



THE BEST MANAGED RESORT TOWN IN AMERICA

# PARK CITY, UT

## FISCAL YEAR

## 2014 BUDGET

CITY COUNCIL ADOPTED BUDGET  
ADJUSTED BUDGET FISCAL YEAR 2013  
ANNUAL BUDGET FISCAL YEAR 2014  
SUBMITTED TO PARK CITY COUNCIL

### **Volume 1: Executive Summary**

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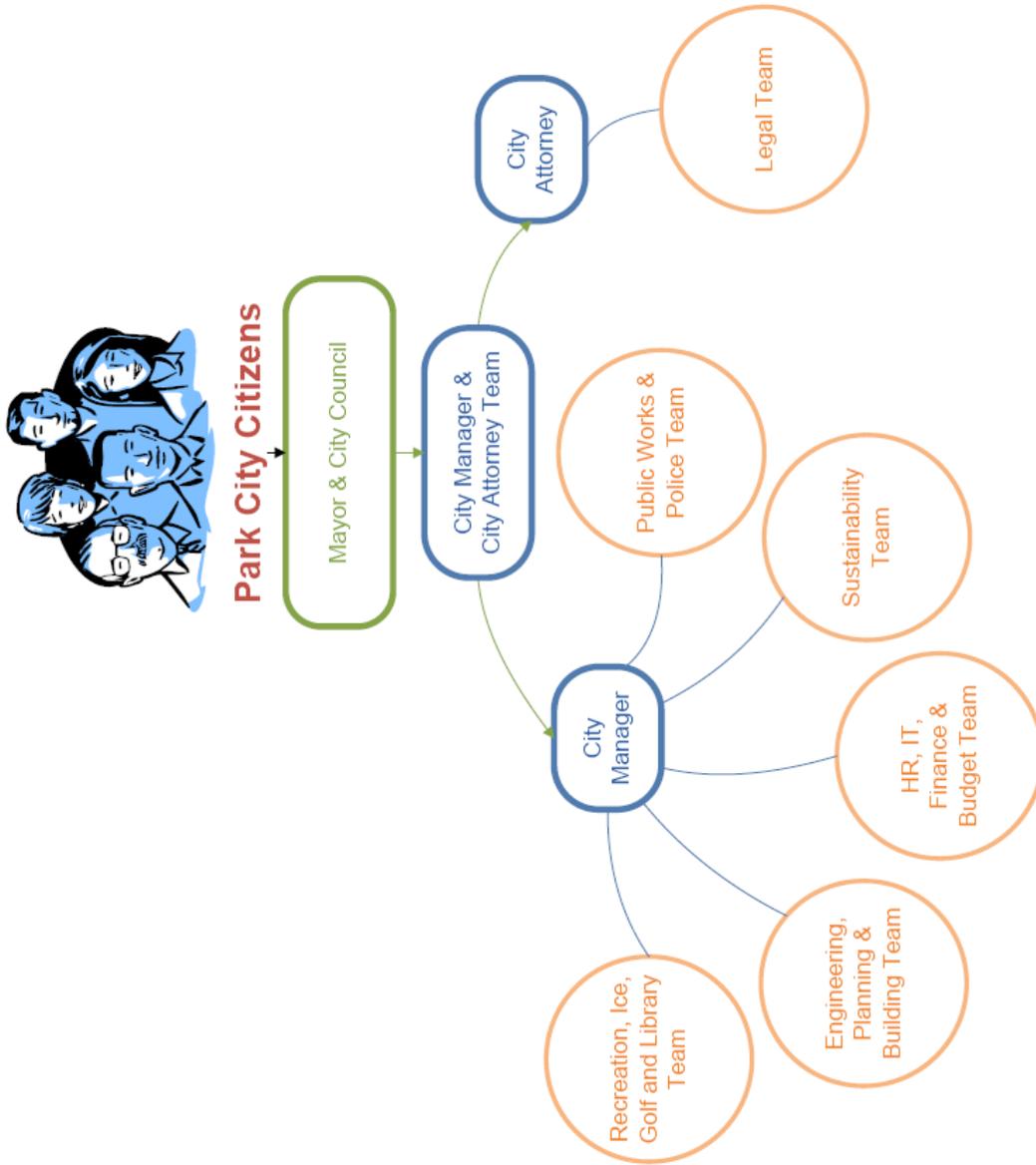
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# GUIDE TO THE BUDGET DOCUMENT



# **GUIDE TO THE BUDGET DOCUMENT**

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

**Volume I: Executive Summary** is intended for City Council and outlines the process, policies, and important issues of the FY 2013 & 2014 financial plan for Park City Municipal Corporation. The principal objective of Volume I is to clearly describe the City’s budget process and highlight proposed changes to the budget. City Council can then use this tool to provide policy direction during the budget process.

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

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

## **VOLUME I: EXECUTIVE SUMMARY**

### **INTRODUCTION**

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

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# **GUIDE TO THE BUDGET DOCUMENT**

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## **CITY MANAGER MESSAGE**

May 2, 2013

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

Pursuant to §10-6-109, Utah Code Annotated, the following budgets: Fiscal Year 2013 Adjusted Budget and Fiscal Year 2014 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 budget is balanced.

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

Last year the City moved to a Budgeting for Outcomes (BFO) process, which is a variation of zero-based budgeting that focuses on Council priorities and objectives as the driving factor for prioritization. BFO is a public budgeting process which seeks to imitate Request for Proposal (RFP) procedures. By creating Strategic Plans or Outcome Areas and then receiving offers from City departments, decision-makers can make better-informed decisions regarding the prioritization and cost of City services and programs.

Despite these difficult economic times it is anticipated that the proposed budget will allow City staff to carry out Council's goals and high levels of service without a recommended property tax increase in the FY 2014 Budget. Staff's commitment to administering municipal services and managing the capital program with a high degree of efficiency at a minimum cost to residents and taxpayers affirms that the City is maintaining a sound financial footing.

I present the City Manager Recommended Budget for FY 2014 to City Council, residents of Park City, and other interested stakeholders for your review.

Sincerely,

Diane Foster  
City Manager  
Park City Municipal Corporation



## **INTRODUCTION**

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### **PARK CITY MISSION STATEMENT**

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

### **PARK CITY GOALS & TARGETS FOR ACTION**

When the City Council met in February, 2013, at its annual visioning workshop, the Mayor and Council reaffirmed their long-range vision for Park City and updated their annual action plan. At that time Council reviewed and approved four goals for Park City which are highlighted below:

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

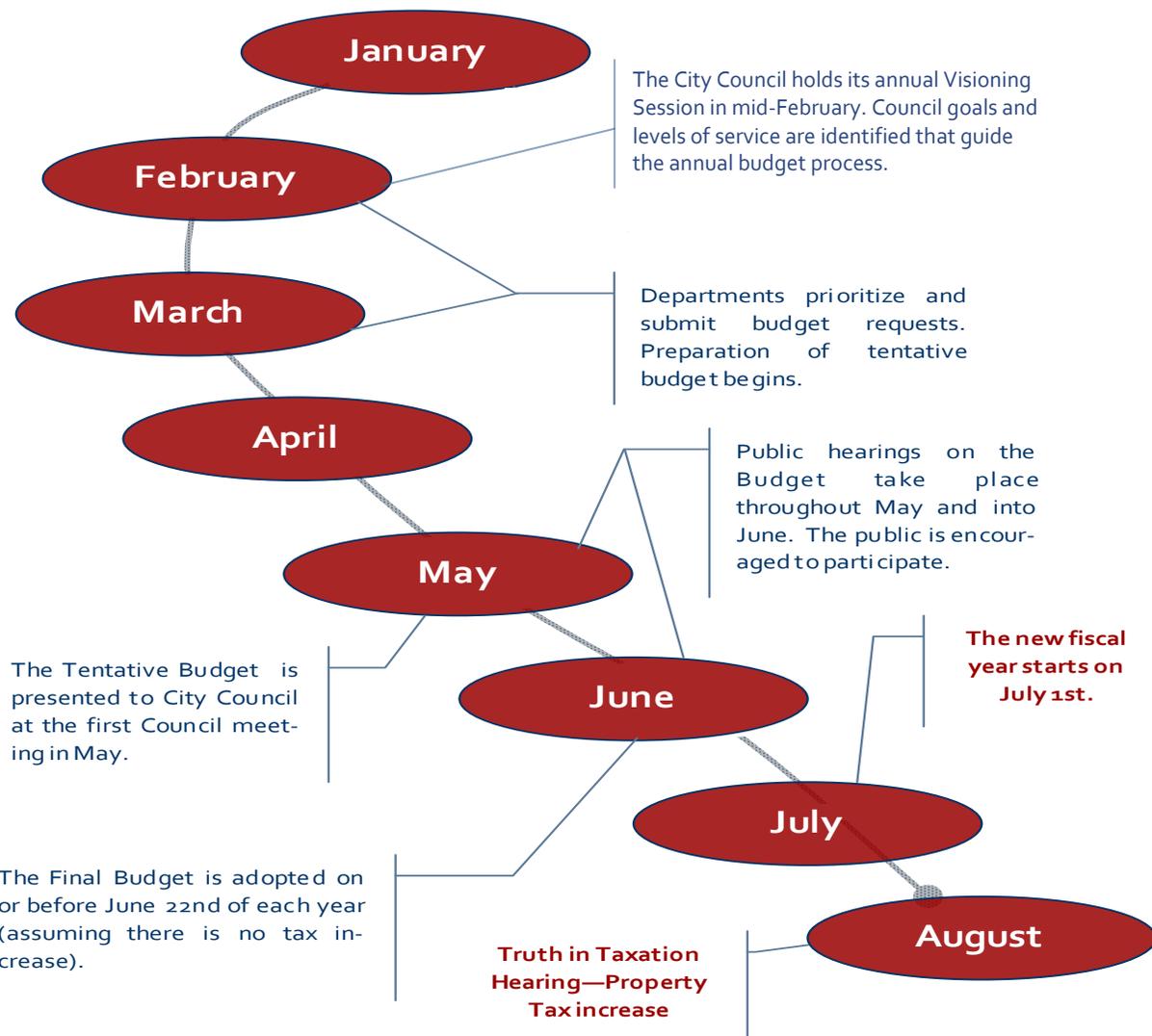
The budget process is a way to link Council's policy goals to the day-to-day management operations of the City. These longer-term goals are taken into account when department managers must identify which Council goals will be met when requesting budget operating and capital options. Furthermore, to ensure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

### **BUDGET PROCESS**

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

Typically, the Budget Process begins with Council Visioning, which took place in February. Usually, staff would present position papers which usually had some impending budget impacts, where Council would weigh in and give direction. However, this year the City has moved to a Budgeting for Outcomes (BFO) process, which is a variation of zero-based budgeting that focuses on Council priorities and objectives as the driving factor for prioritization (as opposed to the default chronological prioritization in a base-budget). BFO is a public budgeting process which seeks to imitate Request for Proposal (RFP) procedures. By creating Strategic Plans or Outcome Areas and then receiving offers from City departments (and potentially other possible service providers) decision-makers can make better-informed decisions regarding the prioritization and cost of City services and programs. The BFO process is discussed in more detail in the Budget Overview section of this document.

# INTRODUCTION



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.”<sup>1</sup> The proposed budget must be available for public inspection during normal business hours after it has been filed with the City Council. Between the first City Council meeting in May and the presentation of the Final Budget on June 20, the Council has the opportunity to review the proposed budget, consider public comment, and finally, adopt a balanced budget. Before June 22 the Council must adopt either a tentative budget if the certified tax rate is to be exceeded (tax increase) or a final budget and proposed tax rate (no tax increase). If there is a property tax increase, the Council holds an additional public hearing before adopting the budget in August.

Budgetary control of each fund is managed at the department level. Department managers play an active and important role in controlling the budget. The City Council may amend the budget

<sup>1</sup> Utah State Code Title 10-6-110 (2)

## **INTRODUCTION**

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by motion during the fiscal year; however, increases in overall fund budgets (governmental funds) require a public hearing. Enterprise fund budgets may be increased by the City Council without a public hearing. Expenditures may not legally exceed appropriations at the overall department level.

## **DISTINGUISHED BUDGET AWARD**

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

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

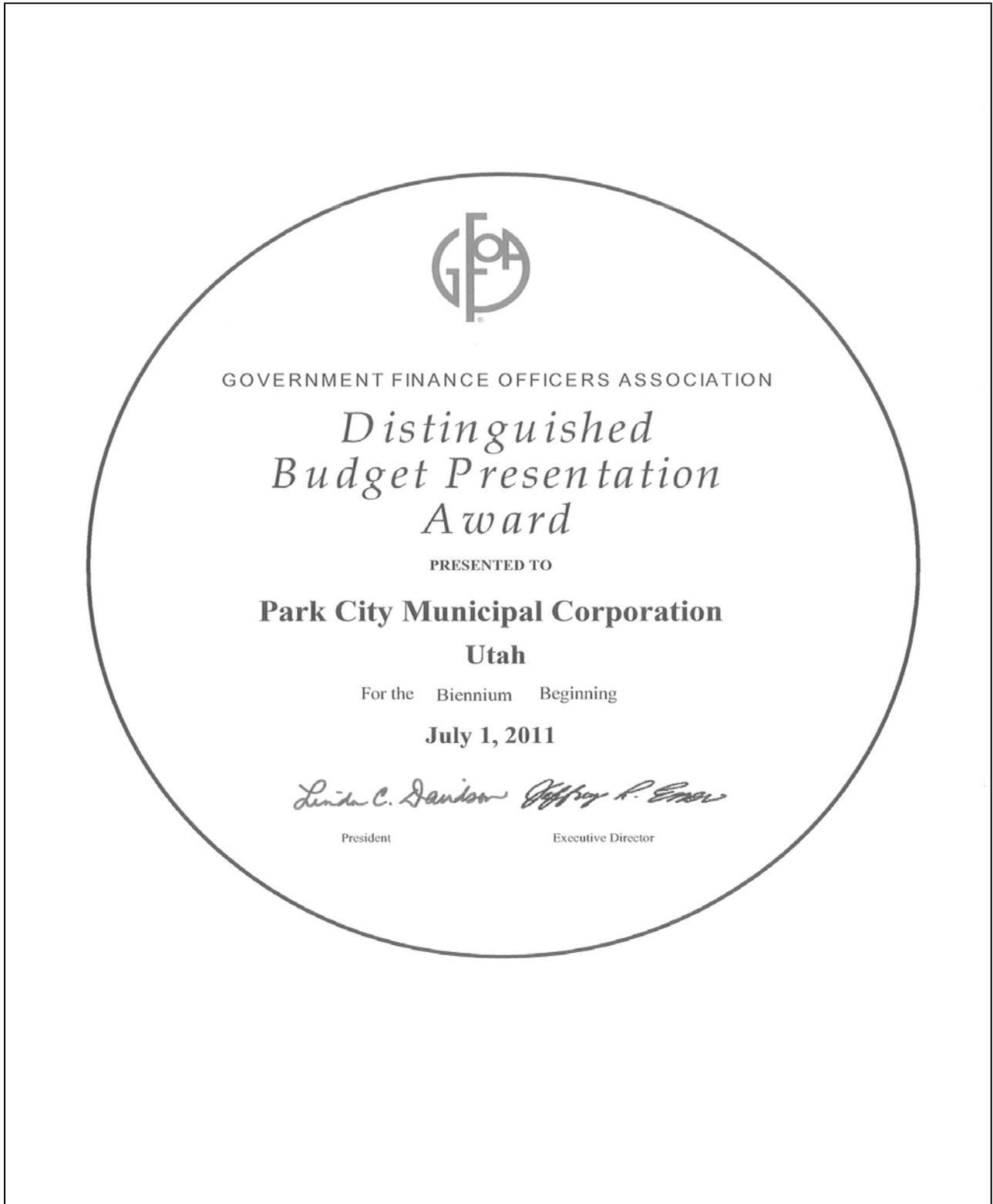
A portion of the Park City's Policies and Objectives were included in the GFOA Best Practices in Public Budgeting in the 2001 Edition Narratives and Illustrations on CD-ROM.

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

## **INTRODUCTION**

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Submitted by:  
Thomas B. Bakaly, Former City Manager



## **BUDGET OVERVIEW**

This year's budget process is the second of a two-year budget cycle; budget discussions will focus on variations from the FY 2014 Plan adopted by City Council last year. The following are a few of the more significant issues to be discussed with City Council during the budget hearings in May and June. For each of the budget hearings, Council will receive a staff report providing thorough details of all the issues that are expected to be discussed.

The FY 2013 Adjusted Budget reflects a 1.13% increase from the FY 2013 Original Budget and an overall 10% increase from FY 2012 actual expenses (with capital excluded). Most of this increase has to do with grant revenues that result in budget adjustment increases.

The FY 2014 Budget decreased by \$380k from the FY 2014 Plan. The decrease is largely due to a reduction in Environmental Regulatory expenditures, as well as health insurance costs coming in less than anticipated. Also, most of the budget options requested this year had to be offset with an increase in revenues or a budget decrease from somewhere else. The City Manager is recommending only those budget cuts which are least impactful to City services and those which would less likely result in personnel impacts.

### **Expenditure Summary by Major Object - All Funds**

	FY 2010	FY 2011	FY 2012	FY 2013 Ori Bud	FY 2013 Adj Bud	FY 2014 Plan	FY 2014 Budget
Personnel	20,553,234	21,098,681	22,750,251	25,112,990	25,067,435	25,598,173	26,613,165
Materials, Supplies & Services	11,052,483	10,942,094	13,235,104	15,163,641	16,224,179	14,925,532	13,587,399
Capital Outlay	41,569,011	64,609,845	29,823,669	17,874,359	51,966,840	30,290,169	44,388,144
Debt Service	9,834,751	12,176,557	10,399,905	10,480,443	10,891,706	10,467,536	10,638,677
Contingency	0	0	99,679	345,000	215,000	330,000	321,000
<b>Actual Budget</b>	<b>\$83,009,480</b>	<b>\$108,827,176</b>	<b>\$76,308,608</b>	<b>\$68,976,432</b>	<b>\$104,365,160</b>	<b>\$81,611,410</b>	<b>\$95,548,385</b>
<b>Budget Excluding Capital</b>	<b>\$41,440,469</b>	<b>\$44,217,332</b>	<b>\$46,484,939</b>	<b>\$51,102,073</b>	<b>\$52,398,320</b>	<b>\$51,321,241</b>	<b>\$51,160,241</b>
Interfund Transfers	32,800,255	14,840,021	9,177,643	6,594,188	7,667,140	6,587,463	7,204,457
Ending Balance	94,338,414	73,869,394	71,208,562	22,182,970	46,924,204	23,220,415	25,740,717
<b>Subtotal</b>	<b>\$127,138,669</b>	<b>\$88,709,415</b>	<b>\$80,386,205</b>	<b>\$28,777,158</b>	<b>\$54,591,344</b>	<b>\$29,807,878</b>	<b>\$32,945,174</b>
<b>Grand Total</b>	<b>\$210,148,148</b>	<b>\$197,536,591</b>	<b>\$156,694,813</b>	<b>\$97,753,590</b>	<b>\$158,956,504</b>	<b>\$111,419,287</b>	<b>\$128,493,559</b>

Table B01 – Expenditure Summary by Major Object

## **BUDGET ISSUES**

### **FINANCIAL IMPACT ASSESSMENT REPORT (FIAR)**

In February 2013 the Budget Department presented an update of the Financial Impact Assessment Report (FIAR) to the City Council at its annual Visioning Session. This report was organized to forecast revenues and operating, capital, and debt service expenses for the General Fund. The information contained in the report was intended to inform decision makers in the upcoming budget process by illustrating the potential impacts of current financial decisions on the financial health of the City in both the near and distant future. The report is presented to Council at the Visioning Session each year and then updated in the Tentative Budget to show the impact of the budget requests for the next two-year cycle. This will enable Council to see the estimated impacts of current budget decisions on future General Fund surpluses.

## BUDGET OVERVIEW

The table below is from the FIAR presented to Council in February. It has been updated to incorporate the Tentative FY 2013 Adjusted Budget and the FY 2014 Proposed Budget, which changes trickle through having an effect on future projections. The figures below incorporate expenses and revenues from the General Fund as well as the Quinn's Recreation Fund, and are not designed to match the Budget Summaries, which give a citywide accounting of all funds.

### Ten-year Financial Impact Forecast

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenue</b>	<b>\$27,944</b>	<b>\$28,650</b>	<b>\$29,601</b>	<b>\$30,508</b>	<b>\$31,423</b>	<b>\$32,321</b>	<b>\$33,176</b>	<b>\$33,993</b>	<b>\$34,782</b>	<b>\$35,558</b>
Op. Expenses	\$25,035	\$25,035	\$25,035	\$25,035	\$25,035	\$25,035	\$25,035	\$25,035	\$25,035	\$25,035
Inflationary Growth	\$0	\$252	\$1,101	\$1,977	\$2,883	\$3,818	\$4,785	\$5,784	\$6,816	\$7,882
Operating LOS Growth	\$0	\$93	\$399	\$708	\$1,022	\$1,340	\$1,662	\$1,989	\$2,319	\$2,654
CIP Expenses	\$3,036	\$3,048	\$2,828	\$2,518	\$2,268	\$2,118	\$2,118	\$2,118	\$2,118	\$2,118
Debt Service	\$181	\$181	\$180	\$183	\$179	\$178	\$181	\$182	\$0	\$0
<b>Total Expenses</b>	<b>\$28,252</b>	<b>\$28,609</b>	<b>\$29,542</b>	<b>\$30,421</b>	<b>\$31,387</b>	<b>\$32,489</b>	<b>\$33,781</b>	<b>\$35,107</b>	<b>\$36,288</b>	<b>\$37,689</b>
<b>Rev/Exp</b>	<b>-\$307</b>	<b>\$42</b>	<b>\$59</b>	<b>\$86</b>	<b>\$36</b>	<b>-\$169</b>	<b>-\$604</b>	<b>-\$1,114</b>	<b>-\$1,505</b>	<b>-\$2,130</b>

**Aggregate Surplus/(Shortfall) (\$4,055)**

Table B02 – Ten-year Financial Impact Forecast

Operating expense projections are now made using the service level associated with the 2013 Proposed Budget as the base level. Table B02 shows the FY 2013 service level projected over ten years using the growth rate identified in the 2010 Service Level Assessment Committee (SLAC) update. The projected surpluses (or deficits) for each year are shown in the following graph.

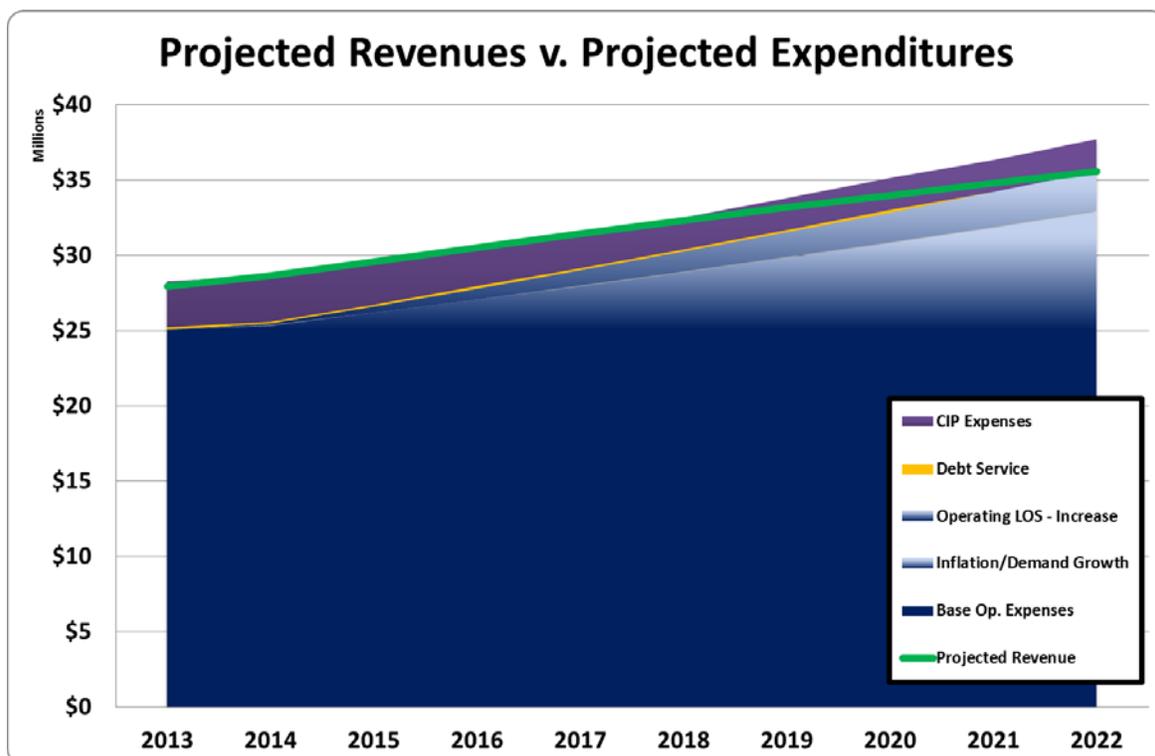


Figure B03 – Forecasted Revenues and Expenditures

## **BUDGET OVERVIEW**

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Between the time the FIAR was presented in February and the presentation of the tentative budget in May, adjustments were made to revenue projections. Due to incorrect coding of several Summit County businesses, the projected sales tax revenue was adjusted down by approximately \$465,000 in FY 2014 and subsequent years. The City Manager, Budget Department and BFO Results Team took this adjustment into consideration when making recommendations on the FY 2013 and FY 2014 budget. Through careful consideration and prudent evaluation the recommended budget for FY 2014 was able to absorb the revenue reduction without sacrificing levels of service. Currently expenditures are projected to outpace revenues in the General Fund in FY 2018/2019.

For more detailed explanations of projection methodology and long-range financial planning, please consult the February 2013 FIAR document, a copy of which can be obtained from the Budget Department.

## **BUDGETING FOR OUTCOMES**

This budget season will be the second-year of the current budget biennium. Between now and June, we will be working on adjusting the FY 2013 budget and developing the FY2014 budget.

Historically, Park City has employed an incremental style of budgeting. In this format, the budget from the prior year is basically assumed to be appropriate and serves as a starting point, or base budget. Any changes, or increments, to the base budget (whether they be an addition to or subtraction from the budget) are captured in a “budget option” and described. Typically, these budget options are the focus of budget discussions in any given year.

However, last year we moved to a Budgeting for Outcomes (BFO) process, which is a variation of zero-based budgeting that focuses on Council priorities and objectives as the driving factor for prioritization. BFO is a public budgeting process which seeks to imitate Request for Proposal (RFP) procedures. By creating Desired Outcomes within Council goals and then receiving offers from City departments, decision-makers can make better-informed decisions regarding the prioritization and cost of City services and programs.

The BFO process is broader than any previous budget development effort, taking representatives from every self-managed team to help better define community goals. These staff representatives (Results Team) wear citizen hats and try to focus their thinking and efforts on what residents want from their government. By doing this, they will be able to flesh out better the Council goals into the Desired Outcomes approved by Council.

The Results Team accepts service proposals (bids) for programs and activities in each Council goal. Proposing budget recommendations by a committee made up of staff is a completely new and unique way of budgeting. The Results Team has had to make tough decisions in order to fit their recommendation within the confines of the FIAR’s projected expenditure increases (based off of a 10-year historical analysis of an average annual increase of Park City’s expenditures), approved by Council. The Results Team funding level recommendation also has to account for health insurance, retirement, and pay increases, which also fall into the FIAR’s allowable projected expenditure increase, as well as mesh with the CIP committee’s funding level

## **BUDGET OVERVIEW**

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recommendation. The Results Team discusses their overall rankings and rationale for budget enhancements or decreases and prepares a final recommendation to the City Manager, who refines the budget and passes it along to the City Council.

A few of the expectations for the Results Team: think beyond the limits of your own department/team; take role of average citizen; link bids to Desired Outcomes; take ownership of the process; and present united recommendation to City Manager/Council. Some of the ground rules: everyone has an equal voice; speak up if you have a question/comment/concern; and respectful debate is encouraged. The most controversial aspect of BFO is that it puts a great deal of trust in thoughtful non-experts to make good decisions and to encourage or force experts to start thinking outside the box. If this basic premise is not accepted, BFO will not generate the preferred results.

Staff is confident BFO provides us with the tools we need to build a budget that reflects the city's values and needs, and helps us build towards an even brighter future. 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.

### **Instructions**

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

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

Since this is the off-year of the two-year budget cycle no increases to the budget were expected. However, if there were mitigating circumstances, unanticipated requests could be taken to the Results Team for review on a very limited basis. These requests had to come with 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 and could not have been anticipated during the creation of the 2013-2014 budget. Managers that brought unanticipated 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 was able to build efficiencies and make the cost of doing service more effective.

Also, managers were encouraged to look for opportunities to find cost savings in their current operations, to think creatively and collaborate with others whether inside or outside of City Hall in order to identify ways that achieve the same or better results at lower costs. Managers' hard

## **BUDGET OVERVIEW**

work will help craft a better budget and fund the services necessary to achieve the community priority outcomes despite the current economic times and longer term revenue decline the Budget Department forecasts.

### **Ranking of Proposals by Results Teams**

Last year, proposals were reviewed and ranked independently by each Results Team member for the corresponding Council goal. Proposals were scored in relationship to how well they did or did not meet the criteria. Only new BFO programs were scored this year based off of the criteria:

### **BFO Prioritization Rubric:**

Each criteria category will get a rating on a 1-5 scale with "5" being the most supportive/effective/true Program rating.

