

PARK CITY, UT



The Citizens' Budget



A Guide to the Fiscal Year 2014 Municipal Budget

Purpose Statement

The intent of this document is to provide residents and other interested parties with a simple, concise, and understandable overview of Park City's budget. The document addresses two questions: (1) How is the City funded? and (2) How are those funds spent?

The City operates on a fiscal year that begins July 1st and ends June 30th. The budget for the current fiscal year, which is referred to as

Fiscal Year 2014 (or FY 2014), was adopted on June 20, 2013, and became effective July 1, 2013.

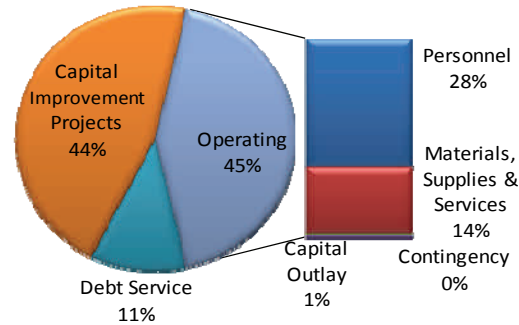
Anyone can obtain more comprehensive information and a copy of the City's official budget documents from City Hall or online at www.parkcity.org. If you have specific questions, contact the Budget, Debt, and Grants Department at (435) 615-5000 or E-mail: budget@parkcity.org

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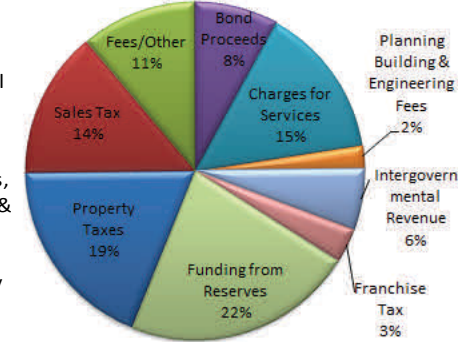
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Executive Summary

FY 2014 Budgeted Expenses
\$95,548,385



FY 2014 Total Funding Sources
\$95,548,385



Park City's total FY 2014 budget is \$95,548,385 with an operating budget of \$41.5 million. The pie charts above show a rough sketch of how the City plans to spend money in FY 2014 as well as what money the City expects to receive. The table below shows how those planned expenses compare to budgeted expenses in FY 2013.

Park City is financially healthy, with a confirmed bond rating of AA+ on General Obligation bonds. A bond rating of this degree indicates that Park City as an issuer offers "excellent financial security." The FY 2014 budget has been prepared in such a way to maintain Park City's strong financial position.

Revenue Type	FY 2013 Adjusted Budget	FY 14 Budget
Operating Revenues	\$ 64,980,800	\$ 70,483,997
Bond Proceeds	\$ 15,100,000	\$ 11,650,000
Funding from Previous Years	\$ 24,284,359	\$ 13,414,388
Total:	\$ 104,365,160	\$ 95,548,385
Expense Type		
Operating Expenses	\$ 42,085,968	\$ 40,521,564
Capital Expenses*	\$ 51,387,486	\$ 44,388,144
Debt Service	\$ 10,891,706	\$ 10,638,677
Contribution to Reserves	\$ -	\$ -
Total:	\$ 104,365,160	\$ 95,548,385

How is the City Funded?

Park City Municipal Government is funded through several different sources in order to provide local services. The main funding sources along with a description of each are found below.

FY 2014 Projected Revenues

\$66,714,898

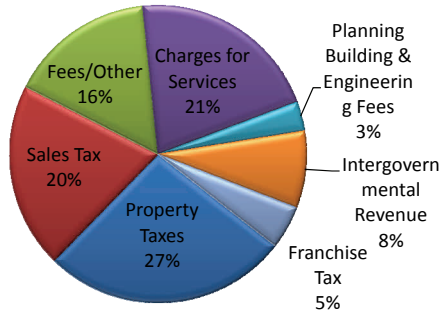


Figure 1 - This pie chart shows a breakdown of the City's revenues.

