



City Council Staff Report

Subject: Final FY23 Budget Adoption
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Department: Budget, Debt, & Grants
Date: June 23, 2022
Type of Item: Legislative

Summary Recommendation

Staff recommends adopting the FY23 City Manager's Recommended Budget with the adjustments outlined in this report.

Executive Summary

The City Manager's Recommended (Tentative) Budget was initially presented and adopted by City Council on May 12, 2022. Over the past several weeks, the Budget Team presented various aspects of the recommended budget to Council. This week, the Team will review recommended changes to the Tentative Budget based on Council input, and several final calculations and adjustments.

Background

The Team presented the Tentative Budget on May 12, 2022, as required by state law, which was adopted by Council. Subsequent, focused budget hearings were held throughout May and June. The timeline and process for the budget hearings are detailed below:

1. May 26 – Operating budget review; General Fund, Personnel (pay plan, health insurance, positions); Transportation Fund and Golf Fund
2. June 9 – Capital Budget & Capital Projects review – 5-year Capital Improvement Plan (Ongoing Capital, New Projects, Water, and Transportation); Water Fund
3. June 16 – Fee Changes; Polices; Council Compensation; and Outstanding Items
4. June 23 – Presentation, review of additional outstanding items, and adoption of Final Budget; Public Hearing & adoption of MBA Budget and RDA Budget

There were several follow up items stemming from our conversations throughout the budget process. Staff will be coming back to Council in the following months to discuss:

- In-depth Budget Policy review and possible revision (Parking, Procurement, Traffic Calming/NTMP, Intergovernmental Communication, Economic Development Grants, etc.)

- Understand BFO scoring and weighting & how this relates to Community & Council Priorities; are the priorities reflective of current initiatives and are we allocating proper resources
- Council priorities on large-scale capital initiatives
- IT deep dive – what is centralized, what is in department budgets, what is our policy, do we have duplication, long-term strategy as equipment/needs require specialized skill-set and technical training
- Water rate and conservation incentive programs
- Transit O&M deep dive into understanding costs of operations
- Complete view of City financial support of area non-profits (special service, fee waivers, etc. all combined)
- Discussion with Rec, Golf, and Ice around prioritizing 84060 residents, including a deeper dive discussion on fees, Resident area definition, etc.

Analysis:

Changes and adjustments were made from the City Manager’s Recommended Budget to the Final Budget. Material changes were discussed and supported in previous meetings and are outlined below.

FY22 Adjusted Budget

Adjustments are required each year to align the current year budget with actual spending, and reflect updated projections or funds for grants received throughout the year but not prepared at the time of initial budget submittal. See below:

Operating:

- **Library – (+) \$10k**
 - Library has been busier than ever as our community reengages post-Covid. Once restrictions were lifted, the Library experienced a large increase in demand and began delivering higher levels of service with several new community initiatives, such as intergenerational programming ranging from Senior Center programs to children’s tea parties, as well as family-centered programs like expanded Storytime offerings and the summer slide program. The Library has created new opportunities for the public including Pride programming, Earth Day engagements, and the community garden. Most of the programs were implemented in the latter half of FY22 and resulted in an overage in part-time personnel expenses of \$10k necessary to close-out FY22.
- **Finance – (+) \$20k**
 - Increase Audit Fees by \$5k for additional work required from the audit firm to review CARES related expenses
 - Increase Bank Fees by \$15k to align with actuals due to increased online transactions that outpace our original projections.

Received Federal and State Grants:

- State Library Grant for soundproof booths, laptops, and hot spots - \$26,000

- Donation for materials for the new Sustainability Resource Center - \$1,000
- Homeland Security Police Grant to purchase radios - \$21,777
- EPA Grant to create a reusable to-go container pilot program that will to fund containers, program consulting, and intern stipend - \$8,250
- RAP Grant for Prospector Park playground enhancements to replace 2-5-year-olds playground equipment and expand 5-12-year-olds - \$172,232
- FTA Buses and Facilities grant for the purchase of three battery-electric buses and one battery-electric van – \$2,389,699

Capital Fund

FY22

- CP0005 City Park Improvements – Added \$140,235 to Impact Fee line to reflect increased revenues.
- CP0019 Library Development & Donations – Added \$36,946 to reflect grants received.
- CP0217 Emergency Management Program – Added \$15,486 to zero-out General Fund Transfer line for FY22.
- CP0226 Walkability Implementation – Added \$122,787 to bond proceeds line to zero out FY22 expenses.
- CP0264 Security Projects – Added \$60,706 to General Fund Transfer line to zero out FY22 expenses.
- CP0309 Woodside Phase I – Added \$1,860,427 to 2017 STR bond lines to zero out, which will not be used on this project in FY22 or in the future.
- CP0336 Prospector Avenue Reconstruction – Added \$407,976 to zero-out Regional Transit Revenue line, which was a legacy placeholder and will not be used for any ongoing maintenance on the project.