<b>Criteria</b>	<b>Weight*</b>
<b>1. Vision</b> – Meets the vision of the current City Council/Community	<b>1.00</b>
Vision	
5 points – Program has a positive and swift impact on the City/Community	
4 points – n/a	
3 points – Program positively impacts the City/Community Vision	
2 points – n/a	
1 point – Program has no impact on a listed City/Community Vision	
<b>2. Necessity</b> – Program is a “need to have” verses a “nice to have”	<b>1.25</b>
5 points – “Need to Have”; Absolutely required to provide a <b>CORE</b> City service	
4 points – n/a	
3 points – Program has a positive impact towards a City service or interest with some limited frills	
2 points – n/a	
1 point – “Nice to Have”; Not required to keep the City running, but has some enhancement value	
<b>3. Efficiency and Value</b> – “Bang for the Buck” - Program provides highest value at the current cost estimate	<b>1.00</b>
5 points – For the current cost estimate the value is at the highest level (seems like a great deal)	
4 points – For the current cost estimate the value is at a high level (seems like a good deal)	
3 points – For the current cost estimate the value is at a moderate level (seems like an ok deal)	
2 points – For the current cost estimate the value is at a low level (seems like a bad deal)	
1 point – For the current cost estimate the value is at the lowest level (seems like a horrible deal)	

## **BUDGET OVERVIEW**

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4. **Desired Outcomes** – Program provides rationale addressing the Desired Outcomes for each Council goal **1.25**
  - 5 points – Bid includes concise justification on how it addresses the Desired Outcomes
  - 4 points – Bid includes good justification on how it addresses the Desired Outcomes
  - 3 points – Bid includes average justification on how it addresses the Desired Outcomes
  - 2 points – Bid includes some justification on how it addresses the Desired Outcomes
  - 1 point – Bid includes bad or no justification on how it addresses the Desired Outcomes
  
5. **Cost Savings/Innovation/Collaboration** – Program demonstrates ability to find savings or innovate **.25**
  - 5 points – Major cost savings or efficiencies are gained
  - 4 points – Obvious cost savings or efficiencies are gained
  - 3 points – Some cost savings or efficiencies are gained
  - 2 points – Little cost savings or efficiencies are gained
  - 1 point – No cost savings or efficiencies are gained
  
6. **Effectiveness of Proposal** – Program demonstrates meaningful measures to gauge effectiveness **.75**
  - 5 points – Program includes meaningful and effective performance measures
  - 4 points – Program includes reasonable performance measures
  - 3 points – Program includes adequate performance measures
  - 2 points – Program includes below average performance measures
  - 1 point – Program includes bad or no performance measures
  
7. **Funding** – Source Availability & Competition for Funds **.50**
  - 5 points – Earmarked funds exist specifically for the program (such as a grant or debt)
  - 4 points – Program draws on flexible revenues which are specific to the Fund (such as Water, Transit, and Golf Funds) or program draws entirely on non-earmarked funds for which it has a particularly reasonable claim (Recreation, Ice, BPE fees, Admin IFTs, etc.)
  - 3 points – Program draws mostly on non-earmarked funds for which it has a particularly reasonable claim (Recreation, Ice, BPE fees, Admin IFTs, etc.)
  - 2 points – Program partially draws on non-earmarked funds for which it has a particularly reasonable claim (Recreation, Ice, BPE fees, Admin IFTs, etc.)
  - 1 point – Funds are not identified or funds are subject to much competition (such as the General Fund)

\* Proposed weights; subject to change

## **BUDGET OVERVIEW**

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Last year, the Results Team met to compile their individual rankings and arrive at a composite score. This provided the ranking of proposals within each Council goal. They then identified questions or gaps in specific proposals and requested additional information from the proposal owner, including potential implications of level of service adjustments or suggesting additional collaboration.

Based on the additional information, the Results Team did a second round of ranking for all of the proposals using the same point system, while considering the new information, legal mandates, etc. The prioritization of the BFO programs was only the start of the discussion on where to fund it—not the end. Decisions on budget enhancements or decreases were based on the scoring of each BFO program, as well as the manager’s reasoning, established need, and availability of resources.

### **Conclusion**

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

The Budgeting for Outcomes (BFO) process is meant to prioritize budget needs by Council goals. Staff believes that ultimately this process was successful in doing just this—aligning Council goals with the current operating budget changes. In addition, since the Results Team had to work within the confines of revenue projections, the Results Team was forced into a very realistic and succinct final recommendation.

During FY 2013, Staff worked extensively with consultants to develop a software module specifically for BFO. By tailoring software to our needs, we were able to streamline and completely automate the BFO process. With the addition of specialized budgeting software, the time commitment for the BFO process was greatly reduced during this budget cycle.

Lastly, the BFO process represents a cultural shift in our city, as staff is now intricately involved with the decision-making process of the operating budget. There was definitely a learning curve to the new members of the Results Team, but by the end each member had become fairly proficient at understanding the “big picture” of budgeting for an entire City. By having staff work together a budget synergy was created that resulted in a better and more cost-effective outcome.

## **BUDGET OVERVIEW**

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### **LONG-TERM BUDGET STRATEGIES**

The City Manager's Recommended Budget was constructed drawing upon Council input and direction received during Visioning. During the visioning session, Council was presented with the FIAR projection of the City's revenues over the next ten years. In essence, the FY14 Budget had to fit within the confines of the FIAR's projected expenditure increases (based off of a 10-year historical analysis of an average annual increase of Park City's expenditures), approved by Council. The funding level recommendation also has to account for health insurance, retirement, and pay increases, which also fall into the FIAR's allowable projected expenditure increase as well as mesh with the CIP committee's funding level recommendation. Departmental requests resulted in more than \$1M in new budget for FY14, while the Results Team recommended less than \$700k. However, there was close to \$900k in scheduled budget decreases in FY14, more than offsetting much of the increase without taking into account scheduled pay adjustments and fringe benefits. The creation of the FY14 Budget also used the following as guidelines:

1. Budget draws upon Council input from Visioning and FIAR projections as guide
  - a. Performance-driven operating budget based upon Council's goals, objectives, and desired outcomes
2. Two-year budget process with fewer budget requests coming in the "off-year"
  - a. Second-year budget requests will come with revenue offsets, expense reductions, are mandatory, or necessary
3. Budget committee recommendations will be considered
  - a. Committees include Results Team, CIP, Pay Plan, and Fleet Committees
  - b. Results Team will make recommendations by considering BFO score, manager's bid request, established need, available resources, and performance measures
4. All operating and capital budget requests should be considered during the budget process
5. General Fund budget surplus should be used for capital projects

### **Pay Plan**

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

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

The Pay Plan Committee has three major responsibilities:

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

## **BUDGET OVERVIEW**

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3. Review existing Special Employment Agreements (contracts) to ensure proper classification and compliance with the City's administrative policies.

As the City's Pay Plan philosophy develops, it is critical that the City's compensation and reclassification policies are monitored and adjusted as appropriate. Of particular concern is how an employee moves to working level, eligibility for a performance bonus, and professional development within families of positions. The economic recovery will make it more difficult for the City to compete with the private sector. For the City to maintain its high quality staffing, it will be important for the Pay Plan to keep pace.

### **Health Insurance Costs**

In recent years, the cost of Park City's health insurance has risen dramatically between 8-15% per year. The City has picked up almost the entirety of the tab for these increases, until three years ago when the City asked employees to pay \$50 more per month for family health insurance. These increases, while consistent with trends seen across the nation, are nonetheless alarming and indicate a different approach to providing this benefit may need to be explored more in the future.

The Human Resources Department has already negotiated an increase to health insurance plans and prices just under 7%—this could have been much more. This would maintain the current coverage provided to employees with a few small changes. Health plans will remain largely unchanged, with the exception that the Innova plan will be discontinued beginning in FY 14. Only a handful of employees utilize this plan, so the vast majority will be able to maintain their current coverage option. Also, Human Resources will be expanding the City's current Wellness Program to help mitigate the increase. More information will be forthcoming from the Human Resources Department.

The hope continues to be that employees will become more aware of and accountable for medical expenses. Programs aimed at preventative care, such as the City's Wellness program, could keep usage down, and lower usage should translate to more modest renewal rates.

### **Retirement Expense**

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

During FY 2013, URS required a 16.04% contribution for general municipal employees (30.45% for sworn officers). For FY 2014, URS will require 17.29% contribution (32.14% for sworn officers).

The budget impact for this change is detailed in the figure below.

## BUDGET OVERVIEW

### URS Adjustments by Fund (Change from FY2013 Adopted Budget)

	FY 2013 Budget	URS
Fund 11 General Fund		\$269,828
Fund 12 Quinn's Recreation Complex		\$5,031
Fund 51 Water Fund		\$64,345
Fund 55 Golf Fund		\$5,766
Fund 57 Transportation Fund		\$65,754
Fund 62 Fleet Services Fund		\$10,081
	<b>Total</b>	<b>\$420,805</b>

Tables E5 – URS Adjustment by Fund

### Self-Insurance Fund Inter-fund Transfer

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

## CAPITAL BUDGET

Being the second year of a budget biennium, the CIP Committee did not perform a full reprioritization of the 5 Year Capital Plan. The Committee scored all new projects and all projects with significant changes in funding types or amounts.

Unlike prior budget years, the City did not have a declared budget shortfall this year. At the time of prioritization, projections showed a general fund transfer to the CIP fund of approximately \$2 million for FY 2013 and 2014 and approximately \$900K from the general fund for equipment replacement. The budget assumes no additional funds will be transferred to the CIP beyond what was allocated during the FY 2013 budget process. Therefore, the committee was tasked with funding new projects within the current planned transfer. This was accomplished by evaluating the funding of current projects and recommending reallocation of some previously budgeted amounts.

The Committee recommended funding projects requiring operating surplus in the amount of \$3 million in the current fiscal year and \$2.9 million in FY 2014 and FY 2015. The recommended project totals then taper from \$2.6 million in FY 2016 to \$2.2 million in FY 2018. The City Manager made one small adjustment to the CIP committee recommendation which was to include the Meeting Documentation software in the amount of \$20,000 in FY 2013. The Meeting Documentation software will assist in the work flow process of both Planning Commission and

## BUDGET OVERVIEW

City Council meetings and allow for audio recordings of the meetings to be posted online. The software will also generate agendas, and help in keeping meeting minutes.

The total proposed CIP budget for FY 2013 Adjusted Budget is \$80.1 million (\$18 million original budget and \$62.1 million carry-forward budget). The proposed FY 2014 CIP budget is \$43 million. The General Fund surplus required to fund projects in FY 2014 will be approximately \$3 million—the majority of which is dedicated to completing current projects, ensuring the maintenance of existing infrastructure, or securing funding for previously-identified needs. Projects in these categories include Pavement Management, Trails Master Plan Implementation, Traffic Calming, Asset Management, Walkability Maintenance, Irrigation Controller Replacement, Public Art, Storm Water Improvements, Deer Valley Drive Reconstruction, Prospector Drain, Tennis Court Rebuilds, Historic Preservation and Bonanza Drive Substation Mitigation.

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

New Project Requests (All Funds Combined)										
New Projects Recommended in 5-Year CIP										
New CIP #	Score	Project Name	Fund	Revenue	Total Project Cost By Fund	Total Budget				
						FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
New 14-02	23.5	Transportation Plans & Studies	57	TRANSIT SALES TAX	167,500	2,500	82,500	82,500	-	-
New 14-03	22.6	Richardson Flat Road-Improvement	57	TRANSIT SALES TAX	100,000	-	100,000	-	-	-
			57	OTHER CONTRIBUTIONS	650,000	-	650,000	-	-	-
New 14-04	22.5	Transit Facility Capital Renewal Account	57	TRANSIT SALES TAX	200,000	-	50,000	50,000	50,000	50,000
CP0266	22.1	Prospector Drain - Regulatory Project	31	SALE OF ASSETS	2,039,655	-	-	407,931	1,631,724	-
			31	TRANS FR GEN FUND	417,407	160,440	256,967	-	-	-
New 14-09	21.6	Prospector Avenue	31	TRANS FR GEN FUND	100,000	-	-	-	100,000	-
			31	FEDERAL GRANTS	1,000,000	-	-	-	1,000,000	-
New 14-28	21.4	Outdoor Tennis Court Rebuild	31	TRANS FR GEN FUND	250,000	250,000	-	-	-	-
			31	RECR, ARTS&PARK-RAP TAX GRANT	450,000	450,000	-	-	-	-
New 14-01	20.7	Fleet Management Software	57	TRANSIT SALES TAX	122,000	30,500	45,750	45,750	-	-
			51	WATER SERVICE FEES	6,000	1,500	2,250	2,250	-	-
			31	TRANS FR GEN FUND	72,000	18,000	27,000	27,000	-	-
New 14-25	19.3	Website Remodel	31	TRANS FR GEN FUND	37,000	-	37,000	-	-	-
New 14-22	18.5	Network & Security Enhancements	31	TRANS FR GEN FUND	160,000	-	80,000	80,000	-	-
New 14-07	18.5	Bonanza Park/RMP Substation Mitigation	31	TRANS FR GEN FUND	1,500,000	1,500,000	-	-	-	-
New 14-06	18.0	Deer Valley Dr. Phase II	31	ADDITIONAL RESORT SALES TAX	950,000	-	950,000	-	-	-
New 14-18	17.3	Recreation Software	31	TRANS FR GEN FUND	85,000	-	85,000	-	-	-
New 14-15	17.1	<i>Fitness in the Park*</i>	31	OPEN SPACE IMPACT FEES	35,000	-	35,000	-	-	-
New 14-17	15.2	<i>Dog Park Improvements*</i>	31	OPEN SPACE IMPACT FEES	60,000	25,000	25,000	5,000	5,000	-
New 14-16	14.3	<i>Cement Practice Walls*</i>	31	OPEN SPACE IMPACT FEES	75,000	-	75,000	-	-	-
New 14-29	14.2	Meeting Documentation Software (Recommended by City Manager)	31	TRANS FR GEN FUND	20,000	20,000	-	-	-	-

\*projects fall below the recommended funding line but were evaluated individually as funded with Open Space/Parks Impact Fees

Figure B09 – Recommended New CIP Amounts

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

## BUDGET OVERVIEW

New Projects Not Recommended in 5-Year CIP										
New CIP #	Score	Project Name	Fund	Revenue	Total Project Cost By	Total Budget				
						FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
New 13-15	17.2	Jet Vac Truck (will be evaluated as part of Storm Drain Study)	31	REVENUE FOR UTILITIES	340,000	-	-	340,000	-	-
New 14-23	16.8	Quinn's Fiber & Conduit Infrastructure	31	TRANS FR GEN FUND	236,000	-	136,000	50,000	50,000	-
New 14-19	16.6	Recreation Website (will be included in New 14-25)	31	TRANS FR GEN FUND	15,000	-	15,000	-	-	-
New 13-10	16.3	Monument Reestablishment	31	TRANS FR GEN FUND	10,000	10,000	-	-	-	-
New 14-10	16.2	Bridge on Snow Creek	31	TRANS FR GEN FUND	75,000	-	75,000	-	-	-
New 13-12	16.1	Historic Wall on Hillside	31	TRANS FR GEN FUND	75,000	75,000	-	-	-	-
New 14-24	15.8	Eden Process Archiving	31	TRANS FR GEN FUND	65,000	-	65,000	-	-	-
New 14-20	15.7	Park City Dirt Jump Park (operating)	31	OPEN SPACE IMPACT FEES	-	-	-	-	-	-
New 14-26	15.6	GIS Web-map Management Software	31	TRANS FR GEN FUND	40,000	-	40,000	-	-	-
New 13-07	15.0	Engineering Incubator	31	TRANS FR GEN FUND	8,000	8,000	-	-	-	-
New 14-11	14.8	Small Project Repairs	31	TRANS FR GEN FUND	50,000	-	50,000	-	-	-
New 14-27	14.7	Building Department Software	31	TRANS FR GEN FUND	165,000	-	55,000	55,000	55,000	-
New 14-29	14.2	Meeting Documentation Software	31	TRANS FR GEN FUND	20,000	20,000	-	-	-	-
New 14-08	13.9	Meadows Drive	31	TRANS FR GEN FUND	69,980	-	69,980	-	-	-
New 14-05	11.2	Additional Parking/ P.C. Police Building	31	TRANS FR GEN FUND	4,500,000	-	-	1,500,000	1,500,000	1,500,000
		Execution of Recreation Master Plan	31	Possible Future GO Bond	35,000,000	-	5,000,000	10,000,000	15,000,000	5,000,000

Figure B10 –New CIP Amounts Not Recommended

Many of the projects not recommended for funding are recommended for funding through other sources such as Asset Management, operating budgets, or other CIP projects.

## Major Project Adjustment

### Prospector Drain

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

Previously the Prospector Drain was funded as a capital project in the Water Fund, however based on the recommendation of the city's financial audit it was determined that the project should be funded within the capital improvements fund (Fund 31). This presented a significant funding issue. Working with the environmental team, the CIP committee's recommended funding source for the Prospector Drain project includes \$2,039,655 from Sale of Assets and \$417,407 from transfer from general fund for a total estimated project cost of \$2,457,062 between FY 2013 and FY 2017. These funds were de-obligated from the currently funded Soils Repository project. This leaves approximately \$4.2 million in the Soils Repository project. The Soils Commission is currently evaluating the contaminated soils issues in order to make recommendations to Council. Once the recommendations are evaluated, funding and budget

## **BUDGET OVERVIEW**

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

### **Deer Valley Drive**

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

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

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

### **Water Projects**

Water quality and delivery continue to be a top priority for Park City. With the rate of development that occurred over the past few years, water needs have been identified and the cost of these improvements is being developed to be fairly distributed between users and new development. CIP changes to the Water Fund are also reflective of the City's continuing commitment to secure Park City's water needs through improvements to the City's water infrastructure. The current water projects in the CIP reflect one of many options currently being considered as part of the necessary water improvements. These projects are subject to change as the best infrastructure options become clear. The water fund financial model currently sets the rates and projects based on the best possible water system solutions. The Water Department is in the process of procuring significant capital contracts, which may have an impact on the current budget. The Budget and Water Departments will make final adjustments to the water capital budget for the adoption of the Final Budget.

### **Transit Grant Project Update**

The budget was adjusted significantly on the Transit Bus Maintenance & Operations Facility and Park & Ride (Access Road & Amenities) projects. Both projects were partially funded with Federal FTA grants. Last year the budget of the Transit Bus Maintenance & Operations Facility

## **BUDGET OVERVIEW**

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was adjusted to include additional City Transit Fund resources while the City continued to secure federal funding. In the last year the Transit Department was able to secure additional resources which have effectively eliminated much of the need to provide significant City funding for the project. Project cost for the completed Park & Ride total \$849,000. 100% of that amount was provided by FTA with the required 20% matching cost coming in the form of a land donation by the City. The total cost of the Transit Bus Maintenance & Operations Facility was \$10,280,000 with \$9,776,922 or 95% funding from federal funds. Much of the remaining \$500,000 in cost was related to soils issues, which are typically not eligible costs on federal grants.

### **Walkability Projects**

To date, approximately \$7,900,000 has been utilized to fund the twenty seven substantially completed projects. \$7,170,000 in voter approved bond funds remain from the \$15 Million bond initiative. On March 5, 2013, staff presented a walkability update which included the remaining walkability project list and proposed project timeline to Council. At that time Council indicated that they were in favor of moving forward with the listed walkability projects and were comfortable adopting a bond resolution for the remaining \$7,175,000 of voter approved Walkability GO Bonds. The following table shows the completed and planned Walkability projects as presented to Council on March 5, 2013.

## BUDGET OVERVIEW

Walkability Approved Project (completed if orange)	Project Budget	NOTES
8' separated path Park Ave	\$4,014,000	In design phase
8' separated path D.V. Dr. Jan's-underpa	\$117,000	
Bonanza underpass	\$1,150,000	
Install bike lanes on Bonanza Dr.	\$0	
Ped-signal High School I	\$79,000	
Little Kate Sidewalk	\$923,000	
Kearns underpass	\$3,122,000	
Homestake & Kearns	\$0	
Wayfinding for Lost Prospector trail	\$900	
LJ/LDS church sidewalk	\$78,000	
Bridge Rail Trail/Iron Horse	\$85,000	
Traffic calming Monitor Dr.	\$75,800	Traffic Counts/Speeds show reduced speeds
crosswalk inlay SR-224/HolidayRL/Payday	\$34,000	
Way finding school zone	\$2,500	
Traffic Calming along Comstock	\$940,000	
Prospector neighborhood	\$400,000	Wyatt Earp Project (soils district) 2013
Monitor Dr./SR-248 intersection	\$100,000	
Safer crossing SR-224 near Albertson's	\$25,000	Part of Dan's to Jan's Project; HAWK Beacon.
Sidewalk on east side of Park Ave.	\$34,000	
crosswalks on Marsac	\$8,000	DVD Project
Wayfinding Main St	\$4,000	
Class II bike lane on Lucky John	\$0	
8' path at Barn	\$50,000	
8' asphalt path east side SR-224	\$100,000	
Crosswalks Main St. and Heber Ave.	\$16,000	Main St projects
Widen existing bike paths	\$555,280	Poison Creek/Kearns (2013)
Stop signs Monitor/Little Kate	\$0	
Class II bike lane along SR-248	\$40,200	UDOT implemented from Comstock to Hwy 40
Olympic Plaza sidewalk	\$13,000	
Old Town crosswalks	\$12,000	Main St projects
8' path Holiday Ranch Loop	\$922,000	
Gun club path connection	\$0	Part of PC Heights MPD
Meadows Dr. Bike Lane	\$40,200	
TC Park Meadows1	\$71,333	
TC Park Meadows2	\$71,333	
TC Park Meadows3	\$71,333	
Other		
Total Budget	\$13,154,880	
<b>SR-224 Corridor Study</b>		
Phase I		
ROW/Design/Construction	\$ 800,000	Shared Costs
Pathways	\$ 370,000	West side in design
Jans/Coles Underpass	\$ 1,780,000	
Intersection Improvements*	\$ 418,000	Shared Costs
Construction/Design	\$ 900,000	Shared Costs
Contingency 50%	\$ 1,700,000	Shared Costs
<b>TOTAL</b>	<b>\$ 5,960,000</b>	

Figure B11 – Walkability Approved Project List

## BUDGET OVERVIEW

### Additional Resort Communities Sales Tax

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

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

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

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

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

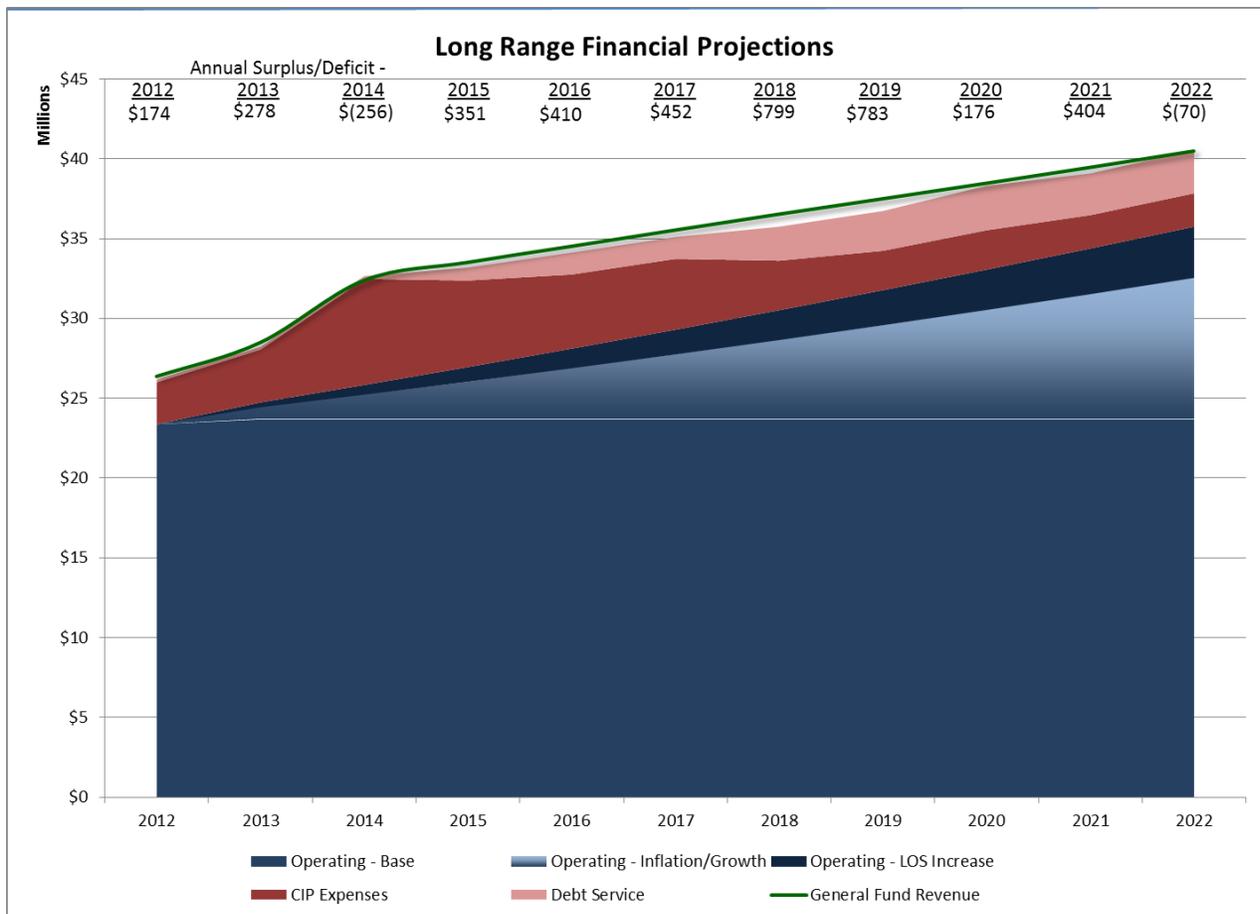
Additionally the City secured a \$3,000,000 economic development grant from the State of Utah Governor's Office of Economic Development for the Historic Park City Main Street & Downtown project. These funds will be used to offset the total \$14.5 million downtown project therefore freeing up ARST funds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

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

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

Figure B13 – Additional Resort Communities Sales Tax Adjusted Table

# BUDGET OVERVIEW



**Figure B14 – Additional Resort Communities Sales Tax Adjusted Graph**

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

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

## BUDGET OVERVIEW

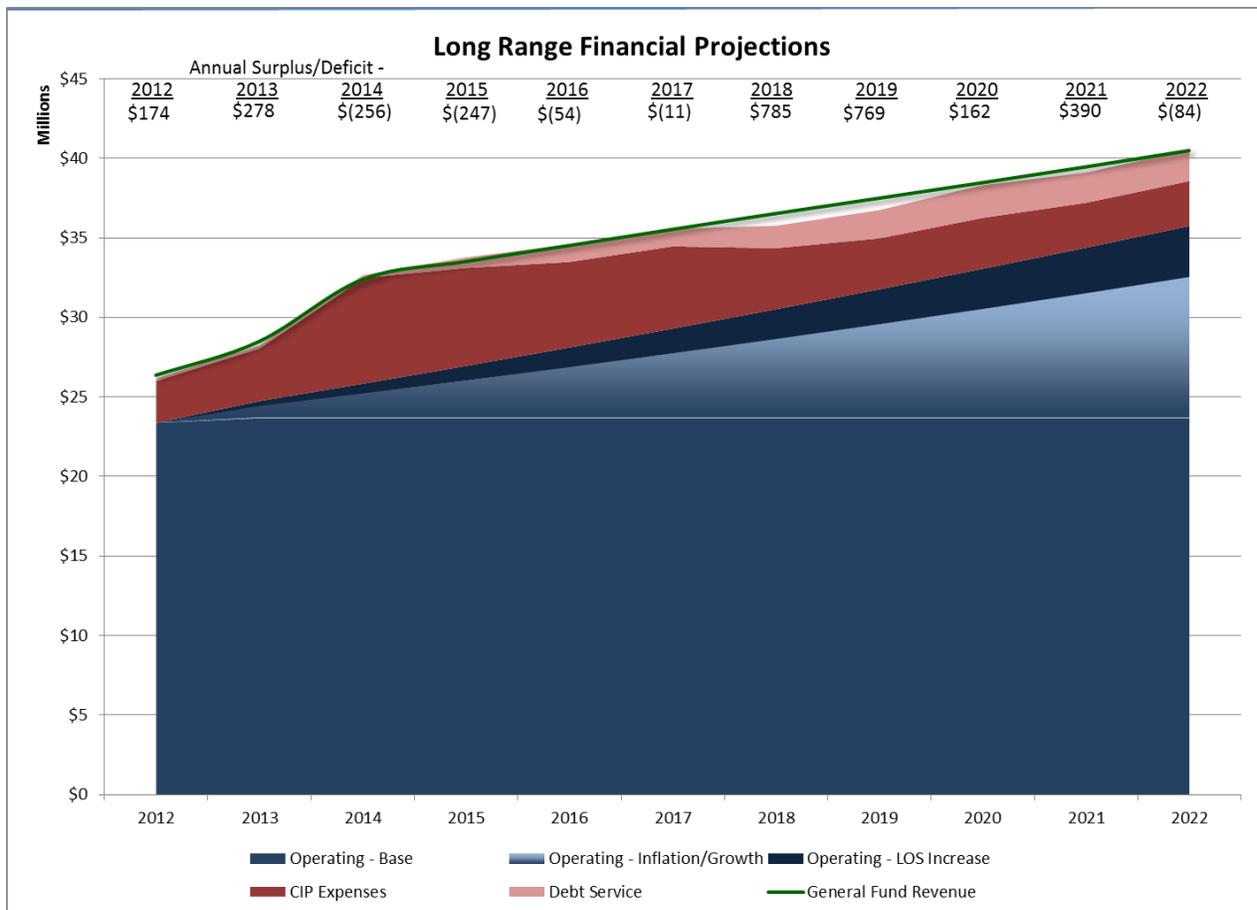
Fund for other Council supported projects. These projects in FY 2014 include \$1.5 million for the potential visual mitigation of the Bonanza Park Rocky Mountain Power Substation in either its current or proposed location. Other projects benefiting from the General Fund transfer include the Outdoor Tennis Court Rebuild at the MARC (\$250,000 from GF, \$450,000 from RAP Tax Grant), Meeting Documentation Software (\$20,000) and a portion of the funds used for the Prospector Drain - Regulatory Project.

The majority of the projects listed above continue to be on schedule with the proposed budget with the exception of open space acquisition, which continues to be defined. To date approximately \$4 million in open space funds have been committed as part of the Gillmor/Toll Canyon open space agreement, leaving an approximate \$11 million for future acquisition or easement maintenance. As the remaining open space acquisitions are as yet undefined, another way to view available open space funding is on an ongoing basis or yearly cash amounts. The following table and chart show open space as an ongoing cash amount.

