PARK CITY MUNICIPAL'S FISCAL YEAR 2023

City Council
Approved Budget: Volume I

Adjusted Budget Fiscal Year 2022

Annual Budget Fiscal Year 2023

PARK CITY MUNICIPAL CORPORATION

445 Marsac Ave, P. O. Box 1480, Park City, Utah 84060

MAYOR AND CITY COUNCIL
AS OF JANUARY 1, 2022

Mayor Nann Worel
Phone: (435) 513-9955
Email:
nann.worel@parkcity.org

Becca Gerber
Phone: 801-557-5649
Email:
becca.gerber@parkcity.org

Ryan Dickey
Phone: (435) 901-9784
Email:
ryan.dickey@parkcity.org

Jeremy Rubell
Phone: (435) 565-1122
Email:
jeremy.rubell@parkcity.org

Max Doilney
Phone: 435-640-3931
Email:
max.doilney@parkcity.org

Tana Tolly
Phone: (435) 659-9030
Email: tana.toly@parkcity.org

Volume I Prepared by:

Matthew Dias—City Manager

Sarah Pierce – Deputy City Manager

Jed Briggs—Budget & Strategic Planning Director

Erik Daenitz—Assistant Budget Director

Penny Frates—Senior Budget Analyst

Kirsten Darrington—Grants and Contracts Coordinator

FY23 BUDGET COMMITTEES

The Results Team

Cherie Ashe
Gretchen Haller
Jenny Diersen
Rebecca Ward
Rob McKinney
Robbie Smoot
Sara Nagel
Tate Shaw

The CIP Committee

John Roberston
Scott Robertson
Amanda Angevine
Ken Fisher
Matt Twombly
John Weidenhammer
Julia Collins
Heinrich Deters
Mindy Finlinson
Troy Dayley

Compensation Committee

Jerry Benson
Wade Carpenter
Luke Cartin
Troy Dayley
Ken Fisher
Kim Fjeldsted
Penny Frates
Clint McAfee
Sarah Pearce
Margaret Plane
Jonathan Weidenhammer

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 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 and available for those in the general public who may be interested.

The Budget Guide is 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 Budget Guide 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.

BUDGET OVERVIEW

Highlights of this year's most significant budget issues, a tentative schedule for Council consideration of those issues, and a high-level synopsis of the proposed budget.

REVENUES

An in-depth discussion of the City's most significant revenue sources, including past and current figures, revenue projections, tax law, and other issues influencing the City's resources.

EXPENSES

An in-depth discussion of the City's expenses by type. This section considers historical trends in spending, issues influencing current expenditure levels, as well as future requirements.

ECONOMIC REVIEW

General financial, demographic, and statistical data that paints a picture of the historical evolution and current standing of Park City's economy. Also included is a brief look at future issues facing Park City.

POLICIES & OBJECTIVES

Park City's policies addressing budget organization, revenue management, fees and rates, investments, capital financing and debt management, reserves, capital improvement management, human resource management, and public service contracts. These policies govern the stewardship of public funds.

SUPPLEMENTAL

Additional information related to this year's budget process. This information is intended to provide background information and facilitate discussion during the Budget Hearings.

CITY MANAGER

To the Mayor, City Council, residents, and businesses of Park City:

Pursuant to §10-6-109, Utah Code Annotated, the following budgets: Fiscal Year 2022 Adjusted Budget and Fiscal Year 2023 Budget, 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 budgets are balanced.

The steady pace of economic recovery is a vivid testament to Park City's strong local businesses and overall desirability of Park City as a place to live, work, play, and raise a family. For Fiscal Year (FY) 2023, the Budget Department projects revenue growth of at least $4.5M from FY22 to FY23 in the City's General Fund. This is driven by continued growth in tourism and visitation reflected in sales taxes and stability in property taxes as Park City residents, businesses, and visitors thrive.

The City utilizes a Budgeting for Outcomes (BFO) process to align City resources with Council and community priorities. BFO provides a comprehensive review of the entire organization, identifying every program offered and related costs to guide municipal officials to recommend informed decisions based on community priorities. The results of that process are presented herein.

This year, in particular, in order to create the annual budget for a relatively new City Council, four central themes emerged from your Annual Council Retreat and subsequent deep-dive work sessions:

1. **Resort Economy Mitigation** – Enhance traffic mitigation, boost special event, law and code enforcement, and expand our overall municipal response to the growth in the resort economy with new investments in labor, equipment, and technology;

2. **Neighborhood Reinvestments** – Refocus investments on residential areas, including safety, complete streets, parking programs, HOA outreach, parks and playgrounds, and support area-specific and general plan initiatives;

3. **Organizational Infrastructure** – Continue the push to modernize important administrative tools – technology and software, cyber and network security, data collection, and a new municipal financial and accounting system; and

4. **Workforce Support** – Recruit and retain a competitive workforce, expand professional training and development, and uphold 75th percentile compensation philosophy to maintain our place as a competitive regional employer.

These four themes, along with the Critical Community Priorities, will position Park City to better respond to the evolving and changing needs of our community. Much has been said about the overall pace of change and impacts of visitation and development on Park City, especially post COVID-19. The critical investments recommended herein will respond to requests by residents and businesses to mitigate the resort economy growth, reinvest our focus and attention back to residential neighborhoods, and provide

critical support to organizational infrastructure and employees.

I thank the Mayor and Council, the public, and our dedicated employees and stakeholders for their partnership, support, and hard work. While Park City continues to experience a period of rapid change, our efforts remain focused on community and Council priorities.

For your review and consideration, I present the provisional City Manager Recommended Budget for FY23

Sincerely,

Matthew Dias
City Manager
Park City Municipal Corporation

CRITICAL COMMUNITY PRIORITIES

The Critical Community Priorities were developed from community and Council input. The priorities represent the major themes or topic areas that underpin the community's preferred future.. They have been synthesized directly from the community engagement and visioning process. The Critical Community Priorities are the fundamental building blocks for the future actions that support the City's vision. Within each Priority are Council's Desired Outcomes:

A. Transportation Innovation – Envisioning bold, multi-modal transportation solutions
- **1.** Sustainable and Effective Multi-modal Transportation
- **2.** Effective Traffic Mitigation Strategies

B. Housing
- **1.** Additional Middle-Income Housing
- **2.** Attainable & Affordable Housing

C. Environmental Leadership – Protect, enhance, and support our natural world and local ecosystems, so we all can thrive
- **1.** High Quality and Sustainable Water
- **2.** Net-zero Carbon City
- **3.** Net-zero Carbon Government
- **4.** Environmental Pollution Mitigation
- **5.** Abundant, Preserved, and Accessible Open Space

D. Social Equity & Affordability – Cultivating and engaging an inclusive and diverse community, while working to address disparities
- **1.** Social Justice and Well-being for All
- **2.** Mental, Physical, and Behavioral Health
- **3.** Engaged and Informed Citizenry
- **4.** Affordable Cost of Living
- **5.** Live and Work Locally

E. Core or Essential Services
- **1.** Fiscally and Legally Sound
- **2.** Well-maintained Assets and Infrastructure
- **3.** Transparent Government
- **4.** Responsive Customer Engagement
- **5.** High Performance Organization
- **6.** Strong Working Relationship with Strategic Stakeholders

FY23 BUDGETARY THEMES

Park City is strongly positioned to continue its post-pandemic momentum, while also capitalized to push back against many of the challenges associated with the resort economy and increased visitation, demand for elevated levels of service, and a myriad of necessary organizational and community needs.

With an eye toward caution, we believe that FY23 will see similar sales tax revenues as FY22, meaning the year-over-year growth will be maintained, but not surpassed, due to some weaker economic signals on the horizon. As a result, we project the FY23 General Fund revenue $4.5M higher than the FY22 budget.

While FY22 has been a banner year for sales tax revenue, it is important to note that our budget process is built with economic ebbs and flows in mind. Park City's Budget Policies strive to maintain expenditure control in strong economic years to avoid significant service and personnel cuts in times of economic challenges.

With this in mind, the Budget and Executive Team focused on the Annual City Council Retreat and subsequent work sessions and discussions to ascertain the new Mayor and City Council's priorities, areas of strategic focus, and underlying intent.

From these meetings, four budgetary themes for FY23 developed that drove the decision-making process:

1. **Resort Economy Mitigation** – Enhance traffic, special event, law and code enforcement, and overall municipal response to the growth in the resort economy;

2. **Neighborhood Reinvestments** – Refocus investments in residential areas - safety, complete streets, parking, HOA outreach, parks and playgrounds, and area planning;

3. **Organizational Infrastructure** – Meet professional obligations to modernize administration tools – technology and software systems, data collection and utilization, financial and accounting system, and purchasing policy; and

4. **Workforce Support** – Recruit and retain with competitive pay, benefits, and support for professional training and development to ensure PCMC remains a competitive regional employer.

THE BUDGET PROCESS:

Budgeting for Outcomes

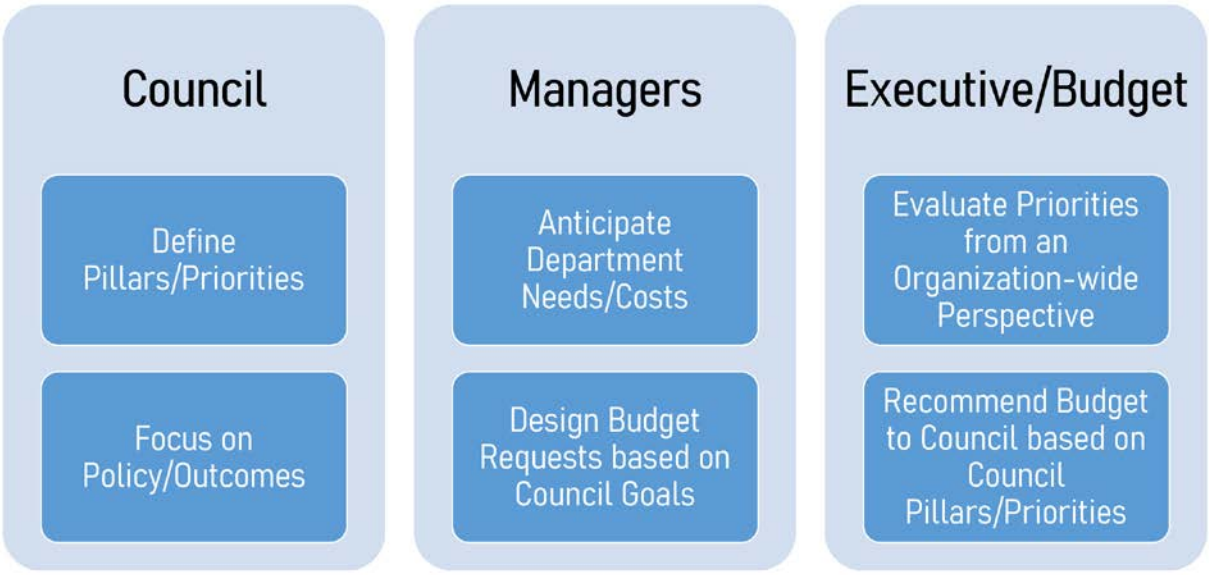
The budget process is an essential element of financial planning, management, control, and evaluation for the City. It provides an opportunity for the residents paying for governmental services to be heard by their elected representatives.

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 is a way to link Council's policy goals to the day-to-day management and operations of the City. Council's goals are taken into account when department managers develop their service level needs in order to request operating and capital budget.

BFO provides a comprehensive review of the 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. Thus, BFO will inform the development of the City's Budget and serves as a tool to identify potential service reductions and eliminations. The goal is that the City can make better-informed decisions regarding the prioritization and cost of City services and programs.

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.

The Budgeting for Outcomes process provides the monetary resources to support and implement the strategies that are identified. Over time, the City may determine that some of the services and strategies currently observed do not help to move the dial on achieving the outcomes identified in the City's Long-term Strategic Plan and may shift gears with certain strategies or initiatives and those changes will be approved/disapproved during the Budget for Outcomes process.



Department Manager's Role
Requests can be submitted by one department or multiple departments working in partnership/collaboration with each other. A proposal (or bid) is submitted and describes what a service, program, or activity will do to help achieve the Council-approved goal. 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 is also a section on the bid sheet that explains the consequences of funding it at 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 are 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 can 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 will help to craft a more streamlined budget and fund the services necessary to achieve the community priority outcomes.

The Results Team

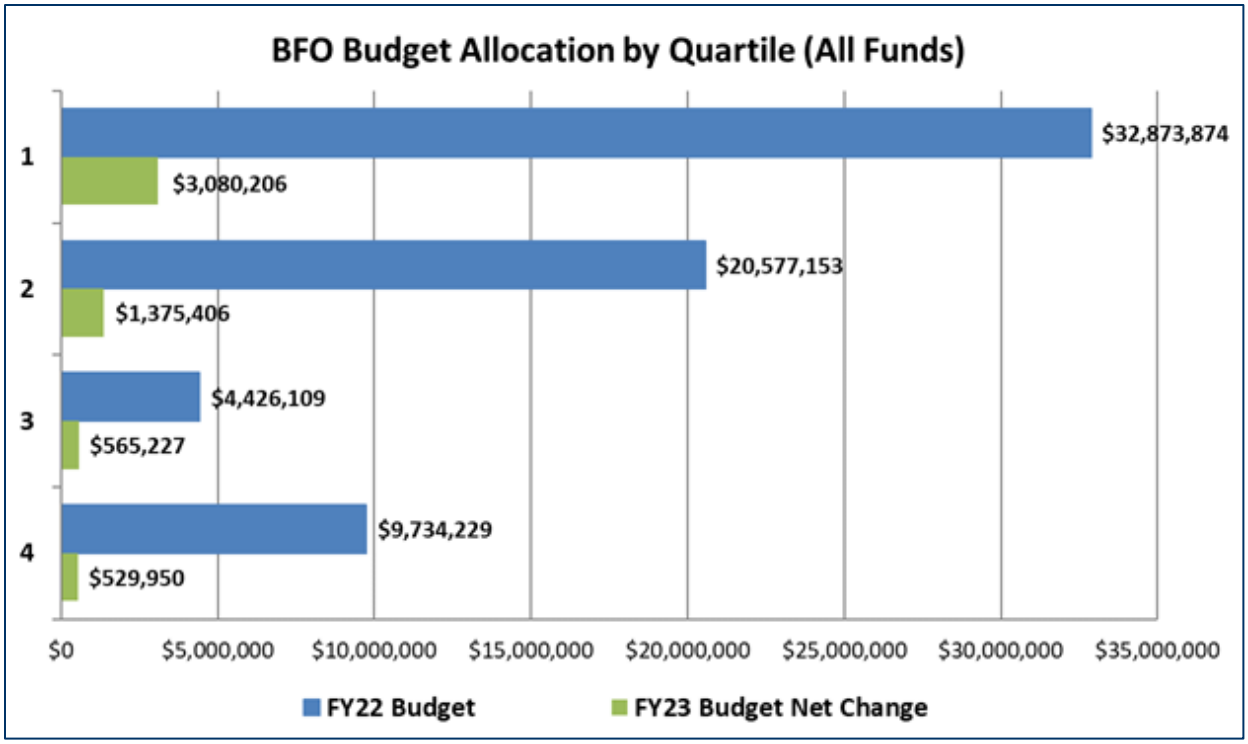
Each Manager presents their budget request to the Results Team, a group of individuals from various departments within the organization. The onus is placed on the individual department managers to defend or justify their rationale to the Results Team.

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 adjustments or the suggestion of additional collaboration. They will then score the program based off the department manager's explanation as well as with their own understanding of Council's priorities. 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.

Each BFO program is scored by the results team in accordance with the aforementioned process. Quartile 1 is made up of the top 25% of programs that received the highest scoring in the City. This graphic demonstrates that the items most important to Council and the community are being funded by showing that the programs that are most important to Council and the community (Quartile 1) are the ones that are receiving the highest amount of funding.

It is important to note that a high rating of a program will not guarantee that a program will be recommended to 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.



Allocation of Budgeted Resources by Quartile

Budget Considerations

It is the intention of BFO for managers to submit the most cost-effective program budgets. This year, each department was asked to focus on increases that allowed them to address challenges caused by the global inflationary environment and respond to three key themes. These themes include investment in organizational infrastructure, resort economy mitigation, and neighborhoods reinvestment.

Throughout the budget process Council has 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 FY23 budget.

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.

Per state code, a tentative budget must be submitted to city council on or before the first scheduled meeting in May. The council adopts the tentative budget and then begins to make it their own by modifying and amending it. Between the first City Council meeting in May and the presentation of the Final Budget on June 23, the Council has the opportunity to review the proposed budget, consider public comment, and finally, adopt a balanced budget. Before July 1, 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.

The City Manager's Recommended Budget is what is being presented to City Council. The budget changes this year will be presented through the lens of the previously mentioned themes and Council priorities. 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.

[1] Utah State Code Title 10-6-110 (2)

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 and biennial budgets for fiscal years beginning in 1991 through 2021.

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. 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.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Park City Municipal Corporation
Utah

For the Fiscal Year Beginning

July 01, 2021

Christopher P. Morrill

Executive Director

OVERVIEW

The steady pace of economic recovery is a vivid testament to Park City's strong local businesses and overall desirability of Park City as a place to live, work, play, and raise a family. For Fiscal Year (FY) 2023, the Budget Department projects revenue growth of at least $4.5M from Original Budget FY22 to FY23 in the City's General Fund. This is driven by continued growth in tourism and visitation reflected in sales taxes and stability in property taxes as Park City residents, businesses, and visitors thrive.

The FY22 Adjusted Budget reflects a 2.6% increase from the FY22 Original Budget (capital excluded). The Adjusted Budget reflects the current fiscal year's budget ending June 30, accounting for increases and decreases over the Original FY22 Budget. Most increases were adopted as part of the December 2021 budget adjustment. Increases include critical pay adjustments for positions that the City was struggling to fill and restoration of the Senior Environmental Project Manager and Transportation Director. As the end of FY22 approaches, we tightly monitor the adjusted budget to ensure changes are captured in the Final Budget adoption on June 23.

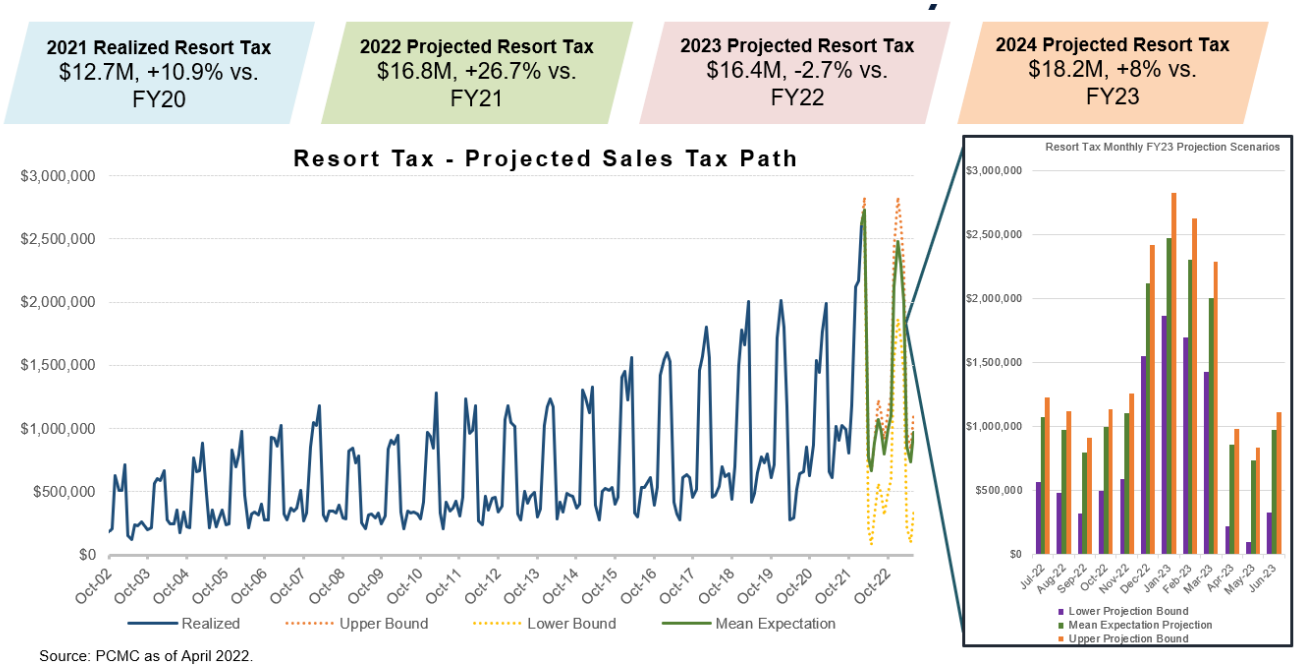
The FY23 operating budget reflects an increase over the FY22 Adjusted Budget, capturing an increase in the aggregate from the City's major operating funds: General, Water, and Transportation. The increase reinforces the City's desire to address the community's most critical needs, inflationary cost increases, and commitment to retaining and recruiting employees. The proposed budget is supported by historic sales tax revenues and an increase to some user fees. Operating budget changes from across all funds and details on departmental requests and committee recommendations will be discussed and provided on May 26.

Expenditure Summary - All Funds								
	Actuals FY 2018	Actuals FY 2019	Actuals FY 2020	Actuals FY 2021	YTD Actuals FY 2022	Original Budget FY 2022	Adjusted Budget FY 2022	Original Budget FY 2023
Personnel	$36,532,398	$39,163,872	$40,019,168	$36,565,560	$32,794,144	$41,804,336	$42,909,145	$49,661,137
Mat, Suppls, Services	$17,825,325	$19,683,793	$20,850,156	$29,470,146	$15,823,698	$22,707,279	$23,262,138	$26,886,028
Capital Outlay	$402,605	$624,690	$435,427	$429,591	$385,655	$526,685	$551,685	$1,139,514
Contingency	$75,437	$67,018	$362,218	$172,741	$24,600	$300,000	$300,000	$300,000
TOTAL	$ 54,835,765	$ 59,539,372	$ 61,666,969	$ 66,638,038	$49,028,097	$ 65,338,300	$ 67,022,968	$ 77,986,679
Capital	$60,601,638	$87,511,154	$47,829,798	$61,354,362	$33,313,784	$76,218,620	$244,708,799	$68,714,154
Debt Service	$16,216,948	$16,853,649	$24,538,521	$19,373,212	$19,888,420	$22,059,324	$22,059,324	$22,059,324
Interfund Transfer	$47,750,191	$79,846,401	$24,617,678	$19,689,126	$16,988,400	$19,247,789	$22,698,090	$19,358,332
Ending Balance	$83,191,254	$117,717,331	$130,691,480	$152,780,088		$78,014,234	$105,701,537	
TOTAL	$207,760,031	$301,928,535	$227,677,477	$253,196,788	$70,190,604	$ 195,539,967	$ 395,167,750	$ 110,131,810
COMBINED TOTAL	$262,595,797	$354,413,192	$272,249,775	$126,310,250		$ 234,710,852	$ 358,763,309	$ 257,723,796

Table B01 - Major Object All Funds

General Fund Revenues

Staff projects an increase of $4.5M in General Fund sales tax for FY22—from $13.3M to $17.8M. While winter visitation remained robust, the unique post-pandemic trend in Park City is the growth of shoulder season and non-winter visitation. This trend is visible by the volume of visitors through the City's Main Street business district. While winter visitation reached near-record highs, growth in the summer, spring and fall caused the calendar year 2021 to see the most visitors we have on record.



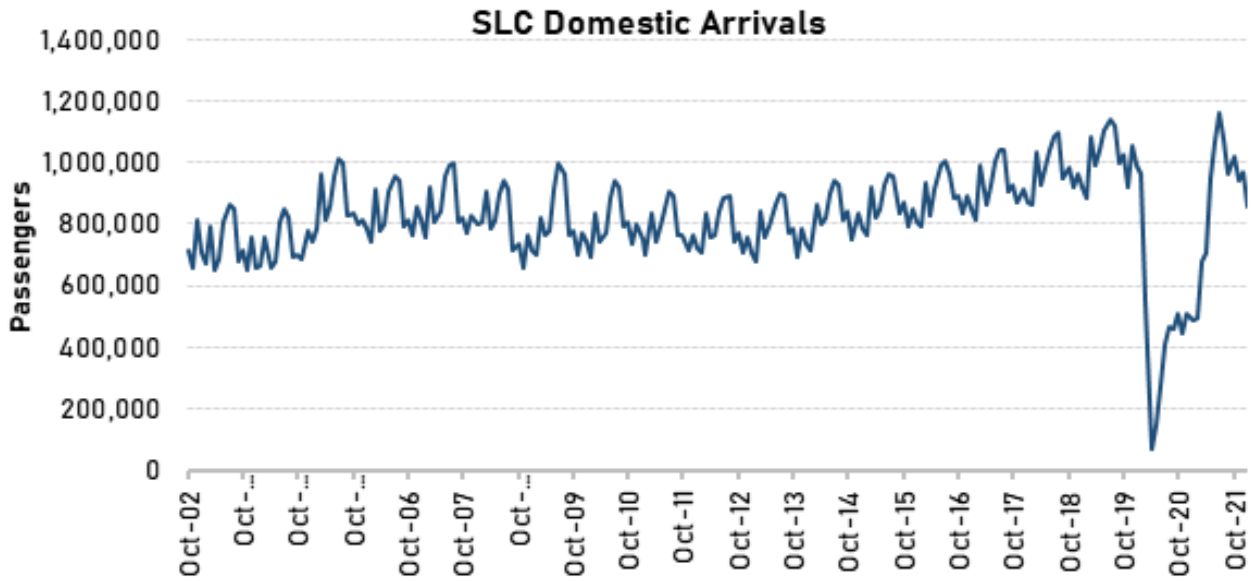
Source: PCMC as of April 2022.

Sales Tax Path

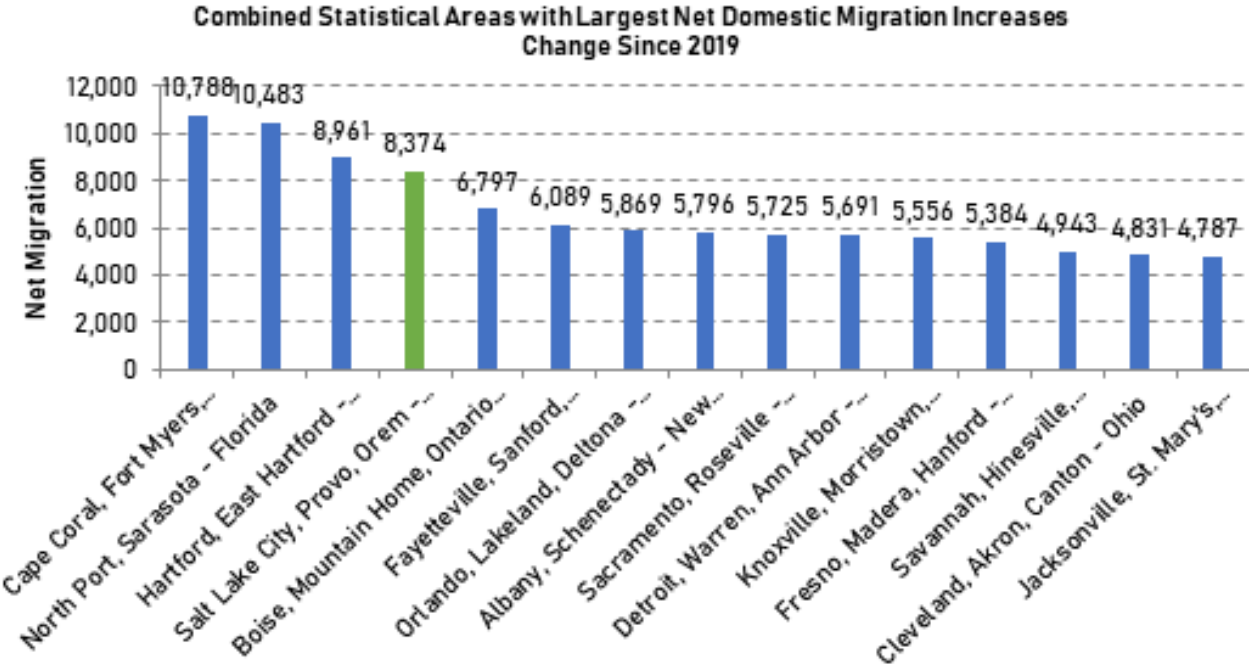
Park City is on a new revenue trajectory with respect to sales taxes, closing FY22 up +26.7% vs. FY21, a previous record sales tax year. The table above demonstrates the projected increase for different funding categories. The increases allow Park City to increase what it can mitigate and accomplish in FY23 and into the future. The FY23 sales tax revenue budget is slightly lower than FY22, as staff projects a slight softening of the global economy and some additional economic volatility. However, the City must take strategic advantage of the new sales tax trajectory and deploy resources to meet community demands.

