



PARK CITY

FISCAL YEAR 2012 BUDGET

City Council
Adopted Budget

Adjusted Budget Fiscal Year 2011
Annual Budget Fiscal Year 2012
Annual Plan Fiscal Year 2013

Volume I: Executive Summary

Prepared By:

Tom Bakaly - City Manager
Bret Howser - Budget Officer
Jed Briggs - Budget Analyst
Nate Rockwood - Grants Analyst
Troy Johnston - Executive Intern

PARK CITY MUNICIPAL CORPORATION
445 Marsac Ave, P. O. Box 1480,
Park City, Utah 84060

MAYOR AND CITY COUNCIL
AS OF JULY 1, 2011

Mayor Dana Williams
2384 Doc Holiday Drive
Park City, Utah 84060
Office Phone: (435) 615-5010
Email: dana@parkcity.org
Term 1/02 - 1/14

Alex Butwinski
23 Ashley Court
Park City, Utah 84060
Cell: 435-640-3498
Email: alex.butwinski@parkcity.org
Term 1/10 – 1/14

Liza Simpson
PO Box 1468
Park City, Utah 84060
Cell: (435) 729-0652
Email: liza@parkcity.org
Term 1/08 - 1/012

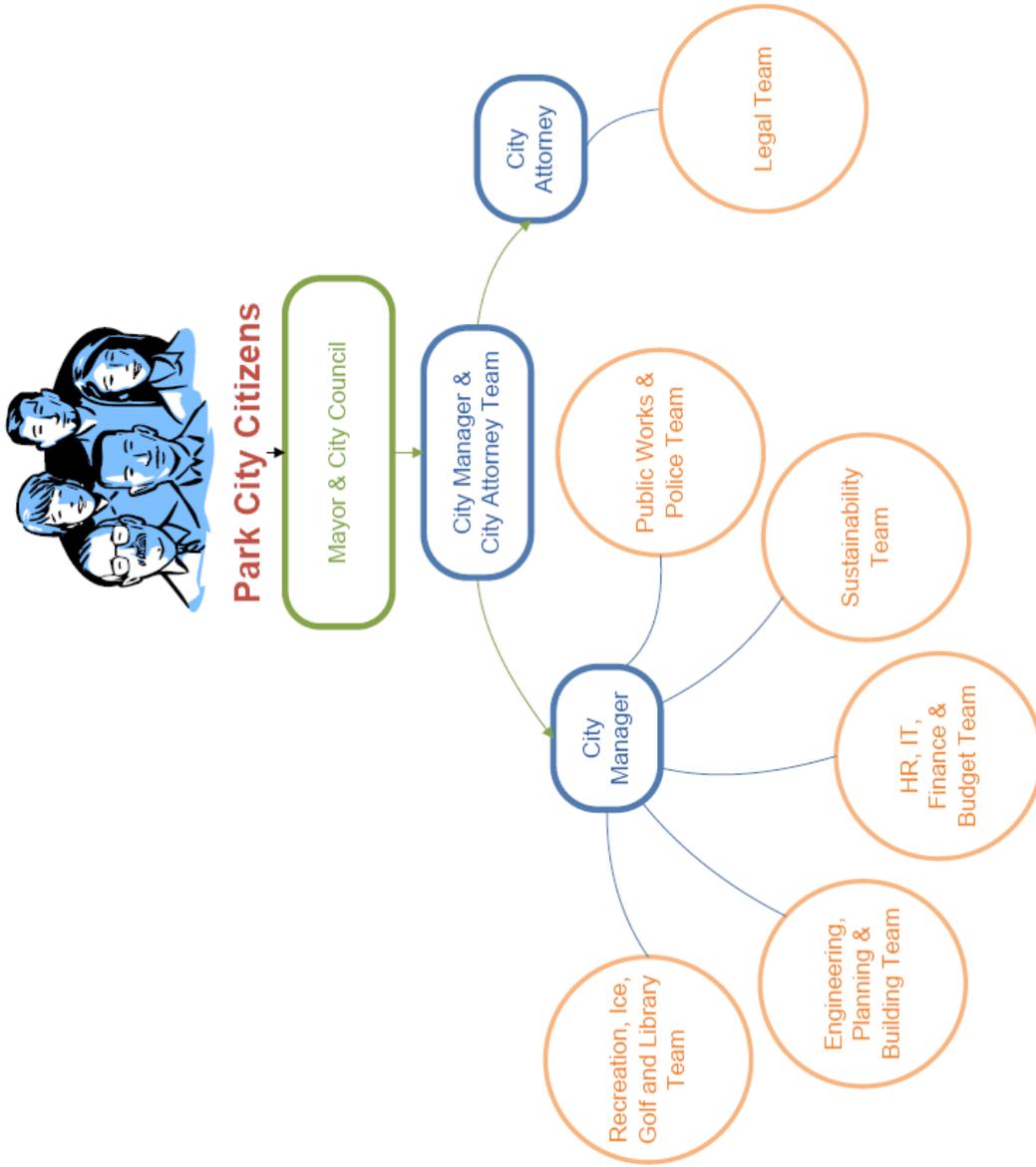
Joe Kernan
1970 Stryker Avenue
PO Box 680182
Park City, Utah 84068
Home: (435) 655-8423
Email: jkernan@parkcity.org
Term 1/04 - 1/12

Cindy Matsumoto
2816 Silver Cloud Drive
PO BOX 1468
Park City, Utah 84060
Home: (435) 901-8085
Email:
cindy.matsumoto@parkcity.org
Term 1/10 - 1/14

Dick Peek
750 River Birch Court
Park City, Utah 84060
Home: 435-649-7325
Cell: 435-901-3011
Email: richard.peek@parkcity.org
Term 4/11 – 1/12

Tom Bakaly - City Manager
Mark Harrington - City Attorney
Bret Howser - Budget Officer

GUIDE TO THE BUDGET DOCUMENT



GUIDE TO THE BUDGET DOCUMENT

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

Volume I: Executive Summary is intended for City Council and outlines the process, policies, and important issues of the FY 2012 & 2013 financial plan for Park City Municipal Corporation. The principal objective of Volume I is to clearly describe the City’s budget process and highlight proposed changes to the budget. City Council can then use this tool to provide policy direction during the budget process.

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

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

VOLUME I: EXECUTIVE SUMMARY

INTRODUCTION

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

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GUIDE TO THE BUDGET DOCUMENT

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CITY MANAGER MESSAGE

May 5, 2011

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

Pursuant to §10-6-109, Utah Code Annotated, the following budgets: Fiscal Year 2011 Adjusted Budget, Fiscal Year 2012 Budget, and Fiscal Year 2013 Plan, have been prepared for Park City Municipal Corporation using budgetary practices and techniques recommended by the Governmental Accounting Standards Board (GASB) and the Governmental Finance Officers Association (GFOA). As required by State law, the proposed budget is balanced.

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

In preparing this budget, City staff began with base budget levels set as part of the Fiscal Year 2011 Adopted Budget approved by Council in June of 2010. Proposed changes to these approved budget levels were developed based on direction from City Council, input from the public, and in consultation with department managers, City staff, the Capital Improvement Projects Committee, the Pay Plan Committee, and various other task forces.

Despite these difficult economic times it is anticipated that the proposed budget will allow City staff to carry out Council's goals and high levels of service without a recommended property tax increase in the FY 2012 Budget or FY 2013 Plan. Staff's commitment to administering municipal services and managing the capital program with a high degree of efficiency at a minimum cost to residents and taxpayers affirms that the City is maintaining a sound financial footing.

Once again, I present the City Manager Recommended Budget for FY 2012 to City Council, residents of Park City, and other interested stakeholders for your review.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Bakaly", written over a horizontal line.

Thomas B. Bakaly
City Manager
Park City Municipal Corporation

INTRODUCTION

PARK CITY MISSION STATEMENT

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

PARK CITY GOALS & TARGETS FOR ACTION

When the City Council met in February, 2011 at its annual visioning workshop, the Mayor and Council reaffirmed their long-range vision for Park City and updated their annual action plan. At that time Council reviewed and re-approved seven goals for Park City which are highlighted below:

1. Preservation of Park City Character
2. World Class, Multi-Seasonal Resort Community
3. Effective Transportation
4. Water and Natural Environment
5. Recreation, Open Space and Trails
6. Regional Collaboration and Partnerships
7. Open and Responsive Government to the Community

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

BUDGET PROCESS

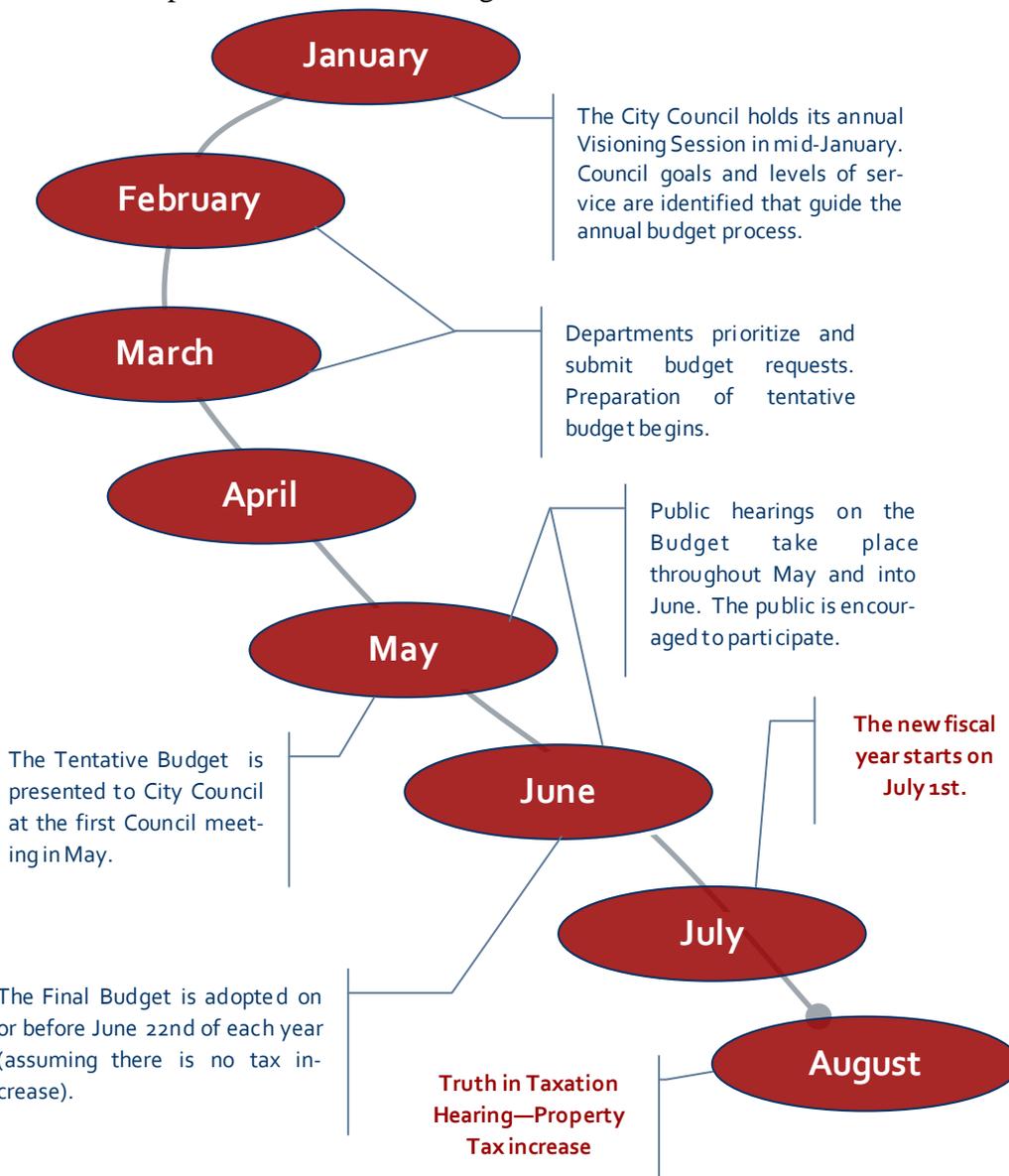
The budget process is an essential element of financial planning, management, control, and evaluation for the City. It provides the opportunity for the citizens paying for governmental services to be heard by their elected representatives.

The City usually begins the budget process in January with the City Council identifying objectives for the next year. This year, however, the budget process really began in July, 2010 and has included a thorough review of the Pay Plan, service levels and taxation policies. Each department manager is responsible for preparing budget requests consistent with Council's vision, under the assumption that basic services will be maintained at current levels and adequately funded. Council objectives are addressed either in the current level budget or as additional options for enhanced, increased, or decreased service levels proposed by the

INTRODUCTION

departments. The City Manager reviews budget requests, or options, with each functional team and develops a proposed budget balanced within the limits of the current available resources or with a proposed increase in fees and/or tax revenues.

Utah State law requires that the City Manager present to Council a balanced budget at the first regularly scheduled Council meeting in May. A balanced budget is defined by Utah Code: “The total of the anticipated revenues shall equal the total of appropriated expenditures.”¹ The proposed budget must be available for public inspection during normal business hours after it has been filed with the City Council. Between the first City Council meeting in May and the presentation of the Final Budget on June 16, the Council has the opportunity to review the proposed budget, consider public comment, and finally, adopt a balanced budget. Before June 22 the Council must adopt either a tentative budget if the certified tax rate is to be exceeded (tax



¹ Utah State Code Title 10-6-110 (2)

INTRODUCTION

increase) or a final budget and proposed tax rate (no tax increase). If there is a property tax increase, the Council holds an additional public hearing before adopting the budget in August.

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

DISTINGUISHED BUDGET AWARD

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

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

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

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

INTRODUCTION

Submitted by:
Thomas B. Bakaly, City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Park City Municipal Corporation

Utah

For the Biennium Beginning

July 1, 2009

President

Executive Director

BUDGET OVERVIEW

This year's budget process is the beginning of a two-year budget cycle; budget discussions will focus on variations from the FY 2011 Original Budget adopted by City Council last year. The following are a few of the more significant issues to be discussed with City Council during the budget hearings in May and June. For each of the budget hearings, Council will receive a staff report providing thorough details of all the issues that are expected to be discussed.

The FY 2011 Adjusted Budget reflects a 5.6% increase from the FY 2011 Original Budget and an overall 10% increase from FY 2010 actual expenses (with capital excluded). This is mostly due to debt service payments for a refunded RDA bond and contingency increases.

The FY 2012 Adjusted Budget decreased to \$47.4 million from the FY 2011 Adjusted Budget—approximately 2.5%. This decrease is largely the result of a decrease to debt service—in spite of increases to personnel as well as materials, supplies, and services. Most of the budget options requested this year had to be offset with an increase in revenues or a Budgeting for Outcomes (BFO) decrease. The City Manager is recommending only those budget cuts which are least impactful to City services and those which would less likely result in personnel impacts.

The FY 2013 Plan is decreasing to \$46.7 - down 1.5% from the FY 2012 Budget. It must be noted, however, that the FY 2013 Plan does currently not include a potential Pay Plan and projected health insurance increase. The decrease is largely due to one-time operating expenses for environmental regulation in the FY 2012 budget that are only needed for one year.

The FY 2011 Adjusted Budget reflects a marginal decrease in personnel expenses of 0.7% from the FY 2011 Original Budget, due to a policy change resulting in lump merit bonuses being paid out once each calendar year rather than twice. The FY 2012 Budget shows a 4.6% increase in personnel from the FY 2011 Adjusted Budget due to personnel additions as well as health insurance, retirement, and lump merit increases. More detail on changes in personnel budgets is given in the Expenses Section. The table below shows citywide expenditures by major object.

Expenditure Summary by Major Object - All Funds

	FY 2008	FY 2009	FY 2010	FY 2011 Ori Bud	FY 2011 Adj Bud	FY 2012 Budget	FY 2013 Plan
Personnel	19,540,194	20,553,234	21,098,681	22,090,129	21,929,657	22,934,012	22,950,758
Materials, Supplies & Services	12,441,592	11,052,483	10,942,094	12,649,434	12,968,330	13,616,513	13,134,557
Capital Outlay	16,488,284	41,569,011	64,609,845	12,003,703	80,742,040	27,288,203	17,445,414
Debt Service	6,583,721	9,834,751	12,176,557	10,979,473	13,307,865	10,426,416	10,199,604
Contingencies	0	0	0	315,000	415,000	440,000	440,000
Actual Budget	\$55,053,791	\$83,009,480	\$108,827,176	\$58,037,739	\$129,362,892	\$74,705,144	\$64,170,333
Budget Excluding Capital	\$38,565,507	\$41,440,469	\$44,217,332	\$46,034,036	\$48,620,852	\$47,416,941	\$46,724,919
Interfund Transfers	15,628,653	32,800,255	14,840,021	7,118,246	9,898,612	6,957,143	6,271,188
Ending Balance	96,459,405	94,338,414	73,869,394	23,780,604	31,747,990	29,726,658	28,395,989
Subtotal	\$112,088,058	\$127,138,669	\$88,709,415	\$30,898,850	\$41,646,602	\$36,683,801	\$34,667,177
Grand Total	\$167,141,849	\$210,148,148	\$197,536,591	\$88,936,589	\$171,009,493	\$111,388,945	\$98,837,510

Table B01 – Expenditure Summary by Major Object

BUDGET OVERVIEW

BUDGET ISSUES

FINANCIAL IMPACT ASSESSMENT REPORT (FIAR)

In February 2011 the Budget Department presented an update of the Financial Impact Assessment Report (FIAR) to the City Council at its annual Visioning Session. This report was organized to forecast revenues and operating, capital, and debt service expenses for the General Fund. The information contained in the report was intended to inform decision makers in the upcoming budget process by illustrating the potential impacts of current financial decisions on the financial health of the City in both the near and distant future. The report is presented to Council at the Visioning Session each year and then updated in the Tentative Budget to show the impact of the budget requests for the next two-year cycle. This will enable Council to see the estimated impacts of current budget decisions on future General Fund surpluses.

The table below is from the FIAR presented to Council in January. It has been updated to incorporate the Tentative FY 2011 Adjusted Budget and the FY 2012 Proposed Budget, which changes trickle through having an effect on future projections. The figures below incorporate expenses and revenues from the General Fund as well as the Quinn's Recreation Fund, and are not designed to match the Budget Summaries which give a citywide accounting of all funds.

Ten-year Financial Impact Forecast

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenue	\$24,696	\$25,523	\$27,682	\$28,442	\$29,188	\$29,921	\$30,642	\$31,351	\$32,050	\$32,739
Operating - Base	\$23,177	\$23,303	\$23,303	\$23,303	\$23,303	\$23,303	\$23,303	\$23,303	\$23,303	\$23,303
Operating - Inflation/Growth	\$0	\$0	\$761	\$1,546	\$2,358	\$3,197	\$4,064	\$4,959	\$5,884	\$6,840
Operating - LOS Increase	\$0	\$0	\$301	\$606	\$915	\$1,228	\$1,545	\$1,866	\$2,192	\$2,522
CIP Expenses	\$2,270	\$2,161	\$2,186	\$2,066	\$1,916	\$1,916	\$1,816	\$1,816	\$1,816	\$1,816
Debt Service	\$178	\$180	\$181	\$617	\$616	\$620	\$1,052	\$1,051	\$1,053	\$1,054
Total Expenses	\$25,625	\$25,644	\$26,732	\$28,139	\$29,109	\$30,264	\$31,779	\$32,995	\$34,248	\$35,535
Rev/Exp	-\$928	-\$121	\$950	\$303	\$79	-\$343	-\$1,138	-\$1,644	-\$2,199	-\$2,796

**All figures in thousands*

Aggregate Surplus/(Shortfall)

(\$7,836)

Table B02 – Ten-year Financial Impact Forecast

Operating expense projections are now made using the service level associated with the 2012 Proposed Budget as the base level. Table B02 shows the FY 2012 service level projected over ten years using the growth rate identified in the 2010 Service Level Assessment Committee (SLAC) update. The projected surpluses (or deficits) for each year are shown in the following graph.

BUDGET OVERVIEW

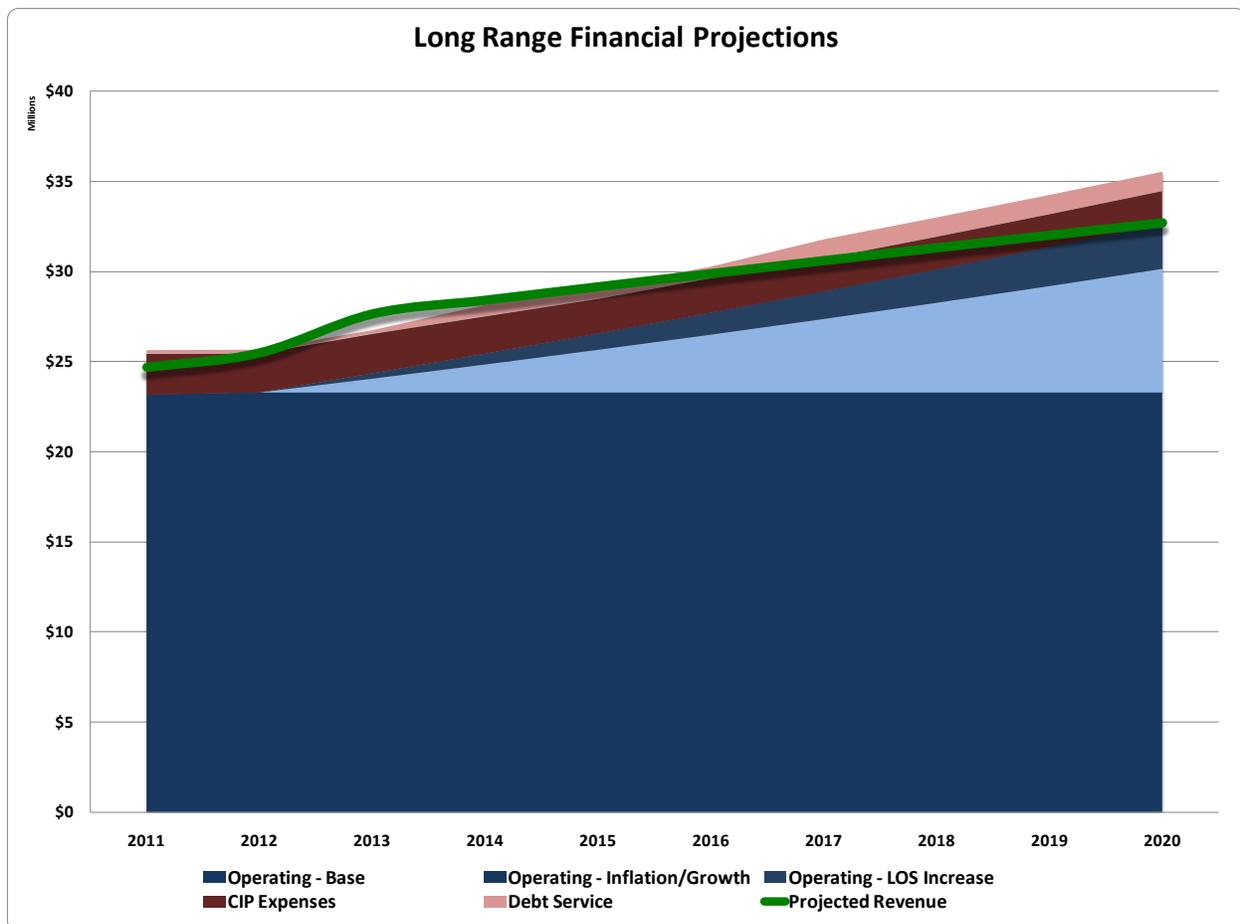


Figure B03 – Forecasted Revenues and Expenditures

Three recommendations were put forth in the FIAR in February: 1) All increases in operating level of service should be accompanied by an offset (revenue increase or expenditure cut), 2) update OTIS study in an effort to reduce cost of total project, thus reducing future debt service projections, and 3) re-evaluate revenue structure and taxation policy on heels of Budgeting for Outcomes process.

Council gave no direction regarding the first recommendation. The second has been carried out and results will be presented during the budget hearings. Early returns have the total remaining cost of OTIS reduced to \$12M, which is reflected in the FIAR update here and is overwhelmingly responsible for the slightly improved long-term outlook seen in this FIAR chart compared to February's. Council and staff began discussion concerning the third recommendation in the context of a CIP preview in early April. It is expected that this discussion will continue as part of the budget process.

For more detailed explanations of projection methodology and long-range financial planning, please consult the February 2011 FIAR document, a copy of which can be obtained from the Budget Department.

BUDGET OVERVIEW

BUDGETING FOR OUTCOMES

During the FY 2011 budget process, discussion was held regarding the long-term sustainability of City services and service levels. Staff identified concerns related to the property tax revenue stream, increased volatility in sales tax (both collections and state legislative amendments) and the lack of an escalator in property tax to keep up with inflation. The Budget Department prepared a detailed report which outlined that without a change of course, the City would not be able to provide the existing levels of service in the long run due primarily to the gradual loss of purchasing power in the property tax revenue stream over time. This report promoted a strategy stabilizing long term General Fund revenues and aligning them with long term projected expenditures, while preserving the fiscally conservative strategy of continuing to rely primarily on annual/short term sales tax surplus revenues for one time/short term capital project funding.

The City balanced the FY 2011 budget with reductions to staff performance bonuses, without a property tax increase and without incurring new debt for the Racquet Club. Staff committed to return in the fall with an expanded budget discussion, which would include a fairly rigorous prioritization process of all City services and capital initiatives as well as a discussion revisiting the City Council policy toward employee compensation.

Council spent several work sessions during December and January reviewing this prioritization process, known as Budgeting for Outcomes (BFO). The process was to be a more zero-based budgeting approach than the traditional incremental approach. It closely resembled a Request for Proposal (RFP) process, with a Results Team made up of City staff creating Requests for Results (RFRs) related to each Council goal and departments submitting “bids” for City services, programs, capital, etc. related to each RFR at varying levels of service. In this fashion, all funding in the budget was linked directly to a Council goal and the community vision. The Results Team performed preliminary prioritization and the process culminated in a Council prioritization exercise leading up to and during Council Visioning.

In addition to BFO, Council also had a robust discussion about the City’s compensation philosophy and practices during November and December. Council directed staff to take certain measures in order to control the growth of personnel costs in the City, including expanding the low end of pay grades, implementing a hiring maximum at 65% of the pay range, instituting a new working level for employees meeting but not exceeding expectations at 80% of the pay range, limiting annual pay increases for staff not at the top of pay ranges to no more than 5% per annum, and planning for a increase to the at-risk lump merit pool rather than an across the board 2% increase to pay ranges in FY 2012.

Staff concluded the BFO discussion with a discussion on revenue and taxation policy, which began during Council Visioning and continued in April. On April 7, Council had an opportunity to explore a model a model based on the long-term financial projections contained in the 2011 FIAR. This model allowed Council to input certain assumptions and policy decisions and immediately view the projected impacts on the long-term financial picture. A robust discussion regarding the City’s financial future followed and Council’s input during that session has been incorporated into the City Manager’s long-term budget strategy.

BUDGET OVERVIEW

Staff has now completed all of the steps of BFO as originally outlined in September 2010. While the process may not have resulted in a specific prioritization of City services by City Council (we do have recommendations from staff), the framework of the process and the policy discussion it sparked has been valuable. While the Budget Department does not anticipate renewing this process each year in perpetuity, it is recommended that the City pursue semi-regular updates (perhaps every two years). This means that the data will not always be up-to-date, but the concepts and prioritization framework should still apply.

LONG TERM BUDGET STRATEGY

The City Manager's Recommended Budget was constructed drawing upon Council input and direction received during the BFO discussions over the past several months. The more significant outcomes of the broader discussion actually impact the City's budget outside the biennium currently under review. Thus, this section of the Budget Issues analysis is dedicated to the long-term picture of the budget, including significant capital projects for the next ten years, the debt service ramifications, and funding options. The majority of these measures would not go into effect until FY 2014, but Council should be considering and preparing for these issues now, as the impacts are potentially noteworthy to the community.

Using the long-term budget model presented to Council on April 7, staff has constructed a recommended option for a long-term strategy regarding the funding of significant capital projects. This option would fund the following capital projects for which the CIP Committee was unable to find sufficient funding:

- 1) Old Town Street Reconstruction Projects (OTIS)
 - a. \$12 M Total
 - b. \$9.7 M in debt financing
 - c. \$2.3 M in cash financing
 - d. Split into two phases spanning from 2013-2018
- 2) Downtown Enhancement Projects
 - a. \$14 M Total
 - b. All debt financing
 - c. Split into two phases spanning from 2013-2016
- 3) Soils Repository
 - a. \$6.6 M Total
 - b. \$5.5 M cash from sale of PC Heights
 - c. \$1.1 M cash from projected operating surplus in FY 2013
 - d. Single Phase, 2012-2013

Funding for these projects and the resultant debt service can be accomplished by taking the following actions:

- 1) \$500,000 operating cuts in FY 2014
- 2) Move 5% of the Resort Sales Tax back to the General Fund from the Transit Fund by policy, beginning in FY 2014

BUDGET OVERVIEW

- 3) Institute 6% property tax general levy increase every other year between FY 2014 – FY 2020
- 4) Second round of \$500,000 operating cuts in FY 2017

The following chart shows the long-term financial outlook (from the FIAR report) with the preceding strategy included. The chart illustrates how the strategy balances cash funding of capital in earlier years (darker red area) with debt financing in later years (lighter red) to accomplish a significant amount of projects in a relatively brief timeframe. The funding strategy employs a balanced approach of cutting expenses, shifting existing revenues, and increasing revenues to put the City in a position to cover the debt service a decade from now.

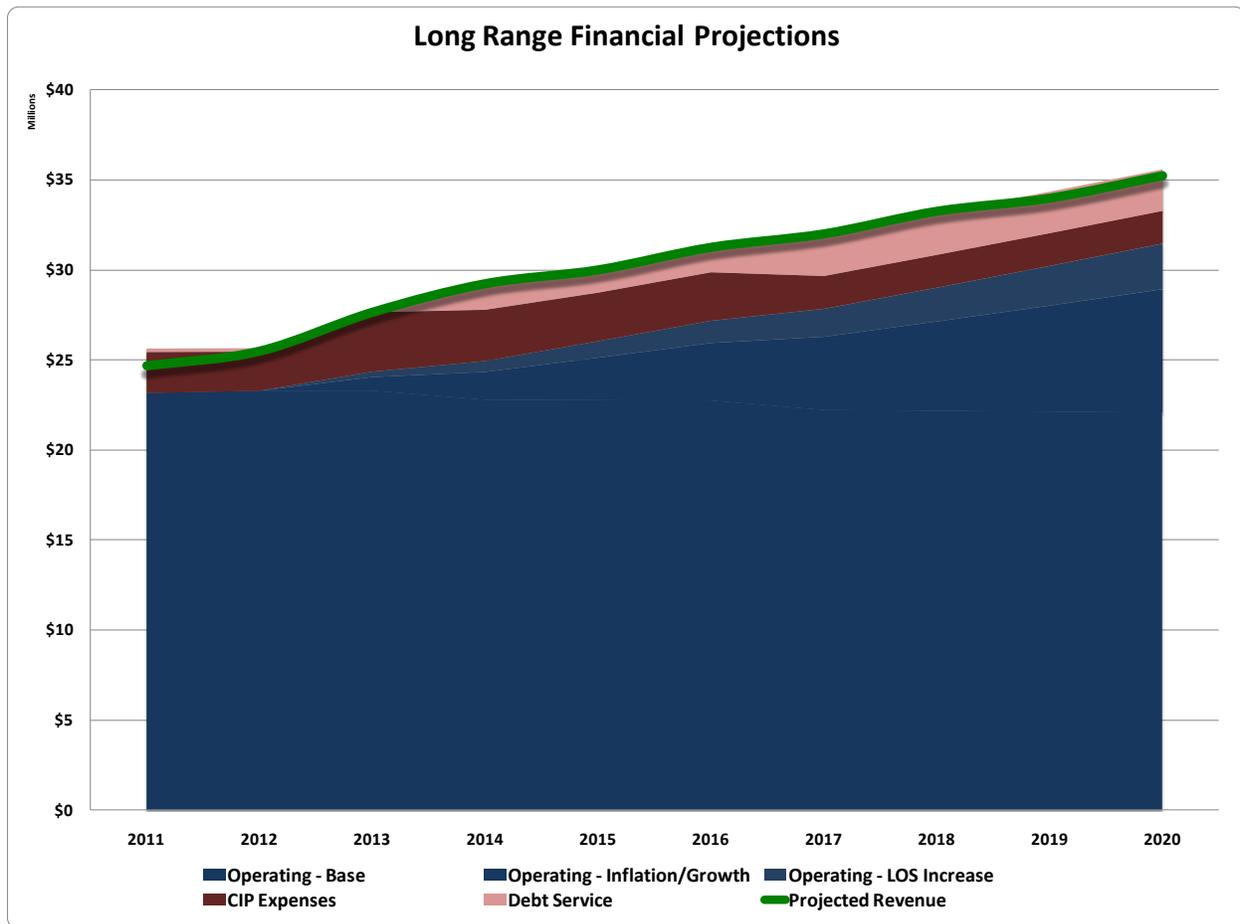


Figure B04 – Forecasted Revenues and Expenditures

As previously noted, very little of the aspects of this plan impact the upcoming current biennium. The entirety of the soils repository is in that timeframe, but only one sixth of that is funded with General Fund surplus, so it is something the City could likely do outside of this strategy regardless. Bonding for the first phases of OTIS and Downtown Projects are in the capital plan for FY 2013, but the debt service for that wouldn't show up in the budget until the following year, and no bonding could be done without direct and overt Council approval regardless of whether it's budgeted or not. None of the revenue side actions or operating cuts would be done until FY 2014. The point being: there are still two more budget seasons between now and when the majority of these decisions have to be made. Council and residents will have ample

BUDGET OVERVIEW

opportunity to weigh out the pros and cons, evaluate other alternatives, discuss the impacts, see how major revenues continue to trend, etc.

The following chart was also presented to Council on April 7, which shows the expected impact to a Park City residents' tax bill over the same 10-year time span. The chart illustrates that Park City's general levy is only a small fraction of the overall tax bill. In 2003, the municipal services portion of a Park City resident's tax bill was about 17.6%. This has trended down to about 14.8% on the most recent bill, a trend which is expected to continue. This is due to the application of Truth in Taxation in taxing districts that encompass both Park City and other Summit County areas. As assessed values increase in these districts, the rate is pushed down to collect the same total dollars (sans new growth) as the prior year. However, if a Park City resident's assessed value increases at a higher rate than a Summit County resident's value, the Park City resident shoulders more of the burden on their tax bill. Over the past ten years, that has been one of the primary drivers of increases in Park City residents' tax bills.

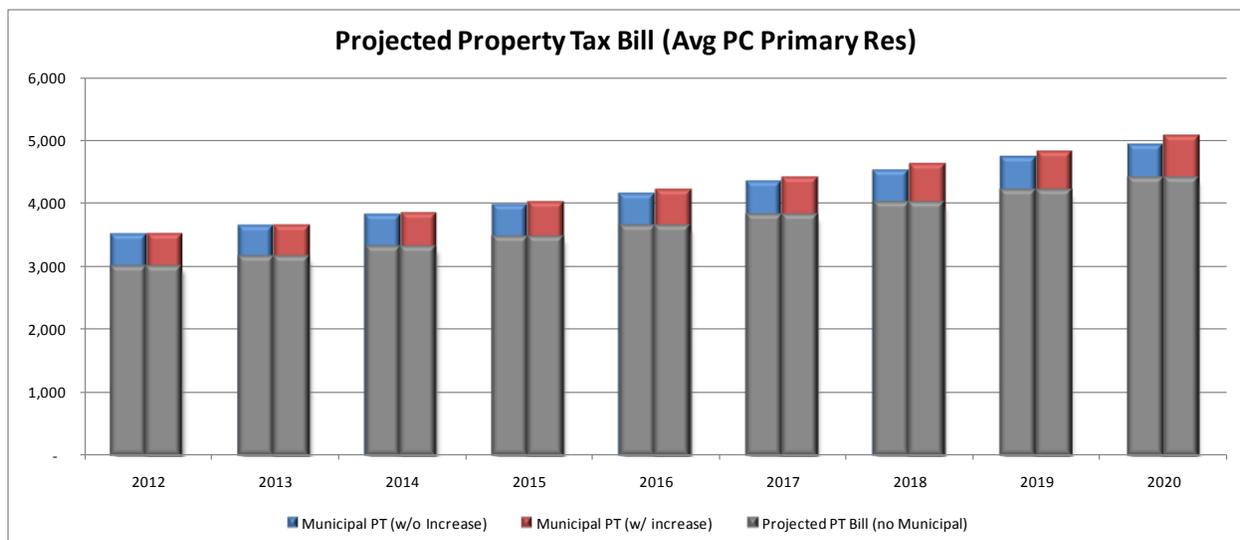


Figure B06 – Projected Property Tax Bill

The silver bars on the chart show an estimate of what the average Park City resident might pay on their property tax bill to all other taxing entities over the next ten years. The blue portion of the bar is the anticipated amount the average resident would pay for municipal services all things held equal. The red bar is what would be paid for municipal services if the proposed plan above is carried out (ie: 6% increases in FY 2014, 2016, 2018, and 2020). It's estimated that by 2020, the average Park City resident would pay 2.6% more than they would otherwise be paying on their total property tax bill if these increases are instituted. On May 12, 2011 we will be presenting a more comprehensive property tax burden discussion to Council as part of the CIP budget review.

UPDATE: Following the capital improvement plan discussion on May 12, staff removed funding for the OTIS and Downtown Enhancement projects from the 5-year capital plan. Due to the uncertainty surrounding the funding strategy for these projects, staff believes that a better approach would be to continue discussion on these projects and potential funding mechanisms

BUDGET OVERVIEW

over the next year, and defer inclusion in the capital plan until scope of the projects and funding is more certain.

OPERATING BUDGET

Again, this year's budget cycle is the on-year of the City's current budget biennium. During the on-year the City will adjust the FY 2011 Budget, adopt the FY 2012 Budget, and create the FY 2013 Plan.

In spite of the fact that this is the first year of a two-year budget process, new requests have been somewhat limited due to the economic downturn. All requests needed to have a corresponding expense reduction, revenue enhancement, or justification as to why the adjustment is necessary. This means that unless a request satisfies a preexisting issue already identified by or discussed with the Budget Department; is a direct response to direction received by City Council at Visioning Session; deals with same-level of service adjustments (e.g., inflationary adjustments); or other unforeseen but justifiable need; it should not be submitted by departments without expense or revenue offsets.

As always, this process begins with Council's Visioning Session in February. It is expected that department managers prepare operating and capital budget requests consistent with Council's goals and policy direction. As such, each request must be linked to one (or more) of the seven Council Goals. Managers are also required to utilize performance measures or other quantitative justifications as part of the rationale for their options.

Self-managed teams (managerial groups) are expected to discuss all their options together and rank them against each other before meeting with the City Manager. Below is the list of the City's self-managed teams:

- Public Works: Streets, Parks, Building Maintenance, Water, Fleet, Transit, and Golf Maintenance
- Public Safety: Police and Dispatch
- Library & Recreation: Golf Pro Shop, City Recreation, Tennis, Library, and Ice Facility
- Budget, Debt, and Grants; Human Resources; Finance; and Technical & Customer Services
- Building, Planning, and Engineering
- Sustainability: Community & Environment, Economy, and Leadership
- Executive: City Council, City Manager, and Legal

The self-managed teams were encouraged to consider that the CIP Prioritization Committee may also be recommending new projects for funding as well as increased funding for existing projects; and also that various committees and task forces have recommendations that may potentially compete for limited operating funds. Managers were urged to consider all of these factors and competing interests as they formulated their operating requests.

BUDGET OVERVIEW

Included in the Supplemental Section of this document is a list of Department Budget Requests. The requests or “budget options” are prioritized and sorted by *team*. These options reflect the incremental change from the current FY 2011 Budget and establish a FY 2012 Budget and FY 2013 Plan. Performance measures can be found in Volume II: Technical Data of the City’s Budget Document.

Pay Plan & Lump Merit

The Pay Plan Committee convened two years ago to evaluate compensation benchmarks for the City’s budgeted positions. The Pay Plan Committee typically meets biennially to review these benchmarks and provide a recommendation for the City Manager. The Pay Plan Committee used to meet in the first year (on-year) of the budget biennium, but this has since changed to the second year (off-year). This benchmarking process is done in an effort to ensure the uniform and equitable application of pay in comparison to the Utah and Colorado municipal employee market. Job positions are compared with similar positions or “benchmarks” to determine market pay for any given position. Council reviewed and decided on the metrics that determine how salaries should be set on January 6, 2011. The changes to the Pay Plan philosophy that Council agreed to are listed below:

Changes Effective January 6, 2011:

- a) Create broader bands of pay grades with an approximate salary spread of 50% per grade
- b) Decrease the amount available for salary increases from 10% annually to 5% annually
- c) Increase the amount of time it takes a position to move to the top of the grade range to three years
- d) Caps would be placed on the salary offered to employees at the time of hire. Salary offers for initial hires could not exceed 65% of the grade range without prior approval of the City Manager.
- e) Employees meeting expectations on performance evaluations would have the ability to move to 80% of the grade range
- f) Employees would have to exceed expectations in review goals and objectives and consistently demonstrate excellence in job duties and standards for two consecutive annual reviews before being allowed to move from 80% of their grade range towards to top of the range
- g) Rescind the 2% increase to grade ranges contemplated in FY 2012
- h) Increase the amount of pay at risk performance bonuses from 4% to 7% annually

Changes Made for FY 2013

- i) Change from the average of the top 5 to the average of the top 7, disregarding the city in the #1 position and the #7 position.
- j) Redraw the pay grades to minimize positions jumping ahead of the market.
- k) Reinstate the 2% off-year increases to the re-drawn pay grades beginning in FY 2014. This is necessary to keep the pay grades themselves relevant. It is not intended as a COLA or an inflationary component to employee pay. An alternative to this method would be to redraw the pay grades each year.

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The following chart illustrates the changes to the Pay Plan. The bars on the chart represent pay grades in the Exempt Pay Plan. The green portion of the bar is the pay grade as currently constituted. The gray portion shows how the grade would need to be expanded in order to achieve a pay grade with a 50% span. The red hash is the maximum a new hire can be paid within the grade. The blue hash is the maximum an employee who meets (but does not exceed) expectations could be paid within the grade. As can be seen in the illustration, the changes will stretch pay grades and allow for slower progression through the grade.

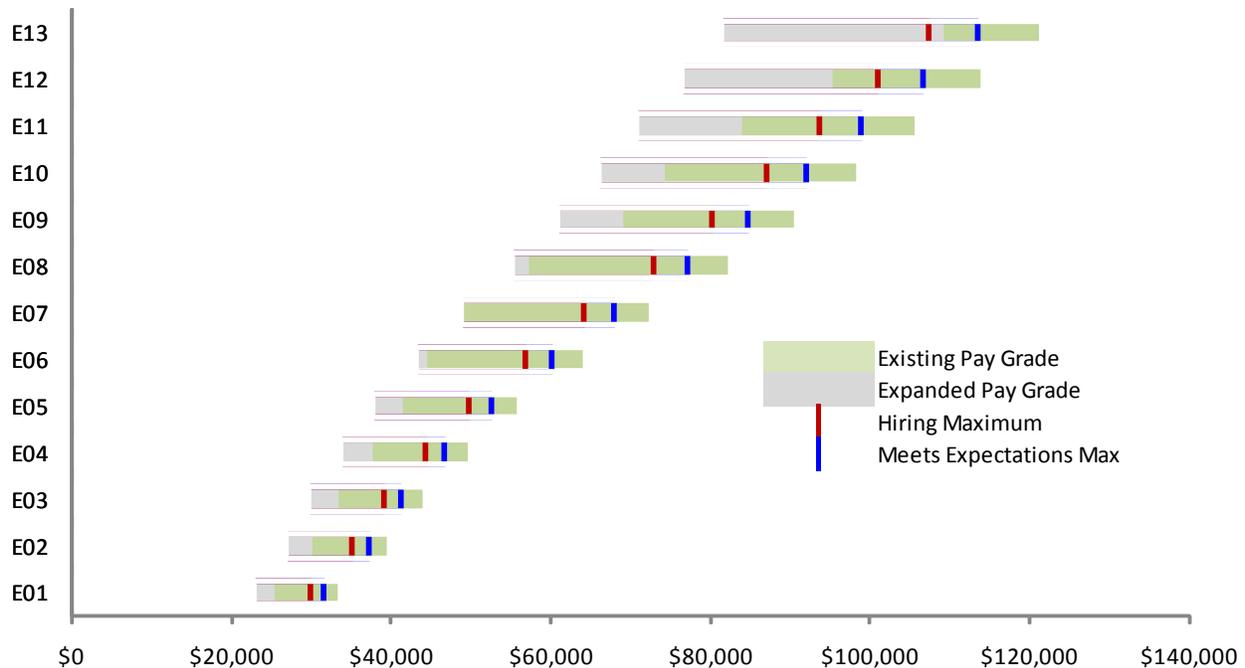


Figure B07 – New Pay Grades

Thus, anybody hired at Park City from this point forward could not be initially paid more than 65% of the expanded grade range unless an exception was granted by the City Manager (which in most cases is toward the bottom of or sometimes even below the existing pay grade). Then it would take two years at the soonest to reach the maximum pay for an employee meeting expectations (80% of the pay grade) and a third year for an employee who exceeds expectations to reach the top of the grade.

While the new changes impact primarily new hires, the new changes will impact all staff and begin to change Park City’s standing in the market. Direction from previous councils has been to pay staff “toward the top of the market”. A majority of the current Council on November 4 suggested a revision of this direction to a target pay level of “above average”. Therefore a new definition of “market” was set on January 6 to be the average of the top 7 midpoints of benchmarking cities, with the first and the last thrown out (i.e., the average of the top 2 through 6). The grades will also be redrawn at the time of benchmarking. This should add flexibility to the pay plan process and mitigate the phenomenon of positions jumping ahead of the market.

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Another expressed desire of some Council members was concerns about the mix of guaranteed salary versus at risk pay (or performance based lump merit pay). In an effort to achieve a better balance, the 2% across the board increase to pay grades typically given in a pay plan off-year was scrapped for FY 2012 in favor of a 3% increase in unguaranteed lump merit eligibility. This gives management more flexibility to reward high performers while avoiding an inflationary effect on salaries. It should also be noted that 3% lump merit bonuses and 2% across the board salary increases should have approximately the same budget impact (\$250,000 in the General Fund) since not all employees will earn a full lump merit bonus each year.

In addition to these measures, the 80% meeting expectations threshold will help to achieve the new “above average” target. Currently, if all positions were paid at the top of the grade, Park City would rank on average 3.5 out of 14 (i.e., 3rd or 4th highest compensated out of 14 cities – the average number of cities with reporting a position within each benchmark). If all Park City employees were paid at 80% of the grade range, Park City positions would rank on average 5.5 out of 14. In staff’s opinion, 3.5 out of 14 constitutes “toward the top of the market” and 5.5 out of 14 constitutes “above average”. Even then a Park City position could still be paid toward the top of the market, if the incumbent were exceeding performance expectations consistently.

It should also be noted that the changes (a), (b), (c), and (g) apply to full-time regular employees only, as it is yet to be determined how some of these changes might apply to part-time and seasonal employees. Changes to pay may more drastically impact attraction and retention of part-time and seasonal employees.

Staff believes these recommendations address the principles of a sound pay program as well as the comments made by Council at their November 4, 2010 work session discussion and addresses the long-term viability & sustainability of the City’s pay practices.

- a) *Ability* to pay certain rates
- b) *Willingness* to pay certain rates
- c) *Attitudes* about ranking among other employers
- d) *Degree of Specialization*
- e) *Prevailing* rates of pay
- f) *Competition* for labor supply
- g) *Value* of certain jobs to the organization
- h) *Reputation* of the organization

Health Insurance Costs

The Human Resources Department negotiated renewal to the City’s existing health insurance plan which preserves current coverage and benefits at a cost increase just under 7%—this could have been much more. This would maintain the current coverage provided to employees with no additional costs passed on to them. Last year medical benefits changed from a no deductible, \$2,000 per family maximum out-of-pocket plan to a dual-track \$500 deductible, \$3,000 per family maximum out-of-pocket plan or a health savings account (HSA). The HSA is a \$3,000 deductible with a \$10,000 per family maximum out-of-pocket. The HSA allows for the employer and the employee to contribute a certain amount monthly into the account which can then be

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used for various medical expenses. The advantage with the HSA is that any amount not spent out of the account can be kept by the employee for future medical expenses in perpetuity.