Long Range Financial Model Scenario (Open Space Cash)											
Project	Funding Type	Total Funding	Funding Available by Fiscal Year								
			FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
OTIS (Phase A)	Cash	\$ 1,800,000	\$ 1,800,000								
OTIS (Phase B)	Debt	\$ 2,300,000		\$ 2,300,000							
OTIS (Phase C)	Cash	\$ 1,900,000			\$ 633,333	\$ 633,333	\$ 633,333				
OTIS (Phase D)	Debt	\$ 2,500,000					\$ 2,500,000				
Downtown Projects (Phase II)	Debt	\$ 3,000,000	\$ 3,000,000								
Downtown Projects (Phase III)	Debt	\$ 3,500,000				\$ 3,500,000					
Downtown Projects (Phase IV)	Debt	\$ 3,200,000						\$ 3,200,000			
Downtown Projects (Cash)	Cash	\$ 1,800,000			\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000		
Additional Open Space (Phase I)	Debt	\$ 1,500,000	\$ 1,500,000								
Additional Open Space (Phase II)	Debt	\$ 2,500,000		\$ 2,500,000							
Additional Open Space (Cash)	Cash	\$ 11,000,000		\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Storm Drain System (Cash)	Cash	\$ 4,000,000	\$ 761,154	\$ 1,080,000	\$ 1,080,000	\$ 1,080,000					
Storm Drain System (Debt)	Debt	\$ 4,500,000					\$ 1,500,000			\$ 1,500,000	
DeerValley Dr. Phase II	Debt	\$ 950,000	\$ 950,000								
Downtown Improvement											
Maintenance Fund	Cash	\$ 800,000		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000

Figure B14 – Additional Resort Communities Sales Tax Adjusted Table (Open Space Cash)

## BUDGET OVERVIEW



**Figure B15 – Additional Resort Communities Sales Tax Adjusted Graph (Open Space Cash)**

This scenario shows approximately \$750,000 available for open space acquisition. This amount will increase to \$1.1 million once the Gillmor/Toll Canyon debt is retired. The amount could be higher on a yearly basis if Council were to allocate open space funds as a percentage of total combined allocated projects, which is currently about 32 percent.

## CHANGES BETWEEN THE PROPOSED AND ADOPTED BUDGETS

This section will detail the changes made to the City Manager’s Recommended Budget between the time it is presented in early May up until the final adoption of June 20. These changes will result from either 1) direction from Council for adjustment, 2) a request for adjustment from the City Manager and/or staff, or 3) a technical adjustment necessitated by changing projections, correction of previous errors, etc. Changes in the first two categories will be discussed with Council during the budget hearings. The last category is largely inconsequential from a policy standpoint. Nonetheless, significant technical adjustments will be.

## **BUDGET OVERVIEW**

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The Planning Department will be adding one contract and one Planner II position for FY 14. These positions will be paid for by reductions in the Planning Department budget as well as reductions in the Utilities budget due to miscoding.

The Administrative Inter Fund Transfer (IFT) was updated using the City Manager Recommended Budget. The IFT will be as follows:

	Water	Golf	Transit	Total
Current IFT	\$610,398	\$108,946	\$521,522	\$1,240,866
Proposed IFT	\$633,119	\$98,981	\$588,742	\$1,320,841
	\$22,721	-\$9,965	\$67,220	\$79,975

The Lower Park Ave RDA operating budget will increase by \$22,647 due to additional progress on the Library Remodel project for FY13.

Council has directed Staff to continue funding the Reciprocal borrowing program in spite of losing \$10k annually from the County contribution.

The City Manager is also recommending to increase the City Council Departmental budget by \$28,590. This will help Council to track expenditures in a more detailed manner for mileage reimbursement, meetings, conferences, and travel. It will also pay for professional consultants that don't have a proper budget outlined currently in the budget. It is recommended by Staff to offset this increase with a decrease in the contingency fund by the same amount. The contingency currently holds \$130k and is used mostly for things like consultants and unanticipated budget items. This would make the budget increase zero-sum.

Water Fund capital project budget adjustments were presented to Council on May 9. These adjustments have been included in the adjusted tentative budget.

On May 9th, the City executed a contract for consulting services for Historic Preservation and Intensive Level Survey of Main Street National Register Historic District. The related capital project budget cp0298 Historic Preservation has been reduced to a total budget amount of \$413,950 which includes funds sufficient to cover the contract plus an approximately 10 percent contingency.

Rising fuel and maintenance costs have necessitated an increase to the Fleet budget. For the FY14 Final Budget, the Fleet fund increased by \$535,525, and will be offset by increased interfund transfers from Transit and Water.

## **BUDGET OVERVIEW**

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The Human Resources budget increased by \$5,000 for the Final Budget. This increase was added to provide additional incentive funding for Healthy Living Program participants. This increase will be offset by decreased healthcare costs. If employees do not participate in the Healthy Living Program, then they pay an additional \$600 per year in premium costs, and the City ends up saving that \$600. HR will use these savings to continue to promote the Healthy Living Program.

The General Fund budget is decreasing by approximately \$30,000 to account for an increase in Vacancy Factor.

The Emergency Management budget increased by \$2,189. This increase is due to an increase in contract services, and is being offset by an increase in funds received through the Federal Emergency Management program grant

The Water Department made several changes to the personnel for the Final Budget. For the Tentative Budget, the Water Department added 1 FTE position for a Water Distribution Superintendent. However, the Department also lost 1 FTE of a Water Worker IV position and 1 FTE of a Water Worker III position. These changes resulted in a zero-sum change to the Water budget. For the Final Budget, the Water Department will not be adding a Distribution Superintendent. Rather, the Department will add two FTEs for two Water Distribution Supervisors. The Department will simultaneously be losing two Water Worker IV positions. The Department will still lose 1 FTE for a Water Worker III and 1 FTE for a Water Worker IV. Finally, the remaining Water Worker III positions will be upgraded to Water Worker IV positions to more accurately reflect the work currently being done by employees. These changes result in a zero-sum change.

The Golf budget will be decreasing slightly for the Final budget. The Golf Pro Shop program will be decreasing by \$3,000. Based on forecasted golf equipment and improvement needs by golf management the Golf Maintenance Equipment Replacement project has been reduced by \$60,000 per year and the Golf Course Improvements projects has been reduced by \$20,000 per year beginning in FY 2014.

For the FY 14 Tentative Budget, staff proposed allocating out utility costs to individual departments based off of use. In conjunction with this allocation process, several changes were made to many utility line-items. The total changes by fund are as follows: General Fund has an increase of about \$4,000, Water has an increase of about \$4,500, and Transportation has a decrease of \$44,400.

The Self-Insurance Fund will increase for the FY 14 Final Budget. This change is due to increases in insurance premiums for the City, both the general liability and building protection (\$70k). To partially account for this increase, the General Liability line-item was reduced by \$20,000. This reduction was based off of the historical use of this line-item.

## **BUDGET OVERVIEW**

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There has recently been a large increase in the number of plan reviews and building permits that the Building Department must complete. This increased workload is expected to be sustained in the near future due to the large amount of pending building permits and recent plan applications. As a result of this, the City Manager recommends that City-approved alternate companies be provided to the developers and contractors so that for a higher price they can take their plans to another company to expedite the process. This would alleviate the current backup in plan reviews and come at no cost to the City. It is also recommended that a Senior Inspector be hired on contract for seven months, so as to alleviate the backup in inspections. This will cost \$51,113 which amount has been added to the Building Department budget. A study, which is included in attachment E, determines that revenue from plan reviews and building permits will most likely be higher than the current projections, which will cover the expense of hiring a seven-month contracted inspector.

The waste collection and security alarm services, previously paid by Building Maintenance, have been moved out of the building maintenance budget and will now be paid by those departments incurring the costs. Approximately \$28,000 has been reallocated from Building Maintenance to more specific line items in individual departments to pay for their individual charges. This was done in order to remain consistent with previous utility changes to electricity, natural gas and sewer which also resulted in a shift from Building Maintenance paying for all charges to each department paying for their respective costs. As things stand now, each department pays for its own electricity, natural gas, sewer, waste collection and security alarm usage while Building Maintenance pays for those costs not associated with a specific department (e.g. City Hall). The Water, Transit and Golf funds are now also responsible for paying their own expenses for waste collection and security alarm services. These amounts to approximately \$18,000 that Building Maintenance will no longer be responsible for, of that amount \$5,000 will be paid by Water, \$6,000 will be paid by Transit, and \$7,000 will be paid by Golf.

## **FUTURE ISSUES**

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

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

In the State of Utah, municipalities may maintain a General Fund Balance of 18% of annual expenditures. During the FY 13 legislative session, the Utah League of Cities and Towns (ULCT) successfully lobbied to amend the state code. Due to the recent economic downturn, municipalities may choose to keep up to a 25% reserve in the General Fund Balance.

## **BUDGET OVERVIEW**

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State legislative actions continue to pose a major fiscal risk to the City's ability to deliver high-quality services in the future. State action is anticipated to continue to focus on efforts to redistribute tax revenues from wealthier towns and school districts to poorer ones. Several efforts were defeated this year with active City involvement, but it is likely these efforts will continue and intensify. The State Legislature is likely to consider the following issues in 2014:

- **Water Rights:** Several water bills were defeated at the Utah Legislature in 2013. Most had to do with further defining water rights and how government interacts with water owners. One bill proposed to treat some water rights as if they were property rights. Bills such as this would complicate the process of obtaining additional water for the city. We can expect that similar bills will be proposed during FY14.

# BUDGET OVERVIEW

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## BUDGET CALENDAR

### May 2

#### Work Session

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

#### Regular Meeting

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

### May 9

#### Work Session

- CIP Budgets
- Funding for Recreation Master Plan

#### Regular Meeting

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

### May 30

#### Work Session

- Operating Expenditures
- Strategic Plan Team Presentations

#### Regular Meeting

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

### June 6

#### Work Session

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

#### Regular Meeting

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

### June 13

#### Work Session

- Outstanding Budget Issues (if necessary)
- (Tentative Meeting, if necessary)

#### Regular Meeting

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

### June 20

#### Work Session

- Presentation of the Final Budget
- Outstanding Budget Issues

#### Regular Meeting

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

#### Redevelopment Agency Meeting

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

#### Municipal Building Authority Meeting

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

\* Schedules and topics subject to change

**Expenditure Summary by Fund and Major Object (FY 2013 Adjusted Budget)**

Description	Personnel FY 2013	Mat, Supplies, Services FY 2013	Capital FY 2013	Debt Service FY 2013	Contingency FY 2013	Sub - Total FY 2013	Interfund Transfer FY 2013	Ending Balance FY 2013	Total FY 2013
<b>Park City Municipal Corporation</b>									
011 GENERAL FUND	\$15,933,046	\$6,973,489	\$391,340	\$0	\$115,000	\$23,412,875	\$2,053,077	\$6,988,587	\$32,454,539
012 QUINNS RECREATION COMPLEX	\$676,788	\$389,755	\$6,000	\$0	\$0	\$1,072,543	\$0	\$-2,879,947	\$-1,807,404
021 POLICE SPECIAL REVENUE FUND	\$0	\$0	\$28,644	\$0	\$0	\$28,644	\$0	\$0	\$28,644
022 CRIMINAL FORFEITURE RESTRICTED ACCOUNT	\$0	\$0	\$20,186	\$0	\$0	\$20,186	\$0	\$0	\$20,186
031 CAPITAL IMPROVEMENT FUND	\$0	\$0	\$32,998,415	\$0	\$0	\$32,998,415	\$134,366	\$3,629,107	\$36,761,888
038 EQUIPMENT REPLACEMENT CIP	\$0	\$0	\$1,950,057	\$0	\$0	\$1,950,057	\$0	\$208,076	\$2,158,133
051 WATER FUND	\$2,227,633	\$2,922,871	\$9,864,608	\$4,357,538	\$100,000	\$19,472,650	\$698,000	\$8,659,394	\$28,830,044
055 GOLF COURSE FUND	\$732,428	\$457,460	\$347,134	\$36,081	\$0	\$1,573,103	\$138,600	\$682,498	\$2,394,201
057 TRANSPORTATION & PARKING FUND	\$4,858,236	\$1,172,013	\$11,112,200	\$0	\$0	\$17,142,449	\$2,425,000	\$10,504,828	\$30,072,277
062 FLEET SERVICES FUND	\$639,304	\$2,260,291	\$5,000	\$0	\$0	\$2,904,595	\$0	\$527,337	\$3,431,932
064 SELF INSURANCE FUND	\$0	\$838,300	\$0	\$0	\$0	\$838,300	\$0	\$1,213,954	\$2,052,254
070 SALES TAX REV BOND - DEBT SVS FUND	\$0	\$0	\$0	\$1,569,713	\$0	\$1,569,713	\$800,000	\$1,160,727	\$3,530,440
071 DEBT SERVICE FUND	\$0	\$0	\$0	\$4,678,893	\$0	\$4,678,893	\$0	\$385,922	\$5,064,815
<b>Total Park City Municipal Corporation</b>	<b>\$25,067,435</b>	<b>\$15,014,179</b>	<b>\$56,723,585</b>	<b>\$10,642,225</b>	<b>\$215,000</b>	<b>\$107,662,424</b>	<b>\$6,249,043</b>	<b>\$31,080,483</b>	<b>\$144,991,950</b>
<b>Park City Redevelopment Agency</b>									
033 REDEVELOPMENT AGENCY-LOWER PRK	\$0	\$805,000	\$3,425,587	\$0	\$0	\$4,230,587	\$468,097	\$6,646,734	\$11,345,418
034 REDEVELOPMENT AGENCY-MAIN ST	\$0	\$405,000	\$622,473	\$0	\$0	\$1,027,473	\$950,000	\$617,096	\$2,594,569
076 RDA-LOWER PK AVE-DEBT SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Park City Redevelopment Agency</b>	<b>\$0</b>	<b>\$1,210,000</b>	<b>\$4,048,060</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,258,060</b>	<b>\$1,418,097</b>	<b>\$7,263,830</b>	<b>\$13,939,987</b>
<b>Municipal Building Authority</b>									
035 BUILDING AUTHORITY	\$0	\$0	\$0	\$249,481	\$0	\$249,481	\$0	\$275,087	\$524,568
<b>Total Municipal Building Authority</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$249,481</b>	<b>\$0</b>	<b>\$249,481</b>	<b>\$0</b>	<b>\$275,087</b>	<b>\$524,568</b>
<b>TOTAL</b>	<b>\$25,067,435</b>	<b>\$16,224,179</b>	<b>\$60,771,644</b>	<b>\$10,891,706</b>	<b>\$215,000</b>	<b>\$113,169,964</b>	<b>\$7,667,140</b>	<b>\$38,619,400</b>	<b>\$159,456,505</b>

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

Description	Personnel FY 2014	Mat, Supplies, Services FY 2014	Capital FY 2014	Debt Service FY 2014	Contingency FY 2014	Sub - Total FY 2014	Interfund Transfer FY 2014	Ending Balance FY 2014	Total FY 2014
<b>Park City Municipal Corporation</b>									
011 GENERAL FUND	\$17,023,145	\$5,904,354	\$364,964	\$0	\$221,000	\$23,513,463	\$2,182,854	\$7,126,464	\$32,822,781
012 QUINNS RECREATION COMPLEX	\$635,828	\$368,190	\$6,000	\$0	\$0	\$1,010,018	\$1,200	\$-2,995,165	\$-1,983,947
021 POLICE SPECIAL REVENUE FUND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
022 CRIMINAL FORFEITURE RESTRICTED ACCOUNT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
031 CAPITAL IMPROVEMENT FUND	\$0	\$0	\$18,422,638	\$0	\$0	\$18,422,638	\$134,366	\$3,247,959	\$21,804,963
038 EQUIPMENT REPLACEMENT CIP	\$0	\$0	\$905,000	\$0	\$0	\$905,000	\$0	\$208,076	\$1,113,076
051 WATER FUND	\$2,184,188	\$2,818,331	\$12,833,336	\$4,368,151	\$100,000	\$22,304,006	\$762,846	\$4,375,265	\$27,442,117
055 GOLF COURSE FUND	\$729,396	\$453,642	\$51,005	\$36,080	\$0	\$1,270,123	\$133,931	\$714,443	\$2,118,497
057 TRANSPORTATION & PARKING FUND	\$5,377,559	\$894,291	\$2,867,874	\$0	\$0	\$9,139,724	\$2,612,885	\$7,873,331	\$19,625,940
062 FLEET SERVICES FUND	\$663,050	\$2,260,291	\$5,000	\$0	\$0	\$2,928,341	\$0	\$510,626	\$3,438,967
064 SELF INSURANCE FUND	\$0	\$888,300	\$0	\$0	\$0	\$888,300	\$0	\$879,652	\$1,767,952
070 SALES TAX REV BOND - DEBT SVS FUND	\$0	\$0	\$0	\$1,563,113	\$0	\$1,563,113	\$0	\$1,159,602	\$2,722,715
071 DEBT SERVICE FUND	\$0	\$0	\$0	\$4,671,333	\$0	\$4,671,333	\$0	\$358,544	\$5,029,877
<b>Total Park City Municipal Corporation</b>	<b>\$26,613,165</b>	<b>\$13,587,399</b>	<b>\$35,455,817</b>	<b>\$10,638,677</b>	<b>\$321,000</b>	<b>\$86,616,059</b>	<b>\$5,828,082</b>	<b>\$23,458,797</b>	<b>\$115,902,938</b>
<b>Park City Redevelopment Agency</b>									
033 REDEVELOPMENT AGENCY-LOWER PRK	\$0	\$0	\$8,860,274	\$0	\$0	\$8,860,274	\$426,375	\$631,085	\$9,917,734
034 REDEVELOPMENT AGENCY-MAIN ST	\$0	\$0	\$72,053	\$0	\$0	\$72,053	\$950,000	\$837,043	\$1,859,096
076 RDA-LOWER PK AVE-DEBT SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Park City Redevelopment Agency</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,932,327</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,932,327</b>	<b>\$1,376,375</b>	<b>\$1,468,128</b>	<b>\$11,776,830</b>
<b>Municipal Building Authority</b>									
035 BUILDING AUTHORITY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$278,087	\$278,087
<b>Total Municipal Building Authority</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$278,087</b>	<b>\$278,087</b>
<b>TOTAL</b>	<b>\$26,613,166</b>	<b>\$13,587,399</b>	<b>\$44,388,144</b>	<b>\$10,638,677</b>	<b>\$321,000</b>	<b>\$95,548,386</b>	<b>\$7,204,457</b>	<b>\$25,205,012</b>	<b>\$127,957,855</b>

**All Funds Combined**

Revenue	Actual FY 2010	Actual FY 2011	Actual FY 2012	Original FY 2013	Adjusted FY 2013	% Total FY 2013	Original FY 2014	% Total FY 2014
<b>RESOURCES</b>								
Property Taxes	\$15,790,260	\$17,043,800	\$18,320,525	\$17,924,873	\$18,107,873	19%	\$17,871,989	14%
Sales Tax	\$11,601,845	\$12,492,244	\$13,366,791	\$12,914,000	\$13,773,000	13%	\$17,198,451	13%
Franchise Tax	\$2,774,320	\$2,906,981	\$2,816,071	\$3,275,000	\$2,998,000	3%	\$3,136,000	2%
Licenses	\$1,253,143	\$1,284,053	\$1,280,901	\$1,217,000	\$1,308,000	1%	\$1,009,000	1%
Planning Building & Engineering Fees	\$1,287,132	\$1,464,715	\$1,427,160	\$2,136,751	\$2,446,327	2%	\$2,136,000	2%
Other Fees	\$49,221	\$17,707	\$45,190	\$12,000	\$24,000	0%	\$37,000	0%
Federal Revenue	\$6,643,943	\$5,818,357	\$7,656,860	\$2,907,000	\$6,151,741	3%	\$2,131,200	2%
State Revenue	\$450,894	\$452,018	\$426,105	\$387,000	\$626,552	0%	\$3,389,000	3%
County/SP District Revenue	\$229,647	\$138,214	\$107,855	\$50,000	\$835,217	0%	\$60,000	0%
Water Charges for Services	\$7,355,524	\$8,416,666	\$9,915,490	\$10,749,556	\$10,716,000	11%	\$11,862,500	9%
Transit Charges for Services	\$2,088,700	\$1,729,833	\$1,918,588	\$2,051,000	\$1,980,000	2%	\$2,090,000	2%
Cemetery Charges for Services	\$53,642	\$20,516	\$19,196	\$19,000	\$21,000	0%	\$22,000	0%
Recreation	\$2,280,322	\$1,916,305	\$2,694,849	\$2,906,000	\$3,096,000	3%	\$3,158,999	2%
Ice	\$459,349	\$583,221	\$682,028	\$701,287	\$690,000	1%	\$886,000	1%
Other Service Revenue	\$105,644	\$94,798	\$79,857	\$105,000	\$100,000	0%	\$101,000	0%
Library Fines & Fees	\$21,022	\$22,408	\$19,661	\$22,803	\$22,000	0%	\$22,000	0%
Fines & Forfeitures	\$648,453	\$708,529	\$621,446	\$681,000	\$688,200	1%	\$678,200	1%
Misc. Revenues	\$6,233,947	\$3,462,074	\$3,891,592	\$1,126,447	\$1,304,153	1%	\$4,455,746	3%
Interfund Transactions (Admin)	\$4,373,697	\$5,740,080	\$5,138,802	\$3,983,447	\$4,506,999	4%	\$4,893,717	4%
Interfund Transactions (CIP/Debt)	\$10,466,324	\$4,158,532	\$4,038,841	\$2,610,741	\$3,160,141	3%	\$2,310,741	2%
Special Revenues & Resources	\$2,057,374	\$750,993	\$1,694,513	\$178,912	\$592,738	0%	\$238,912	0%
Bond Proceeds	\$9,644,255	\$2,158,592	\$244,982	\$5,000,000	\$15,100,000	5%	\$11,650,000	9%
Beginning Balance	\$111,667,936	\$85,779,494	\$80,283,334	\$25,491,440	\$71,208,563	26%	\$38,619,400	30%
<b>TOTAL</b>	<b>\$197,536,594</b>	<b>\$157,160,132</b>	<b>\$156,690,637</b>	<b>\$96,450,257</b>	<b>\$159,456,503</b>	<b>100%</b>	<b>\$127,957,855</b>	<b>100%</b>

## Change in Fund Balance

Fund	Actuals FY 2010	Actuals FY 2011	Actuals FY 2012	Adjusted FY 2013	Budget FY 2013	Increase (red) FY 2013	% Inc (red) FY 2013	Budget FY 2014	Increase (red) FY 2014	% Inc (red) FY 2014
<b>Park City Municipal Corporation</b>										
011 GENERAL FUND	\$5,678,978	\$6,320,932	\$6,447,817	\$6,988,587	\$5,899,311	\$540,770	8%	\$7,126,464	\$137,877	2%
012 QUINNS RECREATION COMPLEX	\$(1,850,004)	\$(2,187,227)	\$(2,510,554)	-\$2,879,947	\$(2,850,921)	\$-369,393	15%	\$(2,995,165)	\$-115,218	4%
021 POLICE SPECIAL REVENUE FUND	\$24,872	\$27,082	\$27,532	\$0	\$29,082	\$-27,532	-100%	\$0	\$0	
022 CRIMINAL FORFEITURE RESTRICTED ACCOUNT	\$3,775	\$4,176	\$8,985	\$0	\$10,176	\$-8,985	-100%	\$0	\$0	
031 CAPITAL IMPROVEMENT FUND	\$33,954,635	\$26,823,812	\$19,876,401	\$3,629,107	\$445,270	\$-16,247,294	-82%	\$3,247,959	\$-381,148	-11%
038 EQUIPMENT REPLACEMENT CIP	\$900,756	\$1,267,319	\$1,244,133	\$208,076	\$195,521	\$-1,036,057	-83%	\$208,076		
051 WATER FUND	\$6,941,202	\$6,663,470	\$11,863,021	\$8,659,394	\$1,084,309	\$-3,203,627	-27%	\$4,375,265	\$-4,284,129	-49%
055 GOLF COURSE FUND	\$1,342,519	\$1,165,727	\$850,677	\$682,498	\$369,838	\$-168,179	-20%	\$714,443	\$31,945	5%
057 TRANSPORTATION & PARKING FUND	\$13,945,235	\$13,703,979	\$17,656,077	\$10,504,828	\$10,845,630	\$-7,151,249	-41%	\$7,873,331	\$-2,631,497	-25%
062 FLEET SERVICES FUND	\$178,226	\$409,894	\$521,502	\$527,337	\$555,626	\$5,835	1%	\$510,626	\$-16,711	-3%
064 SELF INSURANCE FUND	\$1,730,992	\$1,867,103	\$1,848,254	\$1,213,954	\$898,501	\$-634,300	-34%	\$879,652	\$-334,302	-28%
070 SALES TAX REV BOND - DEBT SVS FUND	\$1,822,996	\$1,881,265	\$1,958,852	\$1,160,727	\$1,883,575	\$-798,125	-41%	\$1,159,602	\$-1,125	0%
071 DEBT SERVICE FUND	\$420,157	\$408,246	\$412,312	\$385,922	\$373,418	\$-26,390	-6%	\$358,544	\$-27,378	-7%
<b>Total Park City Municipal Corporation</b>	<b>\$65,094,339</b>	<b>\$58,355,778</b>	<b>\$60,205,009</b>	<b>\$31,080,483</b>	<b>\$19,739,336</b>	<b>\$-29,124,526</b>	<b>-510%</b>	<b>\$23,458,797</b>	<b>\$-7,621,686</b>	<b>-112%</b>
<b>Park City Redevelopment Agency</b>										
033 REDEVELOPMENT AGENCY-LOWER PRK	\$5,634,431	\$7,823,811	\$9,084,417	\$6,646,734	\$1,585,549	\$-2,437,683	-27%	\$631,085	\$-6,015,649	-91%
034 REDEVELOPMENT AGENCY-MAIN ST	\$1,728,313	\$1,679,751	\$1,397,569	\$617,096	\$586,683	\$-780,473	-56%	\$837,043	\$219,947	36%
076 RDA-LOWER PK AVE-DEBT SERVICE	\$884,729	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
<b>Total Park City Redevelopment Agency</b>	<b>\$8,247,473</b>	<b>\$9,503,562</b>	<b>\$10,481,986</b>	<b>\$7,263,830</b>	<b>\$2,172,232</b>	<b>\$-3,218,156</b>	<b>-83%</b>	<b>\$1,468,128</b>	<b>\$-5,795,702</b>	<b>-55%</b>
<b>Municipal Building Authority</b>										
035 BUILDING AUTHORITY	\$527,583	\$518,071	\$521,568	\$275,087	\$271,403	\$-246,481	-47%	\$278,087	\$3,000	1%
<b>Total Municipal Building Authority</b>	<b>\$527,583</b>	<b>\$518,071</b>	<b>\$521,568</b>	<b>\$275,087</b>	<b>\$271,403</b>	<b>\$-246,481</b>	<b>-47%</b>	<b>\$278,087</b>	<b>\$3,000</b>	<b>1%</b>

## REVENUES

Property and sales taxes are the most significant sources of City revenue, representing an anticipated 46 percent in FY 2013 when Beginning Balance and Inter-fund Transfers are excluded. Intergovernmental Revenue, Charges for Service, Franchise Taxes, Licenses and Fees comprise the remaining portion of revenue. Figure R1 shows the makeup of Park City's anticipated revenues for FY 2014.

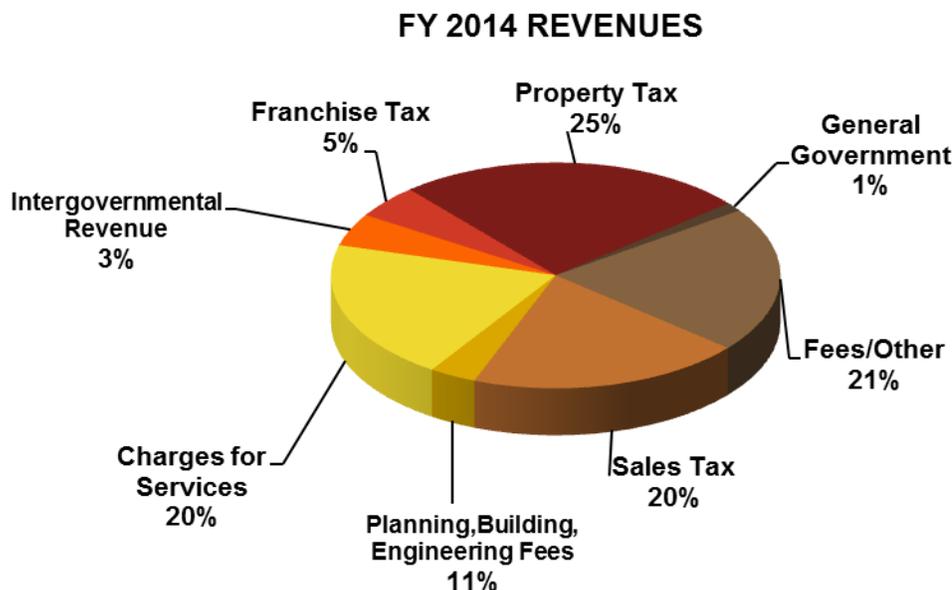


Figure R1 – Budgeted Revenue by Source

## PROPERTY TAX

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

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

## REVENUES

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

Park City's certified property tax rate is made up of two rates: (1) General Levy Rate and (2) Debt Service Levy Rate. The two rates are treated separately. The general levy rate is calculated in accordance with Utah State law to yield the same amount of revenue as was received the previous year (excluding revenue from new growth). If an entity determines that it needs greater revenues than what the certified tax rate will generate, statutes require that the entity must then go through a process referred to as "Truth in Taxation." The debt service levy is calculated based on the City's debt service needs pertaining only to General Obligation bonds. Figure R2 below shows Park City's property tax levies since calendar year 2005.