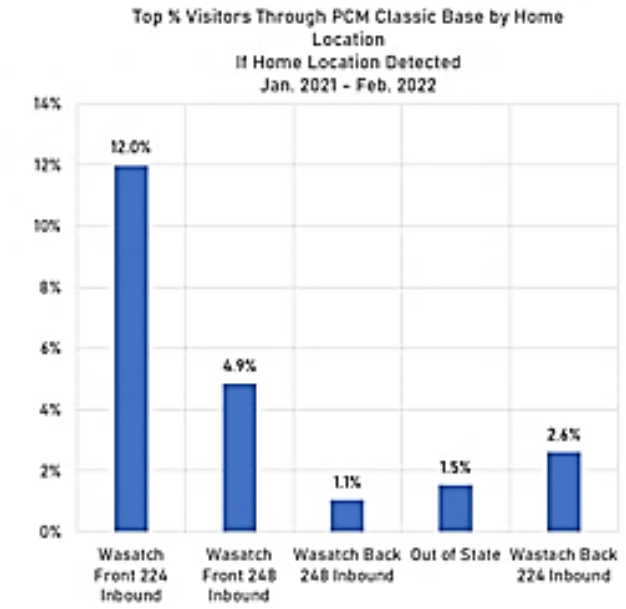
Moving into a post-COVID world, Park City continued to benefit from a recovering national economy and a booming regional economy.

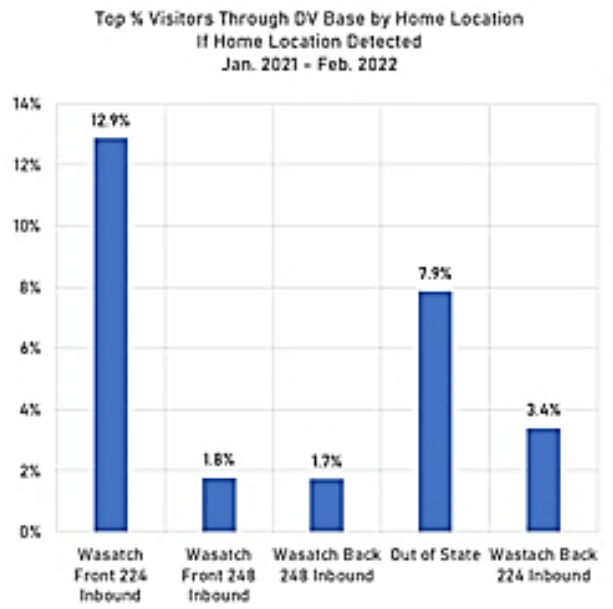
Acceleration in air passengers saw a robust return to travel through the early spring of 2022. Indeed, Salt Lake City International Airport domestic arrivals surpassed pre-pandemic highs at the beginning of Park City's FY22 while winter travel lined up with pre-pandemic trends.



As the national travel picture improved, the State of Utah faired even better. The Wasatch Front registered as the fourth-highest metropolitan area in the United States receiving net migration increases since 2019. This growth was a boon for the State. However, impacts were felt in communities like Park City as drive-traffic demand for skiing increased through Park City's winter 2022.







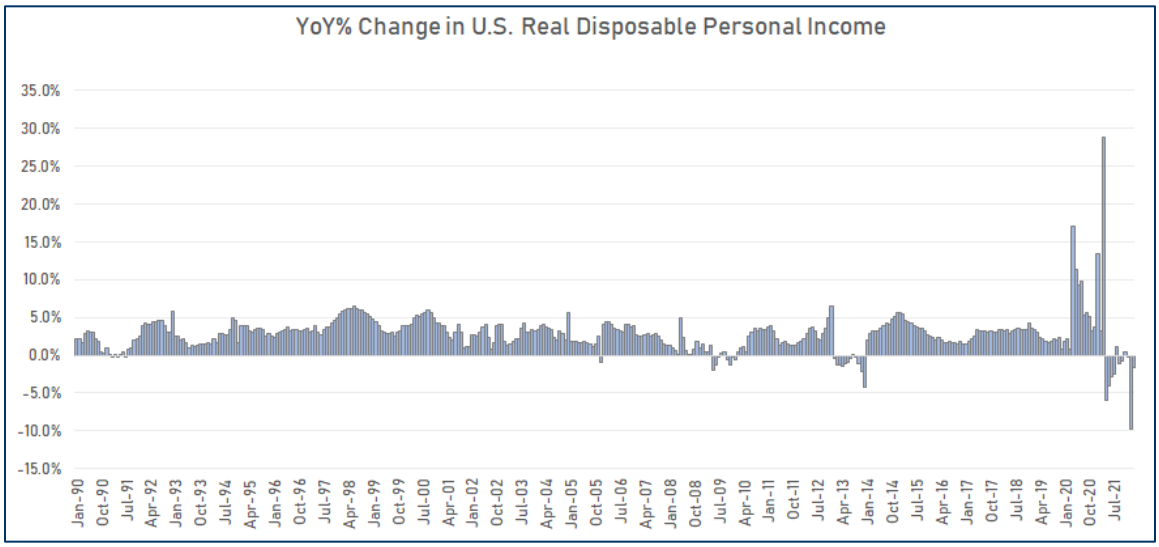
While winter visitation remained robust, the unique post-pandemic trend in Park City is the growth of shoulder season demand and non-winter visitation. This trend is made visible by the volume of visitors through the City's Main Street business district. While winter visitation reached near-record highs, growth in the summer, spring and fall is what caused calendar year 2021 to see the most visitors through the district on record.

Main Street Visitors						
		First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Total Calendar Year**
Calendar Year	**2017**	1,483,161	665,538	993,336	853,676	3,995,711
	2018	1,573,286	640,188	1,030,691	845,928	4,090,093
	2019	1,618,275	663,881	992,946	875,761	4,150,863
	2020	1,273,540	262,389	906,242	846,605	3,288,776
	2021	1,391,936	793,237	1,139,918	981,176	4,306,267
	2022	1,594,725				

Main Street Visitors, YoY % Change						
		First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Total Calendar Year**
Calendar Year						
	2018	6%	-4%	4%	-1%	2%
	2019	3%	4%	-4%	4%	1%
	2020	-21%	-60%	-9%	-3%	-21%
	2021	9%	202%	26%	16%	31%
	2022	15%				

These patterns have caused more persistent demand for services on a year-round basis than previously seen in the City's history. At the same time, inflationary trends have also increased the cost of providing staffing and support city-wide.

On the national front, the effects of inflation are eroding the buying power of American workers and Park City, and real growth concerns are beginning to manifest in household earnings and markets. Average U.S. households are increasingly deploying income once used for discretionary purposes into essentials to make ends meet. With an eye toward caution, we believe FY23 will remain robust in revenues, almost similar to FY22, with a minor reduction of -2.7%, as record revenue growth tapers off in the near term.



In addition, we forecast long-term revenues and operating, capital, and debt service expenses for the General Fund. The analysis below illustrates the potential impacts of financial decisions on the City's short and long-term financial health. The figures help set the funding limits for both the operating and capital budget related to the General Fund and General Fund capital transfer.

Revenue Projection Detail

Park City Municipal Corporation receives multiple forms of tax, fee and service generated revenue in its general fund every year. Of these, sales taxes are the most directly exposed to consumer discretionary spending and are therefore subject to the most uncertainty.

Starting in fiscal year 2021, the City's budget team assembled a sales tax model based on machine learning techniques and more than 70 data sources. On upside momentum in many of these indicators, the budget team projects an adjusted increase for sales tax revenues in FY22 of 26.7% relative to original budgets for FY22. However, in FY23 we project a minor slowing of sales growth in sales taxes in with a projection of –2.7% relative to final adjusted budgets for FY22.

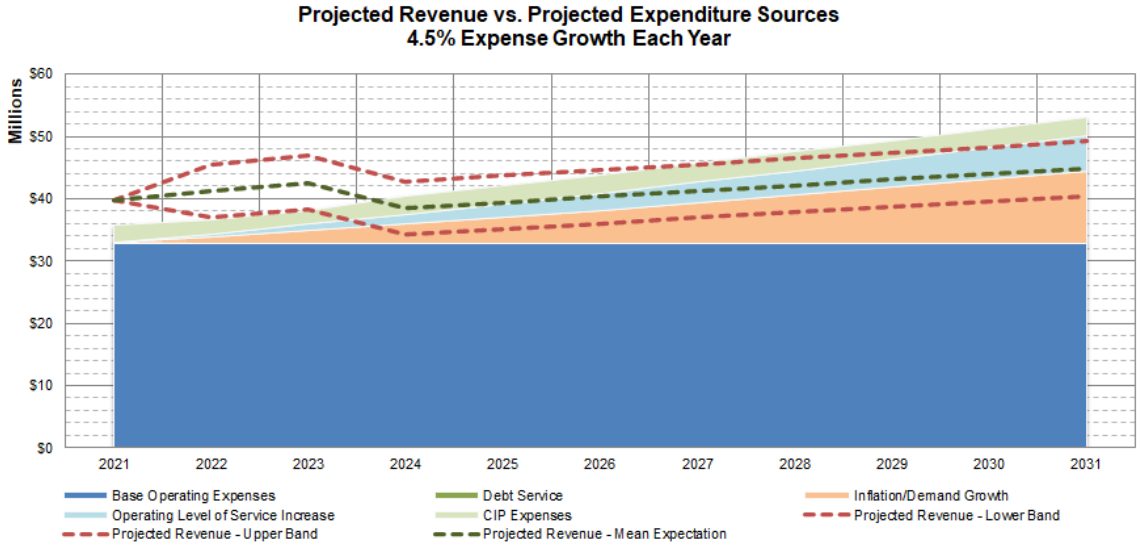
Further details on projection assumptions by individual revenue stream are listed below:

- *Current Revenue Projection Estimates Assume:*
  - ***Property Tax**: Property taxes assume a preservation of base*

revenue of $12.1M from FY21. From this base we project incremental new growth of approximately $600k.
  - ***Sales Tax:*** *Based on PCMC's statistical sales tax model.*
  - ***Franchise Tax****: Modeled as a log transformed function of time, this model was selected as we assume tapering demand for telecommunications services as new demand and new telecom services may hit saturation points.*
  - ***Licenses****: Assumes linear trend growth in-line with historical averages.*
  - ***BP&E Fees****: Assumes linear trend growth in-line with historical averages.*
  - ***Recreation****: Assumes linear trend growth in-line with historical averages.*
  - ***Other Revenue****: Assumes linear trend growth in-line with historical averages.*
  - ***Ice****: Assumes linear trend growth in-line with historical averages.*
  - ***Interfund Transfers****: Assumes growth of 4% from FY 2021.*
  - ***Intergovernmental Revenues****: Assumes linear trend growth in-line with historical averages*
- Under these revenue assumptions we arrive at an $4.5M increase in revenues in FY23, relative to the FY22 adjusted budget.

CITY'S LONG TERM BUDGET STRATEGIES

Each year, the budget department works with the City Manager to establish revenue and expense projections based on long-range historical trends. As the economic environment of a resort economy ebbs and flows, the long-term budget outlook is intended to act as a long-range measure and reference for future financial decisions. As the City moves forward, revenue growth is evaluated in the contexts of the historical trends and will help form updated projections each year which will guide the City in the subsequent budget process.



While utilizing near-term, high-frequency, projections is a critical part of the City's budget process, staff also generates long-term projections for revenue combined with hypothetical scenarios of expense growth. Recent revenue growth has been exceptional due to a boom in sales tax revenues. Yet, staff uses knowledge of past growth rates to project future long-term revenue trends. The chart above illustrates a range of potential future scenarios where hypothetical expense growth of 4.5% per-year has the potential to cross over revenue growth should sales tax revenue growth taper back to historical trends.

Any long-term future projection is subject to a high amount of uncertainty. Yet, this tool remains a benefit when considering possible future states of the world and how to manage variable outcomes. Since FY20, staff has managed the City budgeting process in a dynamic way, finding capabilities to institute expense controls when necessary and adding resources when possible. Staff anticipates that the future economic outlook for the City is one of a positive trend. Still, dynamic management of expenses is a tool that must always be available to the City Manager and Council as we travel a path of variability is a post-COVID world.

Below are the City's Long-Term Budget Strategies for crafting the City Manager's Recommended Budget:

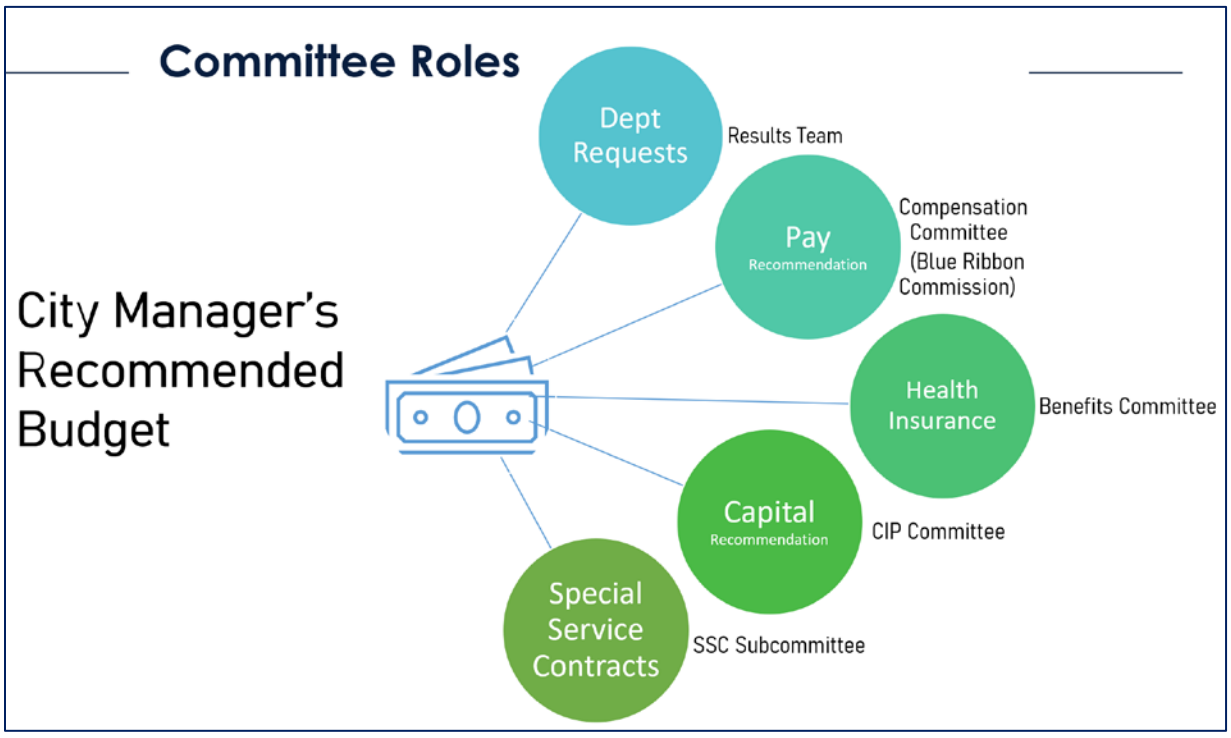
A. Budget draws upon Council input and long-term staff revenue and expense projections as a guide
    - Priority-driven operating budget based upon Council's Critical and Top Priorities,

goals, objectives, and desired outcomes

B. The budget proposal is initially developed by several budget committees made up of cross-departmental staff:
   - Committees include Results Team as well as CIP, Pay Plan, Benefit, and Fleet committees and any other ad hoc committees needed for unique circumstances
   - Results Team will make recommendations by considering BFO score, department manager's request, established need, available resources, and performance measures

C. All operating and capital budget requests should be considered during the budget process

D. Any General Fund budget surplus can be flexibly deployed for personnel, operating and/or for capital projects



Budget Recommendations to City Manager by Committee

Health, Dental, & Life Insurance Costs

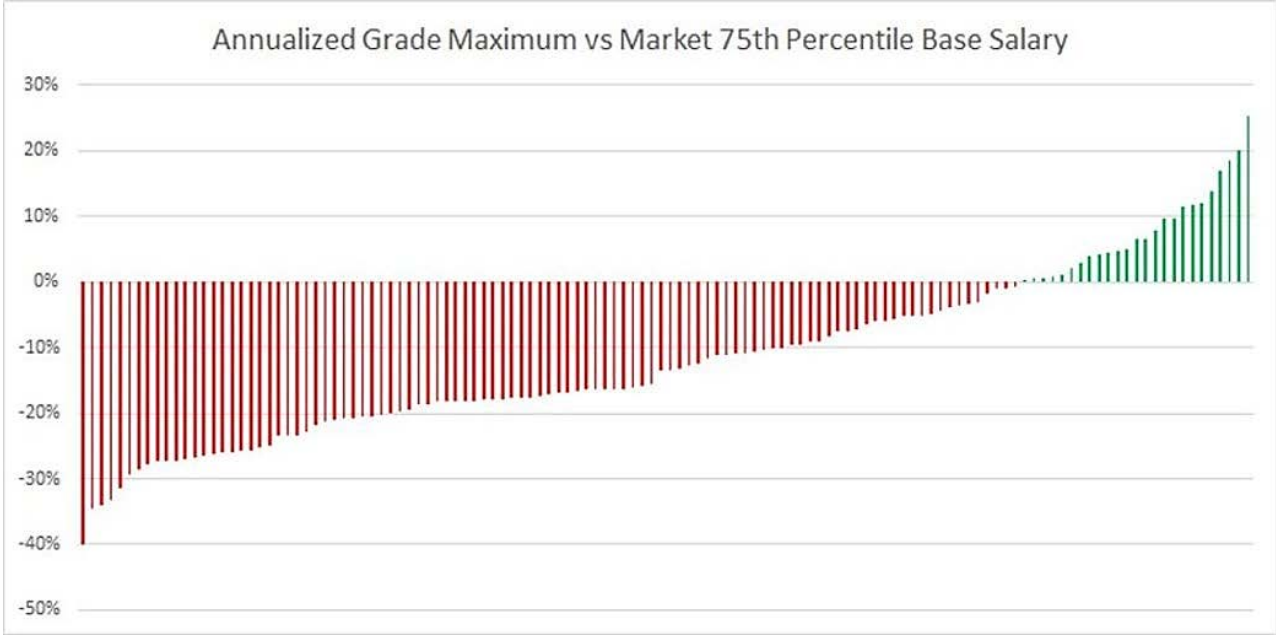
The City maintains a health and dental insurance plan through Regence Blue Cross Blue Shield of Utah. Each year, Regence examines the City's "use" of the plan and its total costs to Regence, and then determines the price for the following year. Our FY23 Health Insurance premiums have a minimal increase of 2.62%.

Pay Plan

Historically, the has City collected salary information on select jobs from a sample of cities in Utah every two years, then averaged salaries from the top seven to use as a benchmark when determining salary ranges and job types. In "off" years, a 2% market adjustment was applied.

As the City struggled with retention and recruiting and long vacancies in key positions, it became clear that a renovation of our pay philosophies and processes were necessary. The City reestablished the internal Compensation Committee and formed an external Blue-Ribbon committee, comprised of resident Park City Human Resource experts, to help guide the process of moving toward a more modern, market-based pay plan which utilizes third-party salary data to determine salary ranges and pay grades based on a current market analysis of comparable positions and salaries. Salary ranges are based on specific jobs as opposed to job types.

As you can see from the chart, the compensation analysis revealed that most City jobs were below the 75th percentile of market pay.



For the FY22 budget, the City began phasing in the new pay plan which brought salary ranges up to the 75th percentile of 2020 market rates. In response to accelerated inflation (10.6% in the Mountain West since last wage adjustment), historically low unemployment rates and serious wage competition both in the public and private sector, the Compensation Committee and Blue-Ribbon Committee proposed a 10.33% increase to bring salary ranges to 2022 levels, which received overwhelming support from City Council.

The City is also developing a long-term staffing strategy that includes a comprehensive review of all benefits, workplace culture and policies, performance management, and professional development.

FY23 Pay Plan	
Fund	**FY23 Request**
011 GENERAL FUND	$ 2,513,970
051 WATER FUND	$ 392,143
052 STORM WATER FUND	$ 68,293
055 GOLF COURSE FUND	$ 98,152
057 TRANSPORTATION & PARKING FUND	$ 1,002,061
058 PARKING FUND	$ 98,660
062 FLEET SERVICES FUND	$ 57,440
Grand Total	**$ 4,230,719**

Pay for Performance
Employees are eligible to receive up to 5% of their base pay as a performance-based pay. This is a critical step in our ability to compete and retain quality and high-performing employees in an increasingly competitive labor market.

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. For FY23, URS will remain budgeted at FY22 levels.

FY23 Discretionary Requests

Dept	Total Request	CM Recommendation	Notes
Legal	$ 65,000	$ 25,000	
Human Resources	$ 635,000	$ 268,400	
Finance	$ 27,000	$ 27,000	
IT	$ 982,000	$ 789,100	
Public Works (Bldg. Maint, Streets, Parks)	$ 447,000	$ 478,500	Traffic mitigation items added to this budget
MARC/Rec/Tennis	$ 276,600	$ 209,378	
Ice	$ 27,250	$ 20,400	
Community Engagement	$ 87,800	$ 13,000	
Env Regulatory	$ 35,000	$ 35,000	
Sustainability	$ 35,000	$ 25,000	
Police	$ 1,266,000	$ 561,000	Request included traffic items that were funded in other depts
Economy	$ 863,000	$ 14,000	Request included traffic items that

				were funded in other depts
Emergency Management	$	-	$	294,400	Traffic mitigation items added to this budget
Engineering	$	164,595	$	115,000	
Planning	$	625,300	$	165,300	
Building	$	144,850	$	144,850	
Library	$	99,500	$	14,500	
Trails	$	129,000	$	107,000	
Housing	$	15,500	$	165,500	Housing FTE added by CM
Parking	$	103,000	$	230,000	Parking Officer and Vehicle added for traffic mitigation by CM
Transpo Ops	$	857,000	$	875,000	Additional funds added for Micro Transit
Transpo Planning	$	85,000	$	85,000	
Water	$	1,200,000	$	1,200,000	
Golf	$	55,500	$	55,500	
Total	**$**	**8,225,895**	**$**	**5,917,828**	

CITY'S MAJOR OPERATING BUDGET ITEMS

Major General Fund Expenses
The FY23 City Manager's Recommended Budget is a targeted and strategic deployment of resources that invests heavily in four themes and at the same time advances our ability to enhance core services and increase operational capacity and productivity.

The table demonstrates the breakdown between the major categories of operating enhancements: capital projects, employee pay plan and compensation, and health insurance.

FY23 Expenses	Amount	Notes
Pay Plan	$2,500,000	Maintains personnel compensation based upon surging inflation costs of over 10% and ensures PCMC meets its 75th percentile commitments. Last year's strategic investments in employee compensation were arguably the most important action taken by PCMC. As many businesses suffered high attrition rates and even cut services, PCMC consistently met current service levels due to adequate staffing.
Health Insurance	$150,000	Health insurance premiums maintain commitment to provide quality healthcare. The recommendation is to cover the one-time increase and not pass it off to our employees.
Ops Increases	$3,550,314	Considerable inflationary cost increases (supplies, equipment, contracts, and new positions, etc.) and targeted expansion of specific services allow managers to continue to deliver high levels of service.
Capital	$3,400,000	General Fund capital expenses deployed on key projects for community benefit, including walkability initiatives, recreation, complete streets, and X, Y and Z
	$9,600,314	

FY23 Sources	Amount	Notes
Revenue Capacity	$4,142,704	Total projected revenue for FY23
Repurpose Capital Projects	$955,467	Capital project closeout
Fee Increases	$500,000	Increase in fees for services
General Fund Transfer	$3,400,000	Transfer from General Fund to Capital Fund
Resort Funding	$280,000	Resort funding for enhanced traffic mitigation
	$9,278,171	

The Budget Department projects $4.1M in new revenue for FY23, which includes sales tax revenue, fee increases, and closing out several completed capital project budgets. This strategy helps Council deploy resources faster and more strategically to meet new community demands in FY23. We also anticipated continuing to receive $280k/year from the resorts to pay for enhanced

traffic mitigation and public safety services. Lastly, the $3.4M represents the General Fund Transfer to the Capital fund, which moves revenues from the General Fund to Capital to pay for ongoing capital projects.

Major Operating Initiatives and Key Investments in Community Priorities

FY23 Expenses	Amount	Notes
Organizational Infrastructure	$725,163	Budget increases to enhance our IT infrastructure, cybersecurity, 3Kings Water Treatment Plant, a new financial and accounting system for the municipality, and new investment in data collection to better respond to public input and requests for information, transparency, and level of service increases.
Resort Economy Mitigation	$755,499	Enhanced traffic and resort economy impacts – expand Neighborhood Traffic Management Program, Traffic Coordinator position, intersection management and equipment, and monitoring and enforcement.
Neighborhood Reinvestment	$796,742	Increased neighborhood patrols, code enforcement and equipment, fire inspection, and community and area planning efforts.
Workforce Support	$267,905	Additional resources to enhance recruitment, retention, and quality benefits, employee assistance, and professional development programs (non-monetary benefits)
Core Services	$1,005,005	Service increases related to existing Critical Community Priorities and existing service demands – Affordable Housing, Recreation, Customer service, and Street Projects.
Total	**$3,550,314**	

Information Technology/ Organizational Infrastructure

Expanding the City's critical IT support and infrastructure is at a crucial inflection point. Today's flexible work environment, combined with an unprecedented demand for automation and data collection, requires a new municipal financial and accounting system and a host of new data science and cybersecurity tools to drive our decision-making and planning processes and protect municipal assets. Key personnel and new technology staff are requested (2 Junior Network Administrators). These positions will support the 3Kings Water Treatment Plant's technology and core software and security systems throughout the City. The FY23 budget also includes department-level support for updating webpages, efficiency software and updated equipment for staff.

Resort Economy Mitigation

Enhanced traffic management is a major community priority. We have proposed new investments to multiple departments to enhance the Neighborhood Traffic Management Program – a Police Officer, two positions in Public Works (Streets), a Traffic Coordinator and a new Parking Officer to manage major intersections and neighborhoods during peak visitation. This investment alone is nearly $1 million of the new sales tax revenues available to Council in FY23.

As our trail systems continue to experience high-usage, we have added two Trail Rangers to

oversee maintenance, manage trailhead parking and neighborhood impacts and ensure compliance with adopted conservation easements.

Neighborhood Reinvestment
Unprecedented demand continues to burden our Building, Planning, Engineering, Housing, and Resident Advocate departments. New investments include a new position in Engineering to assist residents and businesses and new municipal code software (noticing, outreach, ad hoc analysis, etc.). It also includes a new position in Affordable Housing in anticipation of more public-private partnerships and the collaborative project on Woodside with the Seniors. In addition, we propose a new Police Detective to respond to the rising investigative caseloads, demand for deeper community policing, and help with the increase in violent crimes.

As we continue to build upon our Sustainability programs, the FY23 budget includes investments in the new Sustainability Resource center at the library which provides unconventional circulating items such as sewing machines, outdoor games, tools and electronics. Environmental Sustainability will also kick-off their Curbside Composting pilot program this year.

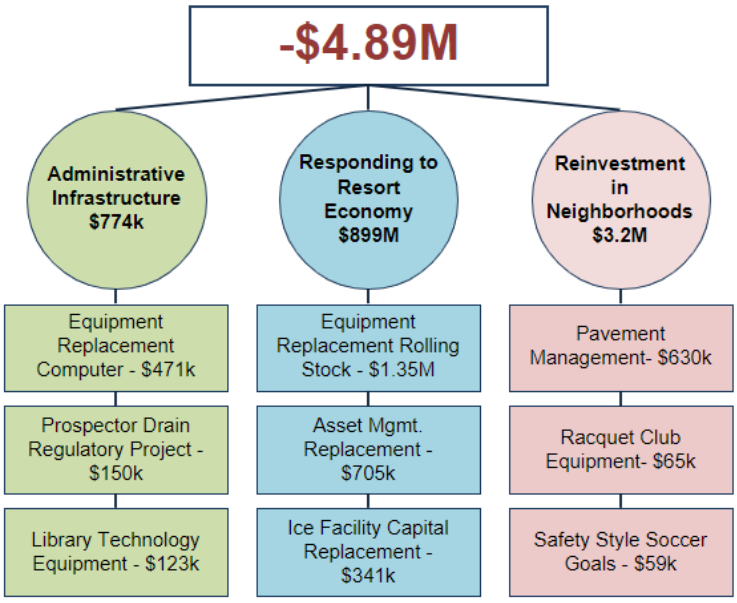
Recruiting, Retention, and Workforce Support
Unemployment continues to hover around 1% in Summit County (lowest in decades), turnover remains above 15%, and Jan-Mar 2022 saw six voluntary resignations to accept better-paying positions in other agencies or relocations due to the exceptionally high cost of living. Over the last year, HR has spent over approximately 6,000 hours hiring over 200 employees, with hundreds of hours devoted to onboarding and setting up benefits with various providers.

The City must improve its training, culture, and employee policies to reflect the current dynamic workforce needs and expectations of newly recruited employees. Thus, we propose 1.5 new HR positions to support our workforce. The new analyst position will focus on day-to-day departmental needs and supporting or leading benefits procurement and professional development programs. The Recruiter will focus on key recruitments and professionalizing our onboarding programs and platform. In addition, new investments are recommended in non-monetary employee programs, such as increasing education reimbursements, employee appreciation programs, instant bonuses for customer service, and wellness.

