

# PARK CITY MUNICIPAL'S FISCAL YEAR 2024



## **City Council Approved Budget: Volume I**

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**Adjusted Budget Fiscal Year 2023  
Annual Budget Fiscal Year 2024**



**MAYOR AND CITY COUNCIL  
AS OF JANUARY 1, 2023**



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## **FY24 BUDGET COMMITTEES**

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**Park City Municipal Corporation’s Budget Document** is divided into two volumes, each geared toward a certain reader:

**Volume I: Executive Summary** is intended for City Council and members of the public interested in an in-depth exploration of the budget. It outlines the process, policies, and important issues of the financial plan for Park City Municipal Corporation. The principal objective of Volume I is to clearly describe the City’s budget process, revenues, expenses, and budget requests.

**Volume II: Technical Data** displays Park City’s budget in a report format, directly from our database. The first half of the document shows information organized by municipal function and department. Budget requests (bid sheets), department descriptions, and performance measures are all included here. The second half presents the data by fund.

## **VOLUME I: EXECUTIVE SUMMARY**

### **BUDGET OVERVIEW**

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

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

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To the Honorable Mayor and City Council:

I am pleased to report that Park City is firmly positioned to continue its post-pandemic economic momentum while strengthening our ability to confront the increased demand for public services, mitigating resort economy and visitation impacts, and supporting organizational and community needs. For Fiscal Year (FY) 2024, we project new revenue growth of at least \$3.6M over FY23 in the City's General Fund. The increase is driven by tourism and visitation taxes and stability in property taxes as Park City residents and businesses prosper.

The City Council adopted a balanced budget, as required by the Utah Fiscal Procedures Act. Following the law, the Council also adopted the FY23 Adjusted Budget and FY24 Budget (Utah Code §10-6-109). The budgets were prepared using practices recommended by the Governmental Accounting Standards Board (GASB) and the Governmental Finance Officers Association (GFOA).

This year, we revamped the City's traditional budgeting process, focusing on greater transparency and collaboration between City Council and Park City's Managers. For several months, we publicly shared plans, projects, initiatives, and some challenges (inflation, increased demand/utilization, elevated expectations, etc.), shaping the FY24 budget requests. Five themes emerged from the City Council's Annual Retreat that helped guide FY24 priorities:

1. **Neighborhood Reinvestments** – Refocus investments to primarily residential areas, including safety, complete streets, parking, HOA outreach, parks and playgrounds, and area-planning initiatives.
2. **Resident Quality of Life** – Continue improving the residential quality of life through additional investments in code updates, recreational facilities, and emergency childcare funding.
3. **Resort Economy Mitigation** – Enhanced traffic and special event mitigation, law, and code enforcement, and expanded response to the growth in the resort economy by new investments in labor, equipment, and technology.
4. **Organizational Infrastructure** – Continue modernizing essential administrative tools including software, cyber and network security, data collection, analytics, risk management, and a new accounting system; and
5. **Workforce Support** – Continue to recruit and retain an experienced and professional workforce, expand professional training and development, and uphold the 75<sup>th</sup> percentile compensation philosophy to remain a competitive regional employer.

The FY24 Budget uniquely positions Park City to meet our community's evolving needs and responds directly to requests from City Council, residents and businesses, partners, and stakeholders. Thank you for your ongoing support.

Sincerely,

Matthew J. Dias  
City Manager  
Park City Municipal Corporation

## **DISTINGUISHED BUDGET AWARD**

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to Park City Municipal Corporation, Utah for its annual and biennial budgets for fiscal years beginning in 1991 through 2023.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communication device. The award is valid for a period of two years. We believe our current budget continues to conform to program requirements; and it will be submitted to GFOA to determine its eligibility for another award each cycle.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

# *Distinguished Budget Presentation Award*

PRESENTED TO

**Park City Municipal Corporation  
Utah**

For the Fiscal Year Beginning

**July 01, 2022**

A handwritten signature in black ink that reads "Christopher P. Morill".

**Executive Director**

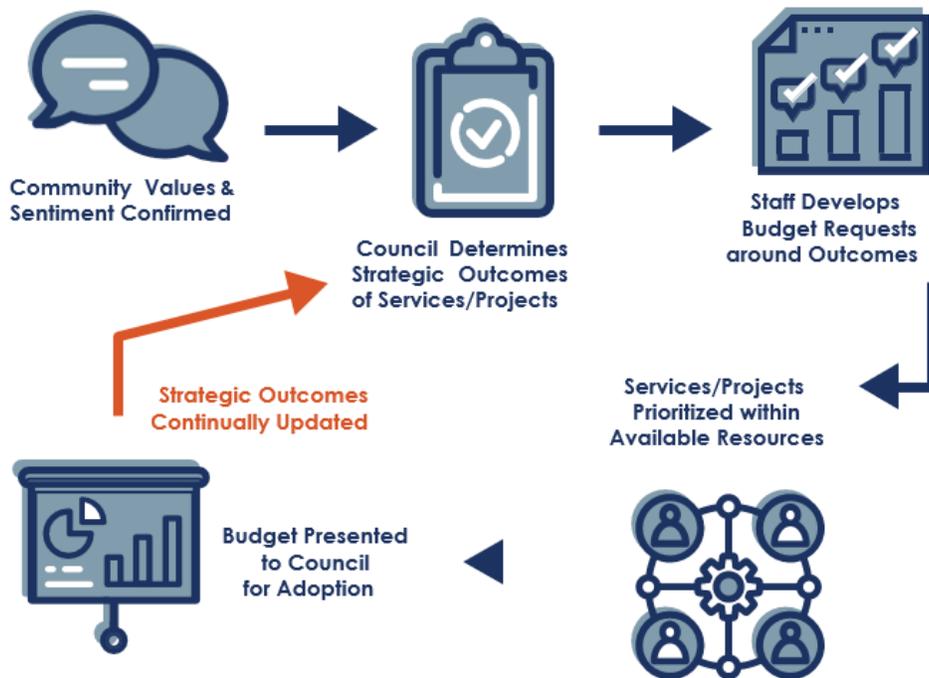
## THE BUDGET PROCESS:

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

Currently, the city employs a Budgeting for Outcomes (BFO) process that focuses on Council priorities and objectives as the driving factor for determining the annual budget. BFO is a way to link Council's policy and goals to the day-to-day management and operations of the City. These goals are considered when department managers develop their service level needs to request operating and capital budget.

BFO provides a comprehensive review of the organization, identifying programs offered and their cost, evaluating the relevance of programs based on the community's priorities, and ultimately guiding elected officials to the policy questions they can answer with the information gained from the process. Thus, BFO will inform the City's Budget development and serve as a tool to identify potential service increases, reductions, and eliminations. The goal is that the city can make better-informed decisions regarding the prioritization and cost of City services and programs.

The evaluation of programs as part of this process may also identify potential duplication of efforts or opportunities to consolidate similar programs and/or services that are delivered through partnerships with other governmental agencies, non-profit agencies, or the private sector.

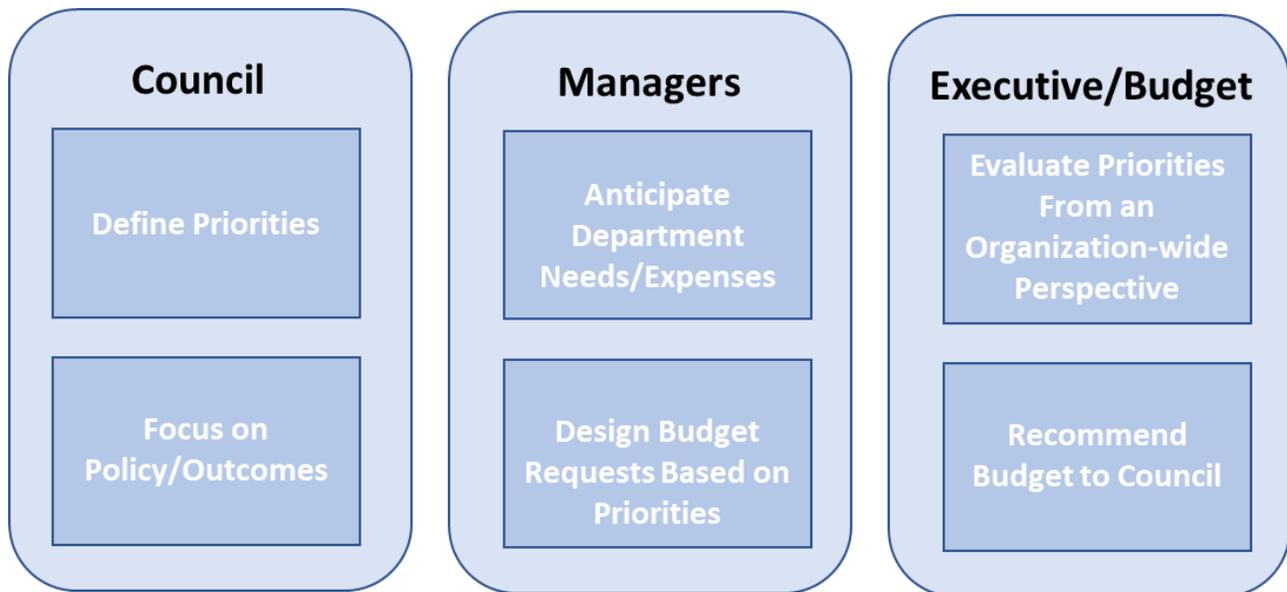


The Budgeting for Outcomes process provides the monetary resources to support and implement the strategies that are identified. Over time, the city may determine that some of the services and

## BUDGET OVERVIEW

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strategies currently observed do not help to move the dial on achieving the outcomes identified in the City's Long-term Strategic Plan and may shift gears with certain strategies or initiatives, and those changes will be approved/disapproved during the Budget for Outcomes process.



### Department Manager's Role

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

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

When submitting budget requests, managers are encouraged to have a corresponding expense reduction, revenue enhancement (e.g., fee or rate increase, state and federal grants, profit gains, etc.), or justification for the adjustment. Managers were encouraged to look for opportunities to find cost savings in their current operations, think creatively, and collaborate with others inside and outside of City Hall to identify ways to achieve the same or better results at lower costs. By enhancing or adding a service with the same current budget, the City can build efficiencies and make the cost of doing service more effective.

### The Results Team

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

## BUDGET OVERVIEW

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managers to defend or justify their rationale to the Results Team.

The Results Team then identifies questions or gaps in specific proposals and requests additional information from the proposal owner, including potential implications of level of service adjustments or the suggestion of additional collaboration. They will then score the program based on the department manager's explanation as well as with their own understanding of Council's priorities. The scoring and prioritization of the BFO programs is the start of the discussion on where to fund programs—not the end.

Decisions on budget enhancements or decreases are based on the evaluation of each BFO program, as well as the department manager's rationale, established need, and availability of resources. The team discusses their overall rankings and rationale for budget enhancements or decreases and prepares a final recommendation to the City Manager, who examines and refines this recommendation and may include it in the overall budget recommendation.

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

### **Budget Considerations**

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

Throughout the budget process Council has many opportunities to consider service-level reductions and corresponding program budget cuts, as well as to consider program funding or program increases not recommended in the proposed FY24 budget.

Utah State law requires that the City Manager present a balanced budget to Council. A balanced budget is defined by Utah Code: "The total of the anticipated revenues shall equal the total of appropriated expenditures."<sup>1</sup>

Per state code, a tentative budget must be submitted to the City Council on or before the first scheduled meeting in May. 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 in June, the Council can review the proposed budget, consider public comment, and finally, adopt a balanced budget. Before July 1, the Council must adopt either a tentative budget if the certified tax rate is to be exceeded (tax increase) or a final budget and proposed tax rate (no tax increase). If there is a property tax increase, the Council holds an additional public hearing before adopting the budget in August.

Budgetary control of each fund is managed at the department level. Department managers play an

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

## BUDGET OVERVIEW

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

### **CITY'S LONG-TERM BUDGET STRATEGIES**

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

While utilizing near-term, high-frequency projections is a critical part of the City's budget process, staff also generates long-term projections for revenue combined with hypothetical scenarios of expense growth. Recent revenue growth has been exceptional due to a boom in sales tax revenues. Yet, staff uses knowledge of past growth rates to project future long-term revenue trends. However, we note that the long-term historical sales tax data, and thus corresponding projections, are not yet fully reflective of a post-COVID world with higher money supply, travel differences, and increased inflation.

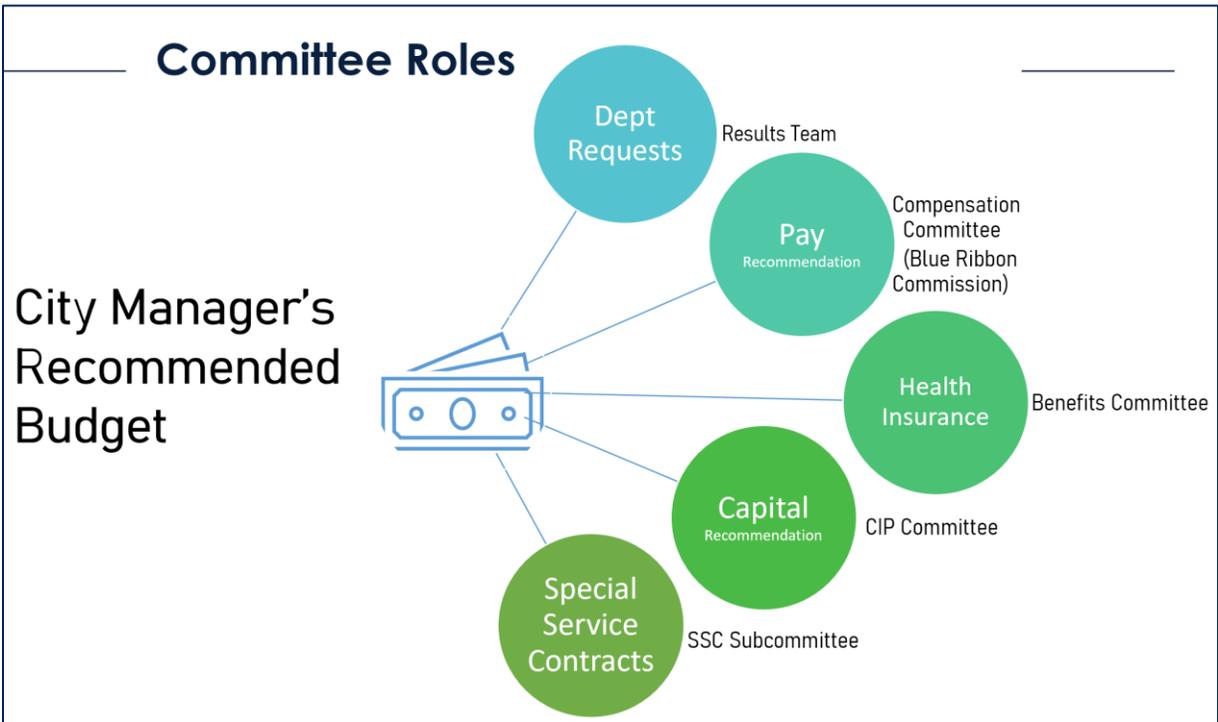
Any long-term future projection is subject to a high amount of uncertainty. However, such projections are still beneficial when considering possible future states of the world and how to manage variable outcomes. Staff continues to manage the city budgeting process in a dynamic way, finding capabilities to institute expense controls when necessary and adding resources when possible. Staff anticipates a positive future economic outlook for the city.

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

- A. Budget draws upon Council input and long-term staff revenue and expense projections as a guide
  - Priority-driven operating budget based upon Council's Critical and Top Priorities, goals, objectives, and desired outcomes
- B. The budget proposal is initially developed by several budget committees made up of cross-departmental staff:
  - Committees include Results Team as well as CIP, Pay Plan, Benefit, and Fleet committees and any other ad hoc committees needed for unique circumstances
  - Results Team will make recommendations by considering BFO score, department manager's request, established need, available resources, and performance measures
- C. All operating and capital budget requests should be considered during the budget process

## BUDGET OVERVIEW

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



### General Fund Revenues

The steady pace of economic recovery is a vivid testament to Park City's strong local businesses and the overall desirability of Park City as a place to live, work, play, and raise a family. For FY24, the Budget Department projects revenue growth of at least \$3.6M over the FY23 Adjusted Budget in the City's General Fund. This is driven by continued growth in tourism and visitation reflected in sales taxes and stability in property taxes as Park City residents, businesses, and visitors thrive.

Sales Tax is the largest revenue stream for the City's General Fund. Beginning in FY21, the City's budget team assembled a sales tax model based on machine learning techniques and over 70 data sources.

Staff projects an increase of \$2.3M in General Fund sales tax for FY24—from \$16.4M to \$18.7M. While winter visitation remained robust, the unique post-pandemic trend in Park City is the growth of shoulder season and non-winter visitation. This trend is visible in the volume of visitors through the City's Main Street business district, Park City's hotels, and our local trail system.

## BUDGET OVERVIEW

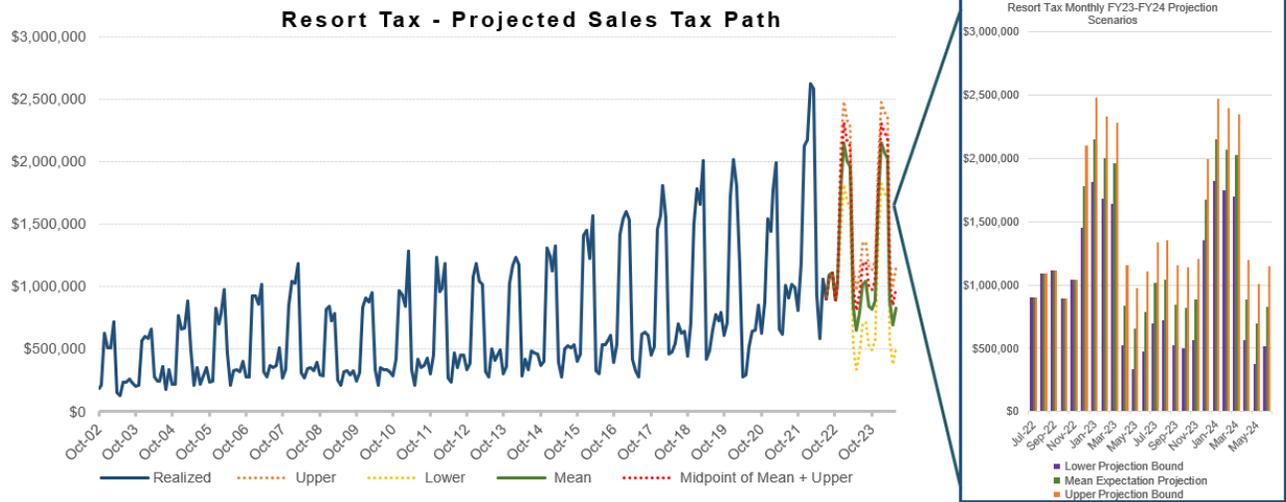
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General Fund Revenue Summary - FY23 & FY24							
Revenue	FY22 Actual	FY23 YTD Actual	FY23 Ori Bud	FY23 Adj Bud	FY24 Budget	\$, Variance FY23 vs. Adj	%, Variance FY23 vs. Adj
<b>Property Taxes</b>	\$13,109,913	\$12,328,259	\$12,938,775	\$12,938,775	\$13,109,914	\$171,139	1%
<b>Sales Tax</b>	\$16,465,025	\$20,923,685	\$16,433,542	\$16,433,542	\$18,759,861	\$2,326,319	14%
<b>Franchise Tax</b>	\$3,526,041	\$3,940,167	\$3,297,706	\$3,297,706	\$3,591,845	\$294,139	9%
<b>Planning, Building and Engineering Fees</b>	\$4,138,054	\$5,141,867	\$3,914,520	\$3,914,520	\$4,137,954	\$223,434	6%
<b>Recreation</b>	\$2,715,675	\$2,707,169	\$2,365,076	\$2,365,076	\$2,720,481	\$355,405	15%
<b>Licenses</b>	\$335,232	\$448,438	\$500,088	\$500,088	\$412,920	(\$87,168)	-17%
<b>Ice Revenue</b>	\$850,024	\$935,645	\$955,233	\$955,233	\$716,838	(\$238,395)	-25%
<b>Intergovernmental Revenue</b>	\$137,010	\$153,528	\$138,275	\$138,275	\$138,275	\$0	0%
<b>Fees/Other</b>	\$1,475,666	\$1,176,846	\$1,239,454	\$1,239,454	\$1,295,415	\$55,961	5%
<b>Interfund Transfers</b>	\$2,950,291	\$3,430,983	\$3,375,002	\$3,430,983	\$4,011,403	\$580,420	17%
<b>Total</b>	<b>\$45,702,931</b>	<b>\$51,186,587</b>	<b>\$45,157,671</b>	<b>\$45,213,652</b>	<b>\$48,894,906</b>	<b>\$3,681,254</b>	<b>8%</b>

The FY24 sales tax revenue budget is higher than the FY23 sales tax revenue budget. However, it remains below the FY23 actual sales tax revenues, as staff projects a slight softening of the global economy and some additional economic volatility. The city must take strategic advantage of the new sales tax trajectory and deploy resources to meet community demands.

# BUDGET OVERVIEW

<b>2021 Realized Resort Tax</b> \$12.7M, +10.9% vs. FY20 Actual	<b>2022 Realized Resort Tax</b> \$16.8M, +26.7% vs. FY21 Actual	<b>2023 Projected Resort Tax</b> \$16.4M, -2.7% vs. FY22 Actual	<b>2024 Projected Resort Tax</b> \$18.5M, +13% vs. FY23 Adjusted
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## Sales Tax Path

### Tax Projection Detail

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

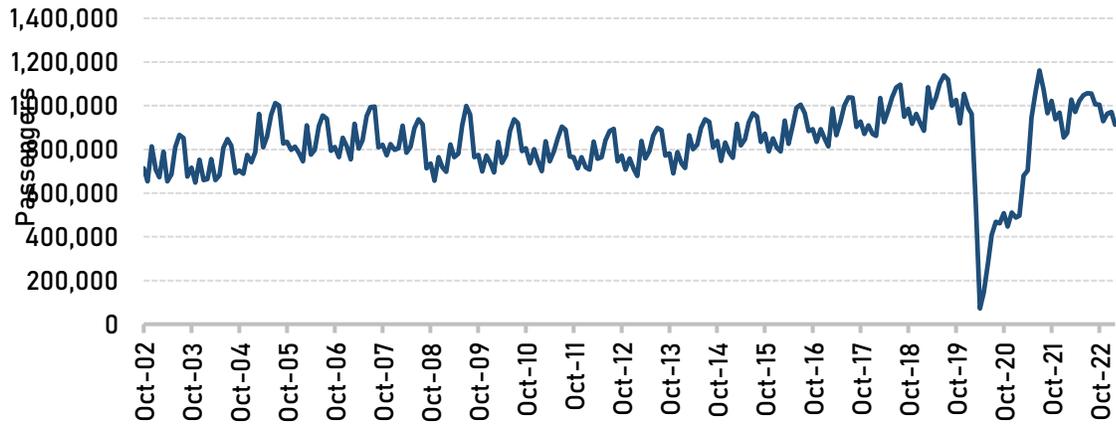
Further details on projection assumptions by individual revenue stream are listed below:

- *Current Revenue Projection Estimates Assume:*
  - **Property Tax:** Property taxes assume a preservation of base revenue of \$12M from FY23. From this base we project incremental new growth of approximately \$1.1M.
  - **Sales Tax:** Based on PCMC’s statistical sales tax model.
  - **Franchise Tax:** Modeled as a log transformed function of time, this model was selected as we assume tapering demand for telecommunications services as new demand and new telecom services may hit saturation points.
  - **Licenses:** Assumes linear trend growth in-line with historical averages.
  - **BP&E Fees:** Assumes linear trend growth in-line with historical averages.
  - **Recreation:** Assumes linear trend growth in-line with historical averages.
  - **Other Revenue:** Assumes linear trend growth in-line with historical averages.
  - **Ice:** Assumes linear trend growth in-line with historical averages.
  - **Interfund Transfers:** Assumes growth of 4% from FY 2021.
  - **Intergovernmental Revenues:** Assumes linear trend growth in-line with historical averages

# BUDGET OVERVIEW



SLC Domestic Arrivals



Tourism is the major industry in Park City, with skiing, lodging facilities, and restaurants contributing significantly to the local economy. Tracking air travel helps inform our sales tax projections.

Acceleration in air passengers saw a robust return to travel through the early spring of 2023. You can see Salt Lake City International Airport domestic arrivals surpassed pre-pandemic highs at the beginning of Park City’s FY22, while winter travel has re-aligned with pre-pandemic trends.

# BUDGET OVERVIEW



		Main Street Visitors				Total Calendar Year
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	
Calendar Year	2017	1,483,161	665,538	993,336	853,676	3,995,711
	2018	1,573,286	640,188	1,030,691	845,928	4,090,093
	2019	1,618,275	663,881	992,946	875,761	4,150,863
	2020	1,273,540	262,389	906,242	846,605	3,288,776
	2021	1,391,936	793,237	1,139,918	981,176	4,306,267
	2022	1,594,725	659,935	926,687	858,567	4,039,914
	2023	1,339,568				

Park City’s Historic Main Street draws thousands of visitors each year to its restaurants, art galleries, local boutiques and popular shops. Measuring Main Street visitation helps identify historical trends and assist in future projections.

These patterns have caused more persistent demand for services on a year-round basis than previously seen in the City’s history. As we show in the chart above, visitors to Main Street continue to remain strong, especially in the City’s first and third fiscal quarters.

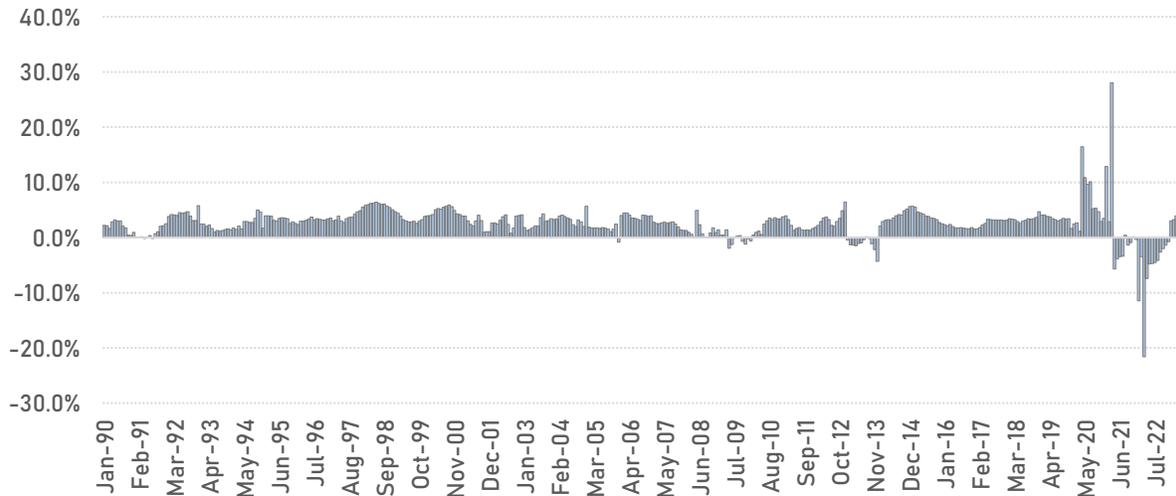
Despite the City’s favorable trends, on the national front, the effects of inflation have eroded the

## BUDGET OVERVIEW

buying power of American workers and Park City, and real growth concerns are beginning to manifest in household earnings and markets. Average U.S. households are increasingly deploying income once used for discretionary purposes into essentials to make ends meet.

However, as the economy closed the first calendar quarter of the year, signs of recovery appeared as real disposable personal income growth turned materially positive for the first time since March 2021.

YoY% Change in Real Disposable Personal Income



## Expenditure Summary

Expenditure Summary - All Funds							
	Actuals	Actuals	Actuals	YTD Actuals	Original Budget	Adjusted Budget	Original Budget
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023	FY 2024
<b>Operations</b>							
Personnel	\$40,019,168	\$36,565,560	\$39,898,811	\$43,615,495	\$50,251,589	\$50,701,589	\$56,263,078
Mat, Suppls, Service	\$20,850,156	\$22,782,224	\$21,832,403	\$21,648,040	\$27,117,977	\$28,588,977	\$31,485,557
Capital Outlay	\$435,427	\$429,591	\$526,103	\$781,460	\$1,189,360	\$1,276,003	\$1,152,832
Contingency	\$362,218	\$172,741	\$24,600	\$0	\$300,000	\$300,000	\$300,000
<b>TOTAL</b>	<b>\$ 61,666,969</b>	<b>\$ 59,950,116</b>	<b>\$ 62,281,917</b>		<b>\$ 78,858,926</b>	<b>\$ 80,866,569</b>	<b>\$ 89,201,467</b>
<b>Capital, Debt, Transfer &amp; Balance</b>							
Capital	\$47,829,798	\$61,354,362	\$51,495,991	\$37,375,455	\$73,086,784	\$231,530,327	\$80,950,734
Debt Service	\$24,538,521	\$19,373,212	\$20,557,556	\$19,236,938	\$22,059,324	\$25,881,667	\$25,857,617
Interfund Transfer	\$24,617,678	\$19,689,126	\$23,094,790	\$17,848,710	\$20,186,317	\$23,504,885	\$21,181,296
Ending Balance	\$130,306,234	\$152,780,088	\$188,244,180	\$0	\$71,477,414	\$84,097,225	\$76,340,418
<b>TOTAL</b>	<b>\$ 227,292,231</b>	<b>\$ 253,196,788</b>	<b>\$ 283,392,517</b>		<b>\$ 186,809,839</b>	<b>\$ 365,014,104</b>	<b>\$ 204,330,065</b>
<b>COMBINED TOTAL</b>	<b>\$ 288,959,200</b>	<b>\$ 313,146,904</b>	<b>\$ 345,674,434</b>	<b>\$ -</b>	<b>\$ 265,668,765</b>	<b>\$ 445,880,673</b>	<b>\$ 293,531,532</b>

### Major Object All Funds

The FY23 Adjusted Budget reflects a 2.6% increase from the FY23 Original Budget (capital excluded). The Adjusted Budget reflects the current fiscal year's budget ending June 30, and accounts for increases and decreases over the Original FY23 Budget. Increases include critical adjustments for enhanced transit services, trail maintenance, and traffic mitigation during the fiscal year.