Property Tax

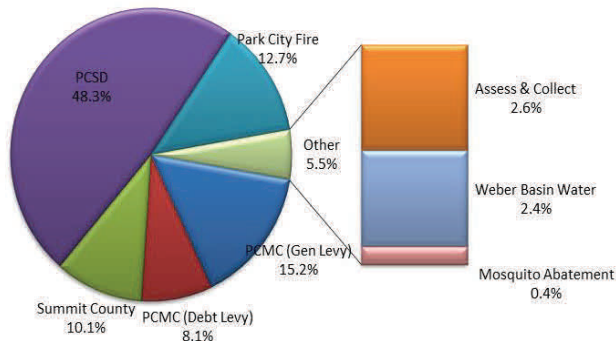
There are several property tax collecting entities in Park City: Park City School District, Park City Fire District, Summit County, Weber Basin Water District, the Mosquito Abatement District, and Park City Municipal. Summit County assesses taxable property value and collects all property tax. Park City Municipal Corporation's 2013 certified tax rate is 0.2131%. Primary residences are taxed at 55% of the assessed value while secondary residences

are taxed at 100% of the assessed value. This year's budget was adopted with no property tax increase.

Sales Tax

The total sales tax is made up of several rates levied by the State, County, and City. Of the 7.95% tax on general purchases, the City levies 2.9%. During the 2013 Budget season, the Park City Council approved a proposal to include a Resort Tax increase on the 2012 Ballot. Park City residents voted on the proposed increase, passing it in the Fall 2012 elections. This increased the Resort sales tax from 1.1% to 1.6%, and provides additional funding for Capital Improvements such as Main Street enhancements, storm drain improvements, and Open Space.

Where Does Your Property Tax Go?



Taxes and Other Revenue

Sales and Use Taxes	Tax Rate FY 14
State of Utah	
General Sales & Use Tax	4.70%
Summit County	
County Option Sales Tax	0.25%
Recreation, Arts, & Parks Tax	0.10%
Park City	
Local Option Sales Tax	1.00%
Resort City Sales Tax	1.60%
Mass Transit Tax	0.30%
Total Park City "Base"	7.95%
Other Summit County Taxes	
Restaurant Tax*	1.00%
Motor Vehicle Rental Tax*	2.50%
Transient Room Tax*	3.00%

Figure 2 - The breakdown of sales tax levied within Park City boundaries.

Other Revenues

Fees - The City has several fees that are assessed on various services such as business licenses, recreation, planning, engineering, building, and water fees. These fees are levied based on the cost of services provided. They are reviewed regularly and adjusted as necessary. Several fees have changed for FY 2014. Business Licenses have increased to \$149 for all business licenses. Water fees increased by 18%. Also, due to an increased demand for plan checks, a plan check can be taken to an approved company to have it checked for an additional fee. This will help expedite plan checks.

Grants - Park City receives several grants every year from the federal and state government. These grants fund several different projects including public safety, transit, and water delivery programs.

Municipal Bonds Many of the City's capital projects are funded through the issuance of debt. The City's General Obligation (GO), or voter approved bonds, have been rated at AA+ by Moody's, a national bond rating company. This is considered to be a top quality bond as well as the highest rating given to a resort community. Since 1998, voters have approved over \$40 million in GO bonds for the acquisition of open space. Additional debt has been issued for water projects, Walkable Community Projects and other capital projects (see page 13).

If you have specific questions regarding the City's funding sources, call the City Hall front desk at (435) 615-5000 and ask for the Budget Department or email budget@parkcity.org.

Budgeting For Outcomes (BFO)

What is BFO?

The BFO process is a variation of zero-based budgeting that focuses on Council priorities and objectives as the driving factor for prioritization. By creating strategies tied to Council Priorities and then receiving offers from City departments for programs within those strategies, decision-makers can make better-informed decisions regarding the prioritization and cost of City services and programs. It is estimated that the City saved almost \$200,000 by either cutting and/or reprioritizing operating budgets rather than approving budget enhancements for FY 2014.

City Council Goals

There are four goals that the City Council has set, which all city programs are tied to:

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

For each Council Goal there are Desired Outcomes, Implications for Residents, the total budget allocation and the top ten programs centered on that goal.