CAPITAL IMPROVEMENT PLAN (CIP)

Capital Changes

The capital project budget is spread throughout various Funds. The General Fund does not contain any capital budget but does contribute to the Capital Improvement Fund through an annual transfer of funds. For the FY23 Budget, we recommend an annual CIP transfer of $3.4M. However, the recommended budget is set at $4.9M, as several old capital projects were closed out. The yearly transfer to capital generally pays for important ongoing capital projects, such as equipment, asset management, and pavement program.



The rest of the capital budget is broken out through the different funds: Capital Improvement, Water, Transportation, and RDA. On June 6, we plan to review, in detail, all proposed changes to capital budgets. However, below is a list of notable projects included within the proposal:

- **Park Avenue Neighborhood Street Reconstruction** - $750k, project has an expected total budget of ~$5M over time. The FY23 budget contemplates $750k for design and planning activities
- **Upper Main Street Intersection Improvements and Mitigation** - $750k, project focuses on near-term capital improvements on Upper Main Street near Hillside Avenue
- **Homestake Road Complete Street, Pedestrian and Multi-Use Trail** - $450k
- **Munchkin Roach Complete Street Extension, Multi-Use Trail, and Woodbine Road Connection Improvements** - $450k
- **Arts & Culture District** - $450k, to support planning and land use entitlement work
- **PC Transit Rolling Stock Replacement** – $16.8M to replace and upgrade the municipal fleet over time. Primarily funded through Federal grants, including $14.9M from Federal funding, and only $2.6M matching funds from the City's Transportation Fund
- **SR248/US40 Park and Ride Lot** - $4.5M is budgeted in FY23 if Council approves this project. The Federal Funding is $3.85M of the $4.5M.
- **Park City's Long Range Transportation Plan** - $3.9M has been set aside in reserve to

begin the funding plan and process to move from planning to implementation

- **Snow Creek Crossing (SR-248 Tunnel)** - $4.3M from the remaining 2013 Walkability Bond proceeds
- **Old Town Complete Streets** - $200k to provide resources to resolve intermittent maintenance projects in Old Town due to tourism and visitation and demand from small business owners
- **Three Kings Water Treatment Plant** – $20M from 2021 Water Revenue Bond to complete the City's Three Kings Water Treatment Plant in FY23. This remains the City's current single-largest capital initiative in FY23. It will modernize Park City's drinking water capabilities. By consolidating the amount of borrowing during a period of low-interest rates, PCMC saved approximately $1.5M in gross cashflow savings by refunding (refinancing) past bond issuances. Additionally, these actions ensured that the Three Kings Water Treatment Plant is funded at record low interest rates.

Long-term Unfunded Capital Initiatives

While the City is building a robust capital budget plan for the next several years based on Council's goals and direction, the focus remains on core capital maintenance and medium-term infrastructure projects. Several capital project ideas percolate around the community but require a new funding source or strategy due to their magnitude. Some of the most talked-about project ideas are the following:

1. Arts & Culture District – Parking, Housing, Transportation and Transit, and Common Areas
2. Long-Range Transportation Capital Plan – a list of implementation projects tops out at over $87M
    a. Bus Rapid Transit
    b. Regionally significant park and ride
    c. Tunnels, aerial transit, etc.
    d. Roadway acquisition and/or improvements
3. Relocation of the Rocky Mountain Power Substation
4. Soils Ordinance remediation and relocation
5. Affordable housing development expansion
6. Recreation facility expansion

If Council is interested in pursuing a major or transformational capital project not currently budgeted, a prioritization process will help us develop a creative financial strategy. For example, the City can raise considerable resources to finance projects through various methods. But even then, it would prove challenging to finance multiple projects on the list above at the same time. The most common financial tools for future consideration are:

1. Pay-as-You-Go: This method pays for capital projects with funds on hand or through saving up over time. We are already deploying this strategy.
2. General Obligation Debt: Property tax increase targeted toward specific projects. Requires voter approval in a general election. We have a successful history of deploying this strategy on large community issues.
3. Property Tax Increase: This tool has not been used to our knowledge due to the strength of the tourism economy and imbalance in favor of year-round residential property

owners.

4. Revenue Debt: Issue bonds paid back through ongoing revenues. Historically, we have used sales taxes but could source other areas, such as water revenues. Also, the City's debt capacity through sales taxes to issue bonds for new projects is considerable and untapped. Today, based upon a 20-year maturity, the City could conservatively bond upwards of $60M. We could also evaluate our overly conservative bonding policy that goes even further than required by Utah Law.
5. Grants/Other Government Agencies: There are many grant opportunities for local governments from other government agencies. However, to fund large capital projects, the City has been most successful in securing grants for transportation projects. The City has a handful of current transportation capital projects set to be paid for partially with grant funding and is continuously applying for more, such as the monies we are awarded to replace vehicles and support the Quinn's Junction Park and Ride. We plan to continue our aggressive use of the tool.
6. Economic Development Tools: There are numerous economic development tools that the City could utilize. The most common are Community Reinvestment Agencies (CRA) or Public Improvement Districts (PID). Both tools leverage new property tax revenue generated from new development for capital investment in those areas or outside the project area. A more aggressive use of this tool may be recommended in the future.
7. Public-private Partnerships (P3s): Public-private partnerships involve collaboration between a government agency and a private-sector company to finance, build, and operate projects. These partnerships work well when private-sector incentives combine with public sector goals, and the private sector incurs much of the financial risk. We are likely to increase our use of this tool, given the rise in construction costs and workforce pressures.

A complete detailed CIP report is included in the City Manager's Recommended Budget Volume II.

The total proposed CIP budget (all funds combined, excluding carry forward) for the FY 2022 Budget is $79.5 million. The proposed FY 2023 CIP budget is $72.7 million. The General Fund transfer required to fund capital projects in FY2022 will be approximately $4.1 million—the majority of which is dedicated to the maintenance of existing infrastructure. Projects in these categories include Equipment Replacement – Rolling Stock, Aquatics Equipment Replacement, Pavement Management, Trails Master Plan Implementation, Traffic Calming, and Asset Management.

Changes between Tentative and Final Budget

Each year, during the budget process, the budget team makes final adjustments under the direction of the City Manager and the Council. These changes reflect the difference between the Final Budget and what Council adopted as part of the Tentative Budget. In most cases, these are technical adjustments that more accurately reflect the projected expenses within a capital project, interfund transfer, or debt transactions.

- **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

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)

FUTURE ISSUES

There are several overarching issues that could result in significant budgetary impacts over the next several years. Some of the issues would be the result of factors beyond our control, such as rising health insurance and labor costs, a further economic downturn, and changes to the existing tax and revenue structure by the State Legislature. On the other hand, several challenges could be the direct result of a deliberate and focused effort on behalf of the organization to achieve specific organizational goals. For example:

- **Housing:** efforts to provide a robust and sustainable middle income, attainable, and affordable housing program within City limits remains a formidable challenge in our high performing resort community. The result of our economic success and exceptional quality of life is a prohibitively high cost of living. Though several new workforce housing programs and initiatives are underway, each project comes with considerable costs, public investment, and in most cases, years to develop;
- **Transportation:** planning and mitigation efforts to better address traffic and congestion via local and regional transit, integrated City/County transportation planning, and forward looking capital infrastructure projects are well underway and gaining community momentum. Though public investments in transportation infrastructure and transit are, perhaps, the most formidable future budgetary issue we face, the community is clearly supportive of improving the way residents and visitors move around town. Fortunately, two new sales taxes were passed in 2016 that are helping with immediate infusion of new monies and projects, such as the pedestrian tunnel on Highway 248, paid parking in Old Town, Electric Express busses, and the new Quinn's Park and Ride;
- **Employee Compensation:** Inflation is at historic highs and unemployment is at historic lows, which is causing serious wage competition both in the public and private sector, Turnover remains above 15%, and Jan-Mar 2022 saw six voluntary resignations to accept better-paying positions in other agencies or relocations due to the exceptionally high cost of living. Last year's strategic investments in employee compensation were arguably the most important action taken by PCMC during the budget. As many businesses suffered high attrition rates and even cut services, PCMC consistently met current service levels due to adequate staffing;
- **Infrastructure and Development:** public and private projects, such as additional resort development (DV & PCMR), Lower Park Avenue, Arts & Culture District, and affordable housing projects will continue to present both opportunities and challenges for PCMC. Additional development will increase tax revenues, but it will also increase the demand and scope for complex and expensive public services (inspections, planning, engineering, streets, water, public safety, transit, etc., etc.);
- **Economic/Inflation:** the economic recovery has resulted in increased costs in contractual, construction, and ongoing maintenance costs. Recent PCMC capital projects initiated and advertised by City staff typically come in over initial budgets and have created project budget

shortfalls. Staff continues to work to better define and estimate capital projects costs in an increasingly expensive and competitive construction market. General operating expenses are going up across the board for contracting services, equipment, and supplies;

- **Environmental:** given Park City's legacy as a mining town, environmental mitigation remains an area of significant budgetary concern. Despite this, staff has made considerable progress to improve our relationship with Federal and State regulators and our approach to improving sustainability measures. We anticipate our proactive approach will mitigate some, but not all, of our future environmental liabilities. A good example can be found in our successful efforts to meet the Federal water standards on the Spiro Tunnel and at the same time reduce our long-term financial exposure.
- **Property Tax:** while researching a 50 state property tax comparison across the 53 largest cities in the US, Salt Lake City was consistently amongst the lower in the nation, ranking between 41st and 50th of the 53 cities analyzed. Perhaps more interesting, Park City's tax rate is approximately only one-half of the property tax rate of Salt Lake City. Despite this, staff is not recommending a property tax increase this year.

In addition, actions from the State Legislature will always pose a moderate financial risk to the City's ability to continue to deliver high-quality services. Though recent efforts to prevent unfunded mandates and efforts to adjust the redistribution of tax revenues from wealthier towns and school districts to other jurisdictions continue to be successful, these challenges remain ongoing and formidable. Thus, the City will continue its efforts to retain a coordinated and strong legislative apparatus to ensure proactive measures are implemented. For example, the City was successful this year preventing a change to the State's sales tax redistribution formula, which would have likely created budgetary shortfalls as the tax moved away from point of sale and towards population.

BUDGET CALENDAR

May 12

Work Session

Presentation of the Tentative Budget, Budget Overview & Timeline
Revenue/Expenditure Summary Benefits – Pay plan/Health Insurance

Regular Meeting

Public Hearing on the Tentative Budget
Adoption of the Tentative Budget

May 26

Work Session

Operating Budget Overview
Public Input on the Tentative Budget

June 9

Work Session

Capital Projects Budget Review
Public Input on the Tentative Budget

June 16

Work Session

Miscellaneous Budget Items
City Fee Resolution Recommendations
Budget Policies
Outstanding Budget Issues
City Council Compensation
Public Input on the Tentative Budget

June 23

Work Session

Regular Meeting

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

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**

BUDGET SUMMARIES

Expenditure Summary by Fund and Major Object (FY 2022 Original Budget)

Description	Personnel FY 2022	Mat, Supplies, Services FY 2022	Capital FY 2022	Debt Service FY 2022	Contingency FY 2022	Sub - Total FY 2022	Interfund Transfer FY 2022	Ending Balance FY 2022	Total FY 2022
Park City Municipal Corporation									
011 GENERAL FUND	$27,192,538	$10,613,271	$422,985	$0	$300,000	$38,528,794	$6,834,736	$17,491,953	$62,855,483
012 QUINNS RECREATION COMPLEX	$996,071	$379,800	$1,000	$0	$0	$1,376,871	$0	$-6,084,994	$-4,708,123
021 POLICE SPECIAL REVENUE FUND	$0	$0	$35,773	$0	$0	$35,773	$0	$0	$35,773
022 DRUG CONFISCATIONS	$0	$0	$26,189	$0	$0	$26,189	$0	$0	$26,189
031 CAPITAL IMPROVEMENT FUND	$0	$0	$148,794,725	$0	$0	$148,794,725	$4,174,626	$16,947,931	$169,917,282
038 EQUIPMENT REPLACEMENT CIP	$0	$0	$3,921,944	$0	$0	$3,921,944	$0	$330,150	$4,252,094
051 WATER FUND	$3,730,132	$4,109,243	$95,130,136	$5,577,420	$0	$108,546,932	$1,806,679	$726,622	$111,080,233
052 STORM WATER FUND	$698,062	$291,444	$1,725,688	$0	$0	$2,715,194	$141,598	$1,038,551	$3,895,343
055 GOLF COURSE FUND	$915,363	$729,075	$383,000	$0	$0	$2,027,438	$150,777	$742,380	$2,920,595
057 TRANSPORTATION & PARKING FUND	$7,387,382	$1,915,272	$38,790,043	$0	$0	$48,092,696	$3,396,502	$966,182	$52,455,380
058 PARKING FUND	$926,073	$706,500	$192,721	$0	$0	$1,825,294	$9,750	$782,220	$2,617,264
062 FLEET SERVICES FUND	$1,073,522	$1,853,155	$0	$0	$0	$2,926,677	$0	$1,195,482	$4,122,159
064 SELF INSURANCE FUND	$0	$1,555,328	$0	$0	$0	$1,555,328	$0	$1,350,137	$2,905,465
070 SALES TAX REV BOND - DEBT SVS FUND	$0	$0	$0	$6,972,216	$0	$6,972,216	$0	$26,273,977	$33,246,193
071 DEBT SERVICE FUND	$0	$0	$0	$9,509,688	$0	$9,509,688	$0	$1,674,814	$11,184,502
Total Park City Municipal Corporation	**$42,919,144**	**$22,153,088**	**$289,424,203**	**$22,059,324**	**$300,000**	**$376,855,759**	**$16,514,668**	**$63,435,405**	**$456,805,833**
Park City Redevelopment Agency									
023 LOWER PARK AVE RDA SPECIAL REVENUE FUND	$0	$682,300	$0	$0	$0	$682,300	$3,092,532	$1,538,319	$5,313,151
024 MAIN STREET RDA SPECIAL REVENUE FUND	$0	$455,000	$0	$0	$0	$455,000	$700,000	$1,251,470	$2,406,470
033 REDEVELOPMENT AGENCY-LOWER PRK	$0	$0	$2,606,144	$0	$0	$2,606,144	$2,787,590	$703,605	$6,097,339
034 REDEVELOPMENT AGENCY-MAIN ST	$0	$0	$427,971	$0	$0	$427,971	$0	$1,163,361	$1,591,332
Total Park City Redevelopment Agency	**$0**	**$1,137,300**	**$3,034,115**	**$0**	**$0**	**$4,171,415**	**$6,580,122**	**$4,656,755**	**$15,408,292**
Municipal Building Authority									
035 BUILDING AUTHORITY	$0	$0	$0	$0	$0	$0	$0	$451,314	$451,314
Total Municipal Building Authority	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$451,314**	**$451,314**
Park City Housing Authority									
Total Park City Housing Authority									
TOTAL	**$42,919,144**	**$23,290,388**	**$292,458,319**	**$22,059,324**	**$300,000**	**$381,027,175**	**$23,094,790**	**$68,543,474**	**$472,665,439**

BUDGET OVERVIEW

Expenditure Summary by Fund and Major Object (FY 2023 Budget)

Description	Personnel FY 2023	Mat, Supplies, Services FY 2023	Capital FY 2023	Debt Service FY 2023	Contingency FY 2023	Sub - Total FY 2023	Interfund Transfer FY 2023	Ending Balance FY 2023	Total FY 2023
Park City Municipal Corporation									
011 GENERAL FUND	$31,142,035	$12,671,077	$726,689	$0	$300,000	$44,839,801	$3,439,780	$13,408,275	$61,687,857
012 QUINNS RECREATION COMPLEX	$1,142,784	$406,029	$1,000	$0	$0	$1,549,813	$0	$-6,673,040	$-5,123,227
021 POLICE SPECIAL REVENUE FUND	$0	$0	$0	$0	$0	$0	$0	$0	$0
022 DRUG CONFISCATIONS	$0	$0	$0	$0	$0	$0	$0	$0	$0
031 CAPITAL IMPROVEMENT FUND	$0	$0	$20,500,712	$0	$0	$20,500,712	$4,177,076	$10,659,751	$35,337,539
038 EQUIPMENT REPLACEMENT CIP	$0	$0	$1,851,062	$0	$0	$1,851,062	$0	$64,688	$1,915,750
051 WATER FUND	$4,487,041	$5,231,887	$32,185,962	$5,577,420	$0	$47,482,310	$2,057,241	$11,067,345	$60,606,896
052 STORM WATER FUND	$714,043	$310,376	$371,500	$0	$0	$1,395,919	$157,377	$1,485,255	$3,038,551
055 GOLF COURSE FUND	$1,013,633	$652,909	$114,565	$0	$0	$1,781,107	$168,102	$222,320	$2,171,528
057 TRANSPORTATION & PARKING FUND	$9,453,294	$2,548,074	$18,022,449	$0	$0	$30,023,817	$3,592,743	$2,801,158	$36,417,719
058 PARKING FUND	$1,144,087	$752,500	$201,000	$0	$0	$2,097,587	$9,750	$1,278,247	$3,385,584
062 FLEET SERVICES FUND	$1,154,672	$1,845,050	$6,205	$0	$0	$3,005,927	$0	$934,955	$3,940,882
064 SELF INSURANCE FUND	$0	$1,562,452	$0	$0	$0	$1,562,452	$0	$1,831,678	$3,394,130
070 SALES TAX REV BOND - DEBT SVS FUND	$0	$0	$0	$6,972,216	$0	$6,972,216	$0	$26,270,552	$33,242,768
071 DEBT SERVICE FUND	$0	$0	$0	$9,509,688	$0	$9,509,688	$0	$1,714,180	$11,223,868
Total Park City Municipal Corporation	**$50,251,589**	**$25,980,354**	**$73,981,144**	**$22,059,324**	**$300,000**	**$172,572,411**	**$13,602,070**	**$65,065,364**	**$251,239,846**
Park City Redevelopment Agency									
023 LOWER PARK AVE RDA SPECIAL REVENUE FUND	$0	$682,623	$0	$0	$0	$682,623	$3,092,532	$2,015,164	$5,790,319
024 MAIN STREET RDA SPECIAL REVENUE FUND	$0	$455,000	$0	$0	$0	$455,000	$700,000	$1,372,789	$2,527,789
033 REDEVELOPMENT AGENCY-LOWER PRK	$0	$0	$295,000	$0	$0	$295,000	$2,791,715	$709,422	$3,796,137
034 REDEVELOPMENT AGENCY-MAIN ST	$0	$0	$0	$0	$0	$0	$0	$1,863,361	$1,863,361
Total Park City Redevelopment Agency	**$0**	**$1,137,623**	**$295,000**	**$0**	**$0**	**$1,432,623**	**$6,584,247**	**$5,960,736**	**$13,977,606**
Municipal Building Authority									
035 BUILDING AUTHORITY	$0	$0	$0	$0	$0	$0	$0	$451,314	$451,314
Total Municipal Building Authority	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$451,314**	**$451,314**
Park City Housing Authority									
Total Park City Housing Authority									
TOTAL	**$50,251,589**	**$27,117,977**	**$74,276,144**	**$22,059,324**	**$300,000**	**$174,005,035**	**$20,186,317**	**$71,477,414**	**$265,668,766**

BUDGET OVERVIEW

Change in Fund Balance

Fund	Actuals FY 2021	Budget FY 2022	Adjusted FY 2022	$ Var FY 2022	% Var FY 2022	Budget FY 2023	$ Var FY 2023	% Var FY 2023
Park City Municipal Corporation								
011 GENERAL FUND	$19,222,320	$12,134,585	$17,491,953	$5,357,368	31%	$13,408,275	($4,083,678)	-30%
012 QUINNS RECREATION COMPLEX	($5,621,751)	($6,139,275)	($6,084,994)	$54,281	-1%	($6,673,040)	($588,046)	9%
021 POLICE SPECIAL REVENUE FUND	$35,773	$0	$0	$0	0%	$0	$0	0%
022 DRUG CONFISCATIONS	$23,168	$0	$0	$0	0%	$0	$0	0%
031 CAPITAL IMPROVEMENT FUND	$66,506,424	$27,326,315	$16,947,931	($10,378,384)	-61%	$10,659,751	($6,288,180)	-59%
038 EQUIPMENT REPLACEMENT CIP	$2,666,494	$313,515	$330,150	$16,635	5%	$64,688	($265,462)	-410%
051 WATER FUND	$11,227,874	$1,087,844	$726,622	($361,222)	-50%	$11,067,345	$10,340,723	93%
052 STORM WATER FUND	$1,895,343	$237,354	$1,038,551	$801,197	77%	$1,485,255	$446,704	30%
055 GOLF COURSE FUND	$1,532,345	$438,113	$742,380	$304,267	41%	$222,320	($520,060)	-234%
057 TRANSPORTATION & PARKING FUND	$18,471,244	$6,622,049	$966,182	($5,655,867)	-585%	$2,801,158	$1,834,976	66%
058 PARKING FUND	$13,900	$2,151,717	$782,220	($1,369,497)	-175%	$1,278,247	$496,027	39%
062 FLEET SERVICES FUND	$1,376,759	$115,705	$1,195,482	$1,079,777	90%	$934,955	($260,527)	-28%
064 SELF INSURANCE FUND	$972,015	$934,764	$1,350,137	$415,373	31%	$1,831,678	$481,541	26%
070 SALES TAX REV BOND - DEBT SVS FUND	$26,283,977	$26,113,690	$26,273,977	$160,287	1%	$26,270,552	($3,425)	0%
071 DEBT SERVICE FUND	$1,635,448	$1,720,007	$1,674,814	($45,193)	-3%	$1,714,180	$39,366	2%
Total Park City Municipal Corporation	**$146,241,333**	**$73,056,383**	**$63,435,405**	**($9,620,978)**	**-15%**	**$65,065,364**	**$1,629,959**	**3%**
Park City Redevelopment Agency							**0**	
023 LOWER PARK AVE RDA SPECIAL REVENUE FUND	$1,061,151	$1,947,197	$1,538,319	($408,878)	-27%	$2,015,164	$476,845	24%
024 MAIN STREET RDA SPECIAL REVENUE FUND	$1,130,151	$933,449	$1,251,470	$318,021	25%	$1,372,789	$121,319	9%
033 REDEVELOPMENT AGENCY-LOWER PRK	$3,004,807	$467,447	$703,605	$236,158	34%	$709,422	$5,817	1%
034 REDEVELOPMENT AGENCY-MAIN ST	$891,332	$1,160,567	$1,163,361	$2,794	0%	$1,863,361	$700,000	38%
Total Park City Redevelopment Agency	**$6,087,441**	**$4,508,660**	**$4,656,755**	**$148,095**	**3%**	**$5,960,736**	**$1,303,981**	**22%**
Municipal Building Authority								
035 BUILDING AUTHORITY	$451,314	$449,191	$451,314	$2,123	0%	$451,314	$0	0%
Total Municipal Building Authority	**$451,314**	**$449,191**	**$451,314**	**$2,123**	**0%**	**$451,314**	**$0**	**0%**

BUDGET OVERVIEW

All Funds Combined

Revenue	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Original FY 2022	Adjusted FY 2022	Original FY 2023	$ Variance
RESOURCES								
Property Taxes	$21,368,077	$25,486,395	$28,380,276	$27,483,339	$27,430,335	$27,430,335	$27,976,782	$546,447
Sales Tax	$29,273,042	$30,409,928	$33,614,011	$40,505,253	$32,326,725	$45,056,487	$41,341,803	($3,714,684)
Franchise Tax	$3,230,881	$3,161,759	$3,253,431	$2,973,733	$3,261,596	$3,261,596	$3,297,706	$36,110
Licenses	$1,395,163	$1,315,865	$1,213,639	$1,241,095	$1,437,989	$1,437,989	$1,481,984	$43,995
Planning Building & Engineering Fees	$5,820,662	$7,513,747	$5,005,364	$5,233,412	$5,157,166	$5,157,166	$5,553,671	$396,505
Special Event Fees	$178,413	$178,672	$8,081	$224,224	$115,681	$115,681	$101,319	($14,362)
Federal Revenue	$3,969,044	$5,698,041	$11,071,350	$5,759,788	$20,638,912	$15,638,912	$22,261,621	$6,622,709
State Revenue	$518,845	$818,625	$527,368	$655,196	$440,577	$443,598	$443,115	($483)
County/SP District Revenue	$705,240	$3,888,378	$1,171,385	$1,915,080	$474,143	$1,607,941	$484,943	($1,122,998)
Water Charges for Services	$20,092,203	$19,944,310	$22,597,344	$20,196,372	$21,819,145	$21,819,145	$22,392,268	$573,123
Transit Charges for Services	$7,425,047	$5,286,336	$2,455,909	$4,066,606	$6,080,819	$7,580,819	$83,243	($7,497,576)
Cemetery Charges for Services	$18,816	$22,922	$19,787	$26,731	$80,182	$80,182	$70,098	($10,084)
Recreation	$3,348,293	$3,294,003	$4,241,522	$4,016,341	$3,267,017	$3,267,017	$3,730,265	$463,248
Ice	$828,397	$691,828	$634,725	$777,081	$907,421	$907,421	$955,233	$47,812
Other Service Revenue	$45,786	$59,527	$54,964	$46,129	$56,768	$56,768	$56,768	$0
Library Fees	$20,198	$14,357	$13,483	$15,482			$13,691	$13,691
Fines & Forfeitures	$2,611,357	$1,934,534	$1,075,883	$2,151,185	$2,603,364	$2,603,364	$2,603,364	$0
Misc. Revenues	$4,078,297	$8,426,163	$3,620,970	$832,931	$15,946,624	$48,853,068	$2,025,086	($46,827,982)
Interfund Transactions (Admin)	$6,821,583	$6,898,975	$6,495,085	$6,172,810	$6,882,441	$7,279,141	$7,814,395	$535,254
Interfund Transactions (CIP/Debt)	$73,024,818	$17,718,703	$13,194,041	$12,365,340	$12,365,348	$15,815,649	$12,371,923	($3,443,726)
Special Revenues & Resources	$1,059,990	$1,000,912	$8,106,934	$1,789,497	$691,988	$1,196,517	$1,476,517	$280,000
Bond Proceeds	$85,387,786	$10,768,465			$40,190,000	$110,276,554	$40,589,496	($69,687,058)
Beginning Balance	$83,191,254	$117,332,085	$130,306,234	$152,780,088	$58,704,025	$152,780,088	$68,543,474	($84,236,614)
TOTAL	**$354,413,190**	**$271,864,529**	**$277,061,784**	**$291,227,712**	**$260,878,266**	**$472,665,437**	**$265,668,765**	