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

Tax Collected	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 (Est)
General	\$6,325,091	\$6,516,899	\$6,415,910	\$7,042,481	\$7,860,645	\$8,960,869	\$9,476,000
Debt	\$2,188,909	\$2,188,909	\$2,188,909	\$3,997,000	\$4,558,315	\$4,568,904	\$4,565,873
RDA Increment	\$3,776,412	\$3,928,305	\$4,064,425	\$4,040,075	\$3,877,316	\$3,642,916	\$3,427,000
Fee-In-Lieu	\$227,953	\$232,688	\$160,187	\$171,183	\$202,117	\$223,561	\$201,000
Delinq/Interest	\$226,115	\$414,909	\$383,579	\$539,521	\$596,321	\$792,034	\$456,000
<b>Total:</b>	<b>\$12,744,480</b>	<b>\$13,281,710</b>	<b>\$13,213,009</b>	<b>\$15,790,260</b>	<b>\$17,094,714</b>	<b>\$18,188,284</b>	<b>\$18,125,873</b>

Table R2 – Property Tax Rates and Collections

## SALES TAX

Park City depends a great deal on sales tax revenue to fund City services. Sales tax also helps to fund the infrastructure to support special events and tourism. Of the 7.45 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 to be received into the City's Capital Improvement Fund.

Sales tax revenue growth has remained fairly consistent over the past several years. The City projects annual sales tax revenue using a linear trend model. Sales tax revenue has experienced a notable recovery since the 2009 economic downturn. 2013 has shown consistent growth when compared to 2012. Figure R3 shows actual sales tax amounts along with the forecasted amounts for FY 2013 and 2014.

Although sales tax revenue has maintained some consistency over the last 6 years, it is still considered a revenue source subject to national, state, and local economic conditions, as seen during the 2009-2010 recession. These conditions fluctuate based on a myriad of factors. Using a linear equation to forecast sales tax revenue helps to smooth out larger fluctuations and conservatively budget the revenue source. Sales tax revenue for the current fiscal year as well as FY 2014 is expected to grow when compared to FY 2012.

# REVENUES

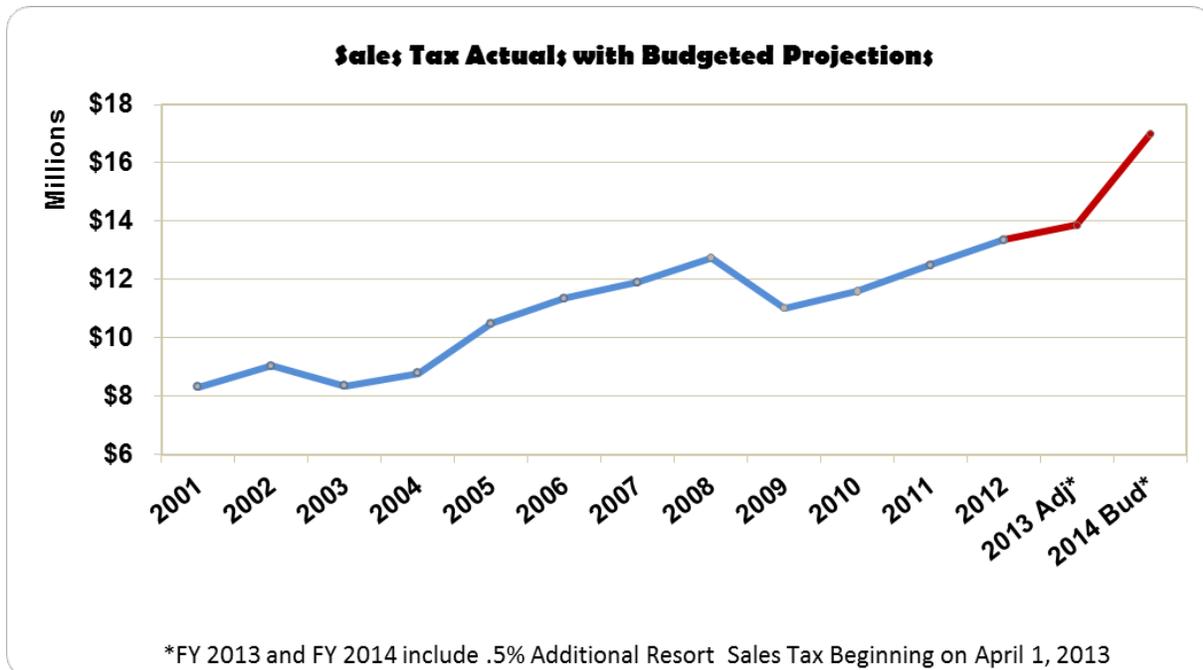


Figure R3- Sales Tax Actuals and Projections

Continued development of events and activities in the spring and summer months has helped to generate sales tax during the “off-season” months. Figure R6 displays the monthly sales tax revenue collections for FY 2013 in comparison with FY 2012 and a five-year historical average. Large growth is December and March is primarily due to increased lodging revenue associated with the opening of new hotels in the Deer Valley area.

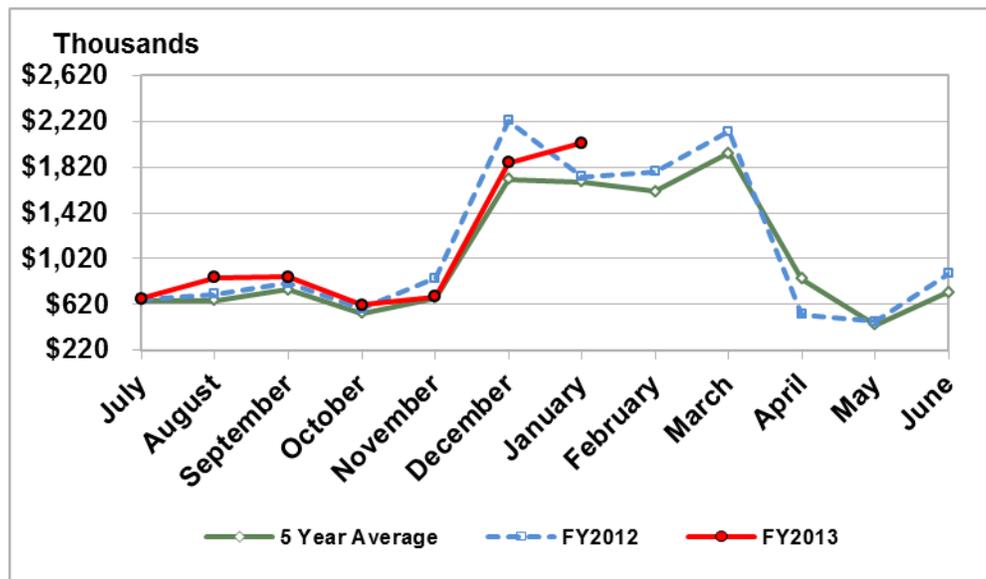


Figure R6 – Sales Tax for FY 2013 (Compared to a Five-year Average and FY 2012)

## REVENUES

### STATE LEGISLATION AND SALES TAX

As previously stated, Park City's portion of sales tax is broken down into three components: local option (1%), resort community tax (1.1%, the resort community tax was increased to 1.6% effective April 1, 2013), and transit tax (0.30%). Table R7 shows the current sales tax rate. Park City collects the full amount for the resort community and transit taxes, but the local option tax collection is affected by a State distribution formula. All sales taxes are collected by the State of Utah and distributed back to communities. Sales taxes generated by the local option taxes are distributed to communities based 50 percent on population and 50 percent on point of sale.

#### Sales Tax Rates

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

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

**Table R7 – 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.

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

Figure R8 shows the percentage of the sales tax revenue lost in FY 2011 compared to the previous five year average before the legislative change. This amounts to an estimated loss of \$895,000 in sales tax revenue during FY 2011; due to the 2005 local option sales tax level

## REVENUES

provision (hold harmless) estimated losses for FY 2009 and FY 2010 were less significant. FY 2011 is displayed in the following table to reflect a non-recessionary year in which no hold harmless payments occurred.

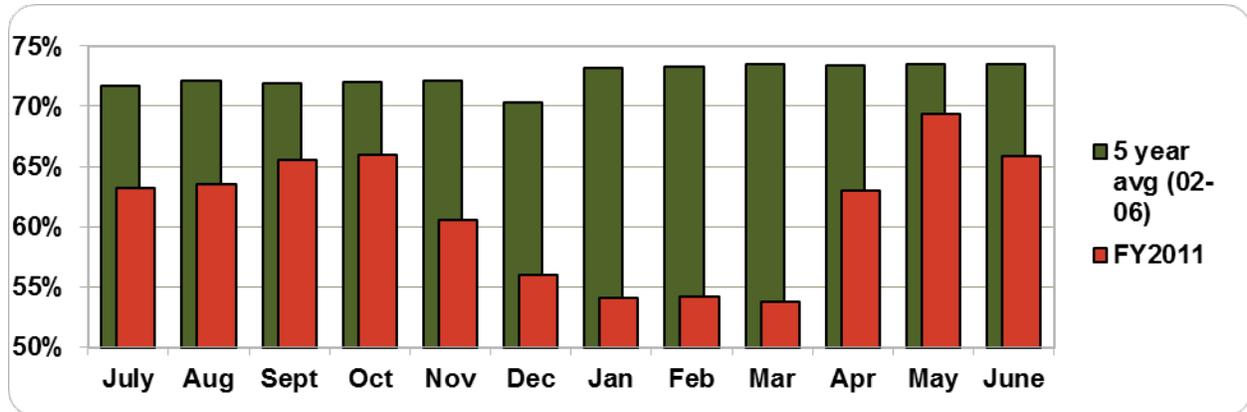


Figure R8 – Local Option Tax Distribution

The local option tax contributes a significant portion of the total sales tax revenue. Figure R9 shows the portions of total sales tax attributable to local option, resort community and transit taxes. FY 2011 and FY 2012 include the projected additional resort sales tax revenue. The additional resort sales tax is projected to generate an approximate \$3.2 million in FY 2014.

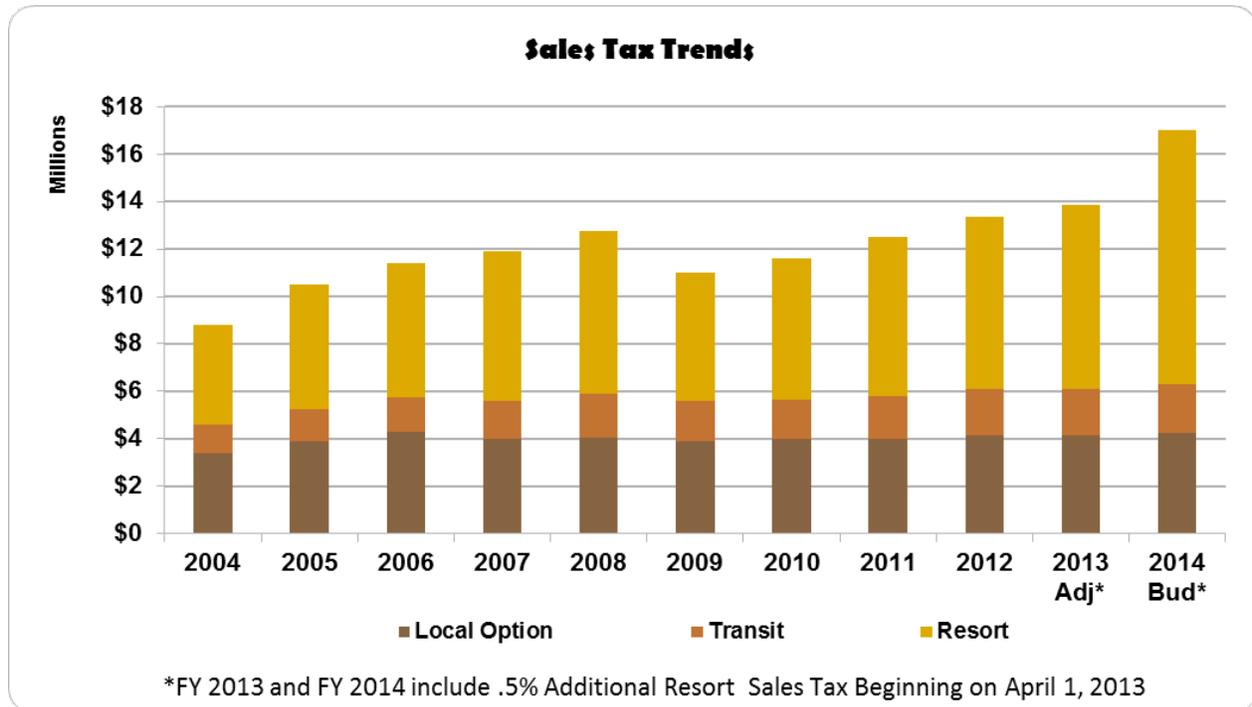


Figure R9 - Sales Taxes Breakdown

## REVENUES

### OTHER REVENUE

Revenue sources other than property and sales tax include fees, franchise taxes, grants, municipal bonds and other miscellaneous revenue. Total revenue from sources other than property and sales tax make up a large portion of the FY 2014 Budget. Figure R10 shows a projected breakdown of other revenue by type and amount.

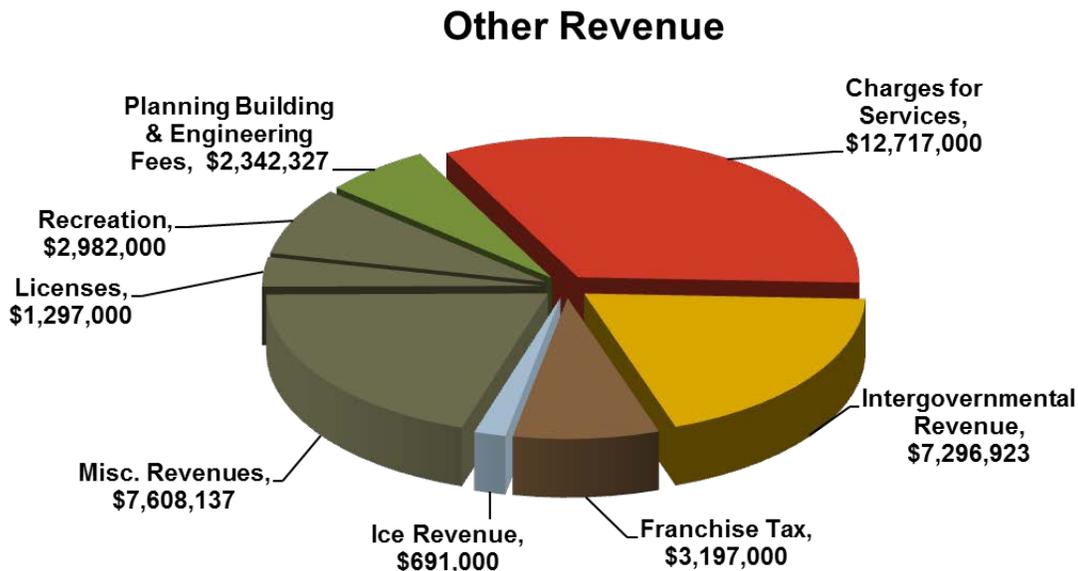


Figure R10 – Other Revenue Breakdown

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

Park City receives additional revenue by collecting development impact fees. These fees include street impact fees, 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 three years of the collection date.

The Park City Golf Club receives revenue from greens fees, cart rental, pro-shop sales, golf lessons, and other miscellaneous fees and services. The Park City Golf Club is an enterprise fund; all revenues collected from the golf club are used to fund golf course operating and improvement costs. The estimated revenue of the Park City Golf Club for FY 2012 is

## **REVENUES**

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\$1,263,500. The Golf course uses and fees remain relatively consistent year to year. It is expected that the Park City Golf Club will see similar revenues in FY 2013 as in FY 2012.

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.

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. 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 2012 was 0.56 percent or approximately one quarter of the City's 2 percent policy limits. For more information on Park City's debt management policies, see the Policies and Objectives section of this budget document.

## **REVENUES**

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## EXPENSES

The FY 2013 Adjusted Budget reflects a 1.13% operating increase from the FY 2013 Original Budget and a 10% operating increase from FY 2012 actual expenditures. About 95% of the increase from the FY 13 Original Budget is related to revenue received from police grants that resulted in operating budget increases. FY 2013 adjusted capital budgets appear extremely high, but the vast majority of the \$48 million budgeted for capital is “carry-forward” budget. Unlike operating budgets, capital projects may take multiple years to complete, thus the budgets for capital need to be renewed each year. At the end of each fiscal year, the unspent budget for each capital project is calculated and added to the new fiscal year’s budget as part of the adjusted budget. That “carry-forward” amount from FY 2012 is \$116 million.

### Expenditure Summary by Major Object - All Funds

	FY 2010	FY 2011	FY 2012	FY 2013 Ori Bud	FY 2013 Adj Bud	FY 2014 Plan	FY 2014 Budget
Personnel	20,553,234	21,098,681	22,750,251	25,112,990	25,055,372	25,598,173	26,544,126
Materials, Supplies & Services	11,052,483	10,942,094	13,235,104	15,163,641	15,515,734	14,925,532	13,320,049
Capital Outlay	41,569,011	64,609,845	29,823,669	17,874,359	48,895,782	30,290,169	42,850,990
Debt Service	9,834,751	12,176,557	10,399,905	10,480,443	10,891,706	10,467,536	10,856,837
Contingency	0	0	99,679	345,000	215,000	330,000	221,000
Actual Budget	\$83,009,480	\$108,827,176	\$76,308,608	\$68,976,432	\$100,573,594	\$81,611,410	\$93,793,002
Budget Excluding Capital	\$41,440,469	\$44,217,332	\$46,484,939	\$51,102,073	\$51,677,812	\$51,321,241	\$50,942,012
Interfund Transfers	32,800,255	14,840,021	9,177,643	6,594,188	7,394,188	6,587,463	6,650,855
Ending Balance	94,338,414	73,869,394	71,208,562	22,182,970	33,167,629	23,220,415	33,313,296
Subtotal	\$127,138,669	\$88,709,415	\$80,386,205	\$28,777,158	\$40,561,817	\$29,807,878	\$39,964,151
Grand Total	\$210,148,148	\$197,536,591	\$156,694,813	\$97,753,590	\$141,135,411	\$111,419,287	\$133,757,153

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

The FY 2014 Budget is decreasing to \$50.9 million, which is a 2.5% decrease from the FY 2013 Adjusted Budget, but still a 7.2% increase from FY 2012 actual expenses. The decrease is due to lower than anticipated health insurance costs, decreases to EPA-related operating expenditures, and a decrease in Engineering inspections costs among other things. Any increases in the General Fund are largely offset with corresponding reductions in operating budgets or revenue enhancements. These changes are more fully discussed further in this section as well as in the Budget Issues section along with details on other committee recommendations, operating budget changes, and major capital requests.

Table E1 shows citywide expenditures by Major Object. The FY 2013 Adjusted Budget reflects a decrease in personnel expenses of 0.23% from the FY 2011 Original Budget due to vacancy factor adjustments. This will be closely monitored and probably adjusted again for the final budget. FY 2014 shows a 5.94% increase in personnel from the FY 2013 Adjusted Budget due primarily to personnel additions, health insurance and retirement increase.

## OPERATING BUDGET

The Operating Budget consists of Personnel, Materials, Supplies, and Services, Departmental Capital Outlay, and Contingencies for each department. Table E2 shows the total change to the Operating Budget from the FY 2013 Adopted Budget and FY 2014 Plan adopted by Council in June 2012.

## EXPENSES

### Total Operating Budget Enhancements by Fund (Change from FY2013 Adopted Budget & FY2014 Plan)

	FY13 Adj Budget	FY14 Budget
Fund 11 General Fund	\$154,766	\$373,281
Fund 12 Quinn's Recreation Complex	\$15,306	\$74,626
Fund 51 Water Fund	-\$3,445	-\$184,362
Fund 55 Golf Fund	\$0	-\$16,872
Fund 57 Transportation Fund	\$0	\$109,609
Fund 62 Fleet Fund	\$0	\$14,236
Fund 64 Self Insurance Fund	\$0	\$0
<b>Total</b>	<b>\$166,628</b>	<b>\$370,519</b>

Table E2 – Operating Budget Options by Fund

The major increase from the FY 2013 Original Budget to the FY 2013 Adjusted Budget is found in the General Fund. Almost 40% of the General Fund increases have a revenue offset, such as a grant or increased fees. Some of the major costs to the General Fund include personnel additions, utility costs for the MARC, health insurance, retirement, and workers' compensation increases. The decrease in the Water Fund has to do with the decrease in EPA-related expenses and moving costs to CIPs. Increases to the Transit Fund are due scheduled increases in personnel and bringing parking services in-house. Various other changes are happening in the General Fund in FY 2014, but the net effect is close to zero. These changes are extensive and difficult to summarize briefly, but all of the departmental changes are detailed in the BFO Summary report in the Supplemental section of this document.

## PERSONNEL

Departments submitted personnel requests for the FY 2013 Adjusted Budget and FY 2014 Budget. The impacts of all personnel budget options are shown for each fund in Table E3.

### Total Personnel Options by Fund (Change from FY2013 Adopted Budget & FY2014 Plan)

	FY13 Adj Budget	FY 2014 Budget
Fund 11 General Fund	-\$67,045	\$581,641
Fund 12 Quinn's Recreation Complex	\$15,306	-\$36,374
Fund 51 Water Fund	\$0	-\$34,254
Fund 55 Golf Fund	\$0	-\$16,872
Fund 57 Transportation Fund	\$0	\$443,451
Fund 62 Fleet Fund	\$0	\$14,236
Fund 64 Self Insurance Fund	\$0	\$0
<b>Total</b>	<b>-\$51,739</b>	<b>\$951,829</b>

Tables E3 – Personnel Options by Fund

Three options that are effecting changes in personnel budgets are the health insurance, the Utah Retirement System (URS), and workers' compensation increase. These are all described in detail below:

## **EXPENSES**

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### **Health Insurance Costs**

In recent years, the cost of Park City's health insurance has risen dramatically between 8-15% per year. The City has picked up almost the entirety of the tab for these increases, until three years ago when the City asked employees to pay \$50 more per month for family health insurance. These increases, while consistent with trends seen across the nation, are nonetheless alarming and indicate a different approach to providing this benefit may need to be explored more in the future.

The Human Resources Department has already negotiated an increase to health insurance plans and prices just under 7%—this could have been much more. This would maintain the current coverage provided to employees with a few small changes. Health plans will remain largely unchanged, with the exception that the Innova plan will be discontinued beginning in FY 14. Only a handful of employees utilize this plan, so the vast majority will be able to maintain their current coverage option. Also, Human Resources will be expanding the City's current Wellness Program to help mitigate the increase. More information will be forthcoming from the Human Resources Department.

The hope continues to be that employees will become more aware of and accountable for medical expenses. Programs aimed at preventative care, such as the City's Wellness program, could keep usage down, and lower usage should translate to more modest renewal rates.

#### **Health Insurance Changes by Fund (Change from FY2013 Adopted Budget)**

	<b>FY 2013 Budget</b>
<b>Fund 11 General Fund</b>	\$308,829
<b>Fund 12 Quinn's Recreation Complex</b>	\$6,547
<b>Fund 51 Water Fund</b>	\$34,067
<b>Fund 55 Golf Fund</b>	\$4,257
<b>Fund 57 Transportation Fund</b>	\$124,616
<b>Fund 62 Fleet Services Fund</b>	\$8,719
<b>Total</b>	<b>\$487,035</b>

Tables E4 – Health Insurance by Fund

### **Retirement Expense**

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

During FY 2013, URS required a 16.04% contribution for general municipal employees (30.45% for sworn officers). For FY 2014, URS will require 17.29% contribution (32.14% for sworn officers).

The budget impact for this change is detailed in the figure below.

## EXPENSES

### URS Adjustments by Fund (Change from FY2013 Adopted Budget)

	FY 2013 Budget	URS
Fund 11 General Fund		\$269,828
Fund 12 Quinn's Recreation Complex		\$5,031
Fund 51 Water Fund		\$64,345
Fund 55 Golf Fund		\$5,766
Fund 57 Transportation Fund		\$65,754
Fund 62 Fleet Services Fund		\$10,081
<b>Total</b>		<b>\$420,805</b>

Tables E5 – URS Adjustment by Fund

### Self-Insurance Fund Inter-fund Transfer

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

### Personnel Changes

Personnel is accounted for using a full-time equivalent (FTE) measure, where 1 FTE indicates the equivalent of a full-time position (2,080 annual work-hours), which could be filled by multiple bodies at any given time. Generally, one Full-time Regular employee is measured as 1 FTE, whereas a Part-time Non-benefited or Seasonal employee might account for a fraction of an FTE. Changes in FTE's per department for FY 2013 Adjusted Budget and FY 2014 Proposed Budget are found in Table E4 on the following page.

The City Manager Department is shifting .90 of an FTE out of the Office Assistant II position and moving that budget into Contract Services. This is a technical adjustment meant to more accurately portray where services are currently being paid out of.

The Budget, Debt, and Grants Department is transitioning one contract position into a Full-Time Regular position, resulting in an increase of 1 FTE for a Performance and Budget Analyst. This will not incur a cost increase for the Department, as money will be shifted from the Contract Services line to a Personnel line. The Budget Department will also gain .67 of an FTE for the Capital, Debt, and Grants Manager. This position is currently split three ways between the Budget, Water, and Transit departments. Moving forward, this position will be centralized within the Budget Department. Costs to the General Fund for the benefit that the Water and Transit Fund receive from this position will be recaptured using the Administrative Inter-fund Transfer.

## **EXPENSES**

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The Information Technology Department is losing 1 FTE of an Analyst 1 for a Marsac Front Desk Customer Service position. This position will be moved into the Community and Environment Department, resulting in an increase of 1 FTE. This move will better reflect the day to day job duties for the Front Desk position.

The Economy Department will be gaining 1 FTE in the form of an Economic Development Project Manager (E06). This position will focus on managing the Special Events calendar. As this is a new position, it will result in an increase of approximately \$98,000 to the City's budget.

The Planning Department will also be adding 1 FTE for a Current Planning Director (E08). This position will focus on the daily activities for City Planning, and will allow for additional time to be spent on Long-Range planning by other positions. This position represents an increase of approximately \$121,000 to the City's budget.

The Ice Facility will be undergoing several changes during FY 2014. The department will lose 1 FTE for an Ice Operations Manager and 1 FTE for an Ice Business Operations Manager. To replace these management positions, Ice will gain 1 FTE for a General Ice Manager (E07). Additionally, Ice will gain 1 FTE for a Program Coordinator, 1 FTE for a Front Desk Team Leader as well as PTNB positions to better manage the cashiering as well as streamlining PTNB positions for the Hockey and Skating programs.

The Water Department will be adding 1 FTE position for a Water Distribution Supervisor. However, the Department will be losing 1 FTE of a Water Worker IV position and 1 FTE of a Water Worker III position. These changes will result in a net decrease in Water's personnel budget.

Currently, Parking Management is overseen by the Transit Department. However, beginning FY 14, a Parking Department will be created to oversee Parking operations for the City. This change will represent a decrease in FTEs from the Transit Department and an increase in 7 FTEs for the Parking Department. Additionally, our parking enforcement will become an in-house service starting FY14. This will result in a decrease in contract services and an increase in personnel costs. However, these changes do not create the need for additional budget, and will be "net-zero" changes.

# EXPENSES

<b>FTE Counts by Department</b>						
<b>Department</b>	<b>FY 2013 Original</b>	<b>FY 2013 Adjusted</b>	<b>FY 2013 Change</b>	<b>FY 2014 Plan</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Change</b>
<b>Budget, Debt, and Grants</b>	1.33	1.33		1.33	3.00	1.67
<b>Building</b>	13.00	13.00		13.00	13.00	
<b>Building Maint.</b>	5.00	5.00		5.00	5.00	
<b>City Manager</b>	5.50	5.50		5.50	4.00	(1.50)
<b>City Recreation</b>	27.83	27.83		27.83	27.83	
<b>Communication Center (Dispatch)</b>	10.39	10.39		10.39	10.39	
<b>Drug Education</b>	0.20	0.20		0.20	0.20	
<b>Engineering</b>	2.75	2.75		2.75	2.75	
<b>Fields</b>	1.83	1.83		1.83	1.83	
<b>Finance</b>	6.65	6.65		6.65	6.65	
<b>Fleet Services</b>	8.00	8.00		8.00	8.00	
<b>Golf</b>	5.43	5.43		5.43	4.93	(0.50)
<b>Golf Maintenance</b>	9.60	9.60		9.60	8.98	(0.61)
<b>Human Resources</b>	5.26	5.26		5.26	5.14	(0.12)
<b>Ice Facility</b>	9.04	9.04		9.04	8.42	(0.62)
<b>Leadership</b>	0.10	0.10		0.10	0.10	
<b>Legal</b>	7.00	7.00		7.00	7.00	
<b>Library</b>	11.37	11.37		11.37	11.37	
<b>McPolin Barn</b>	0.25	0.25		0.25	0.25	
<b>Parking</b>					7.75	7.75
<b>Parks and Cemetery</b>	18.24	18.24		18.24	18.24	
<b>Planning</b>	7.00	7.00		7.00	8.00	1.00
<b>Police</b>	33.90	33.90		33.90	34.60	0.70
<b>Self Insurance</b>						
<b>State Liquor Enforcement</b>	1.30	1.30		1.30	1.30	
<b>Street Maint.</b>	17.47	17.47		17.47	17.37	(0.10)
<b>Economy</b>	4.25	4.25		4.25	5.25	1.00
<b>Community &amp; Environment</b>	4.65	4.65		4.65	5.65	1.00
<b>Environmental Regulatory</b>	0.80	0.80		0.80	1.00	0.20
<b>Technical and Customer Services</b>	10.80	10.80		10.80	9.47	(1.33)
<b>Tennis</b>	7.85	7.85		7.85	4.00	(3.85)
<b>Transportation</b>	82.87	82.87		82.87	80.79	(2.08)
<b>Water Billing</b>	1.00	1.00		1.00	1.00	
<b>Water Operations</b>	21.88	21.88		22.88	23.35	0.47
<b>Totals</b>	<b>342.53</b>	<b>342.53</b>	<b>0.00</b>	<b>343.53</b>	<b>346.61</b>	<b>3.08</b>

Table E6 - FTE Changes by Department

## EXPENSES

The following table shows the changes in FTEs by fund. The General Fund is decreasing by 3.9 FTEs in FY 2014 from the FY 2013 Original Budget.