Preserving and Enhancing the Natural Environment

Residents develop, participate in and support initiatives to protect the long-term health of the natural environment and Park City policies and investments work in concert with these efforts. Park City recognizes that careful planning to ensure a sustainable water supply that meets the City's current and future need is essential to our long-term viability.

Desired Outcomes

- Abundant preserved and publicly-accessible open space
- Enhanced adequate and reliable water quality and high customer confidence
- Reduced municipal, business and community carbon footprints including conservation efforts for new and rehabilitated buildings

Implications for Residents

- Protection and enhanced property values
- Clean air to breathe, clean water to drink
- Preservation of Park City's natural beauty

World Class, Multi-Seasonal Resort Destination

Park City is known as a premier resort destination because of its distinct and recognizable brand; a seamless network of multi-modal transportation and interconnected resorts. Park City has struck a unique balance between tourism and local quality of life. Tourism remains a chief driver of Park City's economy due to its accessibility, quality snow, and great summer weather.

Desired Outcomes

- Accessible and world-class recreational facilities, parks and programs
- Balance between tourism and local quality of life
- Well-utilized regional public transit

Council Goals

Preserving & Enhancing the Natural Environment

Total Budget: \$ 6,519,626

Top 10 Programs	\$ (K)	%
Distribution and Maintenance	\$ 2,788	43 %
Water Quality	\$ 1,466	22 %
Service Orders	\$ 747	11 %
Environmental Regulatory/EPA	\$ 468	7 %
Project Management	\$ 394	6 %
Conservation	\$ 203	3 %
Carbon Reduction	\$ 172	3 %
Water Billing	\$ 147	2 %
Water Rights/Water Projects	\$ 98	2 %
Open Space	\$ 62	1 %
TOTAL	\$ 6,544	100 %

Council Goals

World-Class, Multi-Seasonal Resort Destination		
Total Budget: \$ 16,011,646		
Top 10 Programs	\$(K)	%
Winter Service	\$ 3,786	24 %
Summer Service	\$ 2,678	17 %
Special Events	\$ 1,770	11 %
Winter Snow Operations	\$ 1,157	7 %
Golf Maintenance	\$ 714	4 %
Park City Mobility	\$ 695	4 %
Parks, Turf & Athletic Fields	\$ 612	4 %
Recreation Youth Programs	\$ 481	3 %
Street & Sidewalk Maintenance	\$ 461	3 %
Economic and Redevelopment	\$ 456	3 %
TOTAL	\$ 12,810	80 %

Implications for Residents

- Visitors contribute to the quality of life in Park City
- Opportunities for World Class leisure and recreational activities
- More activities and events for residents throughout the year
- The ability to easily move about Park City without the use of automobiles



Inclusive Community of Diverse Economic & Cultural Opportunities

Park City is a community where residents can live, work and play. In order to maintain Park City's appeal, PCMC invests in those areas that ensure our continued success. Through our planning and economic development efforts, we balance the historic character and small town atmosphere with the varying needs of our residents and visitors. There are diverse job opportunities that pay a living wage and enable full-time residents to live within a reasonable distance of their jobs.

Preserving & Enhancing the Natural Environment		
Total Budget: \$ 6,519,626		
Top 10 Programs	\$(K)	%
Distribution and Maintenance	\$ 2,788	43 %
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TOTAL	\$ 6,544	100 %

Council Goals

Desired Outcomes

- Residents live and work locally
- Preserved and celebrated history including protecting historic districts and buildings
- Community gathering spaces and places

Implications for Residents

- Residents working together for overall community benefit
- Preservation of Park City's rich heritage
- Opportunities to work near home

Responsive, Cutting Edge & Effective Government

Investing in our people is essential to maintaining a high-performing and strategic-minded workforce. PCMC employees are equipped with the core skills that allow them to be self-managed, creative and flexible in anticipating and responding to community needs.