## BUDGET OVERVIEW

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The FY24 operating budget reflects a 10.3% increase over the FY23 Adjusted Budget, capturing an increase in the aggregate from the City's major operating funds: General, Water, and Transportation. The increase reinforces the City's desire to address the community's most critical needs, inflationary cost increases, and commitment to retaining and recruiting employees. The proposed budget is supported by historic sales tax revenues and an increase in some user fees.

# BUDGET OVERVIEW

## CITY'S MAJOR OPERATING BUDGET ITEMS

### Summary of Major Operating Initiatives (All Funds) and Key Investments in Community Priorities

FY24 Operating Expenses - All Funds Combined	Amount	Summary
<b>Mitigating Resort Economy: Advancing Community Priorities in Transportation, Housing, Planning and Environment</b>	\$ 4,569,031	Housing Director, Planning Office Manager, Engineering Project Manager. Peak Day Traffic management: Additional Transportation positions, microtransit, Richardson Flat route, snow removal equipment. Gordo clean-up, topsoil assistance program.
<b>Resident Quality of Life: Aligning expenses with community growth and expectations</b>	\$ 478,706	Support for drone firework show and Miners Day, enhanced trail, parking lot and street maintenance, community outreach, increased inventory for resale.
<b>Childcare Initiative</b>	\$ 1,000,000	Bridge-funding for FY24 Childcare Initiative
<b>Maintaining Current Programs &amp; Service Levels</b>	\$ 1,161,936	Increases in supplies, professional services and equipment in various departments. Jordanelle Special Service District (water) expenses.
<b>Organization Infrastructure: Hiring, Retaining &amp; Developing a Professional Workforce</b>	\$ 812,865	New staff to support public programming and facility management at the Library. Increase in front-line pay and part-time pay, succession planning, compensation study.
<b>Grand Total All Funds</b>	<b>\$ 8,022,538</b>	

### Mitigating the Resort Economy

Advancing community priorities in Transportation, Housing, Neighborhood Reinvestment, Area Planning, and Open Space



#### Transportation & Traffic

With Transportation and Traffic Mitigation remaining a critical community priority, new resources are requested to continue the micro transit program, the Richardson Flat Park & Ride route, and enhanced frequency on other winter routes. An increase in front-line worker pay range is also included to remain competitive with other local agencies and help with recruiting efforts.

**Transportation Operations and Transportation Planning** - Two Transportation Planners were added to implement the Long-Range Transportation Plan, including Old Town

## BUDGET OVERVIEW

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Transportation Improvements, SR248 corridor enhancements, Regional Park and Ride planning, Box of Rocks / Bonanza Dr and other intersections, and walkability. Four support positions were added to Transit Operations to assist with administrative duties, grants and financial management, business analysis, and community outreach. We also request an upgrade to the business analyst position, elevating to a senior budget analyst to recognize the increased responsibility and better align with similar positions in the organization.

### **Micro transit:**

The micro transit pilot program ended April 16, 2023. After a comprehensive Council review of the micro transit pilot, we included a \$1.5M allocation in the FY24 Final Budget to continue providing alternative transportation options to our residents and visitors.

### **Richardson Flat Budgeted Service:**

- Shoulder and Summer Season: Richardson Flat to Old Town Transit Center from 6:45 am to 7:45 pm at a 40-minute frequency.
- Winter Season: Richardson Flat to Old Town Transit Center from 5:45 am to 11:05 pm at a 20-minute frequency.

**Street Maintenance** - Vehicles and snow removal equipment were added to the Transportation and Streets departments to help maintain signage, barricade placement, and timely clearing of bus stops, sidewalks, and parking areas.

**Housing Department** - A Housing Director position was created to oversee regulations, development, strategic partnerships, and negotiations to increase the community and affordable housing supply in Park City.

**Planning Department** - In FY24, the Planning Department will update the City's General Plan, a comprehensive guide for future growth, development, and preservation. The Planning Department will begin Plan development this summer, with a final draft slated for Spring 2024 and adoption in Fall 2024. While this is an exciting community project, it will consume significant resources both monetarily and in professional staff time. Separately, an additional staff member is requested to help the Planning Department improve its administrative and logistical support. In addition, we will continue our work on Small Area / Neighborhood Plans and Land Management Codes. To ensure we have the necessary skill set to accomplish these major projects, the Planning Department has also requested a reclass of a Planner I position to a Senior Planner.

**Trails Department** - Additional resources for winter grooming and year-round maintenance on the Rail Trail and Round Valley trail system for skiers, hikers, and bikers. This increase is due to the unprecedented growth in outdoor recreation and trail use in the post-COVID era, as well as the addition of services at Clark Ranch, Bonanza Flat, and the Rail Trail.

## **Resident Quality of Life**

Aligning operating expenses with community growth and expectations to continue

## BUDGET OVERVIEW

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improving the residential experience



Over the last few years, usage and expectations increased in Information Technology, Parks, Ice, Recreation, and Trails departments. Investments are necessary to maintain essential services and programs to meet new demand. Examples include increased facility maintenance at the Ice Arena, additional trail maintenance and supplies at trailheads, and increased part-time funds to maintain planters, stairs, streets, and sidewalks. A full-time Front Desk Representative has been added to the MARC to provide a higher level of service to our patrons and reduce the seasonal turnover. Funds are also recommended to support a drone firework show for the 4<sup>th</sup> of July and to continue supporting Miners Day and other long-running community events.

### **Childcare Initiative**

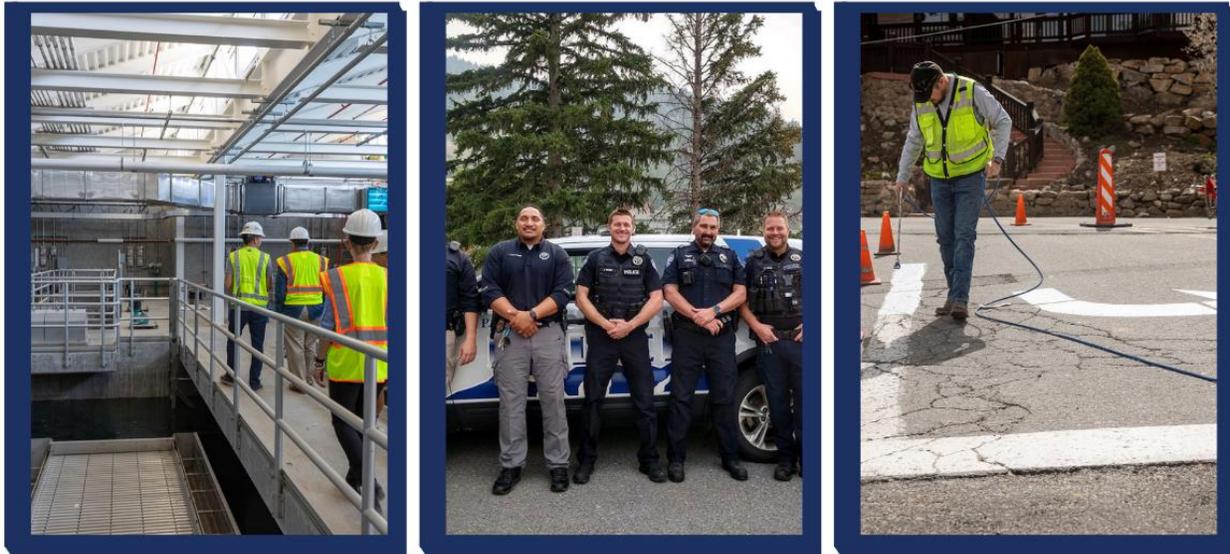
Per Council, one-time funding has been added to the budget to help address a pressing community need proposed by the Early Childhood Alliance. An internal committee has been formed to work with our partners to strategically deploy resources. The suggested funding sources are operating reductions, capital project reductions, and fund balance since this is a one-time expense.

### **Maintaining Current Programs & Service Levels**

As the [Mountain](#) region continues to battle rising inflation, there were many same-level of service requests in the budget process this year. This is what it takes to “keep the lights on,” so to speak, and reflect the increased cost of doing business. Most requests are for utility increases, equipment, contract services, bank charges, supplies, and materials. In some cases, increases are offset by increased revenue from fees that are under consideration for adjustment.

## **Organizational Infrastructure: Retaining, Recruiting, and Developing a Professional Workforce**

## BUDGET OVERVIEW



Investments in our workforce through increased on-call pay for front-line workers, advanced training and development, succession planning, and part-time wage increases are essential. Most of the services any city or town provides are the professionals that plan, implement, and/or work directly with community stakeholders in a customer service or regulatory role. One-time funds have been allocated to independently review our compensation methodologies in FY24. Our last compensation study was completed in FY20.



*Dept. of Workforce Services, June 2023*

Utah job growth remains strong, and the unemployment rate is well below the national average. Aggressive wage growth has contributed to a higher-than-average workforce participation rate, while driving up local competition in compensation and benefits.

The average U.S. City year-over-year change in the [Consumer Price Index](#) (CPI) as of June,

## BUDGET OVERVIEW

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2023 is 3.0, while the Mountain region is 3.7.

[As of March, 2023](#), the typical home price in Utah is 49% above the national average.

Park City strives to remain a competitive employer while facing the unprecedented rise in cost of living and attainable housing challenges for our workforce.

## BUDGET OVERVIEW

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Department	Final Budget Request
Bldg Maint Adm	\$ 9,490
Budget	\$ 168,960
City Attorney	\$ 26,822
Executive Office	\$ 33,762
Childcare Initiative	\$ 1,000,000
Community Engagement	\$ 10,600
Engineering	\$ 417,936
Environmental Regulatory	\$ 58,000
Events	\$ 285,500
Finance	\$ 23,279
Housing	\$ 42,787
Human Resources	\$ 221,400
Ice Facility	\$ 50,636
IT	\$ 117,000
Library	\$ 155,724
Parks & Cemetery	\$ 85,698
PC MARC	\$ 126,935
Planning Dept.	\$ 455,702
Police	\$ 63,077
Recreation	\$ 1,300
Streets/Public Works	\$ 173,532
Sundance Contract	\$ 20,000
Sustainability	\$ 34,000
Tennis	\$ 106,773
Trails	\$ 93,700
Transit Operations	\$ 2,939,712
Transpo Planning	\$ 299,161
Parking	\$ 89,483
Golf	\$ 180,733
Water	\$ 904,995
Fleet	\$ 9,490

### CAPITAL IMPROVEMENT PLAN (CIP) Highlights

The capital project budget is spread throughout various Funds. The General Fund does not contain any capital budget but does contribute to the Capital Improvement Fund through an annual transfer of funds. For the FY23 Adjusted Budget, we recommend an annual CIP transfer of \$6M on the back of increased sales tax strength.

The rest of the capital budget is broken out through different funds: Capital Improvement, Water, Transportation, and RDA. Below is a list of notable new projects included within the proposal:

- **CP0332 Library Technology Equipment Replacement, \$88k** – This will continue to support the technological needs of the library and includes Council approved expansion.
- **CP0577 Police Station Parking Lot, \$210k** – Police Station parking capacity is currently limited to less than 30 spots, such that the facility cannot accommodate parking for the public, community, and neighborhood meetings, and intergovernmental public safety and special event briefings. This request expands a very small portion of the parking area at the police station by 10-12 spots.
- **CP0089 Public Art, \$100k** – This will fund the City’s recurring commitment to the Public Art Advisory Board investments. The City Council has continuously funded public art over many years. The city has more than 100 public artwork investments.
- **CP0339 Fiber Connection to Quinn’s Ice & Water, \$80k** – The fiber connection project plans to continue to maintain fiber lines between Quinn’s Junction and downtown Park City.
- **CP0431 MARC Bubble Repair, \$50k** – The Recreation team recommends updating the antiquated and inefficient lighting system in the PC MARC bubble. The existing lights are 18 years old and frequently result in player complaints and extensive maintenance.
- **CP0361 Land Acquisition / Land Banking Program, \$1M** – This is an ongoing program that will be used to provide affordable housing projects and new developments for middle to low-income households.
- **CP0036 Traffic Calming, \$150K** – This program is intended to improve the safety and walkability of neighborhoods while still protecting them from the effects of heavy traffic.
- **CP0009 Transit Rolling Stock Replacement, \$2.1M** – This program is intended to enhance the need for effective transportation systems in the City. The fund also ensures the City’s current transportation fleet receives regular maintenance, upkeep, and rational replacement of the older fleet is being met.

A complete detailed CIP report is available in Volume II on our [Budget Department](#) website.

The total proposed CIP budget (all funds combined, excluding carry forward) for the FY 2023 Adjusted Budget is \$85.5 million. The proposed FY 2024 CIP budget is \$51.9 million. The General Fund transfer required to fund capital projects in FY2024 will be approximately \$4 million—the majority of which is dedicated to the maintenance of existing infrastructure. Projects in these categories include Equipment Replacement – Rolling Stock, Aquatics Equipment Replacement, Pavement Management, Trails Master Plan Implementation, Traffic Calming, and Asset Management.

## BUDGET OVERVIEW

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### Changes between the FY24 Tentative and Final Budget

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

### Operating Budget

#### General Fund

- **Trails \$60k** – Increase the Mountain Trails Foundation not to exceed the contract amount to adequately reflect the resources needed to maintain winter grooming on the Rail Trail and Round Valley trail system for skiers, hikers, and bikers. This increase is due to the unprecedented growth in outdoor recreation and trails use in the post-COVID era, as well as the addition of services at Clark Ranch, Bonanza Flat, and the Rail Trail.
- **Mental Health Special Service Contract \$37,458** – Rollover FY23 funds at the request of Council Liaisons. Unspent funds dedicated to mental health services were returned to the City in the Spring. Special Service Contract Liaisons are currently working with community partners to determine the best use of these funds, and rolling allows time to plan for additional courses of action.
- **Planning \$52k** – Reclass Planner I position in the budget to a Senior Planner position. As we undertake complex projects in Planning, modifications in staffing are needed to ensure we have the aligned skillset to accomplish our goals.
- **Utilities** – FY24 Utility budgets have been added and are estimated at 3% less than the FY23 budget. This reduction was largely driven by decreased electricity rates for electric bus charging.
- **Childcare \$1M** – Per Council direction on June 15, 2023, one-time funding has been added to the budget to help address a pressing community need proposed by the Early Childhood Alliance. An internal committee has been formed to work with our partners to strategically deploy resources. The suggested funding sources are operating reductions, capital project reductions, and fund balance since this is a one-time expense.

#### Other Funds

- **Transportation \$378k** – High Valley Transit (HVT) recently converted their drivers from independent contractors to Summit County employees. To remain competitive and match our ability to recruit and retain essential front-line City teams, we recommend you consider increasing our maximum ranges for front-line workers to help compete with this latest development.

Position	FY24 Tentative Budget Hourly Wage	Proposed Adjustment
Drivers	\$ 29.58	\$ 32.00
Dispatch	\$ 33.86	\$ 35.86
Supervisors	\$ 38.16	\$ 39.00

While we are not trying to outdo HVT, this latest development warrants a front-line

## BUDGET OVERVIEW

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employee adjustment, as many PCMC essential employees are aware of HVT's adjustment and new array of benefits as a result of their conversion to receive Summit County employees.

- **Self-Insurance/General Liability \$250k** – As part of the annual audit process, the City Attorney's Office evaluates the City's legal exposure. The report is used by the City's financial auditors to evaluate our overall financial risk. The City's self-insured retention, or deductible, for liability is \$250,000 per incident. Based on the CAO's assessment of imminent and pending litigation, we request an additional \$250k for our self-insurance fund.
- **Workers Compensation Fund \$100k** – Estimated increase for FY24 premiums.

### FY24 Capital Budget Changes from Tentative Budget

- **CP0041 Trails Master Plan Implementation \$275k** – Increase the proposed budget to recognize the new Restaurant Tax Grant the Trails & Open Space Department was awarded by Summit County. Importantly, the grant will provide funding to purchase a new winter groomer and construct the proposed Meadows Drive trailhead. This allocation will complement the above operational request and help meet the increased surge in demand for trail maintenance in Park City.
- **CP0332 Library Technology Equipment Replacement \$60k** – Decreased and moved the same amount of \$60k to CP0019 Library Development and Donations to appropriately allocate for restroom facilities project. This adjustment is budget neutral.
- **CP0019 Library Development and Donations \$60k** – Increase to receive funds from CP0332, as mentioned above. This adjustment is budget neutral.
- **CP0264 Security Projects \$24k** – Increase to Lower Park RDA budget to accommodate general expenses for building security, alarms, maintenance, etc., for Lower Park Avenue RDA in City buildings.
- **CP0593 Transit Snowplow Equipment -\$98K** – Reduced budget to zero as it is already included in the operations budget.
- **CP0590 Transportation Field Vehicle -\$60K** – Reduced budget to zero as it is already included in the operations budget.
- **CP0378 Legal Software for Electronic Documents \$35k** – An upgrade to legal system software has been planned for multiple years. However, over time the software provider has migrated to a subscription model, and a small increase is necessary to fund the use of software under the new recurring model.
- **Recreational General Obligation (GO) Bond \$30M** – As part of the FY24 final budget, City Council adopted a strategy for a potential Recreational GO Bond that would include the expansion or development of recreation projects at the PC Sports Complex (PCSC) and at the PC MARC. The GO Bond will be on ballot in November for Park City voters. Due to the City's current debt structure, the proposed new GO Bond would have minimal additional tax burden on the City's primary and non-primary residents, as shown in the table below.

## BUDGET OVERVIEW

Amount	Project	Type
\$15M	City Park Building	Fund
\$6M	Aquatics	Fund
\$8M	MARC Expansion	GO
\$9M	PCSC (Pickleball, Nordic)	GO
\$7M	PCSC (Outdoor Ice)	GO
GO Total		\$30M

PC Single Family Median		
Annual	Primary	\$207
	Non-Primary	\$361
Monthly	Primary	\$17
	Non-Primary	\$30

### Interfund Transfer (IFT) & Debt Adjustments

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

- Align Self Insurance/Risk Account with actual expenses - \$42,909 for insurance premium cost increases
- Increase of \$188k for the Administrative Interfund Transfer (Admin IFT) from other funds at the City into the General Fund based on calculated cost estimates; and
- Increase of \$164k to the fuel and maintenance IFT in Transportation to align with current costs.

### Grants

- Environmental Sustainability EPA grant for reusable to-go container - \$11,750 (received in FY22, rollover remaining funds for FY23)
- Recreation RAP Grant for Prospector Park playground enhancements - \$136,096 (received in FY22, rollover remaining funds for FY23)
- Recreation RAP Grant for Turf Replacement - \$715,000
- Lifeguard Shack - \$1,000
- Trails RAP Grant for Master Plan Rail Trail - \$500,000
- Trails RAP Grant for Master Plan Clark Ranch - \$20,911
- JAG Grant for Police body cams - \$4,976 (received in FY22, rolling over funds for FY23 due to supply issues)

### FUTURE ISSUES

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

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

## BUDGET OVERVIEW

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

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

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

## BUDGET CALENDAR

### **April 4, 2023**

#### **Work Session**

Operating Budget Overview  
[Public Input on the Tentative Budget](#)

### **April 27, 2023**

#### **Work Session**

Capital Projects Budget Review  
Proposed Fee Schedule changes  
[Public Input on the Tentative Budget](#)

### **May 11, 2023**

#### **Work Session**

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

#### **Regular Meeting**

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

### **June 1, 2023**

#### **Regular Meeting**

Elected and Statutory Officer  
Compensation  
GO Bond discussion  
Review miscellaneous budget items  
[Public Hearing on Council  
Compensation](#)

### **June 16, 2023**

#### **Work Session**

Miscellaneous Budget Items  
City Fee Resolution Recommendations  
Budget Policies  
Outstanding Budget Issues  
City Council Compensation  
[Public Input on the Tentative Budget](#)

### **June 22, 2023**

#### **Regular Meeting**

[Public Hearing on the City Fee  
Schedule](#)  
Adoption of the City Fee Schedule by  
Resolution  
[Public Hearing on Council  
Compensation](#)  
Adoption of Council Compensation  
Resolution

#### **Regular Meeting**

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

#### **Redevelopment Agency Meeting**

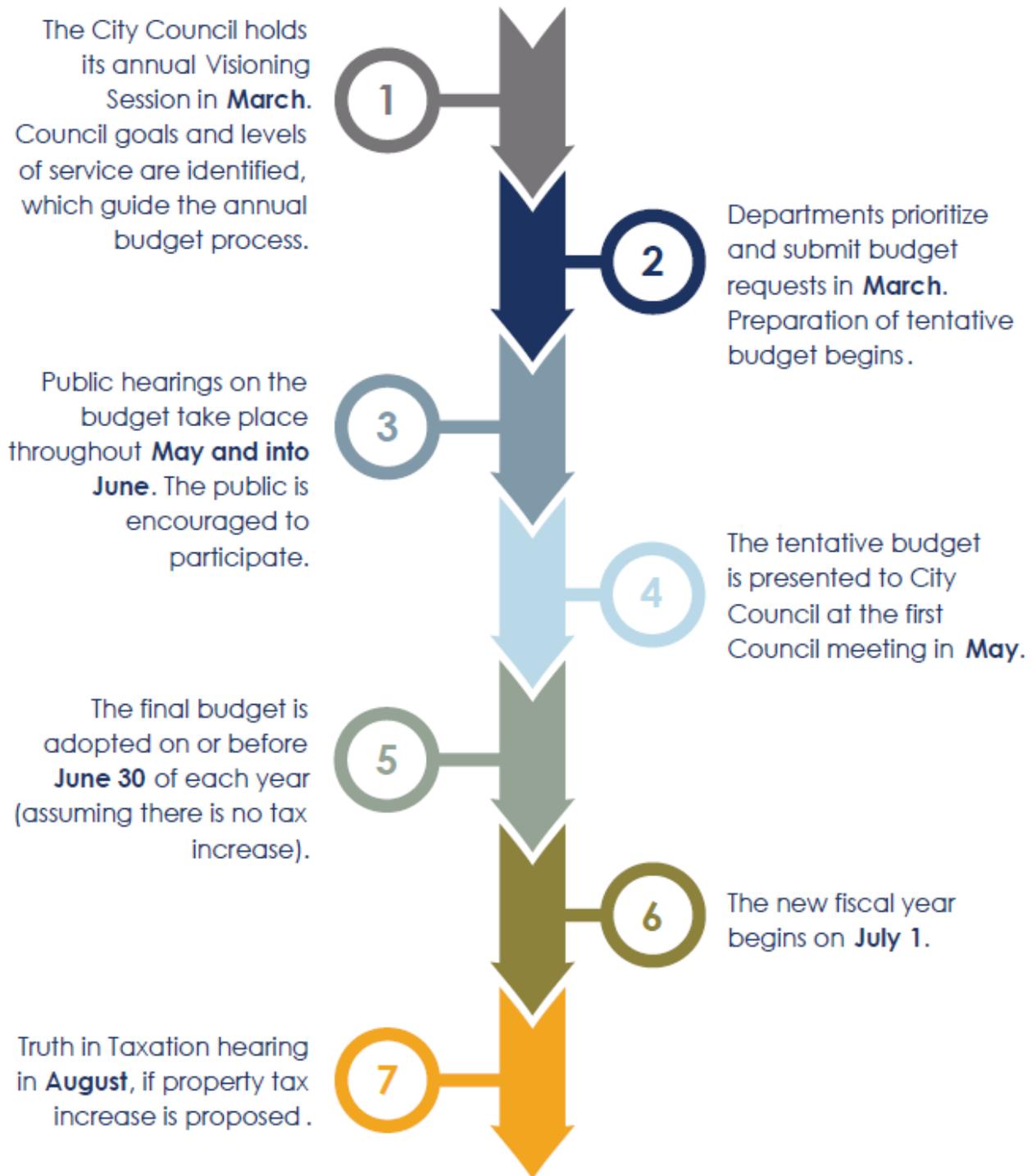
[Public Hearing on the RDA Budgets](#)  
Adoption of the RDA Budgets by  
Resolution

#### **Municipal Building Authority Meeting**

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

\* Schedules and topics subject to change

## BUDGET PROCESS TIMELINE



# BUDGET OVERVIEW

## BUDGET SUMMARIES

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

Description	Personnel FY 2023	Mat, Supplies, Services FY 2023	Capital FY 2023	Debt Service FY 2023	Contingency FY 2023	Sub - Total FY 2023	Interfund Transfer FY 2023	Ending Balance FY 2023	Total FY 2023
<b>Park City Municipal Corporation</b>									
011 GENERAL FUND	\$31,177,035	\$12,894,077	\$755,140	\$0	\$300,000	\$45,126,252	\$5,837,880	\$13,969,780	\$64,933,913
012 QUINNS RECREATION COMPLEX	\$1,107,784	\$406,029	\$1,000	\$0	\$0	\$1,514,813	\$0	\$-6,650,485	\$-5,135,672
021 POLICE SPECIAL REVENUE FUND	\$0	\$0	\$35,773	\$0	\$0	\$35,773	\$0	\$0	\$35,773
022 DRUG CONFISCATIONS	\$0	\$0	\$22,419	\$0	\$0	\$22,419	\$0	\$749	\$23,168
031 CAPITAL IMPROVEMENT FUND	\$0	\$0	\$88,508,614	\$0	\$0	\$88,508,614	\$4,177,076	\$19,387,012	\$112,072,702
038 EQUIPMENT REPLACEMENT CIP	\$0	\$0	\$3,917,222	\$0	\$0	\$3,917,222	\$0	\$88,333	\$4,005,555
051 WATER FUND	\$4,487,041	\$5,231,887	\$87,243,081	\$9,405,688	\$0	\$106,367,696	\$2,090,991	\$12,342,961	\$120,801,649
052 STORM WATER FUND	\$714,043	\$310,376	\$1,216,675	\$0	\$0	\$2,241,094	\$164,627	\$2,046,582	\$4,452,303
055 GOLF COURSE FUND	\$1,013,633	\$652,909	\$476,950	\$0	\$0	\$2,143,492	\$171,352	\$1,069,780	\$3,384,624
057 TRANSPORTATION & PARKING FUND	\$9,903,294	\$2,898,074	\$47,046,445	\$0	\$0	\$59,847,813	\$3,756,743	\$5,197,705	\$68,802,261
058 PARKING FUND	\$1,144,087	\$752,500	\$336,760	\$0	\$0	\$2,233,347	\$67,981	\$1,174,551	\$3,475,879
062 FLEET SERVICES FUND	\$1,154,672	\$1,893,050	\$6,205	\$0	\$0	\$3,053,927	\$0	\$2,200,277	\$5,254,204
064 SELF INSURANCE FUND	\$0	\$2,412,452	\$0	\$0	\$0	\$2,412,452	\$0	\$1,028,719	\$3,441,171
070 SALES TAX REV BOND - DEBT SVS FUND	\$0	\$0	\$0	\$6,979,291	\$0	\$6,979,291	\$953,987	\$25,439,789	\$33,373,067
071 DEBT SERVICE FUND	\$0	\$0	\$0	\$9,496,688	\$0	\$9,496,688	\$0	\$1,645,801	\$11,142,489
<b>Total Park City Municipal Corporation</b>	<b>\$50,701,589</b>	<b>\$27,451,354</b>	<b>\$229,566,283</b>	<b>\$25,881,667</b>	<b>\$300,000</b>	<b>\$333,900,893</b>	<b>\$17,220,638</b>	<b>\$78,941,554</b>	<b>\$430,063,086</b>
<b>Park City Redevelopment Agency</b>									
023 LOWER PARK AVE RDA SPECIAL REVENUE FUND	\$0	\$682,623	\$0	\$0	\$0	\$682,623	\$3,092,532	\$1,739,038	\$5,514,193
024 MAIN STREET RDA SPECIAL REVENUE FUND	\$0	\$455,000	\$0	\$0	\$0	\$455,000	\$400,000	\$626,395	\$1,481,395
033 REDEVELOPMENT AGENCY-LOWER PRK	\$0	\$0	\$2,815,075	\$0	\$0	\$2,815,076	\$2,791,715	\$767,289	\$6,374,080
034 REDEVELOPMENT AGENCY-MAIN ST	\$0	\$0	\$424,971	\$0	\$0	\$424,971	\$0	\$1,569,533	\$1,994,504
<b>Total Park City Redevelopment Agency</b>	<b>\$0</b>	<b>\$1,137,623</b>	<b>\$3,240,047</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,377,670</b>	<b>\$6,284,247</b>	<b>\$4,702,255</b>	<b>\$15,364,172</b>
<b>Municipal Building Authority</b>									
035 BUILDING AUTHORITY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$453,416	\$453,416
<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>\$453,416</b>	<b>\$453,416</b>
<b>Park City Housing Authority</b>									
<b>Total Park City Housing Authority</b>									
<b>TOTAL</b>	<b>\$50,701,589</b>	<b>\$28,588,977</b>	<b>\$232,806,330</b>	<b>\$25,881,667</b>	<b>\$300,000</b>	<b>\$338,278,563</b>	<b>\$23,504,885</b>	<b>\$84,097,225</b>	<b>\$445,880,673</b>

