for bids relating to Class B and C road improvement projects shall be published in a newspaper of general circulation in the county at least once a week for three consecutive weeks as well as be posted on the Park City website and the Utah public legal notice website established by the combined efforts of Utah's newspapers.

All advertisements for bids shall state the following:

- a. The date and time after which bids will not be accepted;

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- b. The date that pre-qualification applications must be filed, and the class or classes of work for which bidders must be pre-qualified if pre-qualification is a requirement;
 - c. The character of the work to be done or the materials or things to be purchased;
 - d. The office where the specifications for the work, material or things may be seen;
 - e. The name and title of the person designated for receipt of bids;
 - f. The type and amount of bid security if required;
 - g. The date, time, and place that the bids will be publicly opened.
3. **Requirements for Bids:** All bids made to the city shall comply with the following requirements:
- a. In writing or electronically sealed;
 - b. Filed with the manager;
 - c. Opened publicly by the manager at the time designated in the advertisement and filed for public inspection;
 - d. Have the appropriate bid security attached, if required.
4. **Award of Contract:** After bids are opened, and a determination made that a contract be awarded, the award shall be made to the lowest responsible bidder. "Lowest responsible bidder" shall mean the lowest bidder who has substantially complied with all prescribed requirements and who has not been disqualified as set forth herein. The successful bidder shall promptly execute a formal contract and, if required, deliver a bond, cashier's check, or certified check to the manager in a sum equal to the contract price, together with proof of appropriate insurance. Upon execution of the contract, bond, and insurance, the bid security shall be returned. Failure to execute the contract, bond, or insurance shall result in forfeit of the bid security.
- a. **Local Bidder Preference:** If the bid of a nonlocal bidder is lowest and there was a local bidder who also submitted a bid which was within five percent (5%) of the low bid, then the contract shall be awarded to the local bidder if the bidder agrees in writing within forty-eight (48) hours after being notified of the low bid, that the bidder will meet the bid price while the bidder meets all the prescribed requirements set forth in the bid documents. If there are more than two local bidders who are within 5% then the contract shall be awarded to the local bidder which had the lowest original bid according to the procedure above.
5. **Rejection of Bids:** The manager or the City Council may reject any bid not in compliance with all prescribed requirements and reject all bids if it is determined to be in the best interest of the City.
6. **Disqualification of Bidders:** The manager, upon investigation, may disqualify a bidder if he or she does not comply with any of the following:
- a. The bidder does not have sufficient financial ability to perform the contract;
 - b. The bidder does not have equipment available to perform the contract;

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- c. The bidder does not have key personnel available, of sufficient experience, to perform the contract;
 - d. The person has repeatedly breached contractual obligations with public and private agencies;
 - e. The bidder fails to comply with the requests of an investigation by the manager.
7. **Pre-qualification of Bidders:** The City may require pre-qualification of bidders. Upon establishment of the applicant's qualifications, the manager shall issue a qualification statement. The statement shall inform the applicant of the project for which the qualification is valid, as well as any other conditions that may be imposed on the qualification. It shall advise the applicant to notify the manager promptly if there has been any substantial change of conditions or circumstances which would make any statement contained in the pre-qualification application no longer applicable or untrue. If the manager does not qualify an applicant, written notice to the applicant is required, stating the reasons the pre-qualification was denied, and informing the applicant of his right to appeal the decision within five business days after receipt of the notice. Appeals shall be made to the City Council. The manager may, upon discovering that a pre-qualified person is no longer qualified, revoke pre-qualification by sending notification to the person. The notice shall state the reason for revocation and inform the person that revocation will be effective immediately.
8. **Appeals Procedure:** Any supplier, vendor, or contractor who determines that a decision has been made adversely to him, by the City, in violation of these regulations, may appeal that decision to the City Council. The complainant contractor shall promptly file a written appeal letter with the manager, within five working days from the time the alleged incident occurred. The letter of appeal shall state all relevant facts of the matter and the remedy sought. Upon receipt of the notice of appeal, the manager shall forward the appeal notice, his investigation of the matter, and any other relevant information to the City Council. The City Council shall conduct a hearing on the matter and provide the complainant an opportunity to be heard. A written decision shall be sent to the complainant.

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CHAPTER 6 - OTHER POLICIES

PART I - DEBT MANAGEMENT

- A.** The City will not obligate the General Fund to secure long-term financing except when marketability can be significantly enhanced.
- B.** Direct debt will not exceed 2% of assessed valuation.
- C.** An internal feasibility analysis will be prepared for each long-term financing activity that analyzes the impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.
- D.** The City will generally conduct financing on a competitive basis. However, negotiated financing may be used due to market volatility or the use of an unusual or complex financing or security structure.
- E.** The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and credit enhancements, such as letters of credit or insurance, when necessary for marketing purposes, availability, and cost-effectiveness.
- F.** The City will annually monitor all forms of debt, coincident with the City's budget preparation and review process, and report concerns and remedies, if needed, to the Council.
- G.** The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.
- H.** The City will maintain good communications with bond rating agencies regarding its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus.

PART II - POST-ISSUANCE COMPLIANCE PROCEDURE AND POLICY FOR TAX-EXEMPT GOVERNMENTAL BONDS

The City of Park City (the “City”) issues tax-exempt governmental bonds to finance capital improvements. As an issuer of tax-exempt governmental bonds, the City is required by the terms of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated there under (the “Treasury Regulations”), to take certain actions subsequent to the issuance of such bonds to ensure the continuing tax-exempt status of such bonds. In addition, Section 6001 of the Code and Section 1.6001-1(a) of the Treasury Regulations, impose record retention requirements on the City with respect to its tax-exempt governmental bonds. This Post-Issuance Compliance Procedure and Policy for Tax-

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Exempt Governmental Bonds (the “Policy”) has been approved and adopted by the City to ensure that the City complies with its post-issuance compliance obligations under applicable provisions of the Code and Treasury Regulations.

- A.** Effective Date and Term. The effective date of this Policy is the date of approval by the City Council of the City (June 16, 2011) and shall remain in effect until superseded or terminated by action of the City Council.
- B.** Responsible Parties. The Finance Manager of the City shall be the party primarily responsible for ensuring that the City successfully carries out its post-issuance compliance requirements under applicable provisions of the Code and Treasury Regulations. The Finance Manager will be assisted by the staff of the Finance Department of the City and by other City staff and officials when appropriate. The Finance Manager of the City will also be assisted in carrying out post-issuance compliance requirements by the following organizations:
- (1) Bond Counsel (the law firm primarily responsible for providing bond counsel services for the City);
 - (2) Financial Advisor (the organization primarily responsible for providing financial advisor services to the City);
 - (3) Paying Agent (the person, organization, or City officer primarily responsible for providing paying agent services for the City); and
 - (4) Rebate Analyst (the organization primarily responsible for providing rebate analyst services for the City).

The Finance Manager shall be responsible for assigning post-issuance compliance responsibilities to members of the Finance Department, other staff of the City, Bond Counsel, Paying Agent, and Rebate Analyst. The Finance Manager shall utilize such other professional service organizations as are necessary to ensure compliance with the post-issuance compliance requirements of the City. The Finance Manager shall provide training and educational resources to City staff that are responsible for ensuring compliance with any portion of the post-issuance compliance requirements of this Policy.

- C.** Post-Issuance Compliance Actions. The Finance Manager shall take the following post-issuance compliance actions or shall verify that the following post-issuance compliance actions have been taken on behalf of the City with respect to each issue of tax-exempt governmental bonds issued by the City:
- (1) The Finance Manager shall prepare a transcript of principal documents (this action will be the primary responsibility of Bond Counsel).
 - (2) The Finance Manager shall file with the Internal Revenue Service (the “IRS”), within the time limit imposed by Section 149(e) of the Code and applicable Treasury

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Regulations, an Information Return for Tax-Exempt Governmental Obligations, Form 8038-G (this action will be the primary responsibility of Bond Counsel).