BUDGET OVERVIEW

Resources and Requirements

Resources & Requirements - All Funds Combined									
Description	**2021 Actuals**	**2022 Actuals**	**2022 Original Budget**	**2022 Adjusted Budget**	**Change - 22 Orig to 22 Adj $ Increase (Reduction)**	**%**	**2023 Budget**	**Change - 22 Adj to 23 $ Increase**	**%**
RESOURCES (Revenues)				**RESOURCES (Revenues)**					
Sales Tax	$ 27,473,268	$ 40,505,253	$ 32,326,725	$ 45,056,487	$ 12,729,762	39%	$ 41,341,803	$ (3,714,684)	-8%
Planning Building & Engineering Fees	$ 4,985,753	$ 5,233,412	$ 5,157,166	$ 5,157,166	$ -	0%	$ 5,553,671	$ 396,505	8%
Charges for Services	$ 20,727,717	$ 24,289,709	$ 27,980,146	$ 29,480,146	$ 1,500,000	5%	$ 22,545,609	$ (6,934,537)	-24%
Intergovernmental Revenue	$ 6,830,059	$ 8,330,064	$ 21,553,632	$ 17,690,451	$ (3,863,181)	-18%	$ 23,189,679	$ 5,499,228	31%
Franchise Tax	$ 2,887,069	$ 2,973,733	$ 3,261,596	$ 3,261,596	$ -	0%	$ 3,297,706	$ 36,110	1%
Property Taxes	$ 27,988,278	$ 27,483,339	$ 27,430,335	$ 27,430,355	$ 20	0%	$ 27,976,782	$ 546,427	2%
General Government	$ 563,123	$ 777,081	$ 907,421	$ 907,421	$ -	0%	$ 955,233	$ 47,812	5%
Other Revenues	$ 13,445,609	$ 10,316,884	$ 24,119,431	$ 57,530,404	$ 33,410,973	139%	$ 11,475,303	$ (46,055,101)	-80%
TOTAL	**$ 104,900,876**	**$ 119,909,475**	**$ 142,736,452**	**$ 186,514,026**	**$ 43,777,574**	**31%**	**$ 136,335,786**	**$ (50,178,240)**	**-27%**
REQUIREMENTS (Expenditures By Function)				**REQUIREMENTS (Expenditures By Function)**					
Executive	$ 12,359,050	$ 20,434,743	$ 19,507,139	$ 23,474,321	$ 3,967,182	20%	$ 25,226,392	$ 1,752,071	7%
Police	$ 6,172,116	$ 7,102,148	$ 7,030,376	$ 7,380,358	$ 349,982	5%	$ 8,335,988	$ 955,630	13%
Public Works	$ 25,521,679	$ 32,205,396	$ 30,278,381	$ 35,927,865	$ 5,649,484	19%	$ 36,437,928	$ 510,063	1%
Library & Recreation	$ 5,318,291	$ 6,767,174	$ 6,499,126	$ 6,966,036	$ 466,910	7%	$ 7,491,860	$ 525,824	8%
Non-Departmental	$ 2,337,218	$ 1,421,835	$ 6,878	$ 2,005,220	$ 1,998,342	29054%	$ 195,172	$ (1,810,048)	-90%
Special Service Contracts	$ 360,000	$ 540,900	$ 733,500	$ 733,500	$ -	0%	$ 733,500	$ -	0%
Contingency	$ 172,741	$ 32,425	$ 400,000	$ 400,000	$ -	0%	$ 400,000	$ -	0%
Capital Outlay	$ 90,302	$ 92,907	$ 37,900	$ 37,900	$ -	0%	$ 38,085	$ 185	0%
TOTAL	**$ 52,331,397**	**$ 68,597,528**	**$ 64,493,300**	**$ 76,925,200**	**$ 12,431,900**	**19%**	**$ 78,858,925**	**$ 1,933,725**	**3%**
REQUIREMENTS (Expenditures by Type)				**REQUIREMENTS (Expenditures by Type)**					
Personnel	$ 35,099,282	$ 40,387,011	$ 41,804,336	$ 42,917,660	$ 1,113,324	3%	$ 50,251,589	$ 7,333,929	17%
Materials, Supplies & Services	$ 20,109,256	$ 19,012,455	$ 22,707,279	$ 23,291,872	$ 584,593	3%	$ 27,117,977	$ 3,826,105	16%
Contingency	$ 172,741	$ 24,600	$ 300,000	$ 300,000	$ -	0%	$ 300,000	$ -	0%
Capital Outlay	$ 406,961	$ 429,279	$ 526,685	$ 665,189	$ 138,504	26%	$ 1,189,360	$ 524,171	79%
TOTAL	**$ 55,788,240**	**$ 59,853,345**	**$ 65,338,300**	**$ 67,174,721**	**$ 1,836,421**	**3%**	**$ 78,858,926**	**$ 11,684,205**	**17%**
EXCESS (Deficiency) OF RESOURCES OVER REQUIREMENTS	$ 49,112,636	$ 60,056,130	$ 77,398,152	$ 119,339,305	$ 41,941,153	54%	$ 57,476,860	$ (61,862,445)	-52%
OTHER FINANCING SOURCES (Uses)				**OTHER FINANCING SOURCES (Uses)**					
Bond Proceeds	$ - $ -		$ 40,190,000	$ 110,276,554	$ 70,086,554	174%	$ 40,589,496	$ (69,687,058)	-63%
Debt Service	$ (16,034,769)	$ (556,893)	$ (22,059,325)	$ (22,059,325)	$ -	0%	$ (22,059,325)	$ -	0%
Interfund Transfers In	$ 16,413,233	$ 18,532,800	$ 19,247,789	$ 23,094,790	$ 3,847,001	20%	$ 20,186,317	$ (2,908,473)	-13%
Interfund Transfers Out	$ (16,413,233)	$ (18,532,800)	$ (19,247,789)	$ (23,094,790)	$ (3,847,001)	20%	$ (20,186,317)	$ 2,908,473	-13%
Capital Improvement Projects	$ (61,354,362)	$ (41,625,822)	$ (76,218,620)	$ (291,793,129)	$ (215,574,509)	283%	$ (73,086,784)	$ 218,706,345	-75%
TOTAL	**$ (77,389,131)**	**$ (42,182,715)**	**$ (58,087,945)**	**$ (203,575,900)**	**$ (145,487,955)**	**250%**	**$ (54,556,613)**	**$ 149,019,287**	**-73%**
EXCESS (Deficiency) OF RESOURCES OVER REQUIREMENTS AND OTHER SOURCES (Uses)	$ (28,276,495)	$ 17,873,415	$ 19,310,207	$ (84,236,595)	$ (103,546,802)	-536%	$ 112,033,473	$ 196,270,068	-233%
Beginning Balance	$ 130,306,234	$ 152,780,088	$ 58,704,025	$ 152,780,088	$ 94,076,063	160%	$ 68,543,474	$ (84,236,614)	-55%
Ending Balance	$ 152,780,088		$ 78,014,234	$ 68,543,474	$ (9,470,760)	-12%	$ 71,077,414	$ 2,533,940	4%

Property and sales taxes are the most significant sources of City revenue, representing an anticipated 49 percent share in FY23 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 FY23.

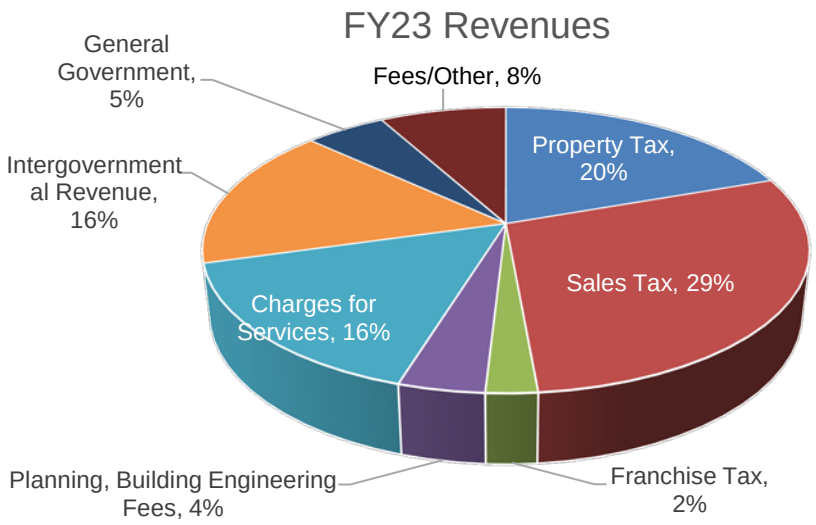


Figure R1 – Budgeted Revenue by Source

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 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 2013.

Tax Rate	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General Levy	0.001431	0.001385	0.001248	0.001362	0.001304	0.001237	0.001202	0.001107	0.001104
Debt Levy	0.000766	0.000746	0.000819	0.000610	0.000545	0.000822	0.000732	0.001018	0.000944
Total:	**0.002197**	**0.002131**	**0.002067**	**0.001972**	**0.001849**	**0.002059**	**0.001934**	**0.002125**	**0.002047**

Tax Collected	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General	$ 8,932,263	$8,316,882	$8,345,094	$10,259,270	$9,798,051	$9,657,976	$9,883,951	$10,092,652	$11,106,091
Debt	$4,565,873	$5,070,714	$5,309,592	$4,223,453	$4,199,308	$6,416,184	$6,021,374	$9,279,385	$9,494,281
RDA Increment	$3,426,688	$3,466,508	$3,412,675	$3,659,365	$3,508,274	$3,507,298	$3,780,987	$4,491,787	$3,743,197
Fee-In-Lieu	$204,935	$231,126	$233,031	$238,897	$207,000	$222,833	$271,962	$272,291	$161,598
Delinq/Interest	$886,736	$731,016	$690,480	$595,086	$614,696	$751,535	$831,134	$0	$969,274
Total:	**$18,016,495**	**$17,816,246**	**$17,990,871**	**$18,976,071**	**$18,327,329**	**$20,555,826**	**$20,789,408**	**$24,136,115**	**$25,474,441**

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 8.7 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 entirely into the City's Capital Improvement Fund or related Debt Service Fund.

In 2017, City Council adopted a 1 percent municipal transient room tax. The tax went into effect January 1, 2018 as an additional 1 percent tax on overnight stays. The Municipal TRT was used to purchase the Bonanza Park East properties with the intention of creating a mixed uses Arts and Culture District in a public/non-profit partnership with the Kimball Art Center and Sundance Institute.

Sales tax revenue growth has shown significant growth over the past three years. The City projects annual sales tax revenue using a combination of machine learning and linear trend models. Sales tax revenue is projected to rise for FY22 on the back of recovery from COVID-19 impacts. Figure R3 shows actual sales tax amounts along with the forecasted amounts for FY 2021 and 2022. The shift upwards in FY 2014 relates to the Additional Resort Communities Sales Tax.

Although sales tax revenue has maintained some consistency over the last six 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.

Realized Tax Rate Projected by Fiscal Year

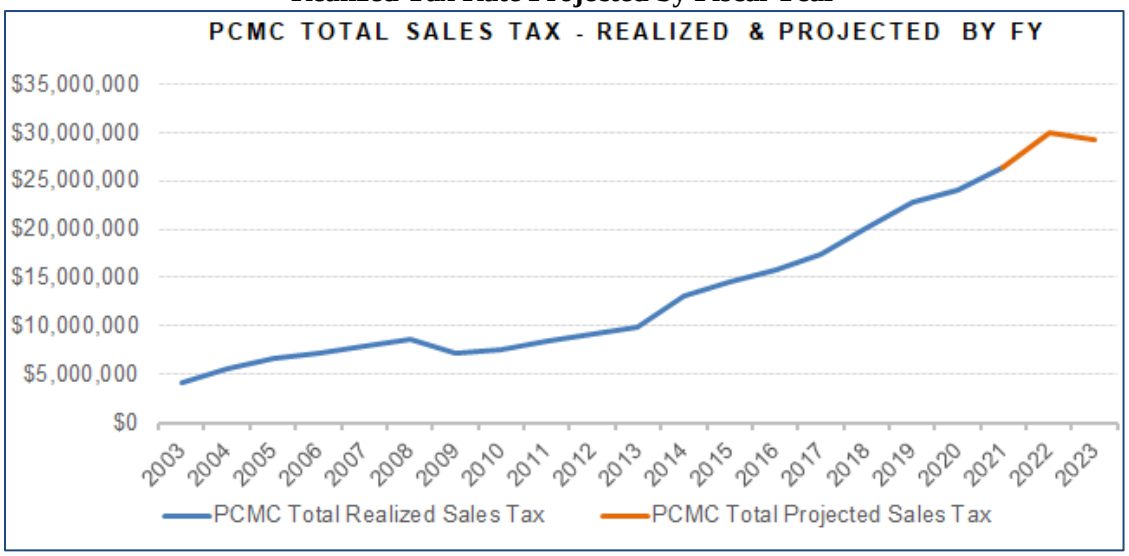


Figure R3- Sales Tax Actuals and Projections

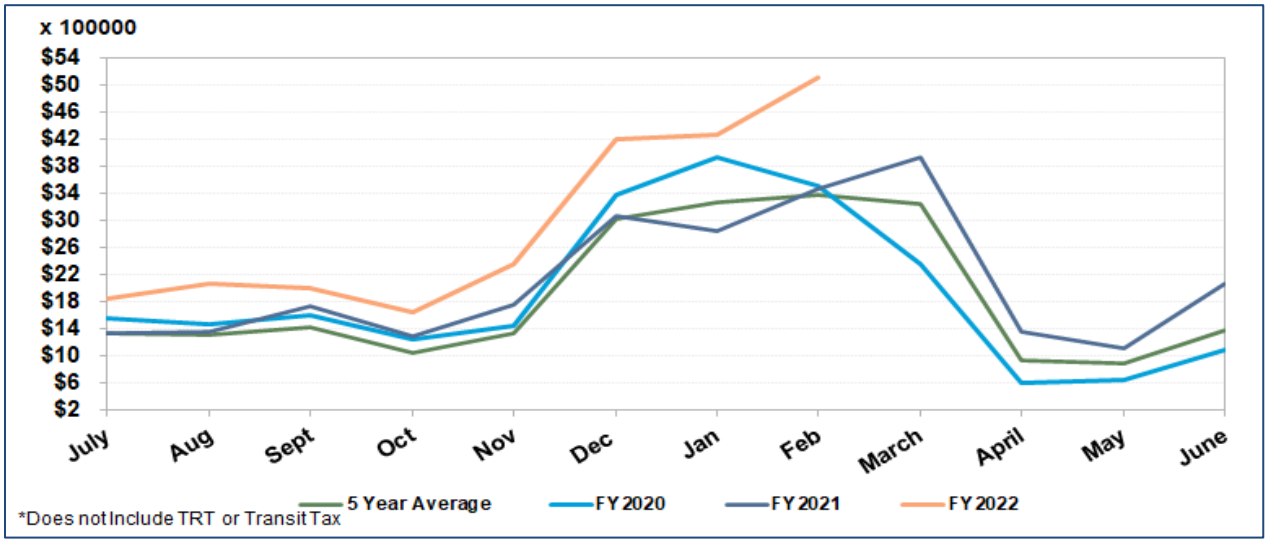


Figure R4 – Sales Tax for FY 2022 (Compared to a Five-year Average and FY 2021)

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), transit tax (0.30%) and the newly adopted 1% municipal transient room tax on overnight lodging. 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	Effective July 1, 2019	Current
State of Utah		
General Sales & Use Tax	4.85%	4.85%
Summit County		
County Option Sales Tax	0.25%	0.25%
Recreation, Arts, and Parks Tax	0.10%	0.10%
Transportation Tax	0.25%	0.25%
Mass Transit Tax	0.25%	0.25%
Transportation Infrastructure Tax	0.25%	0.25%
Transit Capital Expenses	0.20%	0.20%
Park City		
Local Option Sales Tax	1.00%	1.00%
Resort City Sales Tax	1.60%	1.60%
Mass Transit Tax	0.30%	0.30%
Total Park City "Base"	**9.05%**	**9.05%**
Other Taxe		

Countywide Restaurant Tax	1.00%	1.00%
Countywide Motor Vehicle Rental Tax	2.50%	2.50%
Countywide Transient Room Tax	3.00%	3.00%
Statewide Transient Room Tax	0.32%	0.32%
Park City Transient Room Tax	1.00%	1.00%

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.

As an example, figure R6 shows the percentage of the sales tax revenue that Park City contributes to the statewide pool. In the winter months Park City's contribution to the statewide funds grow significantly. This equates to a proportionally sizable loss of revenue that the city otherwise would receive if the local option sales tax collections were based on point of sale alone.

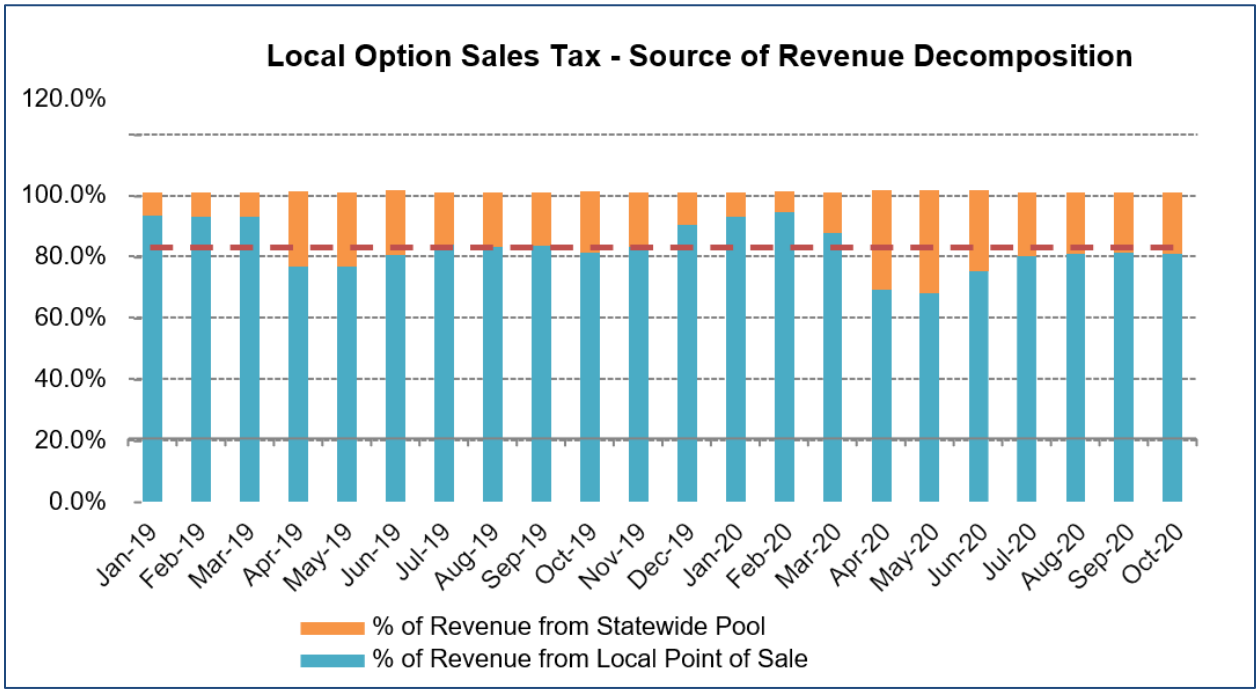


Figure R6 – Local Option Tax Distribution

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.

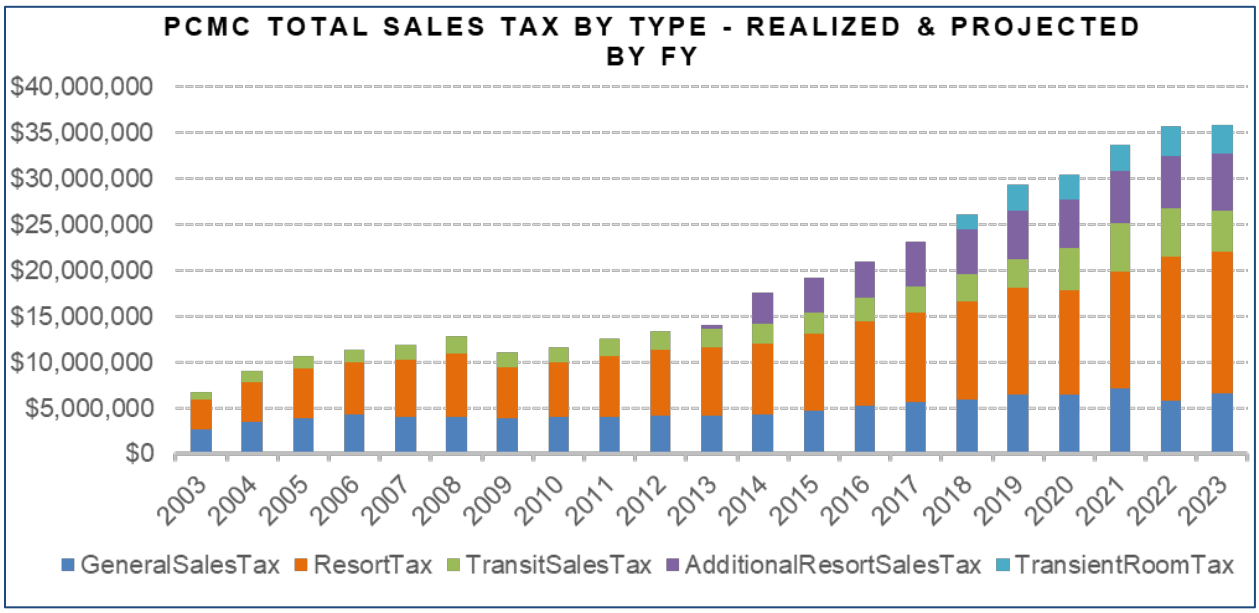


Figure R7 – Sales Taxes Breakdown

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 FY22 Budget. Figure R6 shows a projected breakdown of other revenue by type and amount.

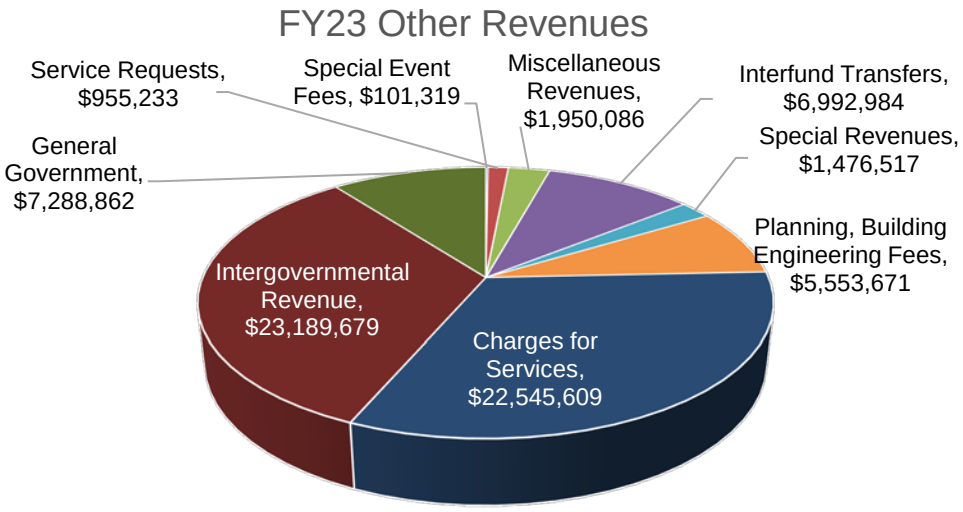


Figure R8 – Other Revenue Breakdown

The City has fees associated with business licenses, recreation, water, planning, engineering, and building services.

Misc. revenues are made up of interest earnings, sale of assets, rental income, amongst other random revenues.

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.

Impact Fees

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. Figure R7 details Impact Fees:

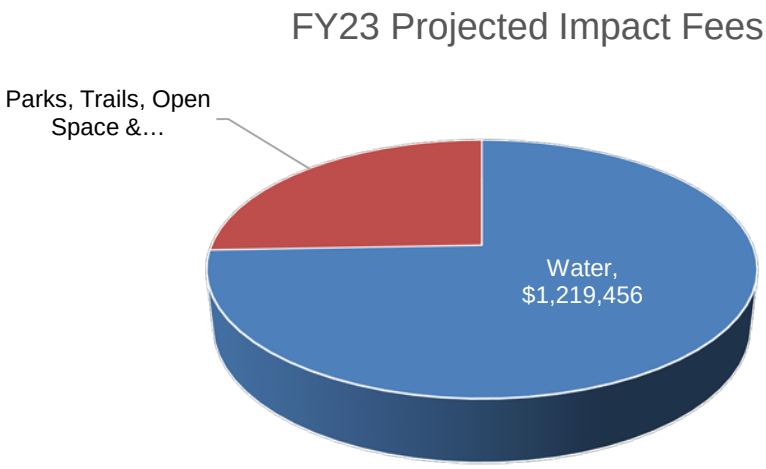


Figure R9 – Impact Fees Breakdown

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 improvement costs. The financial objective for the Park City Golf Club is to break even or show a slight profit. The Golf course uses and fees remain relatively consistent year to year.

Grants

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

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+. As part of the 2019 Treasure Hill Bond the City's GO debt rating was confirmed by S&P and Fitch at AA+ and by Moody's at Aaa, this is the highest rating available by the rating agencies.

In 2020, an additional GO debt issuance was confirmed again by S&P and Fitch at AA+ and by Moody's at Aaa. Additionally, Park City's 2020 Water Revenue Bond was rated AA by S&P and Aa2. In 2021, additional due diligence guidance by Fitch confirmed their past ratings of 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 2020 was 0.90 percent or approximately one-half 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 FY22 Adjusted Budget reflects a 2.6% increase from the FY22 Original Budget (capital excluded). The Adjusted Budget reflects the current fiscal year's budget ending June 30, accounting for increases and decreases over the Original FY22 Budget. Most increases were adopted as part of the December 2021 budget adjustment. Increases include critical pay adjustments for positions that the City was struggling to fill and restoration of the Senior Environmental Project Manager and Transportation Director. As the end of FY22 approaches, we tightly monitor the adjusted budget to ensure changes are captured in the Final Budget adoption on June 23.

Expenditure Summary - All Funds								
	Actuals FY 2018	Actuals FY 2019	Actuals FY 2020	Actuals FY 2021	YTD Actuals FY 2022	Original Budget FY 2022	Adjusted Budget FY 2022	Original Budget FY 2023
Personnel	$36,532,398	$39,163,872	$40,019,168	$36,565,560	$32,794,144	$41,804,336	$42,909,145	$49,661,137
Mat, Suppls, Services	$17,825,325	$19,683,793	$20,850,156	$29,470,146	$15,823,698	$22,707,279	$23,262,138	$26,886,028
Capital Outlay	$402,605	$624,690	$435,427	$429,591	$385,655	$526,685	$551,685	$1,139,514
Contingency	$75,437	$67,018	$362,218	$172,741	$24,600	$300,000	$300,000	$300,000
TOTAL	$ 54,835,765	$ 59,539,372	$ 61,666,969	$ 66,638,038	$49,028,097	$ 65,338,300	$ 67,022,968	$ 77,986,679
Capital	$60,601,638	$87,511,154	$47,829,798	$61,354,362	$33,313,784	$76,218,620	$244,708,799	$68,714,154
Debt Service	$16,216,948	$16,853,649	$24,538,521	$19,373,212	$19,888,420	$22,059,324	$22,059,324	$22,059,324
Interfund Transfer	$47,750,191	$79,846,401	$24,617,678	$19,689,126	$16,988,400	$19,247,789	$22,698,090	$19,358,332
Ending Balance	$83,191,254	$117,717,331	$130,691,480	$152,780,088		$78,014,234	$105,701,537	
TOTAL	$207,760,031	$301,928,535	$227,677,477	$253,196,788	$70,190,604	$ 195,539,967	$ 395,167,750	$ 110,131,810
COMBINED TOTAL	$262,595,797	$354,413,192	$272,249,775	$126,310,250		$ 234,710,852	$ 358,763,309	$ 257,723,796

Table E1 – Expenditure Summary by Major Object (All Funds Combined)

The FY23 operating budget reflects an increase over the FY22 Adjusted Budget, capturing an increase in the aggregate from the City's major operating funds: General, Water, and Transportation. The increase reinforces the City's desire to address the community's most critical needs, inflationary cost increases, and commitment to retaining and recruiting employees. The proposed budget is supported by a historic rise in sales tax revenues.

OPERATING BUDGET

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

FY23 OPERATIONAL BUDGET REQUESTS BY DEPARTMENT

Legal - $25,000
The Legal team has requested additional resources for environmental regulatory related issues.

Human Resources - $268,400
Human Resources is currently developing a long-term staffing plan which includes new HR staff, robust recruitment programs and updating our benefits package to remain competitive and ensure current and future employees have effective, accessible benefits and opportunities for professional development. Over the last year, the HR department has spent over 6,000 hours hiring 206 employees. Many more hours are then devoted to onboarding employees and setting up benefits with the various providers within the PCMC system. The FY23 budget reflects a full-time recruiter and additional resources for a part-time staffer to focus on day-to-day departmental needs and supporting or leading benefits procurement and professional development programs. Significant resources have also been added to our tuition reimbursement and employee wellness program. In order to align with our compensation philosophies, support has also been added for compensation software and payroll system training.

Finance - $27,000
Audit expenses are increasing due to new procedures related to CARES funding. The Finance team needs two new laptops to replace outdated equipment, as well as a request to increase bank fees related to increased payments from residents via credit card.

IT - $789,100
Expanding our IT staff is necessary to meet the current demand and continue progressing on our City goals and priorities. The FY23 personnel request includes two network administrators to support the 3Kings Water Treatment Plant's technology and core software and security systems throughout the City.

The unprecedented demand for automation, up-to-the-minute data collection, machine learning and artificial intelligence requires significant investments in our Technology Infrastructure including an updated, integrated ERP/Financial system and new Data Science tools that allow us to continue using data to drive our decision making and planning processes in the City.

Network security needs and concerns have grown and require investments to ensure the safeguarding of our systems, information and productivity.

Community Engagement - $13,000
Community Engagement requested additional funds to expand support for community events, such as Catch up With Council and Mayor Nann in the Neighborhood. Expenses for mailings, notices, community events and our printed quarterly newsletter have also increased.

Library - $14,500
As we continue to build upon our Sustainability programs, the FY23 budget includes investments in the new Sustainability Resource center at the library which provides unconventional circulating items such as sewing machines, outdoor games, tools and electronics. Funds were added to cover increased expenses due to inflation in other areas of the Library such as printing, supplies, materials and marketing.

Economy - $14,000
Utility vehicle needed to transport supplies during events.

Environmental Sustainability - $25,000
Funds added to launch our pilot Curbside Composting program in FY23. Grant funds are also being pursued to support and expand this program.

Police - $561,000
As part of our $1M investment in traffic mitigation, a new Police Officer is being added to the Police Department to support traffic services on peak ski and event days. A new Detective was requested in response to the rising investigative caseload, demand for deeper community policing and help with the increase in violent crimes. In order to remain a competitive and desirable department, funds were also added to continue the Take Home Car Program in the Police Department. This allows Officers to drive their patrol car home, a major benefit to the City to ensure prompt response times and mobilization in emergency situations, at no additional cost to the Officer.

