

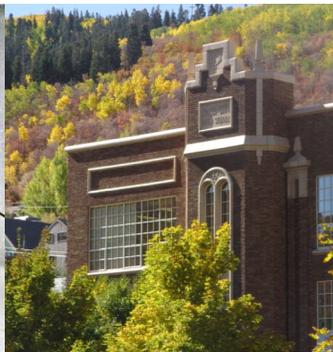
PARK CITY

FISCAL YEAR

2011 BUDGET

CITY MANAGER
ADOPTED BUDGET

ADJUSTED BUDGET FISCAL YEAR 2010
ANNUAL BUDGET FISCAL YEAR 2011
SUBMITTED TO PARK CITY COUNCIL
JUNE 17, 2010



PARK CITY
1884

THE BEST MANAGED RESORT TOWN IN AMERICA

PREPARED BY:
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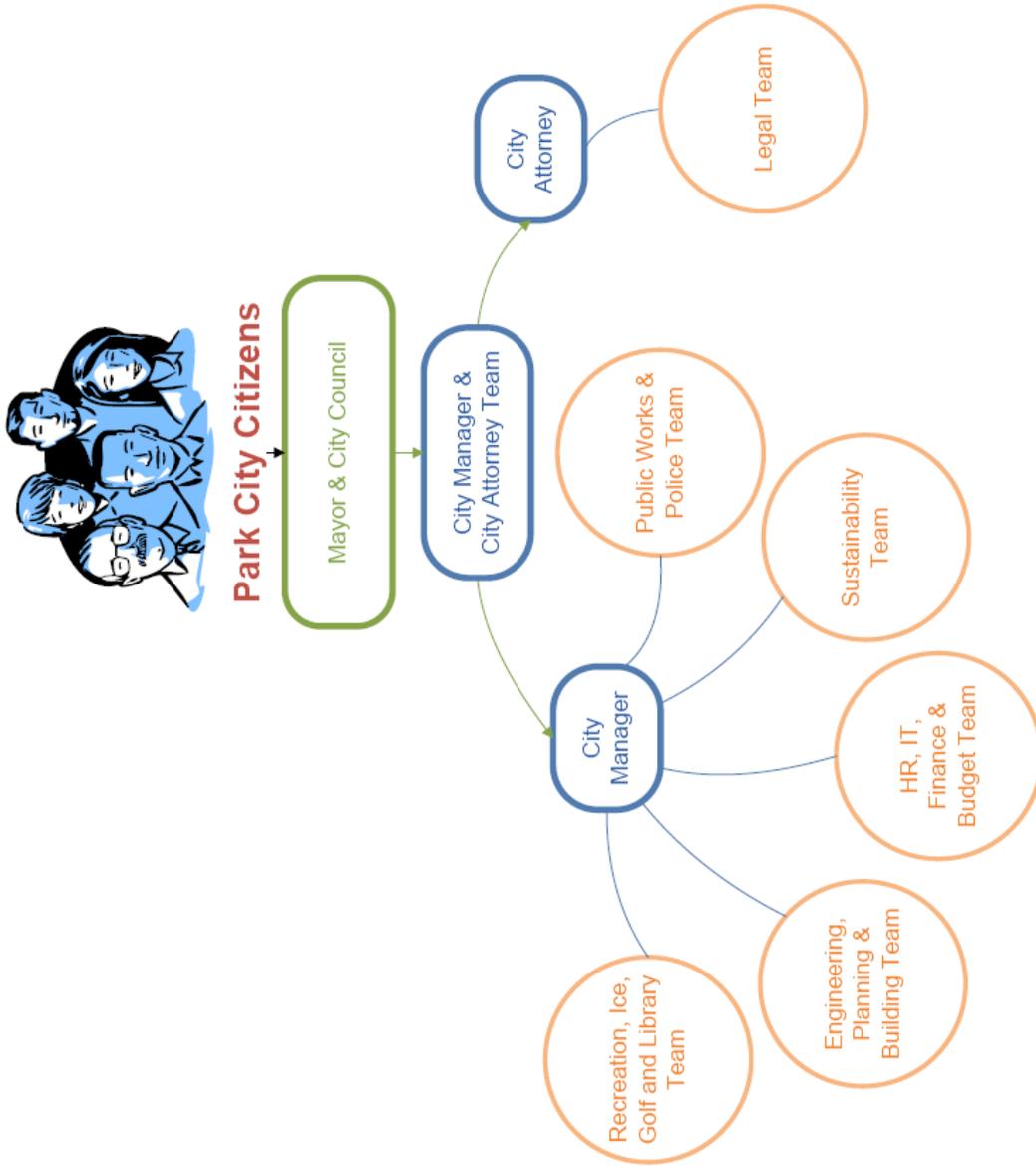
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GUIDE TO THE BUDGET DOCUMENT



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 2010-11 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.

City Manager Message.....	1
Park City Mission Statement.....	3
Goals & Targets for Action.....	3
Budget Process.....	3
Distinguished Budget Award.....	5

BUDGET OVERVIEW

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

Budget Issues.....	7
Budget Calendar.....	39
Budget Summaries.....	40

REVENUES

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

Property Tax.....	47
Sales Tax.....	49
Other Revenue.....	53

GUIDE TO THE BUDGET DOCUMENT

EXPENSES

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

Operating.....	58
Personnel.....	59
Material, Supplies, and Services.....	66
Capital.....	66
Debt Service.....	70

ECONOMIC OUTLOOK

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

About Park City.....	75
Park City Economy.....	76
City Sales Trends.....	78
City Financial Health Indicators.....	80
Demographic Information.....	91

POLICIES & OBJECTIVES

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

Budget Policy.....	94
Revenue Management.....	103
Capital Improvements.....	113
Internal Service Policy.....	118
Contract & Purchasing Policy.....	126
Other Policies.....	136

SUPPLEMENTAL

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

Fund Structure.....	145
Park City Pay Plan.....	148
Staffing Summary.....	151
Budget Option Descriptions.....	163



CITY MANAGER MESSAGE

May 3, 2010

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

Pursuant to §10-6-109, Utah Code Annotated, the following budgets: Fiscal Year 2010 Adjusted Budget and Fiscal Year 2011 Budget, have been prepared for Park City Municipal Corporation using budgetary practices and techniques recommended by the Governmental Accounting Standards Board (GASB) and the Governmental Finance Officers Association (GFOA). As required by State law, the proposed budget is balanced.

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

In preparing this budget, City staff began with base budget levels set as part of the Fiscal Year 2010 Adopted Budget and Fiscal Year 2011 Plan approved by Council in June of 2009. 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. 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 2011 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".

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 January, 2010 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. Quality & Quantity of Water
2. Preservation of Park City Character
3. Effective Transportation and Parking System
4. World Class, Multi-Seasonal/Resort Community
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 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