- (3) The Finance Manager, in consultation with Bond Counsel, shall identify proceeds of tax-exempt governmental bonds that must be yield-restricted and shall monitor the investments of any yield-restricted funds to ensure that the yield on such investments does not exceed the yield to which such investments are restricted.
- (4) In consultation with Bond Counsel, the Finance Manager shall determine whether the City is subject to the rebate requirements of Section 148(f) of the Code with respect to each issue of tax-exempt governmental bonds. In consultation with Bond Counsel, the Finance Manager shall determine, with respect to each issue of tax-exempt governmental bonds of the City, whether the City is eligible for any of the temporary periods for unrestricted investments and is eligible for any of the spending exceptions to the rebate requirements. The Finance Manager shall contact the Rebate Analyst (and, if appropriate, Bond Counsel) prior to the fifth anniversary of the date of issuance of each issue of tax-exempt governmental bonds of the City and each fifth anniversary thereafter to arrange for calculations of the rebate requirements with respect to such tax-exempt governmental bonds. If a rebate payment is required to be paid by the City, the Finance Manager shall prepare or cause to be prepared the Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, Form 8038-T, and submit such Form 8038-T to the IRS with the required rebate payment. If the City is authorized to recover a rebate payment previously paid, the Finance Manager shall prepare or cause to be prepared the Request for Recovery of Overpayments Under Arbitrage Rebate Provisions, Form 8038-R, with respect to such rebate recovery, and submit such Form 8038-R to the IRS.
- (5) The City has issued direct pay Build America Bonds. In consultation with the Paying Agent, the Finance Manager shall prepare or cause to be prepared the Return for Credit Payments to Issuers of Qualified Bonds, Form 8038-CP, to request subsidy payments with respect to interest payable on the bonds and submit such Form 8038-CP to the IRS.

D. Procedures for Monitoring, Verification, and Inspections. The Finance Manager shall institute such procedures as the Finance Manager shall deem necessary and appropriate to monitor the use of the proceeds of tax-exempt governmental bonds issued by the City, to verify that certain post-issuance compliance actions have been taken by the City, and to provide for the inspection of the facilities financed with the proceeds of such bonds. At a minimum, the Finance Manager shall establish the following procedures:

- (1) The Finance Manager shall monitor the use of the proceeds of tax-exempt governmental bonds to: (i) ensure compliance with the expenditure and investment requirements under the temporary period provisions set forth in Treasury Regulations, Section 1.148-2(e); (ii) ensure compliance with the safe harbor restrictions on the acquisition of investments set forth in Treasury Regulations, Section 1.148-5(d); (iii) ensure that the investments of any yield-restricted funds do not exceed the yield to

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which such investments are restricted; and (iv) determine whether there has been compliance with the spend-down requirements under the spending exceptions to the rebate requirements set forth in Treasury Regulations, Section 1.148-7.

- (2) The Finance Manager shall monitor the use of all bond financed facilities in order to:
 - (i) determine whether private business uses of bond-financed facilities have exceeded the *de minimus* limits set forth in Section 141(b) of the Code as a result of leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons; and
 - (ii) determine whether private security or payments that exceed the *de minimus* limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such bond-financed facilities.

- (3) The Finance Manager shall undertake with respect to each outstanding issue of tax-exempt governmental bonds of the City an annual review of the books and records maintained by the City with respect to such bonds.

E. Record Retention Requirements. The Finance Manager shall collect and retain the following records with respect to each issue of tax-exempt governmental bonds of the City and with respect to the facilities financed with the proceeds of such bonds: (i) audited financial statements of the City; (ii) appraisals, demand surveys, or feasibility studies with respect to the facilities to be financed with the proceeds of such bonds; (iii) publications, brochures, and newspaper articles related to the bond financing; (iv) trustee or paying agent statements; (v) records of all investments and the gains (or losses) from such investments; (vi) paying agent or trustee statements regarding investments and investment earnings; (vii) reimbursement resolutions and expenditures reimbursed with the proceeds of such bonds; (viii) allocations of proceeds to expenditures (including costs of issuance) and the dates and amounts of such expenditures (including requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks with respect to such expenditures); (ix) contracts entered into for the construction, renovation, or purchase of bond-financed facilities; (x) an asset list or schedule of all bond-financed depreciable property and any depreciation schedules with respect to such assets or property; (xi) records of the purchases and sales of bond-financed assets; (xii) private business uses of bond-financed facilities that arise subsequent to the date of issue through leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons and copies of any such agreements or instruments; (xiii) arbitrage rebate reports and records of rebate and yield reduction payments; (xiv) resolutions or other actions taken by the governing body subsequent to the date of issue with respect to such bonds; (xv) formal elections authorized by the Code or Treasury Regulations that are taken with respect to such bonds; (xvi) relevant correspondence relating to such bonds; (xvii) documents related to guaranteed investment contracts or certificates of deposit entered into subsequent to the date of issue; (xviii) copies of all Form 8038-Ts, 8038-CPs and Form 8038-Rs filed with the IRS; and (xix) the transcript prepared with respect to such tax-exempt governmental bonds. The records collected by the Finance Manager shall be stored in any format deemed appropriate by the Finance Manager and shall be retained

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for a period equal to the life of the tax-exempt governmental bonds with respect to which the records are collected (which shall include the life of any bonds issued to refund any portion of such tax-exempt governmental bonds or to refund any refunding bonds) plus three (3) years.

- F.** Remedies. In consultation with Bond Counsel, the Finance Manager shall become acquainted with the remedial actions under Treasury Regulations, Section 1.141-12, to be utilized in the event that private business use of bond-financed facilities exceeds the *de minimus* limits under Section 141(b)(1) of the Code. In consultation with Bond Counsel, the Finance Manager shall become acquainted with the Tax Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31, 2008-11 I.R.B. 592, to be utilized as a means for an issuer to correct any post issuance infractions of the Code and Treasury Regulations with respect to outstanding tax-exempt bonds.
- G.** Continuing Disclosure Obligations. In addition to its post-issuance compliance requirements under applicable provisions of the Code and Treasury Regulations, the City has agreed to provide continuing disclosure, such as annual financial information and material event notices, pursuant to a continuing disclosure certificate or similar document (the “Continuing Disclosure Document”) prepared by Bond Counsel and made a part of the transcript with respect to each issue of bonds of the City that is subject to such continuing disclosure requirements. The Continuing Disclosure Documents are executed by the City to assist the underwriters of the City’s bonds in meeting their obligations under Securities and Exchange Commission Regulation, 17 C.F.R. Section 240.15c2-12, as in effect and interpreted from time to time (“Rule 15c2-12”). The continuing disclosure obligations of the City are governed by the Continuing Disclosure Documents and by the terms of Rule 15c2-12. The Finance Manager is primarily responsible for undertaking such continuing disclosure obligations and to monitor compliance with such obligations.
- H.** Other Post-Issuance Actions. If, in consultation with Bond Counsel, Financial Advisor, Paying Agent, Rebate Analyst, the City Manager, the City Attorney, or the City Council, the Finance Manager determines that any additional action not identified in this Policy must be taken by the Finance Manager to ensure the continuing tax-exempt status of any issue of governmental bonds of the City, the Finance Manager shall take such action if the Finance Manager has the authority to do so. If, after consultation with Bond Counsel, Financial Advisor, Paying Agent, Rebate Analyst, the City Manager, the City Attorney, or the City Council, the Finance Manager and the City Manager determine that this Policy must be amended or supplemented to ensure the continuing tax-exempt status of any issue of governmental bonds of the City, the City Manager shall recommend to the City Council that this Policy be so amended or supplemented.
- I.** Taxable Governmental Bonds. Most of the provisions of this Policy, other than the provisions of Section 7 and Section 3(e), are not applicable to governmental bonds the interest on which is includable in gross income for federal income tax purposes. On the other hand, if an issue of taxable governmental bonds is later refunded with the proceeds of an issue of tax-exempt governmental refunding bonds, then the uses of the proceeds of

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the taxable governmental bonds and the uses of the facilities financed with the proceeds of the taxable governmental bonds will be relevant to the tax-exempt status of the governmental refunding bonds. Therefore, if there is any reasonable possibility that an issue of taxable governmental bonds may be refunded, in whole or in part, with the proceeds of an issue of tax-exempt governmental bonds then, for purposes of this Policy, the Finance Manager shall treat the issue of taxable governmental bonds as if such issue were an issue of tax-exempt governmental bonds and shall carry out and comply with the requirements of this Policy with respect to such taxable governmental bonds. The Finance Manager shall seek the advice of Bond Counsel as to whether there is any reasonable possibility of issuing tax-exempt governmental bonds to refund an issue of taxable governmental bonds.

- J.** IRS Examination. In the event the Internal Revenue Service (“IRS”) commences an examination of an obligation, the Finance Manager shall inform the City Manager, City Attorney and City Council of such event and is authorized to respond to inquiries of the IRS and, if necessary, to hire outside, independent professional counsel to assist in the response to the examination.