Trails and Open Space - $107,000
Over the last few years, PCMC has added almost 1700 acres of open space to manage and maintain, which represents a 28% increase. Additionally, over the last three years, PCMC has constructed three new trailheads and fifteen miles of trails. Trails and Parks visitation continues to grow, and additional resources are required to maintain trails, enforce parking, open space and trails regulations and minimize neighborhood trailhead impacts. Two new FTE's have been added to the budget along with an increase to contract services to support increased seasonal maintenance on the Rail Trail.

Emergency Management - $294,000
As part of our $1M investment in traffic mitigation, a Traffic Coordinator position has been requested to lead a team comprised of police, streets, transit, events, parking and communications to manage and mitigate traffic on peak days. In addition, we have added significant resources to Contract Services to use cross-departmentally to support additional boots on the ground, whether that be contract Special Event Officer, Street Maintenance staff, Parking, etc.

Engineering - $115,000
New investments include a new Analyst/Office Assistant position in Engineering to assist residents and businesses and new software to assist in ad hoc analysis and simplified code access.

Environmental Regulatory – $35,000
A Regulatory Manager was added to this department mid-year, FY22. The increase for FY23 adds resources to contract services to continue our responsible environmental stewardship.

Affordable Housing - $165,000
We have added a new position in Affordable Housing in anticipation of more public-private partnerships and the collaborative project on Woodside with the Seniors. The repairs and maintenance line has also been increased to cover minor expenses and repairs of City-owned units.

Building - $145,000 (requests are offset by increased revenue)
The Building Department has been leasing or borrowing cars for day-to-day operations for several years. Due to the increased demand for inspections, compliance and community presence, vehicles are critical for staff to continue delivering high levels of service.

Planning - $165,300
After discussing and getting approval from Council, funds were added for a General Plan update. An RFP will go out after the first of the year. Rather than add additional staff, a small amount was added to contract services to mitigate the high demand we are experiencing in the Planning Department. Funds were also added to upgrade the software that provides our mandatory public notices.

Recreation (requests are offset by increased revenue)

MARC - $183,078
The FY23 budget includes funds to increase two part-time Pickleball coaches to full-time in order to meet demand, as well as a reclass for a full-time front desk associate to reduce turnover and allow the MARC to provide a consistent, high-level of service to patrons. Funds were also restored to training/conferences (reduced during COVID-19) to ensure there are enough funds for credentialed staff to attend trainings to keep certifications current. Computer Equipment and Software was also increased to meet increase in demand and replace outdated tech equipment. Due to inflation and new service demand levels, funds were also added to facility equipment, bank charges and supplies, such as pool chemicals.

Tennis - $25,000
Pro-shop sales continue to increase, causing the need for more inventory. Freight fees have increased substantially this year as well.

Recreation - $1,300
Small increase for equipment and funds for Umpires

Ice - $20,400
Ice introduced a new outdoor skating rink last year, which was very successful and utilized by residents and visitors alike. An Outdoor Ice Technician is being requested in FY23 to continue the program and dedicate staff to this area. Replacement computers are also included in the budget, along with an increase in supplies due to inflation.

Public Works
Streets - $227,000
As part of our $1M investment in traffic mitigation, two Streets III positions have been added to work with Police, Transit, Parking and Events to manage peak day traffic impacts. Funds were allocated for an upcoming striping and street sign project as well.
Building Maintenance – $216,500
Two new positions and a vehicle were requested from Building Maintenance to support increased demand and the new 3Kings Water Treatment Plant. Additional funds added to supplies and contract services to cover inflationary increases.

Parks - $35,000
Increase in seasonal staff as usage continues to surge in parks and open spaces. Small increase in supplies to offset inflationary increases.

Water - $1.2M
The bulk of this increase is related to the new 3Kings Water Treatment Plant for chemicals, testing, equipment, vehicles, technology, and services. Due to Park City's water system complexity, staff maintains a wide variety of infrastructure including tanks, pump stations, pressure reducing valves, and water treatment facilities in addition to the standard infrastructure such as pipelines and fire hydrants. Unplanned work such as emergency water breaks, active leaks, and other system failures require contractors to fill the workforce gap. In addition, the City does not own the heavy equipment that is often required to complete the excavation associated with simultaneous projects. Specialized skill sets are also needed for our electrical, telemetry, and SCADA systems.

Additional cost is attributable to inflation and our increased focus on asset management with the goal of reducing water breaks and water loss. This includes materials and services to repair failing water infrastructure and water leak detection efforts. To help locate leaks additional metering and pressure monitoring infrastructure continues to be added. In addition, field surveys have been successful in identifying leaks that otherwise were not visible. This effort has increased the need for material purchases to support metering, pressure monitoring, and a higher volume of repairs.

All FY23 expenses were forecasted at the beginning of the 3Kings Water Treatment project with costs included in the Water Fund financial model.

Golf - $55,500
The golf course continues to see a record-breaking number of visits. An increase in inventory for the pro-shop is necessary to keep up with demand. Funds were also added to contract services and supplies/materials lines to cover increases due to inflation.

Transportation Operations - $875,000
Three FTE's were added to the Transportation Operations budget to support efficiency-technology and manage staff. As we continue to face transportation challenges, $500k was added to contract services to fund the Micro transit pilot program. Funds were also added for training,

supplies and uniform replacement.

Transportation Planning - $85,000
Added funding to continue our Transit to Trails program and support a new Trail Ranger (split with the Trails department) to enforce parking regulations, provide customer service, set up informational signage and support ongoing projects.

Parking - $230,000
Reclass Parking Officers and Analysts to better reflect the work they do, and the skill set necessary to provide a high level of service across multiple departments. As part of our $1M traffic mitigation plan, an additional Parking Officer and vehicle were added. Funds were also added to support updated software at payment stations throughout the City.

PERSONNEL

Health, Dental, & Life Insurance Costs
The City maintains a health and dental insurance plan through Regence Blue Cross Blue Shield of Utah. Each year, Regence examines the City's "use" of the plan and its total costs to Regence, and then determines the price for the following year. The increase for FY23 is 2.62%.

Personnel Changes
Personnel is accounted for using a full-time equivalent (FTE) measure, where 1 FTE indicates the equivalent of a full-time (FT) 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 (PT) non-benefited or seasonal employee might account for a fraction of an FTE.

Fund	Fund Name	FY 2022(Adj)	FY23	*Change*
11	**General Fund**	241.44	258.01	16.57
51	**Water Fund**	32.21	32.96	0.75
55	**Golf Fund**	16.65	16.65	
57	**Transportation Fund**	86.25	89.75	3.50
58	**Parking Fund**	11.70	12.70	1.00
62	**Fleet Services Fund**	9.97	9.97	
52	**Storm Water Fund**	5.90	5.90	
	TOTAL	**404.12**	**425.94**	**21.82**

Personnel Changes by Fund

FY23 New Personnel Requests	
Fund	**FY23 Request**
011 GENERAL FUND	$ 1,899,803
051 WATER FUND	$ 91,500
057 TRANSPORTATION & PARKING FU	$ 384,518
058 PARKING FUND	$ 101,000
Grand Total	**$ 2,476,821**

EXPENSES

Department	FTE's FY 22	Adjusted FY 22	Change FY 22	FTE's FY 23	Change FY 23	Contract FY23	Contract CHG FY 22
CITY MANAGER	7.12	7.12	0.00	7.12	0.00		
CITY ATTORNEY	8.90	8.90	0.00	8.90	0.00		
BUDGET, DEBT & GRANTS	4.00	4.00	0.00	4.00	0.00		
HUMAN RESOURCES	4.68	4.68	0.00	5.68	1.00	1.75	0.50
FINANCE	7.00	7.00	0.00	7.00	0.00		
TECHNICAL & CUSTOMER SERVICES	9.35	9.35	0.00	11.35	2.00		
BLDG MAINT ADM	7.25	7.25	0.00	8.50	1.25		
MARC	15.39	15.39	0.00	15.89	0.50		
TENNIS	3.56	3.56	0.00	3.81	0.25	6.00	
MCPOLIN BARN	0.38	0.38	0.00	0.38	0.00		
ICE FACILITY	8.43	8.43	0.00	9.74	1.31	0.00	-1.00
FIELDS	2.45	2.45	0.00	2.45	0.00		
RECREATION PROGRAMS	9.89	9.89	0.00	10.29	0.40		
COMMUNITY ENGAGEMENT	4.55	4.55	0.00	4.00	-0.55	0.25	
ECONOMY	5.70	5.70	0.00	6.00	0.30	0.13	
ENVIRONMENTAL REGULATORY	0.00	1.00	1.00	1.00	0.00		
ENVIRONMENTAL SUSTAINABILITY	2.95	2.95	0.00	2.95	0.00	0.50	
EMERGENCY MANAGEMENT	1.00	1.00	0.00	2.00	1.00	0.50	
ARTS & CULTURE	1.00	1.00	0.00	1.00	0.00	1.00	
TRAILS	2.55	2.55	0.00	4.05	1.50		
SOCIAL EQUITY	0.50	0.50	0.00	0.50	0.00		
POLICE	45.53	45.53	0.00	47.53	2.00		
DRUG EDUCATION	0.20	0.20	0.00	0.20	0.00		
STATE LIQUOR ENFORCEMENT	1.30	1.30	0.00	1.30	0.00		
COMMUNICATION CENTER			0.00		0.00		
AFFORDABLE HOUSING	3.00	3.00	0.00	4.00	1.00		
ENGINEERING	4.75	4.75	0.00	5.75	1.00		
PLANNING DEPT.	10.00	10.00	0.00	10.90	0.90		
BUILDING DEPT.	19.00	19.00	0.00	19.00	0.00		
PARKS & CEMETERY	18.70	18.70	0.00	18.81	0.11		
STREET MAINTENANCE	17.81	17.81	0.00	19.81	2.00	0.25	
WATER OPERATIONS	32.21	32.21	0.00	32.96	0.75	0.75	
STORM WATER OPER	5.90	5.90	0.00	5.90	0.00		
FLEET SERVICES DEPT	9.97	9.97	0.00	9.97	0.00		
TRANSPORTATION OPER	83.00	83.00	0.00	86.00	3.00	1.25	
TRANSPORTATION PLANNING	3.25	3.25	0.00	3.75	0.50		
PARKING	11.20	11.70	0.50	12.70	1.00		
LIBRARY	13.50	13.50	0.00	14.10	0.60		
GOLF MAINTENANCE	8.53	8.53	0.00	8.53	0.00		
GOLF PRO SHOP	8.12	8.12	0.00	8.12	0.00		
TOTAL	**402.62**	**404.12**	**1.50**	**425.94**	**21.82**	**12.38**	**-0.25**

Personnel Changes by Department

MATERIALS, SUPPLIES, AND SERVICES

The table below displays changes to materials, supplies, and services by Fund over the FY22 Adjusted Budget. In FY23, the main increases are for software, contract services, supplies, utilities, and bank fees, mainly due to inflationary cost increases occurring across the U.S. Many of the Organizational Infrastructure requests are located here.

Total Materials, Supplies and Services by Fund	
Fund	**FY23 Request**
011 GENERAL FUND	$ 1,834,064
051 WATER FUND	$ 1,196,858
055 GOLF COURSE FUND	$ 55,500
057 TRANSPORTATION & PARKING FUND	$ 575,890
058 PARKING FUND	$ 82,000
Grand Total	**$ 3,744,312**

CAPITAL BUDGET

Sources of Capital Project Increases

For fiscal year 2022 and fiscal year 2023 capital budgets, most project increases will be funded by improved sales tax revenues that are distributed to the capital fund via a general fund transfer.

In FY23 project managers largely targeted core recurring and new maintenance expenses to the ability to apply for new funding.

With this in mind, With this in mind, the Budget and Executive Teams focused our energy on the annual City Council Retreat and subsequent work sessions and discussions to ascertain the new Mayor and City Council's priorities, areas of strategic focus, and underlying intent. From these meetings, we developed three budgetary themes for FY23 that drove our capital decision making process:

1. **Resort Economy Mitigation** – Enhance traffic, special event, law and code enforcement, and overall municipal response to the growth in the resort economy;
2. **Neighborhood Reinvestments** – Refocus investments in residentials areas - safety, complete streets, parking, HOA outreach, parks and playgrounds, and area planning;
3. **Organizational Infrastructure** – Meet professional obligation to modernize administration tools – technology and software systems, data collection and utilization, financial and accounting system, and purchasing policy; and

CRITERIA FOR INCREASE

A. Source of Revenue
- Projects that are funded by grants or bonds that are tied directly to a project were excluded from consideration

B. CIP Process Score
- Projects were ranked from lowest to highest CIP process score (lowest = least critical, highest = more critical)

C. Project Status
- Projects that are complete with any remaining balance are available for deferral

D. Manager Feedback
- Feedback from managers provides context on project priority

E. CIP Committee Analysis
- In addition to the quantitative and qualitative metrics cited above, the staff formed CIP committee pursued a project-by-project discussion and rationalization of project requests. The committee also looked at each project through the lens of essential criticality to City core services.

Capital Fund Fiscal Year 2022

The chart below comprises Capital Fund projects with proposed increases for FY22.

Project	Carry Forward	2022 Base	2022 Newly Requested
CP0001 Planning/Capital Analysis	$53,177	$0	$15,000
CP0013 Affordable Housing Program	$739,230	$0	$11,196,029
CP0019 Library Development & Donations	$31,583	$0	$11,518
CP0041 Trails Master Plan Implementation	$60,755	$315,000	$593,602
CP0092 Open Space Improvements	$300,906	$300,000	$100,000
CP0100 Neighborhood Parks	$265,874	$0	$75,000
CP0142 Racquet Club Program Equipment Replacement	$217,383	$65,000	$150,000
CP0177 China Bridge Improvements & Equipment	$38,740	$0	$10,950
CP0191 Walkability Maintenance	$44,122	$71,825	$31,325
CP0270 Downtown Enhancements Phase II	$152,130	$327,104	$293,706
CP0280 Aquatics Equipment Replacement	$13,531	$25,000	$400,000
CP0292 Cemetery Improvements	$17,423	$47,014	$123,000
CP0309 Woodside Phase I	$418,505	$0	$10,000
CP0323 Dog Park Improvements	$15,000	$5,000	$15,000
CP0351 Artificial Turf Replacement Quinn's	$0	$625,000	$90,000

CP0358 Homestake Housing	$0	$0	$3,000,000
CP0361 Land Acquisition/Banking Program	$0	$274,845	$2,775,000
CP0364 Master Plan for Recreation Amenities	$5,000	$0	$100,000
CP0412 PC MARC Tennis Court Resurface	$42,500	$30,000	$100,000
CP0420 Enhanced Bus Stops at Fresh Market and P	$0	$0	$250,000
CP0469 Deer Valley Drive Bicycle and Pedestrian	$0	$0	$2,179
CP0475 Wildfire Risk Mitigation and Mapping	$0	$0	$250,000
CP0524 MARC Lifeguard Shack	$0	$0	$5,000
CP0525 MARC Cement Pad/Patio	$0	$0	$30,000
CP0530 Splash Pad	$0	$0	$275,000
CP0531 Prospector Park Improvements	$0	$0	$473,327
CP0540 SNOW CREEK CROSSING - SR 248 TUNNEL IMP	$0	$0	$268,107
CP0553 Main St. Roadway Diet	$0	$0	$350,000
CP0556 Upper Main Street Intersection Improve	$0	$0	$1,461,562
CP0560 Forestry Plan	$0	$0	$100,000

Capital Fund Fiscal Year 2023

In FY23, staff recommends newly requested increases in the projects indicated below. Notable increases include additional budget to place Ice Arena maintenance on more stable footing, additional fire mitigation efforts in the City's open space and field replacement and enhancement at Quinn's junction, which will be funded by Impact Fee transfer. While not included in the FY22 provisional budget, the City maintains the capability to implement a financial plan to build the proposed Arts & Culture District in Bonanza Park. Staff remain prepared to deploy this financial strategy into a final or future adjusted budget should Council direct this action.

Project	Carry Forward	2022 Base	2022 Newly Requested	2023 Base	2023 Newly Requested
CP0092 Open Space Improvements	$300,906	$300,000	$100,000	$300,000	$85,000
CP0150 Ice Facility Capital Replacement	$888,601	$682,000	($144,130)	$132,000	$341,000
CP0163 Quinn's Fields Phase III	$0	$0	$0	$0	$600,000
CP0429 Arts and Culture District	$6,529,896	$0	($6,203,663)	$0	$450,000
CP0454 Prospector Sq. Rail Trail Connector	$0	$0	$0	$0	$40,000
CP0455 Olympic Park Pathway Connector	$0	$0	$0	$0	$113,000
CP0456 PC Heights Pathway	$0	$0	$0	$0	$65,000
CP0465 SR-248 Corridor and Safety Improvement	$0	$0	$0	$0	$1,000,000
CP0535 Santy Chairs Replacement	$0	$0	$0	$27,000	$23,000
CP0556 Upper Main Street Intersection Improve	$0	$0	$1,461,562	$0	$750,000
CP0557 Lite Deed Program	$0	$0	$0	$0	$1,000,000

CP0566 Clark Ranch Housing	$0	$0	$0	$0	$3,000,000
CP0567 Safety Style Soccer Goals	$0	$0	$0	$0	$59,000
CP0568 Gate for Mine bench and Judge Tunnel	$0	$0	$0	$0	$15,000

Water Fund FY22 and FY23

The City's Water department continues on its existing capital plan with the construction of its Three Kings Water Treatment Plan at the forefront of its efforts. Staff expects that water fund to continue its plan to bond for further proceeds for the project in FY23.

Project	Carry Forward	2022 Base	2022 Newly Requested	2023 Base	2023 Newly Requested	Score	Manager
CP0007 Tunnel Maintenance	$2,749,968	$274,750	$0	$281,619	$2,500,000	39	McAffee
CP0010 Water Department Service Equipment	$77,647	$80,000	$0	$80,000	$120,000	33	McAffee
CP0040 Water Dept Infrastructure Improvement	$415,848	$2,395,250	$1,641	$3,454,863	$0	40	McAffee
CP0075 Equipment Replacement - Computer	$53,921	$21,232	$0	$21,232	$117,000	30	McAffee
CP0178 Rockport Water, Pipeline, and Storage	$169,876	$1,458,700	$2,622,096	$1,458,700	($184,130)	36	McAffee
CP0240 Quinn's Water Treatment Plant	$186,378	$0	$118,807	$0	$0	32	McAffee
CP0275 Smart Irrigation Controllers	$4,353	$0	$0	$0	$0	38	McAffee
CP0276 Water Quality Study	$54,269	$350,000	$11,359	$350,000	$0	33	McAffee
CP0301 Scada and Telemetry System Replacement	$0	$0	$0	$0	$1,000,000	24	McAffee
CP0303 Empire Tank Replacement	$0	$0	$1,807,165	$0	$0	29	McAffee
CP0304 Quinn's Water Treatment Plant Asset Repl	$691,424	$220,500	$0	$231,525	$0	29	McAffee
CP0312 Fleet Management Software	$17,307	$0	$0	$0	$0	38	McAffee
CP0325 Network & Security Enhancements	$0	$0	$0	$0	$85,000	27	McAffee
CP0330 Spiro/Judge Pre-treatment	$0	$0	$2,500	$0	$0	39	McAffee
CP0341 Regional Interconnect	$186,244	$0	$0	$0	$0	26	McAffee
CP0342 Meter Replacement	$149,488	$150,000	$0	$150,000	$0	26	McAffee
CP0343 Park meadows Well	$2,678,908	$0	$0	$0	$0	26	McAffee
CP0344 PRV Improvements for Fire Flow Storage	$0	$805,000	$0	$0	$0	26	McAffee
CP0347 Queen Esther Drive	$0	$669,143	$0	$0	$0	35	McAffee

CP0371 C1 - Quinns WTP to Boothill - Phase 1	$0	$1,110,000	$1,275,750	$0	$0	39	McAffee
CP0372 Regionalization Fee	$200,000	$200,000	$0	$200,000	$0	30	McAffee
CP0389 MIW Treatment	$38,219,228	$28,200,000	$0	$10,600,000	$9,494,153	31	McAffee
CP0390 QJWTP Treatment Upgrades	$2,839,109	$0	$0	$0	$0	43	McAffee
CP0391 QJWTP Capacity Upgrades	$0	$0	$710	$0	$0	29	McAffee
CP0392 Distribution Zoning Meters	$0	$0	$13,055	$0	$0	32	McAffee
CP0393 Energy Projects	$318,944	$200,000	$0	$200,000	$0	24	McAffee
CP0415 Mobile Control	$13,000	$0	$0	$0	$0	42	McAffee
CP0416 Windows 10 Client Licenses	$1,480	$0	$0	$0	$0	44	McAffee
CP0418 JSSD Interconnection Improvements	$146,686	$0	$0	$0	$0	30	McAffee
CP0442 MIW Offsite Improvements	$6,494,153	$0	($9,494,153)	$0	$0	39	McAffee
CP0443 West Neck Tank	$1,398,914	$1,250,000	$0	$1,250,000	$0	51	McAffee
		2022 Base + New	**$33,028,889**	**2023 Base + New**	**$31,409,962**		

Transportation Fund FY22 and FY23

The Transportation fund continues to evolve as Park City focuses its transportation operations on the core of Park City. The most significant large capital project proposed for the 5Y transportation plan is the Snow Creek Crossing project, designed to improve walkability within the City from the Snow Creek area to the Bonanza and Iron Horse District. However, this project is not anticipated to need any material expenses until FY24 as staff continues the planning and design process in FY23. Transportation Fund capital projects are listed below.

Project	Carry Forward	2022 Base	2022 Newly Requested	2023 Base	2023 Newly Requested	Score	Manager
CP0002 Information System Enhancement/Upgrades	$0	$0	$110	$0	$0	39	Robertson
CP0009 Transit Rolling Stock Replacement	$0	$14,468,523	$2,369,341	$0	$0	33	Fjelsted
CP0025 Bus Shelters Design and Capital Improve	$0	$167,053	($49,999)	$0	$0	42	Collins
CP0075 Equipment Replacement - Computer	$48,064	$16,172	$0	$16,172	$0	30	Robertson
CP0108 Flagstaff Transit Transfer Fees	$2,015,006	$0	$1,943,586	$0	$0	33	Knotts
CP0118 Transit GIS/AVL System	$100,000	$0	$517,465	$0	$0	44	Collins
CP0137 Transit Expansion	$0	$0	$22,507	$0	$0	47	Fjelsted
CP0171 Upgrade OH Door Rollers	$33,267	$6,000	$0	$0	$0	38	Dayley
CP0244 Transit Contribution to County	$0	$1,000,000	$1,072,668	$0	$0	32	Fjelsted
CP0289 Ironhorse Transit Facility Asset Managem	$0	$0	($180,000)	$0	$0	36	Collins

CP0312 Fleet Management Software	$250,212	$0	$0	$0	$0	38	Dayley
CP0313 Transportation Plans and Studies	$417,867	$0	$0	$0	$0	38	Collins
CP0316 Transit Facility Capital Renewal Account	$1,951,467	$230,000	$0	$230,000	$0	38	Collins
CP0363 Traffic Management Cameras	$0	$0	$38,458	$0	$0	42	Knotts
CP0369 Paid Parking Infrastructure for Main St.	$0	$0	$477,716	$0	$0	27	Knotts
CP0382 Transit Onboard Security Cameras	$98,684	$0	($48,684)	$0	$0	29	Collins
CP0388 Parking Deck Coating Replacement	$161,000	$55,000	($87,721)	$55,000	($55,000)	30	Knotts
CP0403 Kimball Junction Transit Center	$0	$0	$482,240	$0	$0	32	Knotts
CP0411 SR 248/US 40 Park and Ride Lot	$127,643	$0	$4,513,665	$300,000	$0	26	Collins
CP0415 Mobile Control	$9,750	$0	$0	$0	$0	42	Robertson
CP0416 Windows 10 Client Licenses	$5,500	$0	$0	$0	$0	44	Robertson
CP0419 VMS Signs	$26,903	$0	($21,152)	$0	$0	30	Collins
CP0420 Enhanced Bus Stops at Fresh Market and P	$139,957	$0	$1,456,131	$0	$0	33	Collins
CP0426 Electric Bus Charger at Kimball Junction	$0	$0	$269,014	$0	$0	47	Fjelsted
CP0428 Electric Bus Charging Station at Old Tow	$0	$0	$317,393	$0	$0	47	Knotts
CP0432 Office 2016 Licenses	$4,620	$0	$0	$0	$0	42	Robertson
CP0434 GIS GeoEvent Server License	$13,000	$0	$0	$0	$0	23	Robertson
CP0438 Remodel for Transit Driver Housing	$333,895	$0	($359,451)	$0	$0	54	Fjelsted
CP0439 Bonanza Drive Multi-Modal and Street Imp	$0	$300,000	$0	$0	$0	41	Collins
CP0440 Bike Share Improvements	$125,000	$60,000	($84,939)	$0	$0	39	Knotts
CP0441 Transportation Demand Management Program	$63,990	$70,000	($59,246)	$70,000	$0	26	Collins
CP0460 Bus lift	$0	$0	$59,000	$0	$0	48	Dayley
CP0465 SR-248 Corridor and Safety Improvement	$0	$0	$0	$0	$5,348,554	38	Collins
CP0466 Scheduling Software	$1,500	$0	$68,500	$0	$0	32	Collins
CP0469 Deer Valley Drive Bicycle and Pedestrian	$0	$0	$0	$300,000	$0	39	Collins
CP0536 Arts and Culture Exterior Bus Stops	$0	$0	($330,000)	$0	$0	21	Collins
CP0540 SNOW CREEK CROSSING - SR 248 TUNNEL IMP	$0	$0	$0	$0	$0	29	Collins
CP0541 SR248/ Bonanza Pedestrian Crossing Improvements	$0	$0	$0	$0	$0	24	Collins
CP0543 Bonanza and Prospector Pedestrian Crossing_Bridge or Tunnel	$0	$0	$0	$0	$0	24	Collins
CP0546 Old Town Complete Street Improvements	$0	$0	$0	$0	$300,000	24	Collins
CP0547 Iron Horse Complete Street Improvements	$0	$0	$0	$0	$0	21	Collins

EXPENSES

CP0549 Electric Bus Charging Infrastructure	$0	$0	($1,296,000)	$0	$0	21	Collins
CP0550 Active Transportation Master Plan	$0	$0	$95,000	$0	$65,000	21	Collins
CP0552 TDM Capital Improvement Projects	$0	$0	($280,000)	$0	$180,000	27	Collins
CP0554 Emerging Tech in Transit	$0	$0	$0	$0	$130,000	29	Collins
CP0555 Mcpolin and Meadows Bus Stop Improvement	$0	$0	$0	$0	$87,000	27	Collins
CP0562 Emergency Response Trailer	$0	$0	$0	$0	$100,000	5	Collins
CP0563 Zero Emissions Transportation Transition	$0	$0	$0	$0	$130,000	38	Collins
CP0564 Transportation Data Reporting	$0	$0	$0	$0	$60,000	38	Collins
CP0565 Park City Parking Needs Assessment	$0	$0	$0	$0	$120,000	38	Collins
CP0569 Replace vehicle wash	$0	$0	$175,000	$0	$175,000	38	Collins
CP0570 Replace fuel pump system	$0	$0	$0	$0	$0	38	Collins
CP0571 Long Range Transportation Capital Plan	$0	$0	$0	$0	$3,870,762	38	Collins
CP0572 SR-248 Park and Ride Service	$0	$0	$0	$0	$3,000,000	38	Collins
		2022 Base + New	**$26,694,734**	**2023 Base + New**	**$14,482,488**		

EXPENSES

Park City Transportation continues to aggressively pursue state and federal funding opportunities and has been successful in securing funding for a Short-Range Transit Plan and for the Active Transportation Master Plan. Additionally, Park City has been awarded a significant amount of federal grant funding to procure new electric buses and charging infrastructure.

Lower Park Avenue RDA

Projects in the Lower Park Avenue RDA (LPARDA) have undergone no increase or decrease in the FY23 budget. The predominant use of revenues from the LPARDA continues to be debt service on the City's 2019 sales tax revenue bond, which serves to fund the City's existing housing initiatives. Current balances for housing from the 2019 sales tax revenue bond continue to stand at $22 million at the start of FY23.

Project	Carry Forward	2022 Base	2022 Newly Requested	2023 Base	2023 Newly Requested	Score	Manager
CP0003 Old Town Stairs	$300,000	$150,000	$0	$150,000	$0	32	Twombly
CP0005 City Park Improvements	$642,248	$100,000	$0	$100,000	$0	38	Fisher
CP0013 Affordable Housing Program	$25,886	$0	$0	$0	$0	35	Glidden
CP0020 City-wide Signs Phase I	$7,156	$0	$0	$0	$0	30	Weidenhammer
CP0036 Traffic Calming	$39,845	$0	$0	$0	$0	44	Robertson, J.
CP0089 Public Art	$42,749	$0	$0	$0	$0	53	Everitt
CP0167 Skate Park Repairs	$14,749	$5,000	$0	$5,000	$0	38	Fisher
CP0308 Library Remodel	$449	$0	$0	$0	$0	32	Twombly
CP0311 Senior Community Center	$991,390	$0	$0	$0	$0	38	Weidenhammer
CP0362 Woodside Phase II	$2,208	$0	$0	$0	$0	42	Glidden
CP0386 Recreation Building in City Park	$241,383	$0	$0	$0	$0	29	Fisher
CP0406 Central Park	$1,364	$0	$784	$0	$0	36	Glidden
CP0545 Mobility as a Service Curb Side Improvements	$0	$0	$0	$0	$0	24	Collins
CP0546 Old Town Complete Street Improvements	$0	$0	$0	$0	$0	24	Collins
		2022 Base + New	$255,784	2023 Base + New	$255,000		

This year's the City Manager's Recommended Budget continues to have an emphasis on funding affordable housing projects, transportation and transit projects and City infrastructure which have been identified by Council as a critical priorities. A complete detailed CIP report is included in the City Manager's Recommended Budget Volume II.