Desired Outcomes

- Engaged, capable Municipal Corporation and workforce
- Engaged and informed citizenry
- Ease of access to related information for citizens and visitors

Implications for Residents

- Municipal services are responsive to residents' needs
- Services delivered in a cost effective, efficient manner
- Municipal Corporation workforce dedicated to serving the Park City community
- Easy access to services and information
- High quality infrastructure for reliable service delivery
- Mobile technology for easy Citizen access

Responsive, Cutting-Edge & Effective Government

Total Budget: \$ 9,675,300

Top 10 Programs	\$(K)	%
Fleet Management & Maintenance	\$ 2,928	30 %
Risk Management	\$ 927	10 %
Performance Management	\$ 685	7 %
Community Outreach and Citizen Engagement	\$ 430	4 %
Council & Board Support	\$ 333	3 %
Support/Help Desk	\$ 325	3 %
Janitorial Services	\$ 318	3 %
Building Repairs and Maintenance	\$ 302	3 %
Accounting/Audit/Treasury	\$ 290	3 %
Financial Services	\$ 280	3 %
TOTAL	\$ 6,817	70 %

The Citizens' Budget

Park City's World-Class ski resorts draw thousands each year. Learn how tourism funds crucial City services on page 4.

Park City provides many unique recreation opportunities. See pages 7-8 for details.

Providing clean and safe drinking water to its residents is one of Park City's top priorities. See pages 6-7 to learn about Park City's various other services.



Budgeting Factors

Highlights of the level of service adjustments and other factors influencing the FY 2014 Budget are listed below:

Operating Budget Enhancements

A number of departments have enhanced budgets in order to maintain services provided to the city. The Building Department will be including a 6-month contracted Senior Inspector to cover an increase in Building inspections which will increase Building's budget by \$50,000. The Planning Department will be adding about \$180,000 to their budget in order to meet increased demand for plan reviews and additional focus on long range planning. The IT department has received a \$70,000 budget increase to enhance website maintenance; network and systems support; and records management.

Retirement Expense

All Full-time Park City employees are part of the Utah Retirements System (URS) defined benefit program. The City is required by statute to contribute a certain percentage of employee pay toward the URS pool annually. For FY 2014, URS will require a 17.29% contribution (32.14% for sworn officers). This results in a total increase of about \$420,805 for FY 2014.

Health Insurance Costs

The Human Resources Department negotiated renewal to the City's existing health insurance plan which mostly preserves current coverage and benefits at a budgeted cost increase just under 7%—this could have been much more.

Self-Insurance Fund Inter-fund Transfer

The Self-Insurance Fund is an Internal Service Fund which accounts for the establishment of self-insured programs including Workers' Compensation, Unemployment Compensation, and liability insurance. Several years ago the General and Enterprise Funds' inter-fund transfers (IFTs) were discontinued temporarily due to the fact that the fund balance had grown too large. However, since then the fund balance has diminished to an insufficient level. Beginning in FY 14, these IFTs will be reestablished to ensure continued functionality of the Self-Insurance Fund. The total transfer in to the Self-Insurance Fund will be \$350,000.

Capital Improvement Projects (CIP's) make up over one third of the budgeted expenses for FY 2014. This section highlights projects that are of particular interest to the public. A list of all capital projects along with information about funding sources and progress reports for those projects will be provided, upon request, by the Budget Department.

Walkable Community Projects

- These are community-wide walking and biking improvements, which consist of the recently completed Bonanza and Comstock underpasses, Little Kate sidewalk, Holiday Ranch Loop pathway, as well as crosswalk and striping projects. Remaining projects include Dan's to Jan's, Wyatt Earp traffic calming, and the Widening of Pathways throughout the City.

Water Projects - Water quality and delivery continue to be a top

Capital Projects

FY 2014 Capital Budget

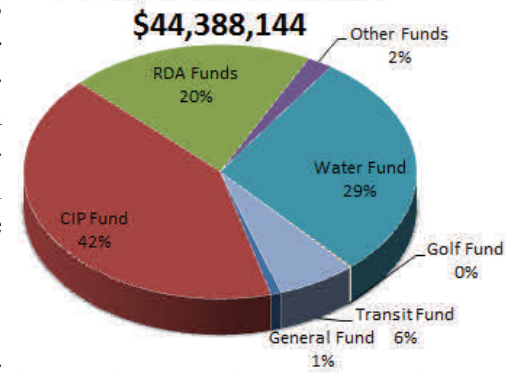


Figure 5 - This pie chart shows the City's capital expenses by fund.

priority for Park City. With the rate of development that has occurred over the past few years, water needs have been identified and the cost of these improvements has been 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 current water projects in the CIP reflect one of many options currently being considered as part of the necessary water improvements. These projects are subject to change as the best infrastructure options become clear. The water fund financial model currently sets the rates and projects based on the best possible water system solutions. The Water Department is in



Quinn's Junction Water Treatment Plant

Capital Projects

the process of procuring significant capital contracts, which may have an impact on the current budget.