PART III - TRAFFIC CALMING POLICY (ADOPTED JULY 15, 2002)

The Traffic Calming Policy and adopted traffic calming programs will provide residents an opportunity to evaluate the requirements, benefits, and tradeoffs of using various traffic calming measures and techniques within their own neighborhood. The policy outlines the many ways residents, businesses and the City can work together to help keep neighborhood streets safe.

A. Goals

1. Improve the quality of life in neighborhoods
2. Improve conditions for pedestrians and all non-motorized movements
3. Create safe and attractive streets
4. Reduce accidents
5. Reduce the impact of motorized vehicles within a neighborhood
6. Balance the transportation needs of the various land uses in and around a neighborhood
7. Promote partnerships with Summit County, UDOT, and all other agencies involved with traffic calming programs

B. Objectives

1. Encourage citizen involvement in traffic calming programs
2. Slow the speeds of motor vehicles
3. Improve the real and perceived safety for non-motorized users of the street
4. Incorporate the preference and requirements of the people using the area
5. Promote pedestrian, cycle, and transit use
6. Prioritize traffic calming requests

C. Fundamental Principals

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1. Reasonable automobile access should be maintained. Traffic calming projects should encourage and enhance the appropriate behavior of drivers, pedestrian, cyclists, transit, and other users of the public right-of-way without unduly restricting appropriate access to neighborhood destinations.
2. Reasonable emergency vehicle access must be preserved.
3. The City shall employ the appropriate use of traffic calming measures and speed enforcement to achieve the Policy objectives. Traffic calming devices (speed humps, medians, curb extensions, and others) shall be planned and designed in keeping with sound engineering and planning practices. The Public Works departments shall direct the installation and maintenance of traffic control devices (signs, signals, and markings) as needed to accomplish the project, in compliance with the municipal code and pertinent state and federal regulations.
4. To implement traffic calming programs, certain procedures shall be followed by the City in processing requests according to applicable codes and related policies within the limits of available resources. At a minimum, the procedures shall provide for:
 - a. A simple process to propose traffic calming measures
 - b. A system for staff to evaluate proposals
 - c. Citizen participation in program development and evaluation
 - d. Communication of any test results and specific findings to area residents and affected neighborhood organizations
 - e. Strong neighborhood support before installation of permanent traffic management devices
 - f. Using passive traffic controls as a first effort to solve most neighborhood speed problems
5. Time frames - All neighborhood requests will be acknowledged within 72 hours from the initial notification of the area of traffic concern. Following that, the time required by all parties involved will be dependent on the issue brought forward. It is expected that both City Staff and the requesting parties will act in a responsive and professional manner.

D. Communication Protocols

Park City Municipal Corporation will identify a Traffic Calming Project Manager to facilitate the communications and program steps deemed appropriate. The Project Manager will be the point person for all communications with the requesting neighborhood and internally with a Traffic Calming Program Review Committee. The Traffic Calming Program Review Committee will evaluate and recommend the action steps to be taken. The Review Committee will be comprised of the following people:

1. Public Works Director
2. City Engineer
3. Police Department Representative - appointed by the Police Chief
4. Traffic Calming Project Manager - appointed by the Public Works Director

All coordination efforts, enforcement measures, and follow through responsibilities will be under the supervision of the Traffic Calming Project Manager.

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E. Eligibility

All city streets are eligible to participate in a Traffic Calming Program. Any traffic management techniques desired to be used on Utah Department of Transportation (UDOT) owned streets must be approved by UDOT.

F. Funding Alternatives

1. 100% Neighborhood Funding
2. Capital Improvement Program
3. Neighborhood Matching Grants
4. City Traffic Calming Program Funds

G. Procedures

Phase I: Phase I consists of implementing passive traffic controls.

1. **Initiation:** Neighborhood complaint must include petition signed by at least 5 residents or businesses in the area to initiate Phase I of a traffic calming program.
2. **Phase I First Meeting:** Neighborhood meeting is held to determine goals of a traffic calming program, initiate community education, initiate staff investigation of non-intrusive traffic calming measures, discuss options, estimate of cost, timing, and process.
3. **Phase I Implementation:**
 - a. The Traffic Calming Program Review Committee reviews signing, striping, and general traffic control measures. Minimum actions include Residential Area signs, speed limit signs, review of striping, review of stop sign placement, review of turn restrictions, and review of appropriate traffic control devices.
 - b. Community watch program initiated. This program includes neighbors calling police to request increased speed limit enforcement, neighbors disseminating flyers printed by the City reminding the community to slow down, community watch for commercial or construction vehicles, etc.
 - c. Targeted police enforcement will begin to include real time speed control.
4. **Phase I Evaluation:** Evaluation of Phase I actions will occur over a 3 to 9 month period. Evaluation will include visual observations by residents and staff.
5. **Phase I Neighborhood Evaluation Meeting:** Phase I evaluation meeting will be held to discuss results of Phase I. It will be important that the City staff and the current residents also contact the relevant property owners to obtain their opinions and thoughts prior to taking any next steps.

Phase II:

1. **Phase II Initiation:** Twenty-five percent (25%) of the residents within the proposed neighborhood area can request the initiation of Phase II.
2. **Define Neighborhood Boundary:** A neighborhood will include all residents or businesses with direct access on streets to be evaluated by Phase II implementation. Residents or businesses with indirect access on streets affected

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by Phase II implementation will be included in neighborhood boundary only at the discretion of staff.

- 3. Phase II Data Collection and Ranking:** Staff performs data collection to evaluate and rank neighborhood problems and the ability to solve problems. Data collection will include the following and will result in a quantitative ranking.

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Criteria	Points	Basis Point Assignment
Speed data (48 hour)	30	Extent by which the 85 th percentile traffic speed exceeds the posted speed limit (2 points per 1 mph)
Volume data (48 hour)	25	Average daily traffic volumes (1 point per 100 vehicles, minimum of 500 vpd)
Accident data (12 month)	20	Accidents caused by speeding (8 points per accident)
Proximity to schools or other active public venues	5	Points assigned if within 300 feet of a school or other active public venue
Pedestrian crossing, bicycle routes, & proximity of pedestrian generators	5	Points assigned based on retail, commercial, and other pedestrian generators.
Driveway spacing	5	For the study area, if large spaces occur between driveways, 5 points will be awarded. If more than three driveways fall within a 100 foot section of the study area, no points will be provided.
No sidewalks	10	Total points assigned if there is no continuous sidewalk on either side of the road.
Funding Availability	50	50 points assigned if the project is in the CIP or 100% funding by the neighborhood. Partial funding of 50% or more by the neighborhood 25 points, partial funding of 10 to 50% by the neighborhood 10 points.
Years on the list	25	5 points for each year
Total Points Possible	175	maximum points available

4. **Phase II Implementation Recommendation:** The Traffic Calming Project Review Committee proposes Phase II traffic calming implementation actions and defines a project budget.
5. **Phase II Consensus Meeting:** A neighborhood meeting is held to present a Phase II implementation proposal including project budget, possible time frame, discuss temporary installation, etc. The estimated time frame is one to three years depending on funding availability.
6. **Phase II Petition:** Residents and businesses in neighborhood boundary are mailed/or hand delivered a petition by the City identifying Phase II actions, cost, and explanation of implications of vote. Petition provides ability to vote yes, no,

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or not return petition. Unreturned petitions count as no votes. Resident support for traffic calming is defined as 67 percent positive response. No more than four weeks is allowed for the return of a petition.

7. **Phase II Implementation:** Permanent installation will be implemented after the approval of funding by the City Council. Implemented actions will be continually monitored based on visual observation and accident data.
8. **Post Project Evaluation:** City staff will review impacts on traffic to determine if goals were met. Neighborhoods will have an opportunity to review data and provide comment.
9. **Removal (if required):** The Traffic Calming Program Review Committee will authorize removal of improvements upon receiving a petition showing 75 percent support by the neighborhood. Removal costs in all or part may be assessed to the defined neighborhood boundaries.