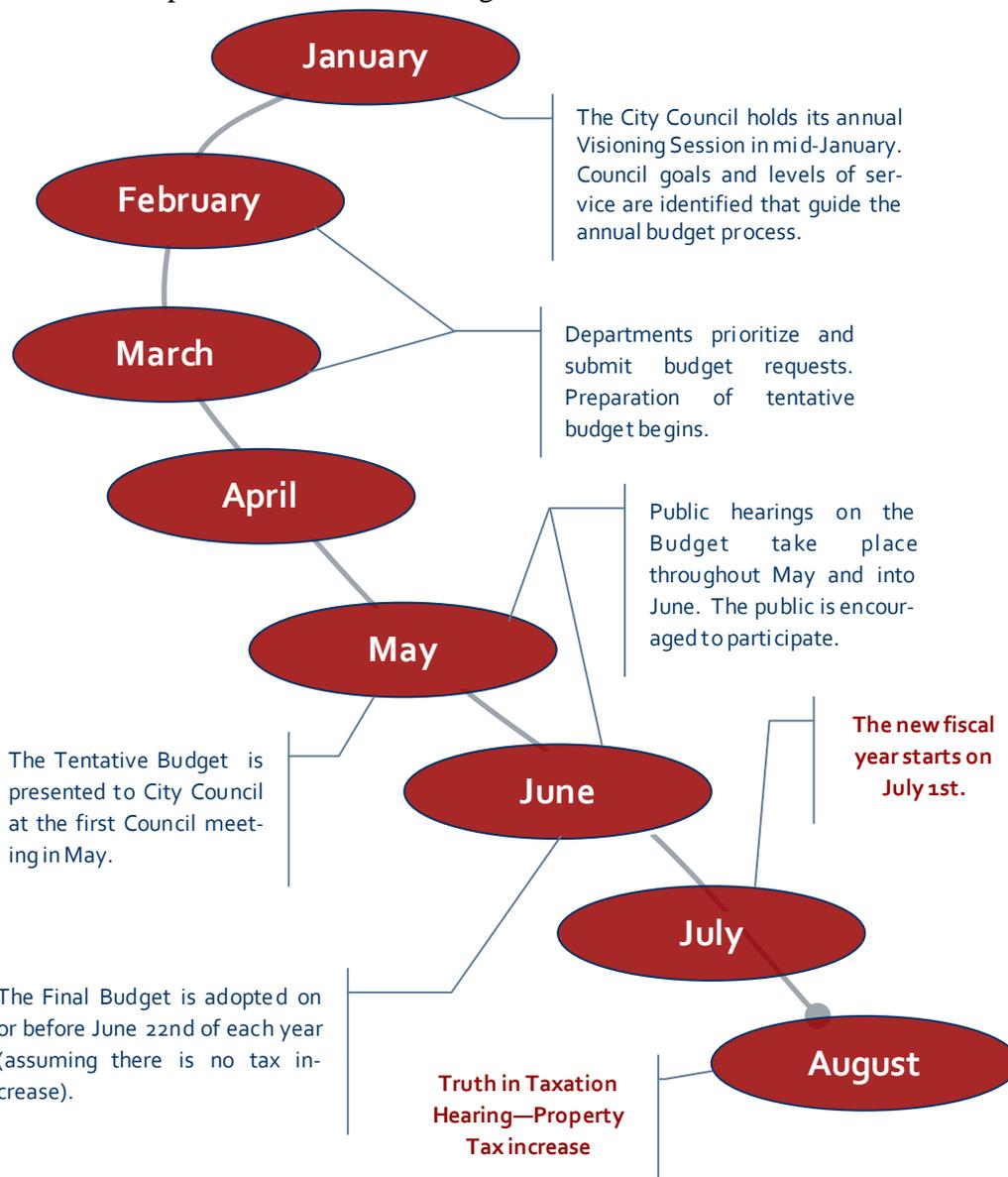
The budget process is an essential element of financial planning, management, control, and evaluation for the City. It provides the opportunity for the citizens paying for governmental services to be heard by their elected representatives.

The City begins the budget process in January with the City Council identifying objectives for the next year. 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 departments. The City Manager reviews budget requests, or options, with each functional team

INTRODUCTION

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 17, 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.

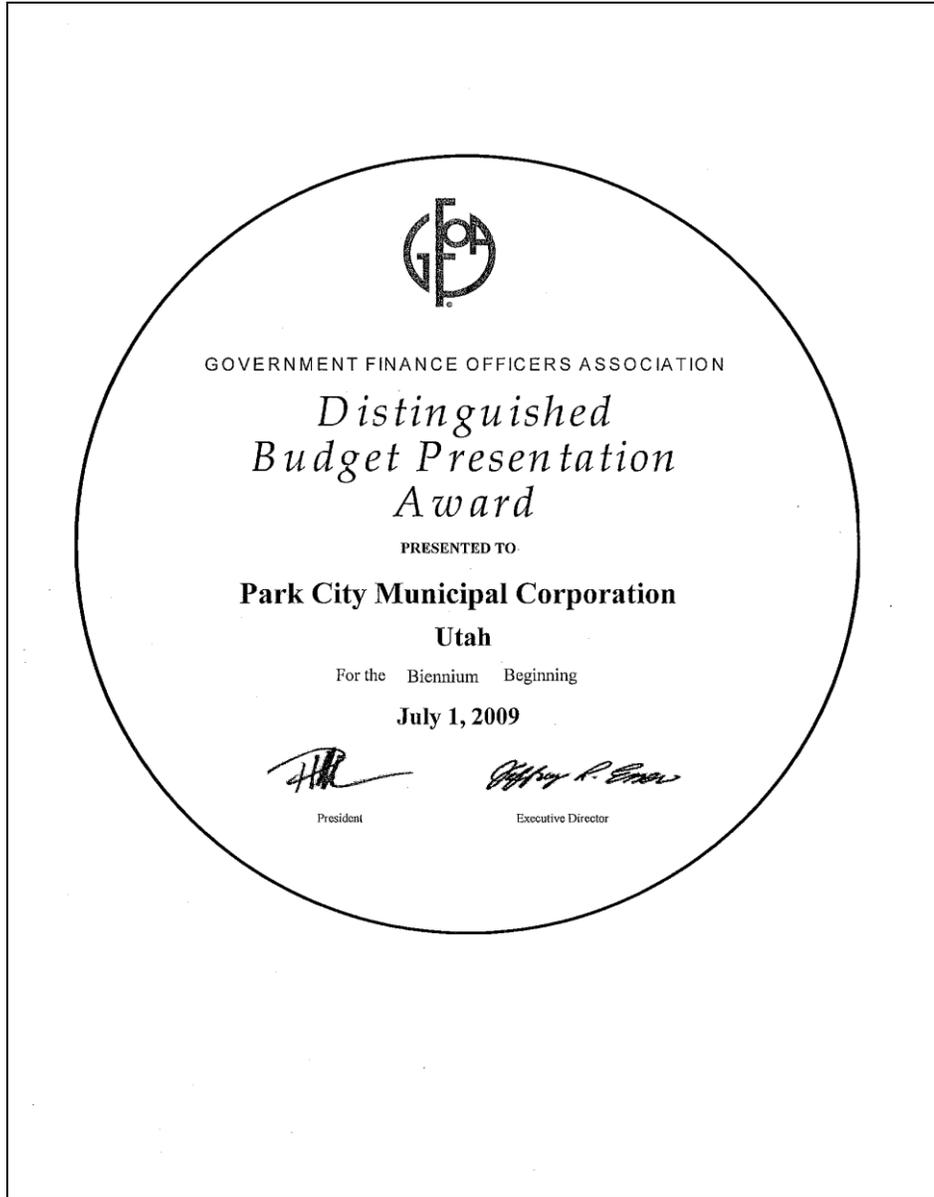
In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communication device.

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; the budget was presented to GFOA at the beginning of the FY 2010-2011 budget cycle and has been awarded a Distinguished Budget Presentation award for the current budget biennium.

INTRODUCTION

Submitted by:
Thomas B. Bakaly, City Manager



BUDGET OVERVIEW

BUDGET ISSUES

This year's budget process occurs in the off-year of a two-year budget cycle; budget discussions will focus on variations from the FY 2010 Original Budget and FY 2011 Plan adopted by City Council last year. The following are a few of the more significant issues to be discussed with City Council during the budget hearings in May and June. For each of the budget hearings, Council will receive a staff report providing thorough details of all the issues that are expected to be discussed.

The FY 2010 Adjusted Budget reflects an 8.9% increase from the FY 2010 Original Budget and an overall 11.4% increase from FY 2009 actual expenses (with capital excluded). This is largely due to newly contracted debt service expense in the water fund related to water infrastructure projects.

The FY 2010 Adjusted Budget increased to \$46,175,484 from the FY 2009 Budget—approximately 6.9%. This increase is largely the result of increased debt service and would have been much larger but for the operating budget reductions which were identified and prioritized by departments and teams in accordance with the revenue shortfall plan discussed with Council in the January Visioning session. 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 2011 budget increased to \$46,034,038 up 5.5% from the FY 2011 Plan. This increase can be contributed in large part to increased debt service as well.

The FY 2010 Adjusted Budget reflects a marginal increase in personnel expenses of 0.5% from the FY 2010 Original Budget. The FY 2011 Budget shows a 0.13% increase in personnel from the FY 2011 Plan. 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 2007	FY 2008	FY 2009	FY 2010 Ori Bud	FY 2010 Adj Bud	FY 2011 Plan	FY 2011 Bud
Personnel	17,443,771	19,540,194	20,553,234	21,149,427	21,255,216	22,060,765	22,090,130
Materials, Supplies & Services	10,358,236	12,441,592	11,052,483	12,274,512	12,361,185	12,491,431	12,639,435
Capital Outlay	19,870,601	16,488,284	41,569,011	48,663,450	137,803,191	36,633,080	12,003,703
Debt Service	6,310,364	6,583,721	9,834,751	8,670,056	12,244,083	8,789,691	10,989,473
Contingencies	0	0	0	315,000	315,000	315,000	315,000
Actual Budget	\$53,982,972	\$55,053,791	\$83,009,480	\$91,072,445	\$183,978,675	\$80,289,968	\$58,037,741
Budget Excluding Capital	\$34,112,371	\$38,565,507	\$41,440,469	\$42,408,995	\$46,175,484	\$43,656,888	\$46,034,038
Interfund Transfers	13,837,974	15,628,653	32,800,255	9,305,477	14,840,024	8,106,455	7,118,246
Ending Balance	88,030,246	96,459,405	94,338,414	35,396,588	22,855,772	37,656,387	23,780,604
Subtotal	\$101,868,220	\$112,088,058	\$127,138,669	\$44,702,065	\$37,695,796	\$45,762,842	\$30,898,850
Grand Total	\$155,851,192	\$167,141,849	\$210,148,148	\$135,774,510	\$221,674,471	\$126,052,810	\$88,936,591

Table B01 – Expenditure Summary by Major Object

BUDGET OVERVIEW

Due to the global downturn in the economy over the last year and a half, Park City has had to adjust previous revenue and expenditure projections. Seeing that revenue projections were going to be down moved the City into budget reduction mode. For the second year in a row managers were asked to reduce their normal expenditures by 5% for the second half of the fiscal year (2.5% annual budget reduction). Current forecasts have the City coming in around 94.55% of the adjusted FY 2010 budget (a \$1.2 million savings).