Deer Valley Drive - Deer Valley Drive is a project comprised of two phases. The first phase of the Deer Valley Drive Reconstruction project will include 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 arched entry feature near the intersection of Deer Valley Drive and Deer Valley Drive north, improved sidewalks and updating of the existing

Deer Valley information sign located at the southeast corner of the roundabout.

Prospector Drain-

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. It is the recommendation of the environmental team that previously allocated environmental CIP funds should be used on the high priority Prospector Drain project.

Additional Resort Community 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 pro-

Capital Projects

vary between cash and debt as project timing is adjusted to match projected project expenditures.

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.



Summary of Major CIP Projects

Projects	Proposed Budget	Principal Funding Sources	Scheduled Start	Scheduled Finish
Walkable Community Projects	\$15 Million	GO Bond	Underway	Phased
Water Projects (2013 - 2017)	Estimate \$44 Million	Water Revenue (Bonds)	Underway	Phased
OTIS (Total to Complete)	\$14 Million	Resort Sales Tax Water Revenue (Bonds)	Underway	Phased Over 8 Years
OTIS - Empire Ave.	\$1.8 Million	Resort Sales Tax	Underway	2013
Main Street/Downtown Enhancements	14.5 Million	Resort Sales Tax	Underway	2020
Deer Valley Drive	\$4.4 Million	Federal Grant General Fund Resort Sales Tax Water Revenue	Underway	2014
Royal Street	\$1.5 Million	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	2014	2022
Library Expansion	\$5.6 Million	Lower Park RDA	Pending	Pending
Historic Preservation Studies	\$400K	General Fund	2013	2014
Bonanza Park/RMP Substation Mitigation	\$1.5 Million	General Fund	Pending	Pending
Senior Community Center	\$2 Million	Lower Park RDA	2014	2015
Multi-Generational Housing	\$8 Million	Lower Park RDA	2015	2016
Ironhorse Seasonal Housing	\$2 Million	Federal Grant Transit Funds	Underway	2014
Prospector Drain - Regulatory Project	\$2.5 Million	General Fund	Underway	Phased

Figure 6 - A listing of major CIP's included in the FY 2014 Budget along with their budgeted costs.

Public Input Opportunities

The budget process is a way for citizens of Park City to offer input on how the City provides services. While there are many opportunities for public participation throughout the year, the formal budget process usually begins in February when City Council holds its annual visioning session workshop. Council identifies goals and service levels which aid departments in prioritizing Budgeting for Outcomes (BFO) Programs.

As required by State law, City Council is presented with a Tentative Budget at the first Council meeting in May. Public hearings