H. Traffic Management Devices (Definitions)

1. **Passive Controls** consist of traffic control mechanisms that are not self regulating. To be effective it is necessary for drivers to abide by traffic control devices.
 - a. Stop Signs - used to assign right-of-ways at intersections and where irremovable visibility restrictions exist.
 - b. Speed Limit Signs - sometimes installed as traffic calming mechanism. Numerous speed limit signs reinforce the posted speed.
 - c. Turn Prohibition Signs - used to prevent traffic from entering a street, thereby reducing traffic volumes.
 - d. Neighborhood Announcement Signs - used to advise the entering vehicles that they are moving through a particular type of neighborhood. Specific supplementary messages can also be placed here.
2. **Positive Physical Controls:**
 - a. Medians Islands - used to constrict travel lane width and provide an area for additional landscaping and signage.
 - b. Bulb-Outs (Chokers/Curb Extensions) - physical constrictions constructed adjacent to the curb at both intersections and mid-block locations making pedestrian crossings easier and space for additional landscaping and signage.
 - c. Speed Humps - are vertical changes in the pavement surface that force traffic to slow down in order to comfortably negotiate that portion of the street.
 - d. Chicanes - are a set of two or three landscaped curb undulations that extend out into the street. Chicanes narrow the street encouraging drivers to drive more slowly.
 - e. Traffic Circles and Roundabouts - circular islands located in the middle of street intersections that force traffic to deflect to the right, around a traffic island, in order to perform any movement through the intersection tending to slow the traffic speeds.
 - f. Rumble Strips - changes in the elevation of the pavement surface and/or changes in pavement texturing which are much less pronounced than speed humps.

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- g. Diverters - physical obstructions in intersections which force motorists to turn from the traveled way onto an adjacent intersecting street thereby reducing volume.
- 3. Driver Perception/Psychology:**
 - a. Landscaping - the most effective way to change the perception of a given street environment.
 - b. Crosswalks - can be used to alter the perception of a street corridor and at the same time enhance the pedestrian environment.
Flashing Warning Beacons - can be used to alter driver psychology.
Real-time Speed Display - used to inform drivers of actual speed they are traveling.
 - c. Increased Enforcement - additional enforcement of regulations either by law enforcement personnel or citizen volunteer groups.
 - d. Pavement Markings - used to guide motorists, delineate on-street parking areas or create the impression of a narrowed roadway, all in an effort to slow traffic speeds.

PART IV - SPECIAL EVENTS SERVICES

The City's role in supporting special events encompasses a wide range of services. Depending on the size and impact of a given special event the City may be required to provide:

- Police Services (Crowd, Traffic and Access control).
- Transit Services (Enhanced frequency or capacity).
- Parks Services (Field maintenance, Grounds maintenance, Trash).
- Streets Services (Street Sweeping, Electronic signage, Barricades).
- Parking Services (Special use of parking, Parking enforcement).
- Building Services (Inspections and Code enforcement).
- Special Events and Facilities Services (Facility leases).

Some of these services can be provided without incremental cost or loss of revenues. However, most special events services do have an impact on departmental budgets in the form of overtime labor, equipment, materials, or foregone revenue. The purpose of this policy is to ensure departments are properly funded to provide the special event support they are tasked with providing.

A. Procedures for Amending Departmental Budgets

For budgeting purposes special events can be categorized into two groups:

- 1. Those events that are managed under multi-year contracts with the City
- 2. Those year to year or one-time events whose size and scope do not justify long term contracts.

B. Events Managed Under Multi-Year Contracts

For these events, Departments shall request budget adjustments during the first budget process after these agreements are signed. These budget adjustments will be based upon

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the level of services outlined in the special event contract and will remain in the budget only for the term of the contract.

C. Year to Year or One Time Events

For those events for which long term agreements do not exist the costs for providing services shall be estimated and included within Council's or the City Manager's review of the application. If through the approval process fees are waived these calculations will then serve as the justification for a one-time budget adjustment during the next budget process.

D. Funding Mechanisms for Special Event Budget Increases

The City uses a three tiered approach to fund special event services. Those three tiers are:

1. Special Event Fees
2. Economic Benefit Offset
3. Other General Fund Resources

E. Special Event Fees

Pre-approved fees will be set to recoup the incremental cost of providing the City services detailed in an event Master Festival or Special Event application. If an event requests and receives approval for a waiver of any or all fees, the City will first look to an Economic Benefit Offset to provide funding in lieu of the waived fees.

F. Economic Benefit Offset (EBO):

The economic benefit offset (EBO) of a given event can only be calculated for those events which are known to have a significant impact on sales tax collections and have at least one year of history to analyze. The EBO of an event is calculated using historic sales tax collection data to measure incremental sales tax growth attributable to that event. In the past Council has indicated a willingness to waive fees for up to half the incremental sales tax gained from major special events. The SEBC recommends that Council formally adopt this 50 percent waiver limit. If the Economic Benefit Offset is inadequate (on a fund specific basis) to offset waived fees, the City will then look to other General Fund sources to provide funding in lieu of waived fees.

G. Other General Fund Resources

When the economic benefit of a special event (on a fund specific basis) cannot be calculated or is inadequate to offset the amount of waived fees, the SEBC recommends the City identify other general fund sources to offset any waived fees. Staff will communicate available sources to Council or the City Manager when presenting Master Festival or Special Event applications that contain a fee waiver request.

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PART V – GASB 54 FUND BALANCE

PURPOSE

This Fund Balance Policy establishes procedures for reporting fund balance classifications and establishes a hierarchy of fund balance expenditures for governmental type funds. The policy also authorizes and directs the Finance Manager to prepare financial reports, which accurately categorize fund balance per Governmental Accounting Standards Board Statement No. 54: *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54).

I. FUND BALANCE COMPONENTS

Fund balance is essentially the difference between the assets and liabilities reported in a governmental fund. GASB 54 establishes the following five components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. The “not spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable.

B. Restricted Fund Balance

The restricted fund balance classification includes amounts that reflect constraints placed on the use of resources (other than nonspendable items) that are either (a) externally imposed by creditors (such as through bonded debt reserve funds required pursuant to debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

C. Committed Fund Balance

The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specific use by taking the same type of action (for example ordinance) it employed to previously commit those amounts. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. City Council action of passing an ordinance to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

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D. Assigned Fund Balance

The assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed. Such intent needs to be established by (a) the governing body itself or (b) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

E. Unassigned Fund Balance

The unassigned fund balance classification includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that should report this category of fund balance.

II. HEIRARCHY OF SPENDING FUND BALANCE

The City's current fund balance practice provides that restricted fund balance be spent first when expenditure is incurred for which both restricted and unrestricted fund balance is available. Similarly, when expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used; committed amounts are to be spent first, followed by assigned amounts and then unassigned amounts. GASB 54 mandates that this hierarchy of expending fund balance be reported in new categories, using new terminology, and be formally adopted by the City Council. It should be noted that the new categories only emphasize the extent which the City is bound to honor expenditure constraints and the purposes for which amounts can be spent. The total reported fund balance would remain unchanged.

III. COMPARISON OF PAST PRACTICE AND GASB 54 FUND BALANCE TYPES

A. General Fund

Past Practice Definition – The general fund is used to account for all financial resources not accounted for in another fund.

GASB 54 Definition – The general fund is used to account for all financial resources not accounted for in another fund.

B. Special Revenue Funds

Past Practice Definition – Special revenue funds account for proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

GASB 54 Definition – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term “proceeds of specific revenue sources”

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establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

C. Capital Projects

Past Practice Definition – Capital project funds account for financial resources to be used for the acquisition or construction of major capital facilities.

GASB 54 Definition – Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital related outflows financed by proprietary funds, or for assets that will be held in trust for individuals, private organizations, or other governments.

D. Debt Service

Past Practice Definition – Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

GASB 54 Definition – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

FUND STRUCTURE

All City funds are accounted for in accordance with Generally Accepted Accounting Principles (GAAP).

General Fund

The General Fund is the principal fund of the City. The General Fund accounts for the normal recurring activities of the City (i.e., police, public works, community development, library, recreation, and general government). These activities are funded principally by user fees, and property, sales, and franchise taxes. Accounting records and budgets for governmental fund types are prepared and maintained on a modified accrual basis. Revenues are recorded when available and measurable. Expenditures are prepared and recorded when services or goods are received and the liabilities are incurred.

Enterprise Funds

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private businesses. Accounting records for proprietary fund types are maintained on an accrual basis. Budgets for all enterprise funds are prepared on a modified accrual basis. Depreciation is not budgeted for in the City's enterprise funds. Included are the following:

- Water Fund - Accounts for the operation of the City's water utilities, including debt service on associated water revenue bonds.
- Transportation and Parking Fund - Accounts for the operation of the City's public transportation (bus and trolley) system and parking programs.
- Golf Course Fund - Accounts for the operation of the City's golf course.

Debt Service Funds

Accounting records and budgets for all debt service funds are prepared on a modified accrual basis.

Park City General Long-Term Debt Service Fund

The fund accounts for the accumulation of money for the repayment of the 1988, 1993 and 1999 A, 2000, 2005, and 2008 General Obligation Bonds and the 1992 Excise Tax Revenue Bond (Class "C"). The sources of revenue are property and fuel tax.