Retirement Expense

During FY 2011, URS required a 13.37% contribution for general municipal employees (25.83% for sworn police officers). However, the state will begin requiring 13.77% (27.07% for sworn officers) on July 1, 2011.

Environmental Regulatory Budget

Historically, costs related to managing a variety of environmental regulatory issues would be paid out of several different departmental budgets, including Building, Water, Executive, Legal and Risk Management—depending on which department was doing the work. Where the City is in the process of applying for permits for the Prospector Drain and the Judge and Spiro tunnels as well as working with the Environmental Protection Agency (EPA) on the possibility of a new repository to handle mining waste; the City Manager is recommending the creation of a centralized budget for Environmental Regulatory issues. In this budget soil and water related costs will be tracked independently, but can also be rolled up to allow Council and the taxpayer a more holistic view of the total costs of addressing environmental regulatory issues. The budget will be an independent budget that will be managed by the Environmental Sustainability Manager.

Self-Insurance Fund Interfund Transfer

The Self-Insurance Fund is an Internal Service Fund which accounts for the establishment of self-insured programs including Workers' Compensation, Unemployment Compensation, and liability insurance. Several years ago the General and Enterprise Funds' interfund transfers (IFTs) were discontinued temporarily due to the fact that the fund balance had grown too large. However, since then the fund balance has diminished to an insufficient level. Thus the Budget Department is currently looking into re-establishing those IFTs from the General and Enterprise Funds in future fiscal years for the Final Budget. Also, in the current fiscal year (FY11) it is being recommended to transfer \$850k into the Self-Insurance Fund from the General Fund for one year. This money would come from operating budget savings (i.e., the difference between the current budget and the projected departmental expenditures).

Special Service Contracts

As part of the budget process, the City Council appropriates funds to contract with organizations offering services consistent with the needs and goals of the City. According to City policy, up to one percent of the City's total budget is awarded. Payment may take the form of cash payment and/or rent contributions for the lease of City property in exchange for the value of in-kind services. The tentative budget for Special Service Contracts is \$435,000 (\$870,000 for two years). This is based on 1 percent of the total budget for FY2011, when the final budget is presented this figure will be based on FY2012 and will likely increase accordingly.

Special Service Contracts are awarded biennially through a competitive application process. A request for applications (RFA) was issued in February 2011 and announced through local media. Letters announcing the RFA were sent to previous awardees. Applications were accepted

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through March 31 and submitted to the Special Service Contract Subcommittee for review. This Subcommittee included Council Members Kernan and Matsumoto and city staff.

A summary of the Special Services Contract Subcommittee recommendations are outlined in the table below. City staff will provide additional information regarding the recommendations to City Council on May 26 which will allow time for discussion and final Council direction regarding Special Service Contracts.

Organizations	Request	Pervious Award* 2010 - 2011	Recommended Funding 2012 - 2013
Park City/Summit County Arts Council	\$148,340	\$48,000	\$50,000
Mountainland Community Housing Trust	\$36,000	\$30,000	\$31,100
P.C. Adult ESL	\$11,000	\$9,000	\$11,000
Park City Chamber/Bureau	\$200,000	\$160,000	\$200,000
P.C. Historical Society and Museum	\$140,000	\$60,000	\$80,000
Recycle Utah - Operating	\$73,000	\$46,000	\$66,000
Recycle Utah - Rent Contribution	\$19,154	\$19,154	In-kind
People's Health Clinic	\$88,241	\$64,500	\$70,000
Christian Center	\$20,000	\$20,000	\$21,400
Mountain Mediation Center	\$25,238	\$23,500	\$25,000
Peace House, Inc.	\$55,000	\$50,000	\$52,000
Park City Community Outreach Center	\$22,000	\$20,000	\$20,000
Habitat for Humanity	\$20,000	New	\$20,000
Mountain Trails	\$40,000	New	\$15,500
PC Performances - Egyptian Theatre Productions	\$10,000	New	\$5,000
Park City Business Resource Center	\$40,000	New	\$20,000
Total	\$947,973	\$550,154	\$687,000
Youth Organizations	Request	Pervious Award* 2010 - 2011	Recommended Funding 2012 - 2013
Children's Justice Center	\$10,000	\$10,000	\$10,000
ArtsKids	\$30,000	\$20,000	\$25,000
PC Education Foundation	\$40,000	\$10,000	\$36,000
Holy Cross Ministries	\$15,000	\$10,000	\$15,000
PC Performing Arts Foundation's MGSS	\$10,000	\$5,000	\$8,000
Youth Winter Sports Alliance	\$20,000	\$15,000	\$18,000
Big Brothers/Big Sisters of Utah	\$20,000	\$15,000	\$15,000
Norwegian Outdoor Exploration Center	\$20,000	New*	\$20,000
Friends of the Utah Avalanche Center	\$3,000	New*	\$3,000
PC Performances - Egyptian Theatre Youth Programming	\$30,000	New	\$15,000
Total	\$198,000	\$85,000	\$165,000
Grand Total	\$1,145,973	\$635,154	\$852,000

Figure B08 – Recommended SSC Amounts

*Listed amount reflect original SSC awards as recommended by the 2010-2011 SSC subcommittee. The following organizations received SSC Extraordinary Request during the 2010 and 2011 fiscal years:

- Norwegian Outdoor Exploration Center **\$20,000**
- ArtsKids **\$10,000**
- PC Education Foundation **\$20,000**
- Friends of the Utah Avalanche Center **\$1,200**

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CAPITAL BUDGET

Being the first year of a budget biennium, the CIP Committee performed a full reprioritization of the 5 Year Capital Plan. This means that all projects, even those which have been awarded funding in previous years, were reviewed and prioritized along with new projects.

Unlike the prior two budget years, the City did not have a declared budget shortfall this year. At the time of prioritization, projections showed a slight surplus (less than \$500,000) anticipated. This being the case, the Committee did not have a targeted budget cut to achieve this year as it had the past two years. Nonetheless, due to the long-term projections which show lack of available operating surpluses, the amount of scrutiny involved in this process was heightened.

Ultimately, the Committee set a goal to fund projects requiring operating surplus to the tune of \$2.3 M in the current fiscal year and \$2 M in each of the five years of the capital plan. The Committee recommendation which went to the City Manager was consistent with that goal. Unfortunately, as the level of surplus funding required for ongoing capital investment, such as asset management, equipment replacement, pavement management, etc., is about \$1.8 M annually, the Committee's goal left very little room to fund new projects. More expensive project requests which lacked a designated revenue source, such as the Downtown Enhancement Projects and OTIS, were recommended to be taken to Council as a policy decision outside of this prioritization process as they would require significant debt funding to even be feasible.

Consistent with the Committee's recommendation as well as the discussion held with Council on April 7, the City Manager's Recommended Budget does contained \$7 M of funding for the Downtown Enhancements Project in FY 2013 from debt funding, as well as \$4.85 M of debt funding for OTIS in FY 2013. Future funding for those projects, both debt and cash, were included in the five year capital plan. Following Council discussion during the budget hearings, however, these projects and their funding were removed from the five year plan

The total proposed CIP budget for FY 2011 Adjusted Budget is \$80 million (\$11.2 million original budget, \$4 million reduction during this budget process, and \$72.7 million carryforward budget). The proposed FY 2012 CIP budget is \$26.5 million—up \$1 million from the amount proposed in last year's 5-Year CIP. The proposed FY 2013 Plan includes \$16.7 million for capital. The General Fund surplus required to fund projects in FY 2012 will be approximately \$2.16 million—the majority of which is dedicated to completing current projects, ensuring the maintenance of existing infrastructure, or securing funding for previously-identified needs. Projects in these categories include Pavement Management, Trails Master Plan Implementation, Traffic Calming, Asset Management, Walkability Maintenance, Irrigation Controller Replacement, and Electronic Record Archiving. The surplus needed for FY 2013 jumps to \$3.3M due to the inclusion of an additional \$1.1 M for the Soils Repository project.

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

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CIP #	Project Name	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
New 01	Colf Course Controller Upgrade	-	100,000	-	-	-	-
New 02	Golf Course Sprinkler Head Upgrade	-	-	150,000	-	-	-
New 08	Storm Water Improvments	100,000	-	-	-	-	-
New 10	Park Meadows Ponds Control Structure	25,000	-	-	-	-	-
New 11	Drainage issue at 500 DVD	60,000	-	-	-	-	-
New 12	Monitor and Lucky John Drainage	65,000	-	-	-	-	-
New 17	Short Range Transit Development Plan	-	90,000	-	-	-	-
New 18	High School Bus Sundance Transit Reconstruction	50,000	50,000	-	-	-	-
New 19	Lower Park Avenue RDA	-	3,000,000	3,000,000	-	-	-
New 20	Security Projects	-	40,000	-	-	-	-
New 22	Crescent Tramway Trail	-	75,000	-	-	-	-
New 30	Prospector Drain - Regulatory Project	250,000	-	-	666,667	666,667	-
New 31	Soils Repository	187,500	5,500,000	1,100,000	-	-	-
New 33	Tire Mount/Balance Machine (FSFSTM)	15,000	-	-	-	-	-
New 36	Environmental Revolving Loan Fund	100,000	-	-	-	-	-
New 37	Downtown Enhancements Phase II	-	-	7,000,000	-	-	7,000,000

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

CIP #	Project Name	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
CP0163	Quinn's Fields Phase III	-	-	2,700,000	-	-	-
CP0229	Dredge Prospector Pond	-	-	-	-	-	-
CP0246	Rink Roof for Mechanical Equipment	25,000	25,000	25,000	25,000	-	-
New 04	Snow Removal Service Increase	-	1,849,000	184,900	184,900	184,900	184,900
New 06	RFID System for Library	-	59,000	-	-	-	-
New 07	Book Vending Machine for Library	-	25,000	-	-	-	-
New 13	Row Landscape Guidelines	-	40,000	-	-	-	-
New 14	Street Light at Marsac and Guardsman	-	30,000	-	-	-	-
New 15	Hillside Avenue Stairs	-	650,000	-	-	-	-
New 16	3rd Street Stairs	-	130,000	-	-	-	-
New 21	Mobile Command Post (MCP)	-	50,000	50,000	35,000	-	-
New 23	Historic Preservation	50,000	-	-	-	-	-
New 24	Landscape Ordinance	25,000	-	-	-	-	-
New 25	Public WI-FI	21,676	-	-	-	-	-
New 26	Work Lift	-	15,000	-	-	-	-
New 27	Receipt Printers and POS Keyboards	-	2,500	-	-	-	-
New 28	New Copier/ Printer/ Scanner	-	7,500	-	-	-	-
New 29	Sky Lodge Skating Rink	-	20,000	-	-	-	-
New 32	Website Enhancements	-	12,900	-	-	-	-
New 34	Wheel Lift System (FSFSWL)	-	18,500	-	-	-	-
New 35	4th Street Stairs (Main to Park)	-	150,000	-	-	-	-

Figure B09 – Recommended CIP Amounts

During the Budget Hearings, Council directed staff to fund the CIP request for a Street Light at Marsac and Guardsman out of the General Fund contingency pursuant to the newly adopted contingency policy contained in the Polices & Objectives portion of this document.

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Update on Major Projects

Old Town Improvement Study (OTIS) Projects

The City has completed 7 of 22 street reconstruction projects outlined in the 2002 Old Town Improvement Study. The Engineering Department continued Phase II (a) of OTIS last summer with the completion of the Sandridge project at a cost of \$330,000. The remainder of Phase II(a) includes reconstruction Empire and Upper Lowell. It's likely that Empire and Upper Lowell could be completed in conjunction with the Treasure Hill project, making the timing and cost to the City of that project unclear.

In February, staff recommended to Council that the 2002 study be updated to get a better understanding of the need for, timing, and cost of remaining projects. This update is near completion and the results will be presented to Council during the budget hearings. Early returns showed an estimate of \$12 M of expenses remaining. This figure was included in the tentative budget and 5-Year Capital Plan, with \$9.7 M coming from debt funding (likely sales tax bonds) and \$2.3 M coming from anticipated operating surpluses between 2014-2016. The financial feasibility of this plan is contingent upon the City following the regimen of operating cuts and tax increases prescribed earlier in this Budget Issues section or alternatively securing other funding.

OTIS Projects Completed

Upper Park Avenue
Intersection Marsac & Hillside
Prospect Avenue
Lower Norfolk (8th to 13th)
Woodside (North of 13th)
Hillside
Sandridge

OTIS Projects Remaining

Empire & Upper Lowell
Sullivan Road
Rossi Hill Drive
Swede Alley
8th, 9th, 10th, 11th, 12th Streets
13th, 14th, 15th Streets
Silver King
Ridge Avenue
McHenry Drive

In March 2011, a consultant was hired to re-evaluate two elements of the Old Town Infrastructure Study (OTIS). The consultant updated the construction cost estimates for the remaining road and water projects and then re-prioritized the road and water projects based on Public Works, Water and Engineering input and needs.

The re-prioritized remaining projects in order are as follows:

1. Empire Avenue
2. Sullivan Road
3. Chambers Avenue (water only)
4. 8th Street
5. 10th Street
6. 11th Street
7. 14th Street
8. Rossi Hill Drive
9. McHenry Street

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10. Deer Valley Loop Road (water Only)
11. Swede Alley
12. 9th Street
13. 12th Street
14. Silver King Road
15. Ridge Avenue
16. Lowell Avenue (8th Street to 13th Street)

The 2002 estimate of construction cost for Empire Avenue was \$1,927,000 (\$3.3 M adjusted at 8% inflation) and included road reconstruction, waterline replacement, curb and gutter replacement, sidewalks installation and dry conduit installation. The updated construction cost estimate is \$4,062,000 (\$1,725,000 for road reconstruction, curb and gutter replacement and sidewalk installation, \$1,730,000 for waterline replacement and \$607,000 for dry conduit installation).

The completion period for the remaining OTIS road and water projects was anticipated to be nine years before this update. Many of the smaller projects above can be combined so the time period remains the same, or the time period for completion could be stretched longer if so desired.

The total cost of the remaining projects is now expected to be \$16 M (\$4 M for the Water Fund portion). The 5-Year CIP has been adjusted to include \$12 M in funding for the General Fund portion (roads, storm drain, and conduit) of the project. Staff has put together alternate options for the remaining projects which would eliminate certain aspects of projects (sidewalks, landscape, etc) in order to reduce the cost. These are presented in the matrix below. Rather than an exhaustive list of alternatives, the below matrix serves to give an idea of some of the cost saving measures that could be taken to ease the financial impact of OTIS projects. The details of these options are attached.

OTIS Alternative	Water		Total	Included
	GF Cost	Fund Cost	Cost	
#1 - All In	\$12.3	\$4.1	\$16.4	Streets, storm drain, sidewalks, landscape, conduit, water, etc
#2 - No Addit. Ped/Conduit	\$8.5	\$4.1	\$12.6	No pedestrian or conduit improvements unassociated with a broader street
#3 - No Conduit/Sidewalk/Stairs	\$7.0	\$4.1	\$11.1	No conduit elements, sidewalks, or stairs. Just road reconstruction

It is expected that discussion surrounding the OTIS projects, including the prioritization, timing, and funding level, will continue through the fiscal year and into the next budget cycle. Staff will pursue community input to facilitate this discussion and ultimate Council direction.

Water Projects

Water quality and delivery continue to be a top priority for Park City. With the rate of development that occurred over the past few years, water needs have been identified and the cost of these improvements is being developed to be fairly distributed between users and new

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development. CIP changes to the Water Fund are also reflective of the City's continuing commitment to secure Park City's water needs through improvements to the City's water infrastructure.

Rail Trail Water Lines – This project was 90% complete during the 2010 construction season. Remaining items to be addressed and built are Rail Trail grading and paving, well drilling for the cathodic protection system, and general cleanup of the project site.

Quinn's Junction Water Treatment Plant - Construction of the Quinn's Junction Water Treatment Plant (QJWTP) began during the summer of 2010 and will continue throughout the summer and fall of 2011. The project is approximately 40% complete and final completion and start up will be in late 2011/early 2012.

Judge Tunnel Pipeline – This project has experienced delays due to environmental work being complicated by the pending UPDES permit application and pending negotiations with Jordanelle Special Services District which would change the alignment of the pipeline. The project is currently in preliminary design.

Fixed Base Water Meter Reading - The purpose of the fixed base project is to install radios at each meter site that are capable of transmitting reads remotely to the billing office. This project is 97.5% complete. The majority of the radio installations occurred in summer and fall of 2010, and the remainder of installations will occur this spring after the snow melts.

Major changes to water capital projects include:

- Reductions in water equipment (fleet) replacement by approximately \$300,000 (FY2011 – FY2013),
- additional budget \$850,000 for Judge Water Treatment FY2011,
- shifting approximately \$1,000,000 in project budgets from FY2011 to FY2012,
- shifting approximately \$800,000 in project budget from FY2012 to FY2013,
- shifting anticipated grant revenue from FY 2012 & 2013 forward to FY 2013 & 2014,
- reducing approximately \$300,000 in unnecessary project carry forward budget FY2011.

A comprehensive Water Fund Financial Model was updated and submitted to Council prior to the end of the budget process. The model included a recommended 12% rate increase in order to support future bonding necessary to complete capital infrastructure projects. The details of the model and recommendations are included in a separate report, available upon request.

As the Water Fund Financial Model was not completed in time for the Tentative Budget, no capital budgets were submitted in the Water Fund until the Final Budget was prepared. The following table details the Water Fund CIP as submitted and adopted in the Final Budget.

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Fund 51 CIP Budget (as entered 6/9/2011)

CIP Name	Funding Source	FY 2011	FY 2012	FY 2013
Tunnel Improvements	WATER SERVICE FEES	\$ 300,000	\$ 314,150	\$ 323,575
Water Department Service Equipment	WATER SERVICE FEES	\$ 69,056	\$ 125,000	\$ 60,000
Geographic Information Systems	WATER SERVICE FEES	\$ -	\$ 6,718	\$ -
Motor Change-out and Rebuild Program	WATER SERVICE FEES	\$ 28,297	\$ 25,750	\$ 26,523
Water Department Deficiency Correction Projects	WATER SERVICE FEES	\$ 250,000	\$ 597,400	\$ 1,570,132
Judge Water Treatment				
	WATER SERVICE FEES (Bonds)	\$ -	\$ -	\$ 2,050,000
	WATER SERVICE FEES (Bonds)	\$ -	\$ -	\$ 625,000
	WATER SERVICE FEES (Bonds)	\$ 850,000	\$ 772,000	\$ 423,000
	FEDERAL GRANTS	\$ -	\$ -	\$ 500,000
Meter Radio Read				
	WATER IMPACT FEES	\$ 23,047	\$ 19,828	\$ -
	WATER SERVICE FEES (Bonds)	\$ 306,191	\$ 263,423	\$ -
OTIS Water Pipeline Replacement Projects	WATER SERVICE FEES	\$ -	\$ 128,750	\$ 1,776,159
Water System Emergency Power Master Planning	WATER SERVICE FEES	\$ -	\$ 126,483	\$ -
Boothill Transmission Line				
	WATER IMPACT FEES (Bonds)	\$ 419,408	\$ -	\$ -
	WATER SERVICE FEES (Bonds)	\$ 197,369	\$ -	\$ -
	OTHER CONTRIBUTIONS	\$ 214,813	\$ -	\$ -
Rockport Water, Pipeline, and Storage				
	WATER IMPACT FEES	\$ 475,457	\$ 415,277	\$ 415,277
	WATER SERVICE FEES	\$ 409,404	\$ 357,585	\$ 357,585
Corrosion Study of Water System	WATER SERVICE FEES	\$ 50,000	\$ -	\$ -
Spiro Building Maintenance	WATER SERVICE FEES	\$ -	\$ 70,292	\$ -
Judge/Talisker/NPDES	WATER SERVICE FEES	\$ 1,464	\$ -	\$ -
Park City Water Infrastructure Project				
	WATER IMPACT FEES (Bonds)	\$ 644,789	\$ 38,741	\$ 142,512
	WATER SERVICE FEES (Bonds)	\$ 555,211	\$ 33,359	\$ 122,713
Quinn's Junction Transmission Lines				
	WATER IMPACT FEES (Bonds)	\$ 462,099	\$ 37,613	\$ -
	WATER SERVICE FEES (Bonds)	\$ 397,901	\$ 32,387	\$ -
PC Heights Capacity Upgrade	WATER IMPACT FEES	\$ -	\$ -	\$ 297,052
Quinn's Water Treatment Plant	WATER IMPACT FEES (Bonds)	\$ 12,522,674	\$ 3,042,148	\$ -
Promontory Pipeline	WATER SERVICE FEES	\$ 126,000	\$ -	\$ -
Prospector Drain - Regulatory Project	WATER SERVICE FEES	\$ -	\$ 250,000	\$ -
	WATER SERVICE FEES	\$ -	\$ -	\$ 501,627
Soils Repository	WATER SERVICE FEES	\$ -	\$ -	\$ -
Water Rights - Perpetual Lease				
	WATER IMPACT FEES	\$ -	\$ -	\$ 86,563
	WATER SERVICE FEES	\$ -	\$ -	\$ 74,537
Landscape Water Checks	WATER SERVICE FEES	\$ -	\$ 5,000	\$ 5,000
PC Heights Development Infrastructure (cap expansion component)				
	WATER IMPACT FEES (Bonds)	\$ -	\$ -	\$ 121,990
	WATER SERVICE FEES (Bonds)	\$ -	\$ -	\$ 105,043
Smart Irrigation Controllers	WATER SERVICE FEES	\$ -	\$ 6,000	\$ 6,000
Water Quality Study	WATER SERVICE FEES	\$ -	\$ 400,000	\$ -
	WATER SERVICE FEES	\$ -	\$ -	\$ -
Rockport Capital Facilities Replacement Fee				
	WATER SERVICE FEES	\$ -	\$ -	\$ -
	WATER IMPACT FEES	\$ 37,613	\$ 58,325	\$ 58,325
	WATER SERVICE FEES	\$ 32,387	\$ 50,222	\$ 50,222
	WATER SERVICE FEES	\$ -	\$ -	\$ -
		\$ 18,373,181	\$ 7,176,450	\$ 9,698,833

BUDGET OVERVIEW

Racquet Club Remodel

As part of the FY 2011 budget Council approved a \$10 million Recreation Center Renovation project. During the FY 2011 budget process, Council asked staff to propose a cash payment plan rather than the staff-recommended debt financing option. Staff proposed a mix of funding coming from the CIP Fund reserves as well as cuts to other capital projects. As part of this option, staff argued that it would be wise to leave the contingency amount in fund balance until it was needed. In this fashion, only \$750,000 rather than \$1.25 M needed to be transferred from fund balance to the project budget, resulting in a \$9.6 M project budget. The thought was that reserves could always be accessed for contingency if need be, but in the meantime, the balance sheet would be a little stronger. In February 2011, staff approached Council with a list of change orders to the project necessitating contingency expense. Staff recommended moving forward with transferring the remaining contingency amount (\$500,000) from reserves to the project budget. Council approved the direction, and the recommended budget contains the adjustment.

The design of the new Recreation Center includes many user enhancements over the existing facility. The new or enhanced amenities include a walking/jogging track, child care, pro shop, bouldering area, party room, game room, enlarged fitness area for cardio, weights and group fitness classes. The new design will also have enhanced tennis viewing that will also serve as a place for patrons to relax and socialize. The four new indoor tennis courts will provide a high quality playing experience as they have been design to meet United States Tennis Association (USTA) standards. The project also received a grant in the amount of \$25,000 from USTA to provide quick start lines on two of the four indoor courts. The new facility will be more efficient not only in design but also in energy usage. The facility will also meet standards to qualify as an essential building for emergency management purposes.

The original completion date of September 30, 2011, has been revised due to change orders to November 2011. Despite the above average snowfall and below average temperatures so far this winter, the project remains on schedule for completion on November 2011.

Bonanza Drive Reconstruction

Construction on Bonanza Drive started July 2009 (Phase 1) and will be completed in the fall of 2010 (Phase 2). A third phase was added late last summer, which includes mostly landscaping, planters in the ROW and colored concrete accenting of the corridor. The breakout of construction is as follows:

Phase One (2009): COMPLETED

- Road Construction from Deer Valley Drive to just North of Upper Iron Horse,
- Distribution Water Line from Deer Valley Drive through Kearns Blvd,

Phase Two (2010): Mostly Complete (with exception of retaining walls and ramps for pedestrian tunnel, to be completed May 2011)

- Pedestrian Tunnel
- Road Construction from Upper Iron Horse to Kearns Blvd, and
- Remaining Utilities.

BUDGET OVERVIEW

Phase Three (2011):

- Landscaping, planters in the ROW and colored concrete accenting of the corridor

Total project costs are expected to be around \$6.6 M. Approximately \$3.2 M of this cost is funded from General Fund surplus, with the remainder coming from the Water Fund, Sewer District, and Walkability Bonds.

Walkability Projects

The 2007 WALC Recommendations list included 36 projects, slated for implementation from 2007-2012.

As of today, 24 of those projects have been completed or are nearing their completion this spring. These projects include the Little Kate sidewalk, Holiday Ranch Loop pathway, as well as, the Bonanza and Comstock underpasses and several traffic calming, crosswalk and striping projects.

Bonanza underpass

The Bonanza underpass will be substantially completed by May 1. Additional landscaping, plazas and ‘beautification’ of the area are scheduled for this summer with minor impacts to traffic (similar to what is currently experienced).

Holiday Ranch Loop

The remaining landscaping and punch list items for the project will be completed in May and June.

Comstock Pathway and the Sidewinder Sidewalk

Two projects, the Comstock Pathway and the Sidewinder Sidewalk are currently in design and are slated for construction this coming summer. The Comstock project is significant, because it is the final leg of the Park Meadows and Prospector spine route, which connects the McLeod Creek system to the Rail Trail. A pre-construction open house is scheduled for June 7th, and project completion target date is September 12th.

Remaining Projects

Outstanding WALC projects include Dan’s to Jan’s, Wyatt Earp traffic calming, Monitor Drive traffic calming, Rail Trail/Iron Horse bridge, several striping projects and a few old town crosswalk projects.

Dan’s to Jan’s

The initial discussions and planning for the D-J project are currently underway. Staff is working to identify stakeholders and coordinate with existing plans, such as the Park City short term transit plan, which will be an integral part of the overall scope of the project. The project is the largest by far of all the WALC projects and will require extensive planning and design before constructing. Initial construction target for this project is 2013-2014.

Wyatt Earp

BUDGET OVERVIEW

The Wyatt Earp project has been pushed back to 2012, to coordinate with waterline construction scheduled to take place in the same area.

Monitor Drive

A traffic calming study, completed in 2009, recommended three measures to help calm traffic on Monitor Dr; roadway striping, a driver feedback sign on the northbound lane and the possibility of constructing a center median on the southern leg of the Lucky John and Monitor Dr. intersection. In 2010, the driver feedback sign and roadway striping were implemented. Traffic data gathered on location has shown a very positive impact of these devices on lowering vehicular speeds. Staff will continue to collect traffic data at this location, especially through and after the Recreation Center construction is completed, before considering further implementation.

Rail Trail Bridge(s)

Planning for the bridges is underway. Staff is coordinating with the Iron Horse development and Bonanza Drive/Rail Trail Improvements. Design and environmental permitting should begin this summer, with construction likely in 2012.

Other

Several of striping projects are part of the overall city bike route plan, which is part of the Transportation Master Plan. This document is reaching its final stages and will up for adoption by City Council later this spring. Finally, several crosswalk locations within the Main Street area need to be coordinated.

CHANGES BETWEEN THE PROPOSED AND ADOPTED BUDGETS

The following list details the changes made to the City Manger's Recommended Budget between the time it was presented in early May up until the final adoption of June 16. These changes have resulted from either 1) direction from Council for adjustment, 2) a request for adjustment from the City Manager and/or staff, or 3) a technical adjustment necessitated by changing projections, correction of previous errors, etc. Changes in the first two categories have been discussed with Council during the budget hearings. The last category is largely inconsequential from a policy standpoint. Nonetheless, significant technical adjustments are included in the list below.

- Increase of \$31k in Self-Insurance Fund due to higher premiums for Surety Bond because of anticipated hardening of the insurance market as well as an increase to City's facilities as well as increase of \$40k for workers' compensation claim reimbursement, which reflect actual reimbursement costs. There's also an increase of \$100k to the outside legal services line-item for FY11 only due to the environmental regulatory expenses.
- A full-time regular position in the Executive Department will be reduced which equates to approx. \$74k. Duties will be moved to achieve functional improvements and costs savings. Savings to the General Fund will include \$12,000, which is roughly 20% of the total compensation value of the job. The remaining funds will be used as follows: A comprehensive safety (and potentially insurance placement) program will be contracted and overseen by the City Engineer's office for \$15,000. The City Manager Department will hire a part-time entry level grade 4, non-exempt Office Assistant I position for an

BUDGET OVERVIEW

annual cost of \$19,014. The Legal Department will increase their software budget line-item by \$30k.

- The updated Administrative Interfund Transfer study provides an updated estimate of cost of services to the enterprise funds from administrative departments within the General Fund. The purpose of the Admin IFT is to charge enterprise funds for indirect services provided from administrative departments. Thus, it is recommended that the enterprise funds will now pay for their own utilities and janitorial services, also the Enforcement and Administrative portion of the Business License Fee will now be received directly into the General Fund instead of through the Admin IFT. The budget option changes for each fund with utility and janitorial costs are as follows, Golf Fund: \$8,015; Water Fund: -\$66,179; and Transit Fund: \$25,770.
- Part of the costs associated with the Quinn’s Water Treatment Plant are the utilities. The Water Department has requested \$50,500 to pay for natural gas, electricity, and sewer.
- The budget amount for the Special Service Contracts (SSC) was determined after the original Tentative Budget went to Council. The adjustment increase to the budget is \$91,027. The SSC amount is based on 1% of the operating budget.
- The Main St. Rink option has been pulled from the Tentative Budget per Council’s request for both FY12 and FY13. The operating budget of this option was approx. \$26k. The \$20k for capital was never put into the Tentative Budget.
- As a follow up to the capital improvement plan discussion from May 12, staff now recommends that funding for the OTIS and Downtown Enhancement projects be removed from the 5-year capital plan. Due to the uncertainty surrounding the funding strategy for these projects, staff believes that a better approach would be to continue discussion on these projects and potential funding mechanisms over the next year, and defer inclusion in the capital plan until scope of the projects and funding is more certain.
- Departmental revenue offsets were taken out of the Tentative Budget since they are already included in an overall revenue option.
- Interfund transfer line-items were changed and/or corrected based on Finance Manager direction.
- Council compensation was increased based on Council’s direction. Council directed staff to set the total compensation value (TCV) at the level equivalent to the average TCV of the top 2-6 benchmarked cities based on the data compiled in spring 2009. Additionally, Council directed staff to set budgeted pay for the City Manager and City Attorney at 5% below the average of the top 5 cities based on the 2009 data. Potential salaries for these two positions would then be \$141,415 and \$136,225 respectively. Both of these increases are offset in the budget, the former with money that was put into the travel budget last year in lieu of raises, and the latter with savings from the removal of the Sr. Recorder/Elections position. There is a net-zero impact on the budget. The table below reflects the changes:

	Council		Mayor	
	FY 2011	FY 2012	FY 2011	FY 2012
Wage	\$11,633	\$12,486	\$23,007	\$23,007
Benefits	\$13,044	\$13,881	\$13,044	\$13,881
Total Comp	\$24,677	\$26,367	\$36,051	\$36,888
% Increase		6.8%		2.3%

BUDGET OVERVIEW

- The Fleet budget was increased by approx. \$55k to account for the increased price of fuel. There were also several increases to several operating line-items in FY13 to account for inflationary costs: \$40k department supplies, \$14k Transportation fleet maintenance, \$17,725 oil and grease.
- Water Fund capital budgets were adjusted in order to match recent changes to the Water Fund Financial Model. The Tentative Budget included capital budgets totaling \$19,414,189 in FY2011, \$8,156,798 in FY2012, and \$9,296,106 in FY2013. The Final Budget includes capital budgets totaling \$18,373,181 in FY2011, \$7,176,450 in FY2012, and \$9,698,833 in FY 2013.

FUTURE ISSUES

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

- Water Projects to include pipeline work and the new water treatment plant.
- Progress of OTIS, Downtown Projects, Bonanza Drive Reconstruction, and other major capital projects.
- Future open space and environmental efforts, including the discussion on the Treasure Hill project.
- Park City Heights private/public venture to shape development at Quinn's.
- Redevelopment projects in the Lower Park RDA and Bonanza Park.

State legislative actions continue to pose a major fiscal risk to the City's ability to deliver high-quality services in the future. State action is anticipated to continue to focus on efforts to redistribute tax revenues from wealthier towns and school districts to poorer ones. Several efforts were defeated this year with active City involvement, but it is likely these efforts will continue and intensify. The State Legislature is likely to consider the following issues in 2012:

- Sales Tax Redistribution: A bill was filed last session and is anticipated to be filed again in a similar form, to remove an additional quarter of our municipal general fund sales taxes and distribute them to other cities based on population counts. The effect of this would require over a million dollars in service cuts and/or tax adjustments to balance the City's budget.
- Property Taxes: Legislation to redistribute school property taxes was defeated, but is also anticipated to return in 2012. The effect of numerous cumulative state efforts to weaken public education through funding of homeschooling, charter schools, and continued redistribution of revenues from wealthy districts to poorer districts will put significant upward pressures on school property tax rates for our school district. A major redistribution bill passage for school property taxes would drastically impact our school district, triggering large service cuts and tax increases. It is uncertain how the Park City public will respond to those impacts in relation to how they would view future City bond proposals and operating tax rate adjustments. The total tax bill would be much higher, putting a downward pressure on the City's tax rate.

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- **Building Permit Fee Standardization:** Both Park City and Salt Lake City charge more in permit fees for large homes than many of the cities around the state, and a move to standardize permit fee rates statewide could significantly alter our ability to recover costs for providing a high-level of service to the public in this area. A measure to accomplish this standardization was defeated this year, but an interim session study is likely and it will be very difficult for the City to defend its position on this issue. The impact could be several hundred thousand dollars annually to the City's general fund, necessitating major cuts in development services or other reductions or adjustments.
- **Public Employee Pension Costs:** The State made a series of important changes in 2010 to bolster the retirement system of which the City is a member. Contribution rates will continue to rise for the next several years to ensure the full-funding of the system, reducing the City's ability to use revenue gains being realized in the recovery to enhance services for residents and guests at the rates we have in the past. The Utah public retirement system is now the fiscally healthiest state system in the United States.

BUDGET OVERVIEW

BUDGET CALENDAR

May 5

Work Session

- Presentation of the Tentative Budget
 - Budget Overview & Timeline
 - Update of Financial Impact Report (FIAR)
- Revenue/Expenditure Summary
- Environmental Regulatory
 - Lump Merit Increase
 - Benefits
 - URS - Retirement
 - Health Insurance
- Self-Insurance Fund
- Special Service Contracts

Regular Meeting

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

May 12

Work Session

- CIP Budgets
 - CIP Alternative Matrix
 - OTIS Update
 - Downtown Projects
- Revenue & Taxation Policy

Regular Meeting

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

May 26

Work Session

- Operating Expenditures
 - Departmental Presentations
- Transit Fund Analysis

Regular Meeting

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

June 2

Work Session

- Personnel Policies and Procedures (P&P) Manual
- Fee Changes
 - Administrative Interfund Transfers
 - Special Event Fees
 - Other Fees
- City Fee Resolution
- Council Compensation
- Budget Policies
- Outstanding Budget Issues

Regular Meeting

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

June 9

Work Session

- Water Fund Budget
- Outstanding Budget Issues (If necessary)

Regular Meeting

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

June 16

Work Session

- Presentation of the Final Budget
- Outstanding Budget Issues

Regular Meeting

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

Redevelopment Agency Meeting

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

Municipal Building Authority Meeting

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

* Schedules and topics subject to change

Resources & Requirements - All Funds Combined											
Description	2008 Actual	2009 Actual	2010 Actual	2011 Original Budget	2011 Adj Budget	2012 Budget	Change - 2011 to 2012		2013 Plan	Change - 2012 to 2013	
							Increase (reduction)	%		Increase (reduction)	%
RESOURCES											
Sales Tax	12,755,443	11,027,464	11,601,845	11,048,209	11,627,639	12,313,000	685,361	6%	13,245,000	932,000	8%
Planning Building & Engineering Fees	5,828,014	5,044,383	1,287,132	2,209,500	1,512,472	1,962,187	449,716	30%	2,268,626	306,439	16%
Charges for Services	7,463,662	9,129,312	9,497,866	10,601,000	10,106,265	10,994,471	888,206	9%	12,152,033	1,157,562	11%
Intergovernmental Revenue	1,450,079	3,058,819	7,324,484	7,812,837	19,773,541	3,341,000	(16,432,541)	-83%	2,564,200	(776,800)	-23%
Franchise Tax	2,748,571	2,720,272	2,774,320	3,051,000	3,005,000	3,160,000	155,000	5%	3,307,000	147,000	5%
Property Taxes	13,974,590	13,213,009	15,790,260	16,745,315	16,969,315	16,703,315	(266,000)	-2%	16,897,315	194,000	1%
General Government	403,641	457,582	459,311	573,600	548,839	573,081	24,242	4%	596,354	23,272	4%
Other Revenues	16,333,881	10,850,156	16,200,738	6,921,113	9,824,946	11,836,759	2,011,812	20%	6,809,137	(5,027,622)	-42%
Total	<u>\$60,957,881</u>	<u>\$55,500,997</u>	<u>\$64,935,955</u>	<u>\$58,962,574</u>	<u>\$73,368,017</u>	<u>\$60,883,813</u>	<u>(\$12,484,204)</u>	<u>-17%</u>	<u>\$57,839,665</u>	<u>(\$3,044,148)</u>	<u>-5%</u>
REQUIREMENTS (by function)											
Executive	7,408,144	7,449,017	7,801,370	8,037,345	7,792,613	8,695,356	902,743	12%	8,305,654	(389,702)	-4%
Police	3,648,493	3,726,449	3,859,148	4,293,389	4,050,173	4,343,822	293,649	7%	4,343,822	0	0%
Public Works	14,541,404	13,603,552	13,635,067	15,669,056	15,653,928	16,403,225	749,296	5%	16,362,971	(40,254)	0%
Library & Recreation	3,767,718	3,834,719	3,699,326	4,125,473	3,851,897	4,322,377	470,480	12%	4,347,412	25,035	1%
Non-Departmental	2,253,926	2,631,084	2,697,864	2,205,327	3,140,402	2,285,745	(854,657)	-27%	2,225,456	(60,289)	-3%
Special Service Contracts	362,101	360,896	348,000	408,973	408,973	500,000	91,027	22%	500,000	0	0%
Contingency	0	0	0	315,000	415,000	440,000	25,000	6%	440,000	0	0%
Capital Outlay	493,666	327,443	214,453	463,822	517,156	427,676	(89,480)	-17%	405,676	(22,000)	-5%
Total	<u>32,475,453</u>	<u>31,933,160</u>	<u>32,255,228</u>	<u>35,518,385</u>	<u>35,830,143</u>	<u>37,418,201</u>	<u>1,588,058</u>	<u>4%</u>	<u>36,930,991</u>	<u>(487,210)</u>	<u>-1%</u>
REQUIREMENTS (by type)											
Personnel	19,540,194	20,553,234	21,098,681	22,090,129	21,929,657	22,934,012	1,004,355	5%	22,950,758	16,746	0%
Materials, Supplies & Services	12,441,592	11,052,483	10,942,094	12,649,434	12,968,330	13,616,513	648,183	5%	13,134,557	(481,956)	-4%
Contingency	0	0	0	315,000	415,000	440,000	25,000	6%	440,000	0	0%
Capital Outlay	493,666	327,443	214,453	463,822	517,156	427,676	(89,480)	-17%	405,676	(22,000)	-5%
Total	<u>32,475,453</u>	<u>31,933,160</u>	<u>32,255,228</u>	<u>35,518,385</u>	<u>35,830,143</u>	<u>37,418,201</u>	<u>1,588,058</u>	<u>4%</u>	<u>36,930,991</u>	<u>(487,210)</u>	<u>-1%</u>
EXCESS (deficiency) OF RESOURCES OVER REQUIREMENTS											
	\$28,482,429	\$23,567,837	\$32,680,728	\$23,444,189	\$37,537,874	\$23,465,612	(14,072,262)	-37%	\$20,908,674	(2,556,938)	-11%
OTHER FINANCING SOURCES (uses)											
Bond Proceeds	779,793	24,477,505	6,092,682	0	13,873,471	11,800,000	(2,073,471)	-15%	5,000,000	(6,800,000)	-58%
Debt Service	(6,583,721)	(9,834,751)	(12,176,557)	(10,979,473)	(13,307,865)	(10,426,416)	2,881,449	-22%	(10,199,604)	226,812	-2%
Interfund Transfers In	15,628,653	32,800,255	14,840,021	7,118,246	9,898,612	6,957,143	(2,941,469)	-30%	6,271,188	(685,955)	-10%
Interfund Transfers Out	(15,628,653)	(32,800,255)	(14,840,021)	(7,118,246)	(9,898,612)	(6,957,143)	2,941,469	-30%	(6,271,188)	685,955	-10%
Capital Improvement Projects	(15,994,618)	(41,241,569)	(64,395,392)	(11,539,881)	(80,224,884)	(26,860,527)	53,364,357	-67%	(17,039,738)	9,820,789	-37%
Total	<u>(21,798,545)</u>	<u>(26,598,814)</u>	<u>(70,479,267)</u>	<u>(22,519,354)</u>	<u>(79,659,278)</u>	<u>(25,486,943)</u>	<u>54,172,335</u>	<u>-68%</u>	<u>(22,239,342)</u>	<u>3,247,601</u>	<u>-13%</u>
EXCESS (deficiency) OF RESOURCES OVER REQUIREMENTS AND OTHER SOURCES (uses)											
	\$6,683,883	(\$3,030,978)	(\$37,798,539)	\$924,835	(\$42,121,404)	(\$2,021,331)	40,100,073	-95%	(\$1,330,668)	690,663	-34%
Beginning Balance	89,775,525	97,369,362	111,667,935	22,855,772	73,869,394	31,747,990	(42,121,404)	-57%	29,726,658	(2,021,332)	-6%
Ending Balance	96,459,405	94,338,414	73,869,394	23,780,604	31,747,990	29,726,658	(2,021,332)	-6%	28,395,989	(1,330,669)	-4%

Resources & Requirements - All Funds Combined												
Description	Budget (FY 2011)				Budget (FY 2012)				Plan (FY 2013)			
	Original	Adjusted	Change from Original		Original	Adjusted	Change from Original		Original	Adjusted	Change from Original	
			Total	%			Total	%			Total	%
RESOURCES												
Sales Tax	11,048,209	11,627,639	579,430	5%	11,048,209	12,313,000	1,264,791	11%	11,048,209	13,245,000	2,196,791	20%
Planning Building & Engineering Fees	2,209,500	1,512,472	(697,028)	-32%	2,209,500	1,962,187	(247,313)	-11%	2,209,500	2,268,626	59,126	3%
Charges for Services	10,601,000	10,106,265	(494,735)	-5%	10,601,000	10,994,471	393,471	4%	10,601,000	12,152,033	1,551,033	15%
Intergovernmental Revenue	7,812,837	19,773,541	11,960,704	153%	7,812,837	3,341,000	(4,471,837)	-57%	7,812,837	2,564,200	(5,248,637)	-67%
Franchise Tax	3,051,000	3,005,000	(46,000)	-2%	3,051,000	3,160,000	109,000	4%	3,051,000	3,307,000	256,000	8%
Property Taxes	16,745,315	16,969,315	224,000	1%	16,745,315	16,703,315	(42,000)	0%	16,745,315	16,897,315	152,000	1%
General Government	573,600	548,839	(24,761)	-4%	573,600	573,081	(519)	0%	573,600	596,354	22,754	4%
Bond Proceeds	0	13,873,471	13,873,471		0	11,800,000	11,800,000		0	5,000,000	5,000,000	
Other Revenues	6,921,113	9,824,946	2,903,833	42%	6,921,113	11,836,759	4,915,646	71%	6,921,113	6,809,137	(111,976)	-2%
Sub-Total	\$58,962,574	\$87,241,488	\$28,278,914	48%	\$58,962,574	\$72,683,813	\$13,721,239	23%	\$58,962,574	\$62,839,665	\$3,877,091	7%
Interfund Transfers In	7,118,246	9,898,612	2,780,366	39%	7,118,246	6,957,143	(161,103)	-2%	7,118,246	6,271,188	(847,058)	-12%
Beginning Balance	22,855,772	73,869,394	51,013,622	223%	22,855,772	31,747,990	8,892,218	39%	22,855,772	29,726,658	6,870,886	30%
Total	\$88,936,592	\$171,009,494	\$82,072,902	92%	\$88,936,592	\$111,388,946	\$22,452,354	25%	\$88,936,592	\$98,837,511	\$9,900,919	11%
REQUIREMENTS (by function)												
Executive	8,037,345	7,792,613	(244,732)	-3%	8,037,345	8,695,356	658,011	8%	8,037,345	8,305,654	268,309	3%
Police	4,293,389	4,050,173	(243,216)	-6%	4,293,389	4,343,822	50,433	1%	4,293,389	4,343,822	50,433	1%
Public Works	15,669,056	15,653,928	(15,128)	0%	15,669,056	16,403,225	734,169	5%	15,669,056	16,362,971	693,915	4%
Library & Recreation	4,125,473	3,851,897	(273,576)	-7%	4,125,473	4,322,377	196,904	5%	4,125,473	4,347,412	221,939	5%
Non-Departmental	2,205,327	3,140,402	935,075	42%	2,205,327	2,285,745	80,418	4%	2,205,327	2,225,456	20,129	1%
Special Service Contracts	408,973	408,973	0	0%	408,973	500,000	91,027	22%	408,973	500,000	91,027	22%
Contingency	315,000	415,000	100,000	32%	315,000	440,000	125,000	40%	315,000	440,000	125,000	40%
Capital Outlay	463,822	517,156	53,334	11%	463,822	427,676	(36,146)	-8%	463,822	405,676	(58,146)	-13%
Sub-Total	\$35,518,385	\$35,830,143	\$311,758	1%	\$35,518,385	\$37,418,201	\$1,899,816	5%	\$35,518,385	\$36,930,991	\$1,412,606	4%
Debt Service	10,979,473	13,307,865	2,328,392	21%	10,979,473	10,426,416	(553,057)	-5%	10,979,473	10,199,604	(779,869)	-7%
Capital Improvement Projects	11,539,881	80,224,884	68,685,003	595%	11,539,881	26,860,527	15,320,646	133%	11,539,881	17,039,738	5,499,857	48%
Interfund Transfers Out	7,118,246	9,898,612	2,780,366	39%	7,118,246	6,957,143	(161,103)	-2%	7,118,246	6,271,188	(847,058)	-12%
Ending Balance	23,780,604	31,747,990	7,967,386	34%	23,780,604	29,726,658	5,946,054	25%	23,780,604	28,395,989	4,615,385	19%
Total	\$88,936,589	\$171,009,493	\$82,072,905	92%	\$88,936,589	\$111,388,945	\$22,452,356	25%	\$88,936,589	\$98,837,510	\$9,900,921	11%
REQUIREMENTS (by type)												
Personnel	22,090,129	21,929,657	(160,472)	-1%	22,090,129	22,934,012	843,883	4%	22,090,129	22,950,758	860,629	4%
Materials, Supplies & Services	12,649,434	12,968,330	318,896	3%	12,649,434	13,616,513	967,079	8%	12,649,434	13,134,557	485,123	4%
Contingency	315,000	415,000	100,000	32%	315,000	440,000	125,000	40%	315,000	440,000	125,000	40%
Capital Outlay	463,822	517,156	53,334	11%	463,822	427,676	(36,146)	-8%	463,822	405,676	(58,146)	-13%
Sub-Total	\$35,518,385	\$35,830,143	\$311,758	1%	\$35,518,385	\$37,418,201	\$1,899,816	5%	\$35,518,385	\$36,930,991	\$1,412,606	4%
Debt Service	10,979,473	13,307,865	2,328,392	21%	10,979,473	10,426,416	(553,057)	-5%	10,979,473	10,199,604	(779,869)	-7%
Capital Improvement Projects	11,539,881	80,224,884	68,685,003	595%	11,539,881	26,860,527	15,320,646	133%	11,539,881	17,039,738	5,499,857	48%
Interfund Transfers Out	7,118,246	9,898,612	2,780,366	39%	7,118,246	6,957,143	(161,103)	-2%	7,118,246	6,271,188	(847,058)	-12%
Ending Balance	23,780,604	31,747,990	7,967,386	34%	23,780,604	29,726,658	5,946,054	25%	23,780,604	28,395,989	4,615,385	19%
Total	\$88,936,589	\$171,009,493	\$82,072,905	92%	\$88,936,589	\$111,388,945	\$22,452,356	25%	\$88,936,589	\$98,837,510	\$9,900,921	11%