The total proposed CIP budget (all funds, excluding carry forward) for the FY 2022 Budget is $79.5 million. The proposed FY 2023 CIP budget is $72.7 million. The General Fund transfer required to fund capital projects in FY2022 will be approximately $4.1 million—the majority of which is dedicated to the maintenance of existing infrastructure. Projects in these categories include Equipment Replacement – Rolling Stock, Aquatics Equipment Replacement, Pavement Management, Trails Master Plan Implementation, Traffic Calming, and Asset Management.

MAJOR PROJECTS

Housing Plan

The budget includes funding for both construction and land costs. Affordable housing construction projects are recommended to be financed thought the Lower Park RDA. Proceeds from sales of affordable housing units will be returned to the RDA to be put into the next set of affordable housing projects or community development projects in the RDA (Community Center in City Park). Staff has developed 15-year finance models the Lower Park RDA. The LPA RDA expires in 2030.

In December 2014, City Council identified Affordable, Attainable and Middle Income Housing as a critical priority. On February 5, 2015 the City's Community Affairs Manager and Housing Specialist presented an overview of the current state of housing in Park City, 2014 accomplishments, a one-year action plan and five year targets. At that time staff also committed to return monthly to City Council on housing–related topics.

In early 2016, the Housing Program and staff were transitioned to the Community Development Department. In August of that year, City Council adopted an ambitious goal of adding 800 units (affordable, attainable and middle class) by the year 2026. The Community Development Director and the Housing Program Manager are guiding the Housing Plan to meet this goal.

The three program areas of the plan are: Housing Regulatory Tools, City Sponsored Development and Land Acquisition/Disposition. As committed to Council, staff will continue to update this housing plan to reflect completed items, updated timelines and provide greater levels of detail as programs become more defined. Descriptions and budget amounts for individual projects are outline in the project descriptions contained in the Budget Document Vol. II. Each project budget has been adjusted to reflect the anticipated timing of the housing projects in the housing pipeline. In 2017, the City issued $7 million in sales revenue debt with funds pledged by the LPA RDA to cover the cost of the Woodside phase I and Central Park projects. Additional debt could be issued as needed to cover the next project in the current pipeline, Woodside phase II, Homestake property and the arts and culture district.

Initial funding for the proposed housing plan was recommended from two primary funding sources: the Lower Park RDA & the Additional Resort Communities Sales Tax (see Additional Resort Communities Sales Tax section below). The Additional Resort Communities Sales Tax funding was used for the purchase of the Homestake property in 2016. With the 2019 STR bonds all available RDA funds have been leveraged for the planned housing projects. The City continues to explore the idea of a Housing Authority Rental Model which could be used on the arts and culture projects.

Water Maintenance Buildings

Due to explosive growth in Park City and increasing Federal and State regulations, additional land and financial capital has ben allocated for the expansion of operational and administrative needs in order to continue the current Level of Service (LOS) provided by Public Works and

Public Utilities. Park City's greatest assets include the built infrastructure and natural environments which offer a truly world class experience and lifestyle. Management of these assets and the services provided by Public Works and Public Utilities has provided the foundation for our unprecedented success and we must prioritize and invest in securing the long term Public Works and Public Utilities resource needs to achieve Council's vision and goals. Required resources include adequate space for equipment and material storage, employee workspaces, training and meeting spaces, and customer service. To continue the current LOS in the face of these challenges, we are expanding our physical operational space and provide the tools, resources, and basic administrative needs for staff at all levels.

Transit and Transportation Projects
Transit and transportation initiatives continue to be a critical priority for City Council.. In November 2016, the community passed two sales tax initiatives (.25% transportation & .25% transit). Many transportation projects will require funding from FTA grants and County contributions from the new sales tax sources to move forward.

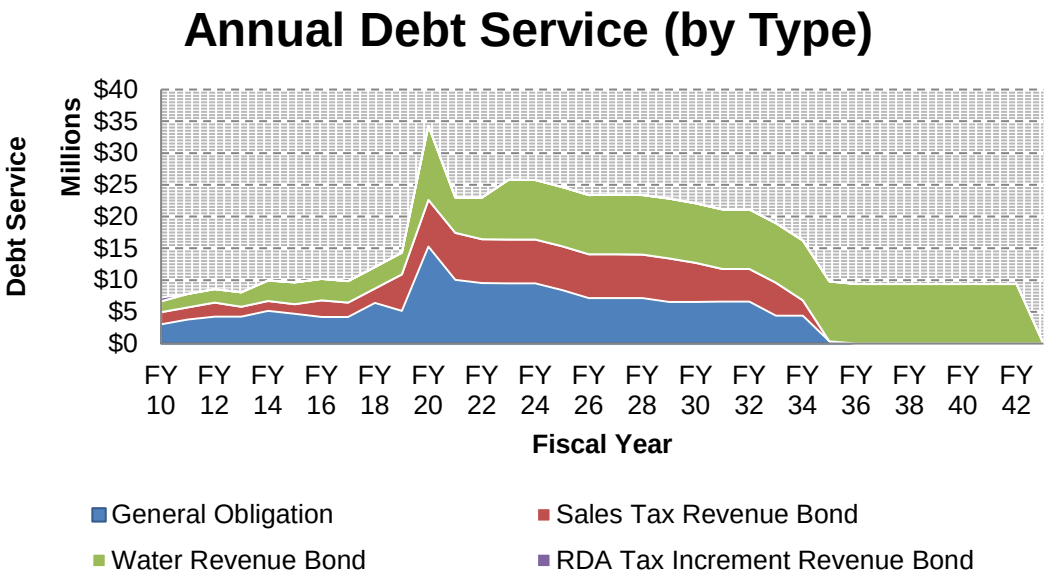
US 40/SR 248 Park and Ride Facility
This project proposes to design and construct a park and ride lot adjacent to US 40/US 189 and/or SR 248 east of US 40/US 189 to serve the SR 248 transit priority lanes. The Objective: Reduce congestion and associated GHG emissions and improve pedestrian safety.

Transportation and Traffic Master Plan Update
This project proposes to update the existing 2011 Transportation and Traffic Master Plan as most transportation plans are updated every 4 years. This plan will be enhanced to better serve as a long range transportation plan and include additional emphasis on Active Transportation, regional coordination, and Intelligent Transportation Systems. The plan will also develop a master list of prioritized transportation projects under a 20 year planning horizon. The Objective: Develop a master list of both financial constrained and unconstrained transportation projects.

SR 248 Corridor and Safety Improvement Project
This project proposes to design and construct transit priority and High Occupancy Vehicles on SR 248 from approximately US 40 to approximately SR 224. Other project elements include improving school access, Richardson Flat/SR 248 intersection improvements, Bonanza Drive/SR 248 intersection improvements, SR 224/SR 248 intersection improvements, construct new pedestrian tunnel at existing at-grade x-ing, landscaping, aesthetic, and gateway enhancements. The Objective: Reduce Vehicle Miles Traveled, congestion, and associated GHG emissions. Improve safety. Enhance corridor aesthetics and create gateway enhancements.

DEBT SERVICE

Park City has various bond issuances outstanding. The debt service to be paid on these bonds is as detailed in Figure E21. The Utah State code 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.



E21 - Long Term Debt

Funding sources for debt service payments in FY 2023 are detailed in Figure E22. 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.

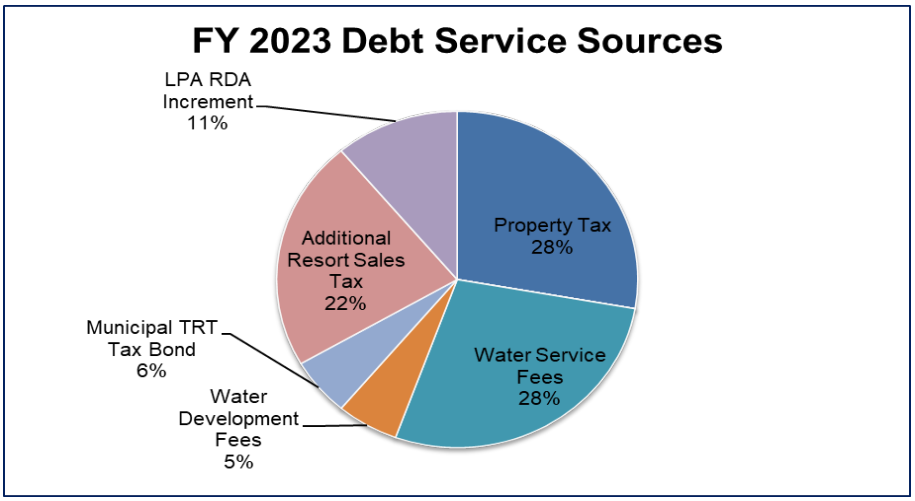


Figure E22 – Debt Funding Sources

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.

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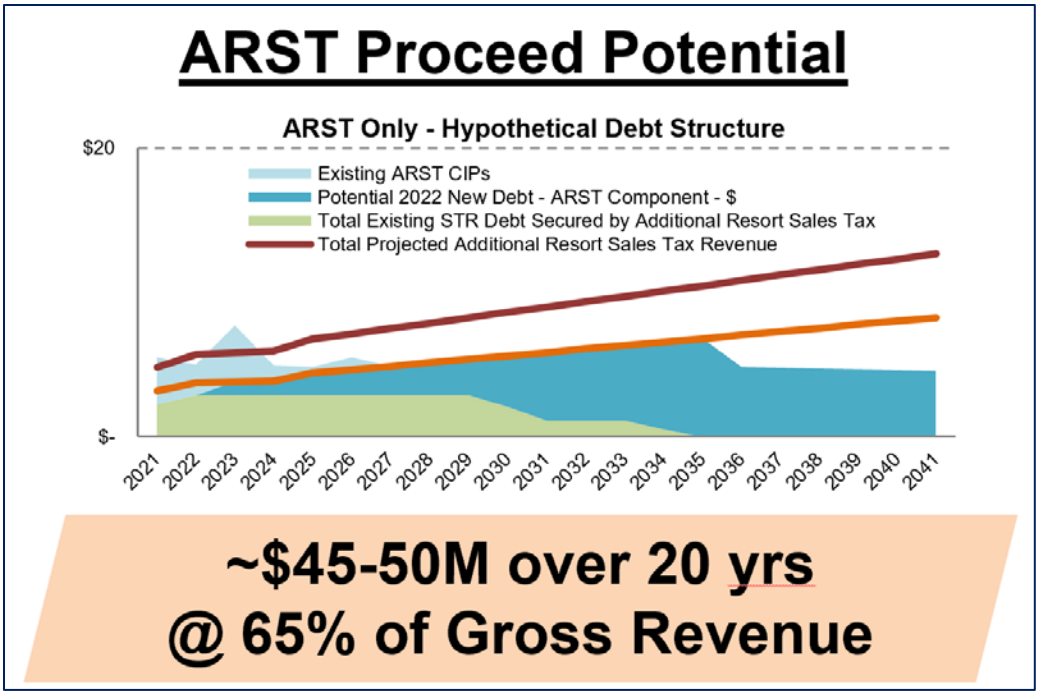
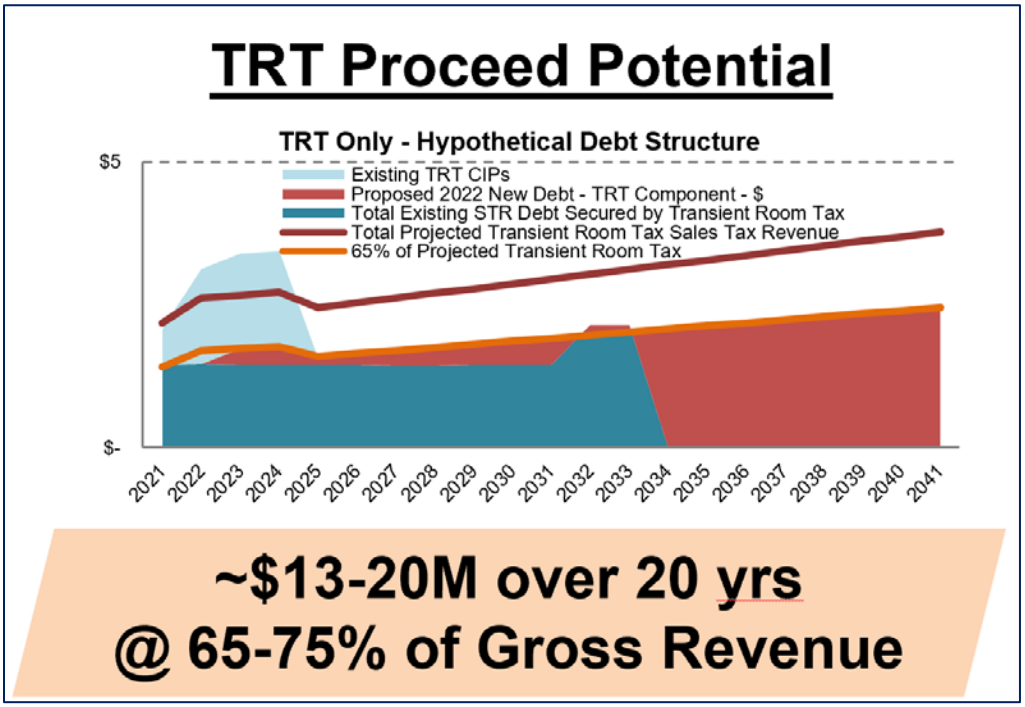
While the City is building a robust capital budget plan for the next several years based on Council's goals and direction, the focus remains on core capital maintenance and medium-term infrastructure projects.

Several capital project ideas percolate around the community but require a new funding source or strategy due to their magnitude. If Council is interested in pursuing a new major transformational capital project not currently budgeted, a prioritization process will help us develop a creative financial strategy. For example, the City can raise considerable resources to finance projects through various methods.

Staff currently projects that a 20-year bond against Additional Resort Sales Tax could support approximately $43M in bond proceeds. Staff also projects that a 20-year bond against Transient Room Tax could support approximately $18M in bond proceeds


ARST Proceed Potential
ARST Only - Hypothetical Debt Structure
$20
$-
Existing ARST CIPs
Potential 2022 New Debt - ARST Component - $
Total Existing STR Debt Secured by Additional Resort Sales Tax
Total Projected Additional Resort Sales Tax Revenue
2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041
~$45-50M over 20 yrs
@ 65% of Gross Revenue


TRT Proceed Potential
TRT Only - Hypothetical Debt Structure
$5
$-
Existing TRT CIPs
Proposed 2022 New Debt - TRT Component - $
Total Existing STR Debt Secured by Transient Room Tax
Total Projected Transient Room Tax Sales Tax Revenue
65% of Projected Transient Room Tax
2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041
~$13-20M over 20 yrs
@ 65-75% of Gross Revenue

ABOUT PARK CITY

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. Park City Mountain Resort combined with Canyons Resort during the 2015-2016 ski season to create the largest ski resort in North America.

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. In February 2009, Deer Valley hosted the first World Cup Skier Cross competition ever held in North America. Deer Valley Resort and Park City Mountain resort jointly hosted the FIS Freestyle World Championship event for the 1st time in February of 2019.

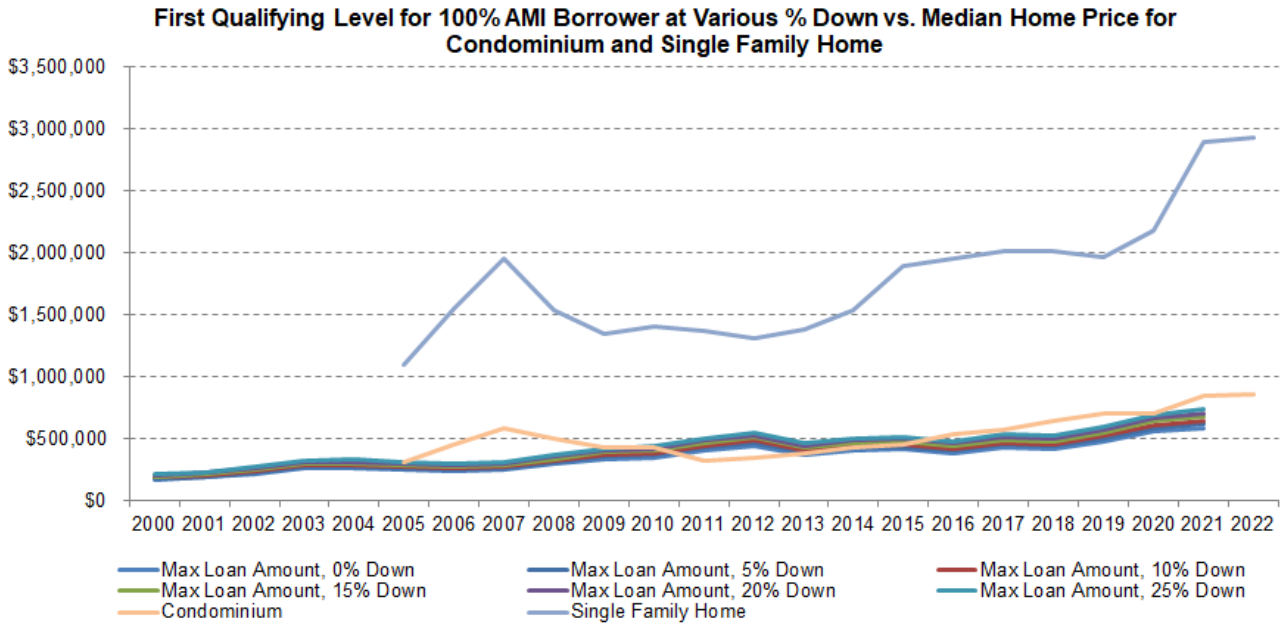
PARK CITY ECONOMY

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. 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 2019 the City hosted the Triple Crown Girls Fastpitch Softball World Series for the 16th 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.

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 $160 million in 2017. Building activity over the last decade has averaged $121.5 million per year. 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 Zillow and Realtor.com indicate a continued rise in median home prices in Park City over the pandemic and the course of the last several years. The median single-family home within city limits has risen to nearly $3 million.



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 Obligation Bonds that were passed in 1999, 2000, 2005, 2006, 2007, 2008, 2009, 2010, and 2013 as well as the Sales Tax Revenue Bonds issued in 2005, 2010, 2014 and 2015. 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+. In 2017 Standards & Poor's and Fitch confirmed the General Obligation bond rating of AA+. Moody's upgraded the city's rating to Aaa (the highest rating available).

In 2020, ratings agencies reaffirmed these ratings on Park City's 2020 General Obligation bond with ratings of AA+, AA+ and Aaa from S&P, Moody's and Fitch respectively. In addition, the City's 2020 Water Revenue Bond was rated AA by S&P and Aa2 by Moody's as bonds related to enterprise funds traditionally carry marginally lower ratings relative to general obligations. Most recently, Fitch reaffirmed Park City's AA+ rating with a stable outlook during routine due diligence in winter 2021.

Park City has seen substantial growth in revenue in recent years prior to COVID, exceeding pre-recession revenues. We believe diversification of resort activities, promoting additional special events and sound financial policies have all aided in ensuring a thriving economy and will continue to do so in years to come.

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 five years. Figure EO2 shows the growth in total sales from 2003 to 2021 with projections for 2022 and 2023.

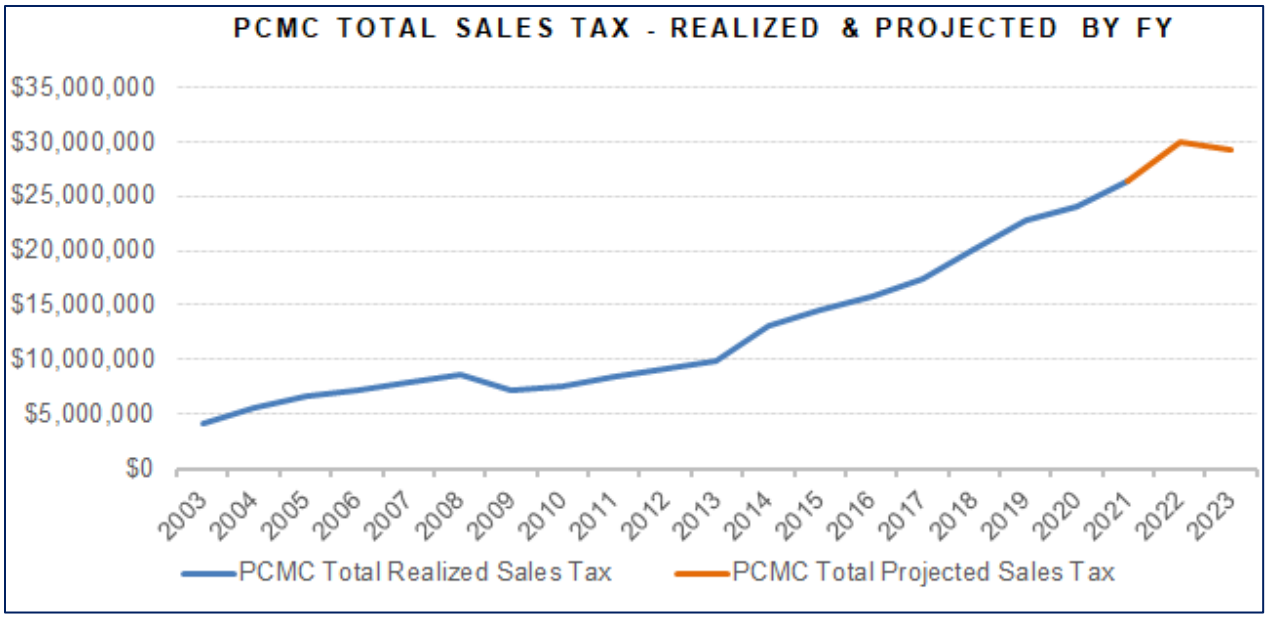


Figure EO2 – Total Estimated Sales

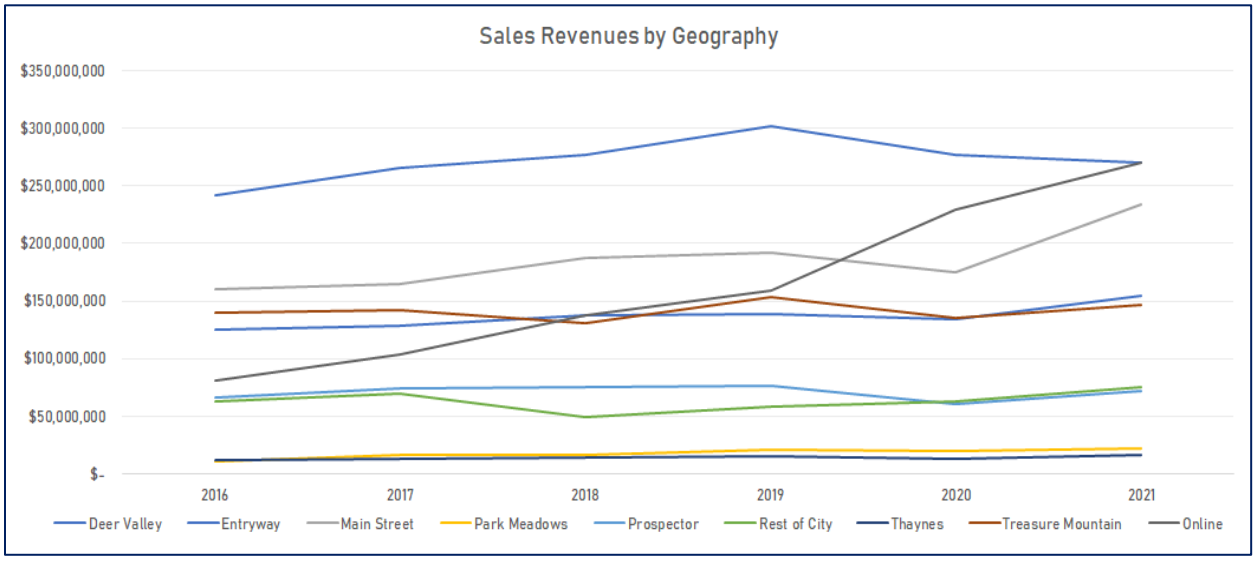


Figure EO3 – Estimated Sales by Geography

Figure EO3 shows the sales trends by industry from 2016 to 2021. Online sales and online lodging have experienced the greatest change in recent years and were accelerated by trends associated with COVID. Because Park City's economy relies heavily on the ski industry and tourism, sales tax revenues are extremely seasonal. This is visible in the City's historical and projected Resort Tax revenue.

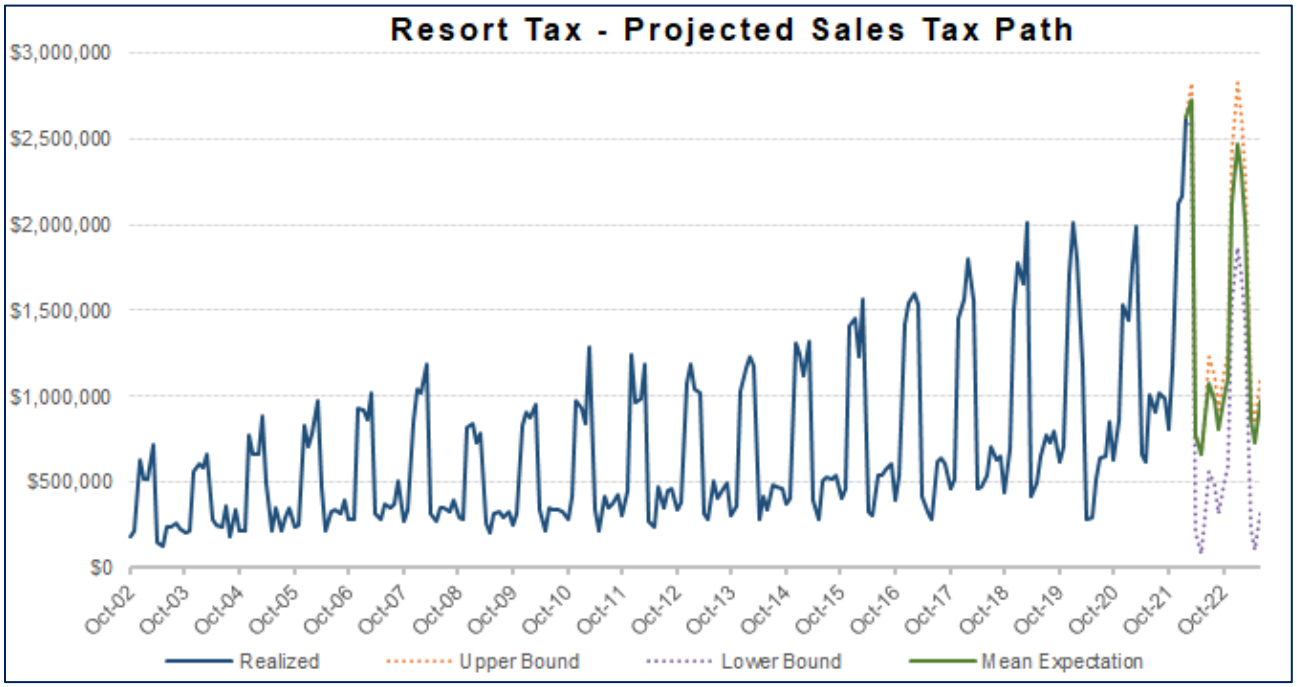


Figure EO4 – PCMC Resort Tax

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 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 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

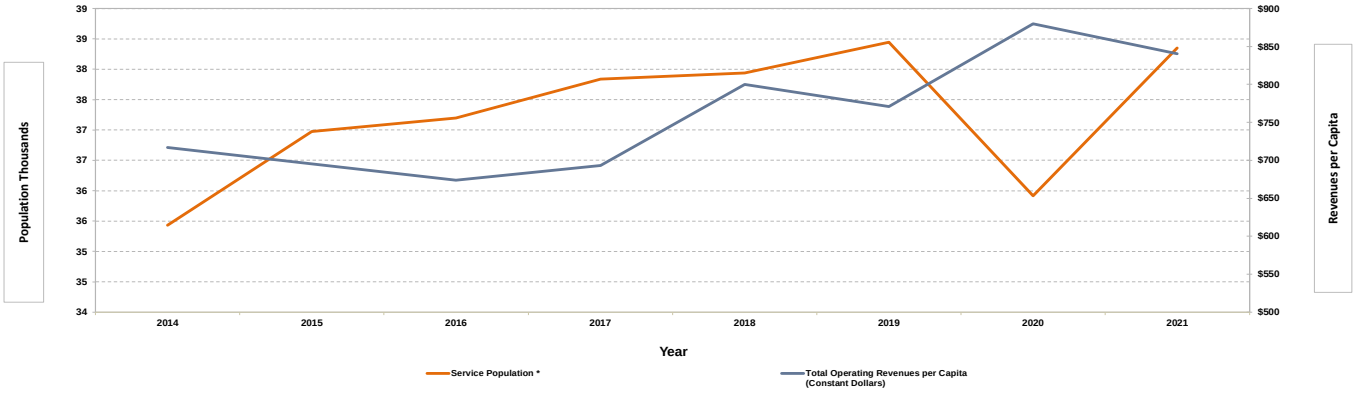
ECONOMIC REVIEW

Revenues per Capita

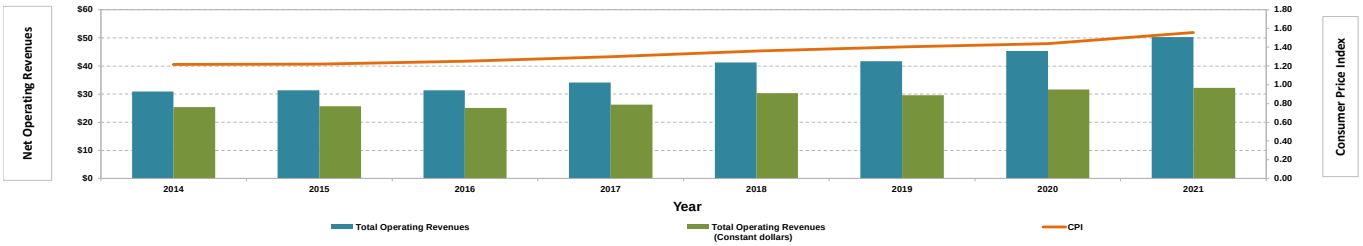
Revenues per Capita are total operating revenues per capita (service population*)

Description	2014	2015	2016	2017	2018	2019	2020	2021
Total Operating Revenues	$30,875,204	$31,332,319	$31,365,120	$34,097,383	$41,247,895	$41,631,529	$45,390,431	$50,218,696
CPI	1.22	1.22	1.25	1.30	1.36	1.41	1.44	1.56
Total Operating Revenues (Constant dollars)	$25,395,161	$25,711,752	$25,072,022	$26,236,324	$30,340,545	$29,630,911	$31,597,035	$32,230,176
Service Population *	35,430	36,973	37,196	37,840	37,937	38,445	35,914	38,350
Total Operating Revenues per Capita (Constant Dollars)	$716.77	$695.42	$674.05	$693.34	$799.76	$770.74	$879.79	$840.42

Operating Revenue per Capita



Total Operating Revenues



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, CAFR FY21 pg. 53. (General + Debt Service (Sales Tax Revenue and Refunding) + Debt Service (Park City General Obligation).)