Sales Tax Revenue Debt Service Fund

This fund accounts for the accumulation of money for the repayment of the 2005 Series A & B Sales Tax Revenue Bonds. The sources of revenue are sales tax, some RDA proceeds, and Parks and Public Safety impact fees.

Redevelopment Agency Debt Service Fund

This fund accounts for the accumulation of money for the repayment of 1997 Main Street refunding bonds and the series 1998 Lower Park Avenue Bonds. The principal source of revenue is property tax increment from the redevelopment area.

Municipal Building Authority Debt Service Fund

This fund accounts for the accumulation of money for the repayment of the 1990, 1994, and 1996 series Lease Revenue Bonds. Rent is transferred from other funds of the City that lease assets from the Municipal Building Authority.

Internal Service Funds

Accounting records for all internal service funds are prepared on an accrual basis. Budgets for all internal service funds are prepared on a modified accrual basis. Depreciation is not budgeted for in the City's internal service funds. The internal service funds are used to account for the financing and operation of services provided to various City departments and other governments on a cost-reimbursement basis. Included are the following:

- Fleet Fund - Accounts for the cost of storage, repair, and maintenance of City-owned vehicles.
- Equipment Replacement Fund - Accounts for the accumulation of resources for the future replacement of fixed assets through a rental charge-back system.
- Self-Insurance Fund - Accounts for the establishment of self-insured programs including Workers' Compensation, Unemployment Compensation, and liability insurance.

Capital Project Funds

Accounting records and budgets for all capital project funds are prepared and maintained on a modified accrual basis. The capital project funds are used to account for the construction of major capital projects not included in the proprietary funds. The Capital Improvement Fund is used to account for capital projects of the City's general government. The Municipal Building Authority and the Redevelopment Agency also have separate capital project funds. The City has undertaken a major prioritization process for its CIP projects. This budget reflects that prioritization.

PAY PLAN PROCESS

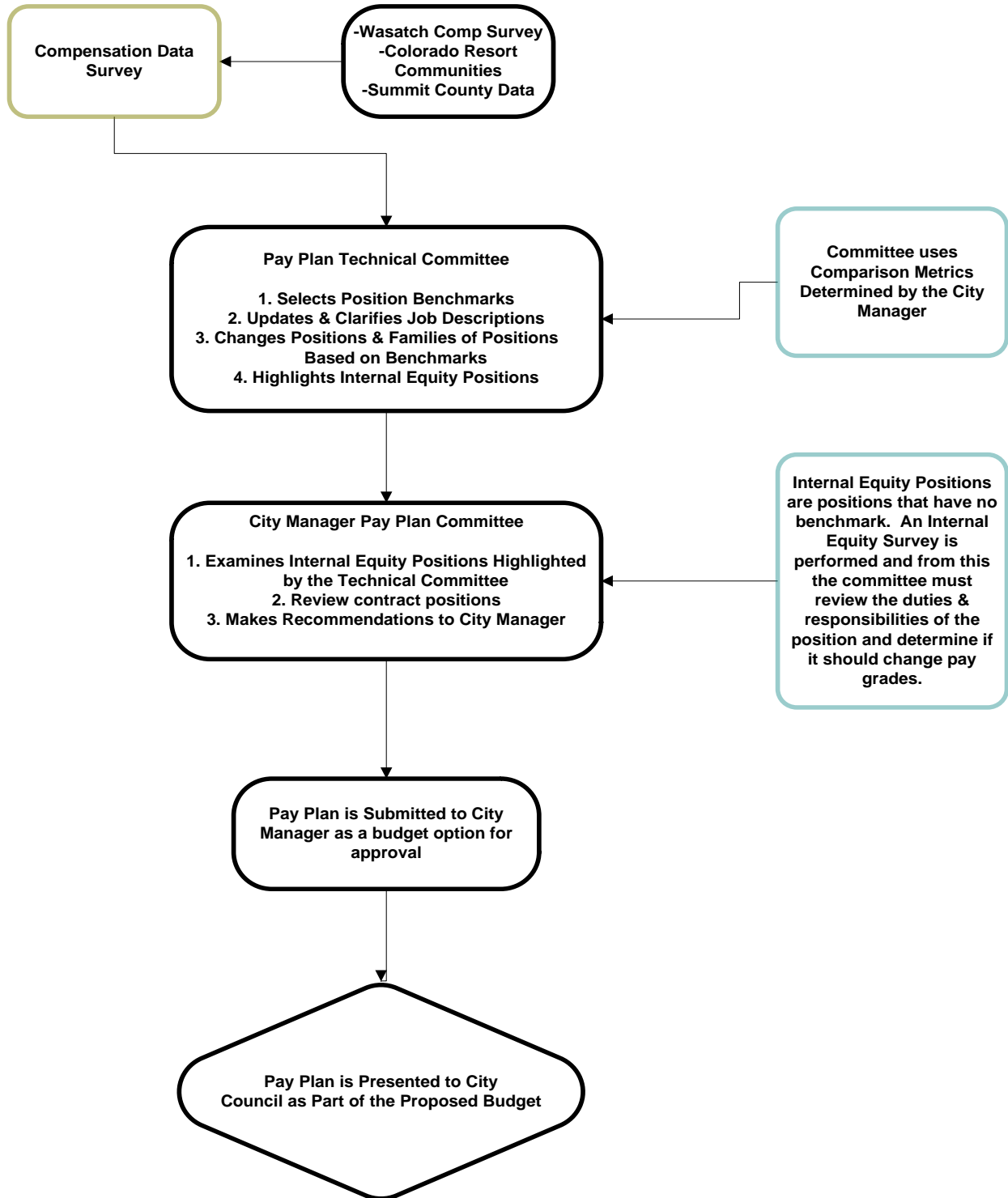


Table S7 – The City’s Pay Plan

SUPPLEMENTAL

The City must maintain a competitive total compensation package in order to attract and retain a competent workforce. As part of the adopted budget, a two-year pay plan is included (Table S1). The pay plan is broken into exempt, nonexempt, and part-time non-benefited pay plans according to Fair Labor Standards Act (FLSA) definitions. Establishing a pay plan that will attract and retain quality employees while maintaining a fiscally responsible budget is challenging. Variables that may be considered in developing the City’s pay plan include the following: (1) salary and total compensation rates for similar positions along the Wasatch Front and selected Colorado ski resorts; (2) supply and demand of qualified candidates; (3) internal equity; (4) the cost of living; and (5) available City resources.

Park City Pay Plan - FY 2015

Grade	Exempt				Non-Exempt				Part-Time	
	Minimum	Hiring Maximum	Working Level	Maximum	Min	Max	Level	Max	Min	Max
1									\$7.46	\$9.69
2					\$7.46	\$9.50	\$10.04	\$10.76	\$7.46	\$10.76
3	\$30,400	\$39,875	\$42,133	\$45,158	\$8.00	\$10.49	\$11.09	\$11.88	\$8.00	\$11.88
4	\$34,458	\$45,196	\$47,755	\$51,185	\$8.90	\$11.67	\$12.33	\$13.22	\$8.90	\$13.22
5	\$38,664	\$50,713	\$53,585	\$57,433	\$9.82	\$12.88	\$13.61	\$14.59	\$9.82	\$14.59
6	\$44,293	\$58,097	\$61,387	\$65,795	\$10.72	\$14.07	\$14.86	\$15.93	\$10.72	\$15.93
7	\$50,009	\$65,593	\$69,307	\$74,285	\$11.75	\$15.41	\$16.28	\$17.45	\$11.75	\$17.45
8	\$56,801	\$74,503	\$78,721	\$84,374	\$13.42	\$17.60	\$18.60	\$19.93	\$13.42	\$19.93
9	\$62,436	\$81,893	\$86,530	\$92,744	\$15.87	\$20.82	\$22.00	\$23.58	\$15.87	\$23.58
10	\$67,769	\$88,888	\$93,921	\$100,666	\$17.91	\$23.49	\$24.82	\$26.60	\$17.91	\$26.60
11	\$72,869	\$95,579	\$100,991	\$108,243	\$20.40	\$26.76	\$28.27	\$30.30	\$20.40	\$30.30
12	\$78,585	\$103,075	\$108,912	\$116,733	\$21.36	\$28.02	\$29.61	\$31.73	\$21.34	\$34.99
13	\$83,620	\$109,679	\$115,889	\$124,212	\$23.34	\$30.89	\$32.64	\$34.99		
14	\$88,942	\$116,659	\$123,265	\$132,117						
Mayor				\$62,996*						
City Council				\$39,529*						
City Manager	\$99,567	\$130,596	\$137,991	\$147,900						
City Attorney	\$93,542	\$122,692	\$129,640	\$138,950						