Expenditure Summary by Fund and Unit									
Expenditures	2008	2009	2010	2011 Budget		2012 Budget		2013 Budget	
		(actual)		(original)	(adj)	(budget)	% of Total	(budget)	% of Total
Park City Municipal Corporation									
011 General Fund	32,264,937	28,242,933	28,283,748	27,841,690	28,343,422	29,196,895	26%	30,661,144	31%
012 Quinns Recreation Complex	7,727	(509,509)	(986,649)	(1,264,322)	(1,283,799)	(1,683,520)	-2%	(2,074,531)	-2%
021 Police Special Revenue Fund	21,122	22,722	25,072	0	26,482	0	0%	0	0%
022 Criminal Forfeiture Restricted Account	17,220	10,791	9,454	(0)	3,775	(0)	0%	(0)	0%
031 Capital Improvement Fund	61,514,186	78,907,419	61,976,558	5,676,445	38,455,812	16,898,677	15%	5,119,855	5%
038 Equipment Replacement Fund	3,528,896	2,497,816	1,540,205	859,801	1,765,756	953,625	1%	1,023,625	1%
051 Water Fund	20,122,090	23,341,099	38,610,649	15,190,632	29,599,432	18,852,546	17%	19,996,418	20%
055 Golf Fund	1,618,675	1,753,465	2,723,621	1,454,752	2,606,019	2,445,811	2%	2,209,755	2%
057 Transportation & Parking Fund	17,879,179	20,296,388	26,000,636	14,105,886	39,027,958	19,335,715	17%	20,380,841	21%
062 Fleet Services Fund	2,557,652	2,131,322	2,150,163	2,412,269	2,606,826	2,731,825	2%	2,787,653	3%
064 Self Insurance Fund	3,412,431	3,086,499	2,520,754	2,023,834	2,784,992	2,012,728	2%	1,378,426	1%
070 Debt Service Fund	4,345,405	4,352,316	3,949,794	3,777,806	5,376,990	4,180,753	4%	3,483,503	4%
071 Sales Tax Rev Bonds Debt Svc Fund	2,866,924	26,680,966	12,922,018	5,042,010	5,097,474	5,032,309	5%	4,990,196	5%
Park City Municipal Corporation Total	\$150,156,445	\$190,814,227	\$179,726,023	\$77,120,802	\$154,411,139	\$99,957,363	90%	\$89,956,884	91%
Park City Redevelopment Agency									
033 Redevelopment Agency Lower Park Av	7,559,167	9,874,209	10,885,398	6,916,016	9,278,668	8,266,718	7%	6,339,743	6%
034 Redevelopment Agency Main St	4,071,289	2,645,503	3,120,765	2,422,522	3,033,313	2,400,800	2%	2,026,300	2%
072 RDA Main Street Debt Service	0	0	0	0	0	0	0%	0	0%
076 RDA Lower Park Ave Debt Service	2,555,174	2,568,492	1,480,668	1,476,945	3,143,791	(0)	0%	(0)	0%
Park City Redevelopment Agency Total	\$14,185,630	\$15,088,205	\$15,486,830	\$10,815,483	\$15,455,772	\$10,667,518	10%	\$8,366,043	8%
Municipal Building Authority									
035 Municipal Building Authority Fund	2,729,782	4,174,252	2,252,273	1,000,304	1,142,583	764,064	1%	514,583	1%
Municipal Building Authority Total	\$2,729,782	\$4,174,252	\$2,252,273	\$1,000,304	\$1,142,583	\$764,064	1%	\$514,583	1%
Park City Housing Authority									
036 Park City Housing Authority	69,993	71,465	71,465	0	0	0	0%	0	0%
Park City Housing Authority Total	\$69,993	\$71,465	\$71,465	\$0	\$0	\$0	0%	\$0	0%
GRAND TOTAL	\$167,141,849	\$210,148,148	\$197,536,591	\$88,936,589	\$171,009,493	\$111,388,945	100%	\$98,837,510	100%
<i>(Less)</i>									
Interfund Transfer	15,628,653	32,800,255	14,840,021	7,118,246	9,898,612	6,957,143	6%	6,271,188	6%
Ending Balance	96,459,405	94,338,414	73,869,394	23,780,604	31,747,990	29,726,658	27%	28,395,989	29%
TOTAL EXPENDITURE BUDGET	\$55,053,791	\$83,009,480	\$108,827,176	\$58,037,739	\$129,362,892	\$74,705,144	67%	\$64,170,333	65%

Expenditure Summary by Fund and Major Object (FY 2011 Adjusted Budget)									
Description	Operating Budget		Capital	Debt Service	Contingency	Sub-Total	Interfund Transfer	Ending Balance	Total
	Personnel	Mat, Suppls, Services							
Park City Municipal Corporation									
011 General Fund	14,097,941	5,649,262	269,569	0	315,000	20,331,772	2,737,047	5,274,603	28,343,422
012 Quinns Recreation Complex	638,192	341,545	10,000	0	0	989,737	1,200	(2,274,735)	(1,283,799)
021 Police Special Revenue Fund	0	0	26,482	0	0	26,482	0	0	26,482
022 Criminal Forfeiture Restricted Account	0	0	3,775	0	0	3,775	0	(0)	3,775
031 Capital Improvement Fund	0	0	36,418,478	0	0	36,418,478	134,366	1,902,968	38,455,812
038 Equipment Replacement Fund	0	0	1,610,131	0	0	1,610,131	0	155,625	1,765,756
051 Water Fund	1,438,381	1,970,637	18,416,181	3,217,523	100,000	25,142,722	1,191,052	3,265,658	29,599,432
055 Golf Fund	685,501	442,360	190,119	31,543	0	1,349,523	130,685	1,125,811	2,606,019
057 Transportation & Parking Fund	4,427,418	721,886	20,922,842	0	0	26,072,146	2,375,096	10,580,716	39,027,958
062 Fleet Services Fund	604,260	1,694,340	5,000	0	0	2,303,600	0	303,226	2,606,826
064 Self Insurance Fund	37,964	938,300	0	0	0	976,264	0	1,808,728	2,784,992
070 Debt Service Fund	0	0	0	2,007,851	0	2,007,851	1,505,929	1,863,210	5,376,990
071 Sales Tax Rev Bonds Debt Svc Fund	0	0	0	4,713,894	0	4,713,894	0	383,580	5,097,474
Park City Municipal Corporation Total	\$21,929,657	\$11,758,330	\$77,872,577	\$9,970,811	\$415,000	\$121,946,375	\$8,075,375	\$24,389,389	\$154,411,139
Park City Redevelopment Agency									
033 Redevelopment Agency Lower Park Av	0	805,000	2,281,950	0	0	3,086,950	450,000	5,741,718	9,278,668
034 Redevelopment Agency Main St	0	405,000	577,513	0	0	982,513	950,000	1,100,800	3,033,313
076 RDA Lower Park Ave Debt Service	0	0	0	2,720,554	0	2,720,554	423,237	(0)	3,143,791
Park City Redevelopment Agency Total	\$0	\$1,210,000	\$2,859,463	\$2,720,554	\$0	\$6,790,017	\$1,823,237	\$6,842,518	\$15,455,772
Municipal Building Authority									
035 Municipal Building Authority Fund	0	0	10,000	616,500	0	626,500	0	516,083	1,142,583
Municipal Building Authority Total	\$0	\$0	\$10,000	\$616,500	\$0	\$626,500	\$0	\$516,083	\$1,142,583
GRAND TOTAL	\$21,929,657	\$12,968,330	\$80,742,040	\$13,307,865	\$415,000	\$129,362,892	\$9,898,612	\$31,747,990	\$171,009,493

Expenditure Summary by Fund and Major Object (FY 2012 Budget)									
Description	Operating Budget		Capital	Debt Service	Contingency	Sub-Total	Interfund Transfer	Ending Balance	Total
	Personnel	Mat, Suppls, Services							
Park City Municipal Corporation									
011 General Fund	14,956,396	5,877,283	284,492	0	340,000	21,458,171	1,886,872	5,851,852	29,196,895
012 Quinns Recreation Complex	641,839	353,195	10,000	0	0	1,005,034	1,200	(2,689,754)	(1,683,520)
021 Police Special Revenue Fund	0	0	0	0	0	0	0	0	0
022 Criminal Forfeiture Restricted Account	0	0	0	0	0	0	0	(0)	(0)
031 Capital Improvement Fund	0	0	14,895,165	0	0	14,895,165	134,366	1,869,146	16,898,677
038 Equipment Replacement Fund	0	0	798,000	0	0	798,000	0	155,625	953,625
051 Water Fund	1,471,098	2,188,922	7,219,451	3,205,433	100,000	14,184,904	1,112,738	3,554,903	18,852,546
055 Golf Fund	710,367	457,460	231,005	23,624	0	1,422,456	133,600	889,755	2,445,811
057 Transportation & Parking Fund	4,540,879	937,013	303,090	0	0	5,780,982	2,313,892	11,240,842	19,335,715
062 Fleet Services Fund	613,432	1,754,340	5,000	0	0	2,372,772	0	359,054	2,731,825
064 Self Insurance Fund	2	838,300	0	0	0	838,302	0	1,174,426	2,012,728
070 Debt Service Fund	0	0	0	2,258,838	0	2,258,838	0	1,921,915	4,180,753
071 Sales Tax Rev Bonds Debt Svc Fund	0	0	0	4,689,040	0	4,689,040	0	343,269	5,032,309
Park City Municipal Corporation Total	\$22,934,012	\$12,406,513	\$23,746,203	\$10,176,935	\$440,000	\$69,703,663	\$5,582,668	\$24,671,032	\$99,957,363
Park City Redevelopment Agency									
033 Redevelopment Agency Lower Park Av	0	805,000	3,222,500	0	0	4,027,500	424,475	3,814,743	8,266,718
034 Redevelopment Agency Main St	0	405,000	319,500	0	0	724,500	950,000	726,300	2,400,800
Park City Redevelopment Agency Total	\$0	\$1,210,000	\$3,542,000	\$0	\$0	\$4,752,000	\$1,374,475	\$4,541,043	\$10,667,518
Municipal Building Authority									
035 Municipal Building Authority Fund	0	0	0	249,481	0	249,481	0	514,583	764,064
Municipal Building Authority Total	\$0	\$0	\$0	\$249,481	\$0	\$249,481	\$0	\$514,583	\$764,064
GRAND TOTAL	\$22,934,012	\$13,616,513	\$27,288,203	\$10,426,416	\$440,000	\$74,705,144	\$6,957,143	\$29,726,658	\$111,388,945

Expenditure Summary by Fund and Major Object (FY 2013 Plan)

Description	Operating Budget		Capital	Debt Service	Contingency	Sub-Total	Interfund Transfer	Ending Balance	Total
	Personnel	Mat, Suppls, Services							
Park City Municipal Corporation									
011 General Fund	14,973,142	5,431,211	262,492	0	340,000	21,006,845	1,957,647	7,696,652	30,661,144
012 Quinns Recreation Complex	641,839	345,695	10,000	0	0	997,534	1,200	(3,073,265)	(2,074,531)
021 Police Special Revenue Fund	0	0	0	0	0	0	0	0	0
022 Criminal Forfeiture Restricted Account	0	0	0	0	0	0	0	(0)	(0)
031 Capital Improvement Fund	0	0	3,150,165	0	0	3,150,165	134,366	1,835,324	5,119,855
038 Equipment Replacement Fund	0	0	868,000	0	0	868,000	0	155,625	1,023,625
051 Water Fund	1,471,098	2,076,813	9,741,835	3,942,998	100,000	17,332,744	623,000	2,040,673	19,996,418
055 Golf Fund	710,367	457,460	151,005	0	0	1,318,832	133,600	757,323	2,209,755
057 Transportation & Parking Fund	4,540,879	937,013	146,917	0	0	5,624,809	2,045,000	12,711,033	20,380,841
062 Fleet Services Fund	613,432	1,826,065	5,000	0	0	2,444,497	0	343,157	2,787,653
064 Self Insurance Fund	2	850,300	0	0	0	850,302	0	528,124	1,378,426
070 Debt Service Fund	0	0	0	1,569,713	0	1,569,713	0	1,913,790	3,483,503
071 Sales Tax Rev Bonds Debt Svc Fund	0	0	0	4,686,893	0	4,686,893	0	303,303	4,990,196
Park City Municipal Corporation Total	\$22,950,758	\$11,924,557	\$14,335,414	\$10,199,604	\$440,000	\$59,850,333	\$4,894,813	\$25,211,738	\$89,956,884
Park City Redevelopment Agency									
033 Redevelopment Agency Lower Park Av	0	805,000	3,107,500	0	0	3,912,500	426,375	2,000,868	6,339,743
034 Redevelopment Agency Main St	0	405,000	2,500	0	0	407,500	950,000	668,800	2,026,300
Park City Redevelopment Agency Total	\$0	\$1,210,000	\$3,110,000	\$0	\$0	\$4,320,000	\$1,376,375	\$2,669,668	\$8,366,043
Municipal Building Authority									
035 Municipal Building Authority Fund	0	0	0	0	0	0	0	514,583	514,583
Municipal Building Authority Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$514,583	\$514,583
GRAND TOTAL	\$22,950,758	\$13,134,557	\$17,445,414	\$10,199,604	\$440,000	\$64,170,333	\$6,271,188	\$28,395,989	\$98,837,510

All Funds Combined									
Revenue	2008	2009	2010	2011		2012		2013	
		(actual)		(original)	(adj)	(budget)	% of Total	(plan)	% of Total
RESOURCES									
Property Taxes	13,974,590	13,213,009	15,790,260	16,745,315	16,969,315	16,703,315	15%	16,897,315	17%
Sales Tax	12,755,443	11,027,464	11,601,845	11,048,209	11,627,639	12,313,000	11%	13,245,000	13%
Franchise Tax	2,748,571	2,720,272	2,774,320	3,051,000	3,005,000	3,160,000	3%	3,307,000	3%
Licenses	1,095,247	1,172,040	1,253,143	1,423,000	1,321,000	1,381,000	1%	1,389,000	1%
Planning Building & Engineering Fees	5,828,014	5,044,383	1,287,132	2,209,500	1,512,472	1,962,187	2%	2,268,626	2%
Other Fees	22,556	13,799	49,221	16,000	25,000	17,000	0%	23,000	0%
Intergovernmental Revenue	1,450,079	3,058,819	7,324,484	7,812,837	19,773,541	3,341,000	3%	2,564,200	3%
Charges for Services	7,463,662	9,129,312	9,497,866	10,601,000	10,106,265	10,994,471	10%	12,152,033	12%
Recreation	2,489,483	2,588,326	2,280,322	2,422,270	2,009,000	2,189,000	2%	2,722,000	3%
Other Service Revenue	92,500	101,177	105,644	108,000	100,000	105,000	0%	107,000	0%
Fines & Forfeitures	720,031	527,991	669,476	655,500	803,000	754,000	1%	761,000	1%
Misc. Revenue	8,091,717	3,223,604	6,233,985	1,791,343	2,932,024	6,956,778	6%	1,604,137	2%
Interfund Transfers In	15,628,653	32,800,255	14,840,021	7,118,246	9,898,612	6,957,143	6%	6,271,188	6%
Special Revenue & Resources	3,822,346	3,223,219	5,608,948	505,000	2,634,922	433,981	0%	203,000	0%
Bond Proceeds	779,793	24,477,505	6,092,682	0	13,873,471	11,800,000	11%	5,000,000	5%
Beginning Balance	89,775,525	97,369,362	111,667,935	22,855,772	73,869,394	31,747,990	29%	29,726,658	30%
Total	166,738,212	209,690,537	197,077,282	88,362,992	170,460,654	110,815,865	100%	98,241,157	100%

Change in Fund Balance												
Fund	2008 Actual	2009 Actual	2010 Actual	2011 Adjusted	Change - 2010 to 2011		2012 Budget	Change - 2011 to 2012		2013 Plan	Change - 2012 to 2013	
					Increase (reduction)	%		Increase (reduction)	%		Increase (reduction)	%
Park City Municipal Corporation												
011 General Fund	4,642,588	5,165,031	5,678,978	5,274,603	(404,375)	-7%	5,851,852	577,249	11%	7,696,652	1,844,800	32%
012 Quinns Recreation Complex	(967,091)	(1,445,959)	(1,850,004)	(2,274,735)	(424,731)	23%	(2,689,754)	(415,019)	18%	(3,073,265)	(383,511)	14%
021 Police Special Revenue Fund	21,122	22,522	24,872	0	(24,872)	-100%	0	0	-	0	0	-
022 Criminal Forfeiture Restricted Account	10,696	9,455	3,775	(0)	(3,775)	-100%	(0)	0	0%	(0)	0	0%
031 Capital Improvement Fund	51,554,158	51,656,557	33,954,635	1,902,968	(32,051,667)	-94%	1,869,146	(33,822)	-2%	1,835,324	(33,822)	-2%
038 Equipment Replacement Fund	1,781,301	895,151	900,756	155,625	(745,131)	-83%	155,625	0	0%	155,625	0	0%
051 Water Fund	12,204,897	13,010,035	6,941,202	3,265,658	(3,675,544)	-53%	3,554,903	289,245	9%	2,040,673	(1,514,230)	-43%
055 Golf Fund	422,118	489,077	1,342,519	1,125,811	(216,708)	-16%	889,755	(236,056)	-21%	757,323	(132,432)	-15%
057 Transportation & Parking Fund	11,668,449	11,902,704	13,945,235	10,580,716	(3,364,519)	-24%	11,240,842	660,126	6%	12,711,033	1,470,191	13%
062 Fleet Services Fund	199,690	171,968	178,226	303,226	125,000	70%	359,054	55,828	18%	343,157	(15,897)	-4%
064 Self Insurance Fund	2,778,181	2,212,435	1,730,992	1,808,728	77,736	4%	1,174,426	(634,302)	-35%	528,124	(646,302)	-55%
070 Debt Service Fund	1,743,242	1,924,529	1,822,996	1,863,210	40,214	2%	1,921,915	58,705	3%	1,913,790	(8,125)	0%
071 Sales Tax Rev Bonds Debt Svc Fund	691,114	686,335	420,157	383,580	(36,577)	-9%	343,269	(40,311)	-11%	303,303	(39,966)	-12%
Park City Municipal Corporation Total	\$86,750,465	\$86,699,839	\$65,094,338	\$24,389,389	(\$40,704,949)	-47%	\$24,671,032	\$281,643	1%	\$25,211,738	\$540,706	2%
Park City Redevelopment Agency												
033 Redevelopment Agency Lower Park Ave	5,854,007	5,283,466	5,634,431	5,741,718	107,287	2%	3,814,743	(1,926,975)	-34%	2,000,868	(1,813,875)	-48%
034 Redevelopment Agency Main St	1,295,338	844,425	1,728,313	1,100,800	(627,513)	-36%	726,300	(374,500)	-34%	668,800	(57,500)	-8%
076 RDA Lower Park Ave Debt Service	1,963,226	877,945	884,729	(0)	(884,729)	-100%	(0)	0	0%	(0)	0	0%
Park City Redevelopment Agency Total	\$9,112,572	\$7,005,836	\$8,247,473	\$6,842,518	(\$1,404,955)	-20%	\$4,541,043	(\$2,301,475)	-34%	\$2,669,668	(\$1,871,375)	-41%
Municipal Building Authority												
035 Municipal Building Authority Fund	526,376	561,274	527,583	516,083	(11,500)	-2%	514,583	(1,500)	0%	514,583	0	0%
Municipal Building Authority Total	\$526,376	\$561,274	\$527,583	\$516,083	(\$11,500)	-2%	\$514,583	(\$1,500)	0%	\$514,583	\$0	0%
Park City Housing Authority												
036 Park City Housing Authority	69,993	71,465	0	0	0	0%	0	0	0%	0	0	0%
Park City Housing Authority Total	\$69,993	\$71,465	\$0	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
Notes and Explanations of Change in Fund Balance:												
<ul style="list-style-type: none"> - Fund Balance refers to the amount of revenues on hand in a given year that are not used for expenditures in that year. It is closely related to the concept of a balanced budget, where beginning fund balance (the amount of revenues on hand at the beginning of a year) and the revenues received that year are equal to the expenditures for that year and the ending fund balance (or the amount of revenues remaining on hand at the end of the year). Fund balance is comprised of elements of reserves, funds dedicated to capital projects, and other earmarked funds. For budget purposes, fund balance is calculated on a cash basis and is not to be confused with the net assets or fund balance numbers presented in the Comprehensive Annual Financial Report. - Figures shown are the ending balance (or balance as of June 30) for each fiscal year. The beginning balance for any given year is the ending balance from the previous year. - Capital projects funds (Funds 31, 33, 34, 35, 36, 38) tend to show large decreases in fund balance between the prior year actual and current year adjusted budget. This is explained by the fact that much of fund balance in these funds is reserved for capital expenses which were budgeted in previous years. Unexpended capital budgets are rolled forward each year as part of the adjusted budget. So funding for capital projects shows up in fund balance <i>actual</i> figures, but disappears in the current year adjusted budget because there is an offsetting budgeted "carryforward" expense. This same phenomenon generally explains large decreases in fund balances for proprietary funds (such as Fund 51, 55, and 57). - The Water Fund shows a large decrease in fund balance in FY 2011 due to capital infrastructure improvements which are funded with accumulated impact fees. This will also result in a slow decrease in fund balance in the forthcoming fiscal years. - The Fleet Fund is an internal service fund which is intended to run a zero or near-zero balance. As such, any change in fund balance will appear drastic when viewed as a percent change, but the changes are simply the product of the nature of the fund. 												

REVENUES

Property and sales taxes are the most significant sources of City revenue, representing an anticipated 48 percent in FY 2012 when Beginning Balance and Interfund Transfers are excluded. Intergovernmental Revenue, Charges for Service, Franchise Taxes, Licenses and Fees comprise the remaining portion of revenue. Figure R1 shows the makeup of Park City's anticipated revenues for FY 2012.

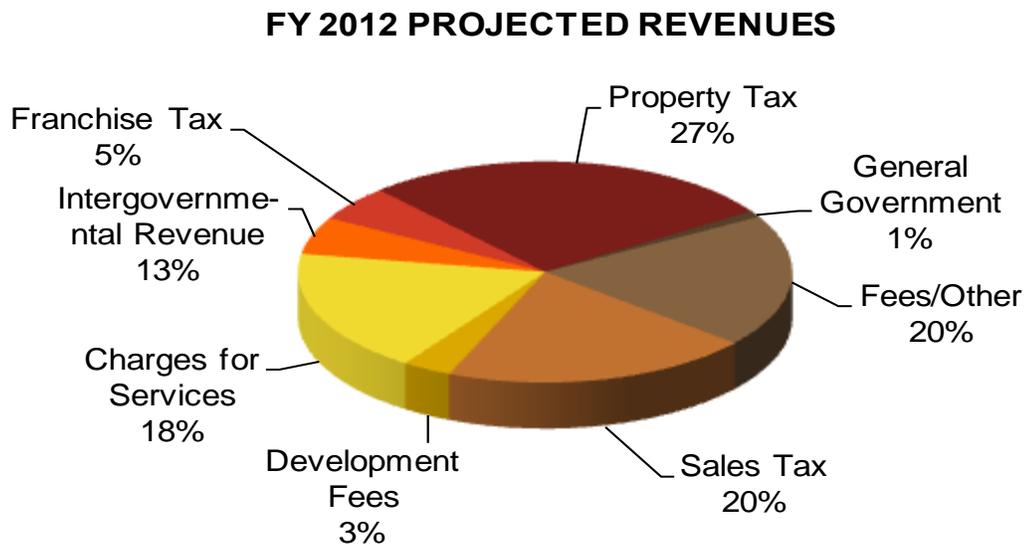


Figure R1 – Budgeted Revenue by Source

PROPERTY TAX

The Property Tax Act, Title 59, Chapter 2, Utah Code Annotated 1953, as amended, provides that all taxable property must be assessed and taxed at a uniform and equal rate on the basis of its "fair market value" by January 1 of each year. "Fair market value" is defined as "the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts." Commencing January 1, 1991, "fair market value" considers the current zoning laws for each property. Section 2 of Article XIII of the Utah Constitution provides that the Utah State Legislature may exempt from taxation up to 45 percent of the fair market value of primary residential property.

During the 1995 legislative session, the exemption for primary residential property was increased from 29.5 percent to the constitutional maximum of 45 percent. The local effect of this action was to shift the burden of supporting education, public safety, and general government from primary residents to other classes of property, principally commercial property and vacation or second homes. A recent ruling by the Utah Supreme Court held this practice to be constitutional.

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

REVENUES

complaints on the assessed valuation, the tax impact of the proposed increase, and the time and place of a public hearing (described above) regarding the proposed increase. After receiving the notice, the taxpayer may appear before the Board of Equalization. The County Auditor makes changes in the assessment roll depending upon the outcome of taxpayer's hearings before the Board of Equalization. After the changes have been made, the Auditor delivers the assessment roll to the County Treasurer before November 1. Taxes are due November 30, and delinquent taxes are subject to a penalty of 2 percent of the amount of such taxes due or a \$10 minimum penalty. The delinquent taxes and penalties bear interest at the federal discount rate plus 6 percent from the first day of January until paid. If after four and one-half years (May of the fifth year) delinquent taxes have not been paid, the County advertises and sells the property at a tax sale.

Utah State law requires that each year a certified property tax rate be calculated. The certified tax rate is the rate which will provide the same amount of property tax revenue as was charged in the previous year, excluding the revenue generated by 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." Truth in Taxation requires an entity to go through a series of steps which include proper notification of the proposed tax increase to the tax payers and a public hearing.

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). The debt service levy is calculated based on the City's debt service needs pertaining only to General Obligation bonds. Figure R2 below shows Park City's property tax levies since calendar year 2005.

Tax Rate	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
General Levy	0.001748	0.001493	0.001288	0.001087	0.001125	0.001327	0.001383
Debt Levy	0.000601	0.000490	0.000386	0.000316	0.000654	0.000821	0.000853
Total:	0.002349	0.001983	0.001674	0.001403	0.001779	0.002148	0.002236

Tax Collected	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 (Est)
General	\$6,159,798	\$6,325,091	\$6,516,899	\$6,415,910	\$6,914,098	\$7,909,088
Debt	\$2,188,909	\$2,188,909	\$2,188,909	\$2,188,909	\$4,009,000	\$4,570,315
RDA Increment	\$3,527,898	\$3,776,412	\$3,928,305	\$4,064,425	\$4,040,075	\$3,824,654
Fee-In-Lieu	\$242,227	\$227,953	\$232,688	\$160,187	\$123,007	\$245,960
Delinq/Interest	\$351,802	\$226,115	\$414,909	\$383,579	\$329,703	\$375,000
Total:	\$12,470,634	\$12,744,480	\$13,281,710	\$13,213,009	\$15,415,883	\$16,925,017

Table R2 – Property Tax Rates and Collections

REVENUES

SALES TAX

Park City depends a great deal on sales tax revenue to fund City services. Sales tax also helps to fund the infrastructure to support special events and tourism. Of the 7.45 percent sales tax on general purchases in Park City, the municipality levies a 1 percent local option sales tax, a 1.10 percent resort community tax, and a 0.30 percent transit tax. Sales tax revenue growth has remained fairly consistent over the past several years. The City began using an econometric model to forecast and budget future sales tax revenues in recent year. This model uses factors such as visitor nights and quarterly historical trends in order to forecast sales tax revenue. Sales tax revenue has experienced a notable recovery since the 2009 economic downturn. 2011 has shown consistent growth when compared to 2010. Figure R3 shows actual sales tax amounts along with the forecasted amounts for FY 2011, 2012 and 2013.

Although sales tax revenue has maintained some consistency over the last 6 years, it is still considered a revenue source subject to national, state, and local economic conditions, as seen during the 2009-2010 recession. These conditions fluctuate based on a myriad of factors. Using the econometric model to forecast sales tax revenue helps to smooth out larger fluctuations and conservatively budget the revenue source.

Sales tax revenue for the current fiscal year as well as FY 2012 is expected to grow when compared to FY 2010. While FY 2011 revenue is up, it has still not returned to the record high 2008 levels. FY 2012 and 2013 budgeted figures are from the econometric model, and projections are driven to some degree by national real disposable personal income data (DPI). The chart below shows DPI and its association with visitor nights in Park City as a leading indicator.

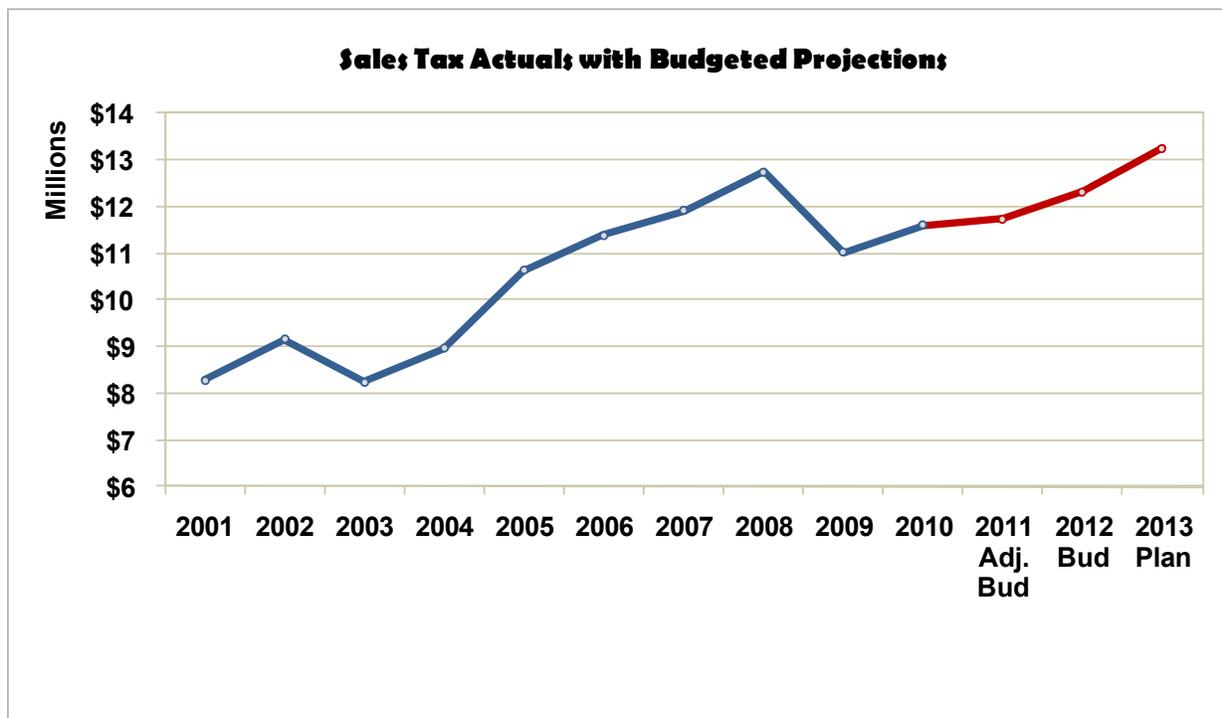


Figure R3- Sales Tax Actuals and Projections

REVENUES

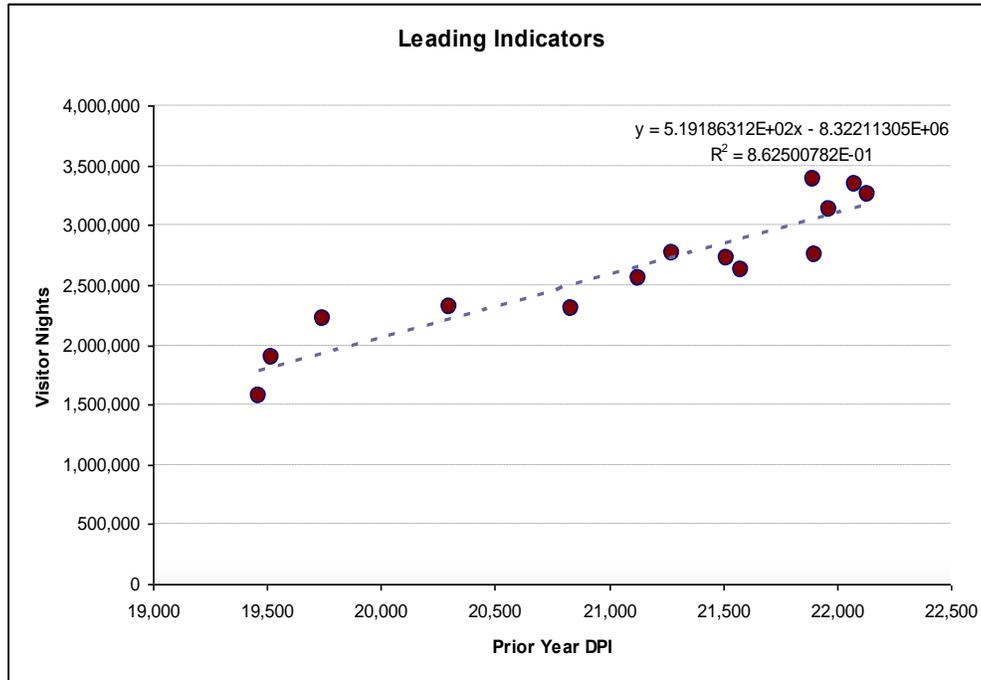


Figure R4 – Leading Indicator Visitor Nights Regression

In addition to DPI, which is a leading indicator of visitor nights (and therefore sales tax) projections over the next 12 months, the City has also begun to use hotel reservation data provided by the Mountain Travel Research Program (MTRiP). This data gives an indication of hotel bookings activity over the next six months and has proven to be a somewhat reliable short-term leading indicator of visitor nights and sales tax. The following chart shows the most recent summary of bookings data which is incorporated into the City’s sales tax projections for the Recommended Budget.

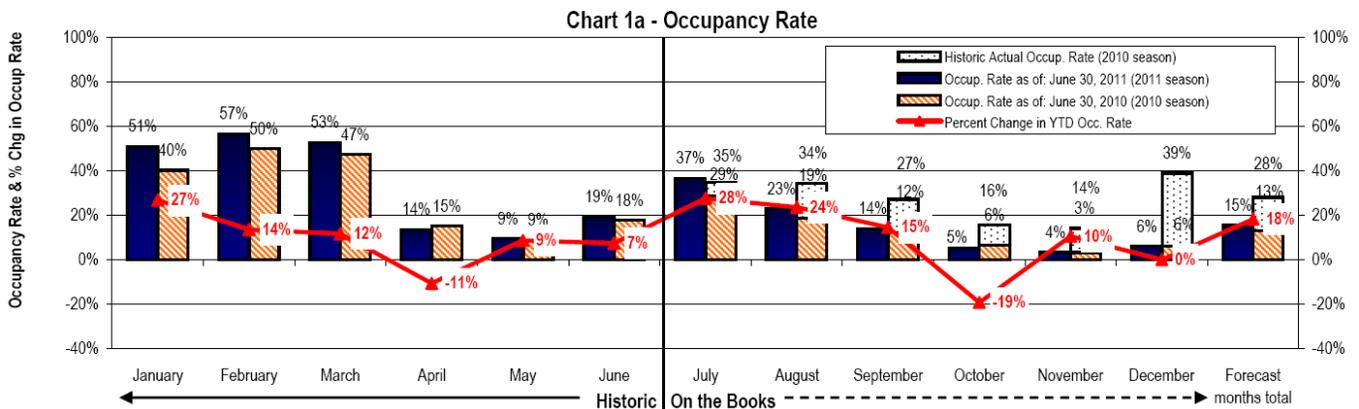


Figure R5 –Booking Data for Park City Hotels

Continued development of events and activities in the spring and summer months has helped to generate sales tax during the “off-season” months as well. Figure R6 displays the monthly sales tax revenue collections for FY 2011 in comparison with FY 2010 and a five-year historical average.

REVENUES

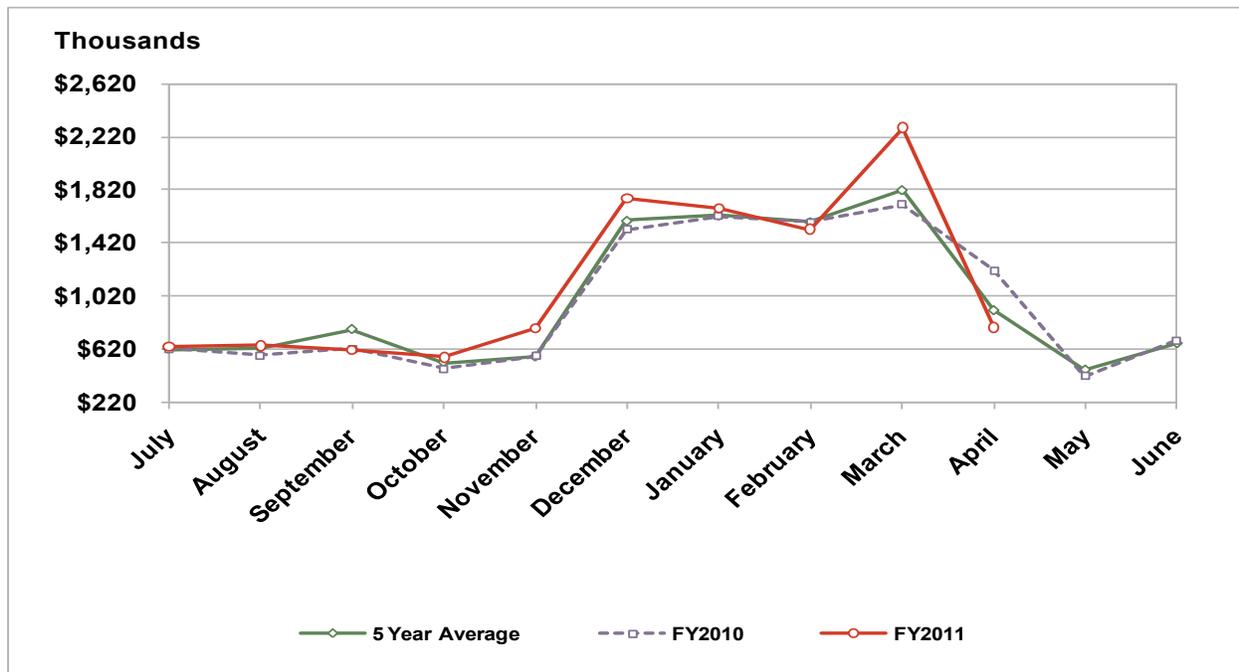


Figure R6 – Sales Tax for FY 2011 (Compared to a Five-year Average and FY 2010)

STATE LEGISLATION AND SALES TAX

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

Sales Tax Rates

Tax	2011 Rate	
	Food Sales	Non-Food Sales
State Sales Tax	1.75%	4.70%
County Option Sales Tax	0.25%	0.25%
County RAP Tax	0.00%	0.10%
Local Option Sales Tax	1.00%	1.00%
Resort Community Tax	0.00%	1.10%
Mass Transit Tax	0.00%	0.30%
Total Sales Tax Rate:	3.00%	7.45%

Table R7 – Sales Tax Rates

For communities like Park City where the population is low in comparison to the amount of sales, the State distributes less than the full 1 percent levy. The State had in the past instituted a “hold harmless” provision to ensure that communities in this situation receive at least three

REVENUES

quarters of the local option sales tax generated in the municipality. Due to this provision, Park City had always received around 75 percent of the 1 percent local option tax. During the 2006 Legislative Session, the State removed the “hold harmless” provision. As part of that same legislation, Park City, as a “hold harmless” community, was guaranteed by the State to receive at least the amount of local option sales tax that was distributed in 2005, or \$3,892,401.

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

Figure R8 shows the percentage of the sales tax revenue lost in FY 2008 compared to the previous five year average. This amounts to an estimated loss of \$862,000 in sales tax revenue during FY 2008; due to the 2005 local option sales tax level provision (hold harmless) estimated loss for FY 2009 and FY 2010 were less significant. FY 2008 is displayed in the following table to reflect a non-recessionary year in which no hold harmless payments occurred.

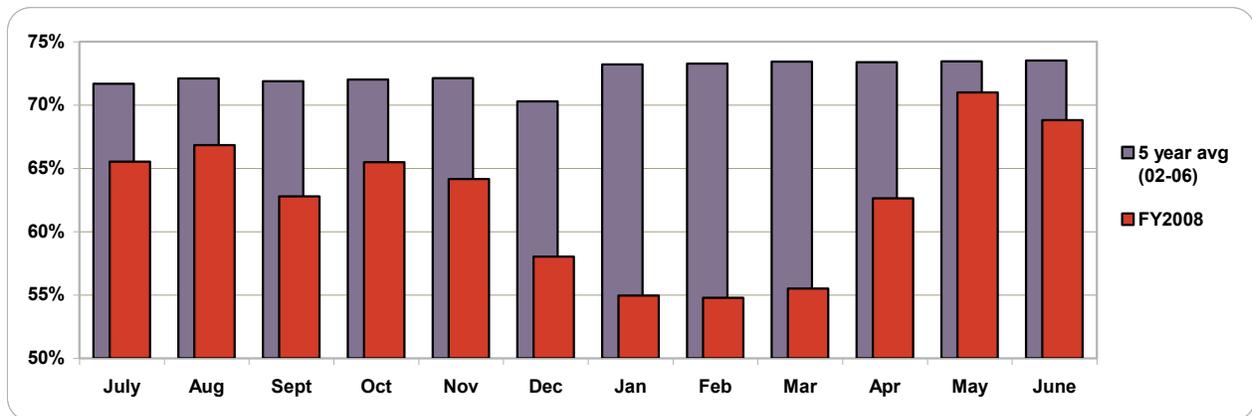


Figure R8 – Local Option Tax Distribution

The local option tax contributes a significant portion of the total sales tax revenue. Figure R9 shows the portions of total sales tax attributable to local option, resort community and transit taxes.

REVENUES

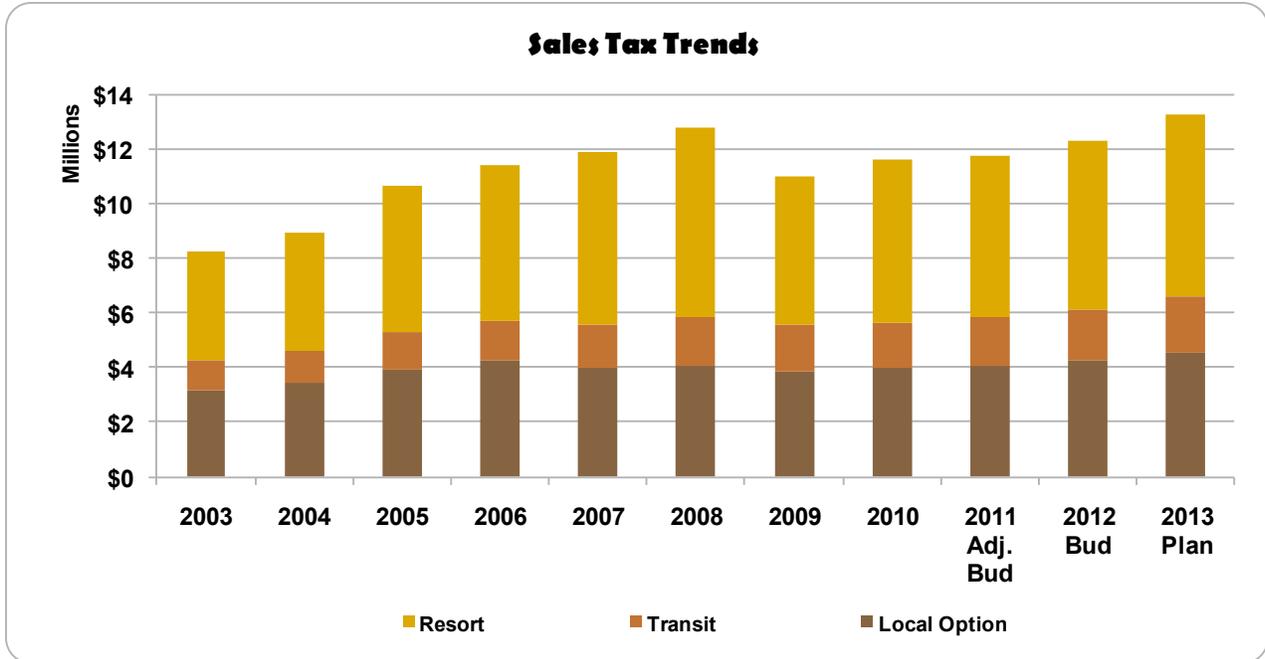


Figure R9 - Sales Taxes Breakdown

OTHER REVENUE

Revenue sources other than property and sales tax include fees, franchise taxes, grants, municipal bonds and other miscellaneous revenue. Total revenue from sources other than property and sales tax make up a large portion of the FY 2012 Budget. Other revenues are projected to amount to nearly \$32 million in FY 2012. Figure R10 shows a projected breakdown of other revenue by type and amount.

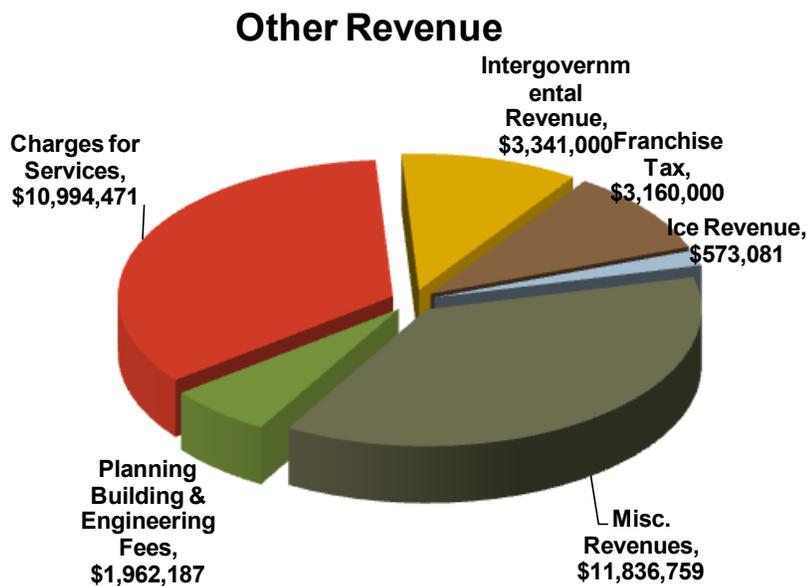


Figure R10 – Other Revenue Breakdown

REVENUES

The City has fees associated with business licenses, recreation, water, planning, engineering, and building services. The franchise tax is a gross receipts tax levied by the City on taxable utilities made within the City to various utility companies. The Fees/Other category consist of license revenue, fines & forfeitures, and miscellaneous revenues. With the exception of water fees, and charges for services, revenues such as fee revenue, business license revenue, and franchise taxes, are budgeted on a multi-year trend analysis and assume no significant changes in the local economy. These revenue sources are predicted using a linear trend model. FY 2012 budgeted revenues have been adjusted to account for the sluggish national economic recovery. Charges for services are projected using a logarithmic trend which has the forecasted revenue leveling off over time as the City approaches build-out. Water fees are calculated on a multi-year trend analysis based on previous water consumption, but also incorporate a new growth factor.