Fund	FY 2012 Actual	FY 2013 Original	FY 2013 Adjusted	FY 2014 Budget
General Fund	203.64	204.38	204.38	201.55
Quinn's Recreation Complex	11.04	11.04	11.04	10.25
Water Fund	18.55	22.88	22.88	24.35
Golf Fund	15.09	15.03	15.03	13.91
Transportation Fund	82.54	82.87	82.87	88.54
Fleet Services Fund	8.00	8.00	8.00	8.00
Self Insurance Fund	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>338.86</b>	<b>342.85</b>	<b>342.85</b>	<b>346.60</b>

Table E7 - FTE Change by Fund

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

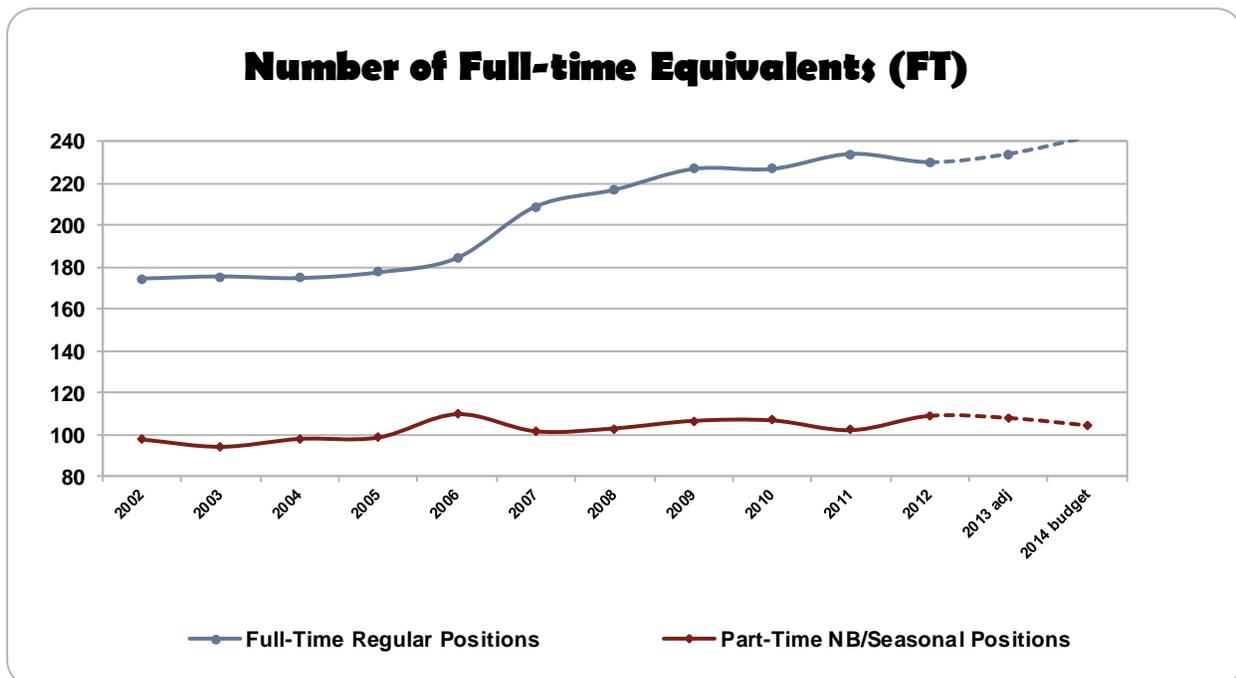


Figure E8 – FTE Totals

# EXPENSES

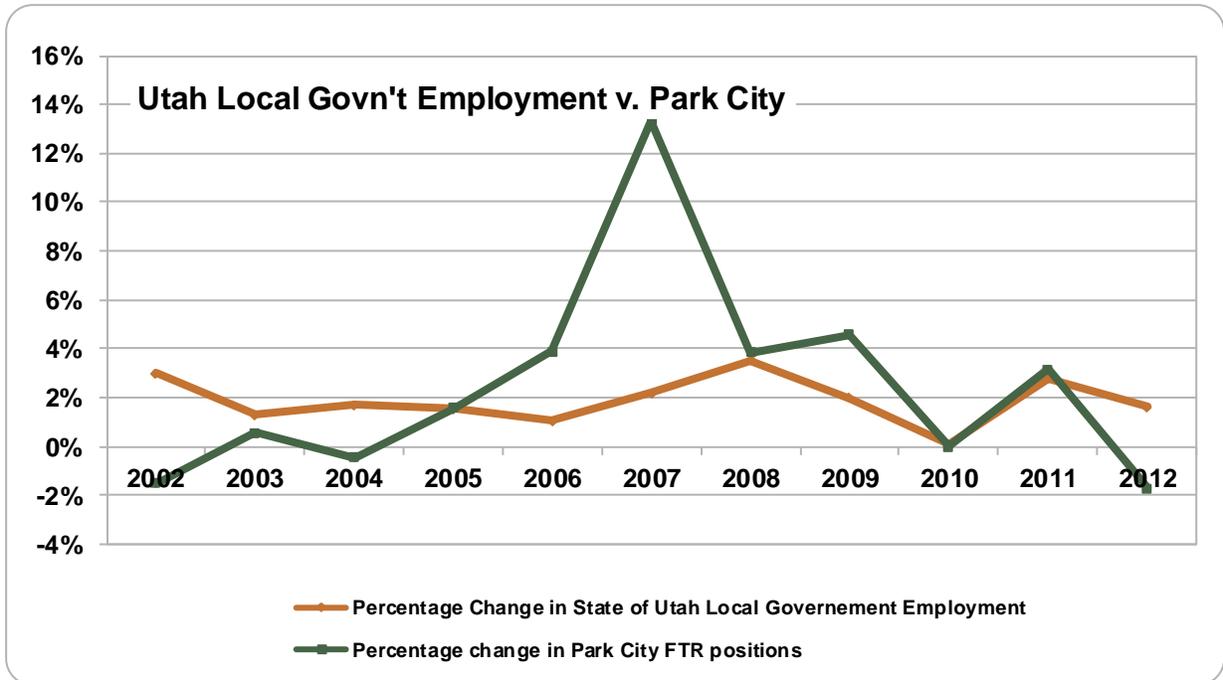


Figure E9 - Percentage Change in Park City and State Employment

The employment totals for Park City FTR positions and local government for the state of Utah are compared in Figure E9. Park City FTR positions saw an increase in FY 2007 after several years of remaining relatively stable. A comparative graph such as this can show whether or not a municipality is following a larger trend among similar local governments. Park City’s personnel appears to be growing at the same rate as other cities in Utah in recent years. This is largely due to the recent recession which curbed revenues.

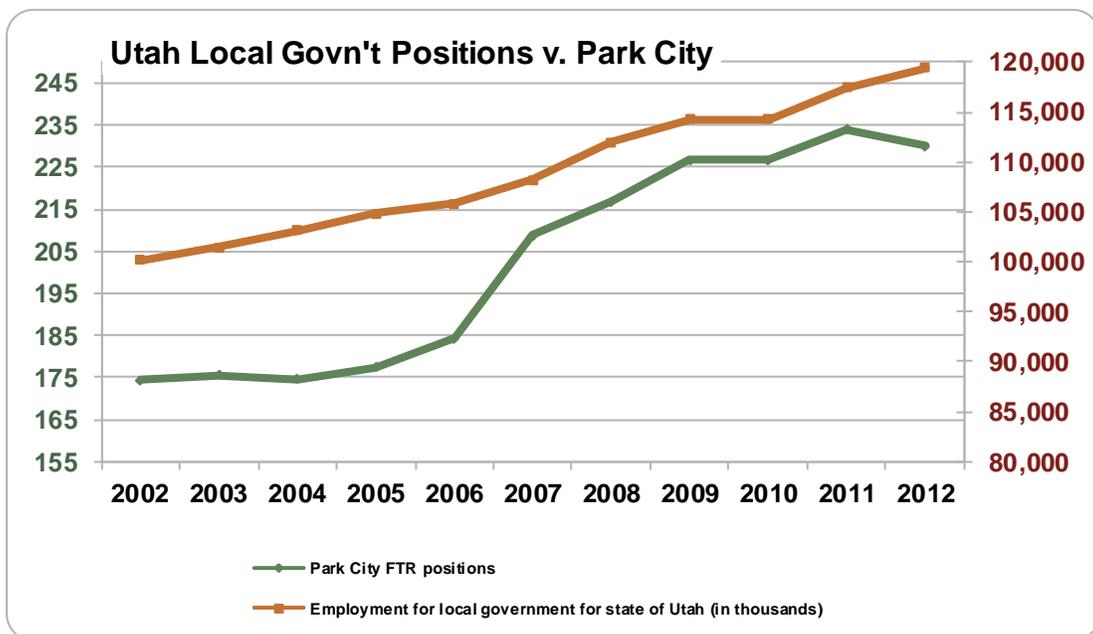


Figure E10 – Employment Totals for Utah Local Government and Park City FTR Positions

## **EXPENSES**

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### **Special Service Contracts**

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. According to City policy, up to one percent of the City's total budget is awarded. Payment may take the form of cash payment and/or rent contributions for the lease of City property in exchange for the value of in-kind services. The budget for Special Service Contracts for FY 2014 is \$492,000. Special Service Contracts are typically awarded as two-year contracts, however, in order for the two-year grant cycle to mirror the two-year budget cycle special service contracts were evaluated and awarded on a one-year term in FY 2014. In future budget cycles the contracts will once again be awarded on a two year basis.

Special Service Contracts are awarded through a competitive application process. A request for applications (RFA) was issued in February 2013 and announced through local media. Letters announcing the RFA were sent to previous awardees. Applications were accepted through March 31 and submitted to the Special Service Contract Subcommittee for review. This Subcommittee included Council Members Simpson and Matsumoto and city staff.

The selection process involved an examination of each application to determine how well it fit the criteria outlined in the City's Public Service Contract Policy. The applications were then ranked based on the outcome of the criteria match. Using these rankings the committees allocated funding limited by the special service contract budget. In order to distribute funds to additional applications, the committees examined additional criteria to determine if funding for some applications should be redistributed. These criteria consisted of whether the total allocation was sufficiently distributed among the service contract categories, the number of beneficiaries, whether certain gaps in community service are filled, if City Council goals are advanced, and whether the service would be provided by the City in the absence of it being provided through a non-profit organization.

A summary of the subcommittee recommendation is shown in the table below.

## EXPENSES

### Special Service Contracts FY 2014 (Subcommittee Recommended)

Organizations	Request FY 2014	Pervious Award (1-Year) FY 2013	Recommended Funding FY 2014
Park City/Summit County Arts Council	\$74,170	\$25,000	\$25,000
Mountainland Community Housing Trust	\$18,000	\$15,550	\$18,000
P.C. Adult ESL	\$5,000	\$5,500	\$5,000
Park City Chamber/Bureau	\$100,000	\$100,000	\$100,000
P.C. Historical Society and Museum	\$70,000	\$40,000	\$40,000
Recycle Utah - Operating	\$33,000	\$33,000	\$33,000
Recycle Utah - Rent Contribution	\$25,577	\$25,577	In-kind
People's Health Clinic	\$39,970	\$35,000	\$38,000
Christian Center	\$12,000	\$10,700	\$12,000
Mountain Mediation Center	\$12,600	\$12,500	\$12,600
Peace House, Inc.	\$30,000	\$26,000	\$30,000
Park City Community Outreach Center	\$10,000	\$10,000	\$0
Habitat for Humanity	\$15,000	*\$20,000	\$0
Mountain Trails	\$10,000	\$7,750	\$10,000
PC Performances - Egyptian Theatre Productions	\$5,000	\$2,500	\$2,500
PC Performances - Performing Arts Complex Space	\$100,000	New	\$0
Park City Business Resource Center	\$20,000	\$10,000	\$10,000
<b>Total</b>	<b>\$554,740</b>	<b>\$333,500</b>	<b>\$336,100</b>
Youth Organizations	Request FY 2014	Pervious Award (1-Year) FY 2013	Recommended Funding FY 2014
Sundance Institute	\$9,000	\$9,000	\$9,000
ArtsKids	\$15,000	\$12,500	\$12,500
PC Education Foundation	\$20,000	\$18,000	\$20,000
Holy Cross Ministries	\$7,500	\$7,500	\$7,500
PC Performing Arts Foundation's MGSS	\$10,000	\$4,000	\$10,000
Pc Performing Arts Foundation (Student Outreach)	\$20,000	\$10,000	\$5,000
Youth Winter Sports Alliance	\$12,000	\$9,000	\$12,000
Big Brothers/Big Sisters of Utah	\$15,000	\$7,500	\$0
Friends of the Utah Avalanche Center	\$1,750	\$1,500	\$1,750
PC Performances - Egyptian Theatre Youth Programm	\$10,000	\$7,500	\$7,500
<b>Total</b>	<b>\$120,250</b>	<b>\$86,500</b>	<b>\$85,250</b>
<b>Grand Total</b>	<b>\$674,990</b>	<b>\$420,000</b>	<b>\$421,350</b>

\*Habitat for Humanity received a SSC award for \$10,000 in FY2013 and an additional \$10,000 in emergency SSC requests for contaminated soils

The SSC subcommittee is currently recommending awards in FY 2014 totaling \$421,350 in cash contributions leaving a remaining SSC unallocated budget of \$70,650. Previously City Council has provided direction to reserve a portion of the budgeted Special Service Contract funds in order to facility extraordinary requests as defined in the Public Service Contract policy (Budget Document Vol. I, Policies & Objectives, Ch. 5 Pt. I, D). The subcommittee recommends that Council reserves \$20,650 for possible extraordinary requests in FY 2014.

The subcommittee currently recognizes a potential gap in victim advocacy services. The City recently initiated a victim advocacy program which included hiring a part-time victim advocate coordinator position. The position is currently funded with through a Federal Victim of Crime

## **EXPENSES**

Act (VOCA) grant. This grant funding source is highly susceptible to federal budget reductions; in fact, funding requests were automatically reduced by 10% for FY 2014. It is the recommendation of the subcommittee that remaining special service contract budget (\$50,000) be used towards improvements to Park City's victim advocacy program. If directed by Council, staff will prepare an outline of the proposed improvements for the final budget.

Council reviewed the Subcommittee recommendations and made no changes on June 6th. The funding amounts were approved by City Council with the adoption of the Final Budget.

## **CAPITAL BUDGET**

The capital budget, as proposed by the City Manager, continues to fund projects of priority three or higher. This capital plan is in line with Council direction and last year's adopted budget. The following table shows a summary of current major projects with proposed funding amounts.

<b>Major Capital Projects</b>				
<b>Projects</b>	<b>Proposed Budget</b>	<b>Principal Funding Sources</b>	<b>Scheduled Start</b>	<b>Scheduled Finish</b>
<b>Walkable Community Projects</b>	\$15 Million	GO Bond	Underway	Phased
<b>Water Projects (2013 - 2017)</b>	Estimate \$44 Million	Water Revenue (Bonds)	Underway	Phased
<b>OTIS (Total to Complete)</b>	\$14 Million	Resort Sales Tax & Water Revenue (Bonds)	Underway	Phased Over 8 Years
<b>OTIS - Empire Ave.</b>	\$1.8 Million	Resort Sales Tax	Underway	2013
<b>Main Street/Downtown Enhancements</b>	14.5 Million	Resort Sales Tax	2013	2020
<b>Deer Valley Drive</b>	\$4.4 Million	Federal Grant General Fund Resort Sales Tax Water Revenue	2013	2014
<b>Royal Street</b>	\$1.75 Million	General Fund Streets Impact Fees	2014	2015
<b>Soils Repository</b>	\$4.2 Million	Sale of Asset General Fund	Pending	Phased
<b>Storm Drain Improvements</b>	\$8.5 Million	Resort Sales Tax	2015	2022
<b>Library Expansion</b>	\$5.6 Million	Lower Park RDA	Pending	Pending
<b>Historic Preservation Studies</b>	\$600K	General Fund	2013	2014
<b>Bonanza Park/RMP Substation Mitigation</b>	\$1.5 Million	General Fund	Pending	Pending
<b>Senior Community Center</b>	\$2 Million	Lower Park RDA	2014	2015
<b>Multi-Generational Housing</b>	\$8 Million	Lower Park RDA	2015	2016
<b>Ironhorse Seasonal Housing</b>	\$2 Million	Federal Grant Transit Funds	Underway	2014
<b>Prospector Drain - Regulatory Project</b>	\$2.5 Million	General Fund	Underway	2016

Figure E11 – Major Capital Projects

This year's CIP committee (Blake Fonesbeck, Jon Weidenhamer, Ken Fisher, Marina Smith, Nate Rockwood, Matt Cassel, Scott Robertson, and Matt Twombly) prioritized all new projects

## **EXPENSES**

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and project with significant changes in funding amount or source and included integrated them into the 5-Year Capital Improvement Plan. These projects were reviewed and ranked based on five criteria: Objectives, Funding, Necessity, Investment, and Cost/Benefit. These CIP requests are highlighted in the Budget Issues section and a complete, detailed list is included in the Volume II.

The Committee recommended funding projects requiring operating surplus in the amount of \$3 million in the current fiscal year and \$2.9 million in FY 2014 and FY 2015. The recommended project totals then taper from \$2.6 million in FY 2016 to \$2.2 million in FY 2018. The City Manager made one small adjustment to the CIP committee recommendation which was to include the Meeting Documentation software in the amount of \$20,000 in FY 2013. The Meeting Documentation software will assist in the work flow process of both Planning Commission and City Council meetings and allow for audio recording of the meetings to be posted online. The software will also generate agendas, and help in keeping meeting minutes.

The total proposed CIP budget for FY 2013 Adjusted Budget is \$80.1 million (\$18 million original budget and \$62.1 million carry-forward budget). The proposed FY 2014 CIP budget is \$43 million. The General Fund surplus required to fund projects in FY 2014 will be approximately \$3 million—the majority of which is dedicated to completing current projects, ensuring the maintenance of existing infrastructure, or securing funding for previously-identified needs. Projects in these categories include Pavement Management, Trails Master Plan Implementation, Traffic Calming, Asset Management, Walkability Maintenance, Irrigation Controller Replacement, Public Art, Storm Water Improvements, Deer Valley Drive Reconstruction, Prospector Drain, Tennis Court Rebuilds, Historic Preservation and Bonanza Drive Substation Mitigation.

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

# EXPENSES

New Project Requests (All Funds Combined)										
New Projects Recommended in 5-Year CIP										
New CIP #	Score	Project Name	Fund	Revenue	Total Project Cost By Fund	Total Budget				
						FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
New 14-02	23.5	Transportation Plans & Studies	57	TRANSIT SALES TAX	167,500	2,500	82,500	82,500	-	-
New 14-03	22.6	Richardson Flat Road-Improvement	57	TRANSIT SALES TAX	100,000	-	100,000	-	-	-
			57	OTHER CONTRIBUTIONS	650,000	-	650,000	-	-	-
New 14-04	22.5	Transit Facility Capital Renewal Account	57	TRANSIT SALES TAX	200,000	-	50,000	50,000	50,000	50,000
CP0266	22.1	Prospector Drain - Regulatory Project	31	SALE OF ASSETS	2,039,655	-	-	407,931	1,631,724	-
			31	TRANS FR GEN FUND	417,407	160,440	256,967	-	-	-
New 14-09	21.6	Prospector Avenue	31	TRANS FR GEN FUND	100,000	-	-	-	100,000	-
			31	FEDERAL GRANTS	1,000,000	-	-	-	1,000,000	-
New 14-28	21.4	Outdoor Tennis Court Rebuild	31	TRANS FR GEN FUND	250,000	250,000	-	-	-	-
			31	RECR. ARTS&PARK-RAP TAX GRANT	450,000	450,000	-	-	-	-
New 14-01	20.7	Fleet Management Software	57	TRANSIT SALES TAX	122,000	30,500	45,750	45,750	-	-
			51	WATER SERVICE FEES	6,000	1,500	2,250	2,250	-	-
			31	TRANS FR GEN FUND	72,000	18,000	27,000	27,000	-	-
New 14-25	19.3	Website Remodel	31	TRANS FR GEN FUND	37,000	-	37,000	-	-	-
New 14-22	18.5	Network & Security Enhancements	31	TRANS FR GEN FUND	160,000	-	80,000	80,000	-	-
New 14-07	18.5	Bonanza Park/RMP Substation Mitigation	31	TRANS FR GEN FUND	1,500,000	1,500,000	-	-	-	-
New 14-06	18.0	Deer Valley Dr. Phase II	31	ADDITIONAL RESORT SALES TAX	950,000	-	950,000	-	-	-
New 14-18	17.3	Recreation Software	31	TRANS FR GEN FUND	85,000	-	85,000	-	-	-
New 14-15	17.1	<i>Fitness in the Park*</i>	31	OPEN SPACE IMPACT FEES	35,000	-	35,000	-	-	-
New 14-17	15.2	<i>Dog Park Improvements*</i>	31	OPEN SPACE IMPACT FEES	60,000	25,000	25,000	5,000	5,000	-
New 14-16	14.3	<i>Cement Practice Walls*</i>	31	OPEN SPACE IMPACT FEES	75,000	-	75,000	-	-	-
New 14-29	14.2	Meeting Documentation Software (Recommended by City Manager)	31	TRANS FR GEN FUND	20,000	20,000	-	-	-	-

\*projects fall below the recommended funding line but were evaluated individually as funded with Open Space/Parks Impact Fees

Figure E12– Recommended New CIP Amounts

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

New Projects Not Recommended in 5-Year CIP										
New CIP #	Score	Project Name	Fund	Revenue	Total Project Cost By	Total Budget				
						FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
New 13-15	17.2	Jet Vac Truck (will be evaluated as part of Storm Drain Study)	31	REVENUE FOR UTILITIES	340,000	-	-	340,000	-	-
New 14-23	16.8	Quinn's Fiber & Conduit Infrastructure	31	TRANS FR GEN FUND	236,000	-	136,000	50,000	50,000	-
New 14-19	16.6	Recreation Website (will be included in New 14-25)	31	TRANS FR GEN FUND	15,000	-	15,000	-	-	-
New 13-10	16.3	Monument Reestablishment	31	TRANS FR GEN FUND	10,000	10,000	-	-	-	-
New 14-10	16.2	Bridge on Snow Creek	31	TRANS FR GEN FUND	75,000	-	75,000	-	-	-
New 13-12	16.1	Historic Wall on Hillside	31	TRANS FR GEN FUND	75,000	75,000	-	-	-	-
New 14-24	15.8	Eden Process Archiving	31	TRANS FR GEN FUND	65,000	-	65,000	-	-	-
New 14-20	15.7	Park City Dirt Jump Park (operating)	31	OPEN SPACE IMPACT FEES	-	-	-	-	-	-
New 14-26	15.6	GIS Web-map Management Software	31	TRANS FR GEN FUND	40,000	-	40,000	-	-	-
New 13-07	15.0	Engineering Incubator	31	TRANS FR GEN FUND	8,000	8,000	-	-	-	-
New 14-11	14.8	Small Project Repairs	31	TRANS FR GEN FUND	50,000	-	50,000	-	-	-
New 14-27	14.7	Building Department Software	31	TRANS FR GEN FUND	165,000	-	55,000	55,000	55,000	-
New 14-29	14.2	Meeting Documentation Software	31	TRANS FR GEN FUND	20,000	20,000	-	-	-	-
New 14-08	13.9	Meadows Drive	31	TRANS FR GEN FUND	69,980	-	69,980	-	-	-
New 14-05	11.2	Additional Parking/ P.C. Police Building	31	TRANS FR GEN FUND	4,500,000	-	-	1,500,000	1,500,000	1,500,000
		Execution of Recreation Master Plan	31	Possible Future GO Bond	35,000,000	-	5,000,000	10,000,000	15,000,000	5,000,000

Figure E13 –New CIP Amounts Not Recommended

Many of the projects not recommended for funding are recommended for funding through other sources such as Asset Management, operating budgets, or other CIP projects.

The following table shows all projects funded with the general fund transfer

## EXPENSES

Projects Recommended in 5-Year CIP (General Fund Transfer)								
Score	CIP #	Project Name	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
NR	CP0042	Gilmore Open Space Note	100,000	100,000	-	-	-	-
NR	CP0214	Racquet Club Renovation	(83,089)	-	-	-	-	-
NR	CP0268	Tire Mount/Balance Machine (Close Out)	(7,500)	-	-	-	-	-
NR	CP0294	Spriggs Barn	23,312	-	-	-	-	-
24.4	CP0006	Pavement Management Impl.	300,000	300,000	300,000	300,000	300,000	300,000
23.1	CP0155	OTIS Phase II(a)	(1,794,959)	-	-	-	-	-
22.1	CP0266	Prospector Drain - Regulatory Project	160,440	256,967	-	-	-	-
21.8	CP0146	Asset Management/Replacement Program	582,709	582,709	582,709	582,709	582,709	582,709
21.6	New 14-09	Prospector Avenue	-	-	-	100,000	-	-
21.4	New 14-28	Outdoor Tennis Court Rebuild	250,000	-	-	-	-	-
21.2	CP0002	Information System Enhancement/Upgrades	65,000	-	-	-	-	-
21.1	CP0075	Equipment Replacement - Computer	255,000	255,000	255,000	255,000	255,000	255,000
21.0	CP0176	Deer Valley Drive Reconstruction	274,141	-	-	-	-	-
20.7	New 14-01	Fleet Management Software	18,000	27,000	27,000	-	-	-
20.7	CP0267	Soils Repository	(97,940)	43,033	-	400,000	-	-
20.1	CP0061	Economic Development	50,000	50,000	50,000	50,000	50,000	50,000
20.1	CP0074	Equipment Replacement - Rolling Stock	650,000	650,000	700,000	750,000	750,000	800,000
19.8	CP0290	APP Development	20,000	-	-	-	-	-
19.8	CP0291	Memorial Wall	15,000	-	-	-	-	-
19.7	CP0008	Historical Incentive Grants	-	(47,136)	-	-	-	-
19.6	CP0278	Royal Street	-	-	750,000	-	-	-
19.5	CP0286	Ironhorse Electronic Access Control	25,000	25,000	-	-	-	-
19.3	New 14-25	Website Remodel	-	37,000	-	-	-	-
19.2	CP0217	Emergency Management Program Startup	15,000	-	-	-	-	-
19.0	CP0041	Trails Master Plan Implementation	100,000	-	-	-	-	-
19.0	CP0142	Racquet Club Program Equipment Replacement	-	30,000	30,000	30,000	30,000	30,000
19.0	CP0256	Storm Water Improvments	80,000	-	-	-	-	-
18.8	CP0283	Storm Water Utility Study	25,000	-	-	-	-	-
18.8	CP0020	City-Wide Signs Phase I	5,000	20,000	-	-	-	-
18.5	CP0284	Stair Removal at Marsac	15,078	-	-	-	-	-
18.5	New 14-22	Network & Security Enhancements	-	80,000	80,000	-	-	-
18.5	CP0264	Security Projects	50,000	25,000	-	-	-	-
18.5	New 14-07	Bonanza Park/RMP Substation Mitigation	1,500,000	-	-	-	-	-
18.3	CP0017	ADA Implementation	10,000	10,000	10,000	-	-	-
18.3	CP0036	Traffic Calming	50,000	50,000	50,000	50,000	50,000	50,000
18.2	CP0282	Fuel Trailer	7,500	-	-	-	-	-
17.9	CP0191	Walkability Maintenance	45,000	45,000	45,000	45,000	45,000	45,000
17.8	CP0128	Quinn's Ice/Fields Phase II	-	60,000	-	-	-	-
17.7	CP0280	Aquatics Equipment Replacement	10,000	15,000	15,000	15,000	15,000	15,000
17.6	CP0003	Old Town Stairs	-	-	50,000	-	-	-
17.6	CP0089	Public Art	-	-	-	50,000	50,000	50,000
17.6	CP0250	Irrigation Controller Replacement	25,000	25,000	25,000	25,000	25,000	25,000
17.5	CP0177	China Bridge Improvements & Equipment	90,000	-	-	-	-	-
17.5	CP0229	Dredge Prospector Pond	-	-	-	-	150,000	-
17.3	New 14-18	Recreation Software	-	85,000	-	-	-	-
16.1	CP0292	Cemetery Improvements	65,000	-	-	-	-	-
15.7	CP0298	Historic Preservation	100,000	200,000	-	-	-	-
14.2	New 14-29	Meeting Documentation Software	20,000	-	-	-	-	-
<b>Total</b>			<b>3,017,692</b>	<b>2,924,573</b>	<b>2,969,709</b>	<b>2,652,709</b>	<b>2,302,709</b>	<b>2,202,709</b>

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

The following figure shows ongoing General Fund projects in the 5-Year CIP. Request Club Equipment Replacement is currently funded in the amount of \$50,000 with rental contribution; additional equipment replacement was requested in the amount of \$30,000 starting in FY 2014. This additional funding is recommended from the general fund transfer.

**EXPENSES**

Ongoing CIP Projects with General Fund Transfer as Funding Source							
CIP #	Project Name	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
CP0006	Pavement Management Impl.	300,000	300,000	300,000	300,000	300,000	300,000
CP0036	Traffic Calming	50,000	50,000	50,000	50,000	50,000	50,000
CP0061	Economic Development	50,000	50,000	50,000	50,000	50,000	50,000
CP0074	Equipment Replacement - Rolling Stock	650,000	650,000	700,000	750,000	750,000	800,000
CP0075	Equipment Replacement - Computer	255,000	255,000	255,000	255,000	255,000	255,000
CP0089	Public Art	50,000	50,000	50,000	50,000	50,000	50,000
CP0142	<i>Racquet Club Program Equipment Replacement</i>	-	30,000	30,000	30,000	30,000	30,000
CP0146	Asset Management/Replacement Program	582,709	582,709	582,709	582,709	582,709	582,709
CP0191	Walkability Maintenance	45,000	45,000	45,000	45,000	45,000	45,000
CP0250	Irrigation Controller Replacement	25,000	25,000	25,000	25,000	25,000	25,000
CP0280	Aquatics Equipment Replacement	10,000	15,000	15,000	15,000	15,000	15,000
<b>Total</b>		<b>2,017,709</b>	<b>2,052,709</b>	<b>2,102,709</b>	<b>2,152,709</b>	<b>2,152,709</b>	<b>2,202,709</b>

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

**OPERATING IMPACTS OF CAPITAL PROJECTS**

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

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

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

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

# EXPENSES

## DEBT SERVICE

Park City has various bond issuances outstanding. The debt service to be paid on these bonds is as detailed in Figure E16. Debt service expense comprises 14% of the FY 2013 budgeted expenses, and 15% of the FY 2014 Budget.