Managers were also asked to determine budget options in two separate “layers”: usual requests and 5% reductions. As usual, options were prioritized by teams (departmental groups), which helped the City Manager determine which options and which reductions would ultimately make it into the City Manager’s recommended budget. There was no across-the-board 5% cut, but rather a concerted effort to only cut budgets where it would affect service levels the least. Teams were especially careful to scrutinize the need for new options and limit operating requests. Table B02 shows the cuts by team.

In addition to cutting operating budgets, additional reductions were made to the capital budget. The CIP Committee has recommended \$650,000 in cuts to the CIP, reducing the GF transfer for capital. Furthermore, alternate sources of funding (e.g., grants, etc.) were identified.

FY 2011 Budget Cuts					
Team	Dept		FY 11 Budget	Increase/Decrease	
Executive	CITY COUNCIL		\$217,984		
	CITY MANAGER		\$598,312		
	ELECTIONS		\$0		
	LEGAL		\$808,107		
	VENTURE FUND		\$35,000		
	SPECIAL MEETINGS		\$13,000		
	Subtotal		\$1,672,403	-\$47,752 -2.86%	
Internal Services	BUDGET, DEBT & GRANTS		\$245,224		
	HUMAN RESOURCES		\$602,813		
	FINANCE		\$797,094		
	TECHNICAL & CUSTOMER SERVICES		\$1,159,710		
	Subtotal		\$2,804,841	-\$91,369 -3.26%	
Public Works	Public Works	BLDG MAINT ADM	\$1,073,369		
		FIELDS	\$193,179		
		PUBLIC WORKS ADMIN.	\$288,520		
		PARKS & CEMETERY	\$1,372,435		
		STREET MAINTENANCE	\$1,845,168		
		STREET LIGHTS/SIGN	\$184,000		
		Subtotal		\$5,037,121	-\$181,526 -3.60%
	Water	WATER BILLING	\$120,379		
		WATER OPERATIONS	\$3,889,498		
		Subtotal		\$4,009,877	-\$6,490 -0.16%
	Fleet	FLEET SERVICES DEPT	\$2,335,909		
		Subtotal		\$2,335,909	-\$107,725 -4.61%
	Transit	TRANSPORTATION OPER	\$6,865,919		
		Subtotal		\$6,865,919	-\$35,000 -0.51%
	Library & Recreation	Golf	GOLF MAINTENANCE	\$675,339	
			GOLF PRO SHOP	\$588,417	
		Subtotal		\$1,263,756	-\$60,064 -4.75%
Library & Recreation	Library & Recreation	CITY RECREATION	\$1,508,534		
		TENNIS	\$634,855		
		LIBRARY	\$845,171		
		ICE FACILITY	\$820,584		
	Subtotal		\$3,809,144	-\$141,697 -3.72%	
Sustainability	Sustainability	SUSTAINABILITY - VISIONING	\$457,994		
		SUSTAINABILITY - IMPLEMENTATION	\$450,684		
		Subtotal		\$908,678	-\$34,938 -3.84%
Public Safety	Public Safety	POLICE	\$3,520,444		
		STATE LIQUOR ENFORCEMENT	\$66,785		
		COMMUNICATION CENTER	\$719,026		
		DRUG EDUCATION	\$149,450		
	Subtotal		\$4,455,705	-\$57,100 -1.28%	
Community Development	Community Development	ENGINEERING	\$370,233		
		PLANNING DEPT.	\$945,294		
		BUILDING DEPT.	\$1,739,144		
		Subtotal		\$3,054,671	-\$141,511 -4.63%
All Team Total			\$36,218,024	-\$905,172	

Figure B02 – Budget Cuts by Team

BUDGET OVERVIEW

The City Manager's Recommended Budget has been prepared in accordance with the plan which was laid out to Council in January. This budget should allow the City to operate at similar service levels to years past while continuing needed capital improvements and investment in spite of poor economic conditions now and in the near future. The financial plan contained here is realistic and fiscally prudent in the opinion of the City Manager, the Budget Department, and City staff.

FINANCIAL IMPACT ASSESSMENT REPORT (FIAR)

In January 2010 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 purpose behind the FIAR was to provide City Council members with a reference tool to estimate the impacts of additional operating and capital spending as well as policy decisions in future years. 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 FY 2010 Adjusted Budget and the FY 2011 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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	\$23,851	\$24,618	\$26,195	\$27,713	\$28,435	\$29,217	\$29,916	\$30,605	\$31,284	\$32,027
Op. Expenses	\$21,402	\$22,255	\$22,255	\$22,255	\$22,255	\$22,255	\$22,255	\$22,255	\$22,255	\$22,255
Inflationary Growth			\$726	\$1,476	\$2,250	\$3,051	\$3,878	\$4,732	\$5,615	\$6,527
Council Directed Growth			\$300	\$596	\$896	\$1,199	\$1,507	\$1,819	\$2,135	\$2,455
CIP Expenses	\$2,249	\$1,678	\$2,228	\$2,218	\$2,193	\$1,868	\$1,868	\$1,868	\$1,868	\$1,868
Debt Service	\$181	\$861	\$863	\$1,520	\$1,520	\$1,522	\$1,889	\$1,888	\$1,888	\$2,339
Total Expenses	\$23,831	\$24,795	\$26,372	\$28,064	\$29,113	\$29,895	\$31,396	\$32,561	\$33,760	\$35,443
Rev/Exp	\$19	-\$176	-\$177	-\$351	-\$678	-\$678	-\$1,480	-\$1,956	-\$2,476	-\$3,416
Proposed Tax Increases		\$440	\$451	\$950	\$969	\$1,524	\$1,549	\$2,159	\$2,188	\$2,852
Rev/Exp w/ Tax Increase	\$19	\$264	\$274	\$599	\$290	\$846	\$69	\$203	-\$288	-\$563

**All figures in thousands*

Aggregate Surplus/(Shortfall) - w/o Tax Increase	(\$11,369)
Aggregate Surplus/(Shortfall) - w/ Tax Increase	\$1,713

Table B03 – Ten-year Financial Impact Forecast

Operating expense projections are now made using the service level associated with the 2011 Proposed Budget as the base level. Table B04 shows the FY 2010 service level projected over ten years using the growth rate identified in the 2010 Service Level Assessment Committee

BUDGET OVERVIEW

(SLAC) update. The projected surpluses (or deficits) for each year are shown in the following graph.