Park City receives additional revenue by collecting development impact fees. These fees include street impact fees, public safety impact fees, and open space impact fees. These fees reflect the calculated cost of providing city services to new, private development, projects. State law requires that collected impact fees are applied to the capital facilities plan within three years of the collection date. Impact fees fluctuate greatly year to year based on annual development levels. Impact Fees are projected for FY 2012 at \$233,000. As would be expected when building activity is significantly down, impact fees are up over slightly from last year. Figure R11 shows the breakdown of estimated impact fees collected in FY 2011.

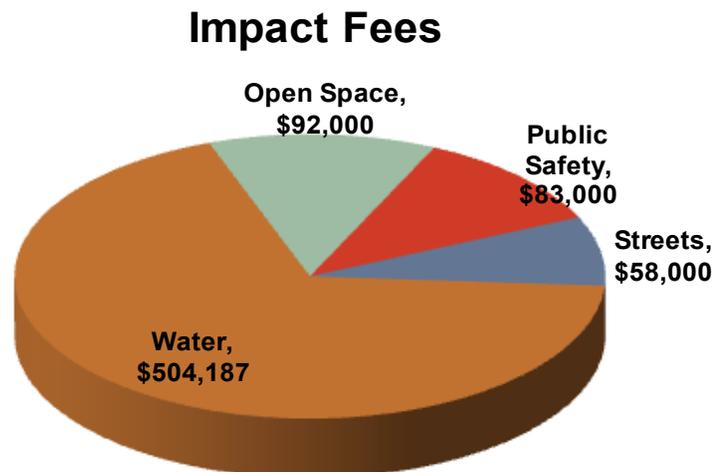


Figure R11 – Impact Fee Breakdown

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 estimated revenue of the Park City Golf Club for FY 2011 is \$1,309,500. The Golf course uses and fees remain relatively consistent year to year. It is expected that the Park City Golf Club will see similar revenues in FY 2012 as in FY 2011.

REVENUES

Park City also receives grants from the federal, state, and county governments to fund various capital projects. These projects include public safety, transit, and water delivery programs. Grant monitoring and reporting is done through the Budget, Debt, and Grants department. All grants are budgeted when they are awarded.

Municipal bonds are another way for Park City to fund capital projects and the redevelopment agencies on Main Street and Lower Park Avenue. In 2008, Standard & Poor's increased their rating of Park City's General Obligation debt to AA. Fitch followed suit in 2009 with a rating increase and Moody's confirmed Park City's General Obligation bond of Aa2. The rating agencies have recalibrated municipal rating scales which will likely cause Park City's ratings to go up in FY 2011. These are strong ratings compared to other resort communities, and are increasingly important in today's bond market due to the lack of credible bond insurers. Ultimately, these rating increases could save the City hundreds of thousands in bond interest over the years.

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 2010 was 0.65 percent or approximately one quarter of the City's 2 percent policy limits. For more information on Park City's debt management policies, see the Policies and Objectives section of this budget document.

EXPENSES

The FY 2011 Adjusted Budget reflects a 5.6% operating increase from the FY 2011 Original Budget and a 10% operating increase from FY 2010 actual expenditures. About 95% of the increase from the FY 11 Original Budget is related to debt service from the Lower Park RDA to pay bond holders from the 1998 refunded bond. FY 2011 adjusted capital budgets appear extremely high, but the vast majority of the \$80 million budgeted for capital is “carryforward” budget. Unlike operating budgets, capital projects may take multiple years to complete, thus the budgets for capital need to be renewed each year. At the end of each fiscal year, the unspent budget for each capital project is calculated and added to the new fiscal year’s budget as part of the adjusted budget. That “carryforward” amount from FY 2010 is \$72.7 million. The actual new request portion of the capital budget in FY 2011 is \$7.2 million.

Expenditure Summary by Major Object - All Funds

	FY 2008	FY 2009	FY 2010	FY 2011 Ori Bud	FY 2011 Adj Bud	FY 2012 Budget	FY 2013 Plan
Personnel	19,540,194	20,553,234	21,098,681	22,090,129	21,929,657	22,934,012	22,950,758
Materials, Supplies & Services	12,441,592	11,052,483	10,942,094	12,649,434	12,968,330	13,616,513	13,134,557
Capital Outlay	16,488,284	41,569,011	64,609,845	12,003,703	80,742,040	27,288,203	17,445,414
Debt Service	6,583,721	9,834,751	12,176,557	10,979,473	13,307,865	10,426,416	10,199,604
Contingencies	0	0	0	315,000	415,000	440,000	440,000
Actual Budget	\$55,053,791	\$83,009,480	\$108,827,176	\$58,037,739	\$129,362,892	\$74,705,144	\$64,170,333
Budget Excluding Capital	\$38,565,507	\$41,440,469	\$44,217,332	\$46,034,036	\$48,620,852	\$47,416,941	\$46,724,919
Interfund Transfers	15,628,653	32,800,255	14,840,021	7,118,246	9,898,612	6,957,143	6,271,188
Ending Balance	96,459,405	94,338,414	73,869,394	23,780,604	31,747,990	29,726,658	28,395,989
Subtotal	\$112,088,058	\$127,138,669	\$88,709,415	\$30,898,850	\$41,646,602	\$36,683,801	\$34,667,177
Grand Total	\$167,141,849	\$210,148,148	\$197,536,591	\$88,936,589	\$171,009,493	\$111,388,945	\$98,837,510

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

The FY 2012 Budget would decrease to \$47.4 million, which is a 2.5% decrease from the FY 2011 Adjusted Budget, but still a 7.2% increase from FY 2010 actual expenses. The decrease is due to less debt service and the increase is attributed to personnel additions, EPA issues, Recreation Center completion, Walkability maintenance, health insurance, retirement, and lump merit increases. Any increases in the General Fund are largely offset with corresponding reductions in operating budgets or revenue enhancements. These changes are more fully discussed further in this section as well as in the Budget Issues section along with details on other committee recommendations, operating budget changes, and major capital requests.

Table E1 shows citywide expenditures by Major Object. The FY 2011 Adjusted Budget reflects a decrease in personnel expenses of 0.7% from the FY 2011 Original Budget. FY 2012 shows a 4.6% increase in personnel from the FY 2011 Adjusted Budget due primarily to personnel additions, health insurance and retirement increase.

The Five-Year CIP has \$26.5 million of capital project funding scheduled for the FY 2012 Budget and \$16.7 million currently in the FY 2013 Plan. Of that funding, \$1 million were new requests (i.e. received and recommended for funding by the CIP Prioritization Committee during the current budget process) for FY 2012. A net increase of \$1.8 million of funding is scheduled for FY 2013.

EXPENSES

This year's budget continues to fund capital projects at an accelerated level. The Capital Improvement Plan (CIP) anticipates that General Fund contributions to the CIP will continue to be required to fund future projects as outlined in the Recommended Budget. Major changes to the CIP are highlighted in this document and will be discussed in greater detail with City Council beginning May 12, 2011.

OPERATING BUDGET

The Operating Budget consists of Personnel, Materials, Supplies, and Services, Departmental Capital Outlay, and Contingencies for each department. Table E2 shows the total change to the Operating Budget from the FY 2011 Original Budget adopted by Council in June 2010.

Total Operating Budget Options by Fund (Change from FY2011 Adopted Budget)

	FY 2011 Adjusted Budget	FY 2012 Budget	FY 2013 Plan
Fund 11 General Fund	-\$43,872	\$1,082,527	\$631,201
Fund 12 Quinn's Recreation Complex	\$7,859	\$23,156	\$15,656
Fund 51 Water Fund	\$100,000	\$275,373	\$163,264
Fund 55 Golf Fund	\$7,109	\$49,990	\$49,990
Fund 57 Transportation Fund	\$163,000	\$357,712	\$357,712
Fund 62 Fleet Fund	\$56,405	\$125,577	\$197,302
Fund 64 Self Insurance Fund	\$171,000	\$33,038	\$45,038
Total	\$461,501	\$1,947,372	\$1,460,162

Table E2 – Operating Budget Options by Fund

The major increase from the FY 2011 Original Budget to the FY 2011 Adjusted Budget is found in the General, Water, and Transit Funds. Almost 40% of the General Fund increases have a revenue offset, such as a grant or increased fees. Some of the major costs to the General Fund include personnel additions, EPA issues, Recreation Center completion, health insurance, retirement, and lump merit increases. The increase in the Water Fund has to do with EPA costs as well a contingency increase. Much of the EPA expenses should not be ongoing for the General and Water Funds, which is one of the reasons why there's a decrease in FY 2013. Increases to the Transit Fund are due to contractual payments to the Park Silly Sunday Market and Historic Park City Alliance, professional developments, and health care costs. Thirty four percent of Transit's budget increase is offset with revenues. Various other changes are happening in the General Fund in FY 2012, but the net effect is close to zero. These changes are extensive and difficult to summarize briefly, but all of the departmental changes are detailed in the Budget Option Descriptions report in the Supplemental section of this document.

PERSONNEL

Departments submitted personnel requests for the FY 2011 Adjusted Budget, FY 2012 Budget and FY 2013 Plan. The impacts of all personnel budget options are shown for each fund in Tables E3(a)-(b).

EXPENSES

Total Personnel Options by Fund (Change from FY2011 Adopted Budget)

	FY 2011 Adj Budget	FY 2012 Budget	FY 2013 Plan
Fund 11 General Fund	-\$173,440	\$685,015	\$701,761
Fund 12 Quinn's Recreation Complex	\$5,859	\$9,506	\$9,506
Fund 51 Water Fund	\$0	\$32,717	\$32,717
Fund 55 Golf Fund	\$7,109	\$31,975	\$31,975
Fund 57 Transportation Fund	\$0	\$113,461	\$113,461
Fund 62 Fleet Fund	\$0	\$9,172	\$9,172
Fund 64 Self Insurance Fund	\$0	-\$37,962	-\$37,962
Total	-\$160,472	\$843,883	\$860,629

(a)

Departmental Personnel Requests by Fund (Change from FY2011 Adopted Budget)

	FY 2011 Adj Budget	FY 2012 Budget	FY 2013 Plan
Fund 11 General Fund	\$3,780	\$339,056	\$353,091
Fund 12 Quinn's Recreation Complex	\$0	\$25,564	\$25,564
Fund 51 Water Fund	\$0	\$16,756	\$16,756
Fund 55 Golf Fund	\$7,109	\$28,749	\$28,749
Fund 57 Transportation Fund	\$0	\$55,528	\$55,528
Fund 62 Fleet Fund	\$0	\$0	\$0
Total	\$10,889	\$465,653	\$479,688

(b)

Tables E3 – Personnel Options by Fund

Three options that are effecting changes in personnel budgets are the health insurance increase, the Utah Retirement System (URS) increase, and the addition to the lump merit pool. These are all described in detail below:

Health Insurance Costs

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

The Human Resources Department has already negotiated a 7% increase to health insurance plans and prices—this could have been much more. This would maintain the current coverage provided to employees with no additional costs passed on to them. Last year medical benefits changed from a no deductible, \$2,000 per family maximum out-of-pocket plan to a dual-track \$500 deductible, \$3,000 per family maximum out-of-pocket plan or a health savings account (HSA). The HSA is \$3,000 deductible with a \$10,000 per family maximum out-of-pocket. The HSA allows for the employer and the employee to contribute a certain amount monthly into the

EXPENSES

account which can then be used for various medical expenses. The advantage with the HSA is that any amount not spent out of the account can be kept by the employee in perpetuity.

This dual-track plan will be less expensive for the City in future years because it includes an HSA option. The hope continues to be that employees will become more aware of and accountable for medical expenses. This could keep usage down, and lower usage should translate to more modest renewal rates.

Health Insurance Changes by Fund (Change from FY2011 Adopted Budget)

	FY 2012 Budget
Fund 11 General Fund	\$143,891
Fund 12 Quinn's Recreation Complex	\$5,754
Fund 51 Water Fund	\$15,824
Fund 55 Golf Fund	\$3,126
Fund 57 Transportation Fund	\$48,430
Fund 62 Fleet Services Fund	\$7,672
Fund 64 Self Insurance Fund	\$480
Total	\$225,177

Tables E4 – Health Insurance by Fund

Retirement Expense

As all public employees in Utah, 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.

URS was nearly fully funded and one of the healthiest pensions in the country until two years ago. The recent recession took a serious toll on the fund, and with payouts continuing as scheduled while investments lost value, the fund fell behind and is no longer fully funded. In order to remedy the situation, the state made several changes to the URS setup and increased the required contribution percentages.

During FY 2011, URS required a 13.37% contribution for general municipal employees (25.83% for sworn police officers). However, the state will begin requiring 13.77% (27.07% for sworn officers) on July 1, 2011. The budget impact for this change is detailed in the figure below.

URS Adjustments by Fund (Change from FY2011 Adopted Budget)

	FY 2012 Budget	URS
Fund 11 General Fund	\$48,171	
Fund 12 Quinn's Recreation Complex	\$1,126	
Fund 51 Water Fund	\$3,420	
Fund 55 Golf Fund	\$668	
Fund 57 Transportation Fund	\$8,189	
Fund 62 Fleet Services Fund	\$1,500	
Fund 64 Self Insurance Fund	\$96	
Total	\$63,170	

Tables E5 – URS Adjustment by Fund

EXPENSES

Lump Merit

Another expressed desire of Council members was about the mix of guaranteed salary versus at risk pay (or performance based lump merit pay). In an effort to achieve a better balance, the 2% across the board increase to pay grades typically given in a pay plan off-year was not done for FY 2012 in favor of a 3% increase in unguaranteed lump merit eligibility. This gives management more flexibility to reward high performers while avoiding an inflationary effect on salaries. It should also be noted that 3% lump merit bonuses and 2% across the board salary increases should have approximately the same budget impact since not all employees will earn a full lump merit bonus each year. The budget impact is an increase of \$250,000.

Additionally, due to a policy change switching from semi-annual to annual payouts of lump merit distributions, only half of the originally anticipated lump merit expense will occur during FY 2011. This results in a one-time savings of about \$175,000 in personnel expense in the General Fund.

Environmental Regulatory Budget

Historically, costs related to managing a variety of environmental regulatory issues would be paid out of several different departmental budgets, including Building, Water, Executive, Legal and Risk Management—depending on which department was doing the work. Where the City is in the process of applying for permits for the Prospector Drain and the Judge and Spiro tunnels as well as working with the Environmental Protection Agency (EPA) on the possibility of a new repository to handle mining waste; the City Manager is recommending the creation of a centralized budget for Environmental Regulatory issues. In this budget soil and water related costs will be tracked independently, but can also be rolled up to allow Council and the taxpayer a more holistic view of the total costs of addressing environmental regulatory issues. The soils budget will be an independent budget that will be managed by the Environmental Sustainability Manager.

The Environmental Regulatory option costs \$563k in FY 2012 and \$225k in FY 2013, where \$122k of Building Dept cuts offset these increases. The increase includes the addition of a new Environmental Engineer (E07) position as well as \$429k (FY12) and \$102k (FY13) in professional & consulting budget. It also includes \$30k (FY12) and \$18k (FY12) in materials and supplies. The Environmental Specialist (E07) position from the Building Dept is being removed along with \$18k in materials and supplies used for environmental regulation to offset this budget option.

Self-Insurance Fund Interfund Transfer

The Self-Insurance Fund is an Internal Service Fund, much like the Fleet or Equipment Replacement Funds, which accounts for the establishment of self-insured programs including Workers' Compensation, Unemployment Compensation, and liability insurance. Several years ago the General and Enterprise Funds' interfund transfers (IFTs) were discontinued temporarily due to the fact that the fund balance had grown too large. However, since then the fund balance has diminished to a worrisome level. Thus the Budget Department is currently looking into re-establishing those IFTs from the General and Enterprise Funds in future fiscal years for the Final Budget. Also, in the current fiscal year (FY11) it is being recommended to transfer \$850k into the Self-Insurance Fund from the General Fund for one year. This money would come from

EXPENSES

operating budget savings (i.e., the difference between the current budget and the projected departmental expenditures).

Personnel Changes

Personnel is accounted for using a full-time equivalent (FTE) measure, where 1 FTE indicates the equivalent of a full-time position (2,080 annual work-hours), which could be filled by multiple bodies at any given time. Generally, one Full-time Regular employee is measured as 1 FTE, whereas a Part-time Non-benefited or Seasonal employee might account for a fraction of an FTE. Changes in FTE's per department for FY 2011 Adjusted Budget and FY 2012 Proposed Budget are found in Table E4 on the following page.

The Building Department is losing a total of 1.8 FTEs for FY 2012. As previously discussed this department is losing the Environmental Specialist (1 FTE, E07), while the new department, Environmental Regulatory is gaining .8 of an FTE of a new position entitled, Environmental Engineer (E07). The other .2 of the Environmental Engineer is being placed in the Water Department. Also, it is being recommended that a Building Analyst II (N08) position be removed from the Building Department and placed in the Planning Department as a Planning Technician (N08). This is the result of reprioritizing objectives within the Community Development team as the Planning Department will focus much of its team in the next fiscal year on the General Plan update. There is also .2 of a Senior Building Inspector FTE (N11) getting added to the Building Department to fix an error between a contract Building Inspector position and Building Inspector FTEs.

The Engineering Department is losing .25 of an FTE of the Engineering Public Works Inspector (N10) and moving it to the Transit Fund. In other words, the position remains at 1 FTE, but now the budget will better represent the work load of this position.

The Transit Department is also adding .5 of an FTE of part-time pool money. This option will provide for increased snow removal at the new Transit Facility due to an expanded parking footprint and reduced snow storage areas.

The City Manager Department is gaining .64 of an FTE for FY 2012. The Senior Recorder/Elections position (which was split 50/50 between the City Manager Department and Risk Management) is being removed from the budget. This is being replaced by a part-time non-benefitted Executive Clerk position, budgeted at 0.64 FTE (or about 25 hours per week). Additionally, the Golf Manager position (E07), which is split in the current budget 70% Golf Fund and 30% Recreation Department, will now be split 50/50 between Golf and the City Manager Department since much of this position's time is spent on citywide accountability and training functions.

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FTE Counts by Department							
Department	FY 2011 Original	FY 2011 Adjusted	FY 2011 Change	FY 2012 Budget	FY 2012 Change	FY 2013 Plan	FY 2013 Change
Budget, Debt, and Grants	2.00	2.00		2.00		2.00	
Building	14.80	14.80		13.00	(1.80)	13.00	(1.80)
Building Maint.	5.00	5.00		5.00		5.00	
City Manager	4.50	4.50		5.14	0.64	5.14	0.64
City Recreation	27.44	27.44		27.28	(0.15)	27.50	0.07
Communication Center (Dispatch)	10.00	10.00		10.00		10.00	
Drug Education	0.20	0.20		0.20		0.20	
Engineering	3.00	3.00		2.75	(0.25)	2.75	(0.25)
Fields	2.00	2.00		2.00		2.00	
Finance	6.75	6.75		6.75		6.75	
Fleet Services	8.00	8.00		8.00		8.00	
Golf	5.50	5.70	0.20	5.49	(0.01)	5.49	(0.01)
Golf Maintenance	9.60	9.60		9.60		9.60	
Human Resources	6.86	6.86		6.86		6.86	
Ice Facility	9.04	9.04		9.04		9.04	
Leadership				0.10	0.10	0.10	0.10
Legal	7.75	7.75		7.75		7.75	
Library	11.23	11.23		11.37	0.14	11.37	0.14
Parks and Cemetery	17.30	17.30		18.84	1.54	18.84	1.54
Planning	6.00	6.00		7.00	1.00	7.00	1.00
Police	35.21	34.93	(0.28)	33.95	(1.26)	33.95	(1.26)
Self Insurance	0.50	0.50			(0.50)		(0.50)
State Liquor Enforcement	1.02	1.30	0.28	1.30	0.28	1.30	0.28
Street Maint.	17.47	17.47		17.47		17.47	
Economy	3.25	3.25		4.25	1.00	4.25	1.00
Community & Environment	2.75	2.75		4.65	1.90	4.65	1.90
Environmental Regulatory				0.80	0.80	0.80	0.80
Technical and Customer Services	9.80	9.80		9.80		9.80	
Tennis	6.89	6.89		7.39	0.50	7.63	0.74
Transportation	81.79	81.79		82.54	0.75	82.54	0.75
Water Billing	1.00	1.00		1.00		1.00	
Water Operations	17.50	17.50		17.55	0.05	17.55	0.05
Totals	334.14	334.35	0.20	338.87	4.73	339.33	5.19

Table E6 - FTE Changes by Department

The Golf Department is also adding a new position, First Assistant Golf Pro (E04), while decreasing their part-time pool by .2 FTEs. Having a Class A PGA Professional will allow the golf course to attract larger professional state golf tournaments.

The City Recreation Department is losing .15 of an FTE in their part-time pool budget. This is due to offsetting a professional development as well as a Public Works option. However, the Tennis Department is also gaining .5 of an FTE to their part-time pool to help staff the Pro Shop in the new Recreation Facility.

EXPENSES

The Parks and Cemetery Department is adding 1.54 FTEs to their part-time pool budget. This is mostly for increased operations and landscaping maintenance on Walkability projects, the McHenry Stairs, the Bonanza Tunnel, and the Dirt Jump Park.

The Economy Department is converting 1 FTE, a Trails Project Manager (E05). This is moving a contract position that was previously funded by Walkability bond money and moving it to the General Fund. Flagstaff Transfer fee revenue (used for Open Space) are being added to the General Fund to offset this increase.

The Community & Environment Department is converting two new positions: an Environmental Project Manager (E05) and an Affordable Housing Project Manager. Like the Economy Department these were already contract positions working for the City and are now being added as full-time regular positions. The Environmental Project Manager position is being offset with a reduction in contract service budget as well as a revenue offset of Special Event fees. The Affordable Housing Project Manager position is being offset with an interfund transfer revenue from the Lower Park RDA. Also, the Sustainability Analyst II position is getting divided from .75 Community & Environment and .25 Economy to .65 Community & Environment, .25 Economy, and .10 Leadership to better reflect the position's workload.

The Water Department is increasing their FTEs by .05. This is due to decreasing their part-time pool money by .15 of an FTE to offset an increase in lease, connection, and space fees for the towers that are the backbone of the Fixed Base System. This will result in a minimal level of service reduction in service orders—20% or 100 less meters will be rebuilt. The Water Department is also adding .2 of an FTE of the Environmental Engineer position for the EPA budget option.

The Ice Facility Department is adding 1 FTE to their budget for FY 2012. The FTE is coming from an increase to their part-time pool money in order to staff personnel for a new ice sheet on Main St. Much of this option is offset with the revenues from operating the new ice sheet.

The Library is adding .14 of an FTE to their part-time pool money in order to enhance Children's Storytime & Teen Programs. Current storytimes offered will be increased to include regular evening and weekend programs for parents who work as well as a quarterly program for teens.

The Public Safety team is reducing its FTEs by .98. Two Police Crossing Guard positions (.5 each) are being removed to offset cell phone and air card needs. The crossing guard need is now funded by the Park City School District. Police also increased hours during Sundance in order to enhance taxi business license enforcement (.015 FTE). This was offset with business license revenue from the Transit Fund. Also, .28 of the Police Department's part-time pool money is changing to the State Liquor Fund to fix a personnel reduction from previous two fiscal years and more closely match the State Liquor revenues.

The following table shows the changes in FTEs by fund. The General Fund is increasing by 4.29 FTEs in FY 2012 from the FY 2011 Original Budget.

EXPENSES

Fund	FY 2010 Actual	FY 2011 Original	FY 2011 Adjusted	FY 2012 Budget	FY 2013 Plan
General Fund	204.44	199.22	199.22	203.65	204.11
Quinn's Recreation Complex	11.37	11.04	11.04	11.04	11.04
Water Fund	18.50	18.50	18.50	18.55	18.55
Golf Fund	16.95	15.10	15.30	15.09	15.09
Transportation Fund	76.29	81.79	81.79	82.54	82.54
Fleet Services Fund	8.00	8.00	8.00	8.00	8.00
Self Insurance Fund	0.50	0.50	0.50	0.00	0.00
TOTAL	336.05	334.14	334.35	338.87	339.33

Table E7 - FTE Change by Fund

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

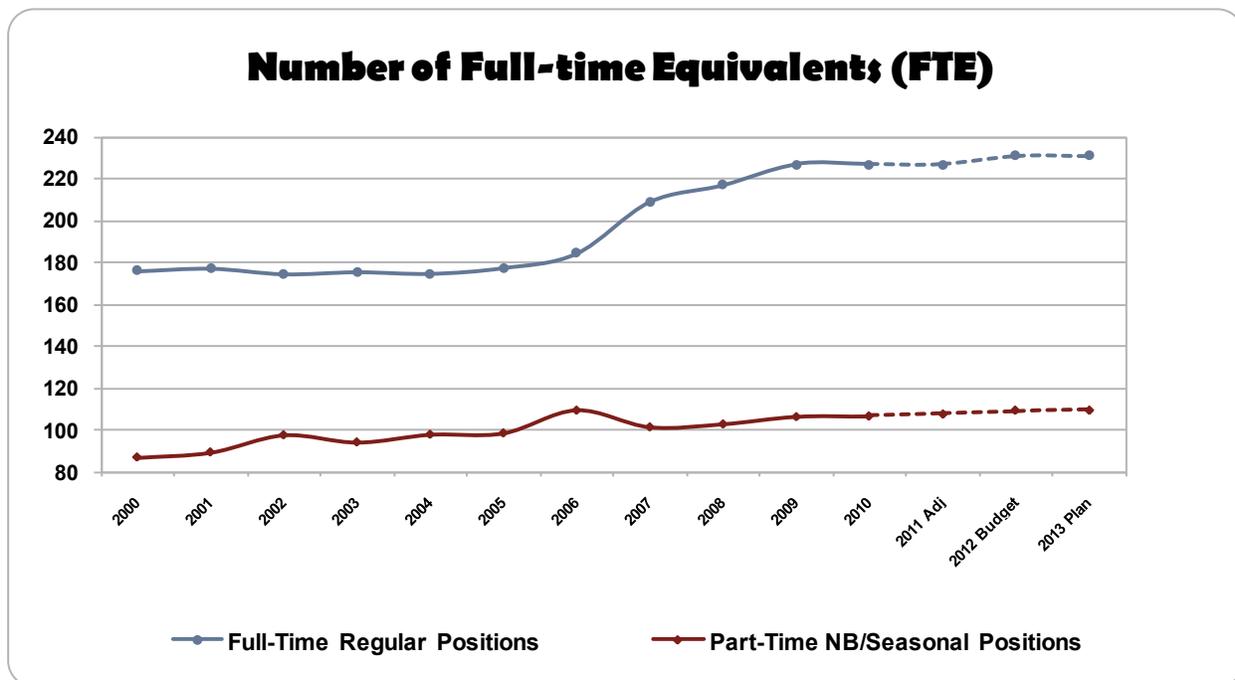


Figure E8 - FTE Totals

EXPENSES

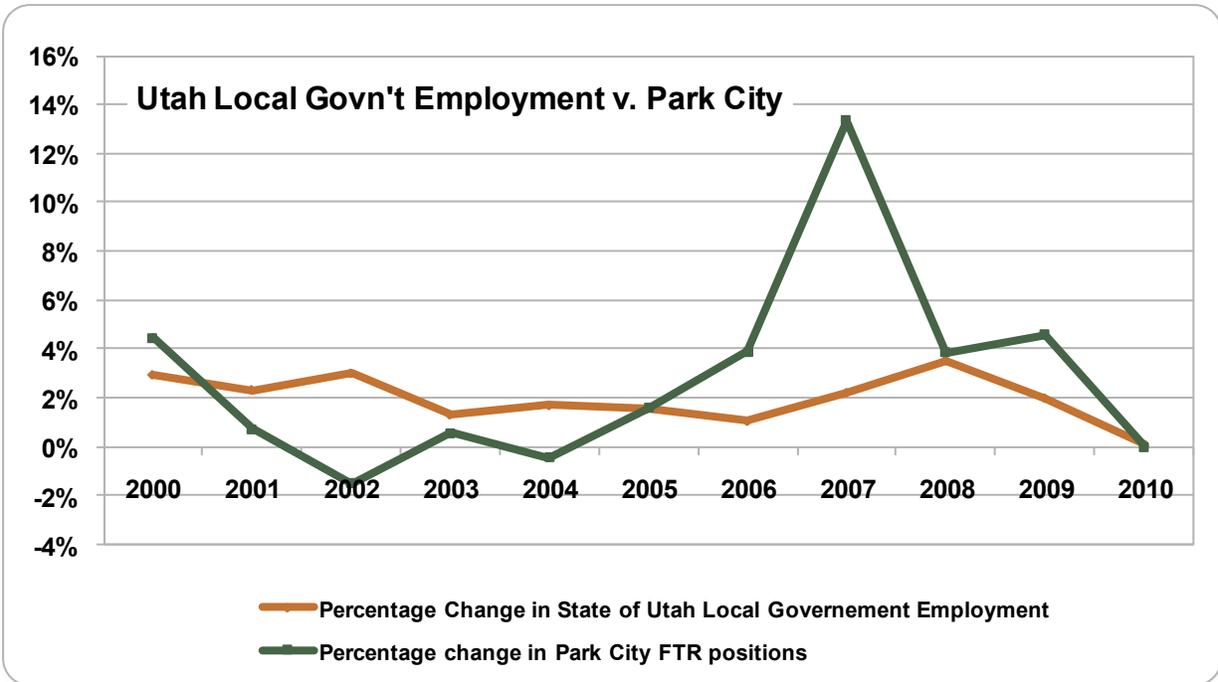


Figure E9 - Percentage Change in Park City and State Employment

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

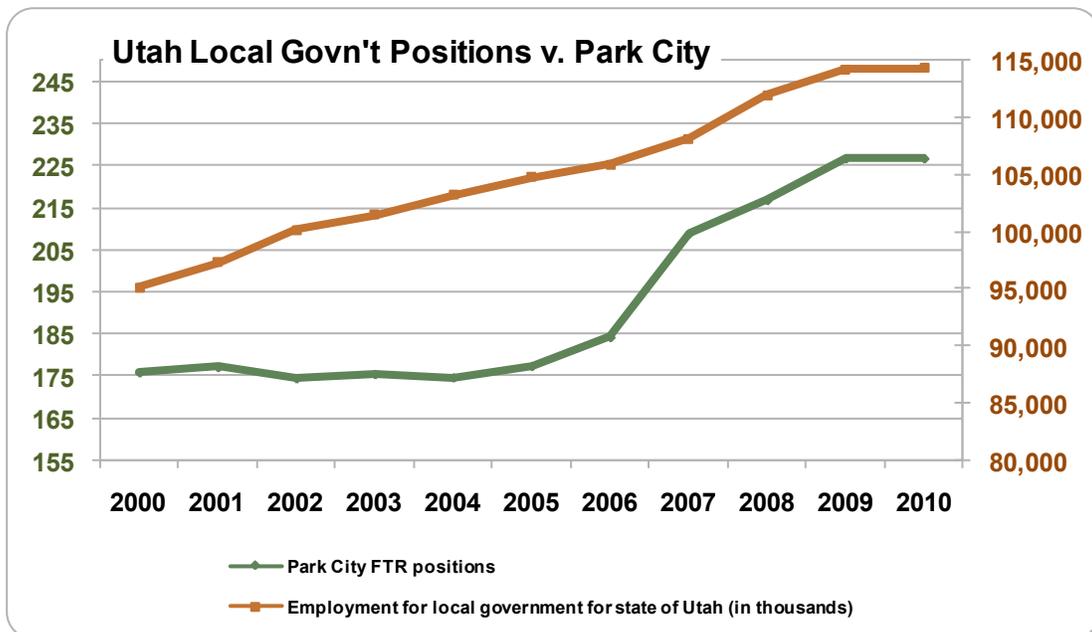


Figure E10 – Employment Totals for Utah Local Government and Park City FTR Positions

EXPENSES

MATERIAL, SUPPLIES, AND SERVICES

Much of the increase for materials and supplies for the General and Water Funds in FY12 comes from the Environmental Regulatory increase, conversely much of the decrease in FY13 comes from the same option. Also, a large decrease in FY13 comes from the Planning Department, which saw a large increase in order to implement the General Plan—this money is being taken out in FY13. Much of the Transit Fund's increase comes from increased maintenance costs for the new Transit Facility as well as an increase for the Transit Marketing program. Additional detail for operating expenditures can be found under individual department tabs in Volume II of the budget. Each department will field questions about operating budget requests during the budget hearings on May 26, 2011.

Total Materials, Supplies & Services Options by Fund (Change from FY2011 Adopted Budget)

	FY 2011 Adj Bud	FY 2012 Budget	FY 2013 Plan
Fund 11 General Fund	\$49,491	\$277,512	-\$168,560
Fund 12 Quinn's Recreation Complex	\$2,000	\$13,650	\$6,150
Fund 51 Water Fund	\$0	\$218,285	\$106,176
Fund 55 Golf Fund	\$0	\$15,100	\$15,100
Fund 57 Transportation Fund	\$40,000	\$255,127	\$255,127
Fund 62 Fleet Fund	\$56,405	\$116,405	\$188,130
Fund 64 Self Insurance Fund	\$171,000	\$71,000	\$83,000
Total	\$318,896	\$967,079	\$485,123

Table E11 – Material, Supplies, and Services by Fund

EXPENSES

CAPITAL BUDGET

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

Project	Proposed Budget	Principal Funding Sources	Scheduled Start	Scheduled Finish
Iron Horse Transit Operations Facility	\$ 12 million	Federal Grants Sales Tax Transit Rev	Underway	August 2011
Walkable Community Projects	\$15 million	GO Bond	Underway	Phased
Water Projects	Estimate Coming in June	Water Service Fees Water Impact Fees Water Bonds	Underway	Phased
OTIS Phase II (a) (Cont.) Empire, & Upper Lowell	\$4.5 million	Sales Tax Bond	2012	2013
Bonanza Drive Reconstruction	\$6.6 million	General Fund Federal Grants Walkability Bond	2009	Fall 2011
Racquet Club	\$10 million	GF Reserves	Underway	Nov 2011

Table E12 – Major Capital Projects

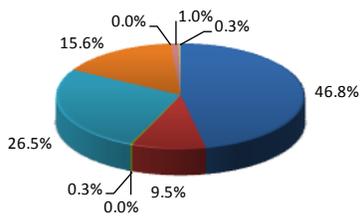
This year's CIP committee (Pace Erickson, Jon Weidenhamer, Ken Fisher, Chelese Rawlings, Bret Howser, Matt Cassel, Scott Robertson, and Matt Twombly) reprioritized all projects in the 5-Year Capital Improvement Plan. These projects, including existing projects with previously appropriated funding as well as new project requests, were reviewed and ranked based on five criteria: Objectives, Funding, Necessity, Investment, and Cost/Benefit. These CIP requests are highlighted in the Budget Issues section and a complete, detailed list is included in the Volume II.

In light of the long-term economic picture, the Committee set out with a goal of dedicating \$2.3 M of General Fund surplus to capital projects in FY 2011 and \$2M in future years of the capital plan. Project managers were asked to comb through their projects to find efficiencies and offer up funds which have been dedicated to projects but which may not be necessary to complete the project. In some cases, projects had been completed and had remaining funding. In other cases, alternative funds were located for projects, such as grants, impact fees, or existing bond proceeds. Through such methods, the Committee was able to assemble a recommended CIP which would still fund the vast majority of projects which were anticipated to be funded in previous years, as well as a handful of new project requests while meeting the targets for General Fund dollars funding capital.

The total proposed CIP budget for FY 2011 Adjusted Budget is \$80 million (\$11.2 million original budget, \$4 million reduction during this budget process, and \$72.7 million carryforward budget). The proposed FY 2012 CIP budget is \$26.5 million—up \$1 million from the amount proposed in last year's 5-Year CIP. The proposed FY 2013 Plan includes nearly \$16.7 million for capital.

EXPENSES

CIP Funding Sources - FY 2012



CIP Funding Sources - FY 2013

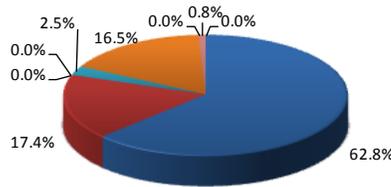


Figure E13 – CIP Funding Sources (Water Fund Excluded)

The General Fund surplus required to fund projects in FY 2012 will be approximately \$2.16 million—the majority of which is dedicated to completing current projects, ensuring the maintenance of existing infrastructure, or securing funding for previously-identified needs. Projects in these categories include Pavement Management, Trails Master Plan Implementation, Traffic Calming, Asset Management, Walkability Maintenance, Irrigation Controller Replacement, and Electronic Record Archiving. The surplus needed for FY 2013 jumps to \$3.3M due to the inclusion of an additional \$1.1 M for the Soils Repository project.

Recommendation Threshold - 14.9

Score	CIP #	General Fund Funding					
		2011	2012	2013	2014	2015	2016
Recommended							
	Unscored Total	85,930	100,000	100,000	100,000	0	0
	Alternative 1 Total						
	Alternative 2 Total	125,500	300,000	200,000	200,000	200,000	200,000
	Alternative 3 Total	1,940,209	1,665,709	2,975,709	1,755,709	1,605,709	1,595,709
	Alternative 4 Total	118,000	95,000	10,000	10,000	10,000	10,000
Recommended Total		2,269,639	2,160,709	3,285,709	2,065,709	1,815,709	1,805,709
Not Recommended							
	Alternative 4 Total	100,000	2,857,650	2,909,900	209,900	184,900	184,900
	Alternative 5 Total	21,676	255,000	50,000	35,000	0	0
Not Recommended Total		121,676	3,112,650	2,959,900	244,900	184,900	184,900
Grand Total		2,391,315	5,273,359	6,245,609	2,310,609	2,000,609	1,990,609

Figure E14 – CIP Funding Sources

OPERATING IMPACTS OF CAPITAL PROJECTS

A few capital projects are expected to have an impact on operating budgets. Most notably, the Richardson Flat Park & Ride has necessitated increased operating expenditures in the Transportation Department. Two operating options were submitted last fiscal year by Public Works in the amount of \$252,000 for bus drivers and maintenance personnel with accompanying materials budget for the provision of service to the park and ride.

The Walkable Community Projects are also expected to continue to impact operational budgets. These projects create new urban trails and connections that require maintenance (including snow

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removal) to be handled by Public Works. Public Works has had to increase their level of service to maintain the new sidewalks and connectors. Another package budget option was submitted this year for \$73k for maintenance, landscaping, and snow removal related to Walkability projects. Further budget adjustments to provide operating service in conjunction with walkability projects should be anticipated.

The Racquet Club Renovation is another new project which will likely impact the future operating budget. A feasibility study completed by Ken Ballard estimated that expenses in the Recreation and Tennis Department budgets will increase by \$62,000 to \$103,000, while expenses in Public Works are estimated to increase by \$50,000 to \$75,000.

Table E14 outlines projects that are expected to create significant operating costs or savings over the life of the project. Not all of the projects here were recommended by the CIP Committee.

Capital Improvement Projects with Significant Operating Costs or Savings

CIP #	Project Name	Total Project Cost	Estimated Annual Cost**	Annual Revenue or Savings**	Project Expected Lifespan	Total Estimated Cost Over Lifespan of Project
CP0041	Trails Master Plan Implementation	\$ 1,292,132	\$ 3,500	\$ -	30	\$ 1,397,132
CP0051	Bus Maintenance & Operations Facility	\$12,965,000	\$ 150,000	\$ -	25	\$ 16,715,000
CP0097	Bonanza Drive Reconstruction	\$ 3,093,671	\$ 1,750	\$ -	20	\$ 3,128,671
CP0132	Museum Expansion	\$ 4,063,213	\$ 10,000	\$ -	30	\$ 4,363,213
CP0163	Quinn's Fields Phase III	\$ 2,726,548	\$ 100,000	\$ -	50	\$ 7,726,548
CP0214	Racquet Club Renovation	\$10,144,427	\$ 22,000	\$ -	30	\$ 10,804,427
New 04	Snow Removal Service Increase	\$ 2,588,600	\$ 917,500	\$ -	on-going	N/A
New 06	RFID System for Library	\$ 59,000	\$ 12,500	\$ 4,000	10	\$ 144,000
New 14	Street Light at Marsac and Guardsman	\$ 30,000	\$ 1,500	\$ -	20	\$ 60,000
New 15	Hillside Avenue Stairs	\$ 650,000	\$ 2,000	\$ -	20	\$ 690,000
New 16	3rd Street Stairs	\$ 130,000	\$ 1,000	\$ -	20	\$ 150,000
New 18	High School Bus- Sundance Transit Re-construct	\$ 100,000	\$ 15,000	\$ -	30	\$ 550,000
New 21	Mobile Command Post (MCP)	\$ 135,000	\$ 2,500	\$ -	10	\$ 160,000
New 25	Public WI-FI	\$ 21,676	\$ 3,600	\$ -	1	\$ 25,276
New 27	Receipt Printers and POS Keyboards	\$ 2,500	\$ 200	\$ -	5	\$ 3,400
New 28	New Copier/ Printer/ Scanner	\$ 7,500	\$ -	\$ 200	5	\$ 6,600
New 29	Sky Lodge Skating Rink	\$ 20,000	\$ 25,000	\$ 55,000	10	\$ (280,000)
New 30	Prospector Drain - Regulatory Project	\$ 1,583,334	\$ 420,000	\$ -	30	\$ 14,183,334
New 32	Website Enhancements	\$ 12,900	\$ 1,000	\$ -	0	\$ 12,900

* Any CIP number not listed here has either been closed out, contains insufficient data for cost analysis, or occurs on a ongoing basis

** See Budget Volume II *CIP Project by Project Summary* for cost/savings description

Table E15 – CIPs with Significant Operating Costs or Savings

DEBT SERVICE

Park City has various bond issuances outstanding. The debt service to be paid on these bonds is as detailed in Figure E14. Debt service expense comprises 14% of the FY 2012 budgeted expenses, and 16% of the FY 2013 Plan.

EXPENSES

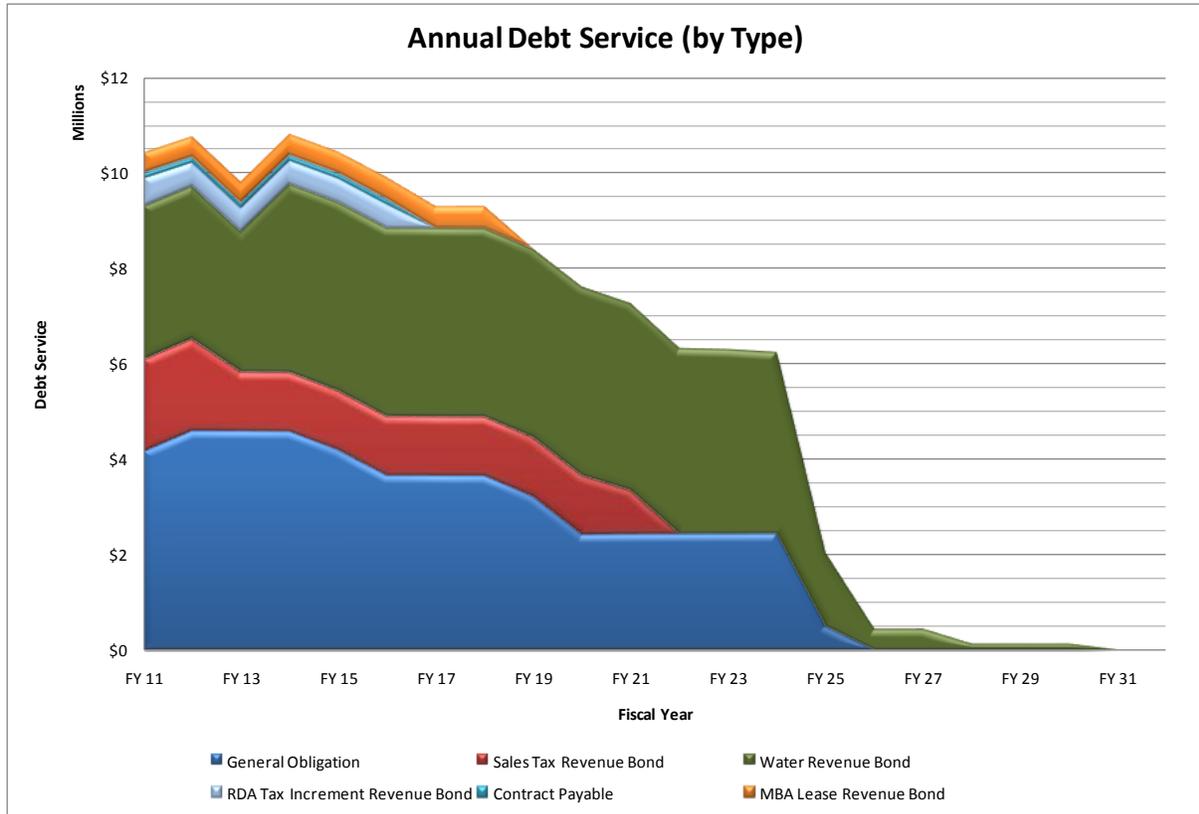


Figure E16 - Long Term Debt

Debt Service Funding Sources

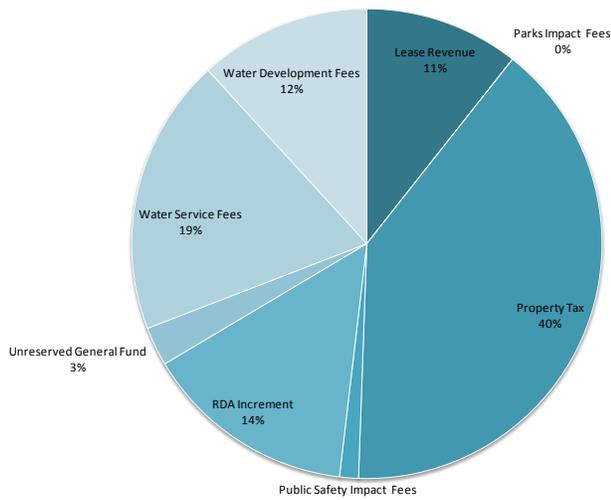


Figure E17 – Debt Funding Sources

Funding sources for debt service payments in FY 2011 are detailed in Figure E16. General Obligation Bonds have property tax as a dedicated source for repayment, while Water Bonds generally have water service fees as a dedicated revenue source. RDA Bonds are backed by property tax increment. Sales Tax Bonds are backed by sales tax revenue, but the City has dedicated a number of revenue sources for repayment, including lease revenue, impact fees, and unreserved general fund revenue (i.e., sales tax).

In FY 2011, the City issued \$1.5 million dollars in sales tax bonds to refund (or refinance) the Series 1998 Lower Park Avenue

RDA Tax Increment Revenue Bonds. Standard & Poor’s rated the bond at A+, an upgrade over the A- rating on the 1998 issuance. By using sales tax bonds rather than tax increment bonds for the refinancing, the City secured an average rate of less than 1.75%, reducing the bond payments by over \$150,000 per year and achieving net present value savings of over \$250,000. This is an extraordinarily large savings, over 12% of the new financing amount, for such a short bond.

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The City's five year Capital Improvement Plan outlines a number of future projects for which it is anticipated the City expects to issue debt. The estimated impact to debt service due to possible future bonding can be seen in Figure E16. This anticipated debt includes the remaining voter approved GO debt for walkability as well as series of Sales Tax Bond issuances totaling \$26 million for the Old Town Improvement Study (OTIS) and Downtown enhancement projects. The City also anticipates issuing more Water Revenue Bonds for future phases of water infrastructure projects, however the amount is undetermined at this time.