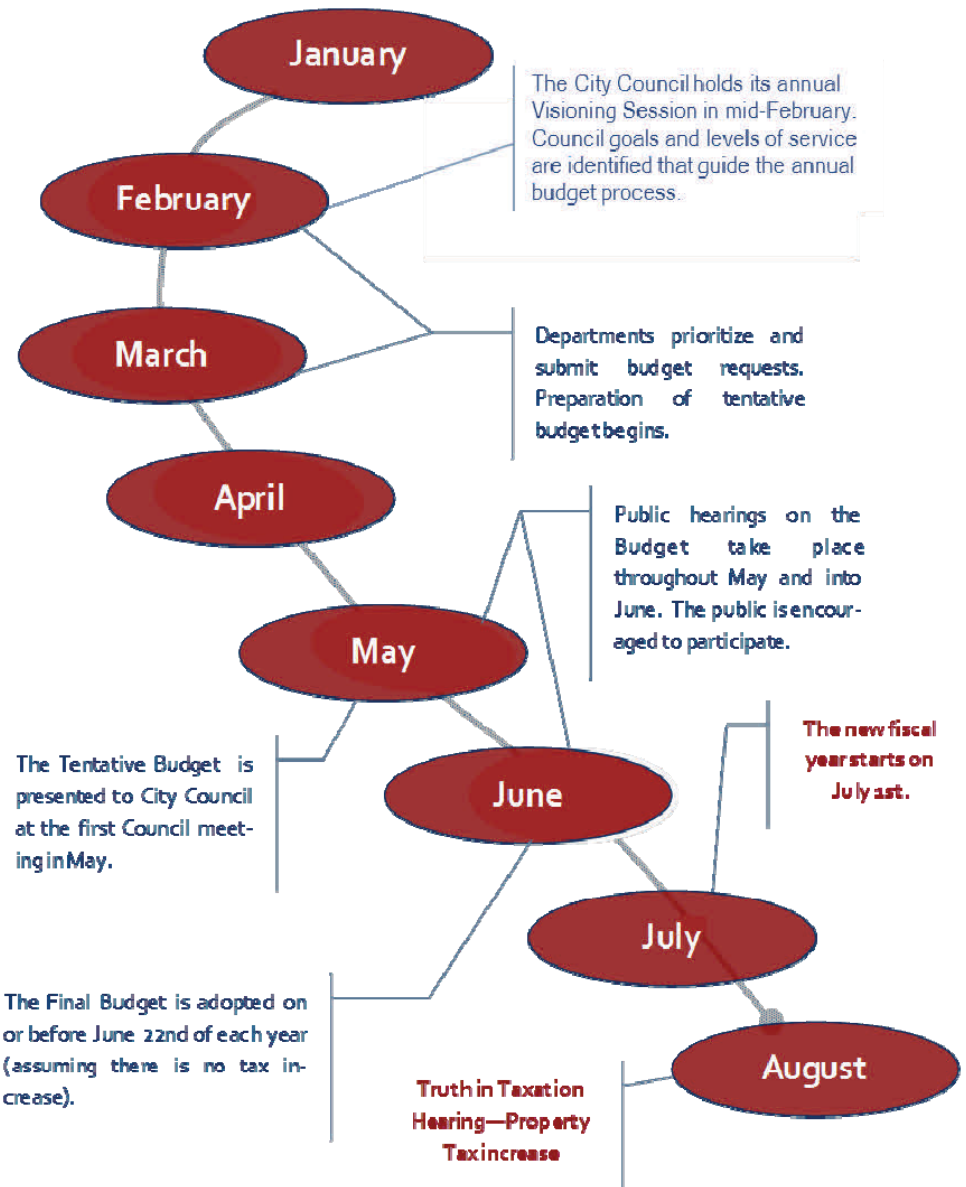
on the budget run through the month of May and continue until mid-June. The hearings are noticed in the local media and are open to all interested parties. The City is required to adopt a balanced budget by June 22nd each year for the fiscal year that will start on July 1st.

Individuals and organizations who would like more information on the budget process or a copy of the budget document are encouraged to contact the Budget, Debt, and Grants Department at (435) 615-5000 and ask for the Budget Department or email budget@parkcity.org.



Budget hearings take place at City Hall in the Council Chambers. Residents and other interested parties have opportunities to give ideas and input to Council and Staff during these Budget Hearings.