* Includes wages & benefit value which may be taken as wages

Staffing Summary by Fund

GENERAL FUND

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
Full Time								
1190 - CITY MANAGER	AD02	\$99,567	\$122,739	\$129,686	\$147,900	1.00	1.00	1.00
1290 - CITY ATTORNEY	AD01	\$93,542	\$122,692	\$129,640	\$138,950	1.00	1.00	1.00
2190 - CHIEF OF POLICE	E13	\$83,620	\$109,679	\$115,889	\$124,212	1.00	1.00	1.00
1280 - DEPUTY CITY ATTORNEY	E13	\$83,620	\$109,679	\$115,889	\$124,212	1.00	1.00	1.00
1590 - FINANCE MANAGER	E12	\$78,585	\$103,075	\$108,912	\$116,733	1.00	1.00	1.00
3490 - CITY ENGINEER	E12	\$78,585	\$103,075	\$108,912	\$116,733	1.00	1.00	1.00
1180 - ASSISTANT CITY MANAGER	E12	\$78,585	\$103,075	\$108,912	\$116,733	1.00	1.00	1.00
1690 - IT & CUSTOMER SERVICE DIRECTOR	E11	\$72,869	\$95,579	\$100,991	\$108,243	1.00	1.00	1.00
1390 - HUMAN RESOURCES MANAGER	E11	\$72,869	\$95,579	\$100,991	\$108,243	1.00	1.00	1.00
5490 - LIBRARY DIRECTOR	E10	\$67,769	\$88,888	\$93,921	\$100,666	1.00	1.00	1.00
3290 - PLANNING DIRECTOR	E10	\$67,769	\$88,888	\$93,921	\$100,666	1.00	1.00	1.00
3390 - PUBLIC & COMMUNITY AFFAIRS MGR	E10	\$67,769	\$88,888	\$93,921	\$100,666	1.00	1.00	1.00
2080 - ECONOMIC DEVELOPMENT MANAGER	E10	\$67,769	\$88,888	\$93,921	\$100,666	1.00	1.00	1.00
4150 - PW OPERATIONS MANAGER	E09	\$62,436	\$81,893	\$86,530	\$92,744	1.00	1.00	1.00
3080 - CHIEF BUILDING OFFICIAL	E09	\$62,436	\$81,893	\$86,530	\$92,744	1.00	1.00	1.00
2180 - CAPTAIN	E09	\$62,436	\$81,893	\$86,530	\$92,744	2.00	2.00	2.00
1250 - ATTORNEY V	E09	\$62,436	\$81,893	\$86,530	\$92,744	1.00	1.00	1.00
4490 - PR DV STREETS/STREETSCAPE SPRV	E08	\$56,801	\$74,503	\$78,721	\$84,374	1.00	1.00	1.00
5790 - RECREATION MANAGER	E08	\$56,801	\$74,503	\$78,721	\$84,374	1.00	1.30	1.30
2170 - Lieutenant	E08	\$56,801	\$74,503	\$78,721	\$84,374		1.00	1.00
1670 - NETWORK ENGINEER	E08	\$56,801	\$74,503	\$78,721	\$84,374	1.00	1.00	1.00
5590 - PROF DVLP PARKS & GOLF SUPERV	E07	\$50,009	\$65,593	\$69,307	\$74,285	0.50	0.50	0.50
2072 - SENIOR PROJECT MANAGER	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00	1.00
1792 - ENVIRONMENTAL SUSTNBLTY MNGR	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00		
1680 - SYSTEMS ADMINISTRATOR	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00	1.00
3224 - UNDRF PLANNER II-SR PLANNER	E07	\$50,009	\$65,593	\$69,307	\$74,285	2.00	2.00	2.00
3078 - DEPUTY CHIEF BUILDING OFFICIAL	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00	1.00
1974 - CPITL BUDGET DEBT & GRANTS MNG	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00	1.00

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
1972 - BUDGET OPERATIONS MANAGER	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00	1.00
2030 - ENVIRON REGULATORY PROGRM MNGR	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00	1.00
1890 - BUILDING MAINTENANCE SUPER	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00	1.00
1660 - GIS ADMINISTRATOR	E07	\$50,009	\$65,593	\$69,307	\$74,285	0.50	0.50	0.50
1580 - ACCOUNTING MANAGER	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00	1.00
1240 - ATTORNEY IV	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00	1.00
3074 - DEPUTY FIRE MARSHALL	E06	\$44,293	\$58,097	\$61,387	\$65,795	1.00	1.00	1.00
2078 - PROF DEV ECON DEVEL PROGRM MGR	E06	\$44,293	\$58,097	\$61,387	\$65,795	1.00	1.00	1.00
2020 - TRAILS & OPEN SPACE PRJCT MNGR	E06	\$44,293	\$58,097	\$61,387	\$65,795	1.00	1.00	1.00
3222 - PLANNER I UNDRFLD PLN II	E06	\$44,293	\$58,097	\$61,387	\$65,795	2.00	2.00	2.00
3024 - BUILDING INSPECTOR SUPERVISOR	E06	\$44,293	\$58,097	\$61,387	\$65,795	1.00	1.00	1.00
3050 - PLAN CHECK COORDINATOR	E06	\$44,293	\$58,097	\$61,387	\$65,795	2.00	2.00	2.00
2010 - HOUSING SPECIALIST	E06	\$44,293	\$58,097	\$61,387	\$65,795	1.00	1.00	1.00
3220 - PLANNER I	E05	\$38,664	\$50,713	\$53,585	\$57,433	1.00	2.00	2.00
5782 - RECREATION SUPERVISOR	E05	\$38,664	\$50,713	\$53,585	\$57,433	3.00	3.00	3.00
2220 - DISPATCH COORDINATOR	E05	\$38,664	\$50,713	\$53,585	\$57,433	1.00	1.00	1.00
5480 - SENIOR LIBRARIAN	E05	\$38,664	\$50,713	\$53,585	\$57,433	2.00	2.00	3.00
1652 - PROF DVLP IT COORD III	E05	\$38,664	\$50,713	\$53,585	\$57,433	2.00	2.00	2.00
1650 - IT COORDINATOR II	E04	\$34,458	\$45,196	\$47,755	\$51,185	1.00	1.00	1.00
1648 - IT COORDINATOR I	E03	\$30,400	\$39,875	\$42,133	\$45,158	1.00	1.00	1.00
2160 - SERGEANT	N13	\$23	\$31	\$33	\$35	6.00	5.00	5.00
3025 - Senior Building Inspector	N11	\$20	\$27	\$28	\$30		1.00	1.00
3022 - CODE ENFORCE OFFICER UF SR BLD	N11	\$20	\$27	\$28	\$30	4.00	4.00	4.00
2144 - DETECTIVE	N10	\$18	\$24	\$25	\$27	1.00		
4120 - PUBLIC IMPROVEMENTS INSPECTOR	N10	\$18	\$24	\$25	\$27	0.75	0.75	0.75
2142 - POLICE OFFICER UNDRF SR OFFICR	N10	\$18	\$24	\$25	\$27	17.00	17.00	17.00
1960 - PERFORMANCE & BUDGET ANALYST	N10	\$18	\$24	\$25	\$27	1.00	1.25	1.25
3026 - Business License Inspector	N10	\$18	\$24	\$25	\$27		1.00	1.00
2000 - ENVIRONMENTAL PROJECT MANAGER	N10	\$18	\$24	\$25	\$27	1.00	1.00	1.00
1520 - ACCOUNTANT	N10	\$18	\$24	\$25	\$27	1.00	1.00	1.00
1202 - PARALEGAL	N09	\$16	\$21	\$22	\$24	2.00	2.00	2.00
1350 - HR GENERALIST	N09	\$16	\$21	\$22	\$24	2.00	2.00	2.00
2140 - POLICE OFFICER	N09	\$16	\$21	\$22	\$24	4.00	4.00	4.00
2230 - Dispatcher III	N09	\$16	\$21	\$22	\$24		1.00	1.00