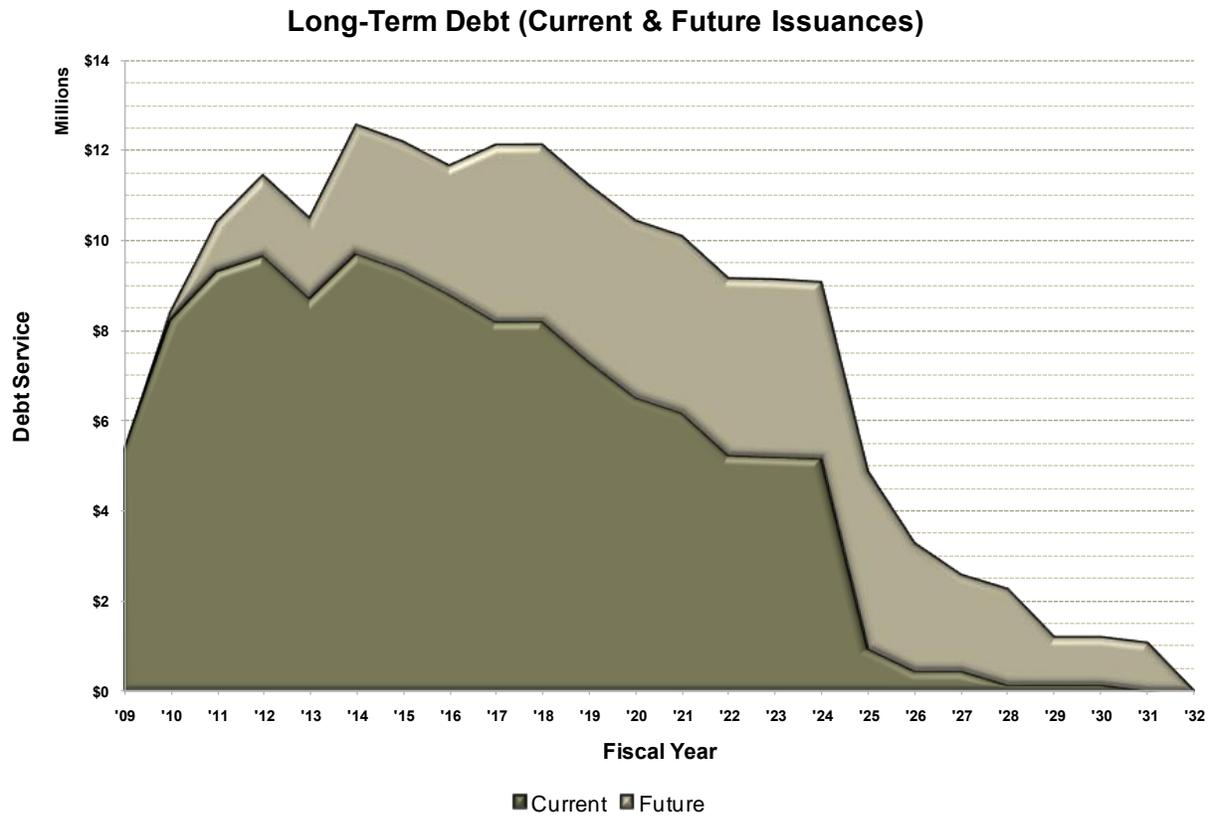


Figure E18 – Anticipated Future Debt Service Compared to Existing Debt

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

The majority of the debt service for the \$20 million sales tax revenue bonds issued in 2006 will come from dedicated revenue such as property tax increment pledged from the Main Street RDA and impact fees. A portion of the debt, however, will be paid for with unreserved or surplus General Fund revenue (sales tax). The figure below shows how much of the City's annual surplus is currently pledged for debt service as well as the amounts that are expected to be dedicated for debt service in the future. Future obligations for OTIS and Downtown Projects bonds remain subject to policy decision, but are shown here to illustrate the magnitude of the impact of such policy decisions.

EXPENSES

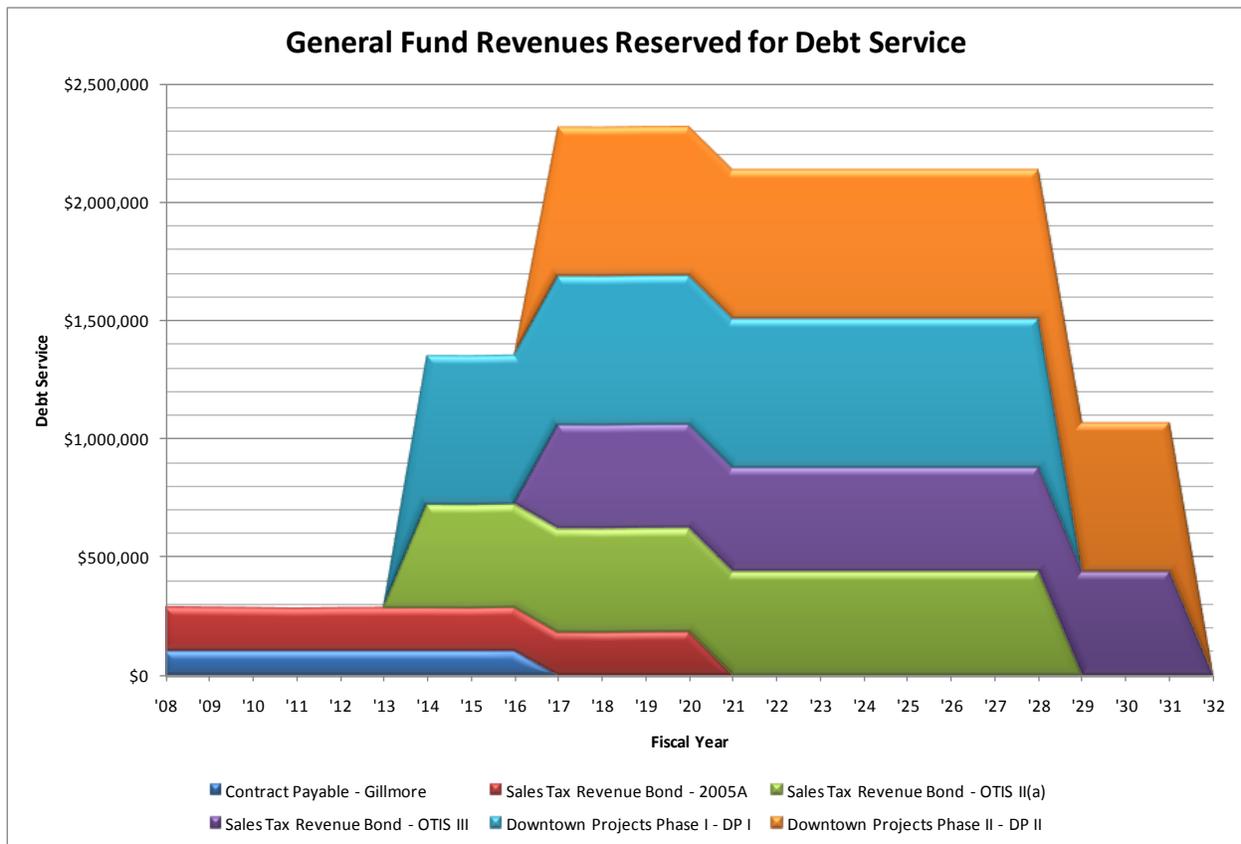


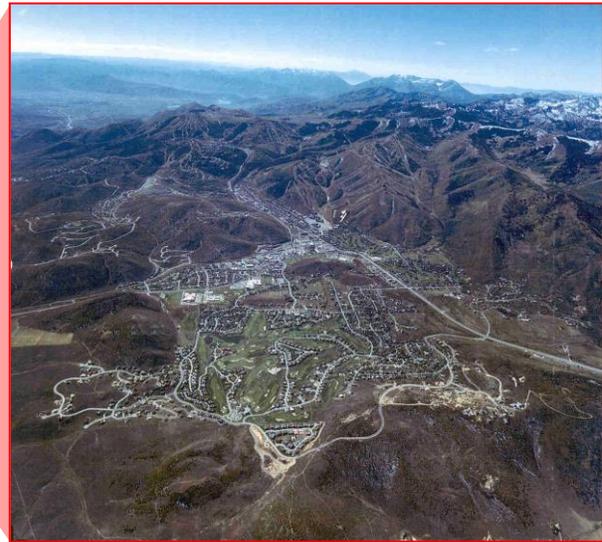
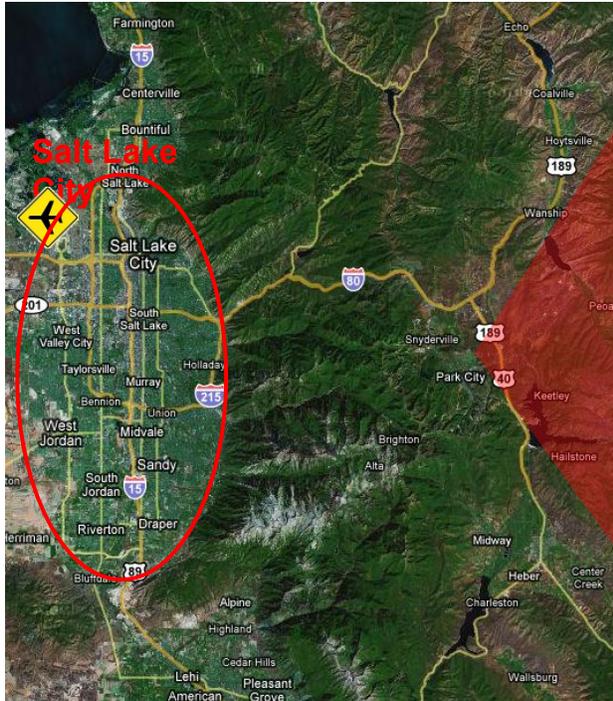
Figure E19 – General Fund Revenues Reserved for Debt Service

Note that approximately \$280,000 per year is currently pledged, but it is anticipated that much or all of the OTIS and Downtown Projects debt service will be paid for with General Fund surplus. At its peak, debt service paid for with General Fund surplus could cost as much as \$2.3 million annually. The City will need to carefully consider the prioritization of OTIS and other such projects relative to other City needs before pledging any future “surplus” to new capital projects, unanticipated debt, or higher operating service levels.

ECONOMIC OUTLOOK

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

World renowned skiing is the center of activity being complemented throughout the year with major activities and events, such as the Sundance Film Festival, Arts Festival, concerts, sporting events, along with a variety of other winter and summer related activities.



Tourism is the major industry in Park City, with skiing, lodging facilities, and restaurants contributing significantly to the local economy. Park City is the home of two major ski resorts (Park City Ski Area and Deer Valley Ski Resort) with a third area (The Canyons) located only one mile north of the City limits.

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

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

ECONOMIC OUTLOOK

Deer Valley Resort hosted a FIS Freestyle World Cup event for the fifth time in six years in February 2011. Also in February 2009, Deer Valley hosted the first World Cup Skier Cross competition ever held in North America. Deer Valley has invested over \$8.5 million in improvements for the last two seasons. For the fourth year in a row and sixth time in ten years, Deer Valley Resort was deemed the best resort in North America by Ski Magazine. The Park City Mountain Resort is located in the heart of Park City. Park City Mountain Resort was Utah's only other ski resort to finish in the top ten of Ski Magazine's resort review. It was rated fifth overall and first in the access category.

PARK CITY ECONOMY

Tourism is the backbone of the Park City economy and the majority of local tourism revolves around skiing and snowboarding. With the exception of the 2001-02 season, the year of the Olympic Winter Games, skier days at the three main resorts have increased significantly for the past five years. Skier days have increased over 37 percent in the past decade for the Park City resorts. Encouraging tourism and the ski industry are objectives for Park City as well as for the State of Utah. With its close proximity to Salt Lake City and Salt Lake International airport, Park City is a major contributor to the State's goals. The total number of skier days for 2009-10 was 4,048,153, up roughly 2 percent above the previous year, which was at 3,972,984. Utah's 2009-10 total represents the fourth best ski season on record. In the 2009-10 season, Park City area resorts claimed approximately 42.8 percent of the total Utah skier day market share. With the local economy dependent on tourism and skiing, employment in Park City tends to decline in the spring and summer months. Park City attempts to mitigate this by diversifying recreational activities in the "off-season".

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, 327 shops, 25 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 26,595 guests. On average, the City receives almost 9,100 visitors per night with an occupancy rate of 35 percent. In the last ten years nightly capacity has increased by 57 percent.

The Sundance Film Festival made its 27th annual appearance in Park City in January 2011. The 2010 Sundance Film Festival generated an overall economic impact of \$62.7 million for the State of Utah, supported over 1,500 jobs, and generated over \$18 million in media exposure to the State. Sundance and Park City Municipal Corporation have formally agreed that Park City will remain festival headquarters through the 2018 film festival, with a ten year option after that. The festival presents high quality, independent films. Nationally known actors, directors, writers and other members of the film industry conduct and attend workshops, classes, seminars, dinners and premiers which are open to the general public. It is estimated that the annual cultural event attracted 41,221 attendees in 2010. Total spending in Park City was approximately \$43 million during the festival capping a decade of spectacular growth.

ECONOMIC OUTLOOK

The Kimball Arts Center sponsored its 41st annual three-day Park City Arts Festival in August 2010. The Park City Arts Festival is Utah's original, oldest and the longest running arts festival in the West. In the last decade this event has grown substantially and now attracts over 45,000 visitors over the three-day period and features more than 230 of North America's top artists. This is one of the most attended annual events in Utah and consistently makes the Top Ten List by the renowned Harris Poll.

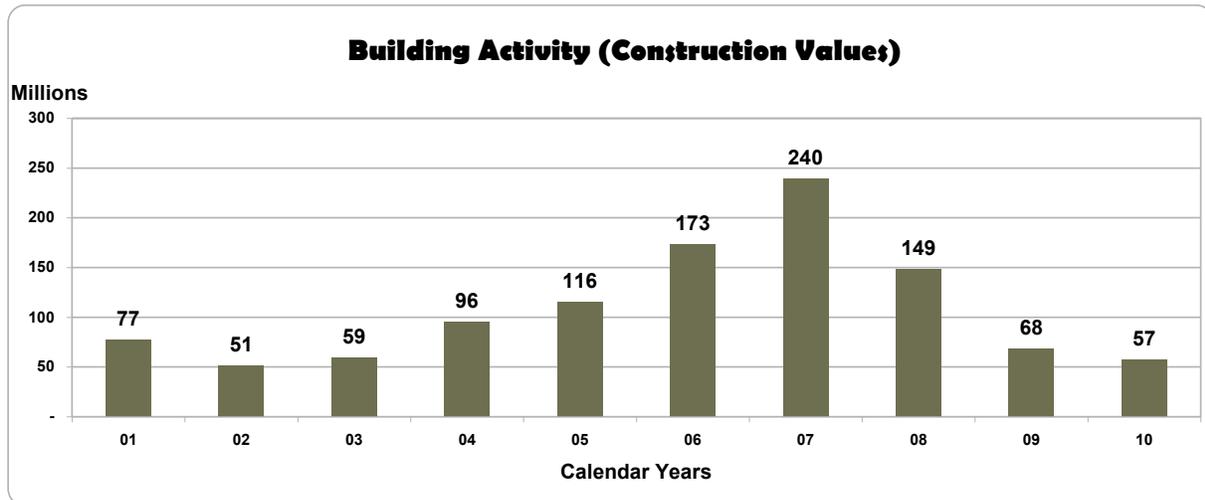


Figure EO1 – Annual Cost of Construction in Park City

Closely connected to the tourist and ski industries in Park City is the real estate industry. During the past ten years, building activity within the City has gone from a low of \$51 million in 2002 (due to the Winter Olympic Games slowing construction pace), to a high of \$239.7 million in 2007. Building activity over the last decade has averaged \$108 million per year. In fiscal year 2010, the total amount of fees collected for building projects was \$1,190,849. For FY10, the building activity (construction, additions and alterations) was approximately 85 percent in residential and 14 percent in commercial. 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.

Real estate sales in the Park City area, as reported by the Park City Board of Realtors Multiple Listing Service, surpassed the billion dollar mark, putting 2010 as one of only six years where real estate sales reached that benchmark. Overall sales dollar volume for 2010 was \$1,009,582,720, up 16% from \$867,430,118 for year-end 2009. The number of sales continues to trend upward across the board for almost all property types, with 1,421 closed sales for 2010 compared to 1,131 in 2009 and 1,341 in 2008. Compared to all other Rocky Mountain ski destinations, Park City has fared better than neighbors in Colorado, Wyoming and other resort towns. For example, in Vail, CO, 2009 real estate sales were down nearly 60 percent compared to 2008, while Park City was down only about 17 percent.

Park City's debt service expenditures have increased in amount and as a percentage of total expenditures during the past decade. Much of this is due to the voter approved General Obligation Bonds that were passed in 1999, 2000, 2005, 2006, 2007, 2008, 2009, and 2010 as

ECONOMIC OUTLOOK

well as the Sales Tax Revenue Bonds issued in 2005. The City’s bond rating was upgraded in May 2006 by Moody’s to Aa2. Furthermore, the City was upgraded in 2008 by Standard and Poor’s and Fitch to AA. A bond rating of AA (AAA is generally the highest rating) indicates that Park City as an issuer offers “excellent financial security.” The issued Sales Tax Revenue Bond also received a rating of A+ from Standard & Poor’s. In the beginning of May 2010, Park City’s bond rating moved from Aa2 (Moody’s) and AA (Fitch) to Aa1 and AA+ respectively. This is due to a new recalibration methodology by these two rating agencies.

Through last decade, revenues had been steadily increasing for Park City with no revenue source significantly changing as a percentage of total revenue. Sales tax revenues increased in FY2010 5.2% from FY2009. Taxes account for roughly 50 percent of total revenue.

Major employer-types in the City include: accommodation and food service, arts/entertainment and recreation, retail trade, real estate, technical services and government. Unemployment data was unavailable for Park City; however, the current Summit County unemployment rate is estimated at 6.4 percent. According to the Bureau of Labor of Statistics, Utah’s unemployment rate is 7.6 percent and the national rate is 8.3 percent.

It is expected that Park City’s economic outlook will stabilize in future years. Diversification of resort activities, promoting additional special events, and sound financial policies will all aid in ensuring a thriving economy.

CITY SALES TRENDS

Park City has experienced exceptional economic growth in the last decade. However, it dipped in 2009 and grew in 2010. . Figure EO2 shows the growth in total estimated sales from 2000 to 2010. When adjusted for inflation, sales in Park City have seen an average growth rate of .78 percent from FY 2000 to FY 2010. For FY 2010, Park City collected roughly \$5.3 million in local option sales tax—equating to roughly \$536 million in estimated taxable sales—\$51 million more than the previous year and \$193 million more than FY 2000. Total sales are determined from the annual 1 percent local sales tax collected each year.

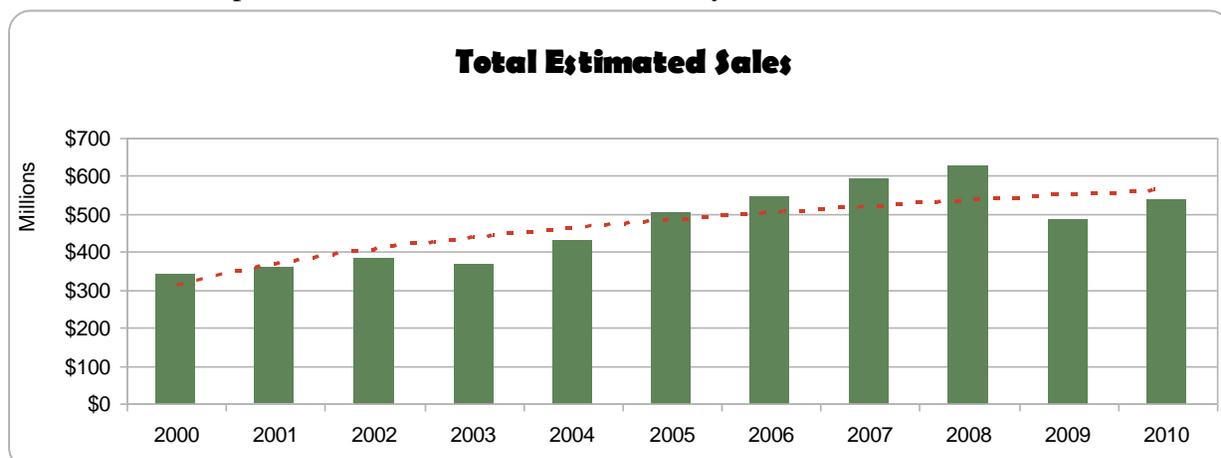


Figure EO2 – Total Estimated Sales

ECONOMIC OUTLOOK

Figure EO3 shows the sales trends by industry from 2000 to 2010. The Service Sector has experienced the greatest change with a 4.58 percent average growth rate in the last 5 years. The Retail Industry still leads all other sectors in absolute dollar terms, but has seen a decline in the last three years.

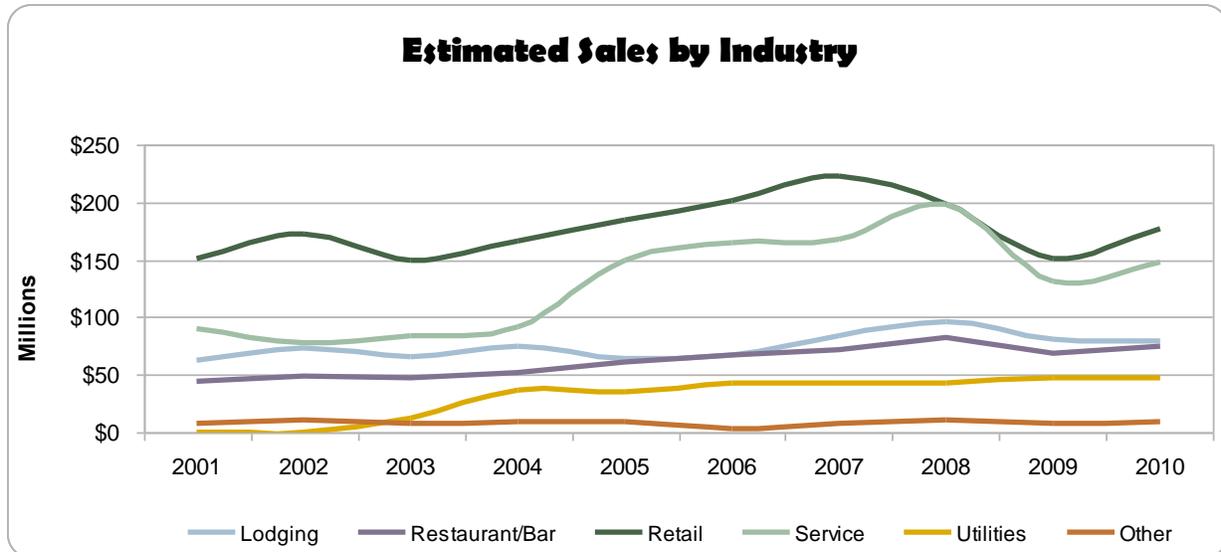


Figure EO3 – Estimated Sales by Industry

Because Park City’s economy relies heavily on the ski industry and tourism, sales tax revenues are extremely seasonable. Figure E04 represents seasonality by industry (based on a ten-year average). The Service Sector is the most seasonal with 54.28 percent of service-related sales coming during Quarter 3. The Lodging Sector—which includes skiing and entertainment amongst other services—is also highly seasonal; 53.82 percent of sales tax revenues coming during Quarter 3. The Retail Sector showed the least seasonality with only 35.36 percent of total sales coming in Quarter 3, with the rest of its quarters demonstrating minimal variance of seasonality.

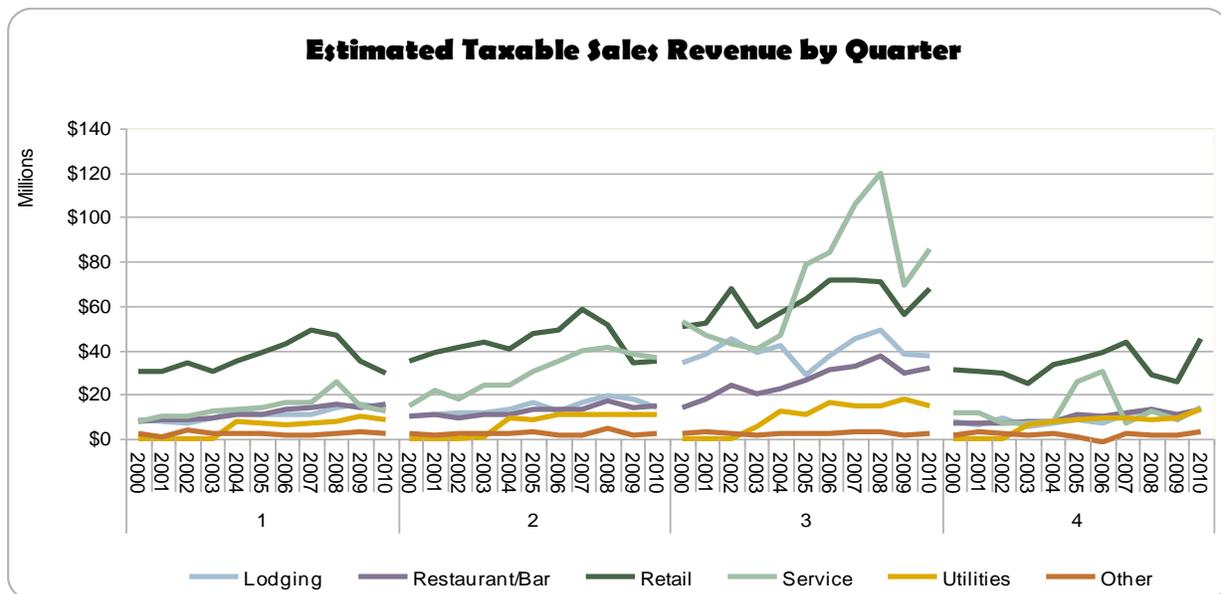


Figure EO4 – Estimated Taxable Sales Revenue by Quarter

ECONOMIC OUTLOOK

CITY FINANCIAL HEALTH INDICATORS

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

TYPES OF FINANCIAL HEALTH INDICATORS

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

The following indicators were chosen with input from CTAC and the staff from the budget department.

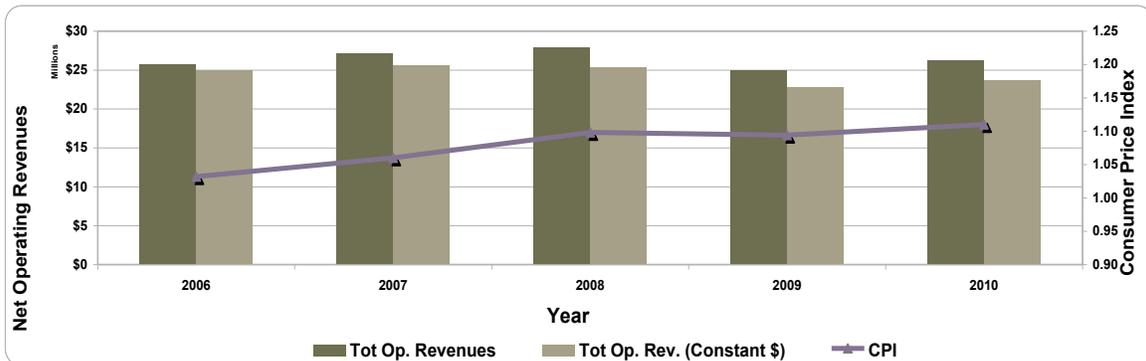
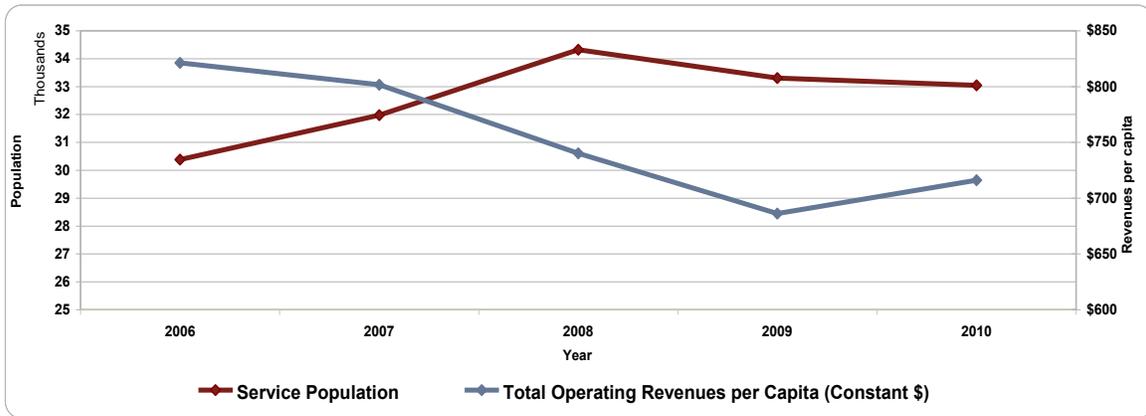
- A. Revenues per capita
- B. Expenditures per capita
- C. Municipal employees per capita
- D. Operating (deficit) surplus per capita
- E. Comparison of the liquidity ratio and long-term debt
- F. Long-term overlapping debt as a percentage of assessed valuation
- G. Administrative costs as a percentage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

ECONOMIC OUTLOOK

Revenues per Capita

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

Description	2006	2007	2008	2009	2010
Total Operating Revenues	\$25,747,633	\$27,168,931	\$27,888,081	\$24,998,836	\$26,258,101
CPI	1.03	1.06	1.10	1.09	1.11
Total Operating Revenues (Constant dollars)	\$24,949,257	\$25,631,067	\$25,398,981	\$22,850,855.58	\$23,655,946.85
Service Population *	30,381	31,976	34,320	33,303	33,038
Total Operating Revenues per capita (Constant dollars)	\$821.22	\$801.56	\$740.06	\$686.16	\$716.02



Analysis

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

Source

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

Also, note CAFR FY10 Table 2, CAFR 05-06 Schedule 5 for Tax Revenue.

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

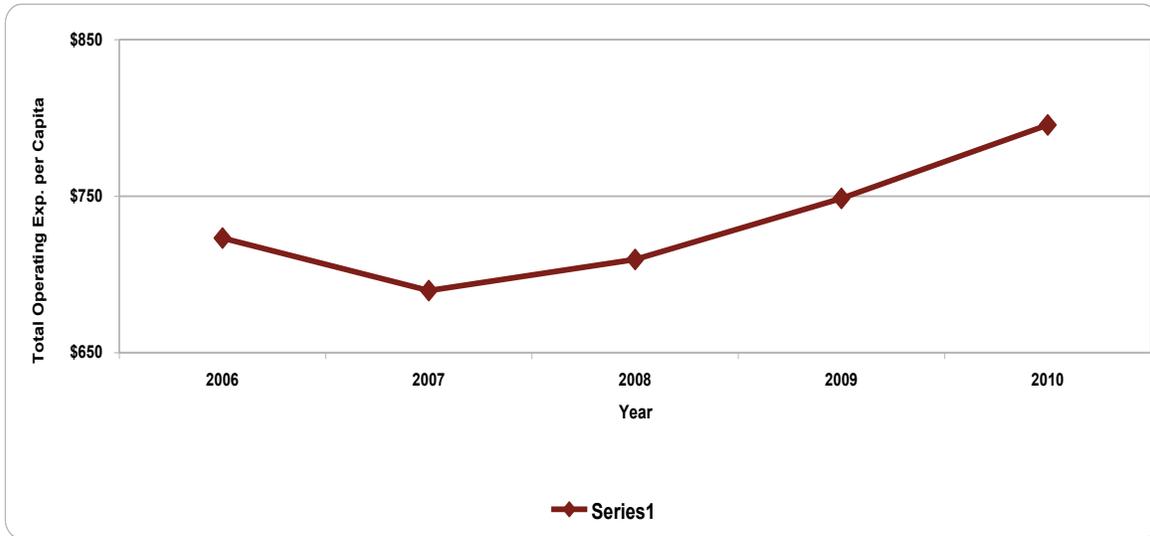
* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors

ECONOMIC OUTLOOK

Expenditures per Capita

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

Description	2006	2007	2008	2009	2010
Debt Service	\$5,672,895	\$5,357,113	\$5,420,065	\$7,006,784	\$8,150,248
Operating Expenditures	\$17,001,125	\$18,017,352	\$21,320,008	\$20,266,054	\$21,019,587
Total Operating Expenditures	\$22,674,020	\$23,374,465	\$26,740,073	\$27,272,838	\$29,169,835
CPI	1.03	1.06	1.10	1.09	1.11
Total Operating Expenditures (Constant dollars)	\$21,970,950	\$22,051,382	\$24,353,436	\$24,929,468	\$26,279,131
Service Population*	30,381	31,976	34,320	33,303	33,038
Net Operating Expenditures per capita (Constant dollars)	\$723.19	\$689.61	\$709.60	\$748.58	\$795.41



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, while increasing slightly, could be considered fairly stable. The decrease in 2006, when accounting for inflation, may be indicative of increased efficiencies. The majority of the increase in 2010 is due to an increase in bond payments for open space, walkability, and other major capital projects.

Source

Population - Census Bureau, www.census.gov,

Debt Service excludes CIP debt service pg. 31 (Total Governmental Funds: Principal + Interest + Bond issuance costs+ Arbitrage rebate - CIP)

Net Operating Expenditures - CAFR FY10 Table 1, CAFR FY10 Schedule 4

Total Operating Expenditures pg. 31 (General Total).

CPI - Bureau of Labor Statistics www.bls.gov

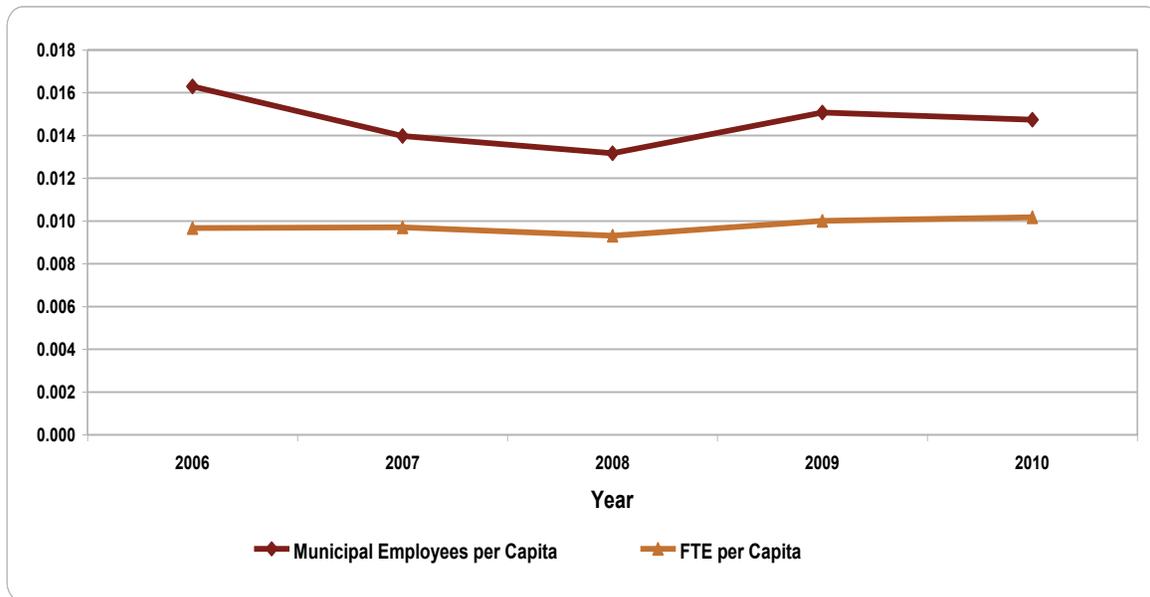
* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors

ECONOMIC OUTLOOK

Employees per Capita

Municipal employees per capita (service population*)

Description	2006	2007	2008	2009	2010
Number of Municipal Employees	495	447	452	502	487
# FTE (Full-time equivalents)	293.9	310.31	319.74	333.3	336.2
Service Population*	30,381	31,976	34,320	33,303	33,038
Number of Municipal Employees per Capita	0.016	0.014	0.013	0.015	0.015
Total FTE Per Capita	0.010	0.010	0.009	0.010	0.010



Analysis

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

Source

Number of Employees - CAFR - Schedule 21, CAFR FY10 Table 16, 2005-06 from Human Resources Department.

FTE counts - FY10 Staffing Summary 4-120 and past Budget Documents, FY09 from Schedule 20 in FY10 CAFR

Population - Census Bureau, www.census.gov

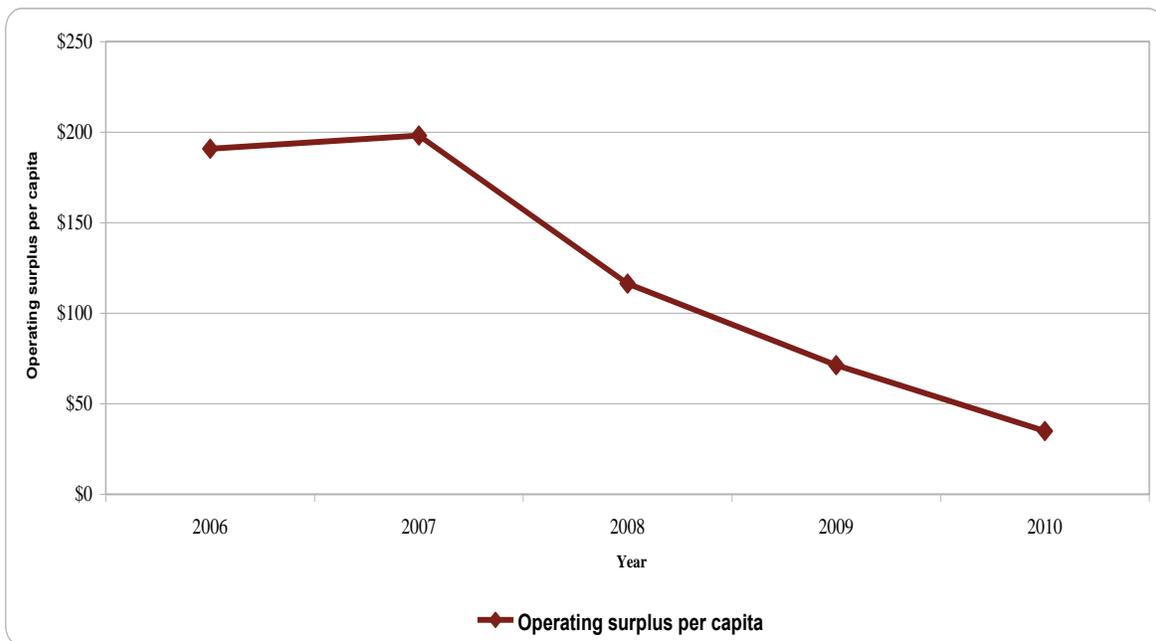
* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors

ECONOMIC OUTLOOK

Operating (Deficit) or Surplus

Operating deficit or surplus as a percentage of operating revenues

Description	2006	2007	2008	2009	2010
Operating deficit or surplus	\$5,796,086	\$6,333,895	\$3,991,358	\$2,374,555	\$1,151,650
Net fund operating revenue	\$25,747,633	\$27,168,931	\$27,888,081	\$24,998,836	\$26,258,101
General fund operating surplus (deficit) as % of net fund operating revenues	23%	23%	14%	9%	4%
Service Population*	30,381	31,976	34,320	33,303	33,038
Operating surplus per capita	\$190.78	\$198.08	\$116.30	\$71.30	\$34.86



Analysis

An operating surplus is used to fund CIP and fund non-operating expenditures. The City has had a strong fund balance for several years and increased substantially from 2005 to 2007. In spite of the current decrease, the fund balance is still considered very healthy.

Source

General fund operating surplus/deficit - CAFR FY10 pg.33, Net Fund Operating Revenues - CAFR FY10 Table 2, CAFR FY10 Schedule 5 for Tax Revenue; Statement of Revenues, Expenditures, and Changes in Fund Balances pg. 31 for all other revenues. (Includes debt service for investment income and rental and other miscellaneous)

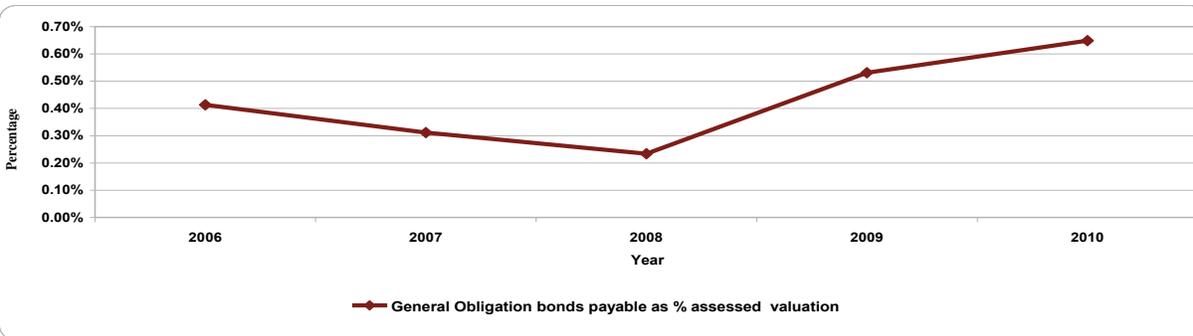
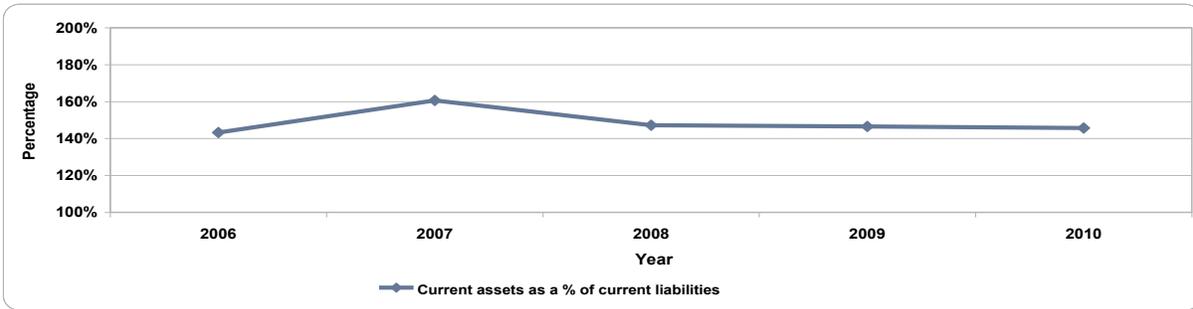
* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors

ECONOMIC OUTLOOK

Liquidity & Long Term Debt

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

Description	2006	2007	2008	2009	2010
Cash and short-term investments	\$10,343,145	\$12,229,000	\$11,448,886	\$11,805,757	\$12,419,044
Current Liabilities	\$7,222,488	\$7,614,985	\$7,776,754	\$8,058,461	\$8,524,072
Current assets as a % of current liabilities	143%	161%	147%	147%	146%
Description	2006	2007	2008	2009	2010
Assessed valuation	\$4,494,051,730	\$5,522,763,146	\$6,723,322,492	\$6,783,652,435	\$6,073,486,107
Total G. O. bonds	\$18,570,000	\$17,175,000	\$15,720,000	\$36,015,000	\$39,375,000
General Obligation bonds payable as % assessed valuation	0.41%	0.31%	0.23%	0.53%	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 over the time period shown due to the issue of General Obligation (or voter approved) bonds in 1999, 2000, 2003, 2004, 2006, 2008, 2009, and 2010. The majority of these G.O. bonds were allocated for the purchase of open space*. Issuing these bonds increases the long term debt and the current liability account, thus decreasing the liquidity ratio. The warning trend to be aware of in analyzing these measures, is a decreasing liquidity ratio in conjunction with an increase in long term debt. This indicates that a government might struggle to cover its financial obligations in the future.

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

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

Source

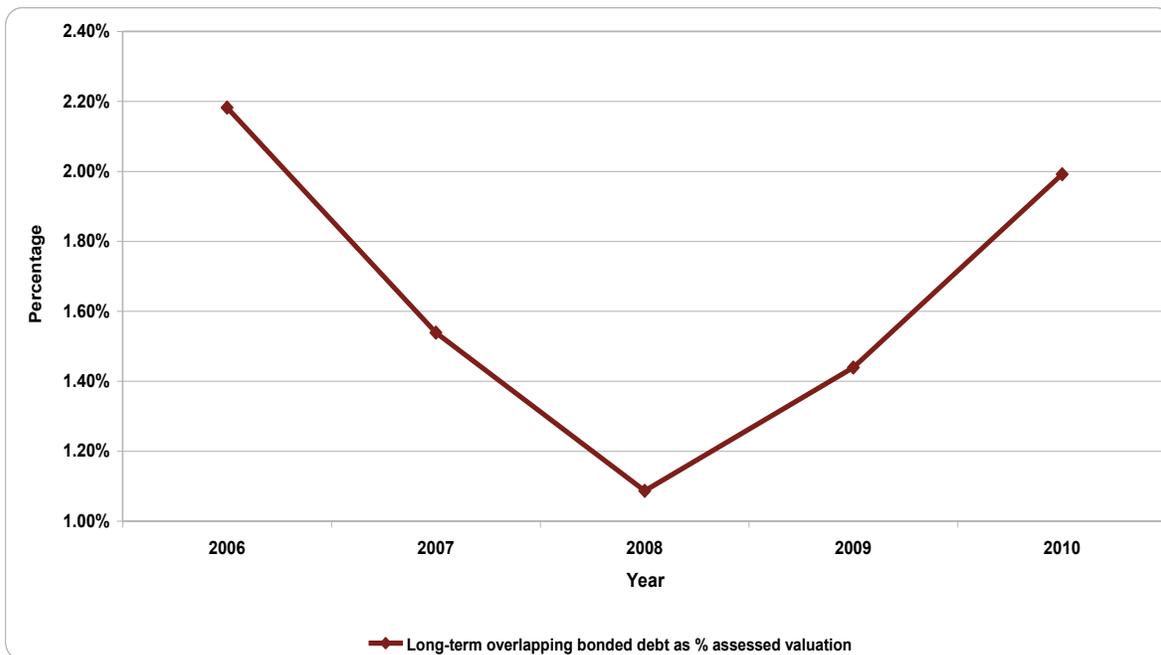
Current Assets - CAFR FY10 pg. 29, (General - Total). Current Liabilities - CAFR FY10 pg. 29, (General - Total). Assessed Valuation - Summit County Assessor's Office, Gross Bonded Long-Term Debt - CAFR FY09 Schedule 14. Current Assets - CAFR FY10, Current Liabilities - CAFR FY10, Assessed Valuation - CAFR FY10, Gross Bonded Long-Term Debt - CAFR FY10 Table 14

ECONOMIC OUTLOOK

Overlapping Debt

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

Description	2006	2007	2008	2009	2010
Park City	\$18,570,000	\$17,175,000	\$15,720,000	\$36,015,000	\$39,375,000
State of Utah	\$48,125,622	\$36,247,903	\$33,451,488	\$42,987,456	\$63,460,680
Summit County	\$5,419,885	\$2,521,348	\$2,070,405	\$2,240,705	\$1,951,415
Park City School District	\$20,306,303	\$23,810,641	\$17,544,846	\$14,317,853	\$14,047,914
Snyderville Basin Sewer District*	\$2,602,414	\$1,678,554	\$0	\$0	\$0
Weber Basin Water Conservancy District	\$4,567,266	\$4,220,818	\$4,266,828	\$2,064,732	\$2,140,498
Total Long-term overlapping bonded debt	\$96,989,076	\$83,975,710	\$73,053,567	\$97,625,746	\$120,975,507
Assessed valuation	\$4,445,057,404	\$5,457,931,458	\$6,723,322,492	\$6,783,652,435	\$6,073,486,107
Long-term overlapping bonded debt as % assessed valuation	2.18%	1.54%	1.09%	1.44%	1.99%



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 steadily decreased over the past three years due to increases in assessed valuation, while increasing in 2009 and 2010 due to more GO debt.

* Taken out per financial advisor suggestion.