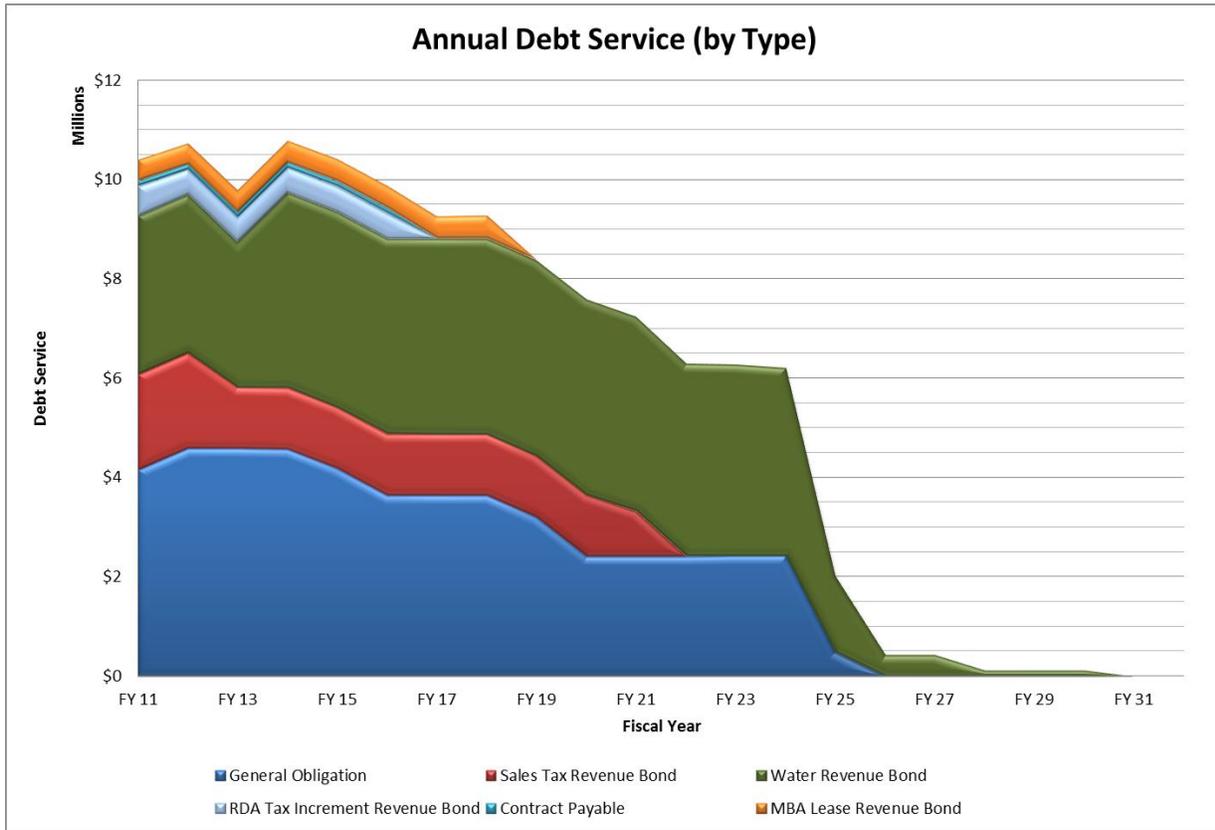


Figure E16 - Long Term Debt

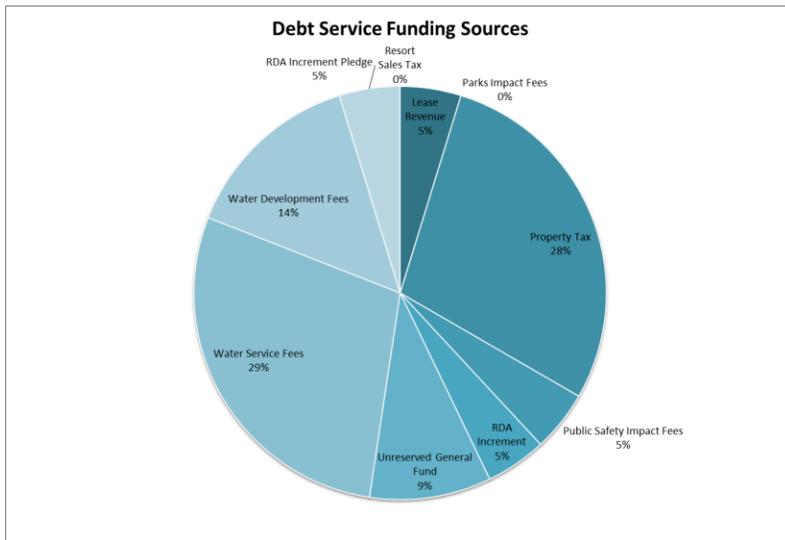
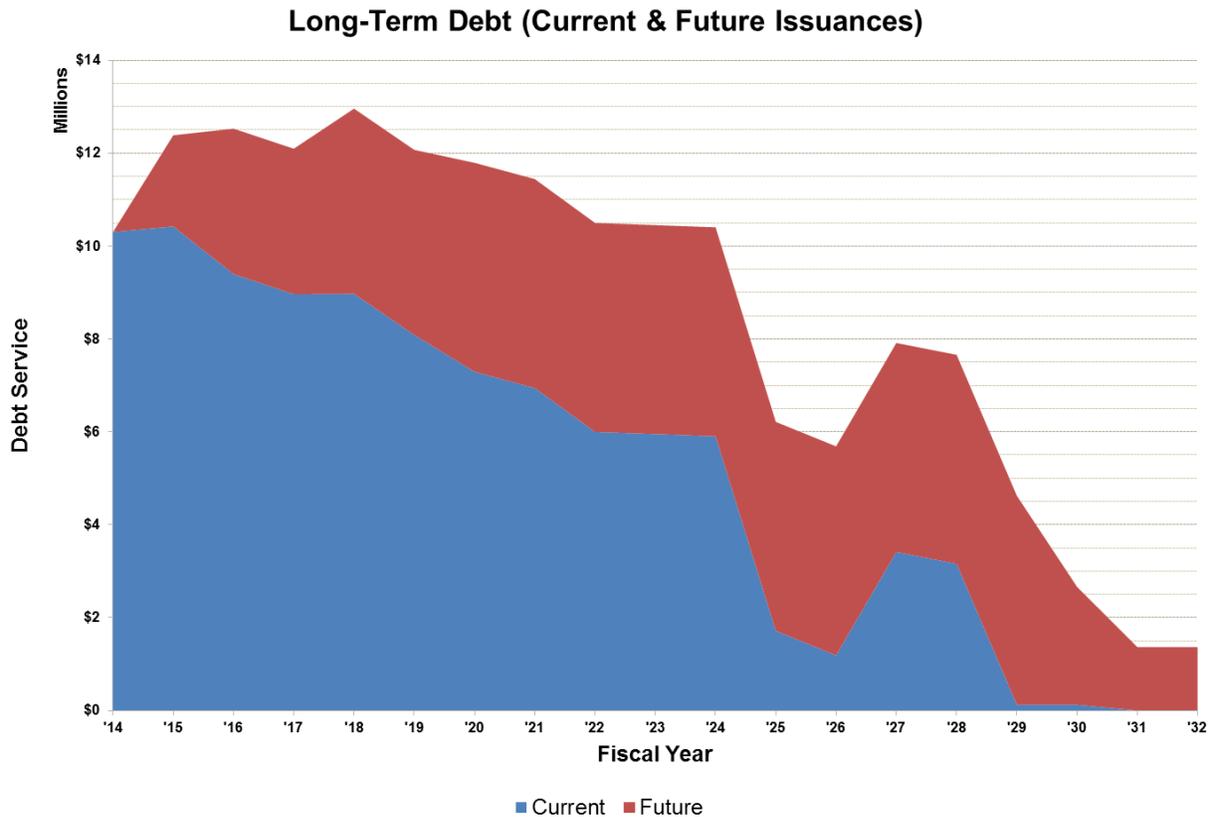


Figure E17 – Debt Funding Sources

Funding sources for debt service payments in FY 2014 are detailed in Figure E16. General Obligation Bonds have property tax as a dedicated source for repayment, while Water Bonds generally have water service fees as a dedicated revenue source. RDA Bonds are backed by property tax increment. Sales Tax Bonds are backed by sales tax revenue, but the City has dedicated a number of revenue sources for repayment, including lease revenue, impact fees, and unreserved general fund revenue.

## EXPENSES

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



**Figure E18 – Anticipated Future Debt Service Compared to Existing Debt**

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

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

# EXPENSES

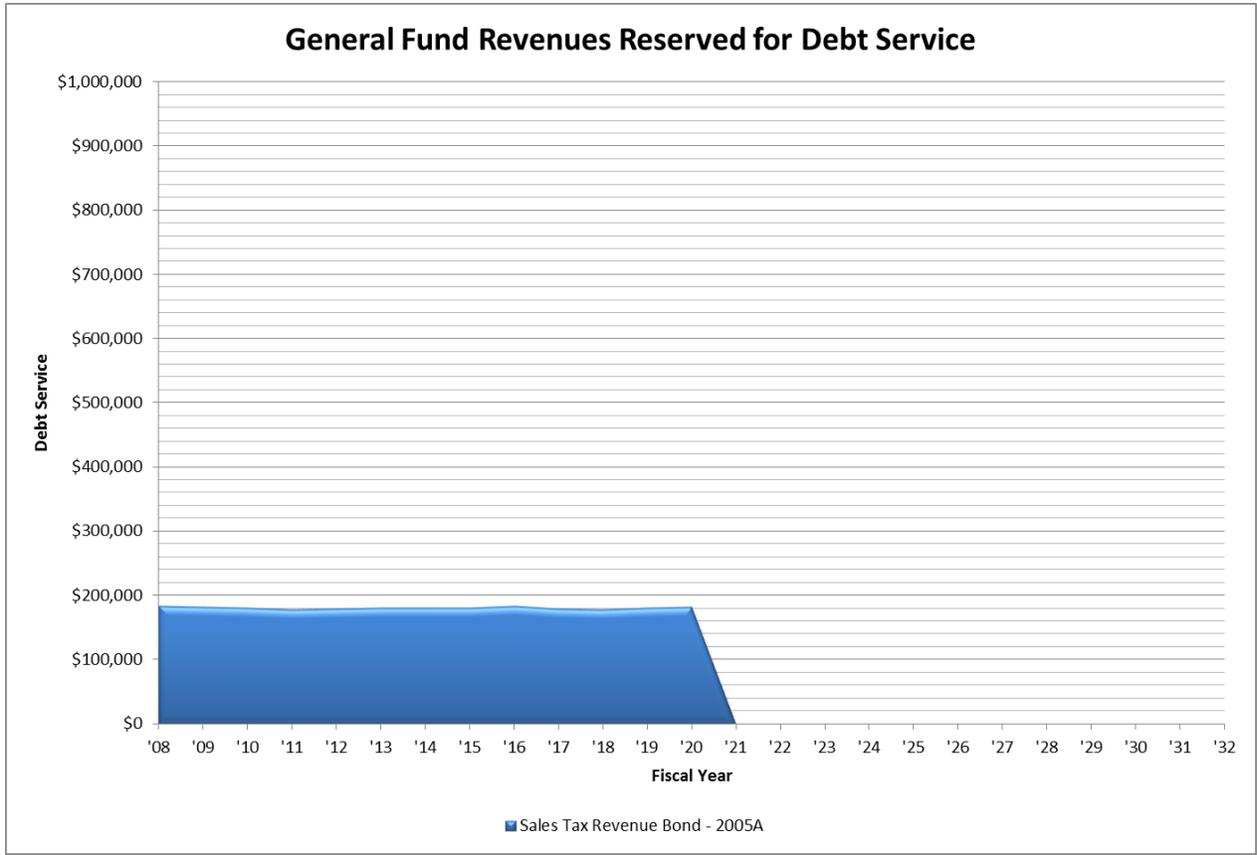
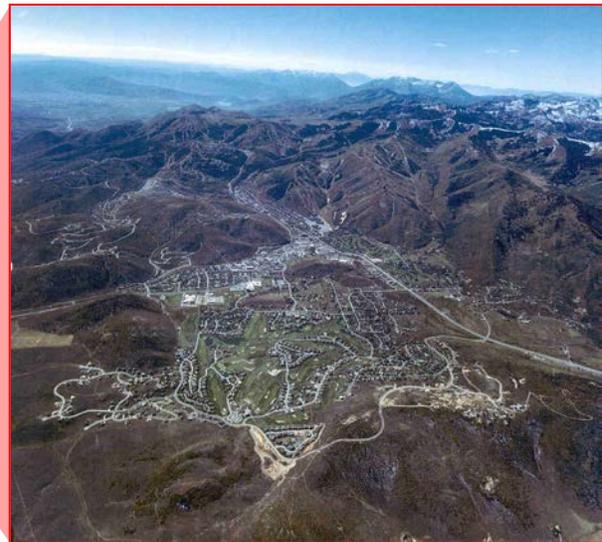
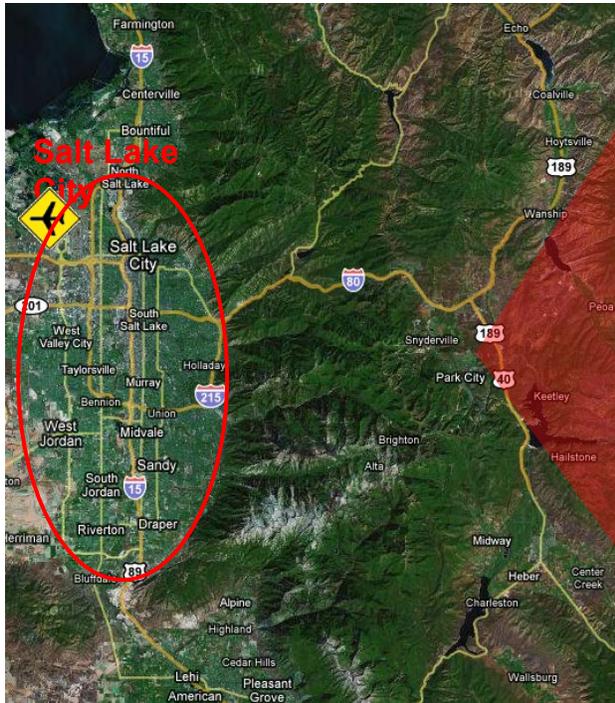


Figure E19 – General Fund Revenues Reserved for Debt Service

## ECONOMIC OUTLOOK

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

World renowned skiing is the center of activity being complemented throughout the year with major activities and events, such as the Sundance Film Festival, Arts Festival, concerts, 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 Ski Area and Deer Valley Ski Resort) with a third area (The Canyons) located only one mile north of the City limits.

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

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

## **ECONOMIC OUTLOOK**

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

## **PARK CITY ECONOMY**

Tourism is the backbone of the Park City economy and the majority of local tourism revolves around skiing and snowboarding. Figures show U.S. skier visits fell 15 percent during the 2011-2012 season in comparison with the 2010-2011 season. Encouraging tourism and the ski industry are objectives for Park City as well as for the State of Utah. With its close proximity to Salt Lake City and Salt Lake International airport, Park City is a major contributor to the State's goals. The total number of statewide skier days for 2011-12 was 3,802,536, which is a 10 percent decrease from the previous year. Utah's best season came in 2006-07 with 4,249,190 skier days. Park City claimed approximately 46.3 percent of the Utah market share, or 1,759,658 skier days. With the local economy dependent on tourism and skiing, employment in Park City tends to decline in the spring and summer months. Park City has been mitigating this by diversifying recreational activities in the "off-season". In FY 2014 the City will be hosting the Triple Crown Girls Fast Pitch Softball World Series for the 11<sup>th</sup> 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 8,543 visitors per night with an occupancy rate of 31.4 percent. In the last ten years nightly capacity has increased by 10 percent.

The Sundance Film Festival made its 32<sup>nd</sup> annual appearance in Park City in January 2013. The 2012 Sundance Film Festival generated an overall economic impact of \$80.3 million for the State of Utah and supported over 1,700 jobs. Sundance and Park City Municipal Corporation have formally agreed that Park City will remain festival headquarters through the 2018 film festival, with a ten year option after that. The festival presents high quality, independent films. Nationally known actors, directors, writers and other members of the film industry conduct and attend workshops, classes, seminars, dinners and premiers which are open to the general public. It is estimated that the annual cultural event attracted 46,731 attendees in 2012.

The Kimball Arts Center sponsored its 43rd annual three-day Park City Arts Festival in August 2012. The Park City Arts Festival is Utah's original, oldest and the longest running arts festival

## ECONOMIC OUTLOOK

in the West. In the last decade this event has grown substantially and now attracts over 50,000 visitors over the three-day period and features more than 220 of North America's top artists. This is one of the most attended annual events in Utah and consistently makes the Top Ten List by the renowned Harris Poll.

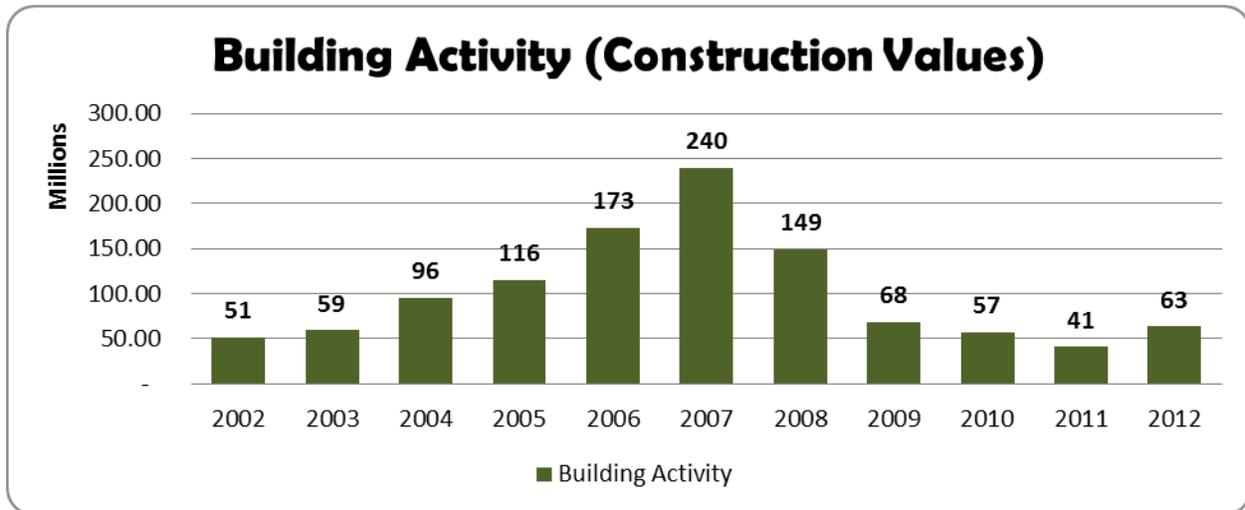


Figure EO1 – Annual Cost of Construction in Park City

Closely connected to the tourist and ski industries in Park City is the real estate industry. During the past ten years, building activity within the City has ranged anywhere from a low of \$40.9 million in 2011 (due to the recession), to a high of \$239.7 million in 2007. Building activity over the last decade has averaged \$106.2 million per year. For FY12, the building activity (construction, additions and alterations) was approximately \$63 million, with 66.7 percent in residential and 14.6 percent in commercial. The remaining 18.7 percent was in remodeling, expanding, and miscellaneous construction. The residential construction total valuation of approximately \$42.3 million consisted of only single-family homes. Easy access to Salt Lake City has intensified the role for Park City as a bedroom community. This role and the current economy have shifted emphasis to the construction of residential homes. Properties have enjoyed a steady rate of appreciation through the years, which are expected to maintain their value and/or increase in the future.

According to the latest statistics by the Park City Board of Realtors, residential lots in Park City range from an average of \$252,273 in the Old Town area to an average of more than \$878,050 for lots in Deer Crest. Condominiums range in average price from \$129,145 to \$3,084,375, depending upon location. Depending upon the area, single-family homes range from an average sales price of \$466,100 to \$5,433,375. Overall, in the last year, volume of single-family homes sold increased 25.8 percent and the average sale price increased 26.1 percent. Condominiums sales showed a volume decrease of 4.5 percent and average sale price decreased 9.9 percent.

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, and 2010 as well as the Sales Tax Revenue Bonds issued in 2005. The City's bond rating was upgraded in May 2006 by Moody's to Aa2. Furthermore, the City was upgraded in 2008 by Standard and

## **ECONOMIC OUTLOOK**

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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. This is due to a new recalibration methodology by these two rating agencies.

Through the last decade, revenues have been steadily increasing for Park City with no revenue source significantly changing as a percentage of total revenue. FY 2012 sales tax revenues increased 7% from FY 2011. Taxes account for 45 percent of total revenue.

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

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

# ECONOMIC OUTLOOK

## CITY SALES TRENDS

Park City has experienced exceptional economic growth in the last decade. After a dip in 2009, sales tax has increased for the past three years. Figure EO2 shows the growth in total estimated sales from 2002 to 2012. For FY 2012, Park City collected roughly \$7.1 million in local option sales tax—equating to roughly \$710 million in estimated taxable sales—\$55 million more than the previous year and \$325 million more than FY 2002. Total sales are determined from the annual 1 percent local sales tax collected each year.

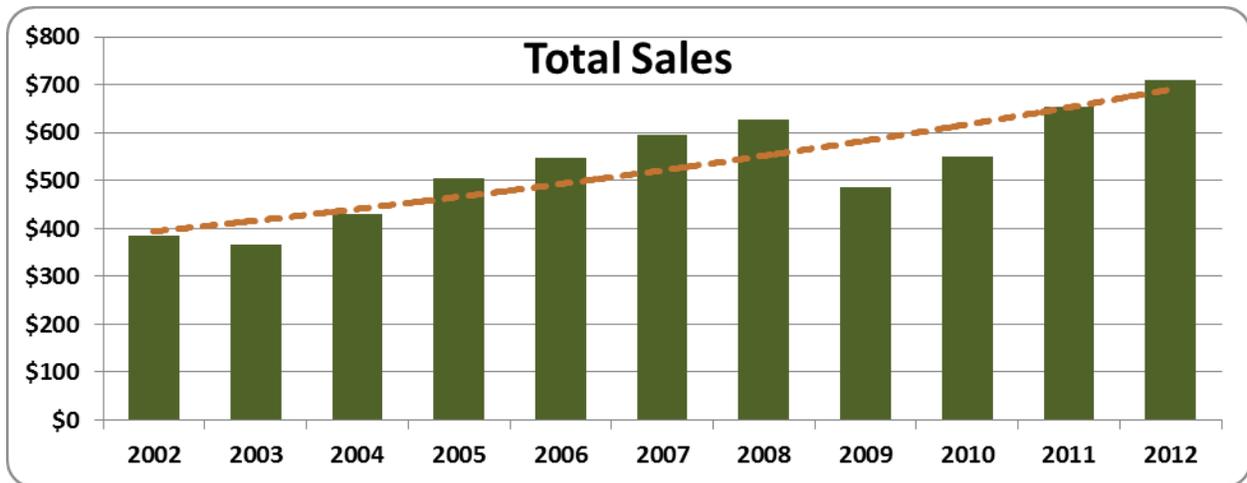


Figure EO2 – Total Estimated Sales

Figure EO3 shows the sales trends by industry from 2002 to 2012. The Other Sector has experienced the greatest change with a 29.6 percent average growth rate in the last 5 years. The Retail Industry still leads all other sectors in absolute dollar terms, but saw a decrease of \$3.9 million from FY2011 to FY2012.

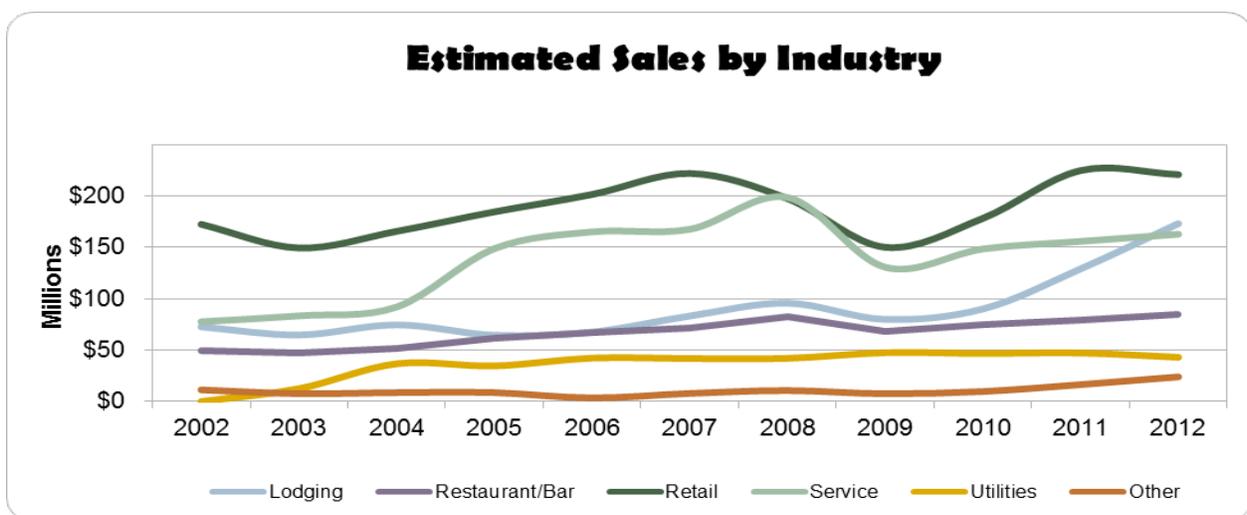


Figure EO3 – Estimated Sales by Industry

## ECONOMIC OUTLOOK

Because Park City’s economy relies heavily on the ski industry and tourism, sales tax revenues are extremely seasonal. Figure E04 represents seasonality by industry (based on a ten-year average). The Service Sector is the most seasonal with 56.11 percent of service-related sales coming during Quarter 3. The Lodging Sector—which includes skiing and entertainment amongst other services—is also highly seasonal; 51.47 percent of sales tax revenues coming during Quarter 3. The Utilities Sector showed the least seasonality with only 35.13 percent of total sales coming in Quarter 3, with the rest of its quarters demonstrating minimal variance of seasonality.

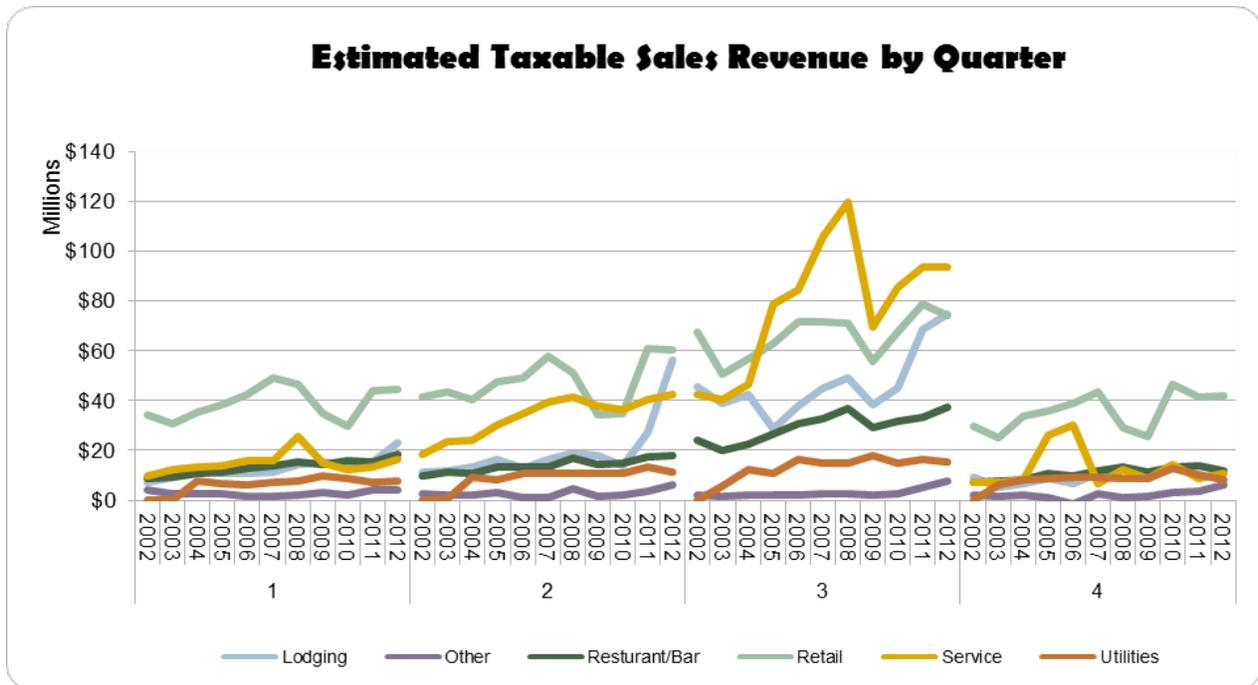


Figure E04 – Estimated Taxable Sales Revenue by Quarter

## CITY FINANCIAL HEALTH INDICATORS

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

### TYPES OF FINANCIAL HEALTH INDICATORS

The International City/County Management Association (ICMA) produces a manual entitled Evaluating Financial Condition. Within this manual, various indicators and methods for analysis are outlined and recommended. According to the ICMA, the financial condition of a municipality can be defined as “...a government’s ability in the long run to pay all the costs of

## **ECONOMIC OUTLOOK**

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.