# BUDGET OVERVIEW

## Expenditure Summary by Fund and Major Object (FY 2024 Original Budget)

Description	Personnel FY 2024	Mat, Supplies, Services FY 2024	Capital FY 2024	Debt Service FY 2024	Contingency FY 2024	Sub - Total FY 2024	Interfund Transfer FY 2024	Ending Balance FY 2024	Total FY 2024
<b>Park City Municipal Corporation</b>									
011 GENERAL FUND	\$33,994,582	\$14,410,987	\$785,322	\$0	\$300,000	\$49,490,891	\$4,184,157	\$8,466,782	\$62,141,830
012 QUINNS RECREATION COMPLEX	\$1,244,390	\$416,387	\$1,000	\$0	\$0	\$1,661,777	\$0	\$-7,589,406	\$-5,927,629
021 POLICE SPECIAL REVENUE FUND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
022 DRUG CONFISCATIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$749	\$749
031 CAPITAL IMPROVEMENT FUND	\$0	\$0	\$48,675,370	\$0	\$0	\$48,675,370	\$4,174,476	\$14,475,792	\$67,325,638
038 EQUIPMENT REPLACEMENT CIP	\$0	\$0	\$1,964,600	\$0	\$0	\$1,964,600	\$0	\$9,333	\$1,973,933
051 WATER FUND	\$4,934,076	\$6,134,695	\$10,177,805	\$9,403,863	\$0	\$30,650,440	\$2,588,649	\$15,208,046	\$48,447,135
052 STORM WATER FUND	\$662,651	\$297,652	\$1,261,500	\$0	\$0	\$2,221,803	\$173,903	\$1,650,876	\$4,046,582
055 GOLF COURSE FUND	\$1,110,825	\$687,145	\$282,928	\$0	\$0	\$2,080,898	\$179,945	\$280,208	\$2,541,051
057 TRANSPORTATION & PARKING FUND	\$11,741,329	\$3,655,202	\$17,973,836	\$0	\$0	\$33,370,367	\$3,872,831	\$6,648,108	\$43,891,306
058 PARKING FUND	\$1,272,238	\$752,500	\$380,000	\$0	\$0	\$2,404,738	\$123,963	\$1,640,930	\$4,169,631
062 FLEET SERVICES FUND	\$1,302,988	\$1,845,050	\$6,205	\$0	\$0	\$3,154,243	\$0	\$2,400,034	\$5,554,277
064 SELF INSURANCE FUND	\$0	\$2,173,829	\$0	\$0	\$0	\$2,173,829	\$0	\$1,152,335	\$3,326,164
070 SALES TAX REV BOND - DEBT SVS FUND	\$0	\$0	\$0	\$6,975,316	\$0	\$6,975,316	\$0	\$25,429,789	\$32,405,105
071 DEBT SERVICE FUND	\$0	\$0	\$0	\$9,478,438	\$0	\$9,478,438	\$0	\$1,645,801	\$11,124,239
<b>Total Park City Municipal Corporation</b>	<b>\$56,263,078</b>	<b>\$30,373,448</b>	<b>\$81,508,566</b>	<b>\$25,857,617</b>	<b>\$300,000</b>	<b>\$194,302,709</b>	<b>\$15,297,924</b>	<b>\$71,419,377</b>	<b>\$281,020,010</b>
<b>Park City Redevelopment Agency</b>									
023 LOWER PARK AVE RDA SPECIAL REVENUE FUND	\$0	\$657,109	\$0	\$0	\$0	\$657,109	\$3,092,532	\$2,241,397	\$5,991,038
024 MAIN STREET RDA SPECIAL REVENUE FUND	\$0	\$455,000	\$0	\$0	\$0	\$455,000	\$0	\$182,714	\$637,714
033 REDEVELOPMENT AGENCY-LOWER PRK	\$0	\$0	\$445,000	\$0	\$0	\$445,000	\$2,790,840	\$623,981	\$3,859,821
034 REDEVELOPMENT AGENCY-MAIN ST	\$0	\$0	\$150,000	\$0	\$0	\$150,000	\$0	\$1,419,533	\$1,569,533
<b>Total Park City Redevelopment Agency</b>	<b>\$0</b>	<b>\$1,112,109</b>	<b>\$595,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,707,109</b>	<b>\$5,883,372</b>	<b>\$4,467,625</b>	<b>\$12,058,106</b>
<b>Municipal Building Authority</b>									
035 BUILDING AUTHORITY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$453,416	\$453,416
<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>\$453,416</b>	<b>\$453,416</b>
<b>Park City Housing Authority</b>									
<b>Total Park City Housing Authority</b>									
<b>TOTAL</b>	<b>\$56,263,078</b>	<b>\$31,485,557</b>	<b>\$82,103,566</b>	<b>\$25,857,617</b>	<b>\$300,000</b>	<b>\$196,009,818</b>	<b>\$21,181,296</b>	<b>\$76,340,418</b>	<b>\$293,531,532</b>

# BUDGET OVERVIEW

## Change in Fund Balance

Fund	Actuals FY 2021	Actuals FY 2022	Budget FY 2023	Adjusted FY 2023	\$ Change Ori FY23 v Adj FY23	% Change Ori FY23 v Adj FY23	Budget FY 2024	\$ Change Adj FY23 v Ori FY24	% Change Adj FY23 v Ori FY24
<b>Park City Municipal Corporation</b>									
011 GENERAL FUND	\$19,222,320	\$20,682,028	\$13,408,275	\$15,969,780	\$2,561,505	19%	\$11,366,782	(\$4,602,998)	-29%
012 QUINNS RECREATION COMPLEX	\$-5,621,751	\$-6,097,439	\$-6,673,040	\$-6,650,485	\$22,555	0%	\$-7,589,406	(\$938,921)	14%
021 POLICE SPECIAL REVENUE FUND	\$35,773	\$35,773	\$0	\$0	\$0	0%	\$0	\$0	0%
022 DRUG CONFISCATIONS	\$23,168	\$23,168	\$0	\$749	\$749	0%	\$749	\$0	0%
031 CAPITAL IMPROVEMENT FUND	\$66,506,424	\$82,329,107	\$10,659,751	\$16,433,025	\$5,773,274	54%	\$13,777,415	(\$2,655,610)	-16%
038 EQUIPMENT REPLACEMENT CIP	\$2,666,494	\$2,419,955	\$64,688	\$88,333	\$23,645	37%	\$9,333	(\$79,000)	-89%
051 WATER FUND	\$11,227,874	\$10,921,375	\$11,067,345	\$12,342,961	\$1,275,616	12%	\$15,208,046	\$2,865,085	23%
052 STORM WATER FUND	\$1,895,343	\$2,452,303	\$1,485,255	\$2,046,582	\$561,327	38%	\$1,650,876	(\$395,706)	-19%
055 GOLF COURSE FUND	\$1,532,345	\$1,955,476	\$222,320	\$1,069,780	\$847,460	381%	\$280,208	(\$789,572)	-74%
057 TRANSPORTATION & PARKING FUND	\$18,471,244	\$33,350,724	\$2,801,158	\$5,197,705	\$2,396,547	86%	\$6,648,108	\$1,450,403	28%
058 PARKING FUND	\$13,900	\$872,515	\$1,278,247	\$1,174,551	(\$103,696)	-8%	\$1,640,930	\$466,379	40%
062 FLEET SERVICES FUND	\$1,376,759	\$1,900,204	\$934,955	\$2,200,277	\$1,265,322	135%	\$2,400,034	\$199,757	9%
064 SELF INSURANCE FUND	\$972,015	\$1,297,178	\$1,831,678	\$1,028,719	(\$802,959)	-44%	\$1,152,335	\$123,616	12%
070 SALES TAX REV BOND - DEBT SVS FUND	\$26,283,977	\$26,404,276	\$26,270,552	\$26,334,976	\$64,424	0%	\$26,324,976	(\$10,000)	0%
071 DEBT SERVICE FUND	\$1,635,448	\$1,645,801	\$1,714,180	\$1,645,801	(\$68,379)	-4%	\$1,645,801	\$0	0%
<b>Total Park City Municipal Corporation</b>	<b>\$146,241,333</b>	<b>\$180,192,444</b>	<b>\$65,065,364</b>	<b>\$78,882,754</b>	<b>\$13,817,390</b>	<b>21%</b>	<b>\$74,516,187</b>	<b>(\$4,366,567)</b>	<b>-6%</b>
<b>Park City Redevelopment Agency</b>									
023 LOWER PARK AVE RDA SPECIAL REVENUE FUND	\$1,061,151	\$1,262,193	\$2,015,164	\$1,739,038	(\$276,126)	-14%	\$2,241,397	\$502,359	29%
024 MAIN STREET RDA SPECIAL REVENUE FUND	\$1,130,151	\$1,460,076	\$1,372,789	\$626,395	(\$746,394)	-54%	\$182,714	(\$443,681)	-71%
033 REDEVELOPMENT AGENCY-LOWER PRK	\$3,004,807	\$3,281,547	\$709,422	\$767,289	\$57,867	8%	\$623,981	(\$143,308)	-19%
034 REDEVELOPMENT AGENCY-MAIN ST	\$891,332	\$1,594,504	\$1,863,361	\$1,569,533	(\$293,828)	-16%	\$1,419,533	(\$150,000)	-10%
<b>Total Park City Redevelopment Agency</b>	<b>\$6,087,441</b>	<b>\$7,598,320</b>	<b>\$5,960,736</b>	<b>\$4,702,255</b>	<b>(\$1,258,481)</b>	<b>-21%</b>	<b>\$4,467,625</b>	<b>(\$234,630)</b>	<b>-5%</b>
<b>Municipal Building Authority</b>									
035 BUILDING AUTHORITY	\$451,314	\$453,416	\$451,314	\$453,416	\$2,102	0%	\$453,416	\$0	0%
<b>Total Municipal Building Authority</b>	<b>\$451,314</b>	<b>\$453,416</b>	<b>\$451,314</b>	<b>\$453,416</b>	<b>\$2,102</b>	<b>0%</b>	<b>\$453,416</b>	<b>\$0</b>	<b>0%</b>

# BUDGET OVERVIEW

## All Funds Combined

Revenue	Actual FY 2021	Actual FY 2022	YTD Actual FY 2023	Original FY 2023	Adjusted FY 2023	Original FY 2024	\$ Var FY23 Adj v. FY24 Ori
<b>RESOURCES</b>							
Property Taxes	\$28,380,276	\$27,864,213	\$26,105,579	\$27,976,782	\$26,708,782	\$26,851,671	\$142,889
Sales Tax	\$33,614,011	\$49,056,806	\$44,119,194	\$41,341,803	\$41,341,803	\$50,514,710	\$9,172,907
Franchise Tax	\$3,253,431	\$3,526,041	\$3,714,002	\$3,297,706	\$3,297,706	\$3,591,845	\$294,139
Licenses	\$1,213,639	\$1,251,664	\$1,408,307	\$1,481,984	\$1,481,984	\$1,394,816	(\$87,168)
Planning Building & Engineering Fees	\$5,005,364	\$5,683,951	\$6,258,615	\$5,553,671	\$5,553,671	\$5,307,649	(\$246,022)
Special Event Fees	\$8,081	\$216,481	\$204,099	\$101,319	\$101,319	\$322,924	\$221,605
Federal Revenue	\$11,071,350	\$5,819,607	\$6,797,035	\$22,261,621	\$22,261,621	\$21,791,659	(\$469,962)
State Revenue	\$527,368	\$786,591	\$487,546	\$443,115	\$443,115	\$130,257	(\$312,858)
County/SP District Revenue	\$1,171,385	\$2,034,782	\$382,160	\$484,943	\$484,943	\$71,827	(\$413,116)
Water Charges for Services	\$22,597,344	\$21,922,162	\$20,227,303	\$22,392,268	\$22,392,268	\$24,487,920	\$2,095,652
Transit Charges for Services	\$2,455,909	\$4,066,593	\$23,890	\$83,243	\$83,243	\$85,740	\$2,497
Cemetery Charges for Services	\$19,787	\$27,621	\$23,970	\$70,098	\$70,098	\$228,269	\$158,171
Recreation	\$4,241,522	\$4,638,424	\$4,048,684	\$3,730,265	\$3,730,265	\$4,126,624	\$396,359
Ice	\$634,725	\$850,024	\$867,136	\$955,233	\$955,233	\$716,838	(\$238,395)
Other Service Revenue	\$54,964	\$57,542	\$69,050	\$56,768	\$56,768	\$56,768	\$0
Library Fees	\$13,483	\$16,811	\$13,070	\$13,691	\$13,691		(\$13,691)
Fines & Forfeitures	\$1,075,883	\$2,158,774	\$2,908,747	\$2,603,364	\$2,603,364	\$2,995,080	\$391,716
Misc. Revenues	\$3,620,970	\$1,106,110	\$3,999,312	\$2,025,086	\$2,085,720	\$5,340,240	\$3,254,520
Interfund Transactions (Admin)	\$6,495,085	\$7,284,491	\$6,507,787	\$7,814,395	\$8,478,976	\$9,212,848	\$733,872
Interfund Transactions (CIP/Debt)	\$13,194,041	\$15,815,649	\$11,340,923	\$12,371,923	\$15,025,910	\$11,968,448	(\$3,057,462)
Special Revenues & Resources	\$8,106,934	\$2,014,065	\$1,344,084	\$1,476,517	\$1,476,517	\$216,418	(\$1,260,099)
Bond Proceeds				\$40,589,496	\$98,989,496	\$42,477,367	(\$56,512,129)
Beginning Balance	\$130,306,234	\$152,780,088		\$68,543,474	\$188,244,180	\$81,641,615	(\$106,602,565)
<b>TOTAL</b>	<b>\$277,061,784</b>	<b>\$308,978,490</b>	<b>\$140,850,492</b>	<b>\$265,668,765</b>	<b>\$445,880,673</b>	<b>\$293,531,533</b>	

# BUDGET OVERVIEW

## Resources and Requirements

Resources & Requirements - All Funds Combined									
Description	2022 Actuals	2023 Actuals	2023 Original Budget	2023 Adjusted Budget	Change - 23 Orig to 23 Adj \$ Increase (Reduction)	%	2024 Budget	Change - 23 Adj to 24 \$ Increase	%
<b>RESOURCES (Revenues)</b>					<b>RESOURCES (Revenues)</b>				
Sales Tax	\$ 40,505,253	\$ 44,119,194	\$ 41,341,803	\$ 41,341,803	\$ -	0%	\$ 50,514,710	\$ 9,172,907	22%
Planning Building & Engineering Fees	\$ 5,233,412	\$ 6,469,426	\$ 5,553,671	\$ 5,553,671	\$ -	0%	\$ 5,307,649	\$ (246,022)	-4%
Charges for Services	\$ 24,289,709	\$ 20,283,841	\$ 22,545,609	\$ 22,545,609	\$ -	0%	\$ 24,801,929	\$ 2,256,320	10%
Intergovernmental Revenue	\$ 8,330,064	\$ 7,666,742	\$ 23,189,679	\$ 23,189,679	\$ -	0%	\$ 21,993,743	\$ (1,195,936)	-5%
Franchise Tax	\$ 2,973,733	\$ 3,714,002	\$ 3,297,706	\$ 3,297,706	\$ -	0%	\$ 3,591,845	\$ 294,139	9%
Property Taxes	\$ 27,483,339	\$ 26,105,579	\$ 27,976,782	\$ 26,708,782	\$ (1,268,000)	-5%	\$ 26,851,671	\$ 142,889	1%
General Government	\$ 777,081	\$ 864,096	\$ 955,233	\$ 955,233	\$ -	0%	\$ 716,838	\$ (238,395)	-25%
Other Revenues	\$ 10,316,884	\$ 14,159,395	\$ 11,475,303	\$ 11,549,628	\$ 74,325	1%	\$ 14,452,870	\$ 2,903,242	25%
<b>TOTAL</b>	<b>\$ 119,909,475</b>	<b>\$ 123,382,275</b>	<b>\$ 136,335,786</b>	<b>\$ 135,142,111</b>	<b>\$ (1,193,675)</b>	<b>-1%</b>	<b>\$ 148,231,255</b>	<b>\$ 13,089,144</b>	<b>10%</b>
<b>REQUIREMENTS (Expenditures By Function)</b>					<b>REQUIREMENTS (Expenditures By Function)</b>				
Executive	\$ 20,434,743	\$ 22,624,776	\$ 25,226,392	\$ 27,647,562	\$ 2,421,170	10%	\$ 31,591,920	\$ 3,944,358	14%
Police	\$ 7,102,148	\$ 8,550,435	\$ 8,335,988	\$ 8,732,631	\$ 396,643	5%	\$ 8,976,724	\$ 244,093	3%
Public Works	\$ 32,205,396	\$ 39,072,973	\$ 36,437,928	\$ 44,345,870	\$ 7,907,942	22%	\$ 49,438,139	\$ 5,092,269	11%
Library & Recreation	\$ 6,767,174	\$ 7,273,709	\$ 7,491,860	\$ 7,455,335	\$ (36,525)	0%	\$ 8,420,204	\$ 964,869	13%
Non-Departmental	\$ 1,421,835	\$ 1,920,849	\$ 195,172	\$ 2,342,784	\$ 2,147,612	1100%	\$ 317,602	\$ (2,025,182)	-86%
Special Service Contracts	\$ 540,900	\$ 518,400	\$ 733,500	\$ 733,500	\$ -	0%	\$ 1,733,500	\$ 1,000,000	136%
Contingency	\$ 32,425	\$ 36,300	\$ 400,000	\$ 400,000	\$ -	0%	\$ 400,000	\$ -	0%
Capital Outlay	\$ 92,907	\$ 98,894	\$ 38,085	\$ 38,085	\$ -	0%	\$ 26,300	\$ (11,785)	-31%
<b>TOTAL</b>	<b>\$ 68,597,528</b>	<b>\$ 80,096,336</b>	<b>\$ 78,858,925</b>	<b>\$ 91,695,767</b>	<b>\$ 12,836,842</b>	<b>16%</b>	<b>\$ 100,904,389</b>	<b>\$ 9,208,622</b>	<b>10%</b>
<b>REQUIREMENTS (Expenditures by Type)</b>					<b>REQUIREMENTS (Expenditures by Type)</b>				
Personnel	\$ 40,387,011	\$ 48,751,527	\$ 50,251,589	\$ 50,701,589	\$ 450,000	1%	\$ 56,263,078	\$ 5,561,489	11%
Materials, Supplies & Services	\$ 19,012,455	\$ 21,650,635	\$ 27,117,977	\$ 28,588,977	\$ 1,471,000	5%	\$ 31,485,557	\$ 2,896,580	10%
Contingency	\$ 24,600	\$ -	\$ 300,000	\$ 300,000	\$ -	0%	\$ 300,000	\$ -	0%
Capital Outlay	\$ 429,279	\$ 783,732	\$ 1,189,360	\$ 1,276,003	\$ 86,643	7%	\$ 1,189,360	\$ (86,643)	-7%
<b>TOTAL</b>	<b>\$ 59,853,345</b>	<b>\$ 71,185,894</b>	<b>\$ 78,858,926</b>	<b>\$ 80,866,569</b>	<b>\$ 2,007,643</b>	<b>3%</b>	<b>\$ 89,237,995</b>	<b>\$ 8,371,426</b>	<b>10%</b>
<b>EXCESS (Deficiency) OF RESOURCES OVER REQUIREMENTS</b>	<b>\$ 60,056,130</b>	<b>\$ 52,196,381</b>	<b>\$ 57,476,860</b>	<b>\$ 54,275,542</b>	<b>\$ (3,201,318)</b>	<b>-6%</b>	<b>\$ 58,993,260</b>	<b>\$ 4,717,718</b>	<b>9%</b>
<b>OTHER FINANCING SOURCES (Uses)</b>					<b>OTHER FINANCING SOURCES (Uses)</b>				
Bond Proceeds	\$ -	\$ -	\$ 40,589,496	\$ 98,989,496	\$ 58,400,000	144%	\$ (42,477,367)	\$ (141,466,863)	-143%
Debt Service	\$ (556,893)	\$ (19,236,938)	\$ (22,059,325)	\$ (25,881,667)	\$ (3,822,342)	17%	\$ 25,857,617	\$ 51,739,284	-200%
Interfund Transfers In	\$ 18,532,800	\$ 17,848,710	\$ 20,186,317	\$ 23,504,885	\$ 3,318,568	16%	\$ 21,181,296	\$ (2,323,589)	-10%
Interfund Transfers Out	\$ (18,532,800)	\$ (17,848,710)	\$ (20,186,317)	\$ (23,504,885)	\$ (3,318,568)	16%	\$ (21,181,296)	\$ (2,323,589)	-10%
Capital Improvement Projects	\$ (41,625,822)	\$ (38,113,361)	\$ (73,086,784)	\$ (73,086,784)	\$ -	0%	\$ (82,103,566)	\$ (9,016,782)	12%
<b>TOTAL</b>	<b>\$ (42,182,715)</b>	<b>\$ (57,350,299)</b>	<b>\$ (54,556,613)</b>	<b>\$ 21,045</b>	<b>\$ 54,577,658</b>	<b>-100%</b>	<b>\$ (98,723,316)</b>	<b>\$ (98,744,361)</b>	<b>-469206%</b>
<b>EXCESS (Deficiency) OF RESOURCES OVER REQUIREMENTS AND OTHER SOURCES (Uses)</b>	<b>\$ 17,873,415</b>	<b>\$ (5,153,918)</b>	<b>\$ 112,033,473</b>	<b>\$ 54,296,587</b>	<b>\$ (57,736,886)</b>	<b>-52%</b>	<b>\$ 157,716,576</b>	<b>\$ 103,419,989</b>	<b>190%</b>
<b>Beginning Balance</b>	<b>\$ 152,780,088</b>	<b>\$ 188,244,180</b>	<b>\$ 68,543,474</b>	<b>\$ 188,244,180</b>	<b>\$ 119,700,706</b>	<b>175%</b>	<b>\$ 81,641,615</b>	<b>\$ (106,602,565)</b>	<b>-57%</b>
<b>Ending Balance</b>	<b>\$ 188,244,180</b>		<b>\$ 71,477,414</b>	<b>\$ 84,097,225</b>	<b>\$ 12,619,811</b>	<b>18%</b>	<b>\$ 76,340,418</b>	<b>\$ (7,756,807)</b>	<b>-9%</b>

# REVENUES

## CITY REVENUES

Property and sales taxes are the most significant sources of City revenue, representing an anticipated 50% share in FY24 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 FY24.

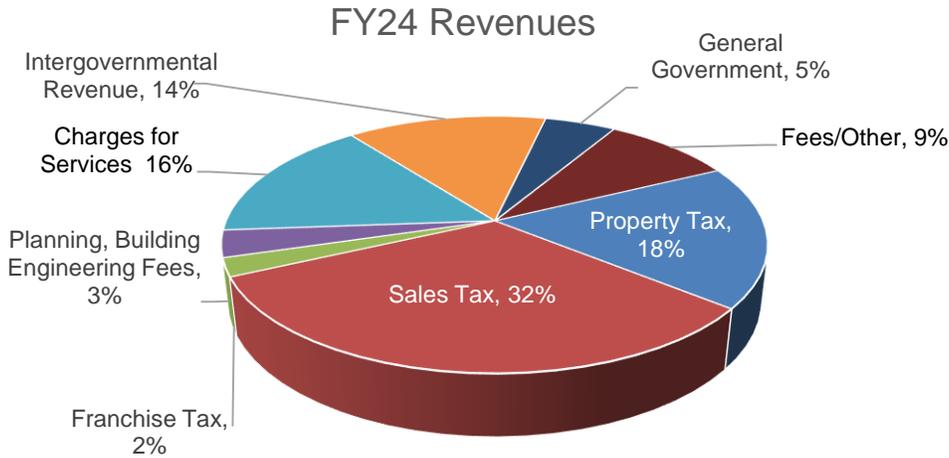


Figure R1 – Budgeted Revenue by Source

## PROPERTY TAX

The Property Tax Act provides that all taxable property must be assessed and taxed at a uniform and equal rate based on 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% of the amount of such taxes

## REVENUES

due or a \$10 minimum penalty. The delinquent taxes and penalties bear interest at the federal discount rate plus 6% from the first day of January until paid. If after four and one-half years (May of the fifth year) delinquent taxes have not been paid, the County advertises and sells the property at a tax sale.

Park City’s certified property tax rate is made up of two rates: (1) General Levy Rate and (2) Debt Service Levy Rate. The two rates are treated separately. The general levy rate is calculated in accordance with Utah State law to yield the same amount of revenue as was received the previous year (excluding revenue from new growth). If an entity determines that it needs greater revenues than what the certified tax rate will generate, statutes require that the entity must then go through a process referred to as “Truth in Taxation.” The debt service levy is calculated based on the City’s debt service needs pertaining only to General Obligation bonds. Figure R2 below shows Park City’s property tax levies since calendar year 2017.

Tax Rate		CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
General Levy		0.001304	0.001237	0.001202	0.001107	0.001104	0.000737
Debt Levy		0.000545	0.000822	0.000732	0.001018	0.000944	0.000655
<b>Total:</b>		<b>0.001849</b>	<b>0.002059</b>	<b>0.001934</b>	<b>0.002125</b>	<b>0.002047</b>	<b>0.001392</b>

Tax Collected		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
General		\$9,657,976	\$9,883,951	\$10,092,652	\$11,106,091	\$11,596,238	\$11,813,650
Debt		\$6,416,184	\$6,021,374	\$9,279,385	\$9,494,281	\$9,497,688	\$9,497,688
RDA Increment		\$3,507,298	\$3,780,987	\$4,491,787	\$3,743,197	\$3,959,661	\$3,373,674
Fee-In-Lieu		\$222,833	\$271,962	\$272,291	\$161,598	\$147,147	\$191,774
Delinq/Interest		\$751,535	\$831,134	\$0	\$969,274	\$146,568	\$254,209
<b>Total:</b>		<b>\$20,555,826</b>	<b>\$20,789,408</b>	<b>\$24,136,115</b>	<b>\$25,474,441</b>	<b>\$25,347,302</b>	<b>\$25,130,995</b>

Table R2 – Property Tax Rates and Collections

## REVENUES

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### SALES TAX

Park City depends a great deal on sales tax revenue to fund City services. Sales tax also helps to fund the infrastructure to support special events and tourism. Of the 8.7% sales tax on general purchases in Park City, the municipality levies a 1% local option sales tax, a 1.10% resort community tax, and a 0.30% transit tax. As part of the FY 2013 budget process City Council authorized a voter approved 0.50% Additional Resort Communities Sales and Use Tax. The additional tax went into effect April 1, 2013. The proceeds of the Additional Tax are received entirely into the City's Capital Improvement Fund or related Debt Service Fund.

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

Sales tax revenue growth has shown significant growth over the past three years. The city projects annual sales tax revenue using a combination of machine learning and linear trend models. Sales tax revenue is projected to flatten out in FY24 as we recover from the impacts of COVID-19. Figure R3 shows actual sales tax amounts along with the forecasted amounts thru FY30. The shift upwards in FY 2014 relates to the Additional Resort Communities Sales Tax.

Although sales tax revenue has maintained some consistency over the last six years, it is still considered a revenue source subject to national, state, and local economic conditions, as seen during the 2009-2010 recession. These conditions fluctuate based on a myriad of factors. Using a linear equation to forecast sales tax revenue helps to smooth out larger fluctuations and conservatively budget the revenue source.