Source

Long-term overlapping bonded debt - CAFR FY09 Schedule 14, Assessed valuation - Summit County Assessor's Office; CAFR FY10 Schedule 16 pg. 106

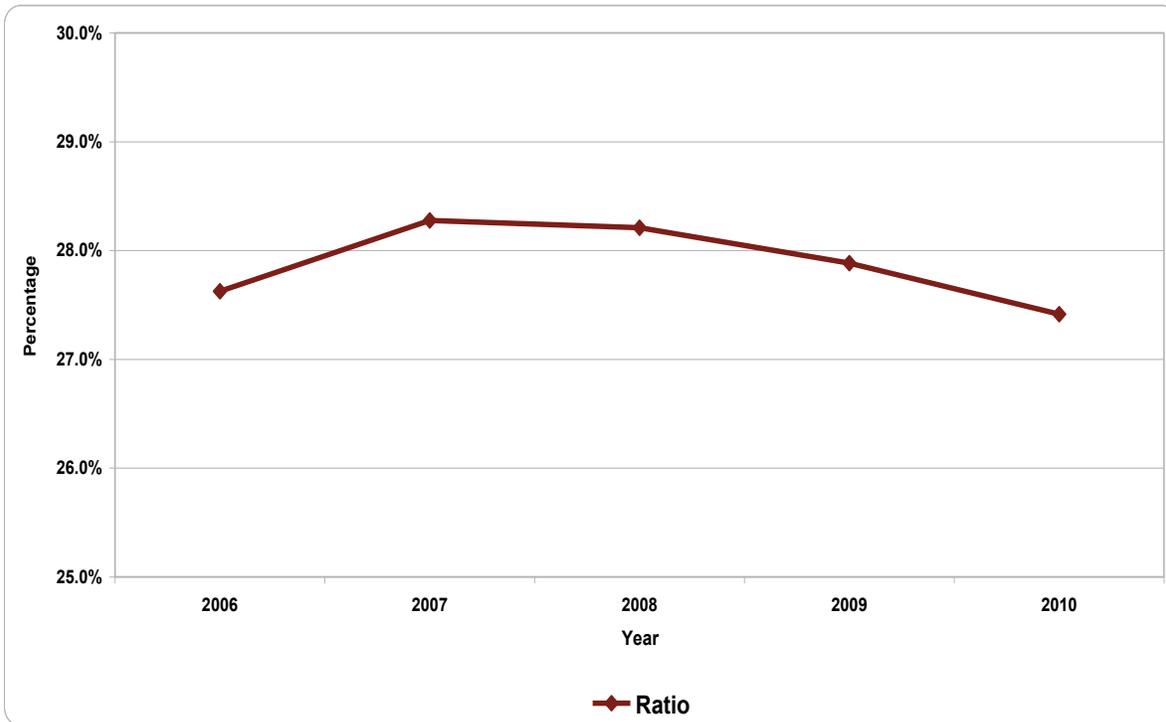
Long-term overlapping bonded debt - CAFR FY09 Table 10, Assessed valuation - CAFR FY09 Table 9

ECONOMIC OUTLOOK

Administrative Costs as a Percentage of Total Operating Expenditures

Administrative Costs were evaluated from specific functions of the

Description	2006	2007	2008	2009	2010
Administrative Costs	\$6,263,650	\$6,609,484	\$7,542,934	\$7,604,763	\$7,996,843
Net Operating Expenses	\$22,674,020	\$23,374,465	\$26,740,073	\$27,272,838	\$29,169,835
Ratio	27.6%	28.3%	28.2%	27.9%	27.4%



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 and have remained fairly stable for the past several fiscal years.

Source

Administrative costs 2005-2009 from 7-140 report, 2000 data from Trial Balance Report of FY2009
 Net Operating Expenses - CAFR FY09 Table 1, CAFR FY09 Schedule 4 (Debt Service excludes CIP debt service pg. 31)

ECONOMIC OUTLOOK

Bond Ratings for Park City

Description	2006	2007	2008	2009	2010
Moody's	Aa2	Aa2	Aa2	Aa2	Aa1
S & P	AA-	AA-	AA	AA	AA
Fitch	AA-	AA-	AA	AA	AA+

Bond Scales

Moody's	S & P	Fitch	Description
Aaa	AAA	AAA	Highest
Aa1	AA+	AA+	Top Quality; "Gilt-Edged" High Grade; Very Strong
Aa2	AA	AA	Top Quality; "Gilt-Edged" High Grade; Very Strong
Aa3	AA-	AA-	Top Quality; "Gilt-Edged" High Grade; Very Strong
A1	A+	A+	Upper Medium Grade; Strong
A2	A	A	Upper Medium Grade; Strong
A3	A-	A-	Upper Medium Grade; Strong
Baa1	BBB+	BBB+	Medium Grade; Adequate
Baa2	BBB	BBB	Medium Grade; Adequate
Baa3	BBB-	BBB-	Medium Grade; Adequate
Ba1	BB+	BB+	Speculative Elements; Major Uncertainties
Ba2	BB	BB	Speculative Elements; Major Uncertainties
Ba3	BB-	BB-	Speculative Elements; Major Uncertainties
B1	B+	B+	Not Desirable; Impaired Ability to Meet Obligations
B2	B	B	Not Desirable; Impaired Ability to Meet Obligations
B3	B-	B-	Not Desirable; Impaired Ability to Meet Obligations
Caa1	CCC+	CCC+	Very Speculative
Caa2	CCC	CCC	Very Speculative
Caa3	CCC-	CCC-	Very Speculative
Ca	CC	CC	Very Speculative
C	C	C	No Interest Being Paid
	D	DDD, DD, D	Default



=

Park City Bond Rating

Analysis

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

Source

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

ECONOMIC OUTLOOK

PARK CITY DEMOGRAPHIC INFORMATION

FY 2010 Census Bureau estimate of permanent population	7,558
Service Population in 2010: <i>(Includes the permanent population, population estimate for secondary homeowners, and average daily visitors)</i>	33,038
City Size:	17.69 square miles
Government Type:	Elected Mayor and five member City Council / Council-Manager form of government (by ordinance)
Incorporation Date:	March 15, 1884
2009 Total Assessed Value:	\$7,355,060,420
2009 Total Taxable Value:	\$6,587,875,403
Property Use Category Breakdown:	
Primary	20.19%
Residential Non Primary	70.23%
Residential Commercial	7.94%
Other	1.63%
Median Household Income:	\$65,800
Median Family Income:	\$77,137
Median Age (2008 Estimation):	32.7
Enrolled School Population (2008):	4,336
Percent of persons 25 years old and over with:	
High School Diploma or Higher:	88.2%
Bachelor Degree or Higher:	51.7%
Annual Average Snowfall:	350"
Elevation Range:	6,500' to 10,000'
2009-10 Season Skier Days (3 area resorts):	1,734,025

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POLICIES & OBJECTIVES

CHAPTER 1 - BUDGET POLICY

PART I - BUDGET ORGANIZATION

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

POLICIES & OBJECTIVES

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

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

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

A. ED Grant Distribution Criteria

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

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

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

B. Economic Development Grant Fund Appropriations

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

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C. ED Grant Categories

ED Grants will be placed in two potential categories:

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

D. Application Process

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

E. Award Process

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

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

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

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

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PART III - VENTURE FUND

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

PART IV - OPERATING CONTINGENCY ACCOUNTS

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

A. Access to Contingency Funds

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

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

2. Enable the City to meet Council directed levels of service despite significant shifts in circumstances unforeseen when the budget was adopted
 - a) These circumstances may include, but are not necessarily limited to, the following:
 - i) A significant increase in the cost of goods or contracted services

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

B. Monitoring

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

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PART V - RECESSION/ REVENUE SHORTFALL PLAN

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

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

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

PART VI – GRANT POLICY

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

A. Application Process

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

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further required to send a copy of the finalized grant application to the Budget Department.

B. Executing a Grant

In the event of a successful grant application, the grantee department must notify the Budget Department immediately to schedule a meeting to discuss the grant administration strategy. All grants require approval by the Budget Manager before grant execution. If a check is sent by the granting entity to the grantee department, that check should be forwarded to the Budget Department and not deposited by the grantee department. It will be the Budget Department's responsibility to assure that all grant money is appropriately accounted for.

The Budget Department will create detailed physical and electronic files that include the following information provided by the grantee department

1. A copy of the grant application
2. The notice of award
3. Copies of invoices and expense documentation
4. Copies of checks received from the granting entity
5. Copies of significant communication (emails, letters, etc) regarding the grant
6. Contact information for the granting entity
7. Contact information for project/program managers

Because many grants have varying regulations, terms, and deadlines, the Budget Department will assume the responsibility to meet those terms and monitoring requirements. The Budget Department will also track remaining balances on reimbursement-style grants. Information such as current balances, important deadlines, etc. will be provided to grantee departments on a regular basis or upon request. This centralized maintenance of grant documents will simplify grant queries and audits.

C. Budgeting for a Grant

Generally, operating and capital budgets will not be increased to account for a grant before the grant is awarded. Any department that receives a grant should fill out a budget option during the regular budget process. The option should be to increase either their operating or capital budget (depending on the grant specifications) for the appropriate year by the amount of the grant. The Budget Department will share the responsibility for seeing that the grant is budgeted correctly.

D. Spending Money against a Grant

When a department is ready to spend grant funds on a particular qualifying expense, they are to send copies of invoices for that expense to the Budget Department within one week of receiving the invoice. If the grant is a reimbursement-style grant, the Budget Department will manage the necessary drawdown requests. The Budget Department will provide departments with a report of the grant balance after each expense and/or drawdown. In the case that a reimbursement check is sent to the grantee department, it should be forwarded to the Budget Department for proper monitoring and accounting.

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E. Closing a Grant

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

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

PART VII – MONTHLY BUDGET MONITORING

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

A. Monitoring

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

B. Reporting

1. Budget Department

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

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- The department created an up-to-date **monthly budget** for each department available on the citywide shared drive. This report requires minimal training by the budget department in order to fully understand it. Basically, it implements the concept of a monthly budget in the current annual budget setup by dividing the year into twelve periods. These periods are allotted a certain amount of budget based on past expenditures for those months—this will account for seasonality of certain departments' budgets. This electronic report assists managers in monitoring and analyzing their own budgets throughout the year.
- The department analyzes and disperses any kind of report requested by departmental managers such as Detail Reports, Custom Reports, etc.

2. **Managers** - Managers review their emails and budget reports offered by the Budget Department. If problems or questions arise it is imperative that managers discuss these issues with the Budget Department and their team in a timely fashion, thereby helping to ease the budget option process at the end of the fiscal year. Where possible, departmental analysts charged with budget responsibilities should have a thorough knowledge of the content of these reports and be able to understand and use them appropriately. The Budget Department will rely on departmental managers and analysts to identify and communicate any report errors or inadequacies.
3. **Teams** - Team members should also look for any problems on budget reports and discuss them with the Budget Department if necessary or with other team members.

C. Analysis

1. **Budget Department** - As far as analysis, the department acts as more of a resource than anything else—helping out managers with specific questions and/or concerns. The Budget Department is always analyzing and breaking down the overall citywide budget, but general analysis of individual departments is the responsibility of the managers. Of course, the Budget Department will lend its resources and expertise for purposes of budget analysis upon the request of the departmental manager.
2. **Managers** - Managers are expected to know the status of their budget at all times as well as understand the primary drivers which may cause shortages. Managers should analyze the data provided by the Budget Department throughout the fiscal year with the help of monthly monitoring, personnel, department-specific, and detail reports to assist them in managing their budgets. Managers set their own budget during the budget season by determining current expenditures (and revenues) and forecasting them for the remaining fiscal year as well as the following one. This process also helps managers to determine budget options at the beginning of the calendar year.
3. **Teams** - Team members assist other managers on budget concerns and share ideas on how to make budgeting more efficient.

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D. Discussion

- 1. Budget Department** - The Budget Department meets with managers on a monthly basis when there are major issues or problems with their budgets upon request. It is expected that the department meets with teams on a quarterly basis to go over budgeting issues within the teams.
- 2. Managers** - Managers will meet with the Budget Department whenever issues arise within their own budgets. Managers will also go over a general overview of their budget with their teams in preparation for the budget season's priority list of options.
- 3. Teams** - Team members may assist other managers with any budget concerns. At quarterly team meetings teams should discuss budget concerns, including possible budget options, the necessity of shared resources, etc.

E. Training

- 1. Budget Department** - The Budget Department will train all managers and selected analysts in the details of the new monthly monitoring program as well as clarify any other general questions regarding the budget and the budget process. The goal here is to make the managers aware of all the tools they need and how to use them. (One hour budget tools training to be offered semi-annually.)
- 2. Managers** - It will be up to the managers to become well-versed on the monthly budgeting program as well as their own budgets.
- 3. Teams** - Team members will become well-versed on the monthly budgeting program and discuss with other managers any questions or problems. To the extent that further training is required, teams should request specific training to be given by the Budget Dept at quarterly meetings.

F. Review

- 1. Budget Department** - There is a performance measure for the Budget Department establishing the goal of coming in within budget for the entire city. A question regarding the Budget Department's usefulness as a budget monitoring resource will be included on the Internal Service Survey, which will directly affect the Budget Officer's performance review.
- 2. Managers** - A new performance measure is included for each department establishing the goal of coming in within budget.

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3. **Teams** - Team members will take part in 360 reviews of managers that includes a section for fiscal responsibility in their job description. This allows team members to consider a manager's fiscal performance in the context of extenuating circumstances.

CHAPTER 2 - REVENUE MANAGEMENT

PART I - GENERAL REVENUE MANAGEMENT

- A. The City will seek to maintain a diversified and stable revenue base to protect it from short-term fluctuations in any one revenue source.
- B. The City will make all current expenditures with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.

PART II - ENTERPRISE FUND FEES AND RATES

- A. The City will set fees and rates at levels that fully cover the total direct and indirect costs, including debt service, of the Water and Golf enterprise programs.
- B. The City will cover all transit program operating costs, including equipment replacement, with resources generated from the transit sales tax, business license fees, fare revenue, federal and state transit funds, and not more than 1/4 of 1 percent of the resort/city sales tax, without any other general fund contribution. Parking operations will be funded through parking related revenues and the remaining portion of the resort/city sales tax not used by the transit operation. The City will take steps to ensure revenues specifically for transit (transit tax and business license) will not be used for parking operations. The administrative charge paid to the general fund will be set to cover the full amount identified by the cost allocation plan.
- C. The City will review and adjust enterprise fees and rate structures as required to ensure they remain appropriate and equitable.

PART III - INVESTMENTS

A. Policy

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

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B. Scope

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

C. Prudence

Investments shall be made with judgment and care under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital and the probable income to be derived.

The standard of prudence to be used by the Treasurer shall be applied in the context of managing an overall portfolio. The Treasurer, acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided derivations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

D. Objective

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

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

E. Delegation of Authority

Investments and cash management will be the responsibility of the City Treasurer or his designee. The City Council grants the City Treasurer authority to manage the City's investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer.

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The Treasurer shall be responsible for all transaction undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

F. Ethics and Conflicts of Interest

The Treasurer is expected to conduct himself in a professional manner and within ethical guidelines as established by City and State laws. The Treasurer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The Treasurer and other employees shall disclose to the City Manager any material financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the PCMC, particularly with regard to the time of purchase and sales.

G. Authorized Financial Dealers and Institutions

Investments shall be made only with certified dealers. "Certified dealer" means: (1) a primary dealer recognized by the Federal Reserve Bank of New York who is certified by the Utah Money Management Council as having met the applicable criteria of council rule; or (2) a broker dealer as defined by Section 51-7-3 of the Utah Money Management Act.

H. Authorized and Suitable Investments

Authorized deposits or investments made by PCMC may be invested only in accordance with the Utah Money Management Act (Section 51-7-11) as follows:

1. The Public Treasurer's Investment Fund (PTIF)
2. Collateralized Repurchase Agreements
3. Reverse Repurchase agreements
4. First Tier Commercial Paper
5. Banker Acceptances
6. Fixed Rate negotiable deposits issued by qualified depositories
7. United States Treasury Bills, notes and bonds

Obligations other than mortgage pools and other mortgage derivative products issued by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer:

1. Federal Farm Credit Banks
2. Federal Home Loan Banks
3. Federal National Mortgage Association
4. Student Loan Marketing Association
5. Federal Home Loan Mortgage Corporation
6. Federal Agriculture Mortgage Corporation
7. Tennessee Valley Authority

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

POLICIES & OBJECTIVES

I. Investment Pools

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

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement process), and how often are the securities priced and the program audited.
4. A description of who may invest in the program, how often and what size deposit and withdrawal.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it except such proceeds.

J. Safekeeping and Custody

All securities shall be conducted on a delivery versus payment basis to the PCMC's bank. The bank custodian shall have custody of all securities purchased and the Treasurer shall hold all evidence of deposits and investments of public funds.

K. Diversification

PCMC will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50 percent of the PCMC's total investment portfolio will be invested in a single security type.

L. Maximum Maturities

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

M. Internal Control

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

N. Performance Standards

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

O. Reporting

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

1. A listing of individual securities held at the end of the reporting period
2. Average life and final maturity of all investments listed
3. Coupon, discount, or earnings rate
4. Par Value, Amortized Book Value and Market Value
5. Percentage of the portfolio represented by each investment category

The City's annual financial audit shall report the City's portfolio in a manner consistent with the Governmental Accounting Standards Board (GASB) market based requirements that go into effect in June of 1997.

P. Investment Policy Adoption

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

PART IV - SALVAGE POLICY

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

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

A. Responsibility for Property Inventory Control

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

B. Disposition of an Asset

Department heads shall identify surplus personal property within the possession of their departments and report such property to the Finance Manager for consideration. The

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department head should clearly identify age, value, comprehensive description, condition and location. The Finance Manager will notify departments sixty (60) days in advance of pending surplus property sales.

C. Conveyance for Value

The transfer of City-owned personal property shall be the responsibility of the Finance Manager. Conveyance of property shall be based upon the highest and best economic return to the City, except that surplus City-owned property may be offered preferentially to units of government, non-profit or public organizations. The highest and best economic return to the city shall be estimated by one or more of the following methods in priority order:

1. Public auction
2. Sealed competitive bids
3. Evaluation by qualified and disinterested consultant
4. Professional publications and valuation services
5. Informal market survey by the Finance Manager in case of items of personal property possessing readily, discernable market value

Sales of City personal property shall be based, whenever possible, upon competitive sealed bids or at public auction. Public auctions may be conducted on-site or through an internet-based auction site at the determination of the Finance Manager. The Finance Manager may, however waive this requirement when the value of the property has been estimated by an alternate method specified as follows:

1. The value of the property is considered negligible in relation to the cost of sale by bid or public auction;
2. Sale by bidding procedure or public auction are deemed unlikely to produce a competitive bid;
3. Circumstances indicate that bidding or sale at public auction will no be in the best interest of the City; or,
4. The value of the property is less than \$50.

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

D. Revenue

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

E. Advertising Sealed Bids

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

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F. Employee Participation

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

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

G. Surplus Property Exclusion

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

H. Compliance

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

PART V - COMPREHENSIVE FINANCIAL MANAGEMENT PLAN

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

A. Scope of Plan

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

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B. Assumptions

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

C. Findings, Conclusions, and Recommendations

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

PART VI - RESERVES

A. General Overview:

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

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

- a. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
 - b. Contingencies for unseen operating or capital needs.
 - c. Cash flow requirements.
2. The Council may designate specific fund balance levels for future development of capital projects that it has determined to be in the best long-term interests of the City.

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3. In addition to the designations noted above, fund balance levels will be sufficient to meet the following:
 - a. Funding requirements for projects approved in prior years that are carried forward into the new year.
 - b. Debt service reserve requirements.
 - c. Reserves for encumbrances
 - d. Other reserves or designations required by contractual obligations or generally accepted accounting principles.
4. In the General Fund, any fund balance in excess of projected balance at year end will be appropriated to the current year budget as necessary. The money will be allocated to building the reserve for capital expenditures, including funding equipment replacement reserves and other capital projects determined to be in the best long-term interest of the City.

B. General Fund:

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

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

C. Capital Improvements Fund

1. The City may, in any budget year, appropriate from estimated revenues or fund balances to a reserve for capital improvements for the purpose of financing future specific capital improvements under a formal long-range capital plan adopted by

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the governing body. Thus the City will establish and maintain an Equipment Replacement Capital Improvement Fund to provide a means for timely replacement of vehicles and equipment. The amount added to this fund, by annual appropriation, will be the amount required to maintain the fund at the approved level after credit for the sale of surplus equipment and interest earned by the fund.

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

D. Enterprise Funds

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

CHAPTER 3 - CAPITAL IMPROVEMENTS

PART I - CAPITAL IMPROVEMENT MANAGEMENT

A. The public Capital Improvement Plan (CIP) will include the following:

1. Public improvements that cost more than \$10,000.
2. Capital purchases of new vehicles or equipment (other than the replacement of existing vehicles or equipment) that cost more than \$10,000.
3. Capital replacement of vehicles or equipment that individually cost more than \$50,000.
4. Any project that is to be funded from building-related impact fees.
5. Alteration, ordinary repair, or maintenance necessary to preserve a public improvement (other than vehicles or equipment) that cost more than \$20,000.

B. The purpose of the CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness, as well as conformance with established policies. The CIP is a five year plan, reflecting a balance between capital replacement projects that repair, replace, or enhance existing facilities, equipment or infrastructure and capital facility projects that significantly expand or add to the City's existing fixed assets.

C. Development impact fees are collected and used to offset certain direct impacts of new construction in Park City. Park City has imposed impact fees since the early 1980s. Following Governor Leavitt's veto of Senate Bill 95, the 1995 State Legislature approved revised legislation to define the use of fees imposed to mitigate the impact of new development. Park City's fees were adjusted to conform to restrictions on their use. The fees were revised again by the legislature in 1997. The City has conducted an impact fee study and CIP reflects the findings of the study. During the budget review process,

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

PART II - CAPITAL FINANCING AND DEBT MANAGEMENT

Capital Financing

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

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- a. When revenues available for debt service are deemed to be sufficient and reliable so that long-term financing can be marketed with investment grade credit ratings.
- b. When the project securing the financing is of the type which will support an investment grade credit rating.
- c. When market conditions present favorable interest rates and demand for City financing.
- d. When a project is mandated by state or federal requirements and current revenues and available fund balances are insufficient.
- e. When the project is immediately required to meet or relieve capacity needs.
- f. When the life of the project or asset financed is 10 years or longer.

PART III - ASSET MANAGEMENT POLICY

A. Purpose

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

Goals of the Program:

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

B. Management

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

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

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disputes involving this policy, requests for funding, or the Asset Management Plan in general.

C. Accessing Funds

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

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

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

PART IV - NEIGHBOURHOOD CIP REQUESTS POLICY

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

A. Submission of petition to the Executive Office

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

B. Initial Internal Review

1. Identify staff project manager.
2. Present petition to Traffic Calming & Neighborhood Assessment Committee. Meeting called within one month of petition being submitted.
3. Define and verify appropriate, basic levels of service are being provided. If they are not, provide:
 - a. Health, safety, welfare
 - b. Staff's available resources and relative workload

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- c. Minimum budget thresholds not exceeded (below \$20k pre-budgeted – no council approval needed)
4. Define enhanced levels of service that are requested. Are these consistent with Council goals and priorities? If so, continue to step # 3.

C. Initial Communication to Council (Managers Report)

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

D. Comprehensive Internal Review

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

E. Initiate Public Forum (Applicant & Staff partnership)

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

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

1. Receive authorization for technical review - using “outside” consultants if necessary
2. Identify prioritized project wish list (unfunded)

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3. Identify funding source for each item; or move to CIP committee review as “yet to be funded project” for prioritization comparison
4. Council decision whether or not to include in budget
5. Spring of each year, consistent with budget policies of reviewing all new requests at once.

CHAPTER 4 - INTERNAL SERVICE POLICY

PART I - HUMAN RESOURCE MANAGEMENT

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

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- 4.** Periodically, and prior to any request for additional regular positions, programs will be evaluated to determine if they can be accomplished with fewer regular employees.

- F.** Part-time Non-Benefited and Seasonal employees will include all employees other than regular employees, elected officials, and volunteers. Part-time Non-Benefited and Seasonal employees will augment regular City staffing only as extra-help employees. The City will encourage the use of Part-time Non-Benefited and Seasonal employees to meet peak workload requirements, fill interim vacancies, and accomplish tasks where less than regular, year-round staffing is required.

- G.** Contract employees will be defined as temporary employees with written contracts and may receive approved benefits depending on hourly requirements and length of contract. Generally, contract employees will be used for medium-term projects (generally between six months and two years), programs, or activities requiring specialized or augmented levels of staffing for a specific period of time. Contract employees will occasionally be used to staff programs with unusual operational characteristics or certification requirements, such as the golf program. The services of contract employees will be discontinued upon completion of the assigned project, program, or activity. Accordingly, contract employees will not be used for services that are anticipated to be delivered on an ongoing basis except as described above.

- H.** The hiring of Seasonal employees will not be used as an incremental method for expanding the City's regular work force.

- I.** Independent contractors will not be considered City employees. Independent contractors may be used in the following two situations:
 - 1.** Short-term, peak work load assignments to be accomplished through the use of personnel contracted through an outside temporary employment agency (OEA). In this situation, it is anticipated that the work of OEA employees will be closely monitored by City staff and minimal training will be required; however, they will always be considered the employees of the OEA, and not the City. All placements through an OEA will be coordinated through the Human Resources Department and subject to the approval of the Human Resources Manager.
 - 2.** Construction of public works projects and the provision of operating, maintenance, or specialized professional services not routinely performed by City employees. Such services will be provided without close supervision by City staff, and the required methods, skills, and equipment will generally be determined and provided by the contractor.

PART II - PROGRAM AND RESOURCE ANALYSIS

(Note – The Program and Resource Analysis was completed in FY 2002. The following information constitutes the final report and includes all of the major

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recommendations. It is included in the Policies and Objectives as a guide for future decisions.)

The City Council has financial planning as a top priority. This goal includes “identifying and resolving financial problems before, rather than after, they occur.” During the FY2001 budget process, Council directed staff to conduct a citywide analysis of the services and programs the City offers. The purpose of the Program and Resource Analysis is to provide a basis for understanding and implementing long-term financial planning for Park City Municipal Corporation (PCMC). The study has and will continue to inform the community of the fiscal issues facing the City and to provide Council and the community with tools to help make critical policy decisions for Park City’s future.

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

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

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

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

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

Resort Economy and General Plan Element (A)

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

Program Service Levels and Expenditures (B)

This group assessed the services, programs, and departments to analyze citywide increases in costs as they relate to the growth in the economy. It identified the services provided by Park City. After the analysis, the group was able to provide City Council with information regarding the level and scope of services provided by the City in the past and present, so as to change

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future expenditure patterns to better meet the needs of the City. (This particular analysis was instrumental in the development of Park City's current Performance Measurement program.)

Revenues and Assets (C)

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

Capital Improvement Program (CIP) (D)

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

Intergovernmental Programs (E)

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

Non-Departmental/Interfund (F)

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

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

A. Resort Economy and General Plan Element

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

Tourist-related revenues already outpace tourist-related expenditures in Park City, even without increasing tourist revenue streams. Our analysis indicates that visitors generate roughly 71 percent of all general fund revenues (not including interfund transactions), while roughly 40 percent of general fund expenditures are attributable to tourists. Therefore, based on information provided by the Utah League of Cities and Towns, Park City currently expends roughly \$3,561 for

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each existing full-time resident for selected services. Seventy one percent of this revenue, or \$2,528 per capita, is attributable to tourists, while forty percent, or \$1,424 goes to tourist-related costs, leaving a net gain of \$1,104 per capita that pays for activities that are not tourist-related. This benefit is seen in such areas as road maintenance, snow removal, libraries, technology and telecommunications, community and economic development, police services and golf and recreation programs. With an estimated population of 8,500 persons, Park City receives a direct net benefit of nearly \$9 million from tourism.

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

B. Program Service Levels and Expenditures

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

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C. Revenues and Assets

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

D. Capital Improvement Program

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

E. Intergovernmental Programs

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

F. Non-Departmental/Interfund

1. Employee Compensation Plan: Staff recommends Council adopt the pay plan as presented in this budget.

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

G. Recreation Analysis

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

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H. Miscellaneous Analysis

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

PART III - COST ALLOCATION PLAN

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

Anticipated future actions include the following:

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

CHAPTER 5 - CONTRACTS & PURCHASING POLICY

PART I - PUBLIC SERVICE CONTRACTS (AMENDED JUNE 2004)

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

A. Public Service Fund Distribution Criteria

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

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

B. Total Public Service Fund Appropriations

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

C. Fund Categories and Percentage Allocations

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

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

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

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

D. Special Service Contracts

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

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

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Each special service provider will have a special service contract with a term of two years. Half of the total contract amount will be available each year. Eighty percent of each annual appropriation will be available at the beginning of the fiscal year, with the remaining 20 percent to be distributed upon demonstration through measures (quality and quantity) that the program has provided public services meeting its goals as delineated in the public service contract. The disbursement of all appropriations will be contingent upon council approval. Special service providers will be required to submit current budgets and evidence of contract compliance (as determined by the contract) by March 31 of the first contract year.

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

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

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

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

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

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

E. Rent Contribution

A portion of the Special Service Contract funds will be used as a rent contribution for organizations occupying City-owned property and providing services consistent with

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criterion 1-4 pursuant to the needs and goals of the City. To the extent possible, individual rent contributions will be delineated in the budget. Rent contributions will usually be memorialized by a lease agreement with a term of five years or less, unless otherwise approved by City Council.

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

F. Historic Preservation

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

G. Exceptions

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

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

Nothing in this policy shall create a binding contract or obligation of the City. Individual Service Contracts may vary from contract to contract at the discretion of the City Council. Any award of a service contract is valid only for the term specified therein and shall not constitute a promise of future award. The City Council reserves the right to reject any and all proposals, and to waive any technical deficiency at its sole discretion. Members of the City Council, the Service Contract Sub-Committee, and any Advisory Board, Commission or special committee with the power to make recommendations regarding Public Service Contracts are ineligible to apply for such Public Service Contracts, including historic preservation funds. City Departments are also ineligible to apply for Public Service Contracts. The ineligibility of Advisory Board, Commission and special committee members shall only apply to the category of Public Service Contracts that such advisory Board, Commission and special committee provides recommendations

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to the City Council. All submittals shall be public records in accordance with government records regulations (“GRAMA”) unless otherwise designated by the applicant pursuant to UCA Section 63-2-308, as amended.

PART II - CONTRACTING AND PURCHASING POLICY

A. Purpose

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

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

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

B. Definitions

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

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

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

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

Local Business: a business having:

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

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

Manager: City Manager or designee.

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

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

C. General Policy

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

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- 10.** All contracts for services shall be approved as to form by the city attorney.
- 11.** The following items require City Council approval unless otherwise exempted in these following rules:
 - a.** All contracts (as defined) over \$25,000
 - b.** All contracts and purchases awarded through the formal bidding process.
 - c.** Any item over \$15,000 that is not anticipated in the current budget.
 - d.** Accumulated "Change Orders" which would overall increase a previously approved contract by:
 - i.** the lesser of 20% or \$25,000 for contracts of \$250,000 or less
 - ii.** more than 10% for contracts over \$250,000.
- 12.** Acquisition of the following Items must be awarded through the formal bidding process:
 - a.** All contracts for building improvements over the amount specified by state code, specifically:
 - i.** for the year 2003, \$40,000
 - ii.** for each year after 2003, the amount of the bid limit for the previous year, plus an amount calculated by multiplying the amount of the bid limit for the previous year by the lesser of 3% or the actual percent change in the CPI during the previous calendar year. (see Park City's Best Practices in Procurement for updated thresholds)
 - b.** All contracts for public works projects over the amount specified by state code, specifically:
 - i.** for the year 2003, \$125,000
 - ii.** for each year after 2003, the amount of the bid limit for the previous year, plus an amount calculated by multiplying the amount of the bid limit for the previous year by the lesser of 3% or the actual percent change in the CPI during the previous calendar year. (see Park City's Best Practices in Procurement for updated thresholds)
 - c.** Contracts for grading, clearing, demolition or construction in excess of \$2,500 undertaken by the Community Redevelopment Agency.
- 13.** The following items require a cost benefit analysis where there is a quantifiable return on investment as defined by the Budget, Debt, and Grants Department before approved:
 - a.** All contracts, projects and purchases over \$25,000
 - b.** All contracts and purchases awarded through the formal bidding process.
 - c.** Any item over \$15,000 that is not anticipated in the current budget process.
- 14.** City Employees or anyone acting on behalf of the City may not receive or accept any gift or loan if the gift or loan could influence a reasonable person in the discharge of the person's official duties including but not limited to the granting of City contracts. This prohibition does not apply to any occasional non-pecuniary (non-cash equivalent) gifts with a value less than \$50.0. Employees must abide by PCMC 3-1-4.

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D. Exceptions

Certain contracts for goods and services shall be exempt from bidding provisions. The manager shall determine whether or not a particular contract or purchase is exempt as set forth herein.

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

E. General Rules

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

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3. **Contracts for Professional Services** are usually contracts for services performed by an independent contractor, in a professional capacity, who produces a service predominately of an intangible nature. These include, but are not limited to, the services of an attorney, physician, engineer, accountant, architectural consultant, dentist, artist, appraiser or photographer. Professional service contracts are exempt from competitive bidding. All reasonable attempts shall be made to obtain at least three written quotations on all contracts exceeding \$15,000 and to notify via the City website any local businesses that, in the normal course of business, provide the service required by the City. A written record of the source and the amount of the quotations must be kept.

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

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

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

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

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

F. Formal or Competitive Bidding Provisions

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

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All advertisements for bids shall state the following:

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

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

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CHAPTER 6 - OTHER POLICY

PART I - DEBT MANAGEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

- (3) The Finance Manager shall undertake with respect to each outstanding issue of tax-exempt governmental bonds of the City an annual review of the books and records maintained by the City with respect to such bonds.

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

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

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

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

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

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

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

A. Goals

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

B. Objectives

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

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C. Fundamental Principals

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

D. Communication Protocols

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

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

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

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E. Eligibility

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

F. Funding Alternatives

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

G. Procedures

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

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

Phase II:

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

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

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

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Criteria	Points	Basis Point Assignment
Speed data (48 hour)	30	Extent by which the 85 th percentile traffic speed exceeds the posted speed limit (2 points per 1 mph)
Volume data (48 hour)	25	Average daily traffic volumes (1 point per 100 vehicles, minimum of 500 vpd)
Accident data (12 month)	20	Accidents caused by speeding (8 points per accident)
Proximity to schools or other active public venues	5	Points assigned if within 300 feet of a school or other active public venue
Pedestrian crossing, bicycle routes, & proximity of pedestrian generators	5	Points assigned based on retail, commercial, and other pedestrian generators.
Driveway spacing	5	For the study area, if large spaces occur between driveways, 5 points will be awarded. If more than three driveways fall within a 100 foot section of the study area, no points will be provided.
No sidewalks	10	Total points assigned if there is no continuous sidewalk on either side of the road.
Funding Availability	50	50 points assigned if the project is in the CIP or 100% funding by the neighborhood. Partial funding of 50% or more by the neighborhood 25 points, partial funding of 10 to 50% by the neighborhood 10 points.
Years on the list	25	5 points for each year
Total Points Possible	175	maximum points available

4. **Phase II Implementation Recommendation:** The Traffic Calming Project Review Committee proposes Phase II traffic calming implementation actions and defines a project budget.
5. **Phase II Consensus Meeting:** A neighborhood meeting is held to present a Phase II implementation proposal including project budget, possible time frame, discuss temporary installation, etc. The estimated time frame is one to three years depending on funding availability.
6. **Phase II Petition:** Residents and businesses in neighborhood boundary are mailed/or hand delivered a petition by the City identifying Phase II actions, cost, and explanation of implications of vote. Petition provides ability to vote yes, no,

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

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

H. Traffic Management Devices (Definitions)

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

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the level of services outlined in the special event contract and will remain in the budget only for the term of the contract.

C. Year to Year or One Time Events

For those events for which long term agreements do not exist the costs for providing services shall be estimated and included within Council's or the City Manager's review of the application. If through the approval process fees are waived these calculations will then serve as the justification for a one-time budget adjustment during the next budget process.

D. Funding Mechanisms for Special Event Budget Increases

The City uses a three tiered approach to fund special event services. Those three tiers are:

1. Special Event Fees
2. Economic Benefit Offset
3. Other General Fund Resources

E. Special Event Fees

Pre-approved fees will be set to recoup the incremental cost of providing the City services detailed in an event Master Festival or Special Event application. If an event requests and receives approval for a waiver of any or all fees, the City will first look to an Economic Benefit Offset to provide funding in lieu of the waived fees.

F. Economic Benefit Offset (EBO):

The economic benefit offset (EBO) of a given event can only be calculated for those events which are known to have a significant impact on sales tax collections and have at least one year of history to analyze. The EBO of an event is calculated using historic sales tax collection data to measure incremental sales tax growth attributable to that event. In the past Council has indicated a willingness to waive fees for up to half the incremental sales tax gained from major special events. The SEBC recommends that Council formally adopt this 50 percent waiver limit. If the Economic Benefit Offset is inadequate (on a fund specific basis) to offset waived fees, the City will then look to other General Fund sources to provide funding in lieu of waived fees.

G. Other General Fund Resources

When the economic benefit of a special event (on a fund specific basis) cannot be calculated or is inadequate to offset the amount of waived fees, the SEBC recommends the City identify other general fund sources to offset any waived fees. Staff will communicate available sources to Council or the City Manager when presenting Master Festival or Special Event applications that contain a fee waiver request.

FUND STRUCTURE

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

General Fund

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

Enterprise Funds

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

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

Debt Service Funds

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

Park City General Long-Term Debt Service Fund

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

Sales Tax Revenue Debt Service Fund

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

Redevelopment Agency Debt Service Fund

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

SUPPLEMENTAL

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.

THE PARK CITY PAY PLAN

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

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

Two employee committees are formed to review the benchmark data and make recommendations for reclassification to the City Manager. The Technical Committee compares job descriptions with benchmarks and forms a preliminary recommendation for reclassification based on market data. For positions with no benchmarks (internal equity positions), the Technical Committee will interview managers to determine their scope of responsibility and then forward its recommendations and internal equity interviews to the City Manager's Pay Plan Committee.

SUPPLEMENTAL

The Pay Plan Committee has three major responsibilities:

1. Determine where internal equity positions should fit in the Pay Plan,
2. Review the recommendations of the Technical Committee, and
3. Review existing Special Employment Agreements (contracts) to ensure proper classification and compliance with the City's administrative policies.

As the City's Pay Plan philosophy develops, it is critical that the City's compensation and reclassification policies are monitored and adjusted as appropriate. Of particular concern is how an employee moves to working level, eligibility for a performance bonus, and professional development within families of positions.

PAY PLAN PROCESS

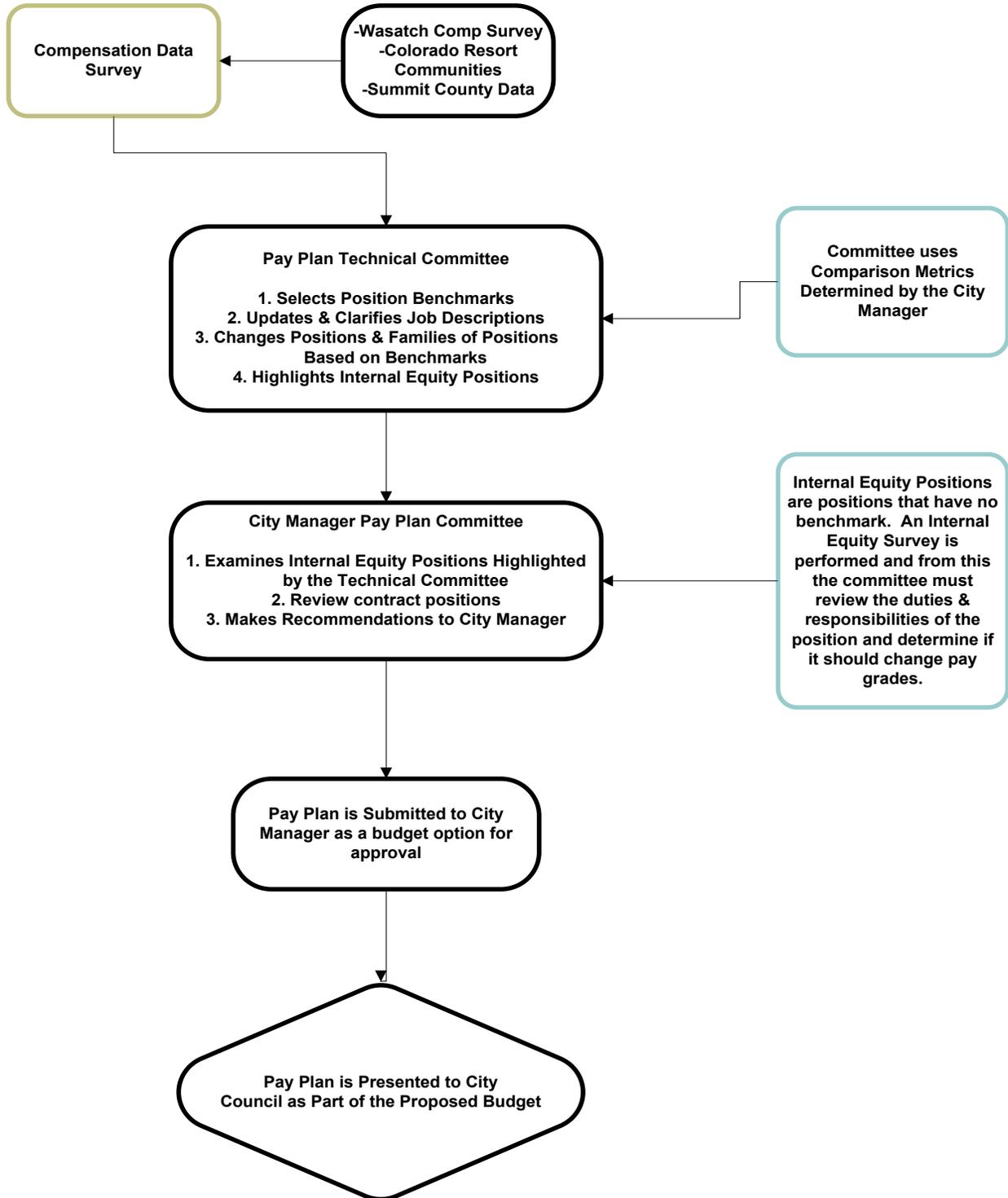


Table S7 – The City’s Pay Plan

SUPPLEMENTAL

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

Park City Pay Plan - FY 2011/FY 2012

Grade	Exempt				Non-Exempt				Part-Time Non-Benefitted	
	Minimum	Hiring Maximum	Working Level	Maximum	Min	Max	Level	Max	Min	Max
1	\$22,531	\$29,853	\$31,543	\$33,796	\$7.25	\$8.71	\$9.05	\$9.50	\$7.25	\$9.50
2	\$26,571	\$35,207	\$37,200	\$39,857	\$7.25	\$9.40	\$9.89	\$10.55	\$7.25	\$10.55
3	\$29,515	\$39,108	\$41,321	\$44,273	\$7.77	\$10.29	\$10.87	\$11.65	\$7.77	\$11.65
4	\$33,454	\$44,327	\$46,836	\$50,181	\$8.64	\$11.45	\$12.10	\$12.96	\$8.64	\$12.96
5	\$37,538	\$49,738	\$52,553	\$56,307	\$9.53	\$12.63	\$13.35	\$14.30	\$9.53	\$14.30
6	\$43,003	\$56,979	\$60,205	\$64,505	\$10.41	\$13.80	\$14.58	\$15.62	\$10.41	\$15.62
7	\$48,552	\$64,331	\$67,973	\$72,828	\$11.41	\$15.11	\$15.97	\$17.11	\$11.41	\$17.11
8	\$55,147	\$73,069	\$77,205	\$82,720	\$13.03	\$17.26	\$18.24	\$19.54	\$13.03	\$19.54
9	\$60,617	\$80,317	\$84,863	\$90,925	\$15.41	\$20.42	\$21.58	\$23.12	\$15.41	\$23.12
10	\$65,795	\$87,178	\$92,113	\$98,692	\$17.39	\$23.04	\$24.34	\$26.08	\$17.39	\$26.08
11	\$70,747	\$93,740	\$99,046	\$106,121	\$19.81	\$26.24	\$27.73	\$29.71	\$19.81	\$29.71
12	\$76,296	\$101,092	\$106,814	\$114,444	\$20.74	\$27.48	\$29.04	\$31.11	\$20.74	\$30.00
13	\$81,184	\$107,569	\$113,658	\$121,776						
Mayor				\$26,367*						
City Council				\$36,888*						
City Manager	\$94,277	\$124,917	\$131,987	\$141,415						
City Attorney	\$90,817	\$120,332	\$127,143	\$136,225						

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

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Staffing Summary by Fund

Class Code:	Position Name:	Grade:	Wage Level				<u>2011 FTEs</u>	<u>2012 FTEs</u>	<u>2013 FTEs</u>
			Minimum	Hiring Max	Working Level	Maximum			
011	General Fund								
	Full-Time Regular								
1190	City Manager	A02	\$94,277	\$124,917	\$131,987	\$141,415	1.00	1.00	1.00
1290	City Attorney	A01	\$90,817	\$120,332	\$127,143	\$136,225	1.00	1.00	1.00
1280	Deputy City Attorney	E13	\$81,184	\$107,569	\$113,658	\$121,776	1.00	1.00	1.00
1590	Finance Manager	E12	\$76,296	\$101,092	\$106,814	\$114,444	1.00	1.00	1.00
2190	Chief of Police	E12	\$76,296	\$101,092	\$106,814	\$114,444	1.00	1.00	1.00
1180	Assistant City Manager	E11	\$70,747	\$93,740	\$99,046	\$106,121	1.00	1.00	1.00
1390	Human Resources Manager	E11	\$70,747	\$93,740	\$99,046	\$106,121	1.00	1.00	1.00
1690	IT & Customer Service Director	E11	\$70,747	\$93,740	\$99,046	\$106,121	1.00	1.00	1.00
3490	City Engineer	E11	\$70,747	\$93,740	\$99,046	\$106,121	1.00	1.00	1.00
1792	Environmental Affairs Director	E10	\$65,795	\$87,178	\$92,113	\$98,692	1.00	1.00	1.00
3390	Public & Community Affairs Director	E10	\$65,795	\$87,178	\$92,113	\$98,692	1.00	1.00	1.00
1250	Attorney V	E09	\$60,617	\$80,317	\$84,863	\$90,925	1.00	1.00	1.00
1970	Budget Officer	E09	\$60,617	\$80,317	\$84,863	\$90,925	1.00	1.00	1.00
2080	Special Projects & Economic Development Coordinator	E09	\$60,617	\$80,317	\$84,863	\$90,925	1.00	1.00	1.00
2180	Police Captain	E09	\$60,617	\$80,317	\$84,863	\$90,925	2.00	2.00	2.00
3080	Chief Building Official	E09	\$60,617	\$80,317	\$84,863	\$90,925	1.00	1.00	1.00
3290	Planning Director	E09	\$60,617	\$80,317	\$84,863	\$90,925	1.00	1.00	1.00
4150	PW Operations Manager	E09	\$60,617	\$80,317	\$84,863	\$90,925	1.00	1.00	1.00
5490	Library Director	E09	\$60,617	\$80,317	\$84,863	\$90,925	1.00	1.00	1.00
1670	Network Engineer	E08	\$55,147	\$73,069	\$77,205	\$82,720	1.00	1.00	1.00
3230	Planner Architect	E08	\$55,147	\$73,069	\$77,205	\$82,720	1.00	1.00	1.00