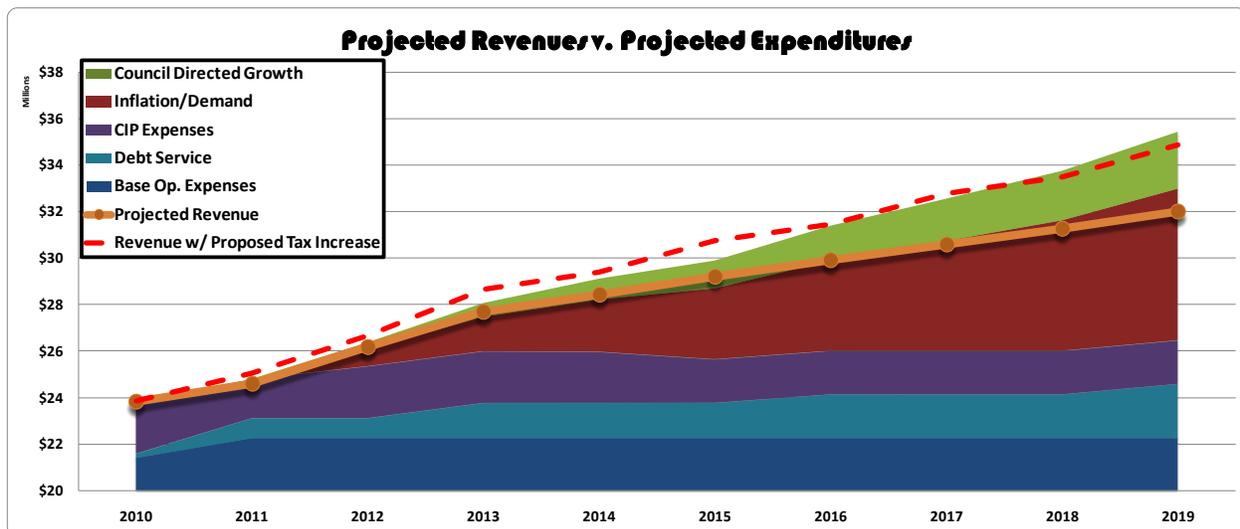


Figure B04 – Forecasted Revenues and Expenditures

A revenue shortfall for FY 2010 was identified in the January FIAR of about \$1.8 M. This projection was updated to a \$1.5 M shortfall in a presentation to Council in early April. At that time, staff presented a plan to Council which identified alternatives for addressing the projected shortfall in the current fiscal year. This plan involved a mix of operating reductions, capital de-obligation, and revenue enhancement. As can be seen here, staff carried out this plan and the recommended adjusted budget is now balanced, with no requirement to access reserves to fund operating activities.

Despite deep budget cuts to offset inflationary expenditure increases in FY 2011, future shortfalls are projected to continue indefinitely without action on the revenue side. Ultimately, due to the nature of property tax in Utah and the lack of an inflationary factor built into Truth in Taxation rules, regular property tax increases are necessary to maintain current levels of service and for all new Council directed programs in the long run. There has been some discussion that in the future the State may consider allowing cities to increase property tax by the CPI without a truth in taxation hearing. Rising property tax now by the CIP may help with those state discussions. This topic is addressed in a more comprehensive nature in the Revenue Mix portion of this Budget Issues section.

For more detailed explanations of projection methodology and long-range financial planning, please consult the January 2010 FIAR document, a copy of which can be obtained from the Budget Department.

SLAC UPDATE

In 2001, Park City initiated a Program & Resource Analysis which sought to identify, define, and describe City services. The analysis was divided into three phases. The first phase focused on

BUDGET OVERVIEW

which services and programs the City provides and approximately how much each activity costs. The second phase sought to improve public outreach and communication by improving the existing budget document and creating a new “Citizen’s Budget.” The third phase began to measure how well the City provides services for the community through performance data and benchmarking.

As part of the first phase of the Program & Resource Analysis, the City assembled a committee referred to as the Service Level Assessment Committee (SLAC), which was tasked with evaluating and describing the growth in operating expenditures for the 10-year period between 1991 and 2000. In their March 2001 report, SLAC described their mission as follows: “The purpose of the SLAC analysis is to provide City Council with information regarding the level and scope of services provided by the City in the past and present, so as to change future expenditure patterns to better meet the needs of the City.” The SLAC report included a five-year projection of operating revenues and expenses which demonstrated likely shortfalls beginning in 2003. Council considered these projections and made adjustments via the budget process which reduced the operating budget by approximately \$600,000, avoiding the anticipated deficits.

The SLAC analysis then lay dormant until it was recently updated by a reconvened Committee in late 2009. This new Committee updated the 2001 report with the latest decade’s data, stratifying and quantifying operating expenditure growth with the goal of developing data suitable for projecting operating expenses over the decade to come. The committee agreed that the most valuable output from the original report was the distribution of the increment of operating expenses over a ten-year period into three categories describing the nature of the growth. Efforts were focused on reproducing this data for the ten-year period between 2001 and 2010. The following details the three categories into which operating expense growth was distributed for this SLAC update.

Inflation: Any growth in the cost to provide the same quantity and quality of existing service in 2000. This is basically price increases (e.g., road salt costs more now than it did then, even if we buy the same amount). Any decrease in program costs due to efficiencies gained, economies of scale, reorganizations, etc., would be accounted for here. Increased costs due to State or Federal mandates would also fit in this category.

Increased Demand: Any growth in expenditures due to providing more of the same service to more population, visitors, users, lane miles, etc. (e.g., we buy more salt because we have more lane miles than we had in 2000). A change in the sophistication of user or population demand which causes increased expense could also be accounted for here.

Council Directed: Growth in expenses related to direction given by Council to increase/expand new services or the level at which existing services are provided. Also operating expenses resulting from capital projects which represent a greater level of service, such as the Ice Arena, would fit (e.g., we buy more salt because Council decided to salt the roads more often).

BUDGET OVERVIEW

The resultant rates of increase from the SLAC update, specific to General Fund activity, are as follows: Inflation – 1.1%; Demand – 2.0%; and Council Directed – 1.4%.

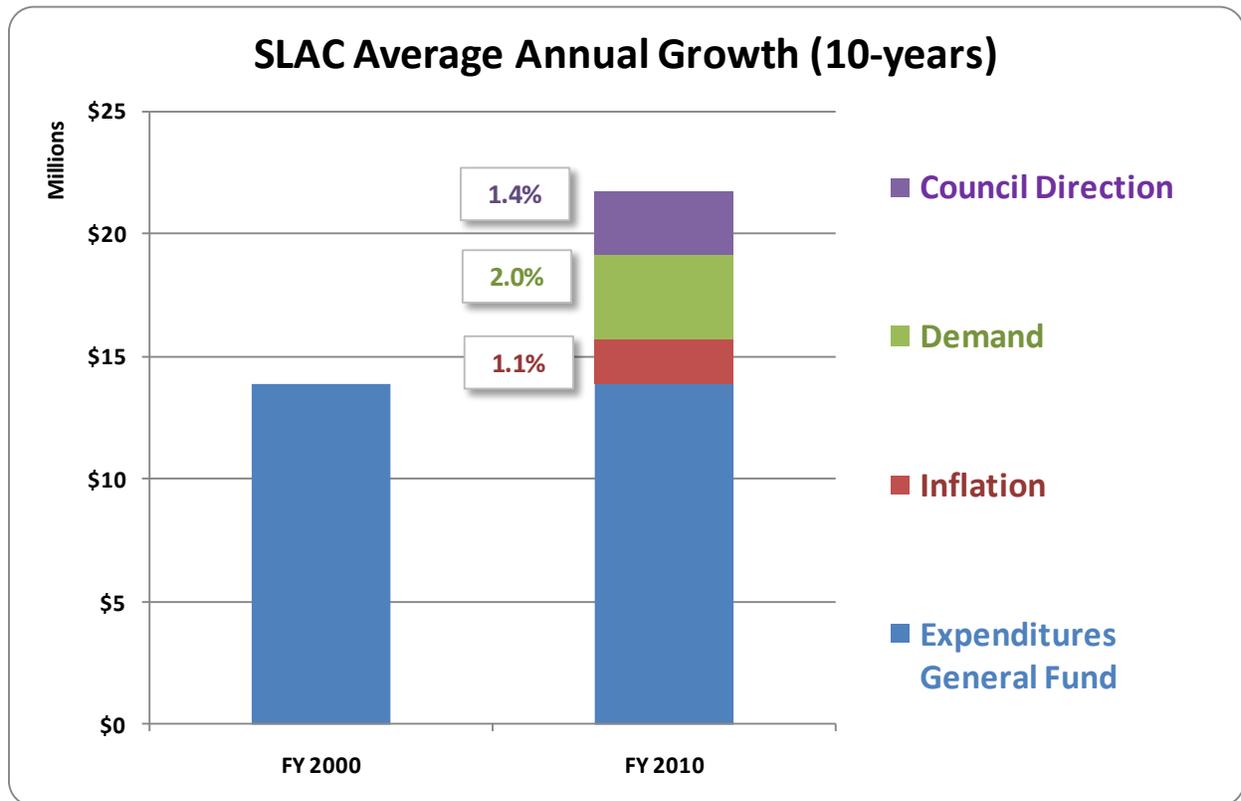


Figure B05 – SLAC Average Annual Growth

Recognizing the need for ongoing analysis of service levels and operating expenses, the Committee also made recommendations which would associate SLAC analysis with the biennial budget process. Each year, all operating revenues will be identified and reported according to the three SLAC categories. In this fashion, SLAC should continually inform both long-term financial planning as well as annual budget decisions.