# REVENUES

## Realized Tax Rate Projected by Fiscal Year

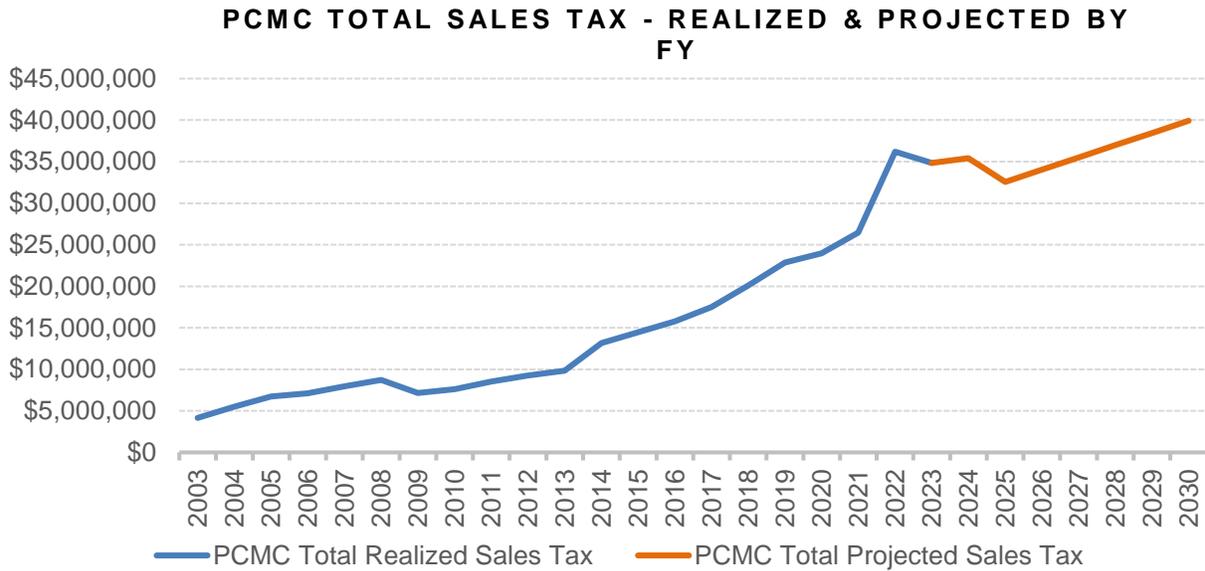
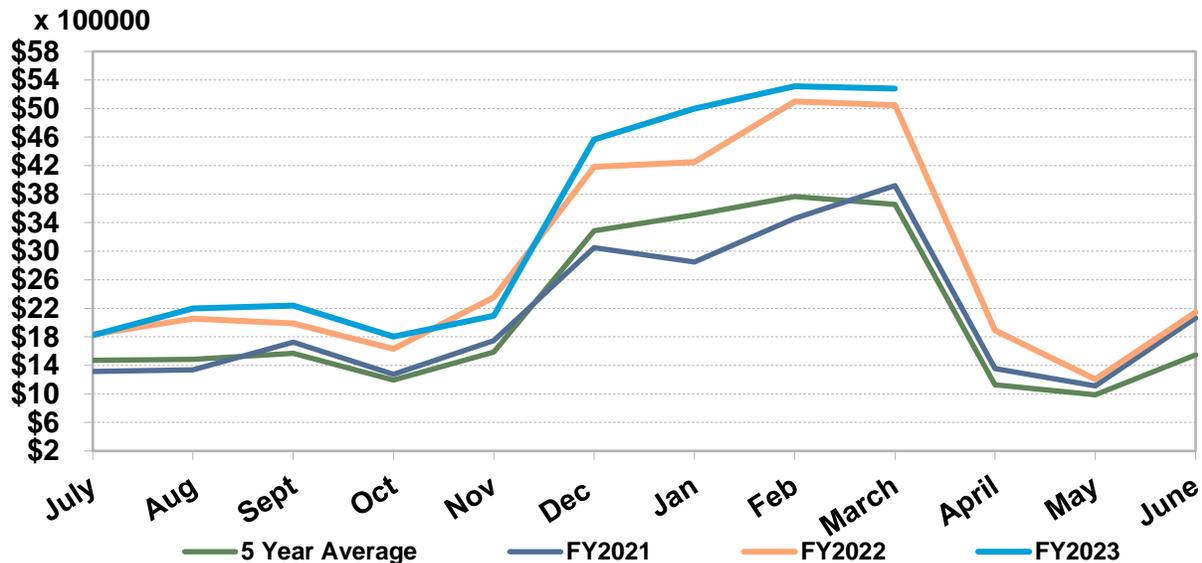


Figure R3- Sales Tax Actuals and Projections



\*Does not Include TRT or Transit Tax

Figure R4 – Sales Tax for FY 2022 (Compared to a Five-year Average and FY 2023)

### 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 (1.6%), transit tax (0.30%) and 1% municipal transient room tax on overnight lodging. Table R5 shows the current sales tax rate. Park City collects the full amount for the resort community and transit taxes, but the local option tax collection is affected by a state distribution formula. All sales taxes are collected by the State of Utah and distributed back to communities. Sales taxes generated by the local option taxes are distributed to communities based 50% on population and 50% on point of sale.

## REVENUES

<b>SALES TAX RATES</b>	
<b>SALES AND USE TAXES</b>	<b>EFFECTIVE JULY 1, 2023</b>
<b>STATE OF UTAH</b>	
General Sales & Use Tax	4.85%
<b>SUMMIT COUNTY</b>	
County Option Sales Tax	0.25%
Recreation, Arts, and Parks Tax	0.10%
Transportation Tax	0.25%
Mass Transit Tax	0.25%
Transportation Infrastructure Tax	0.25%
Transit Capital Expenses	0.20%
<b>PARK CITY</b>	
Local Option Sales Tax	1.00%
Resort City Sales Tax	1.60%
Mass Transit Tax	0.30%
<b>TOTAL PARK CITY "BASE"</b>	<b>9.05%</b>
<b>OTHER TAXES</b>	
Countywide Restaurant Tax	1.00%
Countywide Motor Vehicle Rental Tax	2.50%
Countywide Transient Room Tax	3.00%
Statewide Transient Room Tax	0.32%
Park City Transient Room Tax	1.00%

**Table R5 – Sales Tax Rates**

For communities like Park City, where the population is low in comparison to the number of sales, the State distributes less than the full 1% 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% of the 1% local option tax. During the 2006 Legislative Session, the State removed the “hold harmless” provision. As part of that same legislation, Park City, as a “hold harmless” community, was guaranteed by the State to receive at least the amount of local option sales tax that was distributed in 2005, or \$3,892,401. This provision was phased out in 2012.

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

# REVENUES

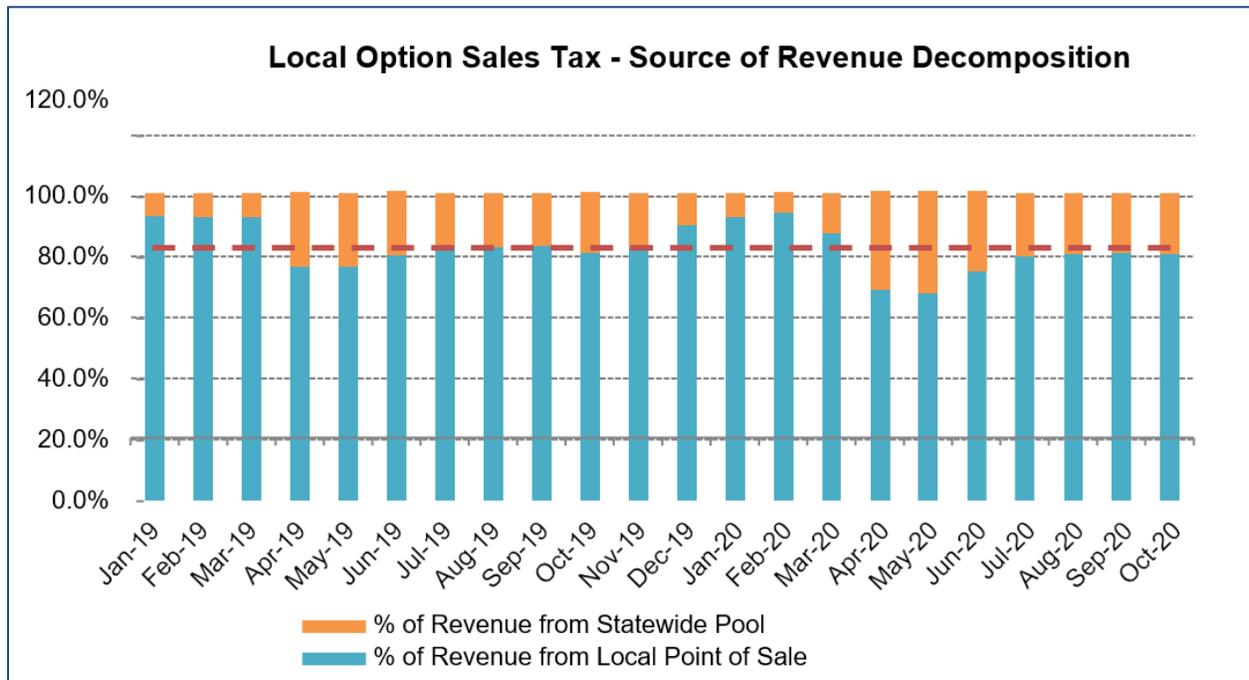


Figure R6 – Local Option Tax Distribution

The local option tax contributes a significant portion of the total sales tax revenue. Figure R7 shows the portions of total sales tax attributable to local option, resort community and transit taxes.

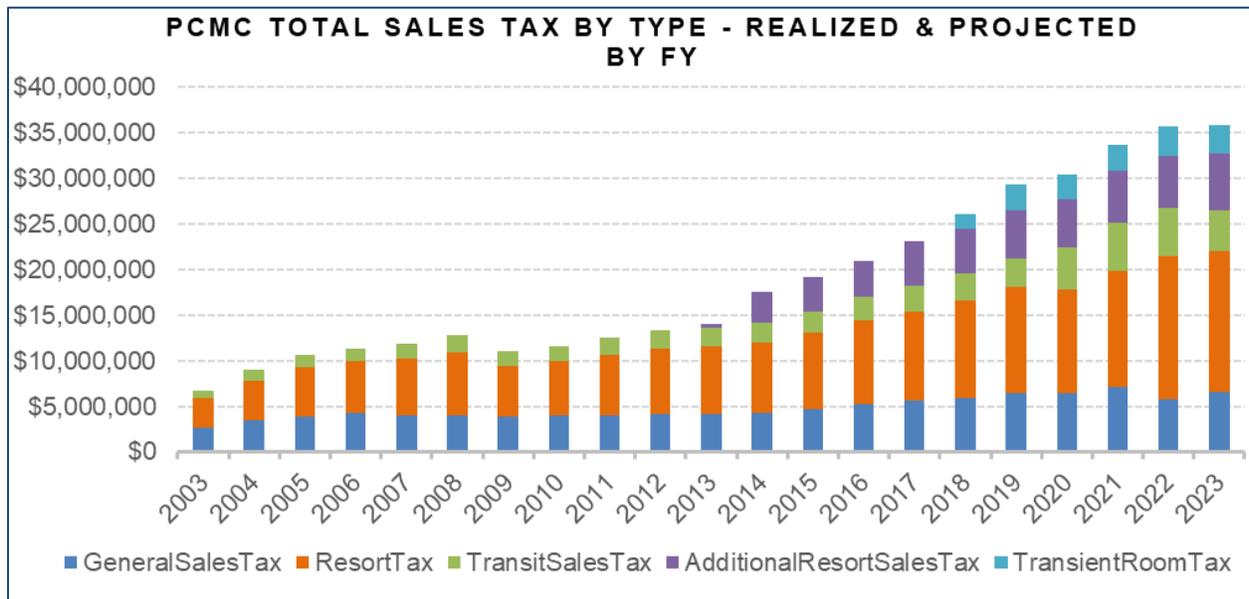


Figure R7 – Sales Taxes Breakdown

# REVENUES

## OTHER REVENUE

Revenue sources other than property and sales tax include fees, franchise taxes, grants, and other miscellaneous revenue. Total revenue from sources other than property and sales tax make up a large portion of the FY24 Budget. Figure R8 shows a projected breakdown of other revenue by type and amount.

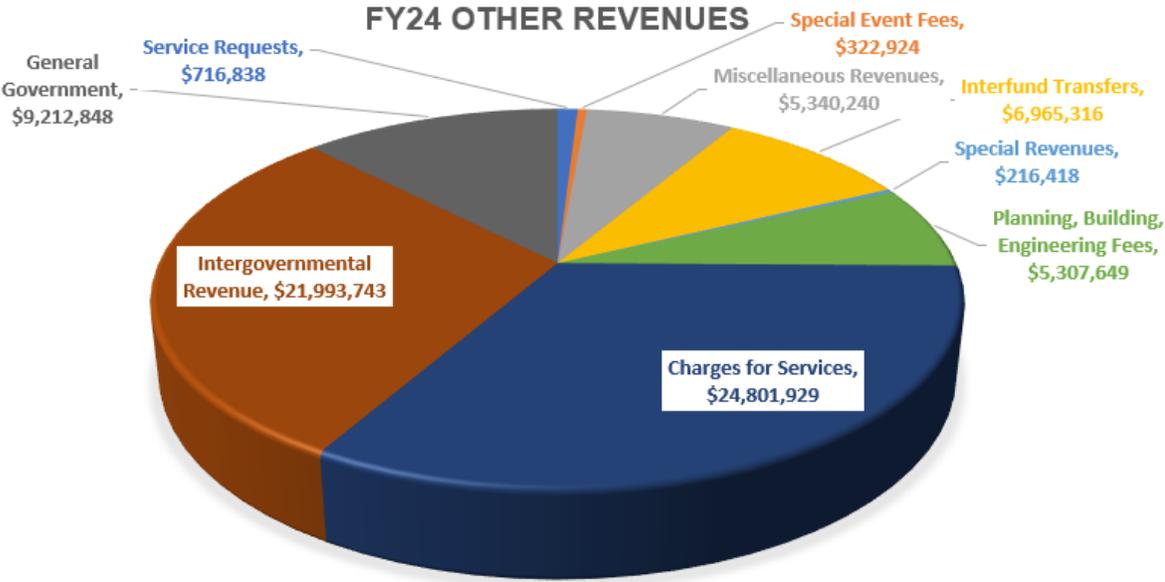


Figure R8 – Other Revenue Breakdown

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

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

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

# REVENUES

## Impact Fees

Park City receives additional revenue by collecting development impact fees. These fees include street impact fees, water impact fees, public safety impact fees, and open space impact fees. These fees reflect the calculated cost of providing city services to new, private development projects. State law requires that collected impact fees are applied to the capital facilities plan within six years of the collection date. Figure R9 details Impact Fees:

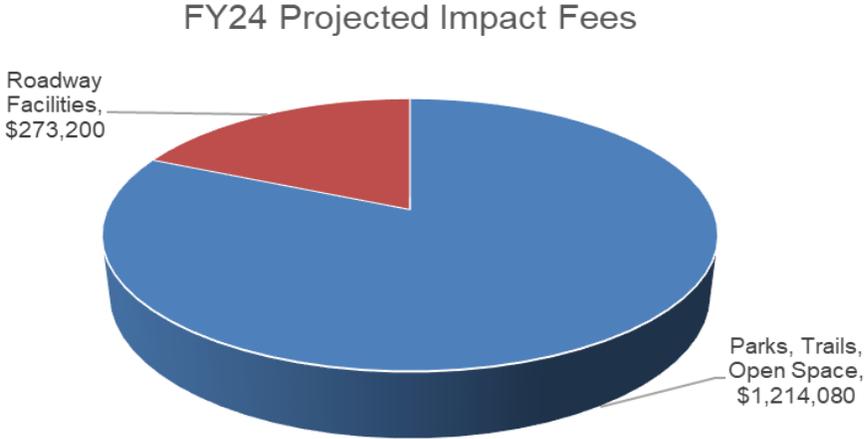


Figure R9 – Impact Fees Breakdown

The Park City Golf Club receives revenue from greens fees, cart rental, pro-shop sales, golf lessons, and other miscellaneous fees and services. The Park City Golf Club is an enterprise fund. All revenues collected from the golf club are used to fund golf course operating and improvement costs. The financial objective for the Park City Golf Club is to break even or show a slight profit. The Golf course uses and fees remain relatively consistent year to year.

## Grants

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

## Municipal Bonds

Municipal bonds are another way for Park City to fund capital projects and the redevelopment agencies on Main Street and Lower Park Avenue. In 2010 Moody’s and Fitch increased their rating on Park City General Obligation debt to Aa1 and AA+, respectively. In 2008, Standard & Poor’s increased their rating of Park City’s General Obligation debt to AA and in 2014 the rating was increased to AA+. As part of the 2019 Treasure Hill Bond the City’s GO debt rating was confirmed by S&P and Fitch at AA+ and by Moody’s at Aaa, this is the highest rating available by the rating agencies.

In 2020, an additional GO debt issuance was confirmed again by S&P and Fitch at AA+ and by

## REVENUES

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Moody's at Aaa. Additionally, Park City's 2020 Water Revenue Bond was rated AA by S&P and Aa2. In 2021, additional due diligence guidance by Fitch confirmed their past ratings of AA+. The State of Utah limits a city's direct GO debt to 4 percent of assessed valuation. The City's debt policy is more conservative, limiting total direct GO debt to 2 percent of assessed valuation. Park City's direct debt burden in 2020 was 0.90 or approximately one-half of the City's 2 percent policy limits. For more information on Park City's debt management policies, see the Policies and Objectives section of this budget document.

## EXPENSES

### OPERATING EXPENSES

The Operating Budget consists of Personnel, Materials, Supplies, and Services, Equipment, and Contingencies for each department. For more detail about each department and their programs, see the Bid Sheet section of Volume II.

#### Major General Fund Expenses

The FY24 Budget is a targeted and strategic deployment of resources that invests heavily in our Critical Community Priorities while at the same time advancing our ability to enhance core services and increase operational capacity and productivity.

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

FY24 Expenses -General Fund	Tentative Budget	Final Budget	Notes
			Inflationary increases, aligning expenses with increased utilization & growth, targeted expansion of Critical Community Priorities
<b>FY24 Ongoing Operational Increases</b>	\$ 1,979,987	\$ 2,091,987	
<b>FY24 One-time Operational Increases</b>	\$ 738,080	\$ 738,080	Funded by reducing amount of General Fund CIP Transfer
<b>Pay Plan</b>	\$ 1,911,459	\$ 1,911,459	5.5 % increase to compensation ranges
<b>Health Insurance</b>	\$ (500,000)	\$ (500,000)	New provider offers enhanced benefits at lower premiums
<b>Child Care</b>	\$ -	\$ 1,000,000	Bridge funding for FY24 Childcare Initiative
<b>CIP Transfer</b>	\$ 3,960,000	\$ 3,960,000	Funds deployed on key projects for community benefit
<b>Total</b>	\$ <b>8,089,526</b>	\$ <b>9,201,526</b>	

The Budget Department projects at least \$3.6M in new revenue for FY24, which includes sales tax revenue and fee increases. We also anticipate \$500k in savings from the effort to solicit competitive bids for a new health insurance provider. The \$3.9M represents the General Fund Transfer to the Capital Fund, which moves revenues from the General Fund to Capital to pay for ongoing capital projects.

### FY24 OPERATIONAL APPROVED BUDGET REQUESTS BY DEPARTMENT

#### City Attorney's Office- \$26,822

The City Attorney's Office has requested an increase to the part-time law clerk wages. Our part-time law clerks play vital roles within the City Attorney's office and these positions have been difficult to fill at the current wage. We count on the Clerks to perform a variety of tasks that free up our full-time staff and allow them to work on critical legal matters.

#### City Manager/Executive Office - \$33,762

The City Manager's office is comprised of six full-time employees, including the City Manager and two Deputy City Managers. This request will support additional Lobbyist expenses and the increased demand for community meetings and travel. This budget was reduced by \$15k in

## EXPENSES

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FY21 as part of our recession plan implementation and was not restored in the previous budget cycles.

### **Community Engagement - \$10,600**

The Community Engagement department requested funds for a new text messaging outreach tool so we may better engage and inform residents and stakeholders through customizable and geotargeted text alerts. This method will allow for timely and customized messaging for service alerts, road closures, construction, and special event impacts, public meeting, and event promotion, and more. A \$600 request to cover inflationary increases was also approved.

### **Budget Department - \$168,960**

The city is missing process support for our procurement program. We need internal customer service to provide training and guidance to ensure compliance, transparency, and a competitive process. These funds would support a full-time Procurement Manager.

### **Engineering - \$417,936**

As large-scale capital projects continue, A new Senior Project Manager has been requested for FY24 as well as an increase in contract services to support design and outside inspections. In addition, budget increases are necessary for supplies, office equipment, printing, and training to accommodate additional staff and inflationary pressures. This request also includes reclassing an employee previously classified as a full-time contractor, to a full-time employee.

### **Environmental Regulatory - \$58,000**

As part of the Gordo area clean-up, soil sampling and site assessments are required. These are requirements of Utah DEQ and will help the city determine how much waste needs to be removed. Funds are also included for a pilot Topsoil Assistance and outreach program.

### **Events - \$285,500**

This request reflects an increase in contract labor that help the City manage neighborhood traffic control, parking, safe pedestrian access and more during peak day traffic mitigation and special events. Additional funds for a 4<sup>th</sup> of July drone firework show, contract event management and equipment were also approved.

### **Finance - \$23,279**

The Finance team is requesting funds to reorganize roles and reporting structures to recognize the evolution and expansion of duties within the department.

### **Housing - \$42,787**

As attainable and affordable housing continue to be a high priority for the City, the Housing department proposed the reclass of a vacant Senior Program Manager position to create a Housing Director position. This position will assist with our new and existing projects as we move toward accomplish our housing goals.

### **Human Resources - \$221,400**

This request includes a compensation study to obtain updated benchmarks. These are typically performed every 3-5 years, and our last study was completed in FY20. The HR department also

## **EXPENSES**

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requested funds for our Employee Assistance Program, the reclassing of two positions and funds for our employee recognition program.

### **Ice Facility - \$50,636**

It has been increasingly difficult to hire part-time support for critical operational positions. The FY24 budget includes an increase for part-time rink operators to assist in filling these crucial roles. A new asset management system is being implemented and funds for the annual software subscription have been added as well as inflationary increases for office supplies and credit card fees.

### **IT - \$117,000**

As technological expectations and offsite public and community meetings expand, additional technical support and expertise is needed. The IT department requests a reclass of the part-time A/V Specialist to full-time position. Additional funds were requested and approved for outsourced cybersecurity detection and response to maintain safety standards and insurance requirements.

### **Library - \$155,724**

The Library requested a full-time Event Space and Tenant Manager for FY24 to accommodate the increased demand for meeting and event space. The Library has many mixed-use spaces and diverse technical demands. This position will manage event space, tenants, contracts, leases, technology, and general facility maintenance. A part-time Public Programming Librarian was also requested to meet increased utilization and demand of our Children and Adult programs.

### **Planning - \$455,702**

We will begin updating the City's General Plan in FY24 and one-time funds have been added to support that endeavor. As we take on these larger, complex projects, positions were reviewed and Planning requested reclassing a Planner I position to a Senior Planner. An Office Manager to support both Planning and Housing was also added to the budget.

### **Police - \$28,277**

The Police Department needs replacement tasers, as previous equipment is beginning to fail. This will be a recurring cost over the next five years. The FY24 budget also includes funds for cloud-based evidence storage as we modernize our systems and processes, and inflationary increases for supplies and equipment to cover the rising cost of these expenses.

### **Trails and Open Space - \$93,700**

As trail utilization continues to rise, the Trails department needs additional funding for enhanced training and certifications, and snow removal equipment. Increases were also added for supplies, public notices, and contract services for additional trail maintenance in Round Valley and the Rail Trail.

**Recreation** (requests may be offset by increased revenue):

#### **MARC - \$126,935**

Additional funds for fitness supplies, room rental supplies, uniforms, etc. to mitigate inflationary increases. A part-time front desk representative was reclassified to a full-time

## EXPENSES

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employee to increase level of service and reduce turnover.

### **Tennis - \$106,773**

There are four positions in the Tennis Department currently classified as contractors that will be reclassified to employees to better align with policy. Small increase for additional supplies.

### **Recreation - \$1,300**

Funding to maintain required certifications and CE hours for current staff.

## **Public Works and Public Utilities**

### **Streets - \$168,797**

This request includes a new vehicle to support peak day traffic mitigation, special events, and street sign maintenance, along with a CAT Skid Steer with bucket and snowblower to support snow removal efforts. Part-time/seasonal staff was increased to maintain the Richardson Flat annexation area.

### **Parks - \$76,208**

Parks requested an increase in seasonal staff as usage continues to surge in parks and open spaces. Funds were added for additional maintenance to planters, stairs, trails, and other areas the City assumed in FY22/23. As we begin succession planning, FY24 reflects the reclass of Parks Superintendent to a Deputy Parks Director. Funds were also allocated for inflationary increases in maintenance supplies.

### **Water - \$865,575**

The prepaid water contract with Jordanelle Special Service District (JSSD) is expiring and PCMC will begin paying for this service in FY24.

## **Golf Fund - \$91,250**

The golf course continues to see a record-breaking number of visits. An increase in inventory for the pro-shop is necessary to keep up with demand. Funds were also added to contract services and supplies/materials lines to cover increases due to inflation. Part-time pay ranges were also increased to ensure we continue seamless operations with a full staff at the golf course.

## **Transportation Fund - \$3.2M**

With Transportation/Traffic Mitigation remaining a priority, new resources are requested to continue micro transit, the Richardson Flat Park & Ride route, enhanced frequency on other winter routes, and increased front-line worker pay to help the Transportation department supply year-round and seasonal employees. Two Transportation Planners were added to implement the Long-Range Transportation Plan, including Old Town Transportation Improvements, SR248 corridor enhancements, Regional Park and Ride planning, Box of Rocks/Bonanza Dr and other intersections, and walkability. Four support positions were added to Transit Operations to assist with administrative duties, grants and financial management, business analysis, and community outreach.

A vehicle and snow removal equipment were added to the Transportation Operation budget to help maintain signage, barricade placement, and timely clearing of bus stops, sidewalks, and parking areas.

# EXPENSES

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## Parking - \$89,483

Full-time customer service position has been added to the FY24 budget to assist with internal office duties as well as public facing services.

# PERSONNEL

## Pay Plan

In FY22, PCMC committed to a compensation methodology whereby the organization would strive to pay its workforce in the 75th percentile of the competitive market wage for a position. A compensation study is necessary to obtain updated benchmarks reflecting the 75th percentile. Industry best practices rely on inflation as a guide for “off-years” when a compensation study, typically performed every 3-5 years, isn’t conducted.

For FY24, we propose a 5.5% increase to wage range maximums, which is lower than inflation (6.3%) since our last adjustment. This increase allows us to remain competitive as we strive to retain and recruit talented applicants while at the same time balancing our desire to fund other critical requests and invest in competing community priorities. Wage adjustments are not simply granted or applied across the board. Instead, they are applied by managers based on several criteria, such as performance, experience, attendance, certifications, education, etc.

Fund	5.5% Increase to Wage Range Maximum	
General Fund	\$	1,911,459
Water	\$	241,707
Storm Water	\$	46,041
Golf	\$	56,970
Transportation	\$	545,373
Parking	\$	60,772
Fleet	\$	56,348
<b>Total</b>	<b>\$</b>	<b>2,918,668</b>

## Health, Dental, & Life Insurance Costs

PCMC provides quality health insurance as part of our impressive employee benefits package. In January 2023, we conducted an RFP to ensure our employees were offered quality and affordable health care and to potentially reduce costs. As a result, a new provider can enhance our benefits (expanded network of hospitals and doctors) and simultaneously provide lower premiums to obtain our business. This change will result in a \$500k cost savings in FY24.

**Update On-Call Front-Line Pay throughout City to \$62/day, \$107,435** – The Compensation Committee recommends increasing and standardizing on-call employee pay to \$62/day throughout the various City departments. Rates currently range from \$26-\$48/day.

# EXPENSES

## Pay for Performance

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

## Retirement Expense

All full-time Park City employees are part of the Utah Retirement System (URS) defined benefit program. The city is required by statute to contribute a certain percentage of employee pay toward the URS pool annually. FY24 rates remain the same as FY23.

## FY24 Personnel Changes

Personnel is accounted for using a full-time equivalent (FTE) measure, where one FTE indicates the equivalent of a full-time (FT) position (2,080 annual work hours), which could be filled by multiple bodies at any given time. Generally, one full-time Regular employee is measured as one FTE, whereas a part-time (PT) non-benefited or seasonal employee might account for a fraction of an FTE. This table shows the changes in personnel by fund.

FY24 New Personnel Requests	
Fund	FY24 Request
011 GENERAL FUND	\$ 1,103,654
057 TRANSPORTATION FUND	\$ 1,527,634
058 PARKING FUND	\$ 89,483
055 GOLF FUND	\$ 30,000
<b>Grand Total</b>	<b>\$ 2,750,771</b>

## FY24 Personnel Changes by Fund

The table below displays the year-over-year change in FTE count by Fund. Transportation is a critical community priority and the FY24 budget reflects the increase level of demand and additional services being offered by the City to mitigate seasonal traffic impacts.