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
1750 - EVENTS COORDINATOR	N09	\$16	\$21	\$22	\$24	1.00	1.00	1.00
4416 - STREETS IV	N09	\$16	\$21	\$22	\$24	2.00	2.00	2.00
5430 - CATALOGUING LIBRARIAN	N09	\$16	\$21	\$22	\$24	1.00	1.00	1.00
1530 - PAYROLL COORDINATOR	N09	\$16	\$21	\$22	\$24	1.00	1.00	1.00
5770 - BUSINESS MARKETING COORDINATOR	N09	\$16	\$21	\$22	\$24	1.00	1.00	1.00
5780 - RECREATION COORDINATOR	N09	\$16	\$21	\$22	\$24	1.00	1.00	1.00
3010 - CODE ENFORCEMENT OFFICER	N09	\$16	\$21	\$22	\$24	1.00	1.00	1.00
7762 - EXECUTIVE ASSISTANT	N09	\$16	\$21	\$22	\$24	1.00	1.00	1.00
1112 - SENIOR CITY RECORDER	N09	\$16	\$21	\$22	\$24	1.00	1.00	1.00
1514 - ACCOUNTING CLERK III	N08	\$13	\$18	\$19	\$20	1.00	1.00	1.00
1630 - CITY RECORDS COORDINATOR	N08	\$13	\$18	\$19	\$20	1.00	1.00	1.00
1540 - BUSINESS LICENSE SPECIALIST	N08	\$13	\$18	\$19	\$20	1.00	1.00	1.00
2229 - Dispatcher II	N08	\$13	\$18	\$19	\$20		1.00	1.00
2240 - Victim Advocate	N08	\$13	\$18	\$19	\$20		1.00	1.00
3320 - COMMUNITY AFFAIRS ASSOCIATE	N08	\$13	\$18	\$19	\$20	0.91	1.00	1.00
5516 - PARKS IV	N08	\$13	\$18	\$19	\$20	5.50	5.50	5.50
3060 - PLANNING TECHNICIAN	N08	\$13	\$18	\$19	\$20	1.00	1.00	1.00
5766 - PC MARC COORDINATOR	N08	\$13	\$18	\$19	\$20	1.00	1.00	1.00
1825 - Building Maintenance IV	N08	\$13	\$18	\$19	\$20		1.00	1.00
7732 - ANALYST II - GOLF PRO SHOP	N08	\$13	\$18	\$19	\$20	3.50	4.00	4.00
1110 - CITY RECORDER	N08	\$13	\$18	\$19	\$20	1.00	1.00	1.00
2210 - DISPATCHER I	N07	\$12	\$15	\$16	\$17	8.00	6.00	6.00
4414 - STREETS III - TRANSIT	N07	\$12	\$15	\$16	\$17	6.00	11.00	11.00
5422 - CIRCULATION TEAM LEADER-CUSTSR	N07	\$12	\$15	\$16	\$17	2.00	2.00	1.00
3002 - PERMIT TECHNICIAN	N07	\$12	\$15	\$16	\$17	1.00	1.00	1.00
7730 - ANALYST I - PUBLIC WORKS ADMIN	N07	\$12	\$15	\$16	\$17	3.00	2.36	2.36
1824 - BUILDING MAINTENANCE III	N07	\$12	\$15	\$16	\$17	4.00	4.00	4.00
2204 - POLICE RECORDS CLERK	N07	\$12	\$15	\$16	\$17	1.00	1.00	1.00
1310 - HR ASSISTANT	N07	\$12	\$15	\$16	\$17	1.00	1.00	1.00
7724 - UNDFL OFFICE ASST II - PW ADMN	N06	\$11	\$14	\$15	\$16	0.50		
5763 - FRONT DESK TEAM LEADER - OPS	N06	\$11	\$14	\$15	\$16	2.00	2.00	2.00
1822 - BUILDING MAINTENANCE II	N04	\$9	\$12	\$12	\$13	1.00	1.00	1.00
5514 - PARKS III-DIRT MAINTENANCE	SP07	\$12			\$17		3.00	3.00
Total Full Time						149.16	160.16	160.16

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
Part Time								
4414 - STREETS III - TRANSIT	N07	\$12	\$15		\$16		0.61	0.61
5754 - RECREATION INSTRUCTOR VII	SP12	\$20			\$31	0.43	0.79	1.14
5110 - TENNIS PRO	SP12	\$20			\$31		0.73	0.69
2124 - SPECIAL EVENTS POLICE OFFICER	SP10	\$18			\$27	0.52	0.52	0.52
5752 - RECREATION INSTRUCTOR VI - ICE	SP09	\$16			\$24	0.18	0.18	0.18
8854 - PROJECT MANAGER I/LEGAL INTERN	SP08	\$13			\$20	1.65	1.00	1.00
1514 - ACCOUNTING CLERK III	SP08	\$13			\$20	0.65	0.65	0.65
4414 - STREETS III	SP07	\$12			\$17	3.82		
5514 - PARKS III-DIRT MAINTENANCE	SP07	\$12			\$17	5.91	5.91	5.91
2210 - DISPATCHER	SP07	\$12			\$17	0.39	0.39	0.39
5512 - PARKS II	SP06	\$11			\$16	4.94	0.60	0.60
5416 - SENIOR LIBRARY ASSISTANT	SP06	\$11			\$16	0.25		
5414 - LIBRARY ASSISTANT	SP06	\$11			\$16	1.14	2.77	3.22
5730 - RECREATION WORKER VI - ICE	SP06	\$11			\$16	0.16	0.16	0.16
7724 - OFFICE ASSISTANT III-BUILDING	SP06	\$11			\$16	1.22	0.97	0.97
2122 - RESERVE POLICE OFFICER	SP06	\$11			\$16	2.93	2.93	2.93
5748 - RECREATION INSTRUCTOR IV	SP05	\$10			\$15	0.98	0.98	0.98
5728 - RECREATION WORKER V - ICE	SP05	\$10			\$15	1.88	1.88	1.88
4412 - STREETS II	SP05	\$10			\$15	1.15	1.15	1.15
5726 - RECREATION WORKER IV-ICE	SP04	\$9			\$13	6.06	6.06	6.06
5760 - RECREATION FRONT DESK CLRK ICE	SP04	\$9			\$13	3.84	3.84	3.84
5412 - LIBRARY CLERK	SP04	\$9			\$13	1.25	1.63	1.42
8844 - GENERAL OFFICE CLERK III	SP03	\$8			\$12	1.14	1.14	1.14
5744 - RECREATION INSTRUCTOR II	SP03	\$8			\$12	0.85	0.85	0.85
5724 - RECREATION WORKER III	SP03	\$8			\$12	1.20	1.20	1.20
5714 - OFFICIAL/REFEREE II	SP02	\$7			\$11	1.00	1.00	1.00
5510 - PARKS I	SP02	\$7			\$11	2.29	2.29	2.29
5742 - RECREATION INSTRUCTOR I - REC	SP02	\$7			\$11	2.20	2.20	2.20
1810 - ASSISTANT CUSTODIAN I	SP02	\$7			\$11	0.33	0.33	0.33
5410 - LIBRARY AIDE	SP01	\$7			\$10	1.48		
5720 - RECREATION WORKER I	SP01	\$7			\$10	2.47	2.47	2.47
Total Part Time						52.30	45.22	45.77

Staffing Summary by Fund

QUINNS RECREATION COMPLEX

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
Full Time								
3590 - ICE GENERAL MANAGER	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00	1.00
3550 - ICE PROGRAM COORDINATOR	N09	\$16	\$21	\$22	\$24	1.00	1.00	1.00
5516 - PARKS IV	N08	\$13	\$18	\$19	\$20	1.00	1.00	1.00
3528 - ICE ARENA OPERATIONS ASSISTANT	N08	\$13	\$18	\$19	\$20	1.00	1.00	1.00
3524 - ARENA MAINTENANCE COORDINATOR	N07	\$12	\$15	\$16	\$17	1.00	1.00	1.00
3538 - ICE FRONT DESK TEAM LEADER	N06	\$11	\$14	\$15	\$16	1.00	1.00	1.00
5514 - PARKS III-DIRT MAINTENANCE	SP07	\$12			\$17		1.00	1.00
Total Full Time						6.00	7.00	7.00

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
Part Time								
3520 - SKATING ACADEMY DIRECTOR	SP09	\$16			\$24	0.50	0.50	0.50
3510 - HOCKEY ACADEMY DIRECTOR	SP09	\$16			\$24	0.25	0.25	0.25
5514 - PARKS III-DIRT MAINTENANCE	SP07	\$12			\$17	0.83	0.83	0.83
5730 - RECREATION WORKER VI - ICE	SP06	\$11			\$16	0.72	2.52	2.52
1822 - BUILDING II	SP04	\$9			\$13	0.25	0.25	0.25
5726 - RECREATION WORKER IV-ICE	SP04	\$9			\$13	1.70		
Total Part Time						4.25	4.35	4.35