This year's operating budget changes have been sorted according to the three SLAC categories. 0.39% of increase from the base budget is due to inflationary pressures. 0.21% is caused by growth of the demand base. 2.13% represents increased level of service which has either been directed by Council or which has been proposed by staff and requires Council direction as part of this budget process.

BUDGET OVERVIEW

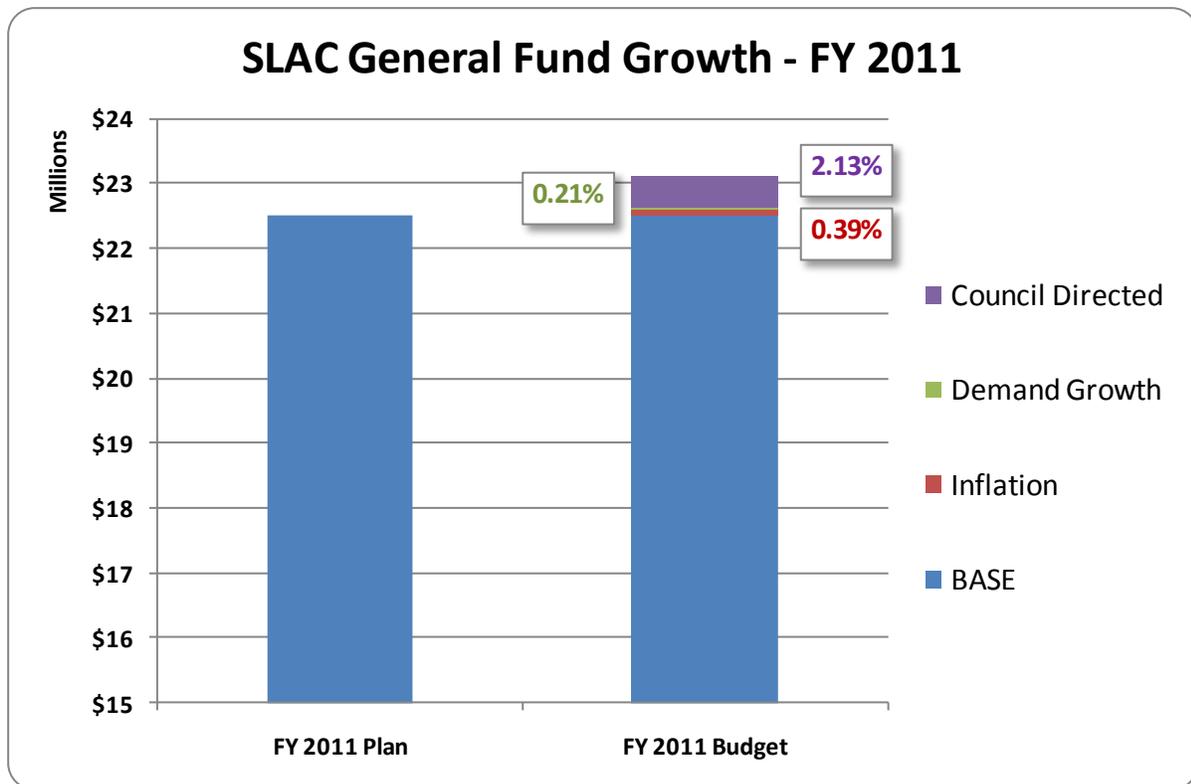


Figure B06 – SLAC General Fund Growth

This sorting gives Council and staff a better understanding of the nature of and impetus behind incremental differences in the 2011 budget. In so doing, Council and staff can also make better decisions about the appropriate strategy for funding these budget increases.

NEW EXPENDITURE FUNDING STRATEGY

Along with the SLAC and FIAR updates in January 2010, staff proposed to Council a new budget tool to be used during the upcoming budget process. This tool would amount to an explicit funding strategy for all newly proposed expenditures. In the past, revenue projections were presented to Council in one meeting and expenditure requests were considered separately in a distinct meeting. The balancing of the budget happened behind the scenes. Now, the budget document will present a list of all recommended increases to the expenditure budget and a corresponding funding strategy which would be needed to fund each increase and balance the budget. This strategy consists of a mix of expenditure cuts, new revenue sources, and anticipated growth of existing revenues.

The FY 2011 Incremental Expenditure Funding Strategy is presented in the following matrix (pg. 14). The left side of the matrix, or “Requirements”, displays the FY 2011 Plan, or base budget, and all departmental budget options turned in by department managers which would increase the budget. These options are stratified by SLAC growth categories, which give a better understanding of the impetus behind these increases. A breakout of the budget options described as “Council Directed Level of Service Increase” is given hereafter. Also listed are budget

New Expenditure Funding Strategy

How the FY 2011 Budget is Balanced

FY 2011 Requirements		Balancing Strategy		FY 2011 Funding Sources	
Base Budget				Projected Revenues	
Operations	21,812,187			Property Tax	7,939,562
Pay Plan	512,000	24,618,223	Projected Revenues	Sales Tax	7,915,286
CIP Transfer	1,678,209	255,409	Efficiencies Gained	Franchise Tax	3,049,981
Debt Service	950,083	78,846	OTIS Debt Service Decrease	BPE Fees	1,019,223
Subtotal	24,952,479	24,952,478	Subtotal	Other Fees/Charges	2,603,489
Budget Options				Ice Revenue	567,716
Inflation	86,839	316,617	Property Tax Increase	Interfund Transfers	1,522,966
Demand Growth	47,565	43,579	Reduced Demand	Subtotal	24,618,223
Council Directed LOS Increase	480,216	254,423	Low Impact LOS Reductions		
Subtotal	614,619	614,619	Subtotal	Budget Reductions	
Budget Issues				Efficiencies Gained	755,409
URS Increase	72,365	62,567	Property Tax Increase	Reduced Demand	43,579
Lump Merit Pool	500,000	500,000	Efficiencies Gained	Low Impact LOS Reductions	254,423
Racquet Club Debt Svc Increase	68,817	78,615	OTIS Debt Service Decrease	Subtotal	1,053,410
Subtotal	641,182	641,182	Subtotal	Changes to Debt Service	
Increases to CIP Transfer				OTIS Debt Service Decrease	157,461
Traffic Calming	25,000			Subtotal	157,461
Trails Master Plan	100,000			Decreases to CIP Transfer	
Fleet Replacement	50,000	174,500	Pavement Mgt Implement	Pavement Mgt Implement	174,500
General Plan Update	50,000	40,000	Walkability Maintenance	Walkability Maintenance	40,000
Irrigation Controller Replace	10,000	8,000	Emergency Mgt Equip Replace	Emergency Mgt Equip Replace	8,000
Rink Roof for Mech. Equip.	25,000	37,500	Bldg Activity Stabilization Fund	Bldg Activity Stabilization Fund	37,500
Subtotal	260,000	260,000	Subtotal	Subtotal	260,000
Surplus/Contingency				New Revenue Source	
	60,995	60,995	Property Tax Increase	Property Tax Increase	440,181
				Subtotal	440,181
Grand Total	26,529,275			Grand Total	26,529,275

BUDGET OVERVIEW

increases related to major budget issues which were non-departmental and therefore not included as a typical budget option, as well as increases to the capital plan recommended by the CIP Committee which would increase the General Fund transfer to the CIP Fund. There is also a modest surplus shown which staff would recommend be reserved as contingency.

The right side of the matrix, or “Funding Sources”, outlines the recommended methods of funding the requirements on the left. This includes existing projected revenues, as well as expenditure cuts, including both efficiencies gained (providing the same level of service with less resources), reduced public demand for certain services, and minor level of service decreases requiring Council direction, which are discussed in more detail in the operating budget section. A reduction in the anticipated need for borrowing for OTIS projects also resulted in a savings which could be used to balance the budget. The CIP Committee also recommended decreases to projects requiring General Fund dollars, directly offsetting the amount of increase seen on the requirements side. More detail on these capital cuts is given in a separate figure in the capital section of the budget overview. Finally, this year’s proposed budget would require a property tax increase of 6%, which is in line with the 15-Year Revenue Action Plan outlined in the Revenue Mix Analysis. Staff is recommending a property tax increase occur in an amount equal to the Consumer Price Index (CPI) every 2 years. Therefore, the 6% increase represents a 3% increase for both FY 2010-2011 and FY 2011-2012.

Between the requirements section and the funding sources section, a balancing strategy is put forth which associates each funding source with a portion of the requirements in a logical fashion. Existing revenues should pay for the base budget where possible, with budget reductions making up the difference. Since the property tax increase has the root purpose of keeping this revenue source up with inflation, it is reasonable to associate much of the property tax increase with inflationary budget increases. Increased levels of service should be offset with corresponding decreases in level of service where possible, and budget increases due to growth demand should be offset at least in part by budget decreases in areas where demand is shrinking. Retirement cost increases can be offset by property tax since these are basically inflationary costs, and the lump merit pool should be completely offset with decreased operating budget since these expenses were previously handled within existing resources. Also, in this plan all changes to the General Fund transfer to the CIP Fund are offset, dollar for dollar, with corresponding project cuts.