Fund	Fund Name	FY23	FY24	Variance
11	General Fund	257.01	268.56	11.55
51	Water Fund	32.96	32.96	0
55	Golf Fund	16.65	17.68	1.03
57	Transportation Fund	89.75	105.87	16.12
58	Parking Fund	12.7	13.5	0.8
62	Fleet Services Fund	9.97	9.97	0
52	Storm Water Fund	5.9	5.9	0
	<b>TOTAL</b>	<b>424.94</b>	<b>454.44</b>	<b>29.5</b>

# EXPENSES

FTE's by Department					
Department	FTE's	FTE's	Change	Contract	Contract
	FY 23	FY 24	FY 24	FY24	CHG FY 23
CITY MANAGER	7.12	6.62	-0.50		
CITY ATTORNEY	8.90	8.90	0.00		
BUDGET, DEBT & GRANTS	4.00	5.00	1.00		
HUMAN RESOURCES	5.68	5.68	0.00		
FINANCE	7.60	7.60	0.00		
TECHNICAL & CUSTOMER SERVICES	11.35	12.35	1.00		
BLDG MAINT ADM	8.50	8.50	0.00		
MARC	15.89	16.89	1.00		
TENNIS	3.81	7.81	4.00	2.00	-4.00
MCPOLIN BARN	0.38	0.38	0.00		
ICE FACILITY	9.74	9.74	0.00		
FIELDS	2.45	2.45	0.00		
RECREATION PROGRAMS	10.29	10.29	0.00		
COMMUNITY ENGAGEMENT	4.00	4.00	0.00	0.25	
ECONOMY	6.00	1.00	-5.00	0.00	-1.00
EVENTS		4.00	4.00		
ENVIRONMENTAL REGULATORY	1.00	1.00	0.00		
ENVIRONMENTAL SUSTAINABILITY	2.95	2.95	0.00	0.50	
EMERGENCY MANAGEMENT	2.00	1.00	-1.00	0.50	
ARTS & CULTURE	1.00	1.00	0.00	1.00	
TRAILS	4.55	4.55	0.00		
SOCIAL EQUITY	0.50	0.50	0.00		
POLICE	47.53	47.53	0.00		
DRUG EDUCATION	0.20	0.20	0.00		
STATE LIQUOR ENFORCEMENT	1.30	1.30	0.00		
COMMUNICATION CENTER			0.00		
AFFORDABLE HOUSING	4.00	4.00	0.00		
ENGINEERING	5.75	8.75	3.00		
PLANNING DEPT.	10.00	11.00	1.00		
BUILDING DEPT.	19.00	19.00	0.00		
PARKS & CEMETERY	18.81	20.07	1.26		
STREET MAINTENANCE	19.81	20.10	0.29	0.25	
WATER OPERATIONS	32.96	32.96	0.00	0.75	
STORM WATER OPER	5.90	5.90	0.00		
FLEET SERVICES DEPT	9.97	9.97	0.00		
TRANSPORTATION OPER	91.75	105.87	14.12	1.25	
TRANSPORTATION PLANNING	3.75	5.75	2.00		
PARKING	12.70	13.50	0.80		
LIBRARY	13.50	15.00	1.50		
GOLF MAINTENANCE	8.53	8.53	0.00		
GOLF PRO SHOP	8.12	9.15	1.03		
<b>TOTAL</b>	<b>431.29</b>	<b>460.79</b>	<b>29.50</b>	<b>6.50</b>	<b>-5.00</b>

**EXPENSES**

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**MATERIALS, SUPPLIES, AND SERVICES**

The table below displays expenses in Materials, Supplies, and Services by Fund. In FY24, the main increases are for contract services, such as the General Plan update and the FY24 Childcare initiative in the General Fund and Jordanelle Special Services Contract in the Water Fund. There are also increases to supplies, utilities, and bank fees, mainly due to inflationary cost increases occurring across the U.S. Many of the Organizational Infrastructure requests are located here.

<b>Total Materials, Supplies and Services by Fund</b>	
<b>011 GENERAL FUND</b>	<b>\$ 2,186,539</b>
<b>051 WATER FUND</b>	<b>\$ 865,575</b>
<b>055 GOLF FUND</b>	<b>\$ 41,750</b>
<b>057 TRANSPORTATION FUND</b>	<b>\$ 1,173,239</b>
<b>Grand Total</b>	<b>\$ 4,267,103</b>

**CAPITAL BUDGET**

While the City is building a robust capital budget plan for the next several years based on Council and community goals, our focus remains on core capital maintenance and medium-term infrastructure. Large capital projects likely require new funding sources, debt issuance due to magnitude, or a complete rewiring of municipal commitment and community priorities.

For FY23 and FY24 capital budgets, most project increases will be funded by improved sales tax revenues that are distributed to the capital fund via a general fund transfer. In FY24 project managers largely targeted core recurring and new maintenance expenses with the ability to apply for new funding.

**CRITERIA FOR INCREASE**

- A. Source of Revenue
  - Projects that are funded by grants or bonds that are tied directly to a project were excluded from consideration
- B. CIP Process Score
  - Projects were ranked from lowest to highest CIP process score (lowest = least critical, highest = more critical)
- C. Project Status
  - Projects that are complete with any remaining balance are available for deferral
- D. Manager Feedback
  - Feedback from managers provides context on project priority
- E. CIP Committee Analysis
  - In addition to the quantitative and qualitative metrics cited above, the staff formed CIP committee pursued a project-by-project discussion and rationalization of

## EXPENSES

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project requests. The committee also looked at each project through the lens of essential criticality to City core services.

### MAJOR PROJECTS –

#### General Obligation Bond Projects

At the [February 2, 2023](#), City Council meeting, Council supported a potential 2023 General Obligation bond for new recreation capital investments at the PC MARC, City Park, and the Park City Sports Complex.

This came about because the city engaged VCBO Architecture to complete a study to evaluate the broad recreation needs of the community and create a master plan for future improvements at the PC MARC and the Park City Sports Complex at Quinn's Junction. A steering committee made up of representatives from PCMC, the Recreation Advisory Board (RAB), and members of the local pickleball community was formed to guide the master planning process and support VCBO in creating a master plan. The steering committee met over several months to develop concept designs for PC MARC & PCSC.

The first effort of the steering committee was to create and distribute a community-wide survey. This survey was created to provide the community with an opportunity for feedback on the existing recreation programs and facilities and to provide input on desired improvements.

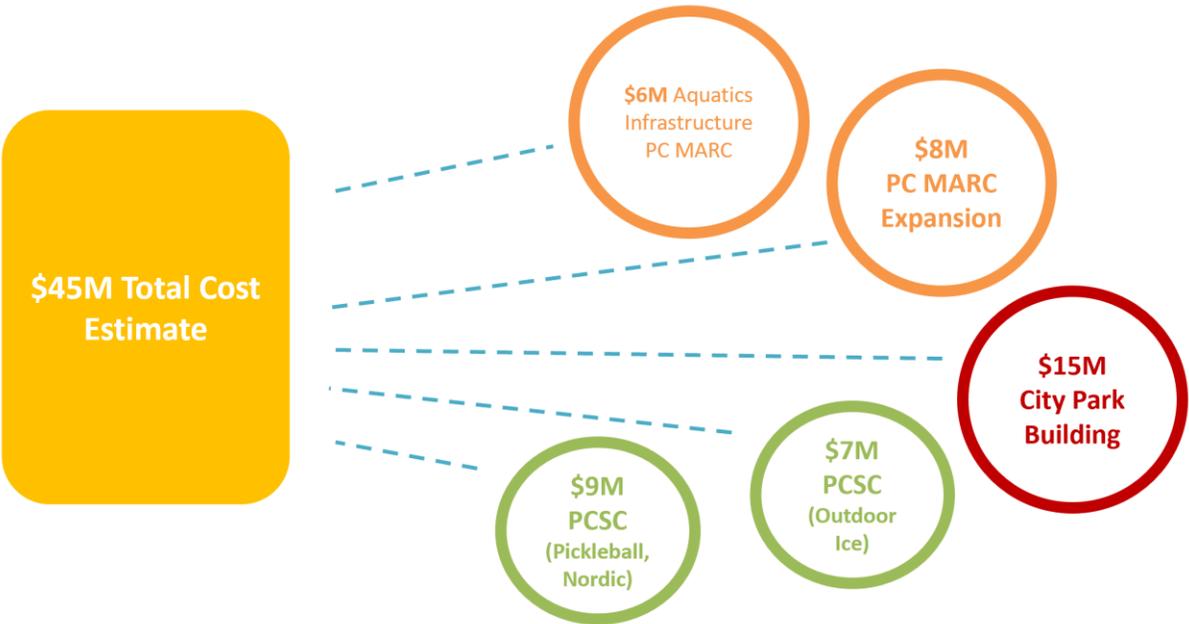
Based on the survey results, RAB compiled a prioritized list of potential recreation capital project priorities:

1. **PC MARC Aquatics Infrastructure** - The recommended project concept replaces both outdoor pools and creates one large body of water that includes lap lanes, a zero-entry water feature, and youth and teen activity elements. By combining the two pools into one body of water, the PC MARC would have a more efficient operation as the pool would have only one mechanical and filtration system. A relocation of pools into one body of water would also reduce the number of lifeguards needed. The existing pools were constructed in 1991 and 2003 and have not had a significant renovation since.
2. **Rebuild City Park Building** – Recommended to create a 15,000 sq ft facility to house year-round childcare in the space as well as expand summer day camp occupancy and community uses when not used for summer camp. The childcare space could be built by PCMC and leased to a childcare provider, for example. This could help with the childcare conversation the community is having and support the demand for increased summer camp space. For example, for the past three years, the Day Camp has sold out within 10 minutes to an hour on the priority registration date for 84060 residents or employees. A rebuild could also include relocating the playground, basketball court, and volleyball court, as well as adding a splash pad and improved parking.
3. **PC Sports Complex (Pickleball, Nordic)** – The recommended project scope includes eight indoor and sixteen outdoor pickleball courts, 100 parking stalls, a Nordic training area, and improved trail access. The indoor pickleball courts are envisioned to be a utilitarian building with community spaces that could be used by trail users and others.

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The details of the space would be refined in future planning for the facility, and a variety of models have been discussed (public private partnerships, private fundraising, etc.).

- 4. **PC MARC Fitness Expansion** - The recommended project concept identifies 14,000 sq ft of additional fitness space added in the proximity of the current lap pool. The space could be two stories and would be utilized for fitness and other community needs identified through a future public engagement process. This phase of the PC MARC would be completed well after the pools are relocated so the community could still have access to the lap pool in the meantime.
- 5. **PC Sports Complex (Outdoor Ice)** - This phase includes constructing a covered, refrigerated outdoor ice sheet, building a bicycle pump track, expanding the existing trials and parks maintenance building, and installing field lights on the stadium field to the east of the ice arena. This phase could be built as part of the initial project as it would meet many communities’ recreational needs and enhance support facilities, or it could be contemplated in a future phase.



Overall expenses for the projects are estimated to be upwards of \$45M given the dramatic inflationary increases in the development and construction industry. Initially, we took the financial strategy alternatives to the RAB for their consideration. The Recreation Advisory Board recommended a general obligation (GO) bond not-to-exceed \$50M. Thereafter, Council preferred funding the City Park Building and MARC Aquatics out of the existing CIP funds and fund balance.

## Housing Projects

As part of the FY24 Budget, we proposed consolidating historically allocated housing-related budgets into a smaller number of projects so that Council can be more flexible with various affordable housing initiatives. Overall, no increase or decrease to historical funding is occurring

## EXPENSES

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in the amount of housing related capital budgets or expenditures. The previously authorized amount of approximately \$24M remains, authorized in 2019.

The indicated allocation also recognizes the Council's continued intent to shift the risks associated with developing housing to the private sector – in the form of public-private partnerships. This strategy maximizes City funding and is arguably one of the only viable options to achieve the goal to create 800 new units.

New project names and their amounts are listed in the following:

- **CP0588 Housing Program Public Private Partnerships, \$17M** – This project is focused on adding new housing stock to the city through public-private partnerships.
- **CP0587 Housing Program Asset Acquisition, \$5.5M** – This project is designed to pursue long-term asset purchases of housing and/or land to facilitate future housing development.
- **CP0586 Housing Ongoing Asset Improvement & Maintenance, \$650k** – This project is identified to provide capital asset maintenance and upkeep on existing City-owned housing assets. Over time, the units the city owns to support employee housing are aging and require considerable capital investment. We plan to continue to build this balance moving forward.

### Transit and Transportation Projects

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

- **CP0009 Transit Rolling Stock Replacements, \$5.7M** – This project is focused on replacing and adding transit fleet. The FY23 adjustment accounts for inflationary cost increases, while FY24 is planned for 2 depot chargers and 3 electric buses.
- **CP0025 Bus Shelter Design and Capital Improvement, \$5.4M** – This project is designed to be an ongoing bus stop improvement program. Presently, this project is largely funded through federal grants.
- **CP0465 SR 248 Corridor and Safety Improvement Project, \$5.3M** – This project proposes to design and construct transit priority and High Occupancy Vehicles on SR 248 from approximately US 40 to approximately SR 224. Other project elements include improving school access, Richardson Flat/SR 248 intersection improvements, striping improvements, Bonanza Drive/SR 248 intersection improvements, SR 224/SR 248 intersection improvements, construct new pedestrian tunnel at existing at-grade x-ing, landscaping, aesthetic, and gateway enhancements. The Objective: Reduce Vehicle Miles Traveled, congestion, and associated GHG emissions. Improve safety. Enhance corridor aesthetics and create gateway enhancements.

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### Capital Fund Fiscal Year 2023

The chart below comprises Capital Fund projects with proposed increases for FY23.

Project	Carry Forward	Base FY 2023	Newly Requested FY 2023
CP0089 Public Art	\$0	\$0	\$71,832
CP0100 Neighborhood Parks	\$0	\$0	\$35,000
CP0150 Ice Facility Capital Replacement	\$6,170	\$0	\$38,777
CP0338 Council Chambers Advanced Technology	\$0	\$0	\$210,000
CP0351 Artificial Turf Replacement Quinn's	\$0	\$0	\$715,000
CP0361 Land Acquisition/Banking Program	\$0	\$0	\$1,000,000
CP0364 Master Plan for Recreation Amenities	\$85,418	\$0	\$640,865
CP0378 Legal Software for Electronic Document Management	\$0	\$0	\$35,000
CP0385 Park Avenue Reconstruction	\$0	\$0	\$5,048,955
CP0475 Wildfire Risk Mitigation and Mapping	\$0	\$0	\$165,000
CP0531 Prospector Park Improvements	\$0	\$0	\$172,231
CP0556 Upper Main Street Intersection Improve	\$0	\$750,000	\$1,461,562
CP0559 Marsac Remodel	\$0	\$0	\$1,500,000
CP0569 Replace Vehicle Wash	\$0	\$0	\$55,370
CP0585 Facility Wireless Upgrades	\$0	\$0	\$50,000
CP0586 Housing Ongoing Asset Improvement	\$0	\$0	\$1,980,299
CP0587 Housing Program Asset Acquisition	\$0	\$0	\$5,500,000
CP0588 Housing Program Public Private Pa	\$0	\$0	\$16,946,782
CP0589 Housing Programs	\$0	\$0	\$1,000,000

### Capital Fund Fiscal Year 2024

In FY24, we project approximately \$4M of General Fund Transfer (~\$18-21% of Resort Tax) revenue available to fund important community capital projects. New and existing expense requests against General Fund Transfer can be funded with this amount in FY24:

- **CP0570 Replace Fuel Pump System, \$24k**– This is shared between the Transportation and the Capital Fund to replace fuel island at Public Works. The existing fuel island is 13 years old and is occasionally out of service during critical periods.
- **CP0338 Council Chambers Advanced Technology, \$230k** – This request is designed to target challenges associated with virtual meetings in Council Chambers and to continue to maintain and upgrade the audio/visual systems in Council Chambers. As noted above, a request of \$210k is made in FY23 as well.
- **CP0579 Guardrail Replacement, \$68k** – Guardrail Street systems in Park City, particularly on Royal Street, are due for important safety and maintenance replacement. In addition, after record snow clearing, we plan to examine the condition of all old rails and upgrade with improved technology and equipment if necessary.
- **CP0332 Library Technology Equipment Replacement, \$310k** – This is comprised of two requests with separate goals. First, \$60k is requested for restroom facilities to enhance changing tables and infant care stations. Second, \$250k is requested for an audio/visual system

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replacement in the Santy Auditorium, which the City is committed to via a tri-party agreement with the Park City Film Series and Sundance Institute.

- **CP0577 Police Station Parking Lot, \$210k** – Police Station parking capacity is currently limited to less than 30 spots, such that the facility cannot accommodate parking for the public, community and neighborhood meetings, and intergovernmental public safety and special event briefings. This request expands a very small portion of the parking area at the police station by 10-12 spots.
- **CP0585 Facility Wireless Upgrades, \$160k** – Multiple City buildings, including City Hall and the Park City Ice Arena, have insufficient wi-fi coverage or outdated routing technology.
- **CP0089 Public Art, \$100k** – This will fund the City’s recurring commitment to the Public Art Advisory Board investments. The City Council has continuously funded public art over many years. The city has more than 100 public artwork investments.
- **CP0339 Fiber Connection to Quinn’s Ice & Water, \$80k** – The fiber connection project plans to continue to maintain fiber lines between Quinn’s Junction and downtown Park City.
- **CP0431 MARC Bubble Repair, \$50k** – The Recreation team recommends updating the antiquated and inefficient lighting system in the PC MARC bubble. The existing lights are 18 years old and frequently result in player complaints and extensive maintenance.

Project	Carry Forward	Base FY 2023	Newly Requested FY 2023	Base FY 2024	Newly Requested FY 2024	CIP Process Score
CP0001 Planning/Capital Analysis	\$68,177	\$0	\$0	\$0	\$0	38
CP0002 Information System Enhancement/Upgrades	\$2,688	\$120,000	\$0	\$120,000	(\$120,000)	39
CP0003 Old Town Stairs	\$50,000	\$0	\$0	\$0	\$0	32
CP0005 City Park Improvements	\$129,541	(\$50,000)	(\$90,235)	\$0	\$0	38
CP0006 Pavement Management Implementation	\$774,436	\$1,040,000	\$0	\$1,040,000	\$0	39
CP0013 Affordable Housing Program	\$699,181	\$0	\$0	\$0	\$0	35
CP0014 McPolin Farm	\$2,280	\$0	\$0	\$0	\$0	35
CP0019 Library Development & Donations	\$31,226	\$0	\$0	\$0	\$60,000	35
CP0020 City-wide Signs Phase I	\$32,445	\$0	\$0	\$0	\$0	30
CP0028 5 Year CIP Funding	\$5,073,395	\$0	\$0	\$0	\$0	45
CP0036 Traffic Calming	\$43,968	\$150,000	\$0	\$10,000	\$150,000	44
CP0041 Trails Master Plan Implementation	\$801,644	\$70,000	(\$33,050)	\$70,000	\$275,000	38
CP0074 Equipment Replacement - Rolling Stock	\$1,979,518	\$1,350,000	\$0	\$1,500,000	\$0	31
CP0075 Equipment Replacement - Computer	\$59,105	\$471,062	\$0	\$345,600	\$25,000	30

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CP0089 Public Art	\$318,000	\$40,000	\$71,832	\$0	\$100,000	53
CP0090 Friends of the Farm	\$21,895	\$0	\$0	\$0	\$0	44
CP0092 Open Space Improvements	\$291,439	\$385,000	\$0	\$400,000	\$0	47
CP0100 Neighborhood Parks	\$263,559	\$0	(\$150,320)	\$0	\$0	42
CP0128 Quinn's Ice/Fields Phase II	\$36,805	\$0	\$0	\$0	\$0	44
CP0142 Racquet Club Program Equipment Replacement	\$381,660	\$65,000	\$0	\$65,000	\$0	32
CP0146 Asset Management/Replacement Program	\$303,371	\$704,760	\$0	\$1,105,418	\$0	42
CP0150 Ice Facility Capital Replacement	\$1,046,340	\$407,000	(\$252,223)	\$132,000	(\$16,000)	39
CP0157 OTIS Phase III(a)	\$3,458,762	\$0	\$0	\$0	\$0	41
CP0163 Quinn's Fields Phase III	\$0	\$600,000	(\$600,000)	\$0	\$22,000,000	35
CP0186 Energy Efficiency Study -City Facilities	\$22,305	\$0	\$0	\$0	\$0	36
CP0191 Walkability Maintenance	\$84,746	\$71,825	\$0	\$78,825	\$0	39
CP0203 China Bridge Event Parking	\$1,534,121	\$125,000	(\$183,314)	\$125,000	\$0	33
CP0217 Emergency Management Program	\$11	\$15,000	\$0	\$15,000	\$0	38
CP0226 Walkability Implementation	\$10,701	\$0	\$0	\$0	\$0	30
CP0236 Triangle Property Environmental Remediation	\$0	\$99,779	\$0	\$0	\$0	30
CP0248 Middle Silver Creek Watershed	\$234,297	\$0	\$0	\$0	\$0	44
CP0250 Irrigation Controller Replacement	\$20,000	\$0	\$0	\$0	\$0	44
CP0264 Security Projects	\$27,566	\$0	\$0	\$0	\$0	41
CP0266 Prospector Drain - Regulatory Project	\$0	\$1,006,712	\$0	\$150,000	\$0	33
CP0267 Soil Repository	\$4,035,438	\$0	\$0	\$0	\$0	29
CP0269 Environmental Revolving Loan Fund	\$58,882	\$0	\$0	\$0	\$0	26
CP0270 Downtown Enhancements Phase II	\$771,826	\$327,104	\$0	\$327,104	\$0	26
CP0280 Aquatics Equipment Replacement	\$418,601	\$25,000	\$0	\$25,000	\$0	30
CP0292 Cemetery Improvements	\$136,635	\$0	\$0	\$0	\$0	36
CP0294 Spriggs Barn	\$5,000	\$0	\$0	\$0	\$0	27
CP0309 Woodside Phase I	\$1,259,613	\$0	\$0	\$0	\$0	38
CP0311 Senior Community Center	\$0	\$0	\$0	\$0	\$2,508,610	38

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CP0312 Fleet Management Software	\$47,917	\$0	\$0	\$0	\$0	38
CP0318 Bonanza Park/RMP Substation Mitigation	\$958,568	\$0	\$0	\$0	\$0	35
CP0323 Dog Park Improvements	\$35,000	\$5,000	(\$5,000)	\$5,000	\$0	33
CP0324 Recreation Software	\$12,000	\$0	\$0	\$0	\$0	32
CP0326 Website Remodel	\$12,378	\$0	\$0	\$0	\$0	28
CP0329 Main Street Infrastructure Asset Management	\$110,433	\$100,000	\$0	\$599,310	\$0	30
CP0332 Library Technology Equipment Replacement	\$0	\$123,104	\$0	\$24,387	\$250,000	44
CP0333 Engineering Survey Monument Re-establish	\$35,000	\$0	\$0	\$0	\$0	29
CP0336 Prospector Avenue Reconstruction	\$31,812	\$0	\$0	\$0	\$0	33
CP0338 Council Chambers Advanced Technology Upg	\$0	\$0	\$210,000	\$0	\$230,000	26
CP0339 Fiber Connection to Quinn's Ice & Water	\$0	\$18,000	\$0	\$0	\$80,000	26
CP0340 Fleet Shop Equipment Replacement	\$27,538	\$15,000	\$0	\$15,000	\$0	26
CP0351 Artificial Turf Replacement Quinn's	\$0	\$0	\$715,000	\$0	\$0	39
CP0352 Parks Irrigation System Efficiency Imp	\$63,731	\$30,000	\$0	\$30,000	\$0	41
CP0353 Remote snow storage site improvements	\$74,898	\$0	\$0	\$0	(\$38,068)	26
CP0354 Streets and Water Maintenance Building	\$100,269	\$0	\$0	\$0	\$0	32
CP0361 Land Acquisition/Banking Program	\$0	\$0	\$1,000,000	\$0	\$0	42
CP0364 Master Plan for Recreation Amenities	\$85,418	\$0	\$640,865	\$0	\$0	30
CP0375 LED Streets Lights Phase I	\$56,917	\$0	\$0	\$0	\$0	30
CP0378 Legal Software for Electronic Document M	\$0	\$0	\$35,000	\$0	\$35,000	29
CP0385 Park Avenue Reconstruction	\$4,381,702	\$746,580	\$0	\$0	\$2,951,045	29
CP0401 Downtown Projects Plazas	\$839,902	\$0	\$0	\$0	\$0	36
CP0402 Additional Downtown Projects	\$0	\$1,200,000	\$0	\$0	\$0	27
CP0407 Bonanza Flats Open Space	\$3,326,471	\$0	\$0	\$0	\$0	36
CP0412 PC MARC Tennis Court Resurface	\$169,135	\$30,000	\$0	\$0	\$0	19

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CP0422 Electrical Generator Upgrades	\$0	\$0	\$0	\$64,000	\$0	45
CP0429 Arts and Culture District	\$96,581	\$450,000	\$0	\$0	\$0	47
CP0430 Treasure Hill & Armstrong	\$8,542,731	\$0	\$0	\$0	\$0	47
CP0431 Bubble Repair	\$0	\$0	\$0	\$0	\$50,000	47
CP0432 Office 2016 Licenses	\$218,576	\$0	\$0	\$0	\$0	42
CP0434 GIS GeoEvent Server License	\$5,000	\$0	\$0	\$0	\$0	23
CP0439 Bonanza Drive Multi-Modal and Street Imp	\$29,000	\$0	\$0	\$0	\$0	41
CP0446 Loader	\$300,000	\$0	\$0	\$0	\$0	42
CP0447 EV Chargers	\$366,300	\$0	\$0	\$0	\$0	32
CP0449 Roadside Trailhead Signage 2019	\$2,411	\$0	\$0	\$0	\$0	33
CP0450 Prospector Square/Rail Trail 2019	\$31,000	\$0	\$0	\$0	\$0	33
CP0451 Round Valley Trail 2019	\$10,000	\$0	\$0	\$0	\$0	45
CP0454 Prospector Sq. Rail Trail Connector	\$0	\$40,000	\$0	\$0	\$0	47
CP0455 Olympic Park Pathway Connector	\$0	\$113,000	\$0	\$0	\$0	38
CP0456 PC Heights Pathway	\$0	\$65,000	\$0	\$0	\$0	48
CP0457 City AED Replacement and Maintenance	\$0	\$15,000	\$0	\$15,000	\$0	48
CP0475 Wildfire Risk Mitigation and Mapping	\$0	\$0	\$165,000	\$0	\$0	26
CP0527 HOMESTAKE ROADWAY IMP & MULTI-USE TRAIL	\$0	\$1,836,359	\$0	\$0	\$0	42
CP0528 MUNCHKIN EXTN/MULTI TRAIL & WOODBINE IMP	\$0	\$347,124	\$0	\$1,511,701	(\$131,616)	24
CP0531 Prospector Park Improvements	\$308,327	\$0	\$172,231	\$0	\$0	21
CP0535 Santy Chairs Replacement	\$0	\$50,000	\$0	\$50,000	\$0	23
CP0540 SNOW CREEK CROSSING - SR 248 TUNNEL IMP	\$0	\$4,320,365	\$0	\$0	\$0	29
CP0556 Upper Main Street Intersection Improve	\$0	\$750,000	\$1,461,562	\$0	\$0	38
CP0557 Lite Deed Program	\$0	\$1,000,000	(\$994,650)	\$0	\$0	38
CP0559 Marsac Remodel	\$0	\$0	\$1,500,000	\$0	(\$700,000)	38
CP0567 Safety Style Soccer Goals	\$0	\$59,000	\$0	\$0	\$0	38
CP0568 Gate for Mine bench and Judge Tunnel	\$0	\$15,000	\$0	\$0	\$0	38
CP0569 Replace Vehicle Wash	\$0	\$0	\$55,370	\$0	\$0	38

## EXPENSES

CP0570 Replace Fuel Pump System	\$0	\$0	\$0	\$0	\$24,273	38
CP0573 Acoustifence - Pickleball Noise M	\$0	\$0	\$0	\$0	\$32,259	-
CP0575 10th Street Retaining Wall Reconstruction	\$0	\$0	\$0	\$0	\$145,000	-
CP0576 Ability Way Reconstruction	\$0	\$0	\$0	\$0	\$630,000	-
CP0577 Police Station Parking Lot	\$0	\$0	\$0	\$0	\$210,000	-
CP0579 Guardrail Replacement	\$0	\$0	\$0	\$0	\$68,000	-
CP0580 Safety Netting at Quinn's	\$0	\$0	\$0	\$0	\$33,090	-
CP0581 Street Sign Replacement Program	\$0	\$0	\$0	\$0	\$9,754	-
CP0583 Swede Alley Trash Compactors Repl	\$0	\$0	\$0	\$0	\$126,000	-
CP0585 Facility Wireless Upgrades	\$0	\$0	\$50,000	\$0	\$160,000	-
CP0586 Housing Ongoing Asset Improvement	\$0	\$0	\$1,980,299	\$0	\$0	-
CP0587 Housing Program Asset Acquisition	\$0	\$0	\$5,500,000	\$0	\$0	-
CP0588 Housing Program Public Private Pa	\$0	\$0	\$16,946,782	\$0	\$0	-
CP0589 Housing Programs	\$0	\$0	\$1,000,000	\$0	\$0	-
CP0598 PC MARC Fitness & Aquatics Enhancements	\$0	\$0	\$0	\$0	\$14,000,000	-
CP0600 Strategic Asset Analysis	\$0	\$0	\$0	\$0	\$150,000	-
		<b>FY23 Base + New</b>	<b>\$40,756,134</b>	<b>FY24 Base + New</b>	<b>\$50,844,970</b>	

### Water Fund FY23 and FY24

The Three Kings Water Treatment plant remains the most significant capital project undertaken by the Water Fund and the City as a whole. Due to quality project and construction management, the facility is on track to begin operations in FY24.