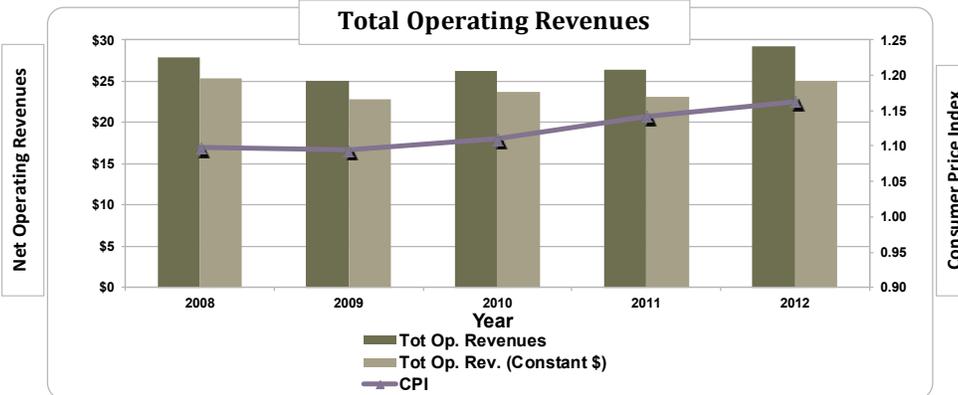
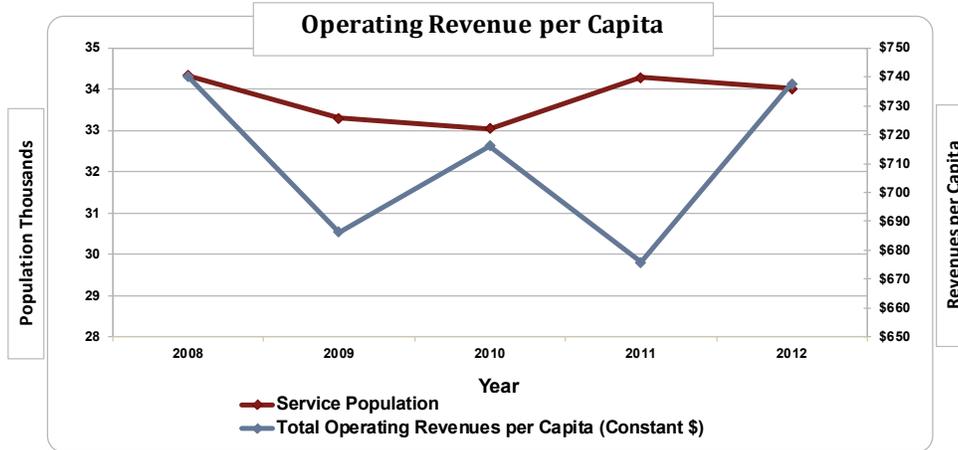
- A. Revenues per capita
- B. Expenditures per capita
- C. Municipal employees per capita
- D. Operating (deficit) surplus per capita
- E. Comparison of the liquidity ratio and long-term debt
- F. Long-term overlapping debt as a percentage of assessed valuation
- G. Administrative costs as a percentage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

# ECONOMIC OUTLOOK

## Revenues per Capita

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

Description	2008	2009	2010	2011	2012
Total Operating Revenues	\$27,888,081	\$24,998,836	\$26,258,101	\$26,453,856	\$29,170,828
CPI	1.10	1.09	1.11	1.14	1.16
Total Operating Revenues (Constant dollars)	\$25,398,981	\$22,850,855.58	\$23,655,946.85	\$23,164,497	\$25,082,397
Service Population *	34,320	33,303	33,038	34,281	34,009
Total Operating Revenues per capita (Constant dollars)	\$740.06	\$686.16	\$716.02	\$675.73	\$737.52



### Analysis

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

### Source

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

Also, note CAFR FY12 Table 2, CAFR 05-06 Schedule 5 for Tax Revenue.

CPI - Bureau of Labor Statistics [www.bls.gov](http://www.bls.gov), Population - Census Bureau, [www.census.gov](http://www.census.gov)

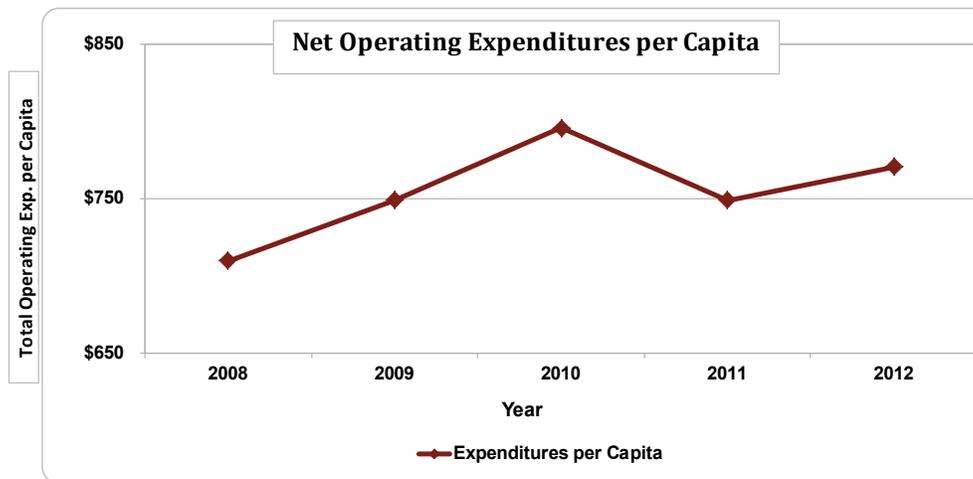
\* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors

# ECONOMIC OUTLOOK

## Expenditures per Capita

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

Description	2008	2009	2010	2011	2012
Debt Service*	\$5,420,065	\$7,006,784	\$8,150,248	\$7,368,091	\$7,159,836
Operating Expenditures	\$21,320,008	\$20,266,054	\$21,019,587	\$21,940,864	\$23,316,646
Total Operating Expenditures	\$26,740,073	\$27,272,838	\$29,169,835	\$29,308,955	\$30,476,482
CPI	1.10	1.09	1.11	1.14	1.16
Expenditures (Constant dollars)	\$24,353,436	\$24,929,468	\$26,279,131	\$25,664,584	\$26,205,058
Service Population**	34,320	33,303	33,038	34,281	34,009
Net Operating Expenditures per capita (Constant dollars)	\$709.60	\$748.58	\$795.41	\$748.66	\$770.53



### Analysis

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

### Source

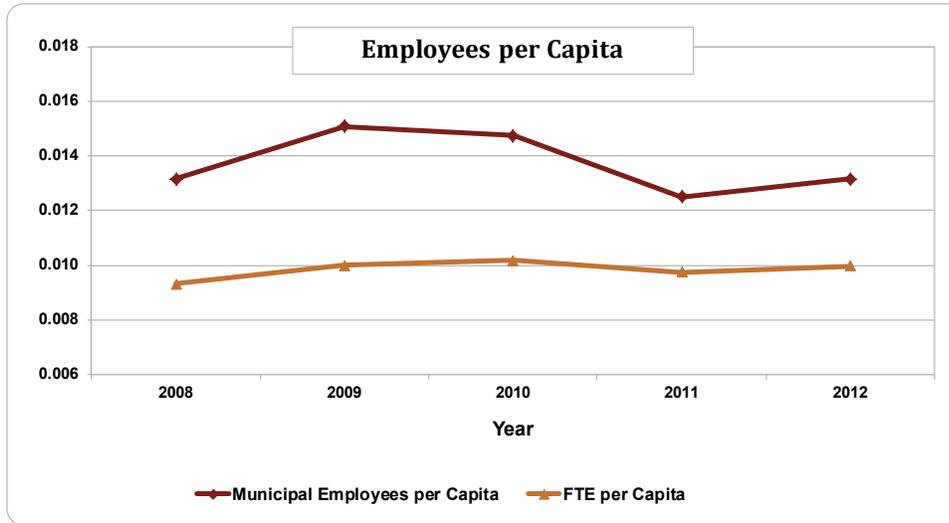
Population - Census Bureau, [www.census.gov](http://www.census.gov),  
 Debt Service excludes CIP debt service pg. 31 (Total Governmental Funds: Principal + Interest + Bond issuance costs+ Arbitrage rebate - CIP)  
 Net Operating Expenditures - CAFR FY12 Table 1, CAFR FY12 Schedule 4  
 Total Operating Expenditures pg. 31 (General Total).  
 CPI - Bureau of Labor Statistics [www.bls.gov](http://www.bls.gov)  
 \*\* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors  
 \*There were no Arbitrage costs in 2012

# ECONOMIC OUTLOOK

## Employees per Capita

Municipal employees per capita (service population\*)

Description	2008	2009	2010	2011	2012
Number of Municipal Employees	452	502	487	429	448
# FTE (Full-time equivalents)	319.74	333.3	336.2	334.4	339.1
Service Population*	34,320	33,303	33,038	34,281	34,009
Number of Municipal Employees per Capita	0.013	0.015	0.015	0.013	0.013
Total FTE Per Capita	0.009	0.010	0.010	0.010	0.010



### Analysis

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

### Source

Number of Employees - CAFR - Schedule 21, CAFR FY12 Table 16, 2005-06 from Human Resources Department.

FTE counts - FY12 Staffing Summary 4-120 and past Budget Documents, FY09 from Schedule 20 in FY12 CAFR

Population - Census Bureau, [www.census.gov](http://www.census.gov)

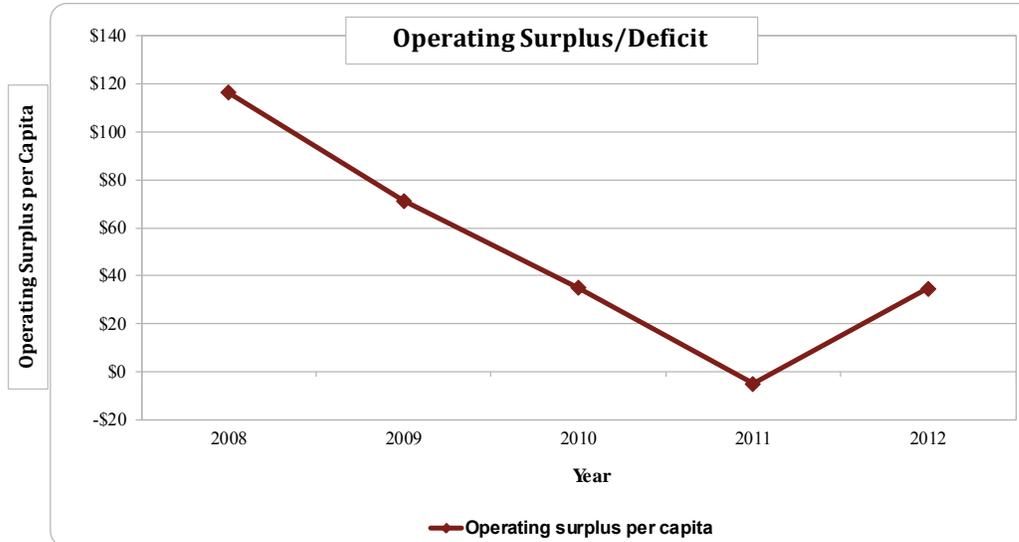
\* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors

# ECONOMIC OUTLOOK

## Operating (Deficit) or Surplus

### Operating deficit or surplus as a percentage of operating revenues

Description	2008	2009	2010	2011	2012
Operating deficit or surplus	\$3,991,358	\$2,374,555	\$1,151,650	-\$171,891	\$1,176,436
Net fund operating revenue	\$27,888,081	\$24,998,836	\$26,258,101	\$26,453,856	\$29,170,828
General fund operating surplus (deficit) as % of net fund operating revenues	14%	9%	4%	-1%	4%
Service Population*	34,320	33,303	33,038	34,281	34,009
Operating surplus per capita	\$116.30	\$71.30	\$34.86	-\$5.01	\$34.59



### 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 2012 the City had an operating surplus and the fund balance is considered very healthy.

### Source

General fund operating surplus/deficit - CAFR FY12 pg.33, Net Fund Operating Revenues - CAFR FY12 Table 2, CAFR FY12 Schedule 5 for Tax Revenue; Statement of Revenues, Expenditures, and Changes in Fund Balances pg. 31 for all other revenues. (Includes debt service for investment income and rental and other miscellaneous)

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

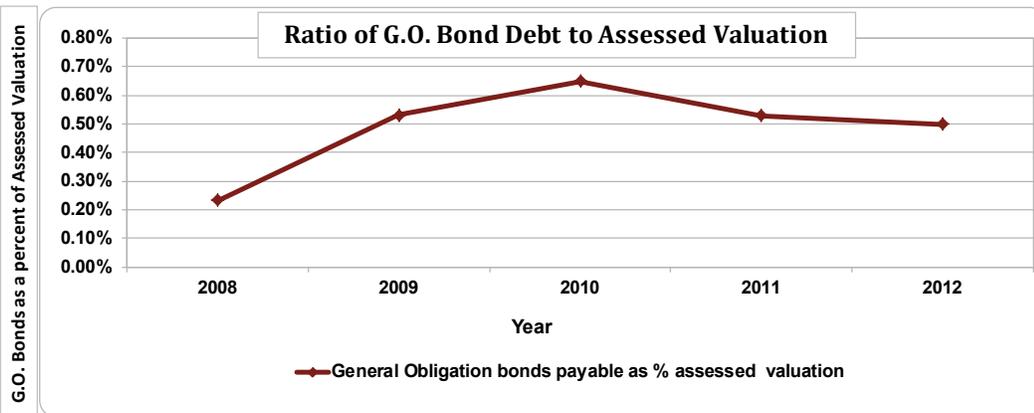
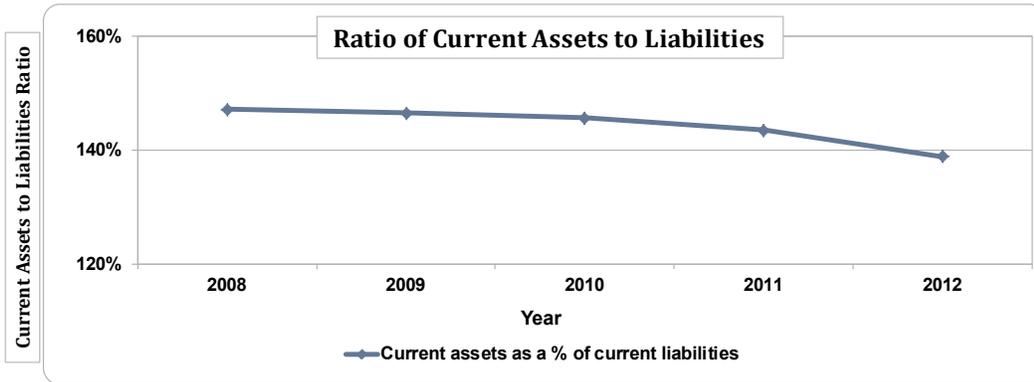
# ECONOMIC OUTLOOK

## Liquidity & Long Term Debt

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

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

Description	2008	2009	2010	2011	2012
Cash and short-term investments	\$11,448,886	\$11,805,757	\$12,419,044	\$13,991,178	\$14,467,876
Current Liabilities	\$7,776,754	\$8,058,461	\$8,524,072	\$9,750,900	\$10,419,734
Current assets as a % of current liabilities	147%	147%	146%	143%	139%
Description	2008	2009	2010	2011	2012
Assessed valuation	\$6,723,322,492	\$6,783,652,435	\$6,073,486,107	\$6,845,702,242	\$6,652,579,338
Total G. O. bonds	\$15,720,000	\$36,015,000	\$39,375,000	\$36,135,000	\$33,168,627
General Obligation bonds payable as % assessed valuation	0.23%	0.53%	0.65%	0.53%	0.50%



### Analysis

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

The liquidity indicator for Park City has decreased over the time period shown due to the issue of General Obligation (or voter approved) bonds in 1999, 2000, 2003, 2004, 2006, 2008, 2009, and 2010. The majority of these G.O. bonds were allocated for the purchase of open space\*. Issuing these bonds increases the long term debt and the current liability account, thus decreasing the liquidity ratio. The warning trend to be aware of in analyzing these measures, is a decreasing liquidity ratio in conjunction with an increase in long term debt. This indicates that a government might struggle to cover its financial obligations in the future.

## **ECONOMIC OUTLOOK**

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

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

**Source**

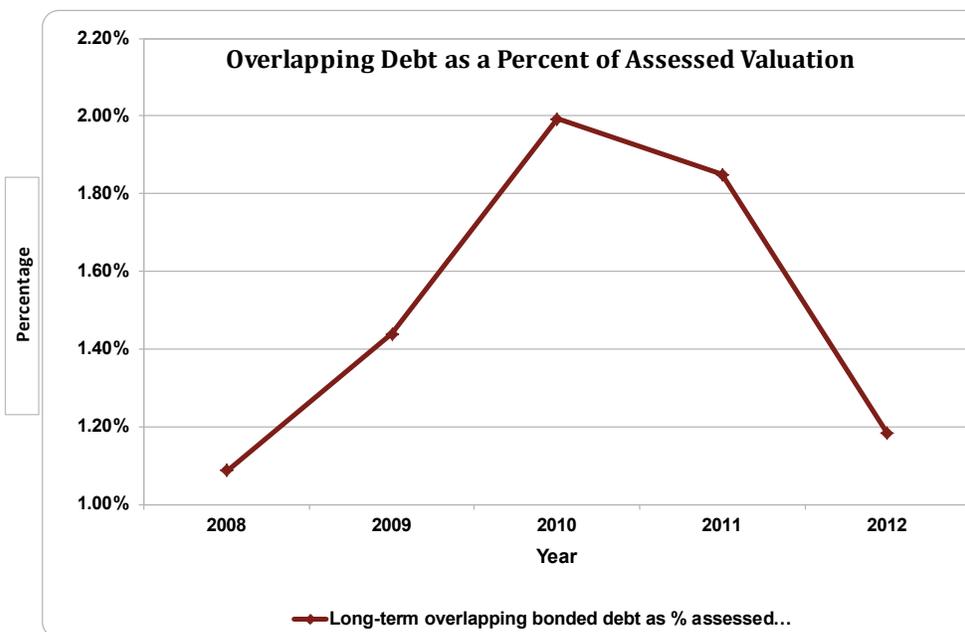
*Current Assets - CAFR FY12 pg. 29, (General - Total). Current Liabilities - CAFR FY12 pg. 29, (General - Total). Assessed Valuation- Summit County Assessor's Office, Gross Bonded Long-Term Debt - CAFR FY09 Schedule 14. Current Assets - CAFR FY12, Current Liabilities - CAFR FY12, Assessed Valuation- CAFR FY12, Gross*

# ECONOMIC OUTLOOK

## Overlapping Debt

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

Description	2008	2009	2010	2011	2012
Park City	\$15,720,000	\$36,015,000	\$39,375,000	\$36,135,000	\$43,670,852
State of Utah	\$33,451,488	\$42,987,456	\$63,460,680	\$76,032,027	\$0
Summit County	\$2,070,405	\$2,240,705	\$1,951,415	\$1,394,115	\$9,566,217
Park City School District	\$17,544,846	\$14,317,853	\$14,047,914	\$10,978,534	\$6,570,556
Snyderville Basin Sewer District*	\$0	\$0	\$0	\$0	\$0
Weber Basin Water Conservancy District	\$4,266,828	\$2,064,732	\$2,140,498	\$2,006,249	\$18,806,518
<b>Total Long-term overlapping bonded debt</b>	<b>\$73,053,567</b>	<b>\$97,625,746</b>	<b>\$120,975,507</b>	<b>\$126,545,925</b>	<b>\$78,614,143</b>
<b>Assessed valuation</b>	<b>\$6,723,322,492</b>	<b>\$6,783,652,435</b>	<b>\$6,073,486,107</b>	<b>\$6,845,702,242</b>	<b>\$6,652,579,338</b>
<b>Long-term overlapping bonded debt as % assessed valuation</b>	<b>1.09%</b>	<b>1.44%</b>	<b>1.99%</b>	<b>1.85%</b>	<b>1.18%</b>



### Analysis

The overlapping debt indicator measures the ability of the City's tax base to repay the debt obligations issued by all of its governmental and quasi-governmental jurisdictions. Overlapping debt as a percentage of the City's assessed valuation has fluctuated over the past five years due to variations in assessed valuation and reduction of principal balances from required debt service payments. The overlapping debt percentage dropped quite substantially in 2012, due solely to a very large decrease in Total long-term overlapping bonded debt.

\*Taken out per financial advisor suggestion.

### Source

Long-term overlapping bonded debt - CAFR FY12 Schedule 14, Assessed valuation - Summit County Assessor's Office; CAFR FY12 Schedule 16 pg. 106

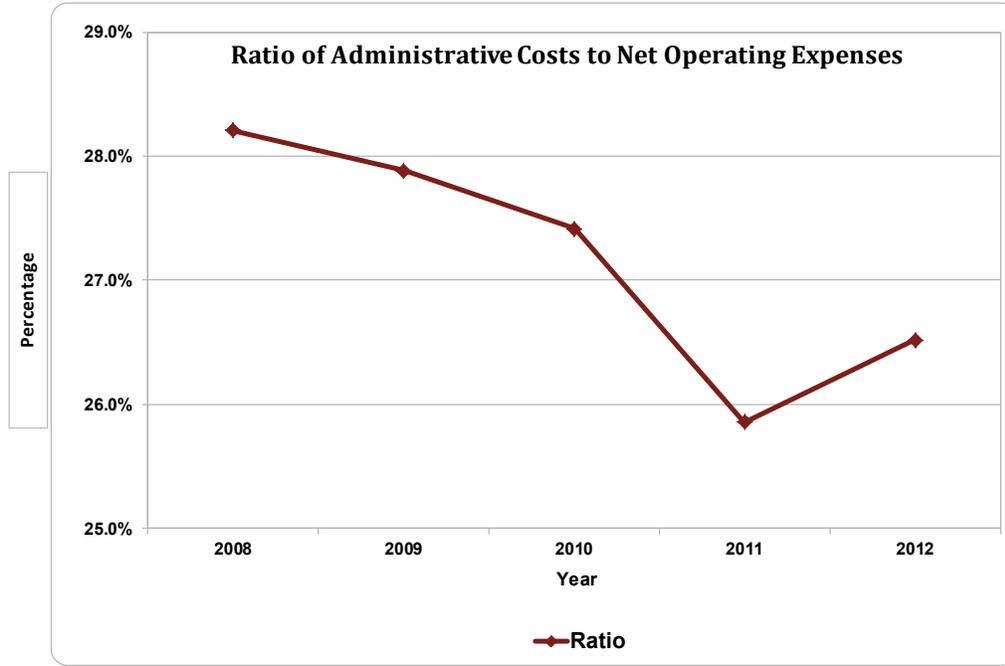
Long-term overlapping bonded debt - CAFR FY12 Table 10, Assessed valuation - CAFR FY12 Table 9

# ECONOMIC OUTLOOK

## Administrative Costs as a Percentage of Total Operating Expenditures

Administrative Costs were evaluated from specific functions of the

Description	2008	2009	2010	2011	2012
Administrative Costs	\$7,542,934	\$7,604,763	\$7,996,843	\$7,578,313	\$8,081,453
Net Operating Expenses	\$26,740,073	\$27,272,838	\$29,169,835	\$29,308,955	\$30,476,482
Ratio	28.2%	27.9%	27.4%	25.9%	26.5%



### 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 have been on the decline in recent years, and in 2012 they have remained stable around 26%.

### Source

Administrative costs 2005-2009 from 7-140 report, 2000 data from Trial Balance Report of FY2009  
 Net Operating Expenses - CAFR FY12 Table 1, CAFR FY12 Schedule 4 (Debt Service excludes CIP debt service pg. 31)

# ECONOMIC OUTLOOK

## Bond Ratings for Park City

Description	2008	2009	2010	2011	2012
Moody's	Aa2	Aa2	Aa1	Aa1	Aa1
S & P	AA	AA	AA	AA	AA
Fitch	AA	AA	AA+	AA+	AA+

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

### Park City Bond Rating

#### Analysis

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

#### Source

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

## **ECONOMIC OUTLOOK**

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### **PARK CITY DEMOGRAPHIC INFORMATION**

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



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# **POLICIES & OBJECTIVES**

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## **CHAPTER 1 - BUDGET POLICY**

### **PART I - BUDGET ORGANIZATION**

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

## **POLICIES & OBJECTIVES**

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

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

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

#### **A. ED Grant Distribution Criteria**

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

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

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

#### **B. Economic Development Grant Fund Appropriations**

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

## **POLICIES & OBJECTIVES**

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### **C. ED Grant Categories**

ED Grants will be placed in two potential categories:

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

### **D. Application Process**

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

### **E. Award Process**

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

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

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

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

## **POLICIES & OBJECTIVES**

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### **PART III - VENTURE FUND**

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

### **PART IV - OPERATING CONTINGENCY ACCOUNTS**

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

#### **A. Access to Contingency Funds**

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

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

## **POLICIES & OBJECTIVES**

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

### **B. Monitoring**

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

## **POLICIES & OBJECTIVES**

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### **PART V - RECESSION/ REVENUE SHORTFALL PLAN**

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

## **POLICIES & OBJECTIVES**

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

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

### **PART VI – GRANT POLICY**

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

#### **A. Application Process**

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

## **POLICIES & OBJECTIVES**

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.

## **POLICIES & OBJECTIVES**

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### **E. Closing a Grant**

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

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

## **PART VII – MONTHLY BUDGET MONITORING**

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

### **A. Monitoring**

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

### **B. Reporting**

#### **1. Budget Department**

- The department analyzes and disperses a monthly monitoring report that details expenditures over revenues by fund for council and the city manager to view.
- The department analyzes and disperses a report which shows detailed personnel expenses (budgeted vs. actual) on a position by position basis.

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- 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.

## **POLICIES & OBJECTIVES**

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### **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.

## **POLICIES & OBJECTIVES**

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.

## **POLICIES & OBJECTIVES**

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### **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.

## **POLICIES & OBJECTIVES**

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

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

## **POLICIES & OBJECTIVES**

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### **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

## **POLICIES & OBJECTIVES**

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

## **PART IV - SALVAGE POLICY**

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

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

### **A. Responsibility for Property Inventory Control**

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

### **B. Disposition of an Asset**

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

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### **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 no be in the best interest of the City; or,
4. The value of the property is less than \$50.

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

### **D. Revenue**

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

### **E. Advertising Sealed Bids**

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

### **F. Employee Participation**

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

## **POLICIES & OBJECTIVES**

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

### **G. Surplus Property Exclusion**

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

### **H. Compliance**

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

## **PART V - COMPREHENSIVE FINANCIAL MANAGEMENT PLAN**

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

### **A. Scope of Plan**

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

### **B. Assumptions**

1. Growth

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

### **C. Findings, Conclusions, and Recommendations**

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

## **PART VI - RESERVES**

### **A. General Overview:**

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

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

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

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- 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:**

1. Section 10-6-116 of the Utah Code limits the accumulated balance or reserves that may be retained in the General Fund. The use of the balance is restricted as well. The balance retained cannot exceed 18 percent of total, estimated, fund revenues and may be used for the following purposes only: (1) to provide working capital to finance expenditures from the beginning of the budget year until other revenue sources are collected; (2) to provide resources to meet emergency expenditures in the event of fire, flood, earthquake, etc.; and (3) to cover a pending year-end excess of expenditures over revenues from unavoidable shortfalls in revenues. For budget purposes, any balance that is greater than 5 percent of the total revenues of the General Fund may be used. The General Fund balance reserve is a very important factor in the City's ability to respond to emergencies and unavoidable revenue shortfalls. Alternative uses of the excess fund balance must be carefully weighed.

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

### **C. Capital Improvements Fund**

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

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

### **D. Enterprise Funds**

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

## **CHAPTER 3 - CAPITAL IMPROVEMENTS**

### **PART I - CAPITAL IMPROVEMENT MANAGEMENT**

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

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

### **PART II - CAPITAL FINANCING AND DEBT MANAGEMENT**

#### **Capital Financing**

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

## **POLICIES & OBJECTIVES**

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

### **PART III - ASSET MANAGEMENT POLICY**

#### **A. Purpose**

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

#### **Goals of the Program:**

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

#### **B. Management**

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

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

#### **C. Accessing Funds**

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

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

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

### **PART IV - NEIGHBOURHOOD CIP REQUESTS POLICY**

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

#### **A. Submission of petition to the Executive Office**

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

#### **B. Initial Internal Review**

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

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### **C. Initial Communication to Council (Managers Report)**

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

### **D. Comprehensive Internal Review**

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

### **E. Initiate Public Forum (Applicant & Staff partnership)**

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

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

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

### **CHAPTER 4 - INTERNAL SERVICE POLICY**

#### **PART I - HUMAN RESOURCE MANAGEMENT**

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

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

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

## **PART II - PROGRAM AND RESOURCE ANALYSIS**

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

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

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

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

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

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

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

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

### **Resort Economy and General Plan Element (A)**

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

### **Program Service Levels and Expenditures (B)**

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

### **Revenues and Assets (C)**

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

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### **Capital Improvement Program (CIP) (D)**

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

### **Intergovernmental Programs (E)**

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

### **Non-Departmental/Inter-fund (F)**

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

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

#### **A. Resort Economy and General Plan Element**

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

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

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

### **B. Program Service Levels and Expenditures**

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

### **C. Revenues and Assets**

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

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

### **D. Capital Improvement Program**

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

### **E. Intergovernmental Programs**

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

### **F. Non-Departmental/Inter-fund**

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

### **G. Recreation Analysis**

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

### **H. Miscellaneous Analysis**

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

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

### **PART III - COST ALLOCATION PLAN**

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

Anticipated future actions include the following:

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

## **CHAPTER 5 - CONTRACTS & PURCHASING POLICY**

### **PART I - PUBLIC SERVICE CONTRACTS (AMENDED JUNE 2004)**

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

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

### **A. Public Service Fund Distribution Criteria**

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

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

### **B. Total Public Service Fund Appropriations**

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

### **C. Fund Categories and Percentage Allocations**

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

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

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

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

### **D. Special Service Contracts**

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

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

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

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

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

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

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

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

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

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

### **E. Rent Contribution**

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

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

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

### **F. Historic Preservation**

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

### **G. Exceptions**

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

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

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

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### **PART II - CONTRACTING AND PURCHASING POLICY**

#### **A. Purpose**

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

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

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

#### **B. Definitions**

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

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

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

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

**Local Business:** a business having:

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

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

**Manager:** City Manager or designee.

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

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

### **C. General Policy**

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



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

### **E. General Rules**

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

## **POLICIES & OBJECTIVES**

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

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

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

**Minor public improvements (less than the amount specified by state code.):**

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

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

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

## **POLICIES & OBJECTIVES**

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

### **F. Formal or Competitive Bidding Provisions**

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

All advertisements for bids shall state the following:

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

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

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

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### **CHAPTER 6 - OTHER POLICIES**

#### **PART I - DEBT MANAGEMENT**

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

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

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

## **POLICIES & OBJECTIVES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **A. Goals**

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

#### **B. Objectives**

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

#### **C. Fundamental Principals**

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

### **D. Communication Protocols**

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

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

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

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### **E. Eligibility**

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

### **F. Funding Alternatives**

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

### **G. Procedures**

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

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

#### **Phase II:**

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

## **POLICIES & OBJECTIVES**

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

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

## **POLICIES & OBJECTIVES**

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<b>Criteria</b>	<b>Points</b>	<b>Basis Point Assignment</b>
Speed data (48 hour)	30	Extent by which the 85 <sup>th</sup> 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
<b>Total Points Possible</b>	<b>175</b>	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,

## **POLICIES & OBJECTIVES**

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

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

### **H. Traffic Management Devices (Definitions)**

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



## **POLICIES & OBJECTIVES**

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.