BUDGET OVERVIEW

Council Directed Level of Service Increases

Option Code	Option Name	Amount
CRLRCR	Creekside Park Restroom Cleaning	11,000
EDCDSR	8th Street Stairs	3,706
IMSUCE	Event Project Manager	21,510
IMSULK	Contract Sidewalk Snow Removal	12,000
IMSUPS	Park Silly Sunday Market Facility Improvements	10,000
ITISWM	City Council Website Maintenance	8,000
NDNDEM	Emergency Management Program Replacement	22,000
NDNDPS	Park Silly Sunday Market	80,000
PDPSDC	Dry Cleaning	7,000
PDPSEM	Emergency Management Contract	55,000
TRCRC	Temporary Racquet Club Relocation Costs	250,000
TDTDPR	Park and Ride Transit	77,910
TDTDTF	Credit Card Fees	4,500
General Fund Total:		480,216
Grand Total:		562,626

Figure B08 – Council Directed Level of Service Table as Recommended by Staff

CIP Committee Recommended Project Cuts Impacting the General Fund Transfer

Scheduled General Fund Transfer for CIP	FY 2011 Plan	FY 2011 Budget	Change	Notes
CP0006 Pavement Management Impl.	300,000	125,500	(174,500)	Funding moved to FY 2010
CP0017 ADA Implementation	10,000	10,000	-	
CP0036 Traffic Calming	-	25,000	25,000	Recommended by CIP Committee
CP0041 Trails Master Plan Implementation	-	100,000	100,000	Recommended by CIP Committee
CP0042 Gilmore Open Space Note	100,000	100,000	-	
CP0074 Equipment Replacement - Rolling Stock	550,000	600,000	50,000	Recommendation of Fleet Committee
CP0075 Equipment Replacement - Computer	200,000	200,000	-	
CP0142 Racquet Club Program Equipment Replacement	50,000	50,000	-	
CP0146 Asset Management/Replacement Program	382,709	382,709	-	
CP0191 Walkability Maintenance	40,000	-	(40,000)	Moved to Operating due to new GASB Rules
CP0218 Emergency Management Program Replacement	8,000	-	(8,000)	Moved to Operating due to new GASB Rules
CP0234 General Plan Update	-	50,000	50,000	Recommended by CIP Committee
CP0237 Building Activity Stabilization Fund	37,500	-	(37,500)	DeObligated per CIP Committee Recommendation
NEW5 Irrigation Controller Replacement		10,000	10,000	Recommended by CIP Committee
NEW15 Rink Roof for Mechanical Equipment		25,000	25,000	Recommended by CIP Committee
Grand Total	1,678,209	1,678,209	-	

Figure B09 – CIP Committee Recommended Project Cut Table

BUDGET OVERVIEW

REVENUE MIX ANALYSIS

The Park City Budget Department has conducted a revenue mix analysis with the intent of identifying and describing the properties of the ideal portfolio of General Fund revenue streams for Park City. The ideal revenue mix could be compared to the existing revenue mix in order to identify revenue streams which need adjustment in the near and distant future, reducing the likelihood of short-term economic fluctuations exerting undue influence on taxation decisions. Ultimately, this information should be used by staff and City Council to take action which concurrently balances the annual budget and achieves progression toward a target revenue portfolio that is sufficient to cover projected expenditure levels ten years from now.

The details of the analysis, including a thorough description of the logic and methodology behind the conclusions, are presented in a separate report delivered to Council at the same time as this budget document. What follows will serve as an executive summary of that report.

Summary Recommendations: The Budget Department urges Council to consider a long-term approach to sculpting the Park City General Fund revenue mix. For this purpose, staff recommends a 15-Year Revenue Action Plan that prescribes regular tax and fee increases which would counterbalance inflationary pressures and reduce the volatility of Park City’s revenue portfolio. The resultant revenue mix would allow City services to continue uninterrupted even during deep recessions.

15 Year Revenue Mix Action Plan

Tentative Percent Increases...

Fiscal Year	Sales Tax	Property Tax	Franchise Tax	BPE Fees	Other Fees
2011	-	6%	-	4%	5%
2012	-	-	-	-	-
2013	-	6%	-	-	5%
2014	-	-	-	-	-
2015	-	6%	-	-	5%
2016	-	-	-	4%	-
2017	-	6%	-	-	5%
2018	-	-	-	-	-
2019	-	6%	-	-	5%
2020	-	-	-	-	-
2021	-	6%	-	4%	5%
2022	-	-	-	-	-
2023	-	6%	-	-	5%
2024	-	-	-	-	-
2025	-	6%	-	-	5%
2026	-	-	-	4%	-

Figure B10 – 15 Year Revenue Mix Action Plan

BUDGET OVERVIEW

The Action Plan contains a recommendation to increase property tax 6% every other year, beginning in FY 2011. It also recommends regular updates to building, planning, and engineering fees, administrative interfund transfers, and other fees.

This Action Plan represents the most tangible step proposed to date toward integrating Park City's long-term financial planning process with the biennial budget process. Historically, the City's FIAR has put forth projections of how the City's long-range financial picture may look given the assumption that the City continues its present course. We know that the City will not continue present course. Things will change. The question is: Will we let change happen to us and allow chance to dictate service levels, or will we deliberately adjust and control the situation to ensure continuous service delivery? Figure B11 shows a modified picture of the City's financial future if we choose the latter and adhere to the proposed Action Plan (compared to similar chart in FIAR section, which showed increasing deficits going into the future).

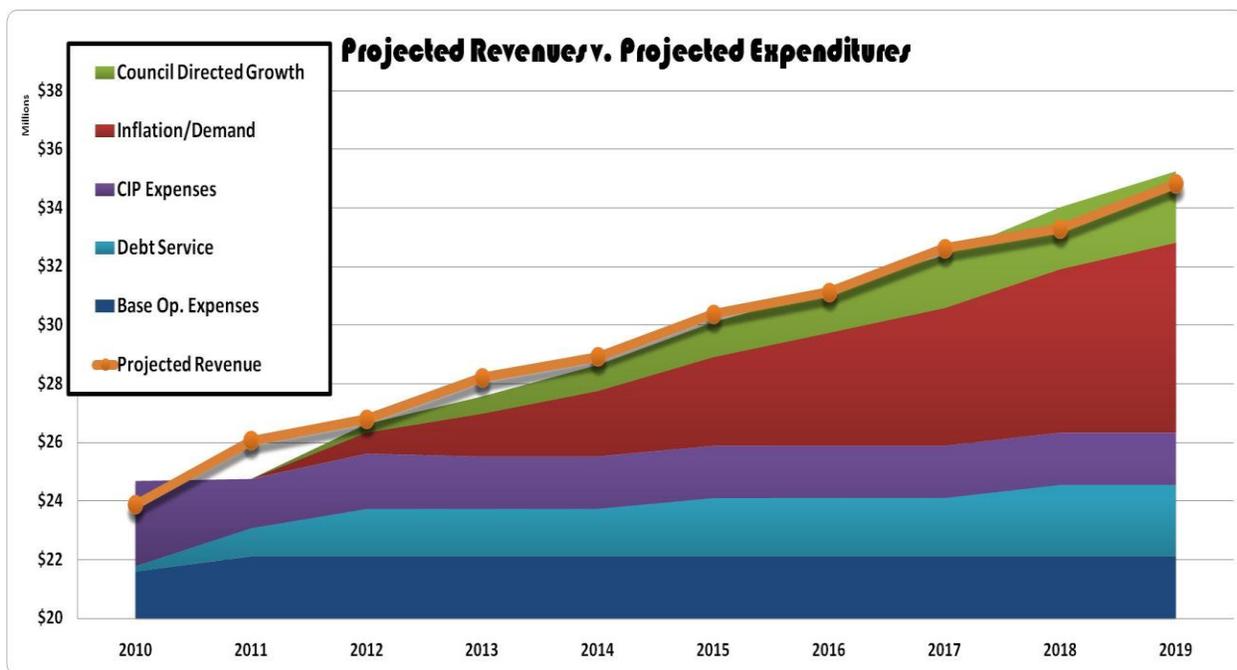


Figure B11 – Projected Revenues v. Projected Expenditures with Property Tax Increase

Volatility Threshold Analysis: When all of Park City's General Fund revenue streams are combined, they assume a unique composite identity, a sort of volatility fingerprint. The volatility of the revenue mix historically has peaked at 14% above projections, with trough volatility at 9% below projections. This revenue mix is slightly risky, taking on a fair amount of volatility. This is likely to deliver excellent growth in economic upturns, but sharp shortfalls during recessions.