For example, building shells and roof structures for all eight buildings are now completed. Final roofing materials, windows, exterior siding, and stone veneer are being installed and generally complete on six of eight buildings. Work inside the buildings will continue through early spring. Start-up and testing of all building and treatment systems will occur with regulators on-site from early spring to early summer. Site piping is complete and site grading underway. Site landscaping, fencing, paving, cleanup, and removal of construction trailers will occur as soon as the weather allows, and we are aware this is important to our neighbors and golf community.

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In addition to recent major capital initiatives funded by bond proceeds, the broader ongoing capital maintenance needs of the water system are served by net operating revenue remaining after operational costs and debt service. Annual water service fee increases will continue to maintain fund stability while also providing capacity for cash-funded or pay-as-you-go projects.

Project	Carry Forward	Base FY 2023	Newly Requested FY 2023	Base FY 2024	Newly Requested FY 2024	CIP Process Score
CP0007 Tunnel Maintenance	\$0	\$2,781,619	\$508,312	\$292,884	\$3,000,000	39
CP0010 Water Department Service Equipment	\$86,886	\$200,000	\$0	\$133,200	\$0	33
CP0040 Water Dept Infrastructure Improvement	\$2,235,618	\$3,954,863	\$0	\$3,496,538	\$0	40
CP0075 Equipment Replacement - Computer	\$62,442	\$138,232	\$0	\$138,232	\$0	30
CP0178 Rockport Water, Pipeline, and Storage	\$3,230,775	\$1,274,570	\$0	\$1,357,520	\$0	36
CP0275 Smart Irrigation Controllers	\$4,353	\$0	\$0	\$0	\$0	38
CP0276 Water Quality Study	\$100,000	\$350,000	\$0	\$300,000	\$0	33
CP0301 Scada and Telemetry System Replacement	\$0	\$1,000,000	\$0	\$200,000	\$0	24
CP0303 Empire Tank Replacement	\$34,611	\$0	\$0	\$0	\$0	29
CP0304 Quinn's Water Treatment Plant Asset Repl	\$712,015	\$231,525	\$0	\$238,471	\$0	29
CP0312 Fleet Management Software	\$17,307	\$0	\$0	\$0	\$0	38
CP0325 Network & Security Enhancements	\$0	\$85,000	\$0	\$85,000	\$0	27
CP0341 Regional Interconnect	\$186,244	\$0	\$0	\$0	\$0	26
CP0342 Meter Replacement	\$198,347	\$150,000	\$0	\$150,000	\$0	26
CP0343 Park meadows Well	\$2,678,908	\$0	\$0	\$0	\$0	26
CP0371 C1 - Quinn WTP to Boothill - Phase 1	\$1,026,839	\$0	\$0	\$0	\$0	39
CP0372 Regionalization Fee	\$400,000	\$200,000	\$0	\$200,000	\$0	30
CP0389 MIW Treatment	\$29,236,885	\$20,094,153	\$0	\$250,000	\$0	31
CP0390 QJWTP Treatment Upgrades	\$2,839,109	\$0	\$0	\$0	\$0	43
CP0392 Distribution Zoning Meters	\$8,358	\$0	\$0	\$0	\$0	32
CP0393 Energy Projects	\$415,889	\$200,000	\$0	\$200,000	(\$200,000)	24

## EXPENSES

CP0415 Mobile Control	\$13,000	\$0	\$0	\$0	\$0	42
CP0416 Windows 10 Client Licenses	\$1,480	\$0	\$0	\$0	\$0	44
CP0418 JSSD Interconnection Improvements	\$146,686	\$0	\$0	\$90,000	\$0	30
CP0442 MIW Offsite Improvements	\$9,494,153	\$0	\$0	\$0	\$0	39
CP0443 West Neck Tank	\$1,398,914	\$1,250,000	\$0	\$0	\$0	51
CP0569 Replace Vehicle Wash	\$0	\$0	\$19,985	\$0	\$0	38
CP0570 Replace Fuel Pump System	\$0	\$0	\$0	\$0	\$2,960	38
CP0574 Landscaping Incentives	\$0	\$0	\$0	\$0	\$200,000	-
		<b>FY23 Base + New</b>	<b>\$32,438,259</b>	<b>FY24 Base + New</b>	<b>\$10,134,805</b>	

### Transportation Fund FY23 and FY24

The Transportation fund continues to evolve as Park City focuses its transportation operations on the core of Park City.

Park City Transportation continues to aggressively pursue state and federal funding opportunities and has been successful in securing funding for a Short-Range Transit Plan and for the Active Transportation Master Plan and was recently awarded \$7.4M for bus stop replacements. Additionally, Park City has been awarded a significant amount of federal grant funding to procure new electric buses and charging infrastructure.

Transportation capital projects are traditionally funded by a combination of Transportation Sales Taxes as well as local and federal grants. As operating expenses increase, the Fund's capacity to execute capital projects with sales taxes will continue to diminish. Also, the 5-year capital plan does not include new budget requests for major transformative projects.

Project	Carry Forward	Base FY 2023	Newly Requested FY 2023	Base FY 2024	Newly Requested FY 2024	CIP Process Score
CP0009 Transit Rolling Stock Replacement	\$17,711,482	\$0	\$2,130,085	\$0	\$3,575,222	33
CP0025 Bus Shelters Design and Capital Improve	\$148,853	\$700,000	\$969,158	\$1,251,918	\$3,322,347	42
CP0075 Equipment Replacement - Computer	\$48,783	\$16,172	\$0	\$16,172	\$0	30
CP0108 Flagstaff Transit Transfer Fees	\$3,951,054	\$0	(\$1,832,317)	\$0	\$0	33
CP0118 Transit GIS/AVL System	\$100,000	\$0	\$400,000	\$0	\$0	44
CP0312 Fleet Management Software	\$237,760	\$0	(\$233,647)	\$0	\$0	38
CP0313 Transportation Plans and Studies	\$356,331	\$0	\$0	\$0	\$0	38
CP0316 Transit Facility Capital Renewal Account	\$2,116,832	\$230,000	\$0	\$230,000	\$0	38

## EXPENSES

CP0363 Traffic Management Cameras	\$0	\$0	\$38,458	\$0	\$0	42
CP0381 Transit and Transportation Land Acq	\$0	\$0	\$1,000,000	\$0	\$0	29
CP0382 Transit Onboard Security Cameras	\$50,000	\$0	\$0	\$0	\$0	29
CP0411 SR 248/US 40 Park and Ride Lot	\$4,441,823	\$300,000	\$1,800,000	\$360,000	(\$360,000)	26
CP0415 Mobile Control	\$438	\$0	(\$428)	\$0	\$0	42
CP0416 Windows 10 Client Licenses	\$5,500	\$0	\$0	\$0	\$0	44
CP0420 Enhanced Bus Stops at Fresh Market and P	\$0	\$0	\$2,615,000	\$0	\$0	33
CP0432 Office 2016 Licenses	\$4,620	\$0	\$0	\$0	\$0	42
CP0434 GIS GeoEvent Server License	\$13,000	\$0	\$0	\$0	\$0	23
CP0439 Bonanza Drive Multi-Modal and Street Imp	\$0	\$0	\$300,000	\$0	\$0	41
CP0440 Bike Share Improvements	\$185,000	\$0	(\$85,000)	\$0	\$0	39
CP0441 Transportation Demand Management Program	\$104,778	\$70,000	(\$59,246)	\$70,000	\$441,284	26
CP0460 Bus lift	\$35,000	\$0	\$0	\$0	\$181,500	48
CP0465 SR-248 Corridor and Safety Improvement	\$0	\$5,348,554	\$0	\$0	\$0	38
CP0469 Deer Valley Drive Bicycle and Pedestrian	\$200,000	\$300,000	(\$200,000)	\$0	\$250,000	39
CP0478 Bike and Ped Improvements in Thay	\$0	\$0	\$0	\$0	\$250,000	-
CP0536 Arts and Culture Exterior Bus Stops	\$0	\$2,700,000	\$0	\$0	\$0	21
CP0540 SNOW CREEK CROSSING - SR 248 TUNNEL IMP	\$0	\$0	\$100,000	\$5,824,240	\$967,353	29
CP0550 Active Transportation Master Plan	\$0	\$65,000	\$70,000	\$0	\$0	21
CP0551 Short Range Transit Plan	\$41,184	\$0	\$0	\$0	\$0	27
CP0552 TDM Capital Improvement Projects	\$560,000	\$180,000	(\$732,786)	\$180,000	(\$180,000)	27
CP0554 Emerging Tech in Transit	\$0	\$130,000	\$0	\$0	\$0	29
CP0555 McPolin and Meadows Bus Stop Improvement	\$0	\$87,000	\$0	\$0	\$0	27
CP0562 Emergency Response Trailer	\$0	\$100,000	\$0	\$0	\$0	5
CP0565 Park City Parking Needs Assessment	\$0	\$150,000	(\$150,000)	\$0	\$300,000	38
CP0571 Long Range Transportation Capital Plan	\$0	\$3,870,762	(\$3,847,221)	\$0	\$0	38

## EXPENSES

CP0591 Transit Operations Radios Upgrade	\$0	\$0	\$100,000	\$0	\$100,000	-
CP0592 Avail Replacement	\$0	\$0	\$0	\$0	\$1,000,000	-
CP0594 Short Range Transportation Plan I	\$0	\$0	\$0	\$0	\$1,000,000	-
CP0595 Intercept Lot/Park & Ride Ameniti	\$0	\$0	\$0	\$0	\$80,000	-
CP0596 Public Transit Bus Engine Replace	\$0	\$0	\$0	\$0	\$100,000	-
CP0601 Parking Asset Maintenance & Impro	\$0	\$0	\$265,760	\$0	\$80,000	-
		<b>FY23 Base + New</b>	<b>\$12,406,715</b>	<b>FY24 Base + New</b>	<b>\$19,040,036</b>	

### Lower Park Avenue RDA

The LPA RDA is the primary source of repayment for the 2019 STR debt that currently provides funding for the City's affordable housing projects. Additionally, after debt service payments, smaller, annually recurring revenues are available for additional capital projects within the geographic boundary of the RDA.

The most significant request for capital project funding in the LPA RDA remains CP0311 Senior Community Center at \$991k as noted above. Additionally, CP0003 Old Town Stairs also has existing budgets of \$886k through FY24.

Project	Carry Forward	Base FY 2023	Newly Requested FY 2023	Base FY 2024	Newly Requested FY 2024	CIP Process Score
CP0003 Old Town Stairs	\$436,340	\$150,000	\$0	\$300,000	\$0	32
CP0005 City Park Improvements	\$736,490	\$100,000	\$0	\$100,000	\$0	38
CP0013 Affordable Housing Program	\$25,886	\$0	\$0	\$0	\$0	35
CP0020 City-wide Signs Phase I	\$7,156	\$0	\$0	\$0	\$0	30
CP0036 Traffic Calming	\$31,275	\$0	\$0	\$0	\$0	44
CP0089 Public Art	\$37,749	\$0	\$0	\$0	\$0	53
CP0167 Skate Park Repairs	\$9,749	\$5,000	\$0	\$5,000	\$0	38
CP0264 Security Projects	\$0	\$40,000	\$0	\$40,000	\$0	41
CP0308 Library Remodel	\$449	\$0	\$0	\$0	\$0	32
CP0311 Senior Community Center	\$991,390	\$0	\$0	\$0	\$0	38
CP0362 Woodside Phase II	\$2,208	\$0	\$0	\$0	\$0	42
CP0386 Recreation Building in City Park	\$241,383	\$0	\$0	\$0	\$0	29
CP0586 Housing Ongoing Asset Improvement	\$0	\$0	\$29,459	\$0	\$0	-
		<b>FY23 Base + New</b>	<b>\$322,311</b>	<b>FY24 Base + New</b>	<b>\$445,000</b>	

## EXPENSES

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

The total proposed CIP budget (all funds, excluding carry forward) for the FY 2023 Budget is \$86.4 million. The proposed FY 2024 CIP budget is \$82.1 million. The General Fund transfer required to fund capital projects in FY 2023 will be approximately \$4.5 million—the majority of which is dedicated to the maintenance of existing infrastructure. Projects in these categories include Equipment Replacement – Rolling Stock, Aquatics Equipment Replacement, Pavement Management, Trails Master Plan Implementation, Traffic Calming, and Asset Management.

### **Long-term Unfunded Capital Initiatives**

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

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

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

1. Pay-as-You-Go: This method pays for capital projects with funds on hand or through saving up over time. We are already deploying this strategy.
2. General Obligation Debt: Property tax increase targeted toward specific projects. Requires voter approval in a general election. We have a successful history of deploying this strategy on large community issues.
3. Property Tax Increase: This tool has not been used to our knowledge due to the strength of the tourism economy and imbalance in favor of year-round residential property owners.
4. Revenue Debt: Issue bonds paid back through ongoing revenues. Historically, we have used sales taxes but could source other areas, such as water revenues. Also, the City's debt capacity through sales taxes to issue bonds for new projects is considerable and

## EXPENSES

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untapped. Today, based upon a 20-year maturity, the City could conservatively bond upwards of \$60M. We could also evaluate our overly conservative bonding policy that goes even further than required by Utah Law.

5. **Grants/Other Government Agencies:** There are many grant opportunities for local governments from other government agencies. However, to fund large capital projects, the City has been most successful in securing grants for transportation projects. The city has a handful of current transportation capital projects set to be paid for partially with grant funding and is continuously applying for more, such as the monies we are awarded to replace vehicles and support the Quinn’s Junction Park and Ride. We plan to continue our aggressive use of the tool.
6. **Economic Development Tools:** There are numerous economic development tools that the city could utilize. The most common are Community Reinvestment Agencies (CRA) or Public Improvement Districts (PID). Both tools leverage new property tax revenue generated from new development for capital investment in those areas or outside the project area. A more aggressive use of this tool may be recommended in the future.
7. **Public-private Partnerships (P3s):** Public-private partnerships involve collaboration between a government agency and a private-sector company to finance, build, and operate projects. These partnerships work well when private-sector incentives combine with public sector goals, and the private sector incurs much of the financial risk. We are likely to increase our use of this tool, given the rise in construction costs and workforce pressures.

A complete detailed CIP report is available in Volume II on our [Budget Department](#) website.

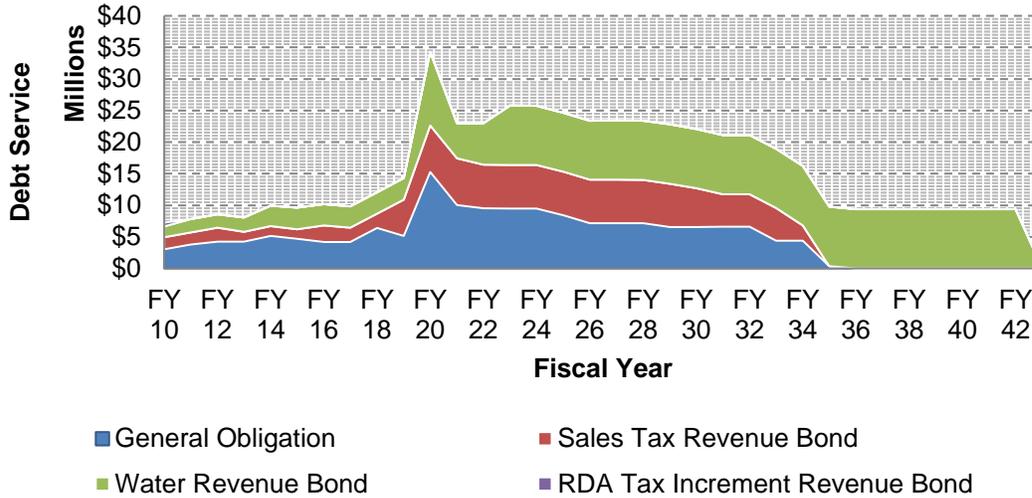
The total proposed CIP budget (all funds combined, excluding carry forward) for the FY 2023 Adjusted Budget is \$85.5 million. The proposed FY 2024 CIP budget is \$51.9 million. The General Fund transfer required to fund capital projects in FY2024 will be approximately \$4 million—the majority of which is dedicated to the maintenance of existing infrastructure. Projects in these categories include Equipment Replacement – Rolling Stock, Aquatics Equipment Replacement, Pavement Management, Trails Master Plan Implementation, Traffic Calming, and Asset Management.

## DEBT SERVICE

Park City has various bond issuances outstanding. The debt service to be paid on these bonds is as detailed in Figure E21. The Utah State code states that direct debt issued by a municipal corporation should not exceed 4% of the assessed valuation—Park City has a more stringent policy of 2% of assessed valuation.

EXPENSES

### Annual Debt Service (by Type)



E21 - Long Term Debt

Funding sources for debt service payments in FY 2024 are detailed in Figure E22. General Obligation Bonds have property tax as a dedicated source for repayment, while Water Bonds generally have water service fees as a dedicated revenue source. RDA Bonds are backed by property tax increment. Sales Tax Bonds are backed by sales tax revenue, but the City has dedicated several revenue sources for repayment, including lease revenue, impact fees, and unreserved general fund revenue.

### FY 2024 Debt Service Sources

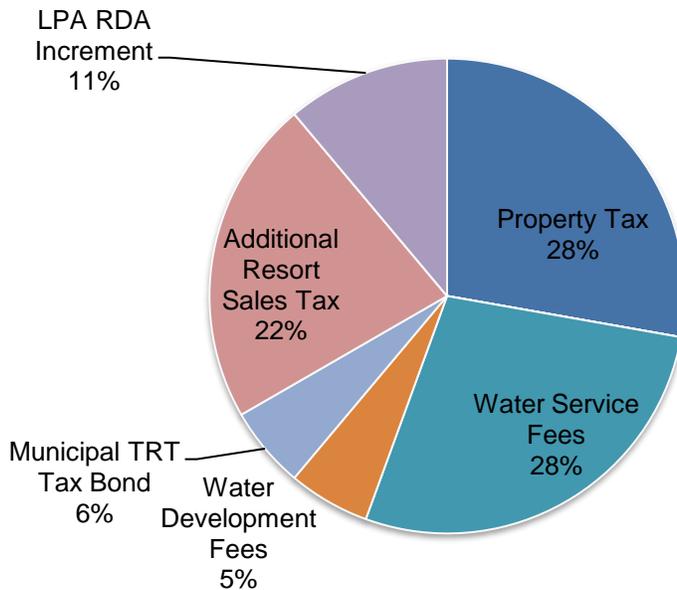


Figure E22 – Debt Funding Sources

# EXPENSES

Perhaps the most significant measure related to debt service is the amount of debt that is secured by a non-dedicated revenue source. As previously discussed, most 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.

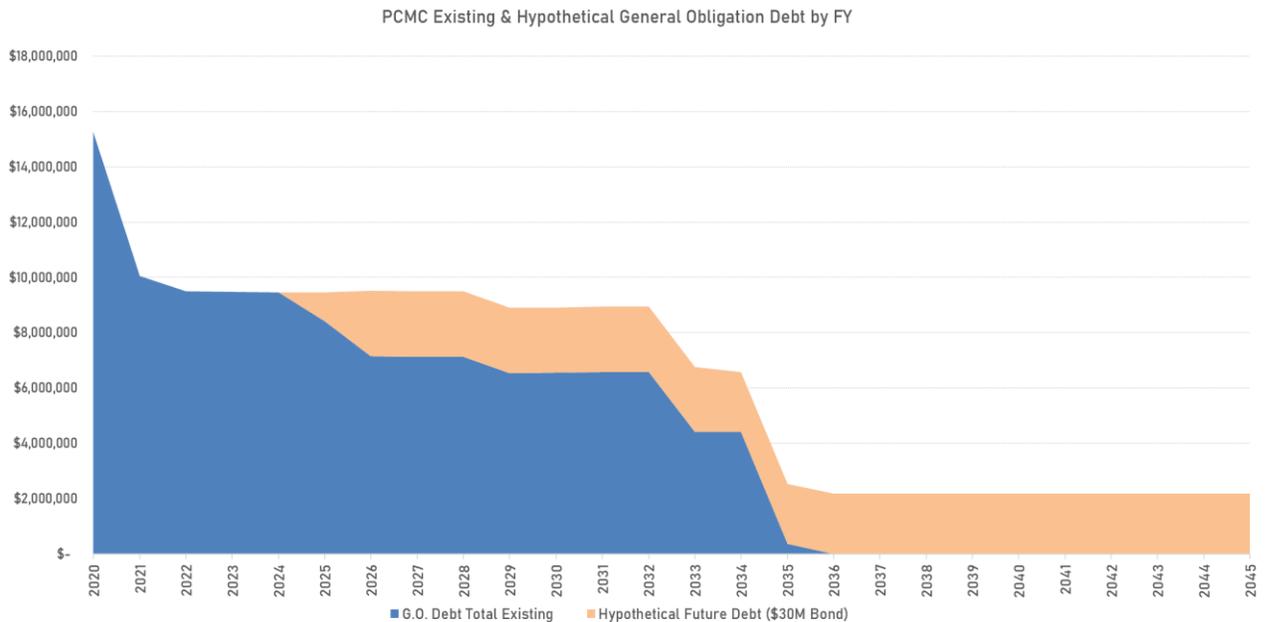
While the City is building a robust capital budget plan for the next several years based on Council’s goals and direction, the focus remains on core capital maintenance and medium-term infrastructure projects.

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

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

## Existing & Hypothetical G.O. Debt

PCMC General Obligation debt service is trending down.



Source: PCMC as of June 2023.

## EXPENSES

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As part of the FY24 Final Budget, Council adopted a budget strategy to execute a Recreation Bond. The GO bonds graph shows how debt service trends down over time under this hypothetical scenario. Even with a new GO bond a local taxpayer would not see an increase to their property tax bill. This is due to GO debt service falling off in FY25.

## ECONOMIC REVIEW

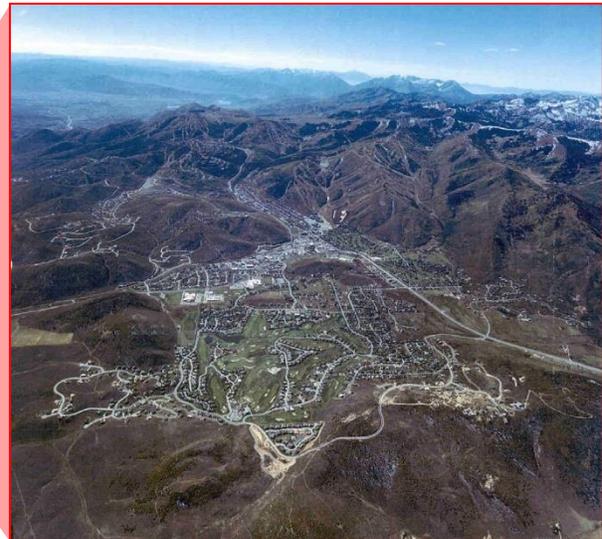
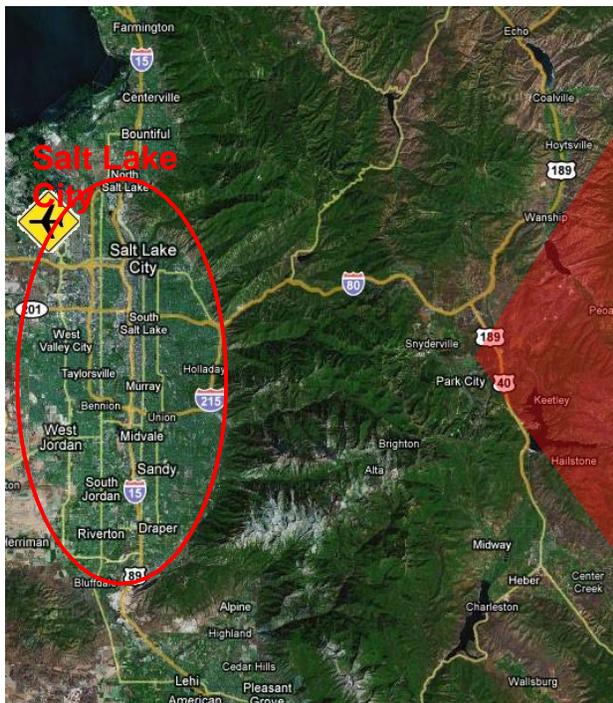
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### ABOUT PARK CITY

Park City is 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.

Long before Park City, Utah became a world class ski destination and popular event location, it was a booming silver mining town. Founded by prospectors in 1868, Park City continued to mine silver until the 1970s and at one point was considered a ghost town of the Wild West. Park City is now home to two world class resorts, Deer Valley Resort and Park City Mountain, and permits nearly 80 events per year, including the Sundance Film Festival which brings over 71,000 visitors to Park City within a ten day period.



Tourism is the major industry in Park City, with skiing, lodging facilities, and restaurants contributing significantly to the local economy. Park City is the home of two major ski resorts, Park City Mountain Resort and Deer Valley Ski Resort. Park City Mountain Resort combined with Canyons Resort during the 2015-2016 ski season to create the largest ski resort in North America.

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

In 2002, Salt Lake City hosted the 2002 Winter Olympic Games with two athletic venues in Park

## ECONOMIC REVIEW

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City and one just north of the city limits. Deer Valley Resort hosted the slalom, aerial, and mogul competitions; Park City Mountain Resort hosted the giant slalom, snowboarding slalom and snowboarding half-pipe; and the Utah Winter Sports Park (Summit County) hosted ski jumping, luge and bobsled events. In February 2009, Deer Valley hosted the first World Cup Skier Cross competition ever held in North America. Deer Valley Resort and Park City Mountain resort jointly hosted the FIS Freestyle World Championship event for the 1st time in February of 2019.

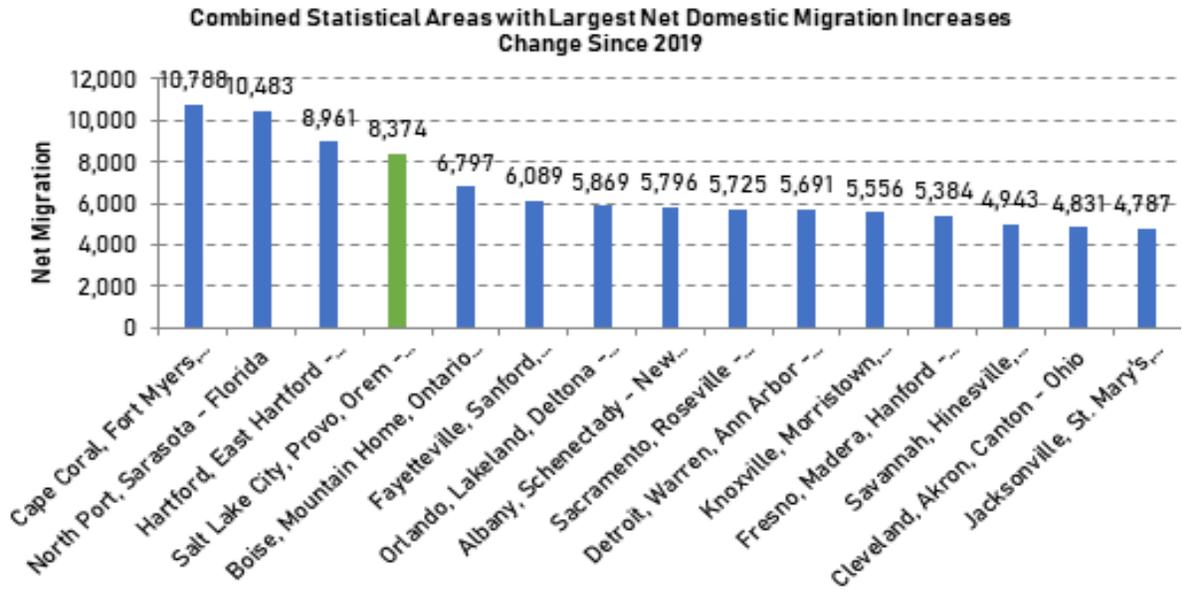
### **PARK CITY ECONOMY**

Tourism is the backbone of the Park City economy, and most of the local tourism revolves around skiing and snowboarding. Encouraging tourism and the ski industry are objectives for Park City as well as for the State of Utah. With its proximity to Salt Lake City and Salt Lake International airport, Park City is a major contributor to the State's goals.