Staffing Summary by Fund

LOWER PARK AVE RDA SPECIAL REVENUE FUND

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
Full Time								
1960 - PERFORMANCE & BUDGET ANALYST	N10	\$18	\$24	\$25	\$27		0.25	0.25
Total Full Time							0.25	0.25

Staffing Summary by Fund

WATER FUND

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
Full Time								
4590 - WATER MANAGER	E11	\$72,869	\$95,579	\$100,991	\$108,243	1.00	1.00	1.00
4580 - WATER QUALITY & TREATMENT MNGR	E10	\$67,769	\$88,888	\$93,921	\$100,666	1.00	1.00	1.00
4560 - WATER PROJECT MANAGER	E08	\$56,801	\$74,503	\$78,721	\$84,374	1.00	1.00	1.00
4540 - WATER OPERATIONS TEAM LEADER	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00	1.00
1660 - GIS ADMINISTRATOR	E07	\$50,009	\$65,593	\$69,307	\$74,285	0.25	0.25	0.25
4556 - PRO DEV/CONSERVE & TECH CORD	E05	\$38,664	\$50,713	\$53,585	\$57,433	1.00	1.00	1.00
4538 - TREATMENT FACILITIES SUPER.	N12	\$21	\$28	\$30	\$32	1.00	1.00	1.00
4534 - WATER DISTRIBUTION FIELD SUPER	N11	\$20	\$27	\$28	\$30	2.00	2.00	2.00
1960 - PERFORMANCE & BUDGET ANALYST	N10	\$18	\$24	\$25	\$27		0.25	0.25
4120 - PUBLIC IMPROVEMENTS INSPECTOR	N10	\$18	\$24	\$25	\$27	1.00	1.00	1.00
4526 - UNDFL WATER WORKER III - WW IV	N10	\$18	\$24	\$25	\$27	7.00	10.00	10.00
7732 - ANALYST II - GOLF PRO SHOP	N08	\$13	\$18	\$19	\$20	1.00	1.00	1.00
7730 - ANALYST I - PUBLIC WORKS ADMIN	N07	\$12	\$15	\$16	\$17		0.13	0.13
7724 - UNDFL OFFICE ASST II - PW ADMN	N06	\$11	\$14	\$15	\$16	0.25		
Total Full Time						17.50	20.63	20.63

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
Part Time								
4514 - WATER LABORER III	SP06	\$11			\$16	1.01	1.01	1.01
4510 - WATER LABORER I	SP04	\$9			\$13	1.35	1.35	1.35
Total Part Time						2.36	2.36	2.36

Staffing Summary by Fund

GOLF COURSE FUND

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
Full Time								
5790 - RECREATION MANAGER	E08	\$56,801	\$74,503	\$78,721	\$84,374		0.70	0.70
5690 - GOLF MANAGER/OD MANAGER	E07	\$50,009	\$65,593	\$69,307	\$74,285		1.00	1.00
5590 - PROF DVLP PARKS & GOLF SUPERV	E07	\$50,009	\$65,593	\$69,307	\$74,285	0.50	0.50	0.50
5650 - FIRST ASSISTANT GOLF PRO	E04	\$34,458	\$45,196	\$47,755	\$51,185	1.00		
5516 - PARKS IV	N08	\$13	\$18	\$19	\$20	1.50	1.50	1.50
7732 - ANALYST II - GOLF PRO SHOP	N08	\$13	\$18	\$19	\$20	0.50		
Total Full Time						3.50	3.70	3.70

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
Part Time								
5650 - ASSISTANT GOLF PRO	SP06	\$11			\$16	1.69	1.69	1.69
5512 - PARKS II	SP06	\$11			\$16	6.59	6.59	6.59
5630 - Beverage Cart Supervisor	SP04	\$9			\$13		0.23	0.23
5614 - GOLF COURSE STARTER	SP03	\$8			\$12	0.75	0.75	0.75
5612 - RANGE ATTENDANT	SP02	\$7			\$11	0.50	0.50	0.50
5510 - PARKS I	SP02	\$7			\$11	0.39	0.39	0.39
5610 - GOLF CART SERVICER	SP01	\$7			\$10	0.49	0.49	0.49
5620 - Beverage Cart Attendant	SP01	\$7			\$10		0.59	0.59
Total Part Time						10.41	11.23	11.23

Staffing Summary by Fund

TRANSPORTATION & PARKING FUND

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
Full Time								
4292 - TRANSIT & TRANSPORTATION MNGR	E13	\$83,620	\$109,679	\$115,889	\$124,212	0.75	1.00	1.00
4272 - SENIOR TRANSPORTATION PLANNER	E08	\$56,801	\$74,503	\$78,721	\$84,374	1.00	1.00	1.00
4280 - TRANSIT ADMIN TEAM LEADER	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00	1.00
1660 - GIS ADMINISTRATOR	E07	\$50,009	\$65,593	\$69,307	\$74,285	0.25	0.25	0.25
4140 - PARKING & FLEET ADMIN TEAM LDR	E06	\$44,293	\$58,097	\$61,387	\$65,795	1.00	1.00	1.00
1650 - IT COORDINATOR II	E04	\$34,458	\$45,196	\$47,755	\$51,185		1.00	1.00
4262 - TRANSIT OPERATIONS TEAM LEADER	N11	\$20	\$27	\$28	\$30	1.00	1.00	1.00
4120 - PUBLIC IMPROVEMENTS INSPECTOR	N10	\$18	\$24	\$25	\$27	0.25	0.25	0.25
4250 - TRANSIT SHIFT SUPERVISOR	N10	\$18	\$24	\$25	\$27	4.00	4.00	4.00
1960 - PERFORMANCE & BUDGET ANALYST	N10	\$18	\$24	\$25	\$27		0.25	0.25
4118 - PARKING SUPERVISOR	N09	\$16	\$21	\$22	\$24	1.00	1.00	1.00
4216 - BUS DRIVER IV	N08	\$13	\$18	\$19	\$20	3.00	8.00	8.00
4414 - STREETS III - TRANSIT	N07	\$12	\$15	\$16	\$17	1.00		
7730 - ANALYST I - PUBLIC WORKS ADMIN	N07	\$12	\$15	\$16	\$17		0.16	0.16
4214 - BUS DRIVER III UNDRFL DRIVER II	N07	\$12	\$15	\$16	\$17	36.00	31.00	31.00
7724 - UNDFL OFFICE ASST II - PW ADMN	N06	\$11	\$14	\$15	\$16	1.25	1.00	1.00
4114 - PARKING OFFICER	N06	\$11	\$14	\$15	\$16	2.00	2.00	2.00
4212 - BUS DRIVER II	N06	\$11	\$14	\$15	\$16		1.00	1.00
7722 - OFFICE ASSISTANT II - PW ADMIN	N05	\$10	\$13	\$14	\$15	1.00	1.00	1.00
Total Full Time						54.50	55.91	55.91

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
Part Time								
4214 - BUS DRIVER III UNDRFL DRIVER II	N07	\$12	\$15	\$16	\$17		7.00	7.00
4212 - BUS DRIVER II	N06	\$11	\$14	\$15	\$16		11.91	11.91
4112 - PARKING ADJUDICATOR	SP09	\$16			\$24	0.20	0.20	0.20
4414 - STREETS III	SP07	\$12			\$17	0.70	0.70	0.70
4214 - BUS DRIVER III	SP07	\$12			\$17	8.75		
4212 - BUS DRIVER II	SP06	\$11			\$16	22.05	7.35	7.35
4114 - PARKING OFFICER	SP06	\$11			\$16	2.00	2.00	2.00
4210 - BUS DRIVER I	SP05	\$10			\$15	0.09	0.09	0.09
Total Part Time						33.79	29.25	29.25

Staffing Summary by Fund

FLEET SERVICES FUND

Class Code - Department	Grade FY 2014	Minimum -	Hiring Max -	Working Level -	Maximum -	FTEs FY 2014	FTEs FY 2015	FTEs FY 2016
Full Time								
4680 - FLEET OPERATIONS TEAM LEADER	N11	\$20	\$27	\$28	\$30	2.00	2.00	2.00
4652 - MECHANIC I - UNDERFILLED II	N09	\$16	\$21	\$22	\$24	1.00	1.00	1.00
4650 - MECHANIC I	N08	\$13	\$18	\$19	\$20	5.00	6.00	6.00
7730 - ANALYST I - PUBLIC WORKS ADMIN	N07	\$12	\$15	\$16	\$17		0.35	0.35
Total Full Time						8.00	9.35	9.35