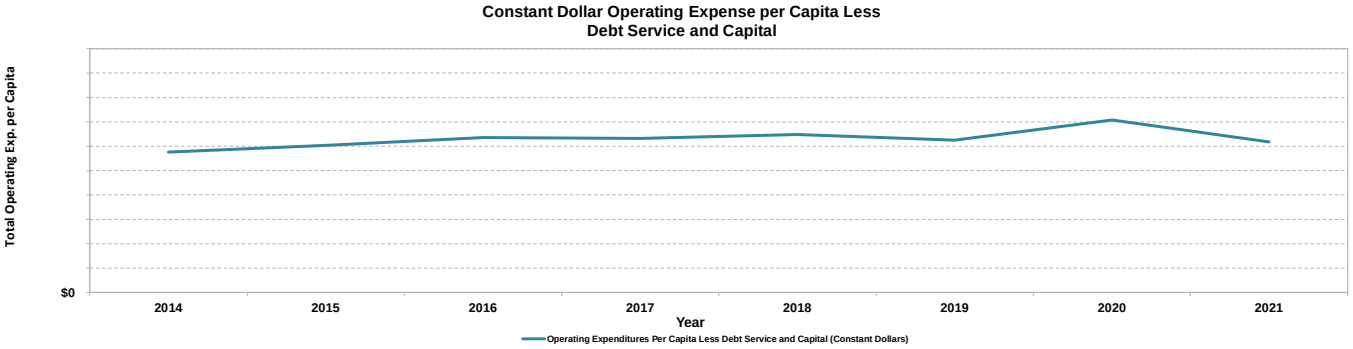
CPI - Bureau of Labor Statistics www.bls.gov, Population - Census Bureau, www.census.gov

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

Expenditures per Capita for Governmental Funds

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

Description	2014	2015	2016	2017	2018	2019	2020	2021
Debt Service*	$6,961,205	$20,119,341	$6,906,832	$6,620,964	$11,675,569	$11,180,053	$15,562,353	$16,955,488
Capital Outlay	$13,923,767	$26,614,261	$11,953,996	$51,844,299	$39,052,752	$70,133,504	$17,207,904	$6,901,426
Operating Expenditures Less Debt Service and Capital	$24,776,540	$27,227,178	$29,608,099	$31,116,111	$33,385,328	$33,718,124	$36,533,702	$36,901,057
Total Operating Expenditures	$45,661,512	$73,960,780	$48,468,927	$89,581,374	$84,113,649	$115,031,681	$69,303,959	$60,757,971
CPI	1.22	1.22	1.25	1.30	1.36	1.41	1.44	1.56
Total Operating Expenditures (Constant Dollars)	$37,557,046	$60,693,280	$38,744,120	$68,928,632	$61,871,132	$81,872,888	$48,243,640	$38,994,244
Operating Expenditures Less Debt Service and Capital (Constant Dollars)	$20,378,950	$22,343,014	$23,667,529	$23,942,376	$24,557,109	$23,998,608	$25,431,718	$23,682,964
Service Population**	35,430	36,973	37,196	37,840	37,937	38,445	35,914	38,350
Net Operating Expenditures per capita (Constant Dollars)	$1,060	$1,642	$1,042	$1,822	$1,631	$2,130	$1,343	$1,017
Operating Expenditures Per Capita Less Debt Service and Capital (Constant Dollars)	$575	$604	$636	$633	$647	$624	$708	$618



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 2010. Total operating expenses increased in marginally 2019. The increase is mostly attributed to increased operating expenditures and the retirement of principal debt service payments.

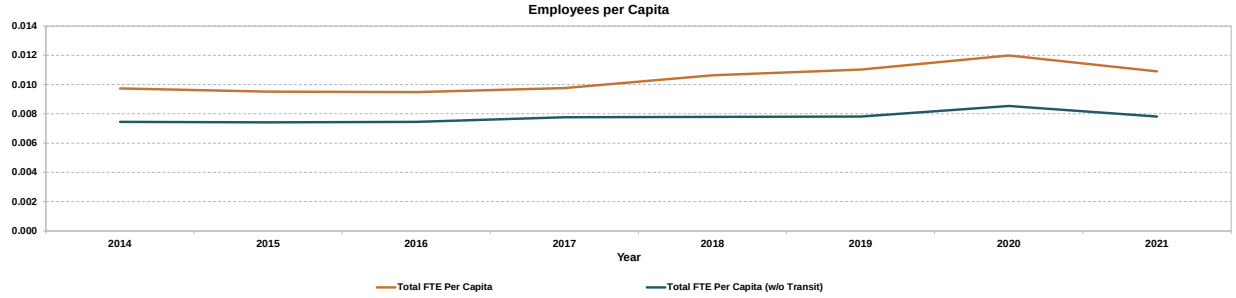
Source

**Debt Service includes Principal reitrement, Interest and bond issuance costs ACFR FY21, Schedule 4*
Total Operating Expenditures ACFR FY21, Schedule 4
CPI - Bureau of Labor Statistics www.bls.gov
*** Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors*

Employees per Capita

Municipal employees per capita (service population*)

Description	2014	2015	2016	2017	2018	2019	2020	*2021*	*% growth over 5 yrs*
# FTE (Full-time equivalents)	345.12	351.76	353.06	369.15	403.05	424.2	430.8	418.17	*3.75%*
# FTE (w/o Transit)	264.32	274.56	277.46	293.45	295.25	300.4	306.2	299.57	*1.46%*
Service Population*	35,430	36,973	37,196	37,840	37,937	38,445	35,914	38,350	*1.09%*
Number of Municipal Employees per Capita	0.014	0.015	0.015	0.016	0.017	0.017	0.018	0.000	*-100.00%*
Total FTE Per Capita	0.010	0.010	0.009	0.010	0.011	0.011	0.012	0.011	*2.63%*
Total FTE Per Capita (w/o Transit)	0.007	0.007	0.007	0.008	0.008	0.008	0.009	0.008	*0.37%*



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.

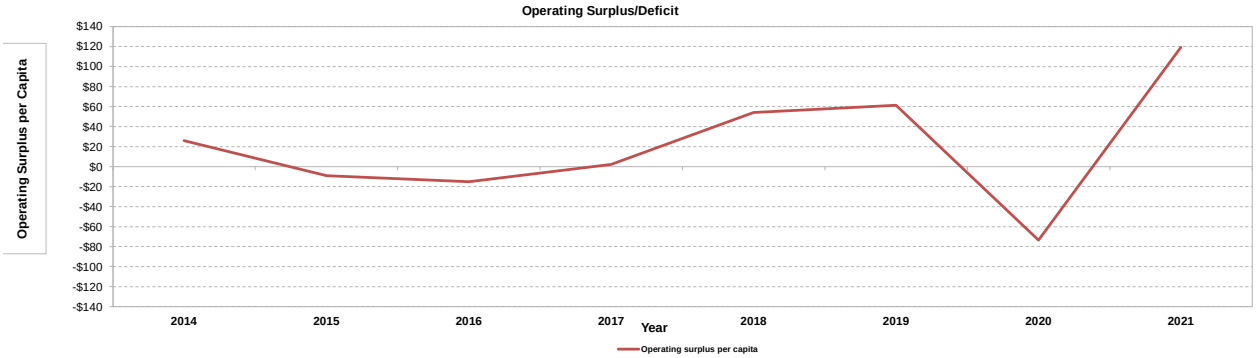
Source

Number of Employees - CAFR - Schedule 22, ACFR FY21 Table 16, 2005-06 from Human Resources Department.
FTE counts - FY17 Staffing Summary 4-120 and past Budget Documents, FY20 from Schedule 22 in FY21 ACFR
Population - Census Bureau, www.census.gov
** Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors*

Operating (Deficit) or Surplus

Operating deficit or surplus as a percentage of operating revenues

Description	2014	2015	2016	2017	2018	2019	2020	2021
Operating deficit or surplus	$918,471	-$331,642	-$561,351	$89,848	$2,049,806	$2,363,097	-$2,637,073	$4,578,658
Net fund operating revenue	$30,875,204	$31,332,319	$31,365,120	$34,097,383	$41,247,895	$41,631,529	$45,390,431	$50,218,696
General fund operating surplus (deficit) as % of net fund operating revenues	3%	-1%	-2%	0%	5%	6%	-6%	9%
Service Population*	35,430	36,973	37,196	37,840	37,937	38,445	35,914	38,350
Operating surplus per capita	$26	-$9	-$15	$2	$54	$61	-$73	$119



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 2020 the City had a strong operating deficit due to impacts from the COVID-19 pandemic.

Source

General fund operating surplus/deficit - CAFR FY20 pg.30, Net Fund Operating Revenues - CAFR FY20 Table 2,CAFR FY20 Schedule 5 for Tax Revenue; Statement of Revenues, Expenditures, and Changes in Fund Balances pg. 29 for all other revenues. (Includes debt service for investment income and rental and other miscellaneous)

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

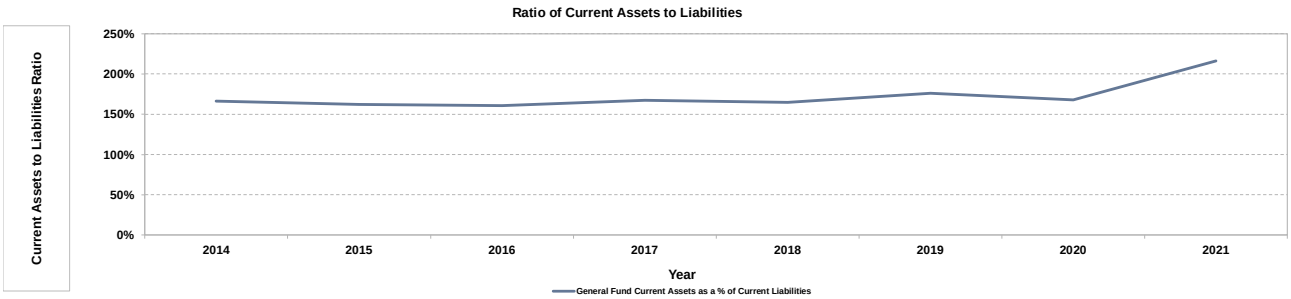
ECONOMIC REVIEW

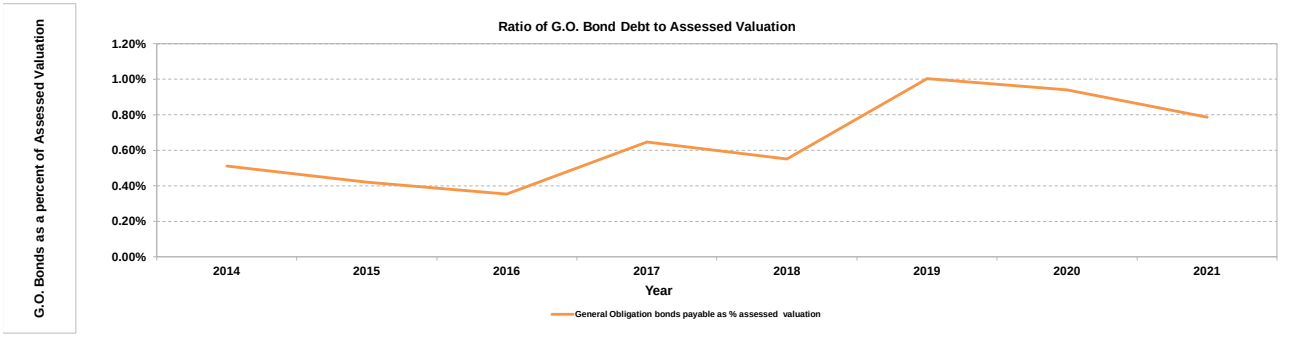
Liquidity & Long Term Debt

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	2014	2015	2016	2017	2018	2019	2020	2021
General Fund Cash and Short-term investments	$16,821,758	$17,916,425	$18,041,243	$18,742,379	$20,119,863	$21,611,287	$19,695,507	$25,599,042
General Fund Current Liabilities	$10,104,640	$11,033,031	$11,212,929	$11,185,428	$12,194,473	$12,266,581	$11,736,104	$11,843,767
General Fund Current Assets as a % of Current Liabilities	166%	162%	161%	168%	165%	176%	168%	216%

Description	2014	2015	2016	2017	2018	2019	2020	2021
Taxable valuation	$6,452,721,298	$6,941,915,614	$7,340,175,350	$7,807,573,354	$8,222,920,302	$9,117,120,545	$9,549,363,012	$10,540,026,000
Total Net Debt Applicable to Limit	$33,018,370	$29,298,159	$26,009,111	$50,485,922	$45,273,366	$91,632,655	$89,738,177	$82,962,508
General Obligation bonds payable as % assessed valuation	0.51%	0.42%	0.35%	0.65%	0.55%	1.01%	0.94%	0.79%





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 marginally in 2020 due to the issue of General Obligation (or voter approved) . 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.

Although it is apparent that the liquidity ratio has declined over the time period shown, it should be noted that the ratio is still significantly 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 2019 and it is well below the City policy of 2%.

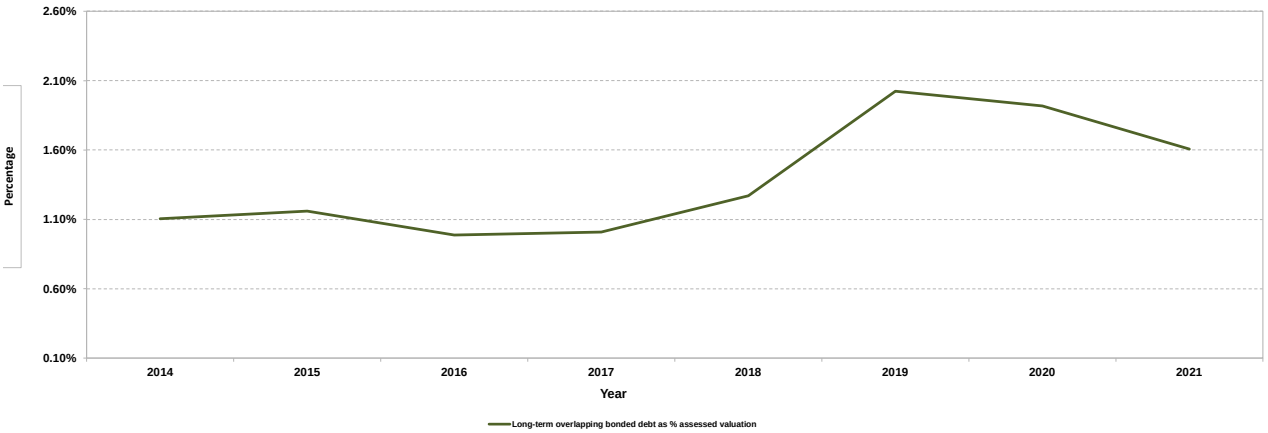
Source
Current Assets - ACFR FY21 Governmental Funds Balance Sheet pg. 51.(General - Total). Current Liabilities - ACFR FY21 Governmental Funds Balance Sheet pg. 51, (General - Total Liabilities+Total deferred inflows of resources). Taxable Valuation - Utah State Tax Comission, Net Debt Applicable to Limit - ACFR FY21 Schedule 17.

Overlapping Debt

Long-term overlapping bonded debt is the annual debt service on General Obligation Bonds as a percentage of the assessed valuation of the City

Description	2014	2015	2016	2017	2018	2019	2020	2021
Park City	$43,483,691	$53,726,049	$48,402,692	$71,201,315	$97,277,199	$170,237,745	$163,127,760	$150,909,318
State of Utah	$0	$0	$0	$0	$0	$0	$0	$0
Summit County	$7,884,955	$6,687,905	$5,455,700	$4,769,510	$5,362,250	$12,509,395	$11,452,520	$10,574,535
Park City School District	$4,015,550	$2,045,505	$0	$0	$0	$0	$0	$0
Snyderville Basin Sewer District*	$0	$0	$0	$0	$0	$0	$0	$0
Weber Basin Water Conservancy District	$15,962,133	$18,006,761	$18,536,308	$2,723,951	$1,861,668	$1,704,395	$1,590,281	$1,476,899
Snyderville Basin Recreation District Tax District							$3,047,006	$2,817,606
Wasatch County							$40,590	$201,366
Wasatch County School District							$3,722,276	$3,424,281
Total Long-term overlapping bonded debt	$71,346,329	$80,466,220	$72,394,700	$78,694,776	$104,501,117	$184,451,535	$182,980,433	$169,404,005
Taxable valuation	$6,452,721,298	$6,941,915,614	$7,340,175,350	$7,807,573,354	$8,222,920,302	$9,117,120,545	$9,549,363,012	$10,540,026,000
Long-term overlapping bonded debt as % assessed valuation	1.11%	1.16%	0.99%	1.01%	1.27%	2.02%	1.92%	1.61%

Overlapping Debt as a Percent of Assessed Valuation



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 dipped slightly in 2016.
**Taken out per financial advisor suggestion.*

Source
Assessed valuation - Utah State Tax Commission
Long-term overlapping bonded debt - ACFR Fy21 Schedule 16

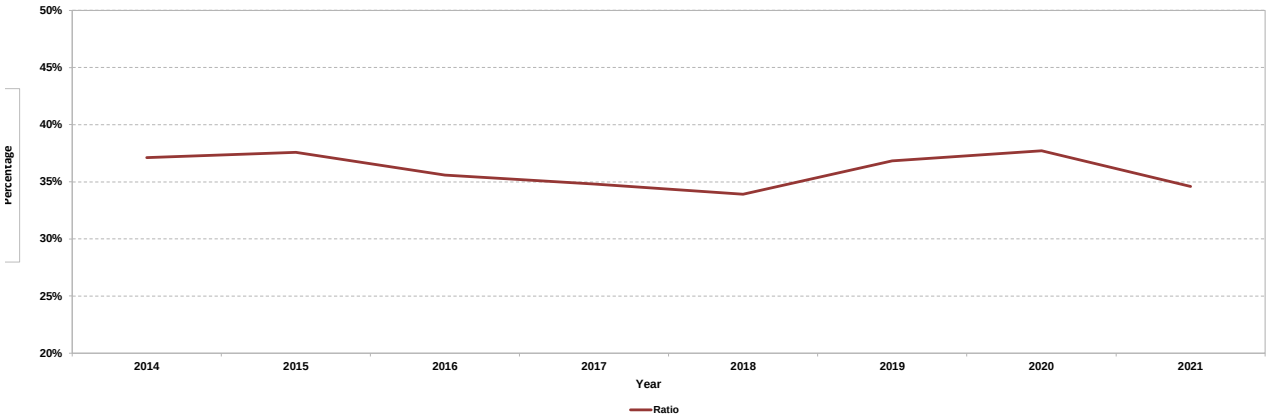
ECONOMIC REVIEW

Administrative Costs as a Percentage of Operating Expenditures Less Capital and Debt

Administrative Costs were evaluated from specific functions of the municipal government as a percentage of net operating expenses

Description	2014	2015	2016	2017	2018	2019	2020	2021
Administrative Costs	$9,199,824	$10,231,863	$10,533,169	$10,829,457	$11,317,399	$12,414,184	$13,772,607	$12,766,552
Operating Expenditures Less Debt Service and Capital	$24,776,540	$27,227,178	$29,608,099	$31,116,111	$33,385,328	$33,718,124	$36,533,702	$36,901,057
Ratio	37.1%	37.6%	35.6%	34.8%	33.9%	36.8%	37.7%	34.6%

Ratio of Administrative Costs to Net Operating Expenses



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 2020 were 23% of net operating costs.

Source
Expenses by Fund in Board - General Government - General Fund
Total Operating Expenditures ACFR FY21, Schedule 4

Bond Ratings for Park City

Description	2014	2015	2016	2017	2018	2019	2020	2021
Moody's	Aa1	Aa2	Aa2	Aaa	Aaa	Aaa	Aaa	Aaa
S&P	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+
Fitch	AA+	AA+	AA+	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+. In 2017, Moody's raised the G.O. rating to Aaa. The city maintained Aaa ratings from Moody's for 2020 bonds and AA+ from Fitch as well as AA- from S&P for the 2019 Sales Revenue bond. ***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

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CHAPTER 6 - OTHER POLICIES

CHAPTER 1 - BUDGET POLICY

PART I - BUDGET ORGANIZATION

A. Through its financial plan (Budget), the City will do the following:

1. Draw upon Council's goals, objectives, and desired outcomes.
2. Identify citizens' needs for essential services.
3. Organize programs to provide essential services.
4. Establish program policies and goals that define the type and level of program services required.
5. List suitable activities for delivering program services.
6. Propose objectives for improving the delivery of program services.
7. Consider budget committees recommendations.
8. Identify available resources and appropriate the resources needed to conduct program activities and accomplish program objectives.
9. Set standards to measure and evaluate the following:
- the output of program activities
- the accomplishment of program objectives
- 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. 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 prepare the budget on an annual basis and may consider a mid-year budget adjustment.

1. The emphasis of the budget process includes establishing expected levels of services, within designated funding levels, projected over the next fiscal year, with the focus on the budget.
2. Any budget requests that will be considered are ones that; will come with revenue offsets;
    a. are accompanied by expense reductions, or that;
    b. are required by law; or
    c. are necessitated by market/environment changes that happened since the last budget adoption

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.

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.

G. General Fund budget surplus should be used for capital projects.

PART II - ECONOMIC DEVELOPMENT GRANT POLICY (AS OF JUNE 23, 2022, THE GRANT PROGRAM IS UNDER REVIEW; APPLICATIONS WILL NOT BE ACCEPTED UNTIL FURTHER NOTICE)

Annually, the City will allocate up to $50,000 to be used towards retaining and growing existing businesses, and attracting and promoting new organizations that will fulfill key priority goals of the City's Biennial Strategic Plans and General Plan. Funding will be available for relocation and/or expansion of current businesses, and new business start-up costs only.

A. ED Grant Distribution Criteria

Applications will be evaluated on the following criteria in order to be eligible for an ED Grant:

Criteria #1: The organization must demonstrate a sound business plan that strongly supports the Goals of the City Economic Development Plan.

Criteria # 2: The organization must commit to and demonstrate the ability to do business in the City limits for a duration of no less than three years. Funding cannot be used for one-time events.

Criteria #3: The organization must produce items or provide services that are consistent with the Economic Development Work Plan and align with the City's General Plan to enhance the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the City. The organization must either conditionally agree to participate in or to expand programs or services, or otherwise provide evidence of existing services and initiatives consistent with the goals stated in Park City's Biennial Strategic Plan in the sectors of: Housing, Transportation, and Energy.

Criteria #4 : The organization must demonstrate substantial contribution to the central goals of the City's General Plan, including specific and significant commitment to the majority of the main sectors of:

a. Fostering a strong sense of community vitality and vibrancy;

b. Respecting and conserving the natural environment;
c. Promoting balanced, managed, and sustainable growth;
d. Supporting and promoting diversity in people, housing and affordability;
e. Supporting a diverse, stable, and sustainable economy;
f. Preserving a strong sense of place, character, and heritage.

Criteria #5: 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.

Criteria #6: The organization can forecast at the time of application the ability to achieve direct or indirect economic/tax benefits equal to or greater than the City's contribution.

Criteria #7: The organization should show a positive contribution to diversifying the local economy by increasing year-round business opportunities, creating new jobs, and increasing the local tax base.

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 from the Lower Park RDA ($20,000), the General Fund ($10,000), and the Main Street RDA ($20,000). Of these funds, no more than $50,000 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.

C. ED Grant Categories

ED Grants will be placed in three 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 covered through an ED Grant include but are not limited to: moving costs, leased space costs, 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 covered through an ED Grant include but are not limited to: leased office space costs, fixtures/furnishings/ and equipment related to setting up office space within the City limits.

3. **Business Expansion Assistance:** This category of grants will be available for assisting an organization or business with expansion costs. These expansions should increase square footage, increase year-round jobs in City limits and/or increase tax revenue; and/or demonstrate a venture into an area considered a diversification of our economic base.

D. Application Process

Application forms may be downloaded from the City's www.parkcity.org website, are available via email from the Economic Development Manager, or are available within the Economic Development Office of City Hall. Applications will be evaluated and awarded on a quarterly basis.

E. Deadlines

All applications for Economic Development Grants must be received no later than the following dates each year to be eligible for quarterly consideration;

1Q – Second Friday in August for the end of the First Quarter (September 30th)
2Q – Second Friday in November for the end of the Second Quarter (Dec. 31st)
3Q – Second Friday in February for the end of the Third Quarter (March 31th)
4Q – Second Friday in May for the end of the Fourth Quarter (June 30th)

The City Council will consider in a public meeting any application received by each of the quarterly deadlines within 6 weeks. Extraordinary requests outside the scheduled application process may be considered, unless otherwise directed by Council.

Extraordinary requests received 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 the Economic Development Grant criteria;

2. The applicant must show that the requested funds represent an immediate fiscal need that could not have been anticipated before the deadline; and

3. The applicant must demonstrate significant consequences of not being able to wait for the next quarterly review.

F. 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 on a quarterly basis, 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.

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, including emergencies and disasters. The following policy outlines the parameters and circumstances under which contingency funding is to be administered:

A. Access to General 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
        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. Access to Emergency Contingency Funds

Monies set aside in the Emergency Contingency account shall be accessible for the following purposes:

1. Unforeseen emergencies or disasters that require immediate response and incur short to mid-term unbudgeted expenses up to $100,000. Emergency Contingency funds are targeted at small to moderate incidents that incur immediate funding needs for actions such as, but not limited to, debris removal, flood mitigation measures, wildfire response, severe weather, pandemics, water service disruptions and extended Emergency Operations Center (EOC) mobilization. Larger disaster funding requirements will be addressed by the City Council's ability to exceed the budget in a declared emergency (Utah 10-6-129. Uniform Fiscal Procedures Act for Utah Cities - Emergency expenditures).
2. In the case of emergency expenditures may be authorized by the Emergency Manager up to $2,500, the Chief of Police up to $5,000, the Finance Manager up to $100,000 and the City Manager beyond $100,000. In addition, since the emergency contingency budget is capped at $100,000, any transaction over this amount will need City Council's approval unless another funding source is identified.

C. 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 General 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.

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.
   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 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.