Transportation Fund

FY22

- CP0025 Bus Shelters Design and Capital Improve – Added \$1,052 to zero-out Regional Transit Revenue line.
- CP0289 Ironhorse Transit Facility Asset Management – Added \$137,647 to zero-out Transit Sales tax line, which is complete.
- CP0289 Ironhorse Transit Facility Asset Management – Added \$42,353 to zero-out Regional Transit line, which is complete.
- CP0420 Enhanced Bus Stops at Fresh Market – Added \$500,000 to zero-out new requests on Bond Proceed line.
- CP0438 Remodel for Transit Driver Housing – Added \$25,556 to zero-out new requests on Transit Sales Tax line.
- CP0549 TDM Capital Improvement Plan – Added \$280,000 to zero-out new requests on Third Quarter County Tax line.

- CP0549 Electric Bus Charging Infrastructure – Added \$1,080,000 to zero-out new requests on Federal Grants line.
- CP0549 Electric Bus Charging Infrastructure – Added \$216,000 to zero-out new requests on Transit Sales Tax line.
- CP0536 Arts & Culture Exterior Bus Stops – Added \$330,000 to zero-out new requests on Third Quarter County Tax line.
- CP0009 Transit Rolling Stock Replacement – Reduced \$565,875 to reduce Federal Grants line to latest expected amount.
- CP0009 Transit Rolling Stock Replacement – Increased \$1,458,898 to Transit Sales Tax line to latest expected amount.

Water Fund
FY22

- CP0040 Water Dept Infrastructure Improvement – Added \$916,801 to 2021 Water Revenue Bonds line to zero-out planned bond expenses in FY22.
- CP0007 Tunnel Maintenance – Added \$364,684 to Water Service Fee line to zero-out this line that will not be used in near-term.
- CP0442 MIW Offsite Improvements – Added \$3,000,000 to zero-out Water Service Fee line that will not be used in near-term.

Lower Park Avenue RDA
FY22

- CP0264 Security Projects – Added \$40,000 to LPA RDA line in new request.

Interfund Transfer

- \$75k increase to Workers Compensation Fund based on current costs
- Net increase of \$396,700 into the Fleet Fund from other funds at the City based on actual maintenance and fuel costs. This breaks out to be \$146,000 in maintenance charges and \$250,700 in fuel costs.

FY23 Changes between Tentative and Final Budget

The following changes reflect the difference between the Final FY23 Budget and what Council adopted as the Tentative Budget on May 12. Minor adjustments are common and have been discussed with Council in prior meetings. Two additional items arose since the original budget was presented; minor part-time staffing adjustments in both the Library and Planning Departments.

- **Library**

- +\$25k for part-time personnel - As mentioned, the Library is experiencing unprecedented visitation and engagement levels as the community reconnects, post-Covid, and we expand community offerings. Additional funding for part-time personnel will match the appropriate staffing levels

necessary to continue to meet service levels. In FY22, the Library implemented a 3-year strategic plan that included increased outreach and programming in FY22, such as intergenerational and inclusion programs. Examples include initiatives such as becoming a [Kulture City](#) venue to serve people with invisible disabilities. The Library wants to continue new initiatives such as service hour evaluations, a diversity audit to ensure our collections and services are representative of our diverse community and issuing library cards for all Park City students.

- **Planning**

- +\$47k (includes all benefits) to reclass vacant Planner position to Senior Planner to support Council-driven special projects, such as a new General Plan and focused area plans. This is not a new position, instead a modest increase to an existing position to create the flexibility to recruit a more senior planning professional
- +\$38k for part-time personnel to continue supporting various Planning projects and initiatives currently in process. In the past, Planning used savings from vacant positions to cover these expenses. Yet now that Planning is nearly fully staffed and remains committed to our new team and retention, Planning requests permanent budgetary support.

- **Engineering**

- +\$5k for training opportunities related to traffic calming, active transportation methods, and project management to improve:
 - Understanding of design and implementation strategies to improve/address neighborhood traffic concerns.
 - Ensure staff has clear understanding of effective methods to monitor and deliver capital projects efficiently

- **Trails**

- +\$22k for a new Utility Vehicle for Trail Rangers who are now responsible to manage over 6,000 acres of city-owned open space that is absorbing impacts from the resort economy and neighborhood compatibility concerns.
- +\$40k placeholder for possible expansion of Bonanza Flat servicing as discussed on [May 26](#). No allocation will be made until a future Council discussion is held.