Staffing Summary by Fund

Class Code:	Position Name:	Grade:	Wage Level				2011 FTEs	2012 FTEs	2013 FTEs
			Minimum	Hiring Max	Working Level	Maximum			
5790	Recreation Manager	E08	\$55,147	\$73,069	\$77,205	\$82,720	1.00	1.00	1.00
1240	Attorney IV	E07	\$48,552	\$64,331	\$67,973	\$72,828	1.00	1.00	1.00
1580	Accounting Manager	E07	\$48,552	\$64,331	\$67,973	\$72,828	1.00	1.00	1.00
1660	GIS Administrator	E07	\$48,552	\$64,331	\$67,973	\$72,828	0.50	0.50	0.50
2030	Environmental Engineer	E07	\$48,552	\$64,331	\$67,973	\$72,828		0.80	0.80
3072	Environmental Coordinator	E07	\$48,552	\$64,331	\$67,973	\$72,828	1.00		
3078	Assistant Building Official	E07	\$48,552	\$64,331	\$67,973	\$72,828	1.00	1.00	1.00
3224	Senior Planner	E07	\$48,552	\$64,331	\$67,973	\$72,828	2.00	2.00	2.00
5690	Golf Manager	E07	\$48,552	\$64,331	\$67,973	\$72,828	0.30	0.50	0.50
1370	Human Resources Coordinator	E06	\$43,003	\$56,979	\$60,205	\$64,505	1.00	1.00	1.00
1680	Systems Administrator	E06	\$43,003	\$56,979	\$60,205	\$64,505	1.00	1.00	1.00
2010	Sustainability Affordable Housing/Project Manager	E06	\$43,003	\$56,979	\$60,205	\$64,505		1.00	1.00
2070	Parks Planner/Project Manager	E06	\$43,003	\$56,979	\$60,205	\$64,505	1.00	1.00	1.00
3024	Building Inspector Supervisor	E06	\$43,003	\$56,979	\$60,205	\$64,505	1.00	1.00	1.00
3050	Plan Check Coordinator	E06	\$43,003	\$56,979	\$60,205	\$64,505	1.00	1.00	1.00
3222	Planner II	E06	\$43,003	\$56,979	\$60,205	\$64,505	1.00	1.00	1.00
4490	Streets & Streetscape Supervisor	E06	\$43,003	\$56,979	\$60,205	\$64,505	1.00	1.00	1.00
5590	Parks & Golf Supervisor	E06	\$43,003	\$56,979	\$60,205	\$64,505	0.50	0.50	0.50
1652	IT Coordinator III	E05	\$37,538	\$49,738	\$52,553	\$56,307	2.00	2.00	2.00
1890	Building Maintenance Supervisor	E05	\$37,538	\$49,738	\$52,553	\$56,307	1.00	1.00	1.00
2000	Sustainability Environmental/Project Manager	E05	\$37,538	\$49,738	\$52,553	\$56,307		1.00	1.00
2020	Sustainability Trails/Project Manager	E05	\$37,538	\$49,738	\$52,553	\$56,307		1.00	1.00

Staffing Summary by Fund

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Class Code:	Position Name:	Grade:	Wage Level				2011 FTEs	2012 FTEs	2013 FTEs
			Minimum	Hiring Max	Working Level	Maximum			
2220	Dispatch Coordinator	E05	\$37,538	\$49,738	\$52,553	\$56,307	1.00	1.00	1.00
5480	Senior Librarian	E05	\$37,538	\$49,738	\$52,553	\$56,307	2.00	2.00	2.00
5782	Recreation Supervisor	E05	\$37,538	\$49,738	\$52,553	\$56,307	3.00	3.00	3.00
1648	IT Coordinator I	E03	\$29,515	\$39,108	\$41,321	\$44,273	1.00	1.00	1.00
2160	Sergeant	N12	\$43,139	\$57,158	\$60,403	\$64,713	6.00	6.00	6.00
3022	Senior Building Inspector	N11	\$41,205	\$54,579	\$57,678	\$61,805	4.80	5.00	5.00
7738	Analyst V	N11	\$41,205	\$54,579	\$57,678	\$61,805	1.00	1.00	1.00
2142	Senior Police Officer	N10	\$36,171	\$47,923	\$50,627	\$54,252	17.00	17.00	17.00
2144	Detective	N10	\$36,171	\$47,923	\$50,627	\$54,252	1.00	1.00	1.00
4120	Public Works Inspector	N10	\$36,171	\$47,923	\$50,627	\$54,252	1.00	0.75	0.75
7736	Analyst IV	N10	\$36,171	\$47,923	\$50,627	\$54,252	1.00	1.00	1.00
1112	Senior Recorder/Elections	N09	\$32,053	\$42,474	\$44,886	\$48,085	1.50	1.00	1.00
1202	Paralegal	N09	\$32,053	\$42,474	\$44,886	\$48,085	2.00	2.00	2.00
1530	Payroll Coordinator	N09	\$32,053	\$42,474	\$44,886	\$48,085	1.00	1.00	1.00
1750	Events Coordinator	N09	\$32,053	\$42,474	\$44,886	\$48,085	1.00	1.00	1.00
2140	Police Officer	N09	\$32,053	\$42,474	\$44,886	\$48,085	4.00	4.00	4.00
3012	Sr. Code Enforcement Officer	N09	\$32,053	\$42,474	\$44,886	\$48,085	1.00	1.00	1.00
4416	Streets IV	N09	\$32,053	\$42,474	\$44,886	\$48,085	2.00	2.00	2.00
5430	Cataloguing Librarian	N09	\$32,053	\$42,474	\$44,886	\$48,085	1.00	1.00	1.00
7734	Analyst III	N09	\$32,053	\$42,474	\$44,886	\$48,085	1.00	2.00	2.00
1110	City Recorder	N08	\$27,102	\$35,901	\$37,939	\$40,641	1.00	1.00	1.00
1330	Benefits Technician	N08	\$27,102	\$35,901	\$37,939	\$40,641	1.00	1.00	1.00
1630	City Records Coordinator	N08	\$27,102	\$35,901	\$37,939	\$40,641	1.00	1.00	1.00

Staffing Summary by Fund

Class Code:	Position Name:	Grade:	Wage Level				<u>2011 FTEs</u>	<u>2012 FTEs</u>	<u>2013 FTEs</u>
			<u>Minimum</u>	<u>Hiring Max</u>	<u>Working Level</u>	<u>Maximum</u>			
2206	Police Records Coordinator	N08	\$27,102	\$35,901	\$37,939	\$40,641	1.00	1.00	1.00
3010	Code Enforcement Officer	N08	\$27,102	\$35,901	\$37,939	\$40,641	1.00	1.00	1.00
3060	Planning Technician	N08	\$27,102	\$35,901	\$37,939	\$40,641		1.00	1.00
5516	Parks IV	N08	\$27,102	\$35,901	\$37,939	\$40,641	4.50	4.50	4.50
7732	Analyst II	N08	\$27,102	\$35,901	\$37,939	\$40,641	4.44	5.44	5.44
1514	Accounting Clerk III	N07	\$23,733	\$31,429	\$33,218	\$35,598	1.00	1.00	1.00
1824	Building III	N07	\$23,733	\$31,429	\$33,218	\$35,598	4.00	4.00	4.00
2210	Dispatcher	N07	\$23,733	\$31,429	\$33,218	\$35,598	7.00	7.00	7.00
4414	Streets III	N07	\$23,733	\$31,429	\$33,218	\$35,598	6.00	6.50	6.50
5422	Circulation Team Leader	N07	\$23,733	\$31,429	\$33,218	\$35,598	2.00	2.00	2.00
5766	Front Desk Coordinator	N07	\$23,733	\$31,429	\$33,218	\$35,598	1.00	1.00	1.00
7730	Analyst I	N07	\$23,733	\$31,429	\$33,218	\$35,598	6.00	3.00	3.00
2204	Records Clerk	N06	\$21,653	\$28,704	\$30,326	\$32,482	1.00	1.00	1.00
5514	Parks III	N06	\$21,653	\$28,704	\$30,326	\$32,482	1.00	0.50	0.50
5763	Front Desk Team Leader	N06	\$21,653	\$28,704	\$30,326	\$32,482	2.00	2.00	2.00
7724	Office Assistant III	N06	\$21,653	\$28,704	\$30,326	\$32,482	0.50	0.50	0.50
7722	Office Assistant II	N05	\$19,822	\$26,270	\$27,768	\$29,734	2.00	2.00	2.00
1822	Building II	N04	\$17,971	\$23,816	\$25,168	\$26,964	1.00	1.00	1.00
<u>Part-Time Non-Benefitted/Seasonal</u>									
5110	Tennis Pro	T12	\$43,139	N/A	N/A	\$62,400	2.50	2.50	2.50
5754	Recreation Instructor VII	T12	\$43,139	N/A	N/A	\$62,400	4.27	4.27	4.27
2124	Special Events Police Officer	T10	\$36,171	N/A	N/A	\$54,252	0.50	0.52	0.52
5752	Recreation Instructor VI	T09	\$32,053	N/A	N/A	\$48,085	0.15	0.18	0.20

Staffing Summary by Fund

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Class Code:	Position Name:	Grade:	Wage Level				<u>2011 FTEs</u>	<u>2012 FTEs</u>	<u>2013 FTEs</u>
			<u>Minimum</u>	<u>Hiring Max</u>	<u>Working Level</u>	<u>Maximum</u>			
1514	Accounting Clerk III	T07	\$23,733	N/A	N/A	\$35,598	0.75	0.75	0.75
4414	Streets III	T07	\$23,733	N/A	N/A	\$35,598	7.33	7.33	7.33
2122	Reserve Police Officer	T06	\$21,653	N/A	N/A	\$32,482	2.93	2.93	2.93
5414	Library Assistant	T06	\$21,653	N/A	N/A	\$32,482	1.00	1.14	1.14
5416	Senior Library Assistant	T06	\$21,653	N/A	N/A	\$32,482	0.25	0.25	0.25
5514	Parks III	T06	\$21,653	N/A	N/A	\$32,482	1.10	2.64	2.64
5730	Recreation Worker VI	T06	\$21,653	N/A	N/A	\$32,482	0.16	0.16	0.16
7724	Office Assistant III	T06	\$21,653	N/A	N/A	\$32,482	0.25	0.25	0.25
2110	Crossing Guard	T05	\$19,822	N/A	N/A	\$29,734	1.00		
4412	Streets II	T05	\$19,822	N/A	N/A	\$29,734	1.15	1.15	1.15
5512	Parks II	T05	\$19,822	N/A	N/A	\$29,734	5.40	5.40	5.40
5728	Recreation Worker V	T05	\$19,822	N/A	N/A	\$29,734	1.93	1.89	1.89
5748	Recreation Instructor IV	T05	\$19,822	N/A	N/A	\$29,734	0.98	0.98	0.98
5412	Library Clerk	T04	\$17,971	N/A	N/A	\$26,964	1.25	1.89	1.89
5726	Recreation Worker IV	T04	\$17,971	N/A	N/A	\$26,964	1.43	2.43	2.87
5760	Recreation Front Desk Clerk	T04	\$17,971	N/A	N/A	\$26,964	3.84	3.84	3.84
5724	Recreation Worker III	T03	\$16,162	N/A	N/A	\$24,237	0.88	0.54	0.54
5744	Recreation Instructor II	T03	\$16,162	N/A	N/A	\$24,237	0.85	0.85	0.85
8844	General Office Clerk III	T03	\$16,162	N/A	N/A	\$24,237	0.75	0.75	0.75
8852	Intern II	T03	\$16,162	N/A	N/A	\$24,237	2.30	2.30	2.30
1810	Assistant Custodian I	T02	\$15,080	N/A	N/A	\$21,943	0.33	0.33	0.33
5510	Parks I	T02	\$15,080	N/A	N/A	\$21,943	2.29	2.29	2.29
5714	Official/Referee II	T02	\$15,080	N/A	N/A	\$21,943	1.00	1.00	1.00

Staffing Summary by Fund

Class Code:	Position Name:	Grade:	Wage Level				2011 FTEs	2012 FTEs	2013 FTEs
			Minimum	Hiring Max	Working Level	Maximum			
5742	Recreation Instructor I	T02	\$15,080	N/A	N/A	\$21,943	2.80	2.80	2.80
8850	Intern I	T02	\$15,080	N/A	N/A	\$21,943	3.86	3.86	3.86
5410	Library Aide	T01	\$15,080	N/A	N/A	\$19,758	1.48	1.48	1.48
5720	Recreation Worker I	T01	\$15,080	N/A	N/A	\$19,758	2.47	2.47	2.47
012 Quinn's Recreation Fund									
<u>Full-Time Regular</u>									
3586	Operations Manager	E06	\$43,003	\$56,979	\$60,205	\$64,505	1.00	1.00	1.00
3588	Business Operations Manager	E06	\$43,003	\$56,979	\$60,205	\$64,505	1.00	1.00	1.00
3528	Ice Arena Operations Assistant	N08	\$27,102	\$35,901	\$37,939	\$40,641	1.00	1.00	1.00
5516	Parks IV	N08	\$27,102	\$35,901	\$37,939	\$40,641	1.00	1.00	1.00
1826	Building IV	N07	\$23,733	\$31,429	\$33,218	\$35,598	1.00	1.00	1.00
3540	Ice Front Desk Supervisor	N07	\$23,733	\$31,429	\$33,218	\$35,598	1.00	1.00	1.00
<u>Part-Time Non-Benefitted/Seasonal</u>									
3510	Hockey Coordinator	T09	\$32,053	N/A	N/A	\$48,085	0.75	0.75	0.75
3520	Skating Coordinator	T09	\$32,053	N/A	N/A	\$48,085	0.30	0.30	0.30
5730	Recreation Worker VI	T06	\$21,653	N/A	N/A	\$32,482	0.72	0.72	0.72
5512	Parks II	T05	\$19,822	N/A	N/A	\$29,734	1.00	1.00	1.00
1822	Building II	T04	\$17,971	N/A	N/A	\$26,964	0.25	0.25	0.25
5726	Recreation Worker IV	T04	\$17,971	N/A	N/A	\$26,964	1.70	1.70	1.70
5760	Recreation Front Desk Clerk	T04	\$17,971	N/A	N/A	\$26,964	0.32	0.32	0.32
051 Water Fund									
<u>Full-Time Regular</u>									
4590	Water Manager	E11	\$70,747	\$93,740	\$99,046	\$106,121	1.00	1.00	1.00
1660	GIS Administrator	E07	\$48,552	\$64,331	\$67,973	\$72,828	0.25	0.25	0.25
2030	Environmental Engineer	E07	\$48,552	\$64,331	\$67,973	\$72,828	0.20	0.20	0.20

Staffing Summary by Fund

Class Code:	Position Name:	Grade:	Wage Level				2011 FTEs	2012 FTEs	2013 FTEs
			Minimum	Hiring Max	Working Level	Maximum			
4560	Water Project Manager	E07	\$48,552	\$64,331	\$67,973	\$72,828	1.00	1.00	1.00
4540	Water Operations Team Leader	E06	\$43,003	\$56,979	\$60,205	\$64,505	1.00	1.00	1.00
4120	Public Works Inspector	N10	\$36,171	\$47,923	\$50,627	\$54,252	1.00	1.00	1.00
7736	Analyst IV	N10	\$36,171	\$47,923	\$50,627	\$54,252	1.00	1.00	1.00
4526	Water Worker IV	N09	\$32,053	\$42,474	\$44,886	\$48,085	4.00	4.00	4.00
4524	Water Worker III	N08	\$27,102	\$35,901	\$37,939	\$40,641	6.00	6.00	6.00
7732	Analyst II	N08	\$27,102	\$35,901	\$37,939	\$40,641	1.00	1.00	1.00
7724	Office Assistant III	N06	\$21,653	\$28,704	\$30,326	\$32,482	0.25	0.25	0.25
<u>Part-Time Non-Benefitted/Seasonal</u>									
4514	Water Laborer III	T06	\$21,653	N/A	N/A	\$32,482	0.50	0.50	0.50
4510	Water Laborer I	T04	\$17,971	N/A	N/A	\$26,964	1.50	1.35	1.35
055 Golf Fund									
<u>Full-Time Regular</u>									
5690	Golf Manager	E07	\$48,552	\$64,331	\$67,973	\$72,828	0.70	0.50	0.50
5590	Parks & Golf Supervisor	E06	\$43,003	\$56,979	\$60,205	\$64,505	0.50	0.50	0.50
5650	Assistant Golf Pro	E04	\$33,454	\$44,327	\$46,836	\$50,181		1.00	1.00
5516	Parks IV	N08	\$27,102	\$35,901	\$37,939	\$40,641	1.50	1.50	1.50
7732	Analyst II	N08	\$27,102	\$35,901	\$37,939	\$40,641	0.56	0.56	0.56
<u>Part-Time Non-Benefitted/Seasonal</u>									
5650	Assistant Golf Pro	T06	\$21,653	N/A	N/A	\$32,482	2.70	1.69	1.69
5512	Parks II	T05	\$19,822	N/A	N/A	\$29,734	7.20	7.20	7.20
5614	Golf Course Starter	T03	\$16,162	N/A	N/A	\$24,237	0.75	0.75	0.75
5510	Parks I	T02	\$15,080	N/A	N/A	\$21,943	0.39	0.39	0.39
5612	Golf Course Ranger	T02	\$15,080	N/A	N/A	\$21,943	0.50	0.50	0.50
5610	Golf Cart Servicer	T01	\$15,080	N/A	N/A	\$19,758	0.49	0.49	0.49

Staffing Summary by Fund

Class Code:	Position Name:	Grade:	Wage Level				<u>2011 FTEs</u>	<u>2012 FTEs</u>	<u>2013 FTEs</u>
			Minimum	Hiring Max	Working Level	Maximum			
057 Transportation and Parking Fund									
<u>Full-Time Regular</u>									
4292	Transit & Transportation Manager	E12	\$76,296	\$101,092	\$106,814	\$114,444	1.00	1.00	1.00
4272	Senior Transportation Planner	E08	\$55,147	\$73,069	\$77,205	\$82,720	1.00	1.00	1.00
1660	GIS Administrator	E07	\$48,552	\$64,331	\$67,973	\$72,828	0.25	0.25	0.25
4140	Parking and Fleet Administration Team Leader	E06	\$43,003	\$56,979	\$60,205	\$64,505	1.00	1.00	1.00
4280	Transit Administration Team Leader	E06	\$43,003	\$56,979	\$60,205	\$64,505	1.00	1.00	1.00
4120	Public Works Inspector	N10	\$36,171	\$47,923	\$50,627	\$54,252		0.25	0.25
4262	Operations Team Leader	N10	\$36,171	\$47,923	\$50,627	\$54,252	1.00	1.00	1.00
4250	Transit Shift Supervisor	N09	\$32,053	\$42,474	\$44,886	\$48,085	3.00	4.00	4.00
4216	Bus Driver IV	N08	\$27,102	\$35,901	\$37,939	\$40,641	2.00	2.00	2.00
4214	Bus Driver III	N07	\$23,733	\$31,429	\$33,218	\$35,598	37.00	36.00	36.00
4414	Streets III	N07	\$23,733	\$31,429	\$33,218	\$35,598	1.00	1.00	1.00
7724	Office Assistant III	N06	\$21,653	\$28,704	\$30,326	\$32,482	1.25	1.25	1.25
7722	Office Assistant II	N05	\$19,822	\$26,270	\$27,768	\$29,734	1.00	1.00	1.00
<u>Part-Time Non-Benefitted/Seasonal</u>									
4112	Parking Adjudicator	T09	\$32,053	N/A	N/A	\$48,085	0.20	0.20	0.20
4214	Bus Driver III	T07	\$23,733	N/A	N/A	\$35,598	8.75	8.75	8.75
4414	Streets III	T07	\$23,733	N/A	N/A	\$35,598	0.20	0.70	0.70
4212	Bus Driver II	T05	\$19,822	N/A	N/A	\$29,734	22.05	22.05	22.05
4210	Bus Driver I	T04	\$17,971	N/A	N/A	\$26,964	0.09	0.09	0.09
062 Fleet Fund									
<u>Full-Time Regular</u>									
4680	Fleet Operations Team Leader	N11	\$41,205	\$54,579	\$57,678	\$61,805	2.00	2.00	2.00
4652	Mechanic II	N09	\$32,053	\$42,474	\$44,886	\$48,085	1.00	1.00	1.00

Staffing Summary by Fund

Class Code:	Position Name:	Grade:	Wage Level				<u>2011 FTEs</u>	<u>2012 FTEs</u>	<u>2013 FTEs</u>
			<u>Minimum</u>	<u>Hiring Max</u>	<u>Working Level</u>	<u>Maximum</u>			
4650	Mechanic I	N08	\$27,102	\$35,901	\$37,939	\$40,641	5.00	5.00	5.00
<div style="border: 1px solid black; border-radius: 15px; padding: 2px; display: inline-block;"> 064 Self Insurance Fund </div>									
<u>Full-Time Regular</u>									
1112	Senior Recorder/Elections	N09	\$32,053	\$42,474	\$44,886	\$48,085	0.50		
							334.35	338.87	339.33

Budget Option Descriptions (by Team)

Community Development

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Approved						
Budget Options						
Y - 1	Public Works Inspector Position (ENCDPD) This option modifies the funding for the current FTE Public Works Inspector position located in Engineering. Because the position will be shared 75% by Engineering and 25% Transit, this option funds the position 75% from Engineering funds and 25% from Tr	BFO: Inspections Goal: Public Safety	Engineering	\$0	-\$20,710	-\$20,710
Y - 4	Contract Employee Funds (PLCDCE) Currently, the department has a contract employee; funds to pay for this position come from the Planning Department's Consulting Funds line item. This does not allow the department to truly use the funds for consulting. As the Department responds to Com	BFO: Long Range Planning Goal: Preservation of Park City Character	Planning Dept.	\$0	\$140,688	\$15,000
Y - 4	Reduce Building Inspections (PLCDCEO*) With the retirement of a Plans Examiner position in September 2010, one contract employee (Building Inspector) was moved to that position and the other contract position (Building Inspector) employment contract expired at the end of December 2010. The ne	BFO: Inspections Goal: Public Safety	Building Dept.	\$0	-\$140,688	-\$140,688
Y - 5	Public Works Options (ENCDLM) This option will provide landscape maintenance for Sandridge Avenue and Hillside Avenue Landscaping.	BFO: Park Amenities & Infrastructure Goal: Recreation, Open Space & Trails	Parks & Cemetery	\$0	\$2,600	\$2,730
Y - 6	Professional Development (PLCDPD) Moves Analyst I to Analyst II. This completes the Professional Development Plan for this position.	BFO: Customer Service - Planning Dept Goal: Preservation of Park City Character	Planning Dept.	\$0	\$6,844	\$6,844
Y - 6	Reduction in Contract Services (PLCDPDO*) Reduction in contract services will not decrease LOS.	BFO: Long Range Planning Goal: Preservation of Park City Character	Planning Dept.	\$0	-\$6,844	-\$6,844
Y - CM	Planning Technician (PLCDPT) Moves Building Analyst II to Planning Technician.	BFO: Code Amendments Goal: Public Safety	Planning Dept.	\$0	\$66,023	\$66,023
Y - CM	Cut Building Analyst II Position (PLCDPTO*) Moves Building Analyst II to Planning Technician.	BFO: Planning Application Review Goal: Preservation of Park City Character	Building Dept.	\$0	-\$66,023	-\$66,023

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Budget Option Descriptions (by Team)

Community Development

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Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Y - TEC	Mileage Reimbursement (BLCDMR) Budget up mileage reimbursement line-item due for inspector miles. Correlating reduction in Fleet Fund.	BFO: Inspections Goal: Public Safety	Building Dept.	\$12,000	\$12,000	\$12,000
Y - TEC	Personnel Technical Adjustment (BLCBTC) Correct FTE mistake.	BFO: N/A Goal: N/A	Building Dept.	\$0	\$242	\$242
Y - TEC	Fleet Fund Adjustments (FLET) Technical adjustments to Fund 62 to bring the internal service fund in-line with actuals.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$-12,930	\$-12,930
Y - TEC	Housing Allowance Adjustment (HAADJ) This option increases or decreases the housing allowance for each department based on current numbers.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$-2,626	\$-2,626
Y - TEC	General Fund Lump Merit Pool (LM) This option creates a lump-merit pool in the General Fund, which will be used as a single source for all General Fund department lump-merit pay. Departments previously funded lump-merit pay out of their operating budget. Budgets in each department were re	BFO: N/A Goal: N/A	Multiple Departments	\$20,136	\$0	\$0
Y - TEC	Technical adjustment to show FY2012 URS cost (TEC1) URS adjustment	BFO: N/A Goal: N/A	Operating Departments	\$0	\$5,939	\$5,939
Y - TEC	Heath Care Premium (TEC2) Heath Care premium - medical cost	BFO: N/A Goal: N/A	Operating Departments	\$0	\$22,824	\$22,824
Y - TEC	Vacancy Factor Redistribution (VACA) Vacancy must be redistributed at the end of each fiscal year in the adjusted budget from the non-departmental pool to each department according to observed personnel vacancy. This option makes the appropriate adjustment, which is zero-sum fund-wide.	BFO: N/A Goal: N/A	Multiple Departments	\$-184,000	\$0	\$0
Total Approved for Budget Options:				\$-151,864	\$7,340	\$-118,218
Total Approved Options for Community Development:				\$-151,864	\$7,340	\$-118,218

Not Approved

Budget Options

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Budget Option Descriptions (by Team)

Community Development

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
N - 2	Planner II (PLCDLR) This option will allow the Planning Department to improve both long-range planning operations as well as address daily planning needs including HDDR, CUP, MPD, and other applications. Based upon the BFO submittal, this will address many staff resource is	BFO: Historic District/Long Range Planning Goal: Preservation of Park City Character	Planning Dept.	\$0	\$95,553	\$95,553
N - 3	PC Heights Inspection (One-time) (ENCDIN) Provide Public Works Inspection during the construction of utilities and roads for the Park City Heights development. Revenue offsets will be generated with the collection of inspection fees from the developer.	BFO: Inspections Goal: Public Safety	Engineering	\$0	\$57,600	\$57,600
N - 3	Revenue Offset - Engineering Inspection Fee (ENCDINR*) Using rough dimensions and unit costs from Bonanza Drive and Sandridge--estimated cost for the first Phase of Park City Heights. The estimate includes road, curb and gutter, sidewalks, storm drains and water line. Total Estimated Construction Cost equals	BFO: N/A Goal: N/A	Construction Inspections	\$0	\$-119,145	\$-119,145
Total Not Approved for Budget Options:				\$0	\$34,008	\$34,008
Total Not Approved Options for Community Development:				\$0	\$34,008	\$34,008

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Budget Option Descriptions (by Team)

Executive

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Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Approved						
Budget Options						
Y - 1	Self Ins - Insurance/Surety Bonds (SIEDSB) Increase in Self-Insurance and Surety Bonds premiums due to anticipated hardening of insurance market and increase in City's facilities.	BFO: Risk Management Goal: Open & Responsive Government to the Community	Self Ins & Sec Bond	\$31,000	\$31,000	\$43,000
Y - 2	Works Comp (WCEDCR) Increase in workers' comp claim reimbursement (actual reimbursement costs).	BFO: Risk Management Goal: Open & Responsive Government to the Community	Workers Comp	\$40,000	\$40,000	\$40,000
Y - 3	ELECTIONS (ELEDGS) Contract Services - Budget adjustments to cover elections expenses. FY11 is an off-election year and expenses are minimal. City elections are scheduled in FY12. FY13 is an off-year with minimal expenses anticipated.	BFO: Community Outreach and Citizen Engagement Goal: Open & Responsive Government to the Community	Elections	\$1,500	\$13,500	\$1,500
Y - CM	Council Comp. Travel (CMCCTR) Council Comp. Travel - Deferred Council Raises	BFO: N/A Goal: N/A	City Council	\$0	\$-19,307	\$-19,307
Y - CM	Office Assistant, Legal Intern, Engineering Consulting (CMEDSR) Remove Senior Recorder position and replace with part-time personnel and contract services.	BFO: Short-Term Citywide Personnel Goal: Open & Responsive Government to the Community	City Manager Engineering Legal Vacancy Factor	\$0	\$63,884	\$62,562
Y - CM	Remove Senior Recorder (CMEDSRO*) Remove Senior Recorder position and replace with part-time personnel and contract services.	BFO: Risk Management Goal: Open & Responsive Government to the Community	City Manager Vacancy Factor Workers Comp	\$0	\$-74,449	\$-71,844
Y - CM	Victim Advocate (LGEDVA) Same level of service, replacing position eliminated by RIF in County. Offset by grant (pending)	BFO: Community Support Goal: Public Safety	Police	\$0	\$7,500	\$7,500
Y - CM	Environmental Regulatory (SIEDOL) Increase outside legal services for environmental regulation for current fiscal year. Not needed in future fiscal years due to new Environmental Regulatory budget.	BFO: Environmental Regulation/EPA Goal: N/A	Self Ins & Sec Bond	\$100,000	\$0	\$0

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Budget Option Descriptions (by Team)

Executive

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Y - COM	Pay Plan Adjustments (PPLN) Adjustments recommended by Pay Plan Committee to bring City positions to market.	BFO: N/A Goal: N/A	Operating Departments	\$0	\$11,189	\$11,189
Y - TEC	Base Level Adjustment (BADJ) Zero-sum changes to budget lines within a department.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$0	\$0
Y - TEC	Housing Allowance Adjustment (HAADJ) This option increases or decreases the housing allowance for each department based on current numbers.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$-2,626	\$-2,626
Y - TEC	General Fund Lump Merit Pool (LM) This option creates a lump-merit pool in the General Fund, which will be used as a single source for all General Fund department lump-merit pay. Departments previously funded lump-merit pay out of their operating budget. Budgets in each department were re	BFO: N/A Goal: N/A	Multiple Departments	\$13,989	\$0	\$0
Y - TEC	Technical adjustment to show FY2012 URS cost (TEC1) URS adjustment	BFO: N/A Goal: N/A	Operating Departments	\$0	\$3,571	\$3,571
Y - TEC	Heath Care Premium (TEC2) Heath Care premium - medical cost	BFO: N/A Goal: N/A	Operating Departments	\$0	\$25,190	\$25,190
Y - TEC	City Council and Mayor Compensation (TEC3) This is an adjustment that sets the Mayor and City Council compensation at market level.	BFO: N/A Goal: N/A	City Council	\$0	\$4,667	\$4,667
Y - TEC	Vacancy Factor Redistribution (VACA) Vacancy must be redistributed at the end of each fiscal year in the adjusted budget from the non-departmental pool to each department according to observed personnel vacancy. This option makes the appropriate adjustment, which is zero-sum fund-wide.	BFO: N/A Goal: N/A	Multiple Departments	\$-26,700	\$0	\$0
Total Approved for Budget Options:				\$159,789	\$104,119	\$105,402
5% Plan Options						
Y - TEC	Legal Duplicative Outside Legal Service (LDEDLD5) Mistake corrected from FY09 Budget Process. Part of 5% budget cuts.	BFO: N/A Goal: N/A	Legal	\$0	\$0	\$0
Total Approved for 5% Plan Options:				\$0	\$0	\$0
Total Approved Options for Executive:				\$159,789	\$104,119	\$105,402

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Budget Option Descriptions (by Team)

Executive

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<u>Priority*</u>	<u>Option Description</u>	<u>BFO Program/ Council Goal</u>	<u>Department(s)/ Revenue Line</u>	<u>2011 Request</u>	<u>2012 Request</u>	<u>2013 Request</u>
<u>Not Approved</u>						
Budget Options						
N - 4	Meetings, Conference, Travel (LGEDMC) Same level service - currently charged against Water Fund and increased demand from Council-directed EPA/Environmental.	BFO: Environmental Regulation/EPA Goal: Preservation of Park City Character	Legal	\$3,000	\$3,000	\$3,000
Total Not Approved for Budget Options:				\$3,000	\$3,000	\$3,000
Total Not Approved Options for Executive:				\$3,000	\$3,000	\$3,000

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Budget Option Descriptions (by Team)

Golf Services

<u>Priority*</u>	<u>Option Description</u>	<u>BFO Program/ Council Goal</u>	<u>Department(s)/ Revenue Line</u>	<u>2011 Request</u>	<u>2012 Request</u>	<u>2013 Request</u>
Approved						
Budget Options						
Y - 1	Inventory for Retail (GPGOIR) Park City will be hosting 3 statewide golf tournaments this season, including the Men's Senior State Am. The Golf Department will need to increase retail products as all prizes are awarded in shop credits.	BFO: Golf Retail Operations Goal: Recreation, Open Space & Trails	Golf Pro Shop	\$0	\$10,000	\$10,000
Y - 2	Professional Development Plan Class A PGA Golf Professional (GPGOPD) This development plan provides an avenue for an Assistant Golf Professional to pursue his or her Class A PGA certification. Having a Class A PGA Professional allows the golf course to attract larger professional state golf tournaments. This plan will be	BFO: Golf Management Operations Goal: Recreation, Open Space & Trails	Golf Pro Shop	\$7,109	\$77,845	\$77,845
Y - 2	Reduction in Part-time Assisant Golf Pro (GPGOPDO*) This plan is financially supported by the reduction in the Part-Time Seasonal line item and future revenue increases.	BFO: Golf Management Operations Goal: Recreation, Open Space & Trails	Golf Pro Shop	\$0	\$-28,791	\$-28,791
Y - 3	Golf Cart Repair and Maintenance (GPGOGC) As golf cart fleet ages there will be increased costs of repairs. The fleet is currently paid for and has a revenue stream of \$180,000.	BFO: Golf Management Operations Goal: Recreation, Open Space & Trails	Golf Pro Shop	\$0	\$2,700	\$2,700
Y - 3	Reduction in Contract Services (GPGOGCO*) The decrease in this line item will not affect the level of service. HOA fees for Hotel Park City is the main item in contract services, having been a member of the HOA for the last year, Golf Fund payments have become consistent and there is reserve in	BFO: Golf Management Operations Goal: Recreation, Open Space & Trails	Golf Pro Shop	\$0	\$-2,700	\$-2,700
Y - CM	Admin IFT Reallocation (ADMINIFT) Reallocation of funding determined by Admin IFT study. Change in IFTs, utility charges, and business license revenue.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$8,015	\$8,015
Y - TEC	Golf Manager Fund Change (GPGOGM) Moves Golf Manager position from 70% Golf 30% Rec to 50% Golf 50% Executive.	BFO: N/A Goal: N/A	City Manager City Recreation Golf Pro Shop	\$0	\$3	\$3

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Budget Option Descriptions (by Team)

Golf Services

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Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Y - TEC	Reduce HR Contract Services (GPGOGMO*) Reduction to misc. contract services reduces HR's ability to interdepartmentally fund temporary, intern, and/or emergency staffing. Level of service impact should be somewhat minimal.	BFO: Short-Term Citywide Personnel Goal: Open & Responsive Government to the Community	Human Resources	\$0	\$-21,557	\$-21,557
Y - TEC	Housing Allowance Adjustment (HAADJ) This option increases or decreases the housing allowance for each department based on current numbers.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$306	\$306
Y - TEC	Technical adjustment to show FY2012 URS cost (TEC1) URS adjustment	BFO: N/A Goal: N/A	Operating Departments	\$0	\$668	\$668
Y - TEC	Heath Care Premium (TEC2) Heath Care premium - medical cost	BFO: N/A Goal: N/A	Operating Departments	\$0	\$3,126	\$3,126
Total Approved for Budget Options:				\$7,109	\$49,615	\$49,615
Total Approved Options for Golf Services:				\$7,109	\$49,615	\$49,615
<u>Not Approved</u>						
Budget Options						
N - 1	Revenue Offset (GPGOIRR*) The increase in tournaments requires the Gold Department to purchase additional items for retail. The golf course averages 40% return on investment in this line item.	BFO: Golf Retail Operations Goal: Recreation, Open Space & Trails	Pro Shop Retail Sale	\$0	\$-14,000	\$-14,000
N - 2	Revenue Offset (GPGOPDR*) Golf course fees will be increased.	BFO: N/A Goal: N/A	Golf Fees Pass Fees	\$0	\$-49,053	\$-49,053
Total Not Approved for Budget Options:				\$0	\$-63,053	\$-63,053
Total Not Approved Options for Golf Services:				\$0	\$-63,053	\$-63,053

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Budget Option Descriptions (by Team)

Library & Recreation

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Approved						
Budget Options						
Y - 1	Professional Development (CRLRPD) Removing an Analyst II and replacing it with an Analyst III. This completes the Professional Development Plan for this position.	BFO: Rec Center Operations Goal: Recreation, Open Space & Trails	City Recreation	\$0	\$9,104	\$9,104
Y - 1	Part-time Staff Reduction (CRLRPDO*) The increase is off set with a reduction in Part-Time staff. The employee that is moving from Analyst II to III has been paid for the last several years in the Analyst III range and thus covered within the department budget. The actual increased cost to	BFO: Rec Center Operations Goal: Recreation, Open Space & Trails	City Recreation	\$0	\$-9,018	\$-9,018
Y - 2	Library On-line Catalog Software Upgrade (LBLRCS) Search capability of current on-line card catalog needs improvement. Upgrade is similar to a Google search where items can still be located when user's spelling or search terms are incorrect. This will ensure that library user's can successfully locate	BFO: Library Technical Services Goal: Preservation of Park City Character	Library	\$0	\$3,000	\$2,500
Y - 5	Children's Storytime & Teen Programs (LBLRST) Current storytimes offered could be increased to include a regular evening and weekend program for parents who work. A quarterly program for teens could also be added. This would be achieved by increasing part-time staff hours (6 additional per week) to	BFO: Library Youth & Spanish Services Goal: Preservation of Park City Character	Library	\$0	\$4,976	\$4,976
Y - 6	Purchasing for Retail (ICLRPR) The Ice Arena has seen an increase in demand for retail items with the addition of skate sales. The requested amount is for the purchase and sale of additional figure skates. This service was added as part of last year's budget cycle and has been very p	BFO: Ice Retail Goal: Recreation, Open Space & Trails	Ice Facility	\$0	\$4,000	\$4,000
Y - 7	Birthday Parties (CRLRBP) The Recreation Department will be offering full service birthday party packages in the new PCRC, thus needing to increase staffing to clean/set up the facility on weekends and evenings. It is estimated that City Recreation will have \$108,135 in revenue f	BFO: Rec Center Operations Goal: Recreation, Open Space & Trails	City Recreation	\$0	\$32,753	\$57,655
Y - 9	Electricity at Ice Arena (ICLREC) Increases to this budget line allows the Ice Department to cover increased demand by users as well as inflationary increases in the price of electricity.	BFO: Ice Opeartions Goal: Recreation, Open Space & Trails	Ice Facility	\$0	\$4,000	\$4,000

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Budget Option Descriptions (by Team)

Library & Recreation

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Y - 9	Natural Gas Reduction (ICLRECO*) Ice Management projects a small surplus in natural gas expenditures, and will use \$1,000 from that budget line and an increase of \$3,000 in Ice rental revenue to offset the remaining \$3,000 of the budget request.	BFO: Ice Operations Goal: Recreation, Open Space & Trails	Ice Facility	\$0	\$-1,000	\$-1,000
Y - 10	Pro Shop (TNLRPS) In the new PCRC the department will have an expanded Pro Shop requiring staffing and purchase of inventory. The old pro shop was liquidated and the funding removed from the budget last year.	BFO: Tennis Pro Shop Goal: Recreation, Open Space & Trails	Tennis	\$0	\$94,753	\$101,835
Y - 12	Group Fitness (CRLRGR) The new PCRC will have an additional group fitness studio which will increase classes from 53/wk to 65/wk. Fitness classes had the highest unmet need when the recreation survey was done in 2006. There is a revenue offset with the increased pass sale volu	BFO: Adult Programs - City Recreation Goal: Recreation, Open Space & Trails	City Recreation	\$0	\$1,579	\$2,631
Y - 14	Rec Center Maintenance (CRLRFM) This provides maintenance on the New expanded Racquet Club. These budget figures are to provide the same level of service to the expanded facility and represent a 30% increase in size of the building with additional restroom and public areas. Utilities	BFO: Janitorial Services Goal: Open & Responsive Government to the Community	Bldg Maint Adm	\$0	\$34,000	\$34,000
Y - 16	Creekside Park (ICLRCP) This option provides maintenance at a Service Level 3 with no winter maintenance. The majority of the staff time & money must go towards playground equipment inspections & repairs as we are required to provide safe equipment. This will be a maintenance	BFO: Park Amenities & Infrastructure Goal: Recreation, Open Space & Trails	Parks & Cemetery	\$0	\$10,986	\$10,986
Y - 17	Tennis Bubble (TNLRTB) The cost each year for installing and removing the bubble is \$22,000. This has increased costs as the bubble manufacturer installs and removes each year. Estimated revenue from bubble this year is \$123,817. Same level request.	BFO: Tennis Operations Goal: Recreation, Open Space & Trails	Tennis	\$0	\$10,050	\$10,050
Y - 20	Summer Day Camp (CRLRSD) Due to new legislation, the day camp must become a state licensed daycare requiring NAC certification for the director, enhanced background checks, and licensing costs. Director licensing is a 40 hour class.	BFO: Youth Programs - City Recreation Goal: Recreation, Open Space & Trails	City Recreation	\$0	\$2,080	\$2,080

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Budget Option Descriptions (by Team)

Library & Recreation

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Y - 21	Dirt Jump Park Maintenance (CRLRDJ) The park has expanded in size requiring increased maintenance. It is currently budgeted for 16 hrs a week and needs to be increased to 20 hrs a week for a cost of \$1,404. Current revenue from camps is \$4,200.	BFO: Park Amenities & Infrastructure Goal: Recreation, Open Space & Trails	Parks & Cemetery	\$0	\$1,422	\$1,422
Y - 21	Reduce Front Desk Staffing (CRLRDJO*) This reduces staffing at the front desk of the recreation center by approximately 142 hours a year, resulting in a lower level of customer service to patrons.	BFO: Rec Center Operations Goal: Recreation, Open Space & Trails	City Recreation	\$0	-\$1,362	-\$1,362
Y - 22	Youth Soccer (CRLRYS) Price increase in soccer uniforms and RSL Juniors program. This is a same level request as uniforms and the RSL Junior program have a price increase. Instead of cutting services in other areas, the Recreation Manager recommends not offering RSL Juniors a	BFO: Youth Programs - City Recreation Goal: Recreation, Open Space & Trails	City Recreation	\$0	\$1,100	\$1,100
Y - 24	Pro Shop (TNLRPS2) While under renovation, Tennis has been purchasing and selling inventory (racquets, stringing, balls etc.) out of the trailer. Current budget is (\$8,000) and needs to be increased \$18,000 to \$10,000. Revenue offset of \$25,000.	BFO: Tennis Pro Shop Goal: Recreation, Open Space & Trails	Tennis	\$18,000	\$0	\$0
Y - 25	Scissor Lift (ICLRSC) Scissor lift needed for ice rink. Asked for in CIP, but moved to operating for a one-time expense.	BFO: Ice Operations Goal: Recreation, Open Space & Trails	Ice Facility	\$0	\$6,650	-\$850
Y - TEC	Base Level Adjustment (BADJ) Zero-sum changes to budget lines within a department.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$0	\$0
Y - TEC	M & S Technical Adjustment (CRLRTC) Mistake corrected from FY09 Budget Process. Part of 5% budget cuts.	BFO: N/A Goal: N/A	Tennis	\$0	\$0	\$0
Y - TEC	Housing Allowance Adjustment (HAADJ) This option increases or decreases the housing allowance for each department based on current numbers.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$131	\$131
Y - TEC	General Fund Lump Merit Pool (LM) This option creates a lump-merit pool in the General Fund, which will be used as a single source for all General Fund department lump-merit pay. Departments previously funded lump-merit pay out of their operating budget. Budgets in each department were re	BFO: N/A Goal: N/A	Multiple Departments	\$21,443	\$0	\$0

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TEC = Technical Adjustment
COM = Committee Recommended

Budget Option Descriptions (by Team)

Library & Recreation

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<u>Priority*</u>	<u>Option Description</u>	<u>BFO Program/ Council Goal</u>	<u>Department(s)/ Revenue Line</u>	<u>2011 Request</u>	<u>2012 Request</u>	<u>2013 Request</u>
Y - TEC (TEC1)	Technical adjustment to show FY2012 URS cost URS adjustment	BFO: N/A Goal: N/A	Operating Departments	\$0	\$4,389	\$4,389
Y - TEC	Heath Care Premium (TEC2) Heath Care premium - medical cost	BFO: N/A Goal: N/A	Operating Departments	\$0	\$21,808	\$21,808
Y - TEC	Vacancy Factor Redistribution (VACA) Vacancy must be redistributed at the end of each fiscal year in the adjusted budget from the non-departmental pool to each department according to observed personnel vacancy. This option makes the appropriate adjustment, which is zero-sum fund-wide.	BFO: N/A Goal: N/A	Multiple Departments	\$-320,128	\$0	\$0
Total Approved for Budget Options:				\$-280,685	\$235,401	\$260,436
Total Approved Options for Library & Recreation:				\$-280,685	\$235,401	\$260,436
<u>Not Approved</u>						
Budget Options						
N - 2	Library Service Hours Reduction (LBLRCSO*) Closing the library one hour earlier (8pm instead of 9pm) on Mon-Thurs would save approximately \$5.376. The resulting savings could be used to offset the on-line library catalog upgrade (option 2) and increased teen and children's programming (option 5).	BFO: Library Adult/Youth Services Goal: Preservation of Park City Character	Library	\$0	\$-2,999	\$-2,499
N - 2	Revenue Offset (LBLRCSR*) Ice Facility will cover this option with increase in rental revenue.	BFO: N/A Goal: N/A	Ice Facility Rent	\$0	\$-3,000	\$-2,500
N - 3	Main St. Rink Staffing (ICLRSL) If funds are approved as part of the CIP process for the Ice Arena to operate an ice sheet in the vicinity of Main St, the Ice Arena will need the requested amount to install, maintain, and provide staffing for the ice rink.	BFO: Ice Operations Goal: Recreation, Open Space & Trails	Ice Facility	\$0	\$25,564	\$25,564
N - 3	Revenue Offset (ICLRSLR*) Estimated revenue for three months of operation is \$50,000 from Admissions and Skate Rental fees. Plus, \$15,000 from Sky Lodge. \$20,000 used in first year to offset CIP request.	BFO: N/A Goal: N/A	ICE FAC - HOCKEY DROP IN YOUTH	\$0	\$-45,000	\$-65,000

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Budget Option Descriptions (by Team)

Library & Recreation

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
N - 4	Licensing fees for Class Software (ICLRLF) The Ice Arena and Recreation Department will have increases to the licensing fees due to the addition to the League Module that helps in scheduling and maintaining league information.	BFO: Adult Programs - Ice Facility Goal: Recreation, Open Space & Trails	City Recreation Ice Facility	\$0	\$2,000	\$2,000
N - 4	Revenue Offset (ICLRLFR*) Revenue increase is based on increased league participation in adult leagues (soccer, softball, basketball, kickball, flag football and volleyball) as well as adult hockey league growth and a slight fee increase for FY '12.	BFO: N/A Goal: N/A	Ice Facility League Rental League Fees	\$0	\$-2,000	\$-2,000
N - 5	Library Service Hours Reduction (LBLRSTO*) Closing the library one hour earlier (8pm instead of 9pm) on Mon-Thurs would save approximately \$5,376. The resulting savings could be used to offset the on-line library catalog upgrade (option 2) and increased teen and children's programming (option 5).	BFO: Library Adult/Youth Services Goal: Preservation of Park City Character	Library	\$0	\$-2,375	\$-2,375
N - 6	Revenue Offset (ICLRPRR*) This season, the ROI has been \$1.98 for each dollar spent on skates and the Ice Department has spent the amount allocated during last year's budget cycle.	BFO: N/A Goal: N/A	RETAIL SALES	\$0	\$-8,000	\$-8,000
N - 7	Revenue Offset (CRLRBPR*) From November 2011 to June 2012 we are estimating that we will have 13 birthday parties a week @ \$135 each for revenue of \$52,650. For fiscal year 2012 the estimate is 216 parties in the summer when the pool is open and 585 the rest of the year for an av	BFO: N/A Goal: N/A	Birthday Parties	\$0	\$-48,650	\$-104,135
N - 8	Large Print Books (LBLRPB) Senior Citizens and vision impaired library users have requested a greater selection of large print books. Currently the library purchases 84 titles per year. An increase to this budget line of \$2,000 would allow for the purchase of an additional 60 tit	BFO: Library Adult Services Goal: Preservation of Park City Character	Library	\$0	\$2,000	\$2,000
N - 9	Revenue Offset (ICLRECR*) Ice Management projects a small surplus in natural gas expenditures, and will use \$1,000 from that budget line and an increase of \$3,000 in Ice rental revenue to offset the remaining \$3,000 of the budget request.	BFO: N/A Goal: N/A	Ice Facility Rent	\$0	\$-3,000	\$-3,000
N - 10	Revenue Offset (TNLRPSR*) Revenue is generated through the sale of merchandise in the Pro Shop. For FY12 estimating a 33% ROI and FY 13 a 28% ROI.	BFO: N/A Goal: N/A	Retail Sales	\$0	\$-110,000	\$-110,000