If Park City were able to set aside sufficient reserves for these recessions, the current revenue mix could be an acceptable strategy. However, state statute limits the City to keeping no more than 18% of budgeted revenues in reserve and specifically prohibits the use of a rainy-day fund. In addition, the City is required to keep no less than 5% reserves on hand. If the City were to be able to withstand the potential trough volatility of the current revenue mix and remain above the

BUDGET OVERVIEW

5% reserve threshold, the City would need to exceed the 18% threshold during times of peak volatility. But as the City cannot exceed 18% by statute, reserves may be insufficient to continue service delivery at existing service levels during economic downturns, as illustrated in figure B12 below.

The revenue mix proposed in the Action Plan would achieve maximum revenue growth potential while still maintaining reserve levels within statutory boundaries during deep recessions. To achieve this, though, it is necessary to increase the proportion of property tax in the revenue mix since this is the most stable major revenue source.

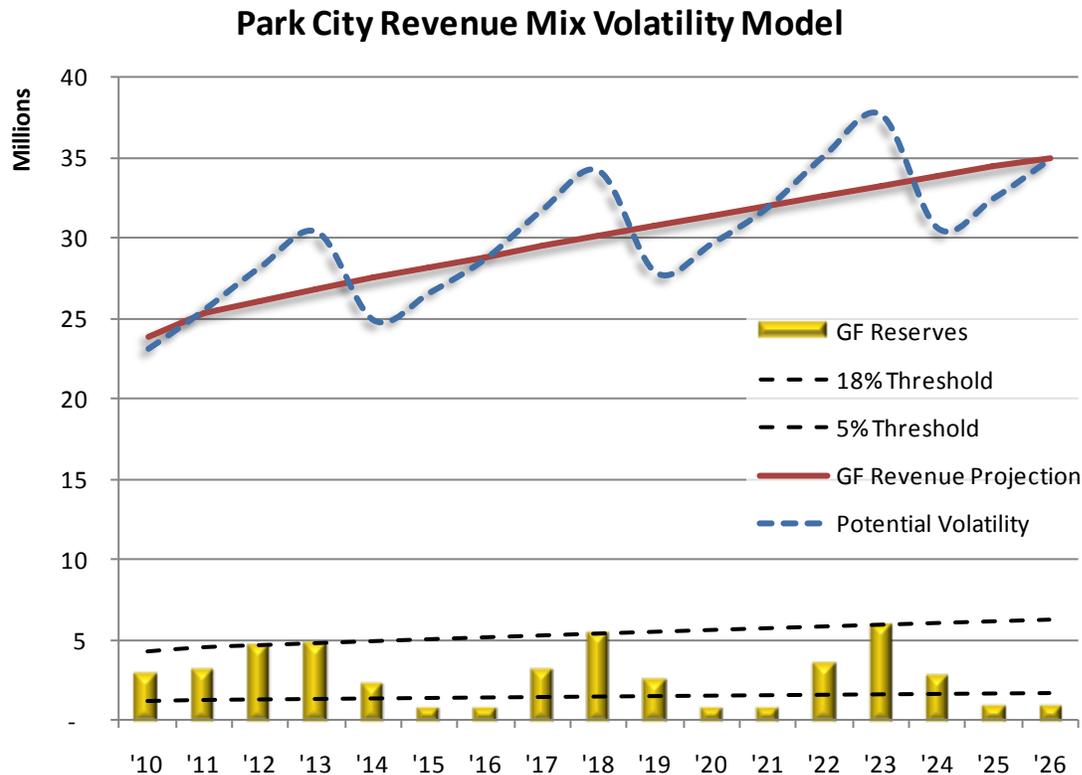


Figure B12 – Park City Revenue Mix Volatility Model

Service Stability Analysis: The Budget Department has studied the services or functions carried out by the City and assigned to each an appropriate mix of funding sources. A compilation matrix displaying the revenue mix appropriate for the desired level of stability for broad City functions is presented in figure B13.

BUDGET OVERVIEW

Service Stability Revenue Mix Matrix

Function	Total Budget	Property Tax	Sales Tax	Franchise Tax	BPE Fees	Other Fees	Transfers
Administration	\$ 5,181,072	26%	41%	12%	8%	3%	11%
Community Development	2,957,709	14%	27%	7%	50%	0%	2%
Public Safety	4,175,373	55%	28%	15%	0%	2%	1%
Public Works	4,751,184	55%	27%	14%	0%	0%	3%
Recreation	4,050,096	22%	19%	7%	0%	52%	0%
Other	965,806	27%	37%	11%	0%	24%	0%
Capital Projects	2,821,234	37%	42%	14%	0%	7%	0%
Total	\$ 24,902,474	36%	31%	12%	8%	11%	3%

Figure B13 – Service Stability Revenue Mix Matrix

The pie charts in figure B14 show a comparison between the existing Park City revenue mix and the ideal revenue mix suggested by the service stability analysis. The difference between the present mix and the ideal is not drastic, but would require changes. The service stability mix would have property tax increase from the second largest proportionate share of 32%, to the largest at 36%. Sales tax would then drop from 33% to 31%. BPE fees would go from 5% to 8%, and interfund transfers would drop from 6% to 3%. The others would stay about the same.

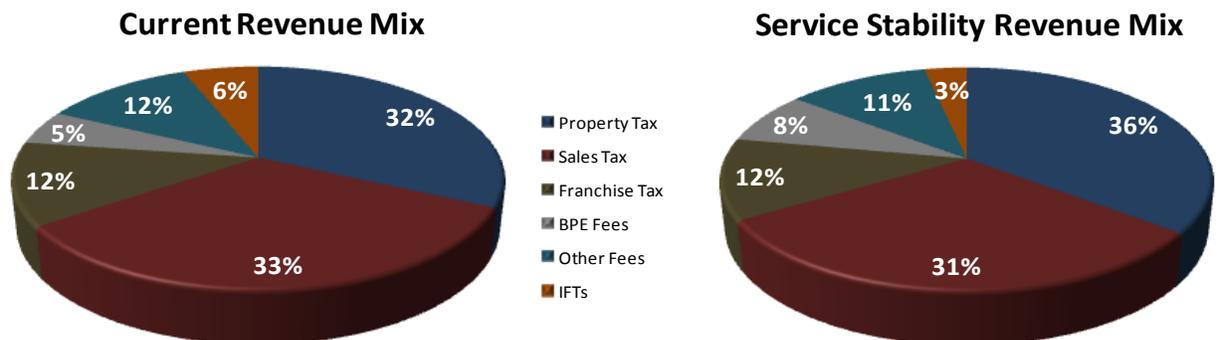


Figure B14 – Revenue Mix Comparison

Recommended Revenue Mix: The revenue mix recommended by the Budget Department, which would be achieved by the Action Plan, is not precisely the same as the service stability mix, but is based on this analysis. It has been adjusted to remove some of the volatility associated with increased building, planning, and engineering fees. In this fashion, the proposed revenue mix best satisfies the criteria of both the service stability analysis as well as the volatility threshold analysis. The figure B15 shows the Budget Department’s recommended revenue mix.

BUDGET OVERVIEW

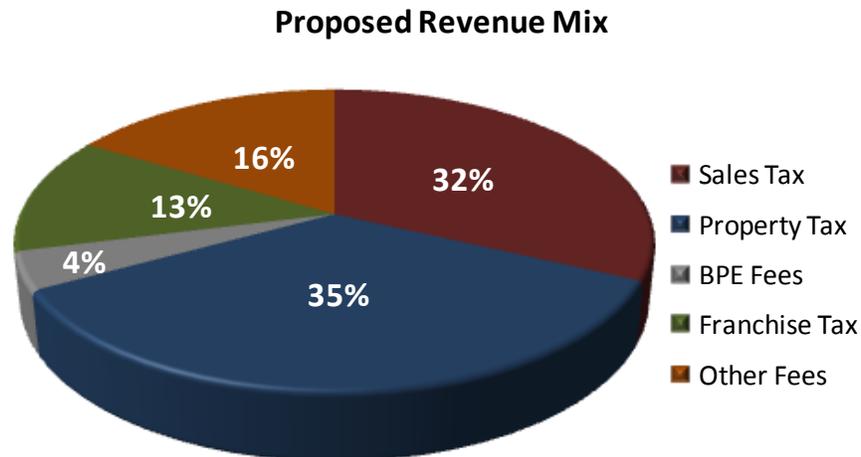


Figure B15 – Recommended Revenue Mix

OPERATING BUDGET

Again, this year's budget cycle is the off-year of the City's current budget biennium. During the off-year the City will adjust the FY 2010 Budget and adopt the FY 2011 Budget, using the 2011 Plan created during the on-year of the budget as a base.