Budget Process-Timeline



Resources & Requirements - All Funds Combined								
Description	2010 Actual	2011 Actual	2012 Actuals	2013 Original	2013 Adjusted Budget	2014 Budget	Change - 2013 to 2014	
							Increase (reduction)	%
RESOURCES								
Sales Tax	11,601,845	12,492,244	13,043,000	12,914,000	13,273,000	13,429,352	156,352	1%
Planning Building & Engineering Fees	1,287,132	1,464,715	1,811,327	2,136,751	2,446,327	2,136,000	(310,327)	-13%
Charges for Services	9,497,866	10,167,015	11,339,161	12,819,556	12,717,000	13,974,500	1,257,500	10%
Intergovernmental Revenue	7,324,484	6,408,589	13,186,545	3,344,000	7,613,510	5,580,200	(2,033,310)	-27%
Franchise Tax	2,774,320	2,906,981	3,087,000	3,275,000	2,998,000	3,136,000	138,000	5%
Property Taxes	15,790,260	17,043,800	17,872,904	17,924,873	18,107,873	17,871,989	(235,884)	-1%
General Government	459,311	583,030	679,535	701,288	690,000	886,000	196,000	28%
Other Revenues	16,200,738	10,415,652	13,729,266	6,249,161	7,135,091	10,586,857	3,451,766	48%
Total	64,935,955	61,482,026	74,748,738	59,364,629	64,980,801	67,600,898	2,620,097	4%
REQUIREMENTS (by function)								
Executive	7,801,370	7,404,256	8,438,325	9,669,614	10,310,027	10,617,314	307,287	3%
Police	3,859,148	4,001,064	4,275,726	4,611,072	4,865,805	4,968,434	102,629	2%
Public Works	13,635,067	14,531,805	16,901,305	18,660,672	23,032,062	23,145,749	113,687	0%
Library & Recreation	3,699,326	3,762,925	4,153,204	4,511,902	3,811,495	4,191,675	380,180	10%
Non-Departmental	2,697,864	3,011,637	3,074,586	2,373,370	3,384,975	1,453,161	(1,931,814)	-57%
Special Service Contracts	348,000	338,200	450,000	450,000	450,000	492,000	42,000	9%
Contingency	0	21,850	440,000	345,000	330,000	321,000	(9,000)	-3%
Capital Outlay	214,453	183,936	439,000	519,823	579,354	494,148	(85,206)	-15%
Total	32,255,228	33,255,673	38,172,146	41,141,454	46,763,718	45,683,481	(1,080,237)	-2%
REQUIREMENTS (by type)								
Personnel	21,098,681	20,907,343	23,007,735	25,112,990	25,067,435	26,613,165	1,545,730	6%
Materials, Supplies & Services	10,942,094	12,142,544	14,285,411	15,163,641	16,224,179	13,587,399	(2,636,780)	-16%
Contingency	0	21,850	440,000	345,000	215,000	321,000	106,000	49%
Capital Outlay	214,453	183,936	439,000	519,823	579,354	494,148	(85,206)	-15%
Total	32,255,228	33,255,673	38,172,146	41,141,454	42,085,968	41,015,712	(1,070,256)	-3%
EXCESS (deficiency) OF RESOURCES OVER REQUIREMENTS								
	\$32,680,728	\$28,226,353	\$36,576,592	\$18,223,176	\$22,894,833	\$26,585,186	3,690,353	16%
OTHER FINANCING SOURCES (uses)								
Bond Proceeds	6,092,682	0	16,800,000	5,000,000	15,100,000	7,650,000	(7,450,000)	-49%
Debt Service	(12,176,557)	(13,263,748)	(10,422,156)	(10,480,443)	(10,891,706)	(10,638,677)	253,029	-2%
Interfund Transfers In	14,840,021	9,898,612	9,177,643	6,594,188	7,667,140	7,204,457	(462,683)	-6%
Interfund Transfers Out	(14,840,021)	(9,898,612)	(9,177,643)	(6,594,188)	(7,667,140)	(7,204,458)	462,682	-6%
Capital Improvement Projects	(64,395,392)	(32,364,689)	(84,478,802)	(17,354,536)	(51,387,486)	43,893,996	95,281,482	-185%
Total	(70,479,267)	(45,628,437)	(78,100,958)	(22,834,979)	(47,179,192)	40,905,318	88,084,510	-187%
EXCESS (deficiency) OF RESOURCES OVER REQUIREMENTS AND OTHER SOURCES (uses)								
	(\$37,798,539)	(\$17,402,084)	(\$41,524,366)	(\$4,611,803)	(\$24,284,359)	\$67,490,504	91,774,863	-378%
Beginning Balance	111,667,935	85,779,493	68,319,141	26,794,774	71,208,563	46,924,206	(24,284,357)	-34%
Ending Balance	73,869,394	68,377,410	26,794,774	22,182,970	46,924,204	25,740,717	(21,183,487)	-45%



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