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 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

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.

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

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.

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
8. Fixed rate corporate obligations that are rated "A" or higher
9. Other investments as permitted by the Money Management Act

I. Investment Pools

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.

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 annual 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

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 not 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 deposed 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;

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
    b. Resort
2. Inflation

3. Current service levels
    c. Are they adequate?
    d. 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.
    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:

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.

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
4. $50,000.
5. Any project that is to be funded from building-related impact fees.
6. 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 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.
   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

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
2. $10,000.
3. Upgrades in technology or quality
4. Renovations, additions, or improvements that incorporate non-existing assets

PART IV - NEIGHBOURHOOD CIPREQUESTS 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.

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 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 workload 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 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.

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.

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 review programs as part of the annual budget process.
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).
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

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 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 MAY 2020)

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 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:

- Quantifiable goals and objectives.
- Non-discrimination in providing programs or services.
- Cooperation with existing related programs and community service.
- Compliance with the City contract.
- Federally recognized not-for-profit status.

2. **Criterion 2:** Program Need and Specific City Benefit - The organization must have the following:

- A clear demonstration of public benefit and provision of direct services to City residents.
- 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 clear description of how public funds will be used and accounted for
- Other funding sources that can be used to leverage resources.
- A sound financial plan that demonstrates managerial and fiscal competence.
- 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:

1. Special Service Contracts

a) Regular Services – To be determined by Council discretion

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 and the Historic Preservation Grant Program based up on funds available from the various Redevelopment Agencies and the General Fund.

The category percentage allocation could vary from year-to-year, depending on Council discretion. In addition, 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: community art & culture, childhood education, medical treatment, emergency assistance, food pantry, housing outreach & education, and safe haven. To the extent possible, individual special services will be delineated in the budget.

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 one to four years, depending on the type of contract. 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 performance measures (quality and quantity) that the program has provided public services meeting its goals as delineated in the special service contract. The disbursement of all appropriations will be contingent upon council approval. Special service providers will be required to submit current budgets and evidence of contract compliance (as determined by the contract) by the given deadline 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.

Innovation Grants: City council intends to provide the community with a meaningful venue to deliver unique and innovative ideas focused on tackling the City's challenges. These solutions may focus on the Community Critical Priorities of energy, housing, transportation, and social equity, but may be related to any initiative the City deems worthwhile. Grants would provide an organization with seed money to create programs or start initiatives, but would not serve as a long-term funding solution for non-profits. Innovation grants will typically have distributions ranging from 1-3 years.

Deadlines: All proposals for Special Service Contracts must be received no later than the given deadline. 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 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 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, the Main Street RDA, and the General Fund. The City Council hereby authorizes the Historic District Grant Program. The disbursement of the funds shall be administered pursuant to the Historic District Grant Program pursuant to applications and criteria established by the Planning Department, and awarded by the Planning Department except that City Council approval shall be required for disbursement amounts greater than $25,000. In instances where another organization is involved, a contract delineating the services will be required. Projects involving city property or partnerships shall be limited to Category A. Repair funds, remaining end of fiscal year funds, or funds allocated via the General Fund through the separate Budgeting for Outcomes (BFO) annual process.

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.

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.

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) with cumulative total 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.
    d. Accumulated "Change Orders" which would overall increase a previously council 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.
        iii. any change order that causes the contract to exceed the above amounts, must go to council for approval.
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.
    b. All contracts for public works projects over the amount specified by state code, specifically:
        i. for the year 2003, $125,000 ($176,559 for FY15)
        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.

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. Employees must abide by PCMC 3-1-4.

15. All RFPs must be advertised on the Park City website.

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.

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 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 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 a formal documented evaluation process such

as Request for Proposals (RFP), Statement of Qualifications (SOQ), Qualification Based Selection (QBS), etc. 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. 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. Local bidder preference applies.

   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. Local bidder preference does not apply.

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 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. 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.

6. **Ongoing Service Contracts are contracts that renew annually for services such as: cleaning services, alarm systems, and elevator maintenance etc.** Ongoing service contract renewals will not last more than a five-year span. Following the conclusion of a five-year term, contracts exceeding a total of $25,000 will again undergo the process described in the section: E. General Rules, Subsection: 3. Contracts for Professional Services.

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;

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;
   - **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.

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-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 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 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 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 form 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 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

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.

C. 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.

D. 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.

E. Funding Alternatives

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

F. 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 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.

Criteria	**Points**	**Basis Point Assignment**
Speed data (48 hour)	30	Extent by which the 85th 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, 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 afterthe 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.

G. 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.
   - **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
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.

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. Non-spendable Fund Balance

The non-spendable 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 non-spendable 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.

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” 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.

PART VI – Live Park City – Lite Deed Restriction Program

The City Council may appropriate funds dedicated to the purchase of deed restrictions for housing vitality and preservation within the City limits of Park City. The Live Park City housing program purchases deed restrictions that require owner occupancy or long-term rental of the property. The disbursement of funds will be administered by the City Manager and based on the recommendation of an Advisory Board created by City Council and following program criteria established by the Housing Department and adopted by City Council. The Advisory Board has the authority to award recommendations and to enter and negotiate individual deed restrictions, subject to approval by the City Manager provided the funds being provided is less than $200,000. If the home funds in an application exceeds $200,000, the authority to approve a deed restriction and delegate funds is subject to City Council approval.

STAFFING SUMMARY

Position	Minimum	Maximum	FTEs FY 2022	FTEs FY 2023
GENERAL FUND				
CITY ATTORNEY	$ 188,259	$ 235,324	1	1
CITY MANAGER	$ 168,800	$ 211,000	1	1
DEPUTY CITY ATTORNEY	$ 160,156	$ 200,195	1	1
SPECIAL COUNSEL TO MAYOR AND COUNCIL	$ 144,227	$ 180,284	1	1
ATTORNEY V	$ 138,675	$ 173,231	1	1
ASSISTANT CITY MANAGER	$ 131,416	$ 177,012	2	2
IT & CUSTOMER SERVICE DIRECTOR	$ 131,065	$ 163,831	1	1
CHIEF OF POLICE	$ 130,542	$ 165,500	1	1
CITY ENGINEER	$ 127,792	$ 159,740	1	1
ATTORNEY IV	$ 127,792	$ 159,740	1	1
PUBLIC WORKS DIRECTOR	$ 126,720	$ 158,401	1	1
CAPTAIN	$ 120,385	$ 150,482	2	2
ENVIRONMENTAL SUSTAINABILITY MANAGER	$ 126,338	$ 157,922	1	1
FINANCE MANAGER	$ 119,880	$ 149,850	1	1
HUMAN RESOURCES DIRECTOR	$ 118,551	$ 148,189	1	1
NETWORK ENGINEER	$ 116,965	$ 146,206	1	1
BUDGET OPERATIONS & STRATEGIC PLANNING DIR.	$ 111,381	$ 145,077	1	1
PLANNING DIRECTOR	$ 112,101	$ 140,127	1	1
RECREATION MANAGER	$ 109,522	$ 136,903	1	1
ECONOMIC DEVELOPMENT MANAGER	$ 109,402	$ 136,753	1	1
SENIOR PROJECT MANAGER	$ 109,092	$ 136,365	1	1
ENVIRONMENTAL SENIOR PROJECT MANAGER	$ 109,092	$ 136,365	1	1
PUBLIC IMPROVEMENTS ENGINEER	$ 105,874	$ 132,343	1	1
TRANSPORTATION ENGINEER	$ 105,874	$ 132,343	1	1
CHIEF BUILDING OFFICIAL	$ 105,547	$ 131,934	1	1
LIBRARY DIRECTOR	$ 105,547	$ 131,934	1	1
AFFORDABLE HOUSING MANAGER	$ 103,272	$ 129,091	1	1
COMMUNITY ENGAGEMENT MANAGER	$ 102,014	$ 127,518	1	1
ASST PLANNING DIRECTOR	$ 97,840	$ 122,299	1	1
LIEUTENANT	$ 102,014	$ 127,518	2	2
PRPTY-REAL ESTATE-TRAILS & OPEN SPACE PRG MGR	$ 91,690	$ 114,613	1	1
ASSISTANT BUDGET DIRECTOR	$ 91,690	$ 114,613	1	1
ECONOMIC DEVELOPMENT PROGRAM MANAGER	$ 89,876	$ 112,345	1	1

CITY RECORDER	$	82,860	$	110,480	1	1
CITY TREASURER	$	79,214	$	110,480	1	1
AFFORDABLE HOUSING SENIOR PROG MANAGER	$	82,860	$	110,480	0	1
COMMUNICATIONS MANAGER	$	79,214	$	110,480	1	1
SENIOR PLANNER	$	87,159	$	108,948	1	2
SYSTEMS ADMINISTRATOR	$	87,053	$	108,817	1	1
ASSISTANT RECREATION MANAGER	$	86,569	$	108,212	1	1
BUILDING MAINTENANCE SUPERVISOR	$	85,023	$	106,279	1	1
SENIOR BUDGET/FINANCE ANALYST	$	83,980	$	104,975	1	1
RESIDENT ADVOCATE	$	79,214	$	99,018	1	1
TENNIS DIRECTOR	$	82,949	$	103,688	1	1
GIS ADMINISTRATOR	$	82,949	$	103,688	0.5	0.5
Jr. SYSTEMS ADMINISTRATOR	$	78,863	$	98,580	0	2
RECREATION DIVISION MGR - HEALTH & FITNESS	$	78,074	$	97,592	1	1
BUILDING INSPECTOR SUPERVISOR	$	77,774	$	97,217	2	2
GRANT AND CONTRACTS COORD	$	77,774	$	97,217	1	1
DEPUTY CHIEF BUILDING OFFICIAL	$	75,808	$	94,760	1	1
EMERGENCY MANAGER	$	75,186	$	93,983	1	1
TRAFFIC COORDINATION MANAGER	$	75,186	$	93,983	0	1
ARTS AND CULTURE MANAGER	$	75,186	$	93,983	1	1
PARKS SUPERINTENDENT	$	75,186	$	93,983	1	1
AFFORDABLE HOUSING PROGRAM MANAGER	$	70,931	$	88,663	1	1
SENIOR LIBRARIAN	$	70,471	$	88,089	6	6
IT COORDINATOR III	$	70,471	$	88,089	3	3
SR. BLDG & FIRE INSPECTOR	$	68,040	$	85,050	1	1
PLAN CHECK COORDINATOR	$	68,040	$	85,050	2	2
PLANNER II	$	67,592	$	88,663	2	2
TRAILS & OPEN SPACE COORDINATOR	$	66,446	$	83,058	1	1
DIGITAL COMMUNICATIONS SPECIALIST	$	66,446	$	83,058	2	2
IT COORDINATOR II	$	61,968	$	77,460	2	2
STAFF ENGINEER	$	57,737	$	72,171	1	1
PLANNER I	$	53,970	$	67,463	3	2
SERGEANT	$	39.00	$	50.50	6	6
LEGAL ANALYST	$	36.00	$	44.90	1	1
STREETS IV - FIELD SUPERVISOR	$	34.24	$	42.80	1.5	1.5
SENIOR POLICE OFFICER	$	34.00	$	43.34	22	24
BUILDING MAINTENANCE IV	$	34.00	$	42.09	1	1.25
EXECUTIVE ASSISTANT	$	33.00	$	40.66	2	2
EXECUTIVE ASSISTANT	$	33.00	$	40.66	1	1
SENIOR BUILDING INSPECTOR	$	32.96	$	41.20	4	4
PARALEGAL	$	32.00	$	40.50	1	1

HR GENERALIST	$ 32.00	$ 39.88	2	2
FIRE INSPECTOR / PLANS EXAMINER	$ 32.00	$ 39.52	1	1
PAYROLL COORDINATOR	$ 30.68	$ 38.35	1	1
DIGITAL COMMUNICATIONS COORDINATOR	$ 31.00	$ 38.15	2	2
ANALYST III	$ 30.00	$ 37.83	2	2
ACCOUNTANT	$ 29.00	$ 35.86	1	1
PARKS IV	$ 29.00	$ 35.78	4.5	4.5
RECREATION COORDINATOR	$ 27.00	$ 34.36	4	4
BUILDING MAINTENANCE III	$ 27.00	$ 34.06	5	6
ANALYST II - BUILDING	$ 27.00	$ 33.82	1	1
ANALYST II/OFFICE ASST	$ 27.00	$ 33.82	0	1
ANALYST II - PUBLIC WORKS	$ 27.00	$ 33.82	0.8	0.8
BUSINESS LICENSE SPECIALIST	$ 27.00	$ 33.81	1	1
PUBLIC IMPROVEMENTS INSPECTOR	$ 26.92	$ 33.31	0.75	0.75
STREETS CREW LEADER	$ 25.40	$ 31.86	2	2
EVENTS COORDINATOR	$ 25.00	$ 31.25	2	2
RECRUITER	$ 25.00	$ 31.25	0	1
BUSINESS LICENSE INSPECTOR	$ 25.00	$ 31.25	1	1
COMMUNITY TECHNICAL SPECIALIST	$ 25.00	$ 30.88	1	1
CIRCULATION TEAM LEADER	$ 24.00	$ 29.72	1	1
ACCOUNTING CLERK III	$ 24.00	$ 29.72	2	2
FRONT DESK TEAM LEADER	$ 24.00	$ 29.48	1	2
EVIDENCE TECHNICIAN	$ 24.00	$ 29.47	1	1
STREETS & STORM WATER OPERATOR III	$ 24.00	$ 29.37	12	12
PARKS III	$ 24.00	$ 29.37	4	4
STREETS III - TRAFFIC MITIGATION	$ 24.00	$ 29.37	0	2
VICTIM ADVOCATE	$ 23.15	$ 29.19	1	1
COMMUNITY INSPECTOR	$ 23.00	$ 28.24	3	3
ASSOCIATE BUILDING INSPECTOR	$ 20.71	$ 25.88	1	1
HR ASSISTANT	$ 20.00	$ 25.48	1	1
ANALYST II	$ 20.00	$ 25.48	1	1
POLICE RECORDS CLERK	$ 20.00	$ 25.48	2	2
LIBRARY ASSISTANT	$ 20.00	$ 25.23	1	1
RECREATION FRONT DESK CLERK	$ 20.00	$ 25.23	1	1
PERMIT TECHNICIAN	$ 19.05	$ 23.69	1	2
TRAILS & OPEN SPACE RANGER	$ 19.00	$ 23.45	0	2
ANALYST I	$ 19.00	$ 23.45	1	0
BUILDING MAINTENANCE II	$ 19.00	$ 23.45	2	2
BUILDING OFFICE ASSISTANT III	$ 18.00	$ 21.88	1	0
		Total	**187.05**	**200.3**

Class Code - Department *Part Time*	Minimum	Maximum	FTEs FY 2022	FTEs FY 2023
SPECIAL EVENTS POLICE OFFICER	$ 27.00	$ 33.31	0.92	0.92
TRAILS & OPEN SPACE RANGER	$ 19.00	$ 23.45	0.05	0.05
ANALYST II - EXECUTIVE	$ 27.00	$ 33.82	0.5	0.5
TECHNICAL SPECIALIST II	$ 25.00	$ 31.25	0.75	0.75
STREETS & STORM WATER OPERATOR III	$ 24.00	$ 29.37	2.26	2.26
PARKS III	$ 24.00	$ 29.37	5.23	6.74
LAW CLERK/PROJECT MANAGER 1	$ 19.00	$ 23.45	0.9	0.9
RECREATION INSTRUCTOR VI	$ 19.00	$ 23.45	0.78	0.78
PARKS II	$ 19.00	$ 23.45	0.63	0.63
OFFICE ASSISTANT III - IT	$ 18.00	$ 21.88	0.85	0.85
LIBRARY ASSISTANT	$ 16.00	$ 20.55	3	3.46
PLANNING ASST	$ 16.00	$ 20.55	0	0.9
PARKS I	$ 15.00	$ 18.77	2.4	2.4
LIBRARY CLERK	$ 15.00	$ 18.77	1.64	1.64
RESERVE POLICE OFFICER	$ 15.00	$ 18.77	7.51	7.51
RECREATION WORKER V	$ 14.00	$ 17.20	2	2
RECREATION WORKER IV	$ 12.00	$ 15.59	3.54	4.72
RECREATION FRONT DESK CLERK	$ 12.00	$ 15.59	7.13	7.13
GENERAL OFFICE CLERK	$ 12.00	$ 15.59	0.68	0.68
B2MC10-01 RECREATION INSTRUCTOR I - REC	$ 9.00	$ 11.34	3.24	3.24
		Total	**43.09**	**47.14**

Ice Department *Full Time*	Minimum	Maximum	FTEs FY 2022	FTEs FY 2023
ICE GENERAL MANAGER	$79,214	$99,018	1	1
ICE PROGRAM SUPERVISOR	$75,187	$93,984	1	1
ARENA MAINTENANCE COORDINATOR	$29.00	$35.78	1	1
ICE HEAD OF OPERATIONS	$67,592	$84,490	0	1
PARKS IV	$29.00	$35.78	1	1
ICE FRONT DESK TEAM LEADER	$24.00	$29.41	1	1
PARKS III	$24.00	$29.37	1	1
		Total	**6.00**	**7.00**

Ice Department *Part Time*	Minimum	Maximum	FTEs FY 2022	FTEs FY 2023
ICE CUSTOMER SERVICE REP	$12	$16	1.42	1.42

ICE RINK OPERATOR	$18.00	$21.88	1.38	1.38
OUTDOOR ICE TECH	$18	$22	0	0.31
		Total	**2.80**	**3.11**

WATER FUND

Class Code - Department			**FTEs**	**FTEs**
Full Time	**Minimum**	**Maximum**	**FY 2022**	**FY 2023**
PUBLIC UTILITIES DIRECTOR	$146,357	$190,692	1	1
PUBLIC UTILITIES ENGINEERING MANAGER	$116,062	$145,077	0.7	0.7
WATER QUALITY & TREATMENT MANAGER	$112,951	$141,189	1	1
WATER RESOURCES MANAGER	$105,966	$132,458	0.5	0.5
PUBLIC UTILITIES ENGINEER	$105,488	$131,860	1.5	1.5
WATER DISTRIBUTION MANAGER	$97,290	$121,612	1	1
PUBLIC UTILITIES PROGRAMMER ANALYST	$78,935	$98,669	0.5	0.5
WATER TREATMENT SUPERINTENDENT	$42.00	$51.88	2	2
WATER DISTRIBUTION SUPERINTENDENT	$34.00	$45.09	2	2
BUILDING MAINTENANCE IV	$34.00	$42.09	0	0.75
WATER WORKER IV	$33.50	$41.88	6	6
WATER QUALITY SCIENTIST	$33.00	$41.38	2	2
WATER TREATMENT OPERATOR IV	$32.00	$40.22	8	8
WATER BILLING COORDINATOR	$31.00	$39.82	0.75	0.75
ANALYST - WATER	$27.00	$35.08	2	2
		Total	**28.95**	**29.70**

Part Time			**FY 2022**	**FY 2023**
WATER LABORER III	$15.00	$18.77	1.01	1.01
WATER LABORER I	$12.00	$15.59	1.35	1.35
		Total	**2.36**	**2.36**

STORM WATER FUND

Class Code - Department			**FTEs**	**FTEs**
Full Time	**Minimum**	**Maximum**	**FY 2022**	**FY 2023**
WATER RESOURCES MANAGER	$105,966	$132,458	0.5	0.5
PUBLIC UTILITIES ENGINEER	$105,488	$131,860	0.5	0.5
PUBLIC UTILITIES PROGRAMMER ANALYST	$78,935	$98,669	0.25	0.25

STORM WATER COORDINATOR	$36.00	$44.85	0.75	0.75
EXECUTIVE ASSISTANT	$33.00	$40.66	0.6	0.6
4416 - STREETS IV - FIELD SUPERVISOR	34.24`	$42.80	0.5	0.5
4414 - STREETS & STORM WATER OPERATOR III	$24.00	$29.37	2	2
		Total	**5.10**	**5.10**

GOLF FUND

Class Code - Department			**FTEs**	**FTEs**
Full Time	**Minimum**	**Maximum**	**FY 2022**	**FY 2023**
GOLF MANAGER	$82,949	$103,688	1	1
GOLF COURSE SUPERINTENDENT	$75,186	$93,983	2	2
FIRST ASSISTANT GOLF PRO	$51,593	$64,491	1	1
		Total	**4**	**4**
Part Time	**Minimum**	**Maximum**	**FTEs FY 2022**	**FTEs FY 2023**
ASSISTANT GOLF PRO	$19.00	$23.45	2.45	2.45
PARKS II-GOLF MAINTENANCE	$19.00	$23.45	6.59	6.59
GOLF COURSE STARTER	$11.00	$13.91	1.25	1.25
BEVERAGE CART ATTENDEE	$9.00	$11.34	1.03	1.03
RANGE ATTENDANT	$10.00	$12.60	0.87	0.87
		Total	**12.19**	**12.19**

TRANSPORTATION FUND

Class Code - Department			**FTEs**	**FTEs**
Full Time	**Minimum**	**Maximum**	**FY 2022**	**FY 2023**
IT COORD II TRANSIT	$ 61,968	$77,460	1	1
TRANSPORTATION DIRECTOR	$132,396	$165,495	1	1
TRANSPORTATION PLANNING MANAGER	$109,522	$136,903	1	1
TRANSIT MANAGER	$105,547	$131,934	1	1
SENIOR TRANSPORTATION PLANNER	$94,557	$118,197	2	2
ASSISTANT TRANSIT MANAGER	$87,053	$108,817	2	2
ITS PROGRAM MANAGER	$76,765	$95,956	1	1
GRANTS & CONTRACTS ADMINISTRATOR	$69,031	$86,289	1	1
TRANSIT COMMUNITY OUTREACH	$33.00	$41.56	1	1
EXECUTIVE ASSISTANT	$33.00	$40.66	1	1
TRANSIT SERVICE PLANNER	$32.00	$39.41	1	1
TRANSIT IT TECH	$27.48	$34.35	0	1

TRANSIT SHIFT SUPERVISOR	$28.18	$35.22	6	8
TRANS BUS INTELL ANALYST	26.95	$33.69	1	1
LEAD TRANSIT OPERATOR	$24.92	$31.15	3	3
DISPATCH	$24.92	$31.15	5	5
BUS DRIVER	$24.00	$27.09	51	51
BUILDING MAINTENANCE III - TRANSIT	$27.00	$34.06	1	1
		Total	**80.00**	**83.00**

Part Time	**Minimum**	**Maximum**	**FTEs FY 2022**	**FTEs FY 2023**
BUS DRIVER II	$19.00	$23.45	7	7
TRAILS & OPEN SPACE RANGER	$ 19.00	$ 23.45	0	0.5
		Total	**7.00**	**7.50**

PARKING FUND

Class Code - Department ***Full Time***	**Minimum**	**Maximum**	**FTEs FY 2022**	**FTEs FY 2023**
PARKING MANAGER	$87,158	$108,948	1	1
PARKING SUPERVISOR	$28.00	$34.51	1	1
LEAD PARKING OFFICER	$24.00	$29.41	1	1
ANALYST - PARKING	$24.00	$29.37	2	2
PARKING MAINTENANCE COORDINATOR	$23.00	$28.58	1	1
TDM OFFICER	$20.00	$25.48	4	5
		Total	**10.00**	**11.00**

Part Time	**Minimum**	**Maximum**	**FTEs FY 2022**	**FTEs FY 2023**
PARKING OFFICER	$15.00	$18.77	0.2	0.2
		Total	**0.20**	**0.20**

FLEET SERVICES FUND

Class Code - Department ***Full Time***	**Minimum**	**Maximum**	**FTEs FY 2022**	**FTEs FY 2023**
SHOP FOREMAN	$28.00	$34.51	2	2
MASTER MECHANIC	$27.00	$33.31	5	5
FLEET ADMINISTRATOR	$27.00	$33.31	1	1
FLEET MANAGER	$23.00	$28.24	1	1
		Total	**9.00**	**9.00**

Part Time	Minimum	Maximum	FTEs FY 2022	FTEs FY 2023
SEASONAL FLEET STAFF	$15.00	$18.77	0.12	0.12
			397.66	421.52
			404	425

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.
- Storm Water Fund – Accounts for the operations and capital of the City's storm water utilities, including debt service on associated storm water revenue bonds.

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.

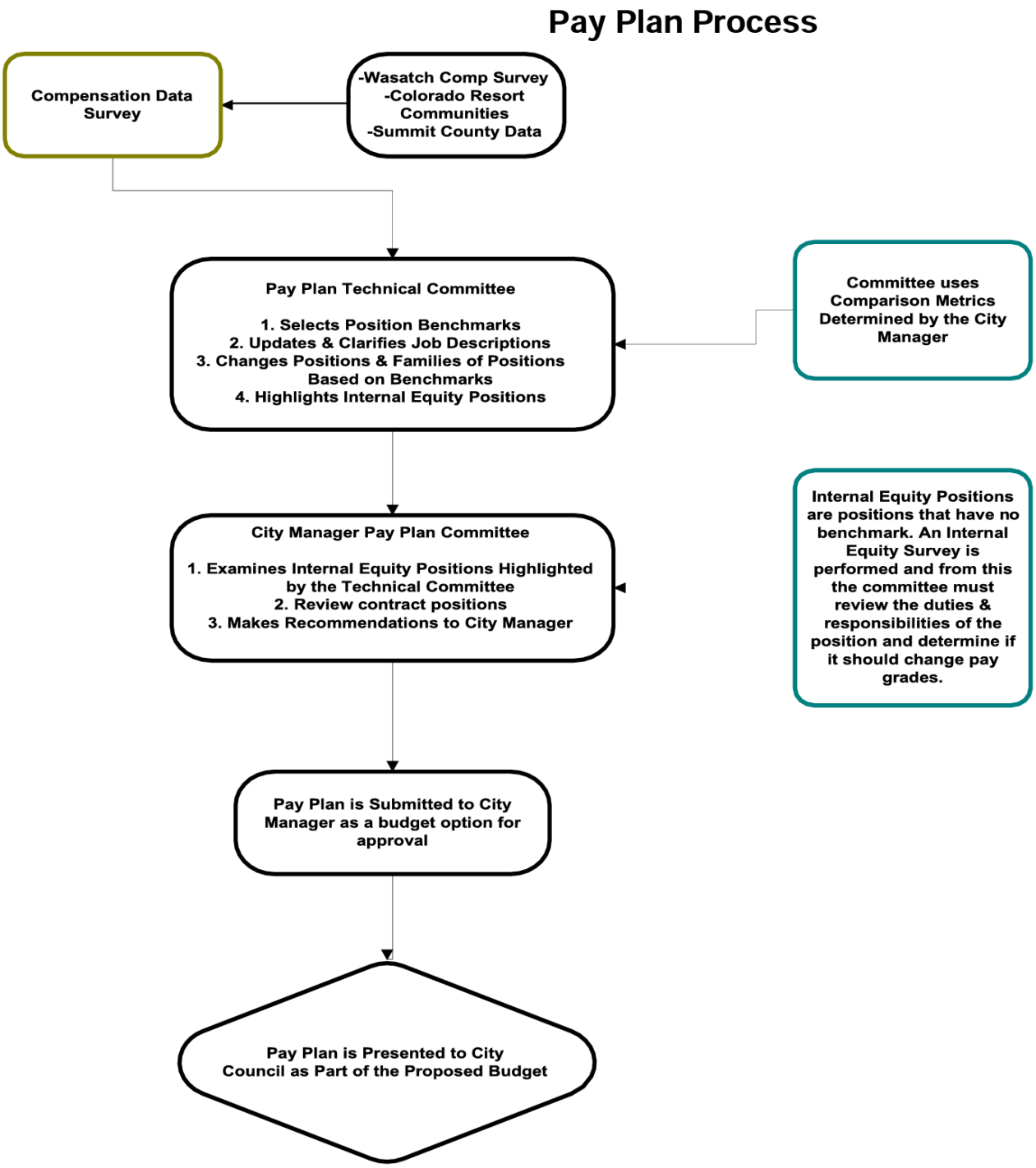
Internal Service Funds
Accounting records for all internal service funds are prepared on an accrual basis. Budgets for all internal service funds are prepared on a modified accrual basis. Depreciation is not budgeted for in the City's internal service funds. The internal service funds are used to account 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
Compensation Data Survey
-Wasatch Comp Survey
-Colorado Resort Communities
-Summit County Data
Pay Plan Technical Committee
1. Selects Position Benchmarks
2. Updates & Clarifies Job Descriptions
3. Changes Positions & Families of Positions Based on Benchmarks
4. Highlights Internal Equity Positions
Committee uses Comparison Metrics Determined by the City Manager
City Manager Pay Plan Committee
1. Examines Internal Equity Positions Highlighted by the Technical Committee
2. Review contract positions
3. Makes Recommendations to City Manager
Internal Equity Positions are positions that have no benchmark. An Internal Equity Survey is performed and from this the committee must review the duties & responsibilities of the position and determine if it should change pay grades.
Pay Plan is Submitted to City Manager as a budget option for approval
Pay Plan is Presented to City Council as Part of the Proposed Budget