## **POLICIES & OBJECTIVES**

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### **PART V – GASB 54 FUND BALANCE**

#### **PURPOSE**

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

#### **I. FUND BALANCE COMPONENTS**

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

##### **A. Nonspendable Fund Balance**

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

##### **B. Restricted Fund Balance**

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

##### **C. Committed Fund Balance**

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

## **POLICIES & OBJECTIVES**

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### **D. Assigned Fund Balance**

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

### **E. Unassigned Fund Balance**

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

## **II. HEIRARCHY OF SPENDING FUND BALANCE**

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

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

### **A. General Fund**

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

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

### **B. Special Revenue Funds**

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

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

## **POLICIES & OBJECTIVES**

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

### **C. Capital Projects**

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

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

### **D. Debt Service**

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

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

### **FUND STRUCTURE**

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

#### **General Fund**

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

#### **Enterprise Funds**

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

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

#### **Debt Service Funds**

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

#### **Park City General Long-Term Debt Service Fund**

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

#### **Sales Tax Revenue Debt Service Fund**

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

#### **Redevelopment Agency Debt Service Fund**

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

### **Municipal Building Authority Debt Service Fund**

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

### **Internal Service Funds**

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

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

### **Capital Project Funds**

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

# PAY PLAN PROCESS

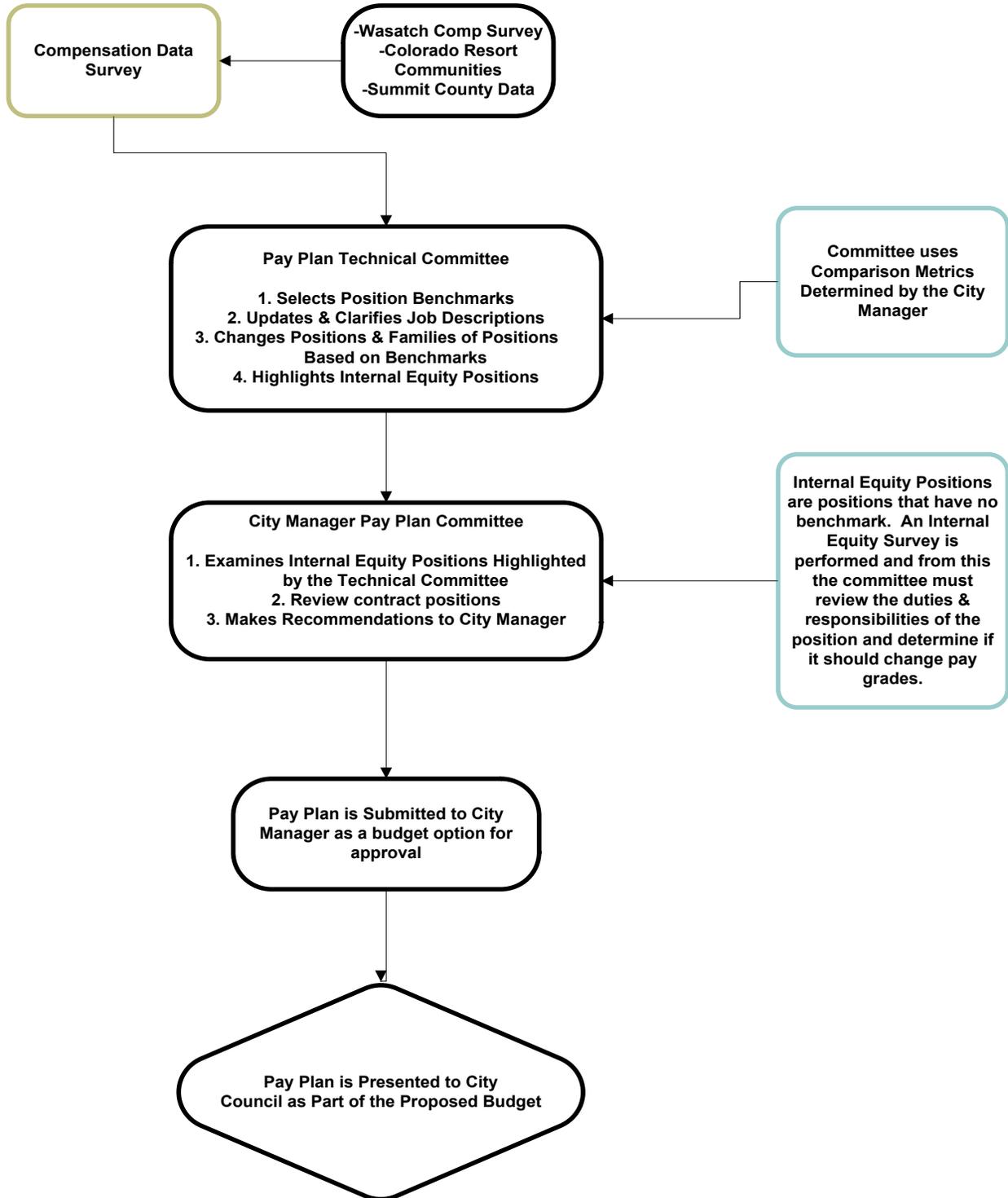


Table S7 – The City’s Pay Plan

**SUPPLEMENTAL**

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

**Park City Pay Plan - FY 2014**

Grade	Exempt				Non-Exempt				Part-Time	
	Minimum	Hiring Maximum	Working Level	Maximum	Min	Max	Level	Max	Min	Max
1	\$22,982	\$30,450	\$32,174	\$34,472	\$7.40	\$8.88	\$9.23	\$9.69	\$7.40	\$9.69
2	\$27,102	\$35,911	\$37,944	\$40,654	\$7.40	\$9.59	\$10.09	\$10.76	\$7.40	\$10.76
3	\$30,105	\$39,890	\$42,147	\$45,158	\$7.93	\$10.50	\$11.09	\$11.88	\$7.93	\$11.88
4	\$34,123	\$45,214	\$47,773	\$51,185	\$8.81	\$11.68	\$12.34	\$13.22	\$8.81	\$13.22
5	\$38,289	\$50,733	\$53,604	\$57,433	\$9.72	\$12.88	\$13.62	\$14.59	\$9.72	\$14.59
6	\$43,863	\$58,119	\$61,409	\$65,795	\$10.62	\$14.08	\$14.87	\$15.93	\$10.62	\$15.93
7	\$49,523	\$65,618	\$69,332	\$74,285	\$11.64	\$15.41	\$16.29	\$17.45	\$11.64	\$17.45
8	\$56,250	\$74,530	\$78,749	\$84,374	\$13.29	\$17.61	\$18.60	\$19.93	\$13.29	\$19.93
9	\$61,829	\$81,923	\$86,560	\$92,744	\$15.72	\$20.83	\$22.01	\$23.58	\$15.72	\$23.58
10	\$67,111	\$88,922	\$93,955	\$100,666	\$17.74	\$23.50	\$24.83	\$26.60	\$17.74	\$26.60
11	\$72,162	\$95,615	\$101,027	\$108,243	\$20.21	\$26.76	\$28.28	\$30.30	\$20.21	\$30.30
12	\$77,822	\$103,114	\$108,950	\$116,733	\$21.15	\$28.03	\$29.62	\$31.73	\$21.15	\$30.60
13	\$82,808	\$109,720	\$115,931	\$124,212	23.103	30.904	32.658	34.986		
Mayor				\$26,367*						
City Council				\$36,888*						
City Manager	\$94,277	\$124,917	\$131,987	\$145,000						
City Attorney	\$92,633	\$122,739	\$129,686	\$138,950						

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

# Staffing Summary by Fund

**GENERAL FUND**

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014
Full Time							
1190 - CITY MANAGER	AD02	\$92,633	\$122,739	\$129,686	\$147,900	1.00	1.00
1290 - CITY ATTORNEY	AD01	\$93,542	\$122,692	\$129,640	\$138,950	1.00	1.00
2190 - CHIEF OF POLICE	E13	\$83,620	\$109,679	\$115,889	\$124,212	1.00	1.00
1280 - DEPUTY CITY ATTORNEY	E13	\$83,620	\$109,679	\$115,889	\$124,212	1.00	1.00
1590 - FINANCE MANAGER	E12	\$78,585	\$103,075	\$108,912	\$116,733	1.00	1.00
3490 - CITY ENGINEER	E12	\$78,585	\$103,075	\$108,912	\$116,733	1.00	1.00
1180 - ASSISTANT CITY MANAGER	E12	\$78,585	\$103,075	\$108,912	\$116,733	1.00	1.00
1690 - IT & CUSTOMER SERVICE DIRECTOR	E11	\$72,869	\$95,579	\$100,991	\$108,243	1.00	1.00
1390 - HUMAN RESOURCES MANAGER	E11	\$72,869	\$95,579	\$100,991	\$108,243	1.00	1.00
3290 - PLANNING DIRECTOR	E10	\$67,769	\$88,888	\$93,921	\$100,666	1.00	1.00
5490 - INTERIM LIBRARY DIRECTOR	E10	\$67,769	\$88,888	\$93,921	\$100,666	1.00	1.00
3390 - PUBLIC & COMMUNITY AFFAIRS MGR	E10	\$67,769	\$88,888	\$93,921	\$100,666	1.00	1.00
2080 - ECONOMIC DEVELOPMENT MANAGER	E10	\$67,769	\$88,888	\$93,921	\$100,666	1.00	1.00
3080 - CHIEF BUILDING OFFICIAL	E09	\$62,436	\$81,893	\$86,530	\$92,744	1.00	1.00
4150 - PW OPERATIONS MANAGER	E09	\$62,436	\$81,893	\$86,530	\$92,744	1.00	1.00
2180 - CAPTAIN	E09	\$62,436	\$81,893	\$86,530	\$92,744	2.00	2.00
1250 - ATTORNEY V	E09	\$62,436	\$81,893	\$86,530	\$92,744	1.00	1.00
5790 - RECREATION MANAGER	E08	\$56,801	\$74,503	\$78,721	\$84,374	1.00	1.00
4490 - PR DV STREETS/STREETSCAPE SPRV	E08	\$56,801	\$74,503	\$78,721	\$84,374	1.00	1.00
3230 - PLANNER I UNDRFL ARCHITECT	E08	\$56,801	\$74,503	\$78,721	\$84,374	1.00	
2072 - SENIOR PROJECT MANAGER	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00
2030 - ENVIRON REGULATORY PROGRM MNGR	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00
3224 - SENIOR PLANNER	E07	\$50,009	\$65,593	\$69,307	\$74,285	2.00	2.00
3078 - DEPUTY CHIEF BUILDING OFFICIAL	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00
1580 - ACCOUNTING MANAGER	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00
1792 - ENVIRONMENTAL SUSTNBLTY MNGR	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00
1680 - SYSTEMS ADMINISTRATOR	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00
1974 - CPITL BUDGET DEBT & GRANTS MNG	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00
5690 - GOLF MANAGER/OD MANAGER	E07	\$50,009	\$65,593	\$69,307	\$74,285	0.50	

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014
5590 - PROF DVLP PARKS & GOLF SUPERV	E07	\$50,009	\$65,593	\$69,307	\$74,285	0.50	0.50
1972 - BUDGET OPERATIONS MANAGER	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00
1890 - BUILDING MAINTENANCE SUPER	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00
1660 - GIS ADMINISTRATOR	E07	\$50,009	\$65,593	\$69,307	\$74,285	0.50	0.50
1240 - ATTORNEY IV	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00
3024 - BUILDING INSPECTOR SUPERVISOR	E06	\$44,293	\$58,097	\$61,387	\$65,795	1.00	1.00
3222 - PLANNER II	E06	\$44,293	\$58,097	\$61,387	\$65,795	1.00	1.00
3050 - PLAN CHECK COORDINATOR	E06	\$44,293	\$58,097	\$61,387	\$65,795	2.00	2.00
3074 - DEPUTY FIRE MARSHALL	E06	\$44,293	\$58,097	\$61,387	\$65,795	1.00	1.00
2020 - TRAILS & OPEN SPACE PRJCT MNGR	E06	\$44,293	\$58,097	\$61,387	\$65,795	1.00	1.00
2078-ECONOMIC DEVELOPMT PROGRAM MGR	E06	\$44,293	\$58,097	\$61,387	\$65,795		1.00
2010 - HOUSING SPECIALIST	E06	\$44,293	\$58,097	\$61,387	\$65,795	1.00	1.00
3220- PLANNER I	E05	\$38,664	\$50,713	\$53,585	\$57,433		1.00
2220 - DISPATCH COORDINATOR	E05	\$38,664	\$50,713	\$53,585	\$57,433	1.00	1.00
5782 - RECREATION SUPERVISOR	E05	\$38,664	\$50,713	\$53,585	\$57,433	3.00	3.00
5480 - SENIOR LIBRARIAN	E05	\$38,664	\$50,713	\$53,585	\$57,433	2.00	2.00
1652 - PROF DVLP IT COORD III	E05	\$38,664	\$50,713	\$53,585	\$57,433	2.00	2.00
1650 - IT COORDINATOR II	E04	\$34,458	\$45,196	\$47,755	\$51,185	1.00	1.00
1648 - IT COORDINATOR I	E03	\$30,400	\$39,875	\$42,133	\$45,158	1.00	1.00
2160 - SERGEANT	N13	\$23	\$31	\$33	\$35	6.00	6.00
3022 - COMNTY SRV INSP UNDR SR BD INS	N11	\$20	\$27	\$28	\$30	4.00	4.00
4120 - PUBLIC IMPROVEMENTS INSPECTOR	N10	\$18	\$24	\$25	\$27	0.75	0.75
1960- PERFORMANCE & BUDGET ANALYST	N10	\$18	\$24	\$25	\$27		1.00
2000 - ENVIRONMENTAL PROJECT MANAGER	N10	\$18	\$24	\$25	\$27	1.00	1.00
2144 - DETECTIVE	N10	\$18	\$24	\$25	\$27	1.00	1.00
2142 - POLICE OFFICER/UNDRFLD SR P O	N10	\$18	\$24	\$25	\$27	17.00	17.00
1520 - ACCOUNTANT	N10	\$18	\$24	\$25	\$27	1.00	1.00
7762 - EXECUTIVE ASSISTANT	N09	\$16	\$21	\$22	\$24	1.00	1.00
1750 - EVENTS COORDINATOR	N09	\$16	\$21	\$22	\$24	1.00	1.00
1350 - HR GENERALIST	N09	\$16	\$21	\$22	\$24	2.00	2.00
1530 - PAYROLL COORDINATOR	N09	\$16	\$21	\$22	\$24	1.00	1.00
2140 - POLICE OFFICER	N09	\$16	\$21	\$22	\$24	4.00	4.00
4416 - STREETS IV	N09	\$16	\$21	\$22	\$24	2.00	2.00
1202 - PARALEGAL	N09	\$16	\$21	\$22	\$24	2.00	2.00

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014
5430 - CATALOGUING LIBRARIAN	N09	\$16	\$21	\$22	\$24	1.00	1.00
3010 - CODE ENFORCEMENT OFFICER	N09	\$16	\$21	\$22	\$24	1.00	1.00
5780 - RECREATION COORDINATOR	N09	\$16	\$21	\$22	\$24	1.00	1.00
5770 - BUSINESS MARKETING COORDINATOR	N09	\$16	\$21	\$22	\$24	1.00	1.00
1112 - SENIOR CITY RECORDER	N09	\$16	\$21	\$22	\$24	1.00	1.00
1630 - CITY RECORDS COORDINATOR	N08	\$13	\$18	\$19	\$20	1.00	1.00
3060 - PLANNING TECHNICIAN	N08	\$13	\$18	\$19	\$20	1.00	1.00
1514 - ACCOUNTING CLERK III	N08	\$13	\$18	\$19	\$20	1.00	1.00
5766 - PC MARC COORDINATOR	N08	\$13	\$18	\$19	\$20	1.00	1.00
7732 - ANALYST II - GOLF PRO SHOP	N08	\$13	\$18	\$19	\$20	3.50	3.50
1670 - NETWORK ENGINEER	N08	\$13	\$18	\$19	\$20	1.00	1.00
1540 - BUSINESS LICENSE SPECIALIST	N08	\$13	\$18	\$19	\$20	1.00	1.00
3320 - COMMUNITY AFFAIRS ASSOCIATE	N08	\$13	\$18	\$19	\$20	1.00	1.00
5516 - PARKS IV	N08	\$13	\$18	\$19	\$20	5.50	5.50
1110 - CITY RECORDER	N08	\$13	\$18	\$19	\$20	1.00	1.00
7730 - ANALYST I - PUBLIC WORKS ADMIN	N07	\$12	\$15	\$16	\$17	2.00	3.00
1824 - BUILDING MAINTENANCE III	N07	\$12	\$15	\$16	\$17	4.00	4.00
2204 - POLICE RECORDS CLERK	N07	\$12	\$15	\$16	\$17	1.00	1.00
4414 - STREETS III - TRANSIT	N07	\$12	\$15	\$16	\$17	6.00	6.00
5422 - CIRCULATION TEAM LEADER-OPERAT	N07	\$12	\$15	\$16	\$17	2.00	2.00
3002 - PERMIT TECHNICIAN	N07	\$12	\$15	\$16	\$17	1.00	1.00
2210 - DISPATCHER I	N07	\$12	\$15	\$16	\$17	8.00	8.00
1310 - HR ASSISTANT	N07	\$12	\$15	\$16	\$17	1.00	1.00
7724 - OFFICE ASSISTANT III - PW ADMN	N06	\$11	\$14	\$15	\$16	0.50	0.50
5763 - FRONT DESK TEAM LEADER - OPS	N06	\$11	\$14	\$15	\$16	2.00	2.00
1822 - BUILDING MAINTENANCE II	N04	\$9	\$12	\$12	\$13	1.00	1.00
New	NEW					1.00	
Total Full Time						146.75	149.25

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
Part Time							
5754 - RECREATION INSTRUCTOR	SP12	\$20			\$31	4.91	0.43
5110 - TENNIS PRO	SP12	\$20			\$31	2.50	
2124 - SPECIAL EVENTS POLICE	SP10	\$18			\$27	0.52	0.52
5752 - RECREATION INSTRUCTOR	SP09	\$16			\$24	0.18	0.18
8854 - PROJECT MANAGER I/LEGAL	SP08	\$13			\$20	1.00	1.65
1514 - ACCOUNTING CLERK III	SP08	\$13			\$20	0.65	0.65
5514 - PARKS III-DIRT	SP07	\$12			\$17	5.91	5.91
4414 - STREETS III	SP07	\$12			\$17	3.82	3.82
2210 - DISPATCHER	SP07	\$12			\$17	0.39	0.39
5416 - SENIOR LIBRARY ASSISTANT	SP06	\$11			\$16	0.25	0.25
5730 - RECREATION WORKER VI -	SP06	\$11			\$16	0.16	0.16
7724 - OFFICE ASSISTANT III - IT	SP06	\$11			\$16	1.22	1.22
5512 - PARKS II	SP06	\$11			\$16	4.94	4.94
2122 - RESERVE POLICE OFFICER	SP06	\$11			\$16	2.93	2.93
5728 - RECREATION WORKER V -	SP05	\$10			\$15	1.88	1.88
7722 - OFFICE ASSISTANT II	SP05	\$10			\$15	0.90	
5748 - RECREATION INSTRUCTOR	SP05	\$10			\$15	0.98	0.98
5414 - LIBRARY ASSISTANT	SP05	\$10			\$15	1.14	1.14
4412 - STREETS II	SP05	\$10			\$15	1.15	1.15
5760 - RECREATION FRONT DESK	SP04	\$9			\$13	3.84	3.84
5726 - RECREATION WORKER IV-	SP04	\$9			\$13	2.93	2.06
5412 - LIBRARY CLERK	SP04	\$9			\$13	1.25	1.25
5744 - RECREATION INSTRUCTOR II	SP03	\$8			\$12	0.85	0.85
8844 - GENERAL OFFICE CLERK III	SP03	\$8			\$12	1.14	1.14
5724 - RECREATION WORKER III	SP03	\$8			\$12	1.20	1.20
5742 - RECREATION INSTRUCTOR I	SP02	\$7			\$11	2.20	2.20
5510 - PARKS I	SP02	\$7			\$11	2.29	2.29
5714 - OFFICIAL/REFEREE II	SP02	\$7			\$11	1.00	1.00
1810 - ASSISTANT CUSTODIAN I	SP02	\$7			\$11	0.33	0.33
5720 - RECREATION WORKER I	SP01	\$7			\$10	2.47	2.47
5410 - LIBRARY AIDE	SP01	\$7			\$10	1.48	1.48
New	NEW						4.00

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
Total Part Time						56.40	52.30

## Staffing Summary by Fund

### QUINNS RECREATION COMPLEX

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014
Full Time							
3590- ICE GENERAL MANAGER	E07	\$50,009	\$65,593	\$69,307	74,285		1.00
3588 - ICE BUSINESS OPERATIONS MANAGR	E06	\$44,293	\$58,097	\$61,387	\$65,795	1.00	
3586 - ICE OPERATIONS MANAGER	E06	\$44,293	\$58,097	\$61,387	\$65,795	1.00	
3550- ICE PROGRAM COORDINATOR	N09	\$16	\$21	\$22	\$24		1.00
5516 - PARKS IV	N08	\$13	\$18	\$19	\$20	1.00	1.00
3528 - ICE ARENA OPERATIONS ASSISTANT	N08	\$13	\$18	\$19	\$20	1.00	1.00
3540 - FRONT DESK SUPERVISOR - ICE	N07	\$12	\$15	\$16	\$17	1.00	
3524 - ARENA MAINTENANCE COORDINATOR	N07	\$12	\$15	\$16	\$17	1.00	1.00
3538- ICE FRONT DESK TEAM LEADER	N06	\$11	\$14	\$15	\$16		1.00
Total Full Time						6.00	6.00

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014
Part Time							
3520 - SKATING COORDINATOR	SP09	\$16			\$24	0.30	
3510 - HOCKEY COORDINATOR	SP09	\$16			\$24	0.75	
5514 - PARKS III-DIRT MAINTENANCE	SP07	\$12			\$17	0.83	0.83
5730 - RECREATION WORKER VI - ICE	SP06	\$11			\$16	0.72	0.72
5726 - RECREATION WORKER IV-ICE	SP04	\$9			\$13	1.70	1.70
5760 - RECREATION FRONT DESK CLRK	SP04	\$9			\$13	0.32	
1822 - BUILDING II	SP04	\$9			\$13	0.25	0.25

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014
New	NEW						0.50
Total Part Time						4.87	4.00

## Staffing Summary by Fund

### WATER FUND

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014
Full Time							
4590 - WATER MANAGER	E11	\$72,869	\$95,579	\$100,991	\$108,243	1.00	1.00
4580 - WATER QUALITY & TREATMENT MNGR	E10	\$67,769	\$88,888	\$93,921	\$100,666	1.00	1.00
4560 - WATER PROJECT MANAGER	E08	\$56,801	\$74,503	\$78,721	\$84,374	1.00	1.00
4540 - WATER OPERATIONS TEAM LEADER	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00
1660 - GIS ADMINISTRATOR	E07	\$50,009	\$65,593	\$69,307	\$74,285	0.25	0.25
4556 - PRO DEV/CONSERVE & TECH CORD	E05	\$38,664	\$50,713	\$53,585	\$57,433	1.00	1.00
4538 - TREATMENT FACILITIES SUPER.	N12	\$21	\$28	\$30	\$32	1.00	1.00
4534- DISTRIBUTION OPERATIONS SUPERV	N11	\$20	\$27	\$28	\$30		2.00
4526 - WATER WORKER IV	N10	\$18	\$24	\$25	\$27	6.00	8.00
4120 - PUBLIC IMPROVEMENTS INSPECTOR	N10	\$18	\$24	\$25	\$27	1.00	1.00
4524 - WATER WORKER III	N09	\$16	\$21	\$22	\$24	7.00	
7732 - ANALYST II - GOLF PRO SHOP	N08	\$13	\$18	\$19	\$20	1.00	1.00
7724 - OFFICE ASSISTANT III - PW ADMN	N06	\$11	\$14	\$15	\$16	0.25	0.25
Total Full Time						21.50	20.50

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014
Part Time							
4514 - WATER LABORER III	SP06	\$11			\$16	2.50	1.01

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014
4510 - WATER LABORER I	SP04	\$9			\$13	1.35	1.35
<b>Total Part Time</b>						<b>3.85</b>	<b>2.36</b>

## Staffing Summary by Fund

### GOLF COURSE FUND

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014
<b>Full Time</b>							
5690 - GOLF MANAGER/OD MANAGER	E07	\$50,009	\$65,593	\$69,307	\$74,285	0.50	
5590 - PROF DVLP PARKS & GOLF SUPERV	E07	\$50,009	\$65,593	\$69,307	\$74,285	0.50	0.50
5650 - FIRST ASSISTANT GOLF PRO	E04	\$34,458	\$45,196	\$47,755	\$51,185	1.00	1.00
5516 - PARKS IV	N08	\$13	\$18	\$19	\$20	1.50	1.50
7732 - ANALYST II - GOLF PRO SHOP	N08	\$13	\$18	\$19	\$20	0.50	0.50
<b>Total Full Time</b>						<b>4.00</b>	<b>3.50</b>

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014
<b>Part Time</b>							
5650 - ASSISTANT GOLF PRO	SP06	\$11			\$16	1.69	1.69
5512 - PARKS II	SP06	\$11			\$16	6.59	6.59
5614 - GOLF COURSE STARTER	SP03	\$8			\$12	0.75	0.75
5612 - RANGE ATTENDANT	SP02	\$7			\$11	0.50	0.50
5510 - PARKS I	SP02	\$7			\$11	0.39	0.39
5610 - GOLF CART SERVICER	SP01	\$7			\$10	0.49	0.49

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014
<b>Total Part Time</b>						<b>10.41</b>	<b>10.41</b>

## Staffing Summary by Fund

### TRANSPORTATION & PARKING FUND

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014
<b>Full Time</b>							
4292 - TRANSIT & TRANSPORTATION MNGR	E13	\$83,620	\$109,679	\$115,889	\$124,212	1.00	1.00
4272 - SENIOR TRANSPORTATION PLANNER	E08	\$56,801	\$74,503	\$78,721	\$84,374	1.00	1.00
4280 - TRANSIT ADMIN TEAM LEADER	E07	\$50,009	\$65,593	\$69,307	\$74,285	1.00	1.00
1660 - GIS ADMINISTRATOR	E07	\$50,009	\$65,593	\$69,307	\$74,285	0.25	0.25
4140 - PARKING & FLEET ADMIN TEAM LDR	E06	\$44,293	\$58,097	\$61,387	\$65,795		1.00
4262 - TRANSIT OPERATIONS TEAM LEADER	N11	\$20	\$27	\$28	\$30	1.00	1.00
4250 - TRANSIT SHIFT SUPERVISOR	N10	\$18	\$24	\$25	\$27	4.00	4.00
4120 - PUBLIC IMPROVEMENTS INSPECTOR	N10	\$18	\$24	\$25	\$27	0.25	0.25
4118- PARKING SUPERVISOR	N09	\$16	\$21	\$22	\$24		1.00
4216 - BUS DRIVER IV	N08	\$13	\$18	\$19	\$20	3.00	3.00
4414 - STREETS III - TRANSIT	N07	\$12	\$15	\$16	\$17	1.00	1.00
4214 - BUS DRIVER III UNDRFL DRIVER II	N07	\$12	\$15	\$16	\$17	36.00	36.00
4114- PARKING OFFICER	N06	\$11	\$14	\$15	\$16		1.00
7724 - OFFICE ASSISTANT III - PW ADMN	N06	\$11	\$14	\$15	\$16	0.50	1.25
7722 - OFFICE ASSISTANT II - PW ADMIN	N05	\$10	\$13	\$14	\$15		1.00
New	NEW						1.00
<b>Total Full Time</b>						<b>49.00</b>	<b>54.75</b>

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	FTEs
	FY 2013	-	-	-	-	FY 2013	FY 2014

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs	
						FY 2013	FY 2014
Part Time							
4112 - PARKING ADJUDICATOR	SP09	\$16			\$24	0.20	0.20
4414 - STREETS III	SP07	\$12			\$17	0.70	0.70
4214 - BUS DRIVER III	SP07	\$12			\$17	8.75	8.75
4212 - BUS DRIVER II	SP06	\$11			\$16	22.05	22.05
4114- PARKING OFFICER	SP06	\$11			\$16		2.00
4210 - BUS DRIVER I	SP05	\$10			\$15	0.09	0.09
<b>Total Part Time</b>						<b>31.79</b>	<b>33.79</b>

## Staffing Summary by Fund

**FLEET SERVICES FUND**

Class Code - Department	Grade	Minimum	Hiring Max	Working Level	Maximum	FTEs		
						FY 2013	FY 2014	
Full Time								
4680 - FLEET OPERATIONS TEAM LEADER	N11	\$20	\$27		\$28	\$30	2.00	2.00
4652 - MECHANIC I - UNDERFILLED II	N09	\$16	\$21		\$22	\$24	1.00	1.00
4650 - MECHANIC I	N08	\$13	\$18		\$19	\$20	5.00	5.00
<b>Total Full Time</b>							<b>8.00</b>	<b>8.00</b>