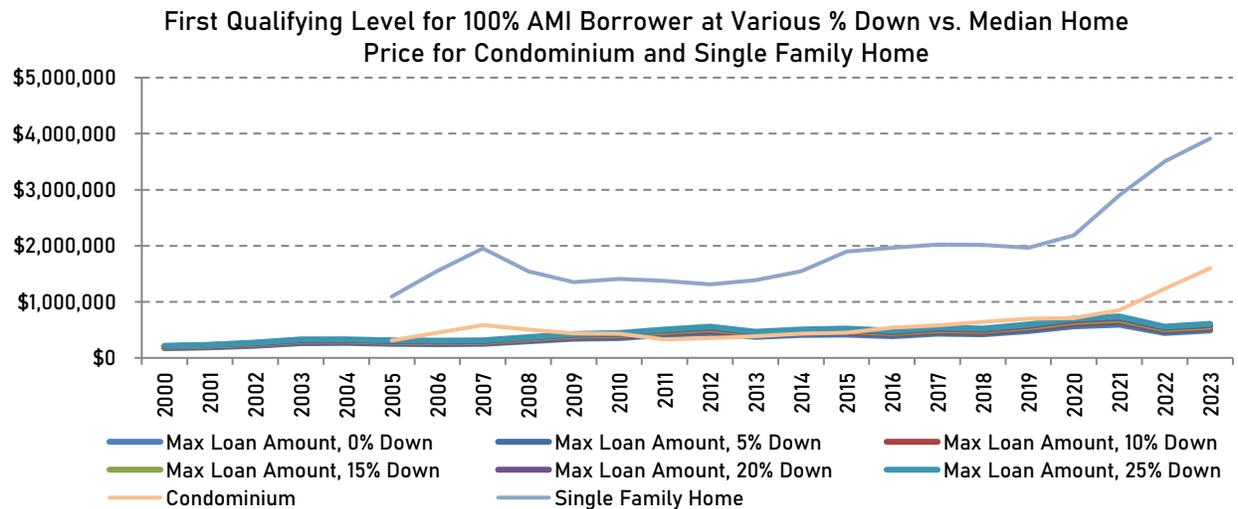
The service population is much larger than the permanent population in Park City due to the number of secondary homeowners and visitors within city limits. The city has approximately 161 restaurants, 314 shops, 27 private art centers and a community-sponsored art center. Many of Park City's restaurants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

Closely connected to the tourist and ski industries in Park City is the real estate industry. During the past ten years, building activity within the city has ranged anywhere from a low of \$40.9 million in 2011 (due to the recession), to a high of \$160 million in 2017. Building activity over the last decade has averaged \$121.5 million per year. Easy access to Salt Lake City has intensified the role for Park City as a bedroom community. This role and the current economy have shifted emphasis to the construction of residential homes. Properties have enjoyed a steady rate of appreciation through the years, which are expected to maintain their value and/or increase in the future.

# ECONOMIC REVIEW



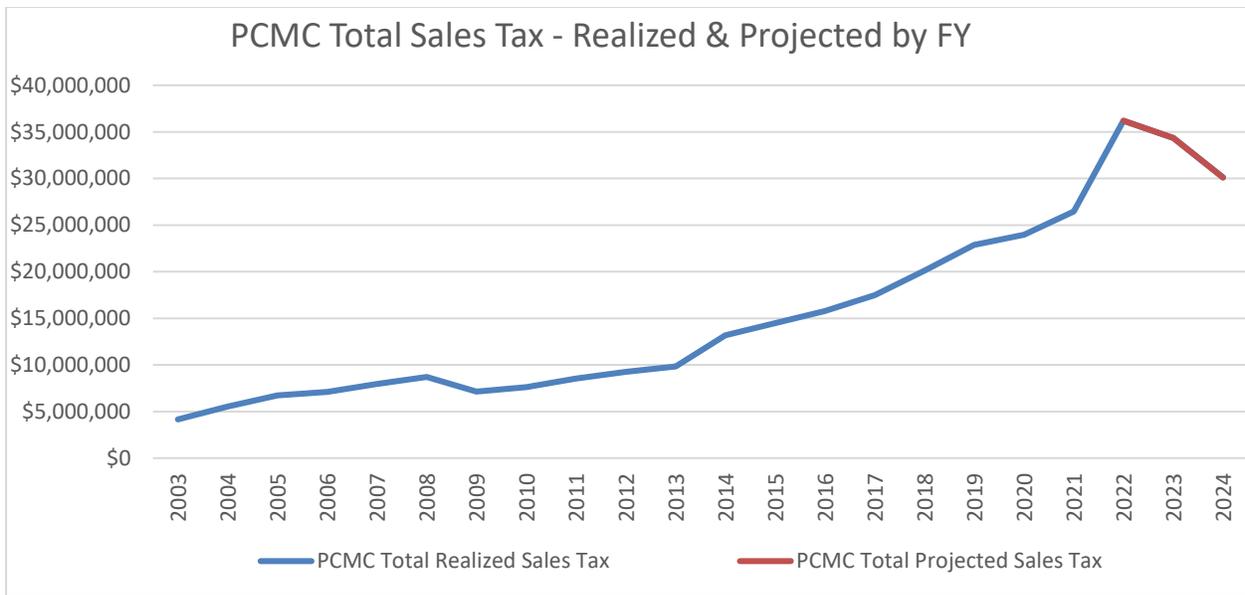
Statistics compiled by Zillow and Realtor.com indicate a continued rise in median home prices in Park City over the pandemic and the course of the last several years. The median single-family home within city limits has risen to nearly \$3.9 million for a single-family home and \$1.6M for a Park City condominium as of the end of Q1 FY23.



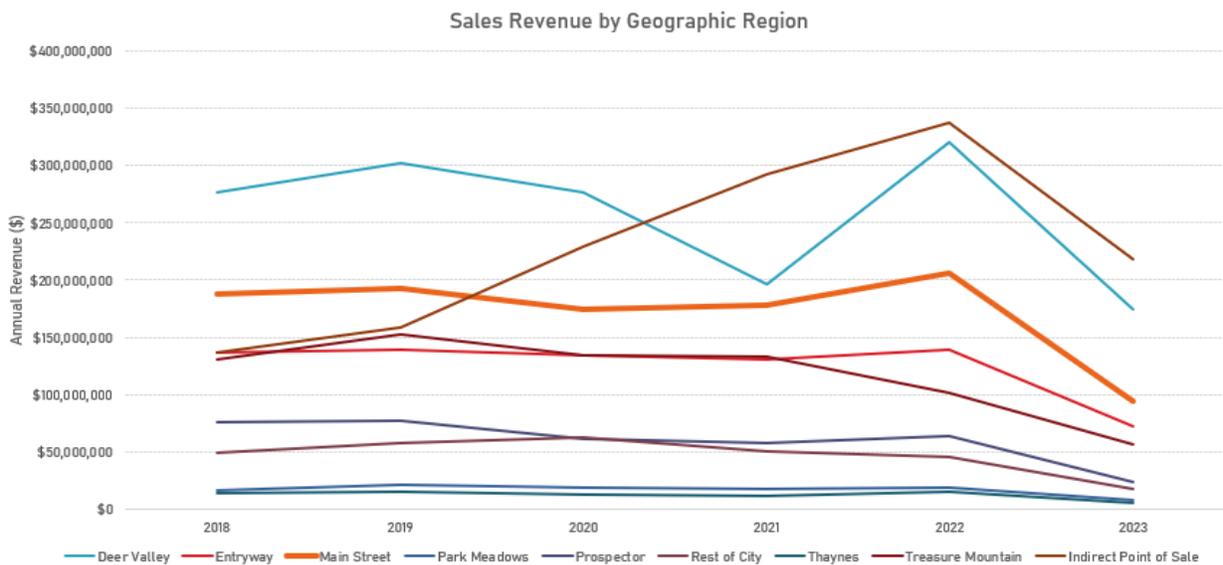
## CITY SALES TRENDS

Park City has experienced exceptional economic growth in the last decade. After a dip in 2009, sales tax has recovered dramatically for the past five years. Figure EO2 shows the growth in total sales from 2003 to 2022 with projections for 2023 and 2024.

# ECONOMIC REVIEW



**Figure EO2 – Total Estimated Sales**



**Figure EO3 – Estimated Sales by Geography**

Figure EO3 shows sales revenue trends by geographic region from 2018 to 2023. Online sales and online lodging have experienced the greatest change in recent years, accelerated by trends associated with COVID. Park City’s economy relies heavily on the ski industry and tourism, sales tax revenues are extremely seasonal.

### CITY FINANCIAL HEALTH INDICATORS

The Citizens Technical Advisory Committee (CTAC) and staff from Park City Municipal Corporation identified Financial Indicators that would be used to measure the overall financial health of Park City.

#### **Types of Financial Indicators**

The International City/County Management Association (ICMA) produces a manual entitled Evaluating Financial Condition. Within this manual, various indicators and methods for analysis are outlined and recommended. According to the ICMA, the financial condition of a municipality is defined as "...a government's ability in the long run to pay all the costs of doing business, including expenditures that normally appear in each annual budget, as well as those that will appear only in the years in which they must be paid." By recording the necessary data and observing these indicators, we can detect unfavorable trends and take precautions before they become a problem for the Park City government.

The indicators detailed below were chosen with input from CTAC and the staff from the Park City budget department.

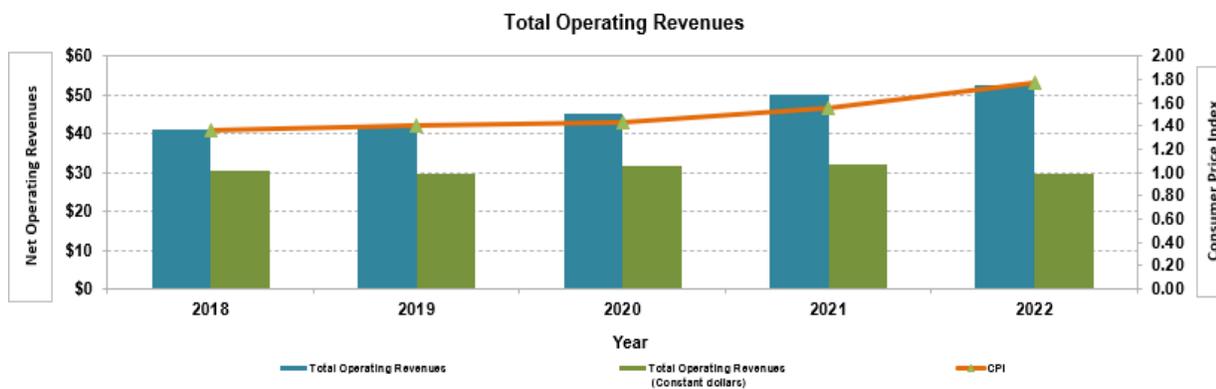
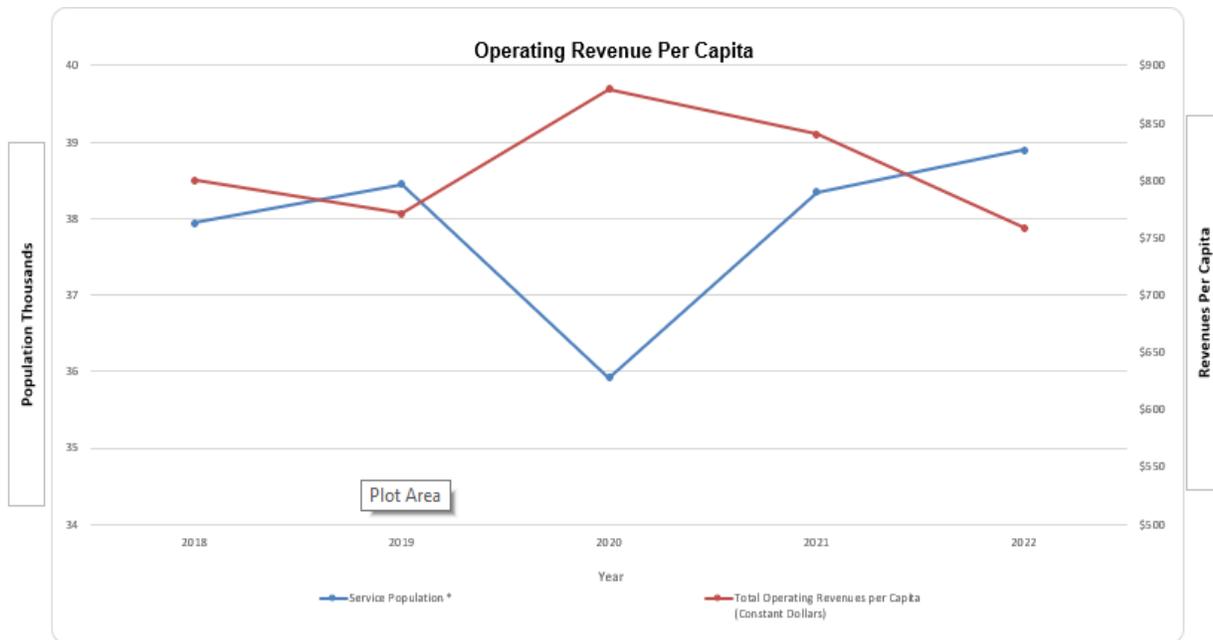
- A. Revenues per capita
- B. Expenditures per capita
- C. Municipal employees per capita
- D. Operating (deficit) surplus per capita
- E. Comparison of the liquidity ratio and long-term debt
- F. Long-term overlapping debt as a percentage of assessed valuation
- G. Administrative costs as a percentage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

# ECONOMIC REVIEW

## Revenues per Capita

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

Description	2018	2019	2020	2021	2022
Total Operating Revenues	\$41,247,895	\$41,631,529	\$45,390,431	\$50,218,696	\$52,378,983
CPI	1.36	1.41	1.44	1.56	1.77
Total Operating Revenues (Constant dollars)	\$30,340,545	\$29,630,911	\$31,597,035	\$32,230,176	\$29,509,646
Service Population *	37,937	38,445	35,914	38,350	38,893
Total Operating Revenues per Capita (Constant Dollars)	\$799.76	\$770.74	\$879.79	\$840.42	\$758.73



### 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. We also use a Service Population index that shows the impact that visitors and secondary homeowners will have on sales tax revenue.

The Consumer Price Index (CPI) is used to show the relationship of total operating revenues to constant total operating revenues to account for inflation and to provide a more accurate representation of accrued revenues.

### Source

Total Operating Revenues - Statement of Revenues, Expenditures, and Changes in Fund Balances, ACFR FY22 pg. 31. (General + Debt Service (Sales Tax Revenue and Refunding) + Debt Service (Park City General Obligation).)

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.

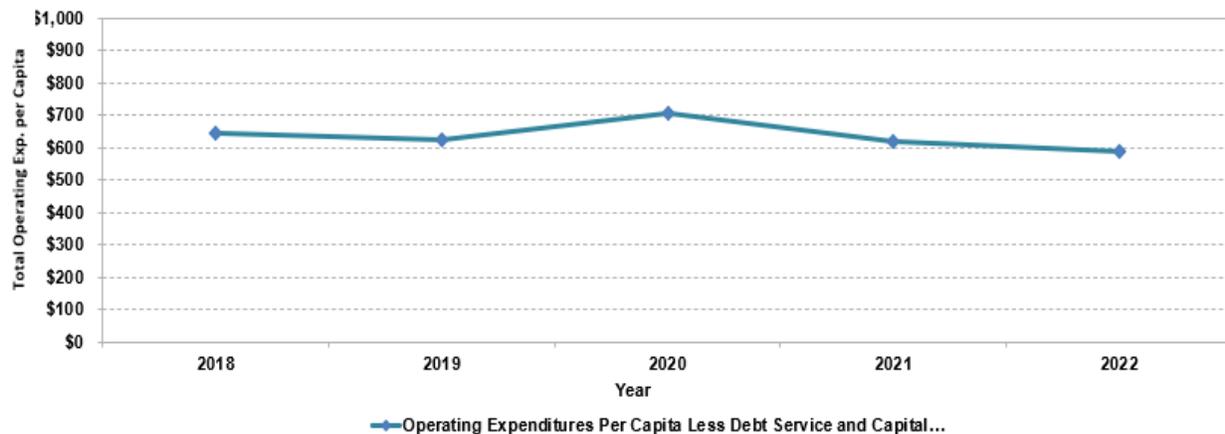
# ECONOMIC REVIEW

## Expenditures per Capita for Governmental Funds

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

Description	2018	2019	2020	2021	2022
Debt Service*	\$11,675,569	\$11,180,053	\$15,562,353	\$16,955,488	\$16,464,104
Capital Outlay	\$39,052,752	\$70,133,504	\$17,207,904	\$6,901,426	\$7,023,060
Operating Expenditures Less Debt Service and Capital	\$33,385,328	\$33,718,124	\$36,533,702	\$36,901,057	\$40,597,424
Total Operating Expenditures	\$84,113,649	\$115,031,681	\$69,303,959	\$60,757,971	\$64,084,588
CPI	1.36	1.41	1.44	1.56	1.77
Total Operating Expenditures (Constant Dollars)	\$61,871,132	\$81,872,888	\$48,243,640	\$38,994,244	\$36,104,434
Operating Expenditures Less Debt Service and Capital (Constant Dollars)	\$24,557,109	\$23,998,608	\$25,431,718	\$23,682,964	\$22,872,067
Service Population**	37,937	38,445	35,914	38,350	38,893
Net Operating Expenditures per capita (Constant Dollars)	\$1,631	\$2,130	\$1,343	\$1,017	\$928
Operating Expenditures Per Capita Less Debt Service and Capital (Constant Dollars)	\$647	\$624	\$708	\$618	\$588

Constant Dollar Operating Expense per Capita Less Debt Service and Capital



### Analysis

Changes in per capita expenditures reflect changes in expenditures relative to changes in population. Taking into account the service population and the inflation factor, the indicator shows the increasing costs of providing city services. The rate has fluctuated slightly, but has remained stable since 2010. Total operating expenses increased marginally in 2019. The increase is mostly attributed to increased operating expenditures and the retirement of principal debt service payments.

### Source

\*Debt Service includes Principal retirement, Interest and bond issuance costs ACFR FY22, Schedule 4

Total Operating Expenditures ACFR FY22, Schedule 4

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

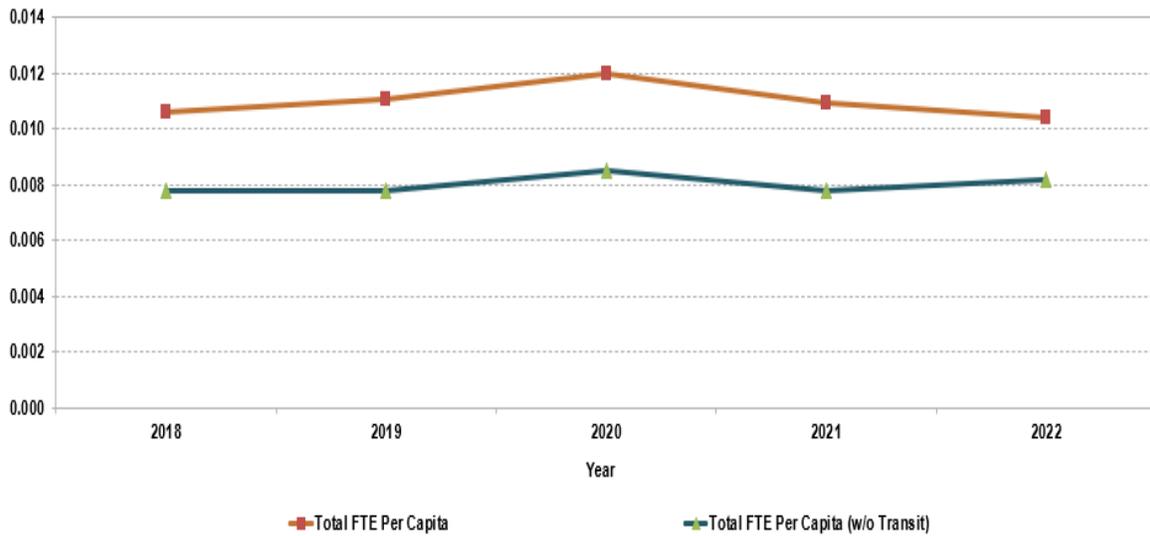
\*\* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors

# ECONOMIC REVIEW

**Employees per Capita**  
**Municipal employees per capita (service population\*)**

Description	2018	2019	2020	2021	2022	% growth over 5 yrs
# FTE (Full-time equivalents)	403.05	424.2	430.8	418.17	404.12	-4.73%
# FTE (w/o Transit)	295.25	300.4	306.2	299.57	317.82	5.80%
Service Population*	37,937	38,445	35,914	38,350	38,893	1.17%
Total FTE Per Capita	0.011	0.011	0.012	0.011	0.010	-5.83%
Total FTE Per Capita (w/o Transit)	0.008	0.008	0.009	0.008	0.008	4.58%

**Employees per Capita**



**Analysis**

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

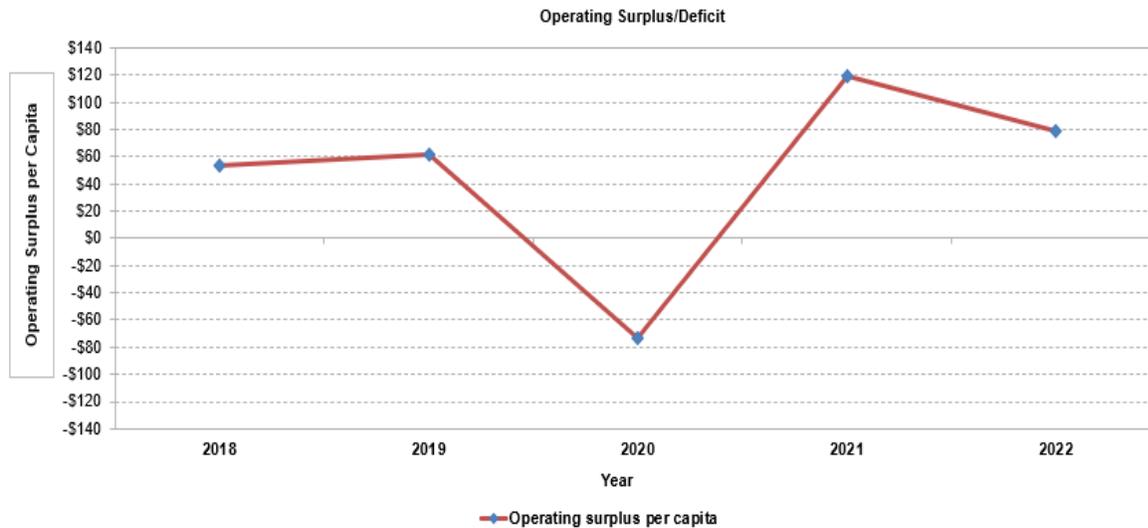
**Source**

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

# ECONOMIC REVIEW

**Operating (Deficit) or Surplus**  
**Operating deficit or surplus as a percentage of operating revenues**

Description	2018	2019	2020	2021	2022
Operating deficit or surplus	\$2,049,806	\$2,363,097	-\$2,637,073	\$4,578,658	\$3,085,392
Net fund operating revenue	\$41,247,895	\$41,631,529	\$45,390,431	\$50,218,696	\$52,378,983
General fund operating surplus (deficit) as % of net fund operating revenues	5%	6%	-6%	9%	6%
Service Population*	37,937	38,445	35,914	38,350	38,893
Operating surplus per capita	\$54	\$61	-\$73	\$119	\$79



**Analysis**

An operating surplus is used to fund CIP and fund non-operating expenditures. In 2020 the City had a strong operating deficit due to impacts from the COVID-19 pandemic.

**Source**

General fund operating surplus/deficit - ACFR FY22 pg.31, Net Fund Operating Revenues - ACFR FY22 Table 2, CAFR FY22 Schedule 5 for Tax Revenue; Statement of Revenues, Expenditures, and Changes in Fund Balances pg. 29 for all other revenues. (Includes debt service for investment income and rental and other miscellaneous)

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

## City Debt

Park City’s debt service expenditures have increased in amount and as a percentage of total expenditures during the past decade. Much of this is due to the voter approved General Obligation Bonds that were passed in 1999, 2000, 2005, 2006, 2007, 2008, 2009, 2010, and 2013 as well as the Sales Tax Revenue Bonds issued in 2005, 2010, 2014 and 2015. The City’s bond rating was upgraded in May 2006 by Moody’s to Aa2. Furthermore, the city was upgraded in 2008 by Standard and Poor’s and Fitch to AA. A bond rating of AA (AAA is generally the highest rating) indicates that Park City as an issuer offers “excellent financial security.” The issued Sales Tax Revenue Bond also received a rating of A+ from Standard & Poor’s. In the beginning of May 2010, Park City’s bond rating moved from Aa2 (Moody’s) and AA (Fitch) to Aa1 and AA+ respectively. In 2013 S&P increased the City’s bond rating to AA+. In 2017 Standards & Poor’s and Fitch confirmed the General Obligation bond rating of AA+. Moody’s upgraded the city’s rating to Aaa (the highest rating available).

## ECONOMIC REVIEW

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

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

**Bond Ratings for Park City**

Description	2018	2019	2020	2021	2022
Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
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

### Analysis

A municipal bond rating informs an investor of the relative safety level in investing in a particular bond. As shown in the chart above, the current bond rating for Park City is described as Top Quality; "Gilt-Edged" High Grade; Very Strong with the three major bond rating companies. In 2013, S&P raised our bond rating from AA to AA+. In 2017, Moody's raised the G.O. rating to Aaa. The city maintained Aaa ratings from Moody's for 2020 bonds and AA+ from Fitch as well as AA- from S&P for the 2019 Sales Revenue bond.

### Source

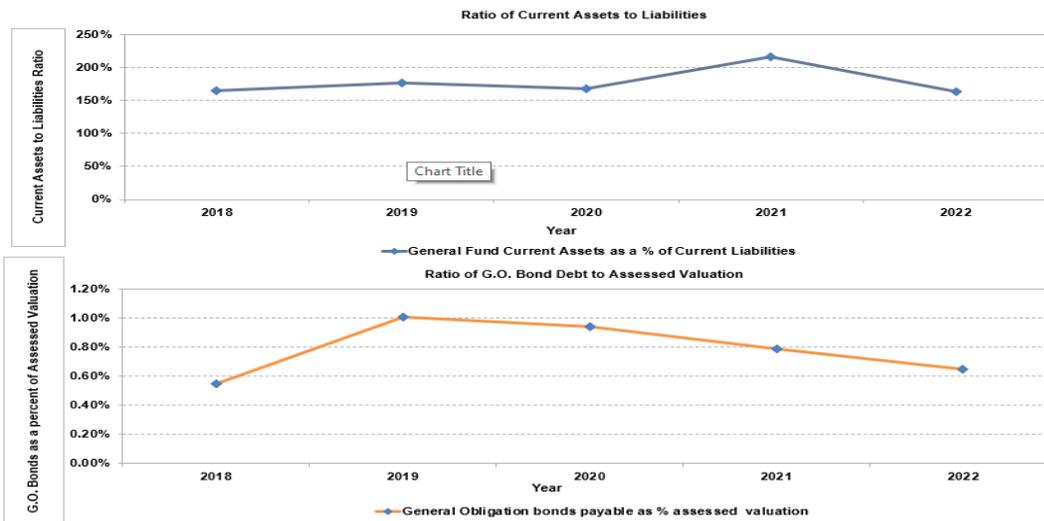
Park City bond ratings- Budget Documents 2000-2004, 1999 - Official Statement for 1999 issuance of G.O. bonds Bond Rating Scales- Zions Public Finance

# ECONOMIC REVIEW

## Liquidity & Long Term Debt

Liquidity is defined as cash and short-term investments as a percentage of current liabilities  
 Long-Term debt is defined as total General Obligation bonds payable as a percentage of assessed valuation

Description	2018	2019	2020	2021	2022
General Fund Cash and Short-term investments	\$20,119,863	\$21,611,287	\$19,695,507	\$25,599,042	\$38,215,431
General Fund Current Liabilities	\$12,194,473	\$12,266,581	\$11,736,104	\$11,843,767	\$23,485,374
General Fund Current Assets as a % of Current Liabilities	165%	176%	168%	216%	163%
Description	2018	2019	2020	2021	2022
Taxable valuation	\$8,222,920,302	\$9,117,120,545	\$9,549,363,012	\$10,540,026,000	\$11,701,232,000
Total Net Debt Applicable to Limit	\$45,273,366	\$91,632,655	\$89,738,177	\$82,962,508	\$75,916,839
General Obligation bonds payable as % assessed valuation	0.55%	1.01%	0.94%	0.79%	0.65%



### Analysis

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

The liquidity indicator for Park City has decreased marginally in 2020 due to the issue of General Obligation (or voter approved) bonds. These G.O. bonds were allocated for the purchase of open space. Issuing these bonds increases the long term debt and the current liability account, thus decreasing the liquidity ratio. The warning trend to be aware of in analyzing these measures, is a decreasing liquidity ratio in conjunction with an increase in long term debt.

Although it is apparent that the liquidity ratio has declined over the time period shown, it should be noted that the ratio is still significantly above the 100% level, and that the issued G.O. bonds have a dedicated revenue source in property taxes. The Utah State Constitution states that direct debt issued by a municipal corporation should not exceed 4% of the assessed valuation, Park City has a more stringent policy of 2% of assessed valuation. The percentage of long-term debt to assessed valuation has been decreasing since 2019 and it is well below the City policy of 2%.