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Budget Option Descriptions (by Team)

Library & Recreation

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Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
N - 11	Audio Books and DVDs (books on CD, MP3, Flash Drives) (LBLRAB) According to Bowker Annual's 2010 statistics audio book prices rose 7% and DVD prices rose 3%. To retain current purchasing power the library will need corresponding increases to each of these budgets. \$1141	BFO: Library Adult Services Goal: Preservation of Park City Character	Library	\$0	\$1,141	\$1,141
N - 12	Revenue Offset (CRLRGRR*) Increase revenue due to increased pass sales and drop in fees related to group fitness. The addition of a third studio and classes will increase revenue at least \$4,800.	BFO: N/A Goal: N/A	Aerobics	\$0	-\$4,800	-\$4,800
N - 13	Books for Children and Adults (LBLRBC) Average price increase for books according to the 2010 Bowker Annual Book Industry Statistics was 2.4%. In order to keep pace with this increase the library is requesting a 2.4% increase to the book budget, which is \$1,027.	BFO: Library Adult/Youth Services Goal: Preservation of Park City Character	Library	\$0	\$1,027	\$1,027
N - 14	Revenue Offset (CRLRFMR*) There is a revenue offset by the opening of the new Rec Center. There is increased revenue from birthday parties, pass sales, tennis price increase, fee increase and general increased usage of the facility. While it is difficult to tie the revenue direc	BFO: N/A Goal: N/A	Birthday Parties Retail Sales	\$0	-\$34,000	-\$34,000
N - 15	Magazine Subscriptions (LBLRMS) Subscription price for the Library's magazines has risen 5%. This increase is projected to continue and is consistent with rises in periodical prices in the past two years. In order to provide access to the same number of periodicals an increase of \$338	BFO: Library Adult Services Goal: Recreation, Open Space & Trails	Library	\$0	\$338	\$354
N - 16	Reduce Staffing for Aquatics (ICLRCP0*) This reduces staffing for aquatics resulting in a shorter season by three weeks. This also eliminates spring swim lessons and the leisure pool will remain closed until school is out for the summer.	BFO: Adult Programs - City Recreation Goal: Recreation, Open Space & Trails	City Recreation	\$0	-\$21,700	-\$21,700
N - 16	Revenue Decrease (ICLRCPR*) Reduction in spring swim lessons.	BFO: N/A Goal: N/A	Swim Fees	\$0	\$3,000	\$3,000
N - 17	Revenue Offset (TNLRTBR*) Increase of indoor tennis court time from \$22/hr to \$24/hr for residents and \$33 to \$36 for visitors. The fee increase for just the 3 bubble courts will generate an additional \$12,000.	BFO: Tennis Operations Goal: Recreation, Open Space & Trails	Tennis Court Fees	\$0	-\$12,000	-\$12,000

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Budget Option Descriptions (by Team)

Library & Recreation

<u>Priority*</u>	<u>Option Description</u>	<u>BFO Program/ Council Goal</u>	<u>Department(s)/ Revenue Line</u>	<u>2011 Request</u>	<u>2012 Request</u>	<u>2013 Request</u>
N - 18	On-line classes for adult education (LBLROC) Library subscription would provide card holders free access to over 500 personal and professional courses. Many of the topics could benefit local businesses such as customer service, accounting, leadership, project management, etc. Some of the classes c	BFO: Library Adult Services Goal: Preservation of Park City Character	Library	\$0	\$3,000	\$3,000
N - 19	Uniforms for Staff (CRLRUS) In the new PCRC the Recreation Department wants all staff to be identified with logo wear. This is also true for all offsite staff. This will add professionalism and ownership in the department as team members will be easily identified by the public. In	BFO: Rec Center Operations Goal: Recreation, Open Space & Trails	City Recreation	\$0	\$3,500	\$3,500
N - 20	Revenue Offset (CRLRSR*) Increased revenue due to fee increase for summer day camp. In FY 10 the camp generated \$81,419 in revenue. The fee increase of 6.5% will generate an additional \$5,300.	BFO: N/A Goal: N/A	Day Camp	\$0	-\$5,300	-\$5,300
N - 23	Background Checks for Volunteer Coaches (CRLRBC) The Legal Department seeks to background checks on all volunteer coaches. The cost is \$18 per check.	BFO: Youth Programs - City Recreation Goal: Recreation, Open Space & Trails	City Recreation	\$0	\$650	\$650
N - 23	Reduction to Expenses Related to Youth Soccer (CRLRBCO*) Reduction to expenses related to youth soccer may include reduced staffing, reduced uniforms quality, and reduced officials.	BFO: Youth Programs - City Recreation Goal: Recreation, Open Space & Trails	City Recreation	\$0	-\$650	-\$650
N - 24	Pro Shop (TNLRPS2R*) While under renovation, Tennis has been purchasing and selling inventory (racquets, stringing, balls etc.) out of the trailer. Current budget is (\$8,000) and needs to be increased \$18,000 to \$10,000. Revenue offset of \$25,000.	BFO: N/A Goal: N/A	Retail Sales	-\$25,000	\$0	\$0
Total Not Approved for Budget Options:				-\$25,000	-\$261,254	-\$335,723
Total Not Approved Options for Library & Recreation:				-\$25,000	-\$261,254	-\$335,723

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Budget Option Descriptions (by Team)

Internal Services

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Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Approved						
Budget Options						
Y - 1	Service Awards Same Level of Service Adjustment (HRISSA) One-time bump in service award funding in 2012 due to unusually high volume of service awards coming up.	BFO: Valuing Employees Goal: Open & Responsive Government to the Community	Human Resources	\$0	\$6,600	\$0
Y - 1	Contract Service Reduction (HRISSAO*) \$6,600 offset in Misc. Contract Service reduces HR's ability to interdepartmentally fund temporary, intern, and/or emergency staffing in fiscal year 2012.	BFO: Recruitment Goal: Open & Responsive Government to the Community	Human Resources	\$0	-\$6,600	\$0
Y - 2	Software Maintenance Costs (ITISSM) The IT Department proposes a budget offset that increases the IT operating budget, but reduces contribution towards the Computer Replacement Fund (CP0075).	BFO: Software Maintenance/Upgrades Goal: Open & Responsive Government to the Community	Info Tech & Cust Serv	\$0	\$22,000	\$22,000
Y - TEC	Fleet Fund Adjustments (FLET) Technical adjustments to Fund 62 to bring the internal service fund in-line with actuals.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$12,930	\$12,930
Y - TEC	Housing Allowance Adjustment (HAADJ) This option increases or decreases the housing allowance for each department based on current numbers.	BFO: N/A Goal: N/A	Multiple Departments	\$0	-\$1,313	-\$1,313
Y - TEC	Historic Preservation Grant 111116 (HRISHP1) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	Human Resources	\$3,000	\$0	\$0
Y - TEC	Historic Preservation Grant 111117 (HRISHP2) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	Human Resources	\$5,000	\$0	\$0
Y - TEC	General Fund Lump Merit Pool (LM) This option creates a lump-merit pool in the General Fund, which will be used as a single source for all General Fund department lump-merit pay. Departments previously funded lump-merit pay out of their operating budget. Budgets in each department were re	BFO: N/A Goal: N/A	Multiple Departments	\$24,510	\$0	\$0
Y - TEC	Technical adjustment to show FY2012 URS cost (TEC1) URS adjustment	BFO: N/A Goal: N/A	Operating Departments	\$0	\$4,996	\$4,996

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Budget Option Descriptions (by Team)

Internal Services

<u>Priority*</u>	<u>Option Description</u>	<u>BFO Program/ Council Goal</u>	<u>Department(s)/ Revenue Line</u>	<u>2011 Request</u>	<u>2012 Request</u>	<u>2013 Request</u>
Y - TEC	Heath Care Premium (TEC2) Heath Care premium - medical cost	BFO: N/A Goal: N/A	Operating Departments	\$0	\$18,701	\$18,701
Y - TEC	Vacancy Factor Redistribution (VACA) Vacancy must be redistributed at the end of each fiscal year in the adjusted budget from the non-departmental pool to each department according to observed personnel vacancy. This option makes the appropriate adjustment, which is zero-sum fund-wide.	BFO: N/A Goal: N/A	Multiple Departments	\$-132,600	\$0	\$0
Total Approved for Budget Options:				\$-100,090	\$57,314	\$57,314
Total Approved Options for Internal Services:				\$-100,090	\$57,314	\$57,314

Not Approved

Budget Options

N - TEC	Revenue Offset (HRISHP1R*) Buget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	State Contribution	\$-3,000	\$0	\$0
N - TEC	Revenue Offset (HRISHP2R*) Buget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	State Contribution	\$-5,000	\$0	\$0
N - TEC	Contract Employee Fringe (TEC4) This option will ensure that there is sufficient budget for contract employees for fringe benefits.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$0	\$0
Total Not Approved for Budget Options:				\$-8,000	\$0	\$0
Total Not Approved Options for Internal Services:				\$-8,000	\$0	\$0

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Budget Option Descriptions (by Team)

Non-Departmental

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<u>Priority*</u>	<u>Option Description</u>	<u>BFO Program/ Council Goal</u>	<u>Department(s)/ Revenue Line</u>	<u>2011 Request</u>	<u>2012 Request</u>	<u>2013 Request</u>
Approved						
Budget Options						
Y - CM	Racquet Club Relocation (RCNDRC) This money was originally set aside for Racquet Club moving and rental expenses. It will be needed at a much reduced rate in FY2012 and not at all in FY2013.	BFO: N/A Goal: N/A	RACQUET CLUB RELOCATION	\$0	\$-175,000	\$-250,000
Y - TEC	Base Level Adjustment (BADJ) Zero-sum changes to budget lines within a department.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$0	\$0
Y - TEC	Contingency General Object Code Change (CGNDCCG) The City will now directly charge against contingency, which means the object code needed to be changed from an IFT object code to a contract object code.	BFO: N/A Goal: N/A	Contingency General	\$0	\$0	\$0
Y - TEC	Confiscations (CONF) Technical adjustment to show confiscations funds available for expenditure.	BFO: N/A Goal: N/A	Police Special Revenue Fund	\$3,775	\$0	\$0
Y - TEC	LED Holiday Lighting (CPNDTC) Correct Carry-forward mistake.	BFO: N/A Goal: N/A	LED Holiday Lighting	\$0	\$-2,779	\$-2,779
Y - TEC	General Fund Lump Merit Pool (LM) This option creates a lump-merit pool in the General Fund, which will be used as a single source for all General Fund department lump-merit pay. Departments previously funded lump-merit pay out of their operating budget. Budgets in each department were re	BFO: N/A Goal: N/A	Multiple Departments	\$-319,566	\$250,000	\$250,000
Y - TEC	PSSM & HMBA Payment (NDNDPS) Money from increased parking revenue that goes to the Transit Fund was supposed to pay for some of HMBA and PSSM last FY. This is correcting that mistake.	BFO: Special Events Goal: World Class Multi-Seasonal Resort Community	HMBA via Chamber PSSM LONG TERM AGREE	\$0	\$40,000	\$40,000
Y - TEC	Special Service Contracts (SSC) Increase to SSCs based on 1% of operating budget.	BFO: Special Service Contracts Goal: Regional Collaboration & Partnerships	Spec. Svc. Cntrt. Unspecified	\$0	\$91,027	\$91,027

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Budget Option Descriptions (by Team)

Non-Departmental

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Y - TEC (TEC1)	Technical adjustment to show FY2012 URS cost URS adjustment	BFO: N/A Goal: N/A	Operating Departments	\$0	\$1,746	\$1,746
Y - TEC	Heath Care Premium (TEC2) Heath Care premium - medical cost	BFO: N/A Goal: N/A	Operating Departments	\$0	\$5,754	\$5,754
Y - TEC	Tobacco Compliance (TOBC) Technical adjustment to show tobacco compliance funds available for expenditure.	BFO: N/A Goal: N/A	Police Special Revenue Fund	\$26,482	\$0	\$0
Y - TEC	Vacancy Factor Redistribution (VACA) Vacancy must be redistributed at the end of each fiscal year in the adjusted budget from the non-departmental pool to each department according to observed personnel vacancy. This option makes the appropriate adjustment, which is zero-sum fund-wide.	BFO: N/A Goal: N/A	Multiple Departments	\$1,091,328	\$-74,015	\$-72,588
Total Approved for Budget Options:				\$802,019	\$136,733	\$63,160
Total Approved Options for Non-Departmental:				\$802,019	\$136,733	\$63,160
 <u>Not Approved</u>						
Budget Options						
N - TEC	Contract Employee Fringe (TEC4) This option will ensure that there is sufficient budget for contract employees for fringe benefits.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$0	\$0
Total Not Approved for Budget Options:				\$0	\$0	\$0
Total Not Approved Options for Non-Departmental:				\$0	\$0	\$0

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Budget Option Descriptions (by Team)

Public Works

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<u>Priority*</u>	<u>Option Description</u>	<u>BFO Program/ Council Goal</u>	<u>Department(s)/ Revenue Line</u>	<u>2011 Request</u>	<u>2012 Request</u>	<u>2013 Request</u>
General Fund:						
<u>Approved</u>						
Budget Options						
Y - 1	Bike Path Maintenance (PCWPB) Because of the budget reduction in FY-2010, funding for path maintenance was reduced within the Parks Maintenance Budget. This money was used for doggy bags, tree & shrub pruning along paths, sweeping, sign maintenance, and garbage control. This option	BFO: Park Amenities & Infrastructure Goal: Effective Transportation	Parks & Cemetery	\$0	\$17,773	\$17,773
Y - 1	Reduction in Special Events (PCWBPO*) This option will offset the Bike Paths Maintenance option. Minor cuts within Special Events program will cover this budget option.	BFO: Special Events Goal: World Class Multi-Seasonal Resort Community	Parks & Cemetery	\$0	\$-17,773	\$-17,773
Y - CM	Admin IFT Reallocation (ADMINIFT) Reallocation of funding determined by Admin IFT study. Change in IFTs, utility charges, and business license revenue.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$-91,050	\$-91,050
Y - TEC	Fleet Fund Adjustments (FLET) Technical adjustments to Fund 62 to bring the internal service fund in-line with actuals.	BFO: N/A Goal: N/A	Multiple Departments	\$42,000	\$42,000	\$42,000
Y - TEC	Housing Allowance Adjustment (HAADJ) This option increases or decreases the housing allowance for each department based on current numbers.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$0	\$0
Y - TEC	General Fund Lump Merit Pool (LM) This option creates a lump-merit pool in the General Fund, which will be used as a single source for all General Fund department lump-merit pay. Departments previously funded lump-merit pay out of their operating budget. Budgets in each department were re	BFO: N/A Goal: N/A	Multiple Departments	\$20,967	\$0	\$0
Y - TEC	Quinn's Soccer Field Snow Removal (PCPWQA) Increases budget based on revenues received for this FY.	BFO: Parks Snow Removal Goal: Open & Responsive Government to the Community	Fields	\$2,000	\$0	\$0
Y - TEC	Pay Plan Adjustments (PLPWTC) Adjustments recommended by Pay Plan Committee to bring City positions to market.	BFO: N/A Goal: N/A	Street Maintenance	\$0	\$6	\$6

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Budget Option Descriptions (by Team)

Public Works

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Y - TEC	M & S Technical Adjustment (STPWTC) Correct negative budgets.	BFO: N/A Goal: N/A	Street Maintenance	\$0	\$0	\$0
Y - TEC	Technical adjustment to show FY2012 URS cost (TEC1) URS adjustment	BFO: N/A Goal: N/A	Operating Departments	\$0	\$4,016	\$4,016
Y - TEC	Heath Care Premium (TEC2) Heath Care premium - medical cost	BFO: N/A Goal: N/A	Operating Departments	\$0	\$22,537	\$22,537
Y - TEC	Vacancy Factor Redistribution (VACA) Vacancy must be redistributed at the end of each fiscal year in the adjusted budget from the non-departmental pool to each department according to observed personnel vacancy. This option makes the appropriate adjustment, which is zero-sum fund-wide.	BFO: N/A Goal: N/A	Multiple Departments	\$-94,500	\$0	\$0
Total Approved for Budget Options:				\$-29,533	\$-22,491	\$-22,491
Total Approved Options for Public Works:				\$-29,533	\$-22,491	\$-22,491
<u>Not Approved</u>						
Budget Options						
N - COM	Snow removal service level increase (PCPWSR) This option will increase snow removal service levels reducing snow berms by 85% in residential driveways. (A CIP request will be made in addition to the operating budget for initial equipment purchase of \$184,900 and annual equipment replacement contribu	BFO: Streets Snow Operations Goal: Effective Transportation	Street Maintenance	\$0	\$760,834	\$760,834
N - TEC	Revenue Offset (PCPWQAR*) Received \$14,000 in contributions in FY for snow removal.	BFO: N/A Goal: N/A	Other Miscellaneous	\$-2,000	\$0	\$0
Total Not Approved for Budget Options:				\$-2,000	\$760,834	\$760,834
Total Not Approved Options for Public Works:				\$-2,000	\$760,834	\$760,834

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Budget Option Descriptions (by Team)

Public Works

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Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Water Fund:						
<u>Approved</u>						
Budget Options						
Y - 1	Quinn's Water Treatment Plant (WOWDQW) O&M was added to budget last year. However, revised O&M estimates due to current conditions of chemical costs and revised quantity estimates are being captured in this option.	BFO: Water Quality/Dist & Maint Goal: Quality & Quantity of Water	Water Operations	\$0	\$128,800	\$128,800
Y - 1	Reduction in reservation fee. (WOWDQWO*) WBWCD Reservation fee of \$125,000 will no longer be charged. The full takedown of 2,500 ac/ft is now being charged and is budgeted in a CIP with capital expenses.	BFO: Water Quality/Dist & Maint Goal: N/A	Water Operations	\$0	-\$125,000	-\$125,000
Y - 2	Fixed Base Meter Reading (WBWDMR) Monthly lease fees, connection fees, and space fees for the towers are the backbone of the Fixed Base System.	BFO: Conservation Goal: Quality & Quantity of Water	Water Billing	\$0	\$9,400	\$9,400
Y - 2	LOS reduced for service orders/dist & maint (WBWDMRO*) Service Orders reduced LOS (20% or 100 less meters will be rebuilt) and Distribution & Maintenance reduced LOS (reduced work on asset mgmt, which is just now getting started).	BFO: Distribution & Maintenance Goal: Quality & Quantity of Water	Water Operations	\$0	-\$9,400	-\$9,400
Y - CM	Admin IFT Reallocation (ADMINIFT) Reallocation of funding determined by Admin IFT study. Change in IFTs, utility charges, and business license revenue.	BFO: N/A Goal: N/A	Multiple Departments	\$0	-\$66,179	-\$66,179
Y - CM	Quinn's Water Treatment Plant Utilities (WOWDQW2) Utility costs for new Quinn's Water Treatment Plant	BFO: Water Quality/Dist & Maint Goal: Quality & Quantity of Water	Water Operations	\$0	\$50,500	\$49,500
Y - CM	Water Contingency (WOWDTQ) The expenses associated with the Thayne's water quality issue were more than \$215,000, a water contingency was created to offset water emergencies in the future.	BFO: Water Quality/Dist & Maint Goal: Quality & Quantity of Water	Contingency General	\$100,000	\$100,000	\$100,000
Y - TEC	Base Level Adjustment (BADJ) Zero-sum changes to budget lines within a department.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$0	\$0

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Budget Option Descriptions (by Team)

Public Works

<u>Priority*</u>	<u>Option Description</u>	<u>BFO Program/ Council Goal</u>	<u>Department(s)/ Revenue Line</u>	<u>2011 Request</u>	<u>2012 Request</u>	<u>2013 Request</u>
Y - TEC	Housing Allowance Adjustment (HAADJ) This option increases or decreases the housing allowance for each department based on current numbers.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$-3,283	\$-3,283
Y - TEC	Technical adjustment to show FY2012 URS cost (TEC1) URS adjustment	BFO: N/A Goal: N/A	Operating Departments	\$0	\$3,420	\$3,420
Y - TEC	Heath Care Premium (TEC2) Heath Care premium - medical cost	BFO: N/A Goal: N/A	Operating Departments	\$0	\$15,824	\$15,824
Y - TEC	M & S Technical Adjustment (WOWDTC) Mistake corrected from FY09 Budget Process. Part of 5% budget cuts.	BFO: N/A Goal: N/A	Water Operations	\$0	\$0	\$0
Total Approved for Budget Options:				\$100,000	\$104,082	\$103,082
Total Approved Options for Public Works:				\$100,000	\$104,082	\$103,082

Not Approved

Budget Options

N - TEC	Contract Employee Fringe (TEC4) This option will ensure that there is sufficient budget for contract employees for fringe benefits.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$0	\$0
Total Not Approved for Budget Options:				\$0	\$0	\$0
Total Not Approved Options for Public Works:				\$0	\$0	\$0

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Budget Option Descriptions (by Team)

Public Works

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Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Transit Fund:						
<u>Approved</u>						
Budget Options						
Y - 1	Transit Facility Utilities (TDTDTF) This provides for increases in utilities and cleaning costs for the expanded Ironhorse Transit Storage and Maintenance Facility	BFO: Winter/Summer Transit Service Goal: Effective Transportation	Transportation Oper	\$0	\$88,294	\$88,294
Y - 1	Reduce Contract Services (TDTDTFO*) Offset by cost sharing payments from Summit County as well as reducing contract services.	BFO: Winter/Summer Transit Service Goal: Effective Transportation	Transportation Oper	\$0	-\$68,870	-\$68,870
Y - 2	Transit Facility Snow Removal (TDTDFS) This provides for increased snow removal at the expanded transit facility due to expanded parking footprint and reduced snow storage areas.	BFO: Winter Transit Service Goal: Effective Transportation	Transportation Oper	\$0	\$24,331	\$24,331
Y - 2	Reduction in Vehicles Admin (TDTDFS0*) This option can be funded by reallocating the existing budget.	BFO: Winter/Summer Transit Service Goal: Effective Transportation	Transportation Oper	\$0	-\$12,746	-\$12,746
Y - 3	Bus Driver IV Career Development (TDTDBS) This provides the reclassification of a bus driver III position that has successfully completed a professional development plan. Incremental cost is offset with reductions in other budget amounts.	BFO: Winter/Summer Transit Service Goal: Effective Transportation	Transportation Oper	\$0	\$6,249	\$6,249
Y - 3	Prof. Consulting Reduction (TDTDBSO*) Incremental cost is offset with reductions in other budget amounts.	BFO: Winter/Summer Transit Service Goal: Effective Transportation	Transportation Oper	\$0	-\$6,249	-\$6,249
Y - 4	Transit Marketing (TDTDTM) This option programs parking revenues to be collected as a result of 2010 paid parking rate increase. Council dedicated a \$40,000 increase to a Transit Marketing program.	BFO: Winter/Summer Transit Service Goal: Effective Transportation	Transportation Oper	\$0	\$40,000	\$40,000

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Budget Option Descriptions (by Team)

Public Works

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Y - 5	Public Works Inspector Career Development (ENTDPD) This option modifies the funding for the current FTE Public Works Inspector position located in Engineering. Because the position will be shared 75% by Engineering and 25% Transit, this option funds the position 75% from Engineering funds and 25% from Tr	BFO: Inspections Goal: Public Safety	Transportation Oper	\$0	\$20,723	\$20,723
Y - 5	Reduced Contract Services (ENTDPDO*) Reduction in contract services will not decrease LOS.	BFO: Transportation Management Goal: Effective Transportation	Transportation Oper	\$0	-\$20,723	-\$20,723
Y - 6	Shift Supervisor (TDTDSS) This provides the reclassification of a bus driver IV to a Transit Supervisor. Growth in transit employees and scope of services with the County necessitates this additional supervisor. Incremental costs of this option offset with reductions in other bud	BFO: Winter/Summer Transit Service Goal: Effective Transportation	Transportation Oper	\$0	\$9,225	\$9,225
Y - 6	Prof. Consulting Reduction (TDTDSSO*) Incremental costs of this option offset with reductions in other budget amounts.	BFO: Winter/Summer Transit Service Goal: Effective Transportation	Transportation Oper	\$0	-\$9,225	-\$9,225
Y - CM	Admin IFT Reallocation (ADMINIFT) Reallocation of funding determined by Admin IFT study. Change in IFTs, utility charges, and business license revenue.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$25,770	\$25,770
Y - TEC	Base Level Adjustment (BADJ) Zero-sum changes to budget lines within a department.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$0	\$0
Y - TEC	Fleet Fund Adjustments (FLET) Technical adjustments to Fund 62 to bring the internal service fund in-line with actuals.	BFO: N/A Goal: N/A	Multiple Departments	\$123,000	\$123,000	\$123,000
Y - TEC	Housing Allowance Adjustment (HAADJ) This option increases or decreases the housing allowance for each department based on current numbers.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$1,313	\$1,313
Y - TEC	Technical adjustment to show FY2012 URS cost (TEC1) URS adjustment	BFO: N/A Goal: N/A	Operating Departments	\$0	\$8,189	\$8,189
Y - TEC	Heath Care Premium (TEC2) Heath Care premium - medical cost	BFO: N/A Goal: N/A	Operating Departments	\$0	\$48,430	\$48,430

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Budget Option Descriptions (by Team)

Public Works

<u>Priority*</u>	<u>Option Description</u>	<u>BFO Program/ Council Goal</u>	<u>Department(s)/ Revenue Line</u>	<u>2011 Request</u>	<u>2012 Request</u>	<u>2013 Request</u>
Total Approved for Budget Options:				\$123,000	\$277,712	\$277,712
Total Approved Options for Public Works:				\$123,000	\$277,712	\$277,712

Not Approved

Budget Options

N - 1	Revenue Offset (TDTDFR*) Offset by cost sharing payments from Summit County as well as reducing contract services.	BFO: N/A Goal: N/A	Regional Transit Revenue	\$0	\$-19,425	\$-19,425
N - 2	Revenue Offset (TDTDFSR*) Offset by cost sharing payments from Summit County.	BFO: N/A Goal: N/A	Regional Transit Revenue	\$0	\$-11,585	\$-11,585
N - 4	Revenue Offset (TDTDTMR*) Council dedicated increased meter revenues to a Transit Marketing program. This option is funded by new revenues.	BFO: N/A Goal: N/A	Meter Revenue	\$0	\$-40,000	\$-40,000
N - TEC	Contract Employee Fringe (TEC4) This option will ensure that there is sufficient budget for contract employees for fringe benefits.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$0	\$0
Total Not Approved for Budget Options:				\$0	\$-71,010	\$-71,010
Total Not Approved Options for Public Works:				\$0	\$-71,010	\$-71,010

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Budget Option Descriptions (by Team)

Public Works

<u>Priority*</u>	<u>Option Description</u>	<u>BFO Program/ Council Goal</u>	<u>Department(s)/ Revenue Line</u>	<u>2011 Request</u>	<u>2012 Request</u>	<u>2013 Request</u>
Fleet Services Fund:						
<u>Approved</u>						
Budget Options						
Y - TEC	Fleet Fund Adjustments (FLET) Technical adjustments to Fund 62 to bring the internal service fund in-line with actuals.	BFO: N/A Goal: N/A	Multiple Departments	\$56,405	\$116,405	\$188,130
Y - TEC	Technical adjustment to show FY2012 URS cost (TEC1) URS adjustment	BFO: N/A Goal: N/A	Operating Departments	\$0	\$1,500	\$1,500
Y - TEC	Heath Care Premium (TEC2) Heath Care premium - medical cost	BFO: N/A Goal: N/A	Operating Departments	\$0	\$7,672	\$7,672
Total Approved for Budget Options:				\$56,405	\$125,577	\$197,302
Total Approved Options for Public Works:				\$56,405	\$125,577	\$197,302
<u>Not Approved</u>						
Budget Options						
N - 1	Tire Mount/Balance Machine (FSFSTM) This replaces the 12-year old tire machine Fleet Maintenance utilizes each and every day. The current machine has exceeded its useful life by two years. The new machine will incorporate new safety features that helps ensure efficient and safe mounting\dis	BFO: N/A Goal: N/A	Fleet Services Dept	\$0	\$15,000	\$0
N - 2	Wheel Lift System (FSFSWL) This option provides funding necessary to purchase one pair of 30,000lb lift jacks. These units will enable fleet maintenance staff expanded capability to safely and efficiently work on drivelines and suspensions of fleet's heavy equipment.	BFO: N/A Goal: N/A	Fleet Services Dept	\$0	\$18,500	\$0
Total Not Approved for Budget Options:				\$0	\$33,500	\$0
Total Not Approved Options for Public Works:				\$0	\$33,500	\$0

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Budget Option Descriptions (by Team)

Public Safety

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Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Approved						
Budget Options						
Y - 1	Professional Development (POPSPD) Move from Analyst I to Analyst II. Overtime offset. This completes the Professional Development Plan for this position.	BFO: Patrol Operations Goal: Public Safety	Police	\$0	\$6,167	\$6,167
Y - 1	Overtime Reduction (POPSPDO*) Overtime reduction to pay for professional development.	BFO: Patrol Operations Goal: Public Safety	Police	\$0	-\$6,167	-\$6,167
Y - 3	Contract Services Special (DIPSCS) Same Level Adjustment - 3/5/10 Spillman Technologies notified the department of increase in the maintenance fee from \$26,154 to \$31,795 effective 8/1/10.	BFO: Dispatch Goal: Public Safety	Communication Center	\$0	\$5,641	\$5,641
Y - 3	Cost Savings in Contract Services (DIPSCSO*) New contract will yield annual cost savings.	BFO: Dispatch Goal: Public Safety	Communication Center	\$0	-\$10,000	-\$10,000
Y - 4	Contract Services Emer Mgmt (POPSEM) In FY 2011 the contract hours were increased to 25 hr/wk from 20 hr/wk. No increase was made in the FY11 budget to cover the increase hours, taxes and merit bonus costs. The additional cost was covered by a grant in FY11, but there is no guaranteed gran	BFO: Emergency Management Goal: Public Safety	Police	\$0	\$2,500	\$2,500
Y - 4	Reduction in emergency management supplies. (POPSEMO*) May need to take a little from the evergreen replacement fund--hoping to cover the batteries, the one radio, and computer replacement from existing operations or CIP money for FY11, once it is known how the year is looking in a couple of months.	BFO: Emergency Management Goal: Public Safety	Police	\$0	-\$2,500	-\$2,500
Y - 6	Air Cards (POPSAC) Same Level Adjustment - Computer Air Cards give the department interconnectivity from Dispatch to Patrol vehicles. Also ties into long-range goal of Spillman merger between Park City PD and Summit County Sheriff's Office.	BFO: Patrol Operations Goal: Public Safety	Police	\$0	\$16,000	\$16,000
Y - 6	Crossing Guard Reduction (POPSACO*) These two positions have been absorbed by the Park City School District. There will be no reduction in service.	BFO: Crossing Guard Goal: Public Safety	Police	\$0	-\$16,027	-\$16,027

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Budget Option Descriptions (by Team)

Public Safety

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Y - 7	Cellular- Admin (POPSCL) Unforeseen but Justifiable Need - Cell Phone service was previously identified as a budget cut for FY 2010. IT and EOC agreed to cover the expense. Police Department was unaware that IT / EOC would not be covering the expense beyond one year.	BFO: Patrol Operations Goal: Public Safety	Police	\$4,990	\$15,500	\$15,500
Y - 7	Crossing Guard Reduction (POPSCLO*) These two positions have been absorbed by the Park City School District. There will be no reduction in service.	BFO: Crossing Guard Goal: Public Safety	Police	\$0	-\$16,027	-\$16,027
Y - 8	Equipment - Admin (POPSEQ) Same Level of Service - Equipment and labor costs for emergency equipment on vehicles have increased approximately \$2,000 / vehicle since FY10 Budget.	BFO: Patrol Operations Goal: Public Safety	Police	\$0	\$8,000	\$8,000
Y - 8	Drug Education Reduction (POPSEQO*) Commercially printed materials and awards for graduation from the DARE program will be eliminated.	BFO: Drug Education Goal: Public Safety	Drug Education	\$0	-\$1,000	-\$1,000
Y - CM	Emergency Management Contingency (EMPSEC) Budget set aside for emergencies.	BFO: Emergency Management Goal: Public Safety	Emergency Contingency	\$0	\$25,000	\$25,000
Y - CM	Increased Taxi Enforcement (POPSTE) Increase Police hours during Sundance in order to enhance taxi business license enforcement.	BFO: Special Events Goal: World Class Multi-Seasonal Resort Community	Police	\$0	\$891	\$891
Y - TEC	Emergency Management Green Account (EMNDGA) Budget includes \$8,000 every year. \$22,000 carry-forward budget from FY11.	BFO: Emergency Management Goal: Public Safety	Emergency Management	\$0	\$30,000	\$8,000
Y - TEC	Fleet Fund Adjustments (FLET) Technical adjustments to Fund 62 to bring the internal service fund in-line with actuals.	BFO: N/A Goal: N/A	Multiple Departments	\$15,000	\$15,000	\$15,000
Y - TEC	Housing Allowance Adjustment (HAADJ) This option increases or decreases the housing allowance for each department based on current numbers.	BFO: N/A Goal: N/A	Multiple Departments	\$0	-\$6,566	-\$6,566

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Budget Option Descriptions (by Team)

Public Safety

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Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Y - TEC	General Fund Lump Merit Pool (LM) This option creates a lump-merit pool in the General Fund, which will be used as a single source for all General Fund department lump-merit pay. Departments previously funded lump-merit pay out of their operating budget. Budgets in each department were re	BFO: N/A Goal: N/A	Multiple Departments	\$46,111	\$0	\$0
Y - TEC	911 Grant Reimbursement (POPS911) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	Communication Center	\$28,145	\$0	\$0
Y - TEC	Department of Justice Bullet Proof Vest Grant Reimbursement (POPSBPV) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	Police	\$809	\$0	\$0
Y - TEC	DUI Overtime Reimbursement (POPSDUI) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	Police	\$4,582	\$0	\$0
Y - TEC	Homeland Security Grant Reimbursement (POPSHS) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	Police	\$6,109	\$0	\$0
Y - TEC	2009 Justice Assistance Grant (JAG) Reimbursement (POPSJAG1) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	Police	\$14,772	\$0	\$0
Y - TEC	2010 Justice Assistance Grant (JAG) Reimbursement (POPSJAG2) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	Police	\$7,496	\$0	\$0
Y - TEC	2008 Juvenile Justice Program (POPSJJ) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	Police	\$108	\$0	\$0
Y - TEC	Personnel Technical Adjustment (POPSSG) Correct wage mistake made last fiscal year.	BFO: N/A Goal: N/A	Police	\$0	\$-10,633	\$-10,633
Y - TEC	Technical adjustment to show FY2012 URS cost (TEC1) URS adjustment	BFO: N/A Goal: N/A	Operating Departments	\$0	\$24,736	\$24,736
Y - TEC	Heath Care Premium (TEC2) Heath Care premium - medical cost	BFO: N/A Goal: N/A	Operating Departments	\$0	\$40,278	\$40,278

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Budget Option Descriptions (by Team)

Public Safety

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Y - TEC	Vacancy Factor Redistribution (VACA) Vacancy must be redistributed at the end of each fiscal year in the adjusted budget from the non-departmental pool to each department according to observed personnel vacancy. This option makes the appropriate adjustment, which is zero-sum fund-wide.	BFO: N/A Goal: N/A	Multiple Departments	\$-333,400	\$0	\$0
Y - TECa	M & S Technical Adjustment (CCPSTC) Mistake corrected from FY09 Budget Process. Part of 5% budget cuts.	BFO: N/A Goal: N/A	Communication Center	\$0	\$0	\$0
Y - TECe	Drug Education Officer Fix (DEPSDE) Fixes personnel reduction from previous two fiscal years. Adds in personnel to account for State Liquor revenues.	BFO: State Liquor Enforcement Goal: Public Safety	State Liquor Enforcement	\$9,953	\$9,953	\$9,953
Y - TECe	Part-time Staff Reduction (DEPSDEO*) Moves part-time pool money from Police Dept to State Liquor.	BFO: Patrol Operations Goal: Public Safety	Police	\$-9,813	\$-9,813	\$-9,813
Total Approved for Budget Options:				\$-205,139	\$120,933	\$98,933
Total Approved Options for Public Safety:				\$-205,139	\$120,933	\$98,933
<u>Not Approved</u>						
Budget Options						
N - 2	Telephone - Admin (DIPSTE) Same Level Service Adjustment - E-911 Grant Money is no longer available to cover monthly E-911 phone expenses. PSAP funds to be determined by City Manager and County Council.	BFO: Dispatch Goal: Public Safety	Communication Center	\$0	\$12,000	\$12,000
N - 5	Contract Services Special (DIPSCS2) Park City / Summit Co. Spillman data merger to add T1 data line to provide integration between City and County systems.	BFO: Dispatch Goal: Public Safety	Communication Center	\$0	\$3,600	\$3,600
N - 7	Revenue Offset (POPSCLR*) Revenue from Summit County Health Department.	BFO: N/A Goal: N/A	Police Charges	\$-4,990	\$0	\$0
N - 8	Dry Cleaning Reduction (POPSEQO2*) This category will have a moderate impact. Officers are responsible for their own dry cleaning and have a tendency to be inconsistent. This leads to premature wear. Some officers have machine-washed their uniforms in the past. This causes discoloration an	BFO: Patrol Operations Goal: N/A	Police	\$0	\$-7,000	\$-7,000

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Budget Option Descriptions (by Team)

Public Safety

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Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
N - 9	Contract Services Emer Mgmt (POPSEM2) There has been no increase in the contract hourly rate for six years. This increases the hourly rate by \$2.50/hr (5.8%). This contract includes only an hourly rate, vacation and bonus eligibility, no other benefits are included in the contract. The EM h	BFO: Emergency Management Goal: Public Safety	Police	\$0	\$0	\$5,000
N - TEC	Revenue Offset (POPS911R*) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	State Contribution	\$-28,145	\$0	\$0
N - TEC	Revenue Offset (POPSBPVR*) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	Federal Grants	\$-809	\$0	\$0
N - TEC	Revenue Offset (POPSDUIR*) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	State Contribution	\$-3,641	\$0	\$0
N - TEC	Revenue Offset (POPSHSR*) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	Federal Grants	\$-3,000	\$0	\$0
N - TEC	Revenue Offset (POPSJAG1R*) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	Federal Grants	\$-14,772	\$0	\$0
N - TEC	Revenue Offset (POPSJAG2R*) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	Federal Grants	\$-7,496	\$0	\$0
N - TEC	Revenue Offset (POPSJJR*) Budget increase for grant money actually received during the fiscal year	BFO: N/A Goal: N/A	State Contribution	\$-108	\$0	\$0
N - TEC	Contract Employee Fringe (TEC4) This option will ensure that there is sufficient budget for contract employees for fringe benefits.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$0	\$0
Total Not Approved for Budget Options:				\$-62,961	\$8,600	\$13,600
Total Not Approved Options for Public Safety:				\$-62,961	\$8,600	\$13,600

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Budget Option Descriptions (by Team)

Sustainability

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Approved						
Budget Options						
Y - 1	Professional Development (CESUPD) Move Analyst I to Analyst II. This completes the Professional Development Plan for this position.	BFO: Leadership Goal: Open & Responsive Government to the Community	Community & Environment Economy Spec. Svc. Cntrt. Ldrshp 2000	\$0	\$6,167	\$6,167
Y - 1	Prof. Consulting Reduction (CESUPDO*) Move Analyst I to Analyst II. Professional Development Plan has been completed.	BFO: Leadership Goal: Open & Responsive Government to the Community	Spec. Svc. Cntrt. Ldrshp 2000	\$0	\$-6,167	\$-6,167
Y - 2a	Env'I Sust. Project Mgr (CESUES) This creates an Environmental Sustainability Project Manager position. Current work is performed by a contract employee.	BFO: Carbon Reduction Goal: Preservation of Park City Character	Community & Environment	\$0	\$85,418	\$85,418
Y - 2a	Prof. Consulting Reduction (CESUESO*) Cost is offset partially by a reduction in prof/consulting (Carbon Reduction) budget. There is not capacity within the team to absorb the volume and quantity of work provided by this position that focuses on carbon reduction strategies for the city, inclu	BFO: Carbon Reduction Goal: Preservation of Park City Character	Community & Environment Economy	\$0	\$-70,418	\$-70,418
Y - 2b	Aff. Housing Project Mgr (CESUAH) This creates an Affordable Housing Project Manager position. Current work is performed by a contract employee.	BFO: Affordable Housing Goal: Preservation of Park City Character	Community & Environment	\$0	\$95,553	\$95,553
Y - 2c	Trails & Open Space Project Manager (ECSUTM) This creates a Trails Project Manager position. Current work is performed by a contract employee.	BFO: Trails (Backcountry) Goal: Recreation, Open Space & Trails	Economy	\$0	\$85,418	\$85,418
Y - 3	Walk Snow Removal Bundle (ECSUSN) This option will provide plowing service to all walkability sidewalks 7 days per week 10 hours per day. This also includes 2 snow hauls along sidewalks. This would also increase fuel (\$3,750 - 011-40412-09122-000-100) and repair (\$4,000 - 011-40412-09121-	BFO: Urban Trails and Walkability Goal: Effective Transportation	Parks & Cemetery Street Maintenance	\$0	\$55,090	\$55,090
Y - 4a	Bonanza Tunnel/Maint (ECSUBT) This option will provide landscaping, lighting, graffiti removal, and utility service to the tunnel. This option is budgeted at Service Level 2. The stairs will require hand shoveling.	BFO: Urban Trails and Walkability Goal: Recreation, Open Space & Trails	Bldg Maint Adm Parks & Cemetery	\$0	\$6,700	\$6,700

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Budget Option Descriptions (by Team)

Sustainability

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Y - 4b	Comstock Tunnel Land/Maint (ECSUCT) This option will provide landscaping, lighting, graffiti removal, and utility service to the tunnel. This option is budgeted at Service Level 2. This tunnel has heated stairs.	BFO: Urban Trails and Walkability Goal: Recreation, Open Space & Trails	Bldg Maint Adm Parks & Cemetery Street Maintenance	\$0	\$4,350	\$4,350
Y - 5a	Holiday Ranch Landscaping (ECSUHR) This option will provide landscape maintenance. This option is budgeted at Service Level 2.	BFO: Urban Trails and Walkability Goal: Recreation, Open Space & Trails	Parks & Cemetery	\$0	\$4,200	\$4,200
Y - 5b	Comstock/Sidewinder Landscape (ECSUCS) This option will provide landscape maintenance. This option is budgeted at Service Level 2	BFO: Urban Trails and Walkability Goal: Recreation, Open Space & Trails	Parks & Cemetery	\$0	\$2,800	\$2,800
Y - 6	308 McHenry Stairs (ECSUMS) Provides snow removal service 7 days a week during winter months plus monthly stair inspections. Stairs and railings are stained/painted every 3 years.	BFO: Parks Snow Operations Goal: Effective Transportation	Parks & Cemetery	\$0	\$3,955	\$3,955
Y - 7	Quinn's Restroom (ECSUQR) Provides winter service for the restrooms located at the Quinn's Trailhead.	BFO: Park Amenities & Infrastructure Goal: Recreation, Open Space & Trails	Bldg Maint Adm	\$0	\$11,000	\$11,000
Y - 7	Reduce Service @ Creekside Park Restroom (ECSUQRO*) Reduce service at Creekside Park restroom.	BFO: Park Amenities & Infrastructure Goal: Recreation, Open Space & Trails	Bldg Maint Adm	\$0	-\$11,000	-\$11,000
Y - 8	Back Country Trails O&M (ECSUBC) Annual maintenance of trail system in Round Valley including grading and compaction and magnesium chloride treatments to ensure bonding.	BFO: Trails (Backcountry) Goal: Recreation, Open Space & Trails	Economy	\$0	\$4,000	\$4,000
Y - 10	Low Carbon Diet (ECSUCD) Based on Council direction received in November 2010, staff launched a new program to address the community carbon footprint. The program, titled the "Low Carbon Diet", will utilize a fund surplus from the Johnson Controls project to engage households an	BFO: Carbon Reduction Goal: Recreation, Open Space & Trails	Community & Environment	\$8,000	\$19,000	\$0

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Budget Option Descriptions (by Team)

Sustainability

Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
Y - CM	Environmental Regulatory (ERSUER) The Environmental Regulatory budget is designed to track costs associated with Park City's environmental regulatory activities as they relate to water and soils. In the past, these funds were pull from Risk Management, Water and other available funds as	BFO: Environmental Regulation/EPA Goal: Preservation of Park City Character	Environmental Regulatory Water Operations	\$0	\$564,708	\$225,885
Y - CM	Building Personnel/Env Reduction (ERSUERO*) No level of service reduction. The new Environmental Engineer will have responsibility for the activities of the former Environmental Coordinator, plus additional responsibilities.	BFO: Environmental Regulation/EPA Goal: Preservation of Park City Character	Building Dept.	\$0	\$-123,842	\$-123,842
Y - TEC	EECBG Projects (CESUDE) Department of Energy (DOE) funds for an intern.	BFO: Environmental Regulation/EPA Goal: Recreation, Open Space & Trails	Community & Environment	\$0	\$5,300	\$0
Total Approved for Budget Options:				\$8,000	\$742,232	\$379,109
Total Approved Options for Sustainability:				\$8,000	\$742,232	\$379,109
<u>Not Approved</u>						
Budget Options						
N - 2a	Revenue Offset (CESUESR*) Special Event fee increase.	BFO: N/A Goal: N/A	Special Events	\$0	\$-15,000	\$-15,000
N - 2b	RDA Reduction (IFT to GF) (CESUAHR*) Potential offset includes revenue generated through affordable housing rental income and profit on the sale of affordable units.	BFO: Affordable Housing Goal: Preservation of Park City Character	Adm Chg Fr RDA Park Ave FG Admin	\$0	\$0	\$0
N - 2c	Revenue Offset (ECSUTMR*) Flagstaff Transfer Fee move from CIP to GF.	BFO: N/A Goal: N/A	Other Miscellaneous	\$0	\$-85,418	\$-85,418
N - 9	Hillside Avenue (ECSUHA) Provides snow removal service 7 days a week during winter months plus monthly stair inspections. Stairs and railings are stained/painted every 3 years.	BFO: Parks Snow Operations Goal: Effective Transportation	Parks & Cemetery	\$0	\$7,109	\$8,309
N - 11	Enhance Recycling (PDSUCR) There are currently seven bins on the sidewalks of Main Street and these bins are emptied four days a week. Staff has received feedback from residents, visitors, and vendors that the number of recycling bins on Main Street should be increased to more clo	BFO: Parks Trash Clean-Up Goal: Preservation of Park City Character	Parks & Cemetery	\$0	\$6,000	\$6,000

* CM = Proposed during City Manager meetings
TEC = Technical Adjustment
COM = Committee Recommended

Budget Option Descriptions (by Team)

Sustainability

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Priority*	Option Description	BFO Program/ Council Goal	Department(s)/ Revenue Line	2011 Request	2012 Request	2013 Request
N - TEC	Revenue Offset (CESUDER*) Department of Energy (DOE) funds for an intern.	BFO: Environmental Regulation/EPA Goal: Recreation, Open Space & Trails	Federal Grants	\$0	\$-5,300	\$0
N - TEC	Contract Employee Fringe (TEC4) This option will ensure that there is sufficient budget for contract employees for fringe benefits.	BFO: N/A Goal: N/A	Multiple Departments	\$0	\$0	\$0
Total Not Approved for Budget Options:				\$0	\$-92,609	\$-86,109
Total Not Approved Options for Sustainability:				\$0	\$-92,609	\$-86,109
Total Approved Options:				\$491,758	\$1,944,593	1,457,383
Total Not Approved Options:				\$-94,961	\$352,016	255,547

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