- **Community Engagement**

- +\$10k for [NCS survey tool](#) as discussed on [April 28](#).

- **Ice**

- +\$5,350 addition to cleaning and maintenance services to keep pace with inflationary increases. This was part of the original budget request but was not reflected in the software program we utilize. We request approval of

this item to ensure the Ice cleaning and maintenance budget supports existing levels of service.

Interfund Transfer (IFT) & Debt Adjustments

Interfund Transfers are resources we transfer between funds for a variety of reasons. For example, Administrative IFTs are used to reimburse support departments, such as Finance and IT, for services provided to other funds or functions of the municipality. We estimate IFT expenses at the beginning of the budget cycle and reevaluate regularly to maintain accuracy. In between presenting the Tentative and Final budget, we often have better information and data that allows us to budget IFTs more accurately.

- Align Self Insurance/Risk Account with actual expenses +\$7,324 for insurance premium cost increases
- Increase of +\$480k for the Administrative Interfund Transfer (Admin IFT) from other funds at the City into the General Fund based on calculated cost estimates
- +\$75k increase to Workers Compensation Fund based on current costs
- +\$2,450 transfer increase into Sales Tax Debt Service Fund from Capital Improvement Fund
- +\$4,126 transfer increase into Sales Tax Debt Service Fund from Lower Park Ave RDA
- Net increase of \$396,700 into the Fleet Fund from other funds at the City based on actual maintenance and fuel costs. This breaks out to be \$146,000 in maintenance charges and \$250,700 in fuel costs.

Technical Corrections

These are adjustments to correct database entries, clerical errors, and/or overall budgetary cleanup items. For example, concurrent with creating the FY23 Budget, we were also [updating](#) our budgeting software, [Board](#). While the update was seamless for the most part, there are a couple of items that require correction in the final database.

- **Personnel**

- Reallocate the Building Maintenance IV position that resides in Water and Building Maintenance (the correct allocations did not transfer over)
- Remove Digital Coordinator allocations from Economy and Sustainability (position allocated 100% in Community Engagement)
- Clean up duplicate positions that did not migrate to the new database correctly

Capital

Transportation Fund

FY23

- CP0536 Arts and Culture Exterior Bus Stops – Added \$1,620,000 to DOT line to reflect recent official UDOT grant award amount.
- CP0536 Arts and Culture Exterior Bus Stops – Added \$1,080,000 to Transit Sales Tax line as placeholder for local match.
- CP0025 Bus Shelters Design and Capital Improve – Added \$420,000 to DOT line to reflect recent official UDOT grant award amount.
- CP0025 Bus Shelters Design and Capital Improve – Added \$280,000 to Transit Sales Tax line as placeholder for local match.

FY24

- CP0540 Snow Creek Tunnel – Increased DOT line to \$3,517,830 to reflect official UDOT grant award amount.
- CP0540 Snow Creek Tunnel – Decreased Transportation Fund Beginning Balance line to \$2,306,410 to ensure that total project budget does not exceed \$13,000,000.

Water Fund

FY23

- CP0040 Water Dept Infrastructure Improvement – Reduced Water Service Fee line by -\$3,454,863 and added \$3,954,863 to 2021 Water Revenue Bonds line to reallocate planned budget to 2021 Water Revenue Bonds.

Lower Park Avenue RDA

FY23

- CP0264 Security Projects – Added \$40,000 to LPA RDA line in new request.

Grants

- Environmental Sustainability EPA grant for reusable to-go container - \$11,750 (received in FY22, rollover remaining funds for FY23)
- Recreation RAP Grant for Prospector Park playground enhancements - \$136,096 (received in FY22, rollover remaining funds for FY23)
- Recreation RAP Grant for Turf Replacement - \$715,000
- Lifeguard Shack - \$1,000
- Trails RAP Grant for Master Plan Rail Trail - \$500,000
- Trails RAP Grant for Master Plan Clark Ranch - \$20,911

- JAG Grant for Police body cams - \$4,976 (received in FY22, rolling over funds for FY23 due to supply issues)

Fees and Policy Updates from June 16 meeting:

- Adds language in Budget Policies suspending the Economic Development Grants Program pending further evaluation
- Fee Schedule corrections/changes from 6/16 work session (marked in purple) correcting minor typos and adjusting certain Parking and Recreation fees as discussed in the meeting

Attachments:

A – Budget Summaries

B – Final Budget Adoption Ordinance

C – Fee Schedule

D – Budget Policies