### Source

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

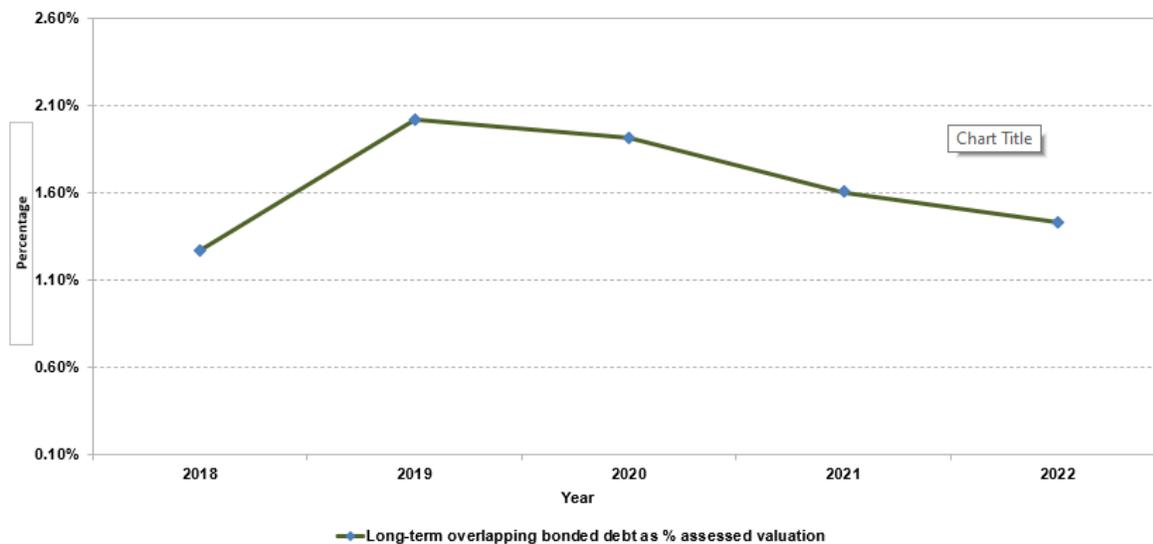
# ECONOMIC REVIEW

## Overlapping Debt

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

Description	2018	2019	2020	2021	2022
Park City	\$97,277,199	\$170,237,745	\$163,127,760	\$150,909,318	\$138,829,867
State of Utah	\$0	\$0	\$0	\$0	\$0
Summit County	\$5,362,250	\$12,509,395	\$11,452,520	\$10,574,535	\$21,451,670
Park City School District	\$0	\$0	\$0	\$0	\$0
Snyderville Basin Sewer District*	\$0	\$0	\$0	\$0	\$0
Weber Basin Water Conservancy District	\$1,861,668	\$1,704,395	\$1,590,281	\$1,476,899	\$1,360,590
Snyderville Basin Recreation District Tax District			\$3,047,006	\$2,817,606	\$3,720,673
Wasatch County			\$40,590	\$201,366	\$130,660
Wasatch County School District			\$3,722,276	\$3,424,281	\$2,190,138
<b>Total Long-term overlapping bonded debt</b>	<b>\$104,501,117</b>	<b>\$184,451,535</b>	<b>\$182,980,433</b>	<b>\$169,404,005</b>	<b>\$167,683,598</b>
Taxable valuation	\$8,222,920,302	\$9,117,120,545	\$9,549,363,012	\$10,540,026,000	\$11,701,232,000
<b>Long-term overlapping bonded debt as % assessed valuation</b>	<b>1.27%</b>	<b>2.02%</b>	<b>1.92%</b>	<b>1.61%</b>	<b>1.43%</b>

Overlapping Debt as a Percent of Assessed Valuation



### Analysis

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

### Source

Assessed valuation - Utah State Tax Commission  
 Long-term overlapping bonded debt - ACFR FY22 Schedule 16

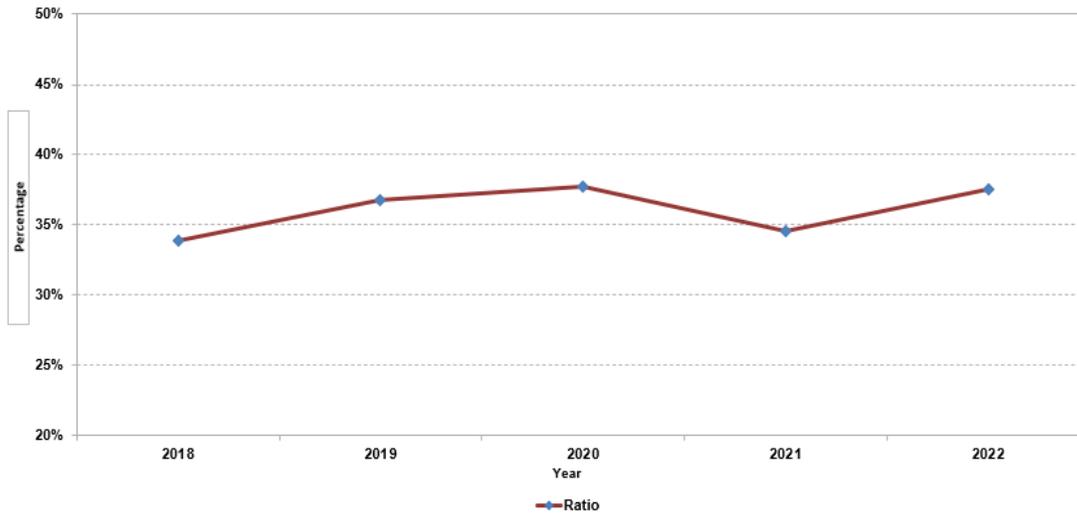
# ECONOMIC REVIEW

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

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

Description	2018	2019	2020	2021	2022
Administrative Costs	\$11,317,399	\$12,414,184	\$13,772,607	\$12,766,552	\$15,237,953
Operating Expenditures Less Debt Service and Capital	\$33,385,328	\$33,718,124	\$36,533,702	\$36,901,057	\$40,597,424
Ratio	33.9%	36.8%	37.7%	34.6%	37.5%

Ratio of Administrative Costs to Net Operating Expenses



### Analysis

Examining a function of the government as a percentage of total expenditures enables one to see whether that function is receiving an increasing, stable, or decreasing share of the total expenditures. Administrative expenses were totaled from the actual expenditures for the executive function of the City excluding the Ice Facility. Administrative costs in 2020 were 23% of net operating costs.

### Source

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

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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. Draw upon Council's goals, objectives, and desired outcomes.
  2. Identify citizens' needs for essential services.
  3. Organize programs to provide essential services.
  4. Establish program policies and goals that define the type and level of program services required.
  5. List suitable activities for delivering program services.
  6. Propose objectives for improving the delivery of program services.
  7. Consider budget committees recommendations.
  8. Identify available resources and appropriate the resources needed to conduct program activities and accomplish program objectives.
  9. Set standards to measure and evaluate the following:
    - the output of program activities
    - the accomplishment of program objectives
    - the expenditure of program appropriations
- B. All requests for increased funding or enhanced levels of service should be considered together during the budget process, rather than in isolation. According to state statute, the budget officer (City Manager) shall prepare and file a proposed budget with the City Council by the first scheduled council meeting in May.
- C. The City Council will review and amend appropriations, if necessary, during the fiscal year.
- D. The city will prepare the budget on an annual basis and may consider a mid-year budget adjustment.
1. The emphasis of the budget process includes establishing expected levels of services, within designated funding levels, projected over the next fiscal year, with the focus on the budget.
  2. Any budget requests that will be considered are ones that;  
\_will come with revenue offsets.
    - a. are accompanied by expense reductions, or that.
    - b. are required by law; or
    - c. are necessitated by market/environment changes that happened since the last budget adoption
- E. Through its financial plan, the City will strive to maintain **Structural**

## POLICIES & OBJECTIVES

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**Balance;** ensuring basic service levels are predictable and cost effective. A balance should be maintained between the services provided and the local economy's ability to pay.

- F. The city will strive to improve productivity, though not by the single-minded pursuit of cost savings. The concept of productivity should emphasize the importance of *quantity* and *quality* of output as well as *quantity* of resource input.
- G. General Fund budget surplus should be used for capital projects.

## PART II - OPERATING CONTINGENCY ACCOUNTS

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

### A. Access to General Contingency Funds

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

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

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- 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 Budgeting for Outcomes (BFO) framework, whether the funding source is contingency or another source
  - d. The City Manager is authorized to approve requests under this section for any expense under \$15,000, following direction from the City Council to expand levels of service. Any item over \$15,000 that is not anticipated in the current budget is subject to Council approval (see Purchasing Policy).

### **B. Access to Emergency Contingency Funds**

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

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

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### C. Access to Council Contingency Funds

1. 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 one-time operating or capital budgets, not previously budgeted.
  - b. All requests for ongoing level of service increases should pass through the Budgeting for Outcomes (BFO) framework, whether the funding source is contingency or another source.
  - c. Council will direct staff to access contingency funding through a simple majority vote.

### D. Monitoring

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

## PART III - 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. This analysis will be primarily used to determine General Fund reductions but could apply to other funds as needed. The percent decreases are based on comparing the budgeted revenue in the current fiscal year against

## POLICIES & OBJECTIVES

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projections in the current fiscal year or budgeted revenue in the current fiscal year against projections in the preceding fiscal year.

1. **Level 1 - ALERT:** An anticipated reduction in available projected revenues from 1% up to 5%. The actions associated with this phase would best be described as delaying expenditures where reasonably possible, while maintaining the "Same Level" of service. Each department will be responsible for monitoring its individual budgets to ensure only essential expenditures are made.
2. **Level 2 - MINOR:** A reduction in projected revenues in excess of 5%, but less than 15%. The objective at this level is still to maintain "Same Level" of service where possible. Actions associated with this level would be as follows:
  - a. Implementing the previously determined "Same Level" Budget.
  - b. Intensifying the review process for large items such as contract services, consulting services, and capital expenditures, including capital improvements. Previously approved capital project expenditures which rely on General Fund surplus for funding should be subject to review by the Budget Department.
  - c. Closely scrutinizing hiring for vacant positions, delaying the recruitment process, and using temporary help to fill in where possible (soft freeze). The City Manager will review all personnel action with heightened scrutiny, including career development and interim reorganizations, to ensure consistency and equitable application of the soft freeze across the organization.
  - d. Closely monitoring and reducing expenditures for travel, seminars, retreats, and bonuses.
  - e. Identifying expenditures that would result in a 5% cut to departmental operating budgets while still maintaining the same level of service where possible.
  - f. Reprioritizing capital projects with the intent to de-obligate non-critical capital projects.
  - g. Limit access to contingency funds.
3. **Level 3 - MODERATE:** A reduction in projected revenues in excess of 15%, but less than 30%. Initiating cuts of service levels by doing the following:
  - a. Requiring greater justification for large expenditures.
  - b. Deferring non-critical capital expenditures.
  - c. Reducing CIP appropriations from the affected fund.
  - d. Hiring to fill vacant positions only with special justification and authorization.
  - e. Identifying expenditures that would result in a 10% cut to departmental operating budgets while trying to minimize service level impacts where possible.
  - f. Eliminate access to contingency funds.
4. **Level 4 - MAJOR:** A reduction in projected revenues of 30% to 50%. Implementation of major service cuts.
  - a. Instituting a hiring freeze.
  - b. Reducing the Part-time Non-Benefited and Seasonal work force.
  - c. Deferring merit wage increases.
  - d. Further reducing capital expenditures.

## POLICIES & OBJECTIVES

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- 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 IV – BUDGET MONITORING

The Budget Department will provide Council with a monthly budget report to ensure financial transparency and accountability. The format of these reports follows the audit procedure from the State Compliance Audit Guide, the Utah statute, and sample summary reports found in the Utah Uniform Accounting Manual. The staff report will include any variances of note and report those to Council. The Budget Department will work with departments to identify any overages and correct discrepancies as needed.

Managers are expected to always know the status of their budget 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 the budget software 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.

The Budget Department will train all managers and selected analysts on the budget monitoring software 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.

# POLICIES & OBJECTIVES

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## 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 match 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, Stormwater, 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, federal and state transit funds, and not more than 1/4 of 1 percent of the resort sales tax, without any other general fund contribution. Parking operations will be funded through parking related revenues and the remaining portion of the resort sales tax not used by the transit operation. The city will take steps to ensure revenues specifically for transit (transit tax and business license) will not be used for parking operations. The administrative charge paid to the general fund will be set to cover the full amount identified by the cost allocation plan.
- C. The city will review and adjust enterprise fees and rate structures as required to ensure they remain appropriate and equitable.

### PART III - INVESTMENTS

#### A. Policy

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

#### B. Scope

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

## POLICIES & OBJECTIVES

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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 deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

### D. Objective

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

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

### E. Delegation of Authority

Investments and cash management will be the responsibility of the City Treasurer or his designee. The City Council grants the City Treasurer authority to manage the City's investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions 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 themselves in a professional manner and within ethical guidelines as established by City and State laws. The Treasurer shall refrain from

## **POLICIES & OBJECTIVES**

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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 regarding 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. Federal Home Loan Mortgage Corporation
5. Federal Agriculture Mortgage Corporation
6. Tennessee Valley Authority
7. Fixed rate corporate obligations that are rated "A" or higher
8. Other investments as permitted by the Money Management Act

### **I. Investment Pools**

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

1. A description of eligible investment securities, and a written statement of investment policy and objectives.

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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 is 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. Apart from U.S. Treasury securities and authorized pools, no more than 50 percent of the PCMC's total investment portfolio will be invested in a single security type.

### **L. Maximum Maturities**

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

### **M. Internal Control**

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

### **N. Performance Standards**

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

### **O. Reporting**

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

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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.

### **P. Investment Policy Adoption**

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

## PART IV - 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
  - c. Are they adequate?
  - d. Are they adequately funded?
4. Minimum reserve levels (fund balances)
5. Property tax increases (When?)

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

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

## PART V - RESERVES

### **A. General Fund:**

#### **1. Purpose**

The General Fund balance reserve is a very important factor in the City's ability to respond to emergencies and revenue shortfalls as well as to maintain the City's creditworthiness. Any accumulated fund balance is restricted to the following purposes:

- i. to provide working capital to finance expenditures from the beginning of the budget year until other revenue sources are collected.
- ii. to provide resources to meet emergency expenditures in the event of fire, flood, earthquake, etc., and.
- iii. to cover a pending year-end excess of expenditures over revenues from unavoidable shortfalls in revenues.

#### **2. Limits**

Section 10-6-116 of the Utah Code limits the accumulated balance or reserves that may be retained in the General Fund. The accumulation of a fund balance in the city general fund may not exceed 35% of the total revenue of the city general fund for the current fiscal period. For budget purposes, any balance that is greater than 5 percent of the total revenues of the General Fund may be used. The City will strive to maintain the General Fund balance at approximately the legal maximum.

#### **3. Budget**

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

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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.

### **B. Capital Improvements Fund**

1. The City may, in any budget year, appropriate from estimated revenues or fund balances to a reserve for capital improvements for the purpose of financing future specific capital improvements under a formal long-range capital plan adopted by the governing body. Thus, the City will establish and maintain an Equipment Replacement Capital Improvement Fund to provide a means for timely replacement of vehicles and equipment. The amount added to this fund, by annual appropriation, will be the amount required to maintain the fund at the approved level after credit for the sale of surplus equipment and interest earned by the fund.
2. As allowed by Utah State Code (§ 9-4-914) the city will retain at least \$5 million in the Five-Year CIP, ensuring the ability to repay bond obligations as well as maintain a high bond rating. The importance of reserves from a credit standpoint is essential, especially during times of economic uncertainty. Reserves will provide a measure of financial flexibility to react to budget shortfalls in a timely manner as well as an increased ability to issue debt without insurance.

### **C. Enterprise Funds**

4. The City will strive to maintain a fund balance at approximately 25% of operating expenditures in the current fiscal period.

### **D. Internal Service, Debt Service, and Special Revenue Funds**

1. Operate on a cost recovery basis over several years. Fund balances may build up over time but should be held to a minimum.

## PART VI – GASB 54 FUND BALANCE

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.

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### **A. Non-spendable Fund Balance**

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

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

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

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

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

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

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

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

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

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

The City’s current fund balance practice provides that restricted fund balance be spent first when expenditure is incurred for which both restricted and unrestricted fund balance is available. Similarly, when expenditure is incurred for purposes for which amounts in

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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**

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

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

GASB 54 Definition – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

#### **C. Capital Projects**

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**

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.

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### **CHAPTER 3 – DEBT MANAGEMENT AND COMPLIANCE**

#### **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 debit 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 GOVERNMENT 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 after the issuance of such bonds to ensure the continuing tax-exempt status of such bonds. In addition, Section 6001 of the Code and Section 1.6001-1(a) of the Treasury Regulations, impose record retention requirements on the City with respect to its tax-exempt governmental bonds. This Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds (the “Policy”) has been approved and adopted by the City to ensure that the City complies with its post-issuance compliance obligations under applicable provisions of the Code and Treasury Regulations.

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

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

- C.** Post-Issuance Compliance Actions. The Finance Manager shall take the following post-issuance compliance actions or shall verify that the following post-issuance compliance actions have been taken on behalf of the City with respect to each issue of tax-exempt governmental bonds issued by the City:
- (1) The Finance Manager shall prepare a transcript of principal documents (this action will be the primary responsibility of Bond Counsel).
  - (2) The Finance Manager shall file with the Internal Revenue Service (the “IRS”), within the time limit imposed by Section 149(e) of the Code and applicable Treasury Regulations, an Information Return for Tax-Exempt Governmental Obligations, Form 8038-G (this action will be the primary responsibility of Bond Counsel).

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- (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.

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

- (1) The Finance Manager shall monitor the use of the proceeds of tax-exempt governmental bonds to: (i) ensure compliance with the expenditure and investment requirements under the temporary period provisions set forth in Treasury Regulations, Section 1.148- 2(e); (ii) ensure compliance with the safe harbor restrictions on the acquisition of investments set forth in Treasury Regulations, Section 1.148-5(d); (iii) ensure that the investments of any yield-restricted funds do not exceed the yield to which such investments are restricted; and (iv) determine whether there has been compliance with the spend-down requirements under the spending exceptions to the rebate requirements set forth in Treasury Regulations, Section 1.148-7.

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- (2) The Finance Manager shall monitor the use of all bonds financed facilities 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.

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The records collected by the Finance Manager shall be stored in any format deemed appropriate by the Finance Manager and shall be retained for a period equal to the life of the tax-exempt governmental bonds with respect to which the records are collected (which shall include the life of any bonds issued to refund any portion of such tax-exempt governmental bonds or to refund any refunding bonds) plus three (3) years.

- F.** Remedies. In consultation with Bond Counsel, the Finance Manager shall become acquainted with the remedial actions under Treasury Regulations, Section 1.141-12, to be utilized if 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.

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### **CHAPTER 4 - 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.

The city periodically conducts impact fee studies and CIP will reflect the findings of these studies. During the budget review process, adjustments to impact fee related projects may need to be made. Fees are collected to pay for capital facilities owned and operated by the City (including land and water rights) and to address impacts of new development on the following service areas: water, streets, public safety, recreation, and open space/parks. The fees are not used for general operation or maintenance. The fees are established following a systematic assessment of the capital facilities required to serve new development. The city will account for these fees to ensure that they are spent within six years, and only for eligible capital facilities. In general, the fees first collected will be the first spent.

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

##### **Capital Financing**

- A.** The city will consider the use of debt financing only for one-time, capital improvement projects and only under the following circumstances:
1. When the project's useful life will exceed the term of the financing.
  2. When project revenues or specific resources will be sufficient to service the long-term debt.

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- B.** 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.
- C.** 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.
- D.** The city will use the following criteria to evaluate pay-as-you-go versus long-term financing for capital improvement funding:
  - 1. Factors That Favor Pay-As-You-Go:
    - a. When current revenues and adequate fund balances are available or when project phasing can be accomplished.
    - b. When debt levels adversely affect the City's credit rating.
    - c. When market conditions are unstable or present difficulties in marketing.
  - 2. Factors That Favor Long-Term Financing:
    - a. When revenues available for debt service are deemed to be sufficient and reliable so that long-term financing can be marketed with investment grade credit ratings.
    - b. When the project securing the financing is of the type which will support an investment grade credit rating.
    - c. When market conditions present favorable interest rates and demand for City financing.
    - d. When a project is mandated by state or federal requirements and current revenues and available fund balances are insufficient.
    - e. When the project is immediately required to meet or relieve capacity needs.
    - f. When the life of the project or asset financed is 10 years or longer.

## PART III - ASSET MANAGEMENT POLICY

### **A. Purpose**

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

Goals of the Program:

- 1. Protect assets

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

### **B. Management**

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

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

### **C. Accessing Funds**

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

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

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

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### **CHAPTER 5 - INTERNAL SERVICE POLICY**

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

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

## **POLICIES & OBJECTIVES**

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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. Contract employees will occasionally be used to staff programs with unusual operational characteristics or certification requirements, such as the golf program. The services of contract employees will be discontinued upon completion of the assigned project, program, or activity. Accordingly, contract employees will not be used for services that are anticipated to be delivered on an ongoing basis except as described above.
- H.** The hiring of Seasonal employees will not be used as an incremental method for expanding the City's regular work force.
- I.** Independent contractors will not be considered City employees. Independent contractors may be used in the following two situations:
  - 1.** Short-term, peak workload assignments to be accomplished using 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.

## POLICIES & OBJECTIVES

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### CHAPTER 6 – PUBLIC SERVICE CONTRACTS, GRANT POLICIES, AND INCENTIVE PROGRAMS

#### PART I - PUBLIC SERVICE CONTRACTS (AMENDED 2023)

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

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

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

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

## **POLICIES & OBJECTIVES**

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

- 1. Special Service Contracts**
  - a) Regular Services – To be determined by Council discretion
- 2. Rent Contribution**
- 3. Historic Preservation**

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

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

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

A portion of the budget will be designated for service contracts relating to services that would otherwise be provided by the City. Special services that fall into this category would include, but not be limited to the following: community art & culture, childhood education, medical treatment, emergency assistance, food pantry, housing outreach & education, and safe haven. To the extent possible, individual special services will be delineated in the budget.

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

Each special service provider will have a special service contract with a term of one to four

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years, depending on the type of contract. Eighty percent of each annual appropriation will be available at the beginning of the fiscal year, with the remaining 20 percent to be distributed upon demonstration through performance measures (quality and quantity) that the program has provided public services meeting its goals as delineated in the special service contract. The disbursement of all appropriations will be contingent upon council approval. Special service providers will be required to submit current budgets and evidence of contract compliance (as determined by the contract) by the given deadline of the first contract year.

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

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

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

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

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

1. The request must meet all 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

## **POLICIES & OBJECTIVES**

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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 a lease with the city to occupy City space at a reduced rental rate pursuant to criterion 1-4. The difference between the reduced rental rate and the rate paid to the Park City Building Authority will be funded by the rent contribution amount. Rent Contribution lease agreements will not exceed five years in length unless otherwise directed by the City Council. Please note that this policy only applies when a reduced rental rate is being offered. This policy does not apply to lease arrangements at "market" rates.

### **F. Historic Preservation**

Each year, the City Council may appropriate a specific dollar amount relating to historic preservation. The City Council will appropriate the funding for these expenditures during the annual budget process. The funding source for this category is the Lower Park Avenue, the Main Street RDA, and the General Fund. The City Council hereby authorizes the Historic District Grant Program. The disbursement of the funds shall be administered pursuant to the Historic District Grant Program pursuant to applications and criteria established by the Planning Department, and awarded by the Planning Department except that City Council approval shall be required for disbursement amounts greater than \$25,000. In instances where another organization is involved, a contract delineating the services will be required. Projects involving city property or partnerships shall be limited to Category A. Repair funds, remaining end of fiscal year funds, or funds allocated via the General Fund through the separate Budgeting for Outcomes (BFO) annual process.

### **G. Exceptions**

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

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

Nothing in this policy shall create a binding contract or obligation of the City. Individual Service Contracts may vary from contract to contract at the discretion of the City Council. Any award of a service contract is valid only for the term specified therein and shall not constitute a promise of future award. The City Council reserves the right to reject 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,

## POLICIES & OBJECTIVES

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Commission, or special committee with the power to make recommendations regarding Public Service Contracts are ineligible to apply for such Public Service Contracts, including historic preservation funds. City Departments are also ineligible to apply for Public Service Contracts. The ineligibility of Advisory Board, Commission and special committee members shall only apply to the category of Public Service Contracts that such advisory Board, Commission and special committee provides recommendations to the City Council. All submittals shall be public records in accordance with government records regulations (“GRAMA”) unless otherwise designated by the applicant pursuant to UCA Section 63-2-308, as amended.

### PART II – GRANT POLICY

#### **A. General Guidance**

The Budget, Debts, and Grants Department is available to assist departments in applying for and managing grants. Because many grants have varying regulations, terms, and deadlines, the Budget Department can assist with meeting those terms and monitoring requirements. They will also track remaining balances on reimbursement-style grants and provide information to assist with audits.

#### **B. Council Approval**

Council Approval may be required before applying for certain grants depending on the size, scope, award amount, and alignment with City budget and priorities. Departments are encouraged to seek guidance from Executive Management before pursuing these types of grants.

#### **C. Notification**

Once departments receive a grant, they must notify the Budget, Debt, and Grants Department so the grant amount can appropriately be budgeted. The Department will also reach out periodically to request information on awarded grants to assist with the annual budget process, reports to Council, audit assistance, and other reasons.

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

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

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

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

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

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

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

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

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

**Criteria #5:** Fiscal Stability and Other Financial Support: The organization must have the following: (1) A clear description of how public funds will be used and accounted for; (2) Other funding sources that can be used to leverage resources; (3) A sound financial plan that demonstrates managerial and fiscal competence.

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

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

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

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

The City currently allocates economic development funds from the Lower Park RDA (\$20,000), the General Fund (\$10,000), and the Main Street RDA (\$20,000). Of these funds, no more than \$50,000 per annum will be available for ED Grants. Unspent fund balances at the end of a year will not be carried forward to future years.

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

ED Grants will be placed in three potential categories:

1. **Business Relocation Assistance:** This category of grants will be available for assisting an organization with relocation and new office set-up costs. Expenses covered through an ED Grant include but are not limited to moving costs, leased space costs, fixtures/furnishings/ and equipment related to setting up office space within the city limits.
2. **New Business Start-up Assistance:** This category of grants will be available for assisting a new organization or business with new office set- up costs. Expenses covered through an ED Grant include but are not limited to leased office space costs, fixtures/furnishings/ and equipment related to setting up office space within the city limits.
3. **Business Expansion Assistance:** This category of grants will be available for assisting an organization or business with expansion costs. These expansions should increase square footage, increase year-round jobs in City limits and/or increase tax revenue; and/or demonstrate a venture into an area considered a diversification of our economic base.

### **D. Application Process**

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

### **E. Deadlines**

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

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

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

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Extraordinary requests received must meet all the following criteria to be considered:

1. The request must meet all the normal Public Service Fund Distribution Criteria and qualify under the Economic Development Grant criteria.
2. The applicant must show that the requested funds represent an immediate fiscal need that could not have been anticipated before the deadline; and
3. The applicant must demonstrate significant consequences of not being able to wait for the next quarterly review.

### **F. Award Process**

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

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

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

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

## **PART IV– Live Park City – Lite Deed Restriction Program**

The City Council may appropriate funds dedicated to the purchase of deed restrictions for housing vitality and preservation within the City limits of Park City. The Live Park City housing program purchases deed restrictions that require owner occupancy or long-term rental of the property. The disbursement of funds will be administered by the City Manager and based on the

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recommendation of an Advisory Board created by City Council and following program criteria established by the Housing Department and adopted by City Council. The Advisory Board has the authority to award recommendations and to enter and negotiate individual deed restrictions, subject to approval by the City Manager provided the funds being provided is less than \$200,000. If the home funds in an application exceeds \$200,000, the authority to approve a deed restriction and delegate funds is subject to City Council approval.

### **PART V - Landscaping Incentive**

Each year, the City Council may appropriate a specific dollar amount to be used to offer a cash incentive per square foot of turf grass removed and replaced with non-turf Water Wise Landscaping as defined in the Land Management Code. The City Council will appropriate the funding for these expenditures during the annual budget process. The funding source for this category is the Water Fund. The City Council hereby authorizes the Landscaping Incentive Program. The disbursement of the funds shall be administered according to the Landscaping Incentive Program under applications and criteria established by the Public Utilities Department and awarded by the Public Utilities. Disbursements under this program shall not exceed \$50,000.

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### **CHAPTER 7 - OTHER POLICIES**

#### **PART I – SETTLEMENT AUTHORITY**

When claims are made against the city, it is in the best interest of the city to efficiently evaluate, negotiate and process such claims. It is not efficient or prudent to involve City Council in decisions to settle small, routine claims made against the city.

Therefore, to affect the efficient evaluation, negotiation, and processing of such claims, it is in the best interest of the City to authorize the City Manager to settle certain claims as they deem prudent. The City Manager may approve all settlements up to and including \$100,000.

The City Attorney's Office will provide quarterly client updates to the City Council about any settlements.

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### 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 like private businesses. Accounting records for proprietary fund types are maintained on an accrual basis. Budgets for all enterprise funds are prepared on a modified accrual basis. Depreciation is not budgeted for in the City's enterprise funds. Included are the following:

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

#### **Debt Service Funds**

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

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

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

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

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

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

This fund accounts for the accumulation of money for the repayment of 1997 Main Street refunding bonds and

## SUPPLEMENTAL

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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.