Due to the economic downturn and the fact that this is the second year of a two year budget cycle, new departmental operating requests have been significantly limited. 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 January. 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 Communication Center [Dispatch])

BUDGET OVERVIEW

- 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, and Economy)
- 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.

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 2010 Budget for 2011 Plan and establish a FY 2010 Adjusted Budget and FY 2011 Proposed Budget. Performance measures can be found in Budget Volume II.

Pay Plan

The Pay Plan Committee convened last year 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. 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. The City Manager chooses the metrics that determine how salaries should be set and defines a threshold at which positions should be reclassified. Usually, the Pay Plan Committee has followed these metrics and thresholds:

- Comparison Metric: “Market” has been defined as the average pay of the top five comparison communities. Working level for most City positions is based on this definition of market, except:
 - Public Safety related positions, which are compared to the average of the top three.
- Reclassification Threshold: Any position 5 percent or more below market is recommended for reclassification to a new grade. In past years, this threshold had been closer to 15 percent. In FY 2004, the threshold was changed to 10 percent and in FY 2005 to 8 percent. The change to 5 percent has now brought Park City into what is considered an actual market plan. Since its adoption, all positions in the City are considered to be at market.

Typically, in the on-year of the budget biennium, positions are benchmarked and recommended to change grades based on market data. In the off-year, a two-percent across the board increase is affixed to each pay grade. In most years, the market grade changes in the first year are significantly more expensive than the 2% adjustment in the second year. However, due to the

BUDGET OVERVIEW

economic downturn, and the fact that all employees were asked to share in health insurance cost increases, this pattern was flipped for the current budget biennium. In other words, FY 2010 Budget included a 2% increase from FY 2009 and a market grade changes to the Pay Plan were included in the FY 2011 plan.

The market grade changes included in the FY 2011 plan included \$513,000 in additional General Fund personnel costs and \$744,000 citywide. Again, these figure were already included in the FY 2011 Plan, and therefore there is no separate budget option containing these totals in this year's proposed budget. Nonetheless, the decision made by Council to include these pay raises in the FY 2011 Plan is subject to review during this budget cycle, just as anything included in the base budget can be adjusted by Council. The City Manager recommends, though, that these market pay changes remain in the FY 2011 budget consistent with the City's pay philosophy and Council's direction given last budget season. Staff believes that the City's commitment to market pay is crucial to maintaining service levels in both the long and short run. Market pay increases are a manifestation of inflationary pressures on the cost of human capital, and the City must ultimately confront these price increases if it is to continue achieving its stated goal of being the best managed resort town in America.

Additional information about the Pay Plan philosophy and process can be found in the Supplemental section of this document.

Lump Merit Pay

Full-time regular City employees are eligible for lump merit pay each six months based on performance. This performance based pay may represent 6% of annual pay which employees may receive if they exceed expectations as defined on performance reviews. As this pay is not guaranteed, and therefore discretionary, it could factor into the City's strategy for budgeting and shortfall coverage. However, it is also strongly linked to employee engagement and therefore levels of service both in the short-term and long-term. Staff is convinced the City and its residents have historically benefitted from incentive structure and accountability fostered by the lump merit pay system.

Last year, Council decided to award lump merits for review periods in FY 2009, but to withhold cash lump merits for the "Exempt" level of the pay plan (employees in grades Exempt 7 and above) in FY 2010, substituting some vacation time in lieu of bonus pay. This decision was to be revisited "if a turn in the economy were realized." Staff adhered to this course for the first review period of FY 2010. The plan for the second review period of this year, though, has been altered due to economic shifts.

In January, staff presented a shortfall recovery plan to Council at Visioning. This plan outlined a strategy to reduce the shortfall through capital expense reductions, 5% operating reduction plans, redirection of Transit Fund portion of the Resort Sales Tax, and withholding lump merit increases for all employees. In April, staff returned to Council with improved revenue projections and a reformulated shortfall recovery strategy. The new strategy anticipated moving forward with lump merit increases should economic conditions not deteriorate. Council directed staff to move forward with the proposed strategy, and the City Manager currently recommends awarding lump merits in June to employees who earn them.

BUDGET OVERVIEW

Staff is also proposing that a pool for lump merits be included in the FY 2011 Budget in a non-departmental account. In the past, lump merit increases have not been budgeted due to the fact that they are of a discretionary nature and are individually relatively small in the context of the average operating budget. Departments have been expected to cover lump merits within existing budget levels, with no direct apportionment for this expenditure. While most departments were able to accomplish this with little to no impact to service levels for which existing operating budgets were intended, it has long been problematic for smaller departments which are personnel heavy. This issue has been exacerbated by multiple rounds of budget cuts over the past couple of years.

For this reason, the City Manager recommends that a \$500,000 pool be set up to handle the cost of lump merits for all employees in the General Fund. No such pool is needed in Enterprise Funds. The average payout out for lump merits (including the pay and associated payroll taxes and fringe) is about \$450,000. The proposed half-million-dollar pool would cover this amount and allow for contingency in years that employee performance merits a higher payout.

This large operating increase is offset in the proposed budget with an equal amount of operating budget cuts. It's possible to make these cuts without significant service level impacts due to the fact that departments have historically paid for lump merit increases without a corresponding budget, and in the future they won't have to. So ultimately, we're shifting \$500,000 from departmental operating budgets to a non-departmental pool, a zero-sum transaction. This setup is superior, in staff's opinion, because it will have less impact on the operation of small departments in years when budget is tight and personnel costs are steady. In the end, employees will be able to make the choice between the two plans that is best for them.

Health Insurance Costs

In recent years, the cost of Park City's health insurance has risen dramatically between 8-15% per year. Until last year, when the City asked employees to pay \$50 more per month for family health insurance, the City has picked up almost the entirety of the tab for these increases. 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.

In this spirit, the Human Resources Department is currently negotiating health insurance plans and prices. Preliminary estimates show that if the City maintains an equivalent benefit to the existing Valuecare plan (which is a no deductible plan with a \$2000 per family maximum out-of-pocket provision), then premiums are likely to increase as much as 12%. However, staff is recommending we offer a dual-track plan which incorporates one track that provides the same coverage with a modest deductible (\$500 per family) and a higher maximum out-of-pocket (\$3000 per family), as well as a second high deductible track (\$3000 deductible per family and \$10,000 per family maximum out-of-pocket) with a health savings account (HSA). The HSA allows for the employer and the employee to contribute a certain amount monthly into the 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.

BUDGET OVERVIEW

This dual-track plan would actually be less expensive for the City both for FY 2011 as well as future years. Because it includes an HSA option, the hope is 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.

While final premium figures were not available in time for printing of this document, the Budget Department expects that this plan can go forward with no budget impact for FY 2011. In fact, there may even be a budget savings of about \$100,000 per year to the General Fund. In this event, staff hopes to use this savings to offset increased retirement expenses by having the City contribute the required 0.5% into employees' 401(a) to maintain activity of this account (see Retirement section for more details).

This dual-track plan was presented to staff at a citywide meeting on April 28, 2010. Employee response was generally positive. While there is some concern that the plan could leave employees to foot more of the bill for health care costs (through higher deductibles and max out-of-pocket provisions) the prospect of keeping any unspent dollars in an HSA can offset this risk.

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.

Prior to the current fiscal year, URS was nearly fully funded and one of the healthiest pensions in the country. However, 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 2010, URS required an 11.66% contribution for general municipal employees (22.61% for sworn police officers). Park City has historically budgeted 13.26% for contribution to retirement for its employees. The difference between the 13.26% and the state required percentage (which fluctuates slightly from year to year) was contributed to a 401(a) account on the employees' behalf. However, the state will begin requiring 13.37% (25.83% for sworn officers) on July 1, 2010. The budget impact for this change is detailed in the figure below.

BUDGET OVERVIEW

Increased Retirement Costs

Fund	0.5% 401(a)	
	URS Increase	Contribution
General Fund	61,910	37,737
Ice Fund	367	1,669
Water Fund	921	4,187
Golf Fund	184	835
Transit Fund	2,223	10,103
Fleet Fund	412	1,874
Self Insurance	26	120
Total	66,043	56,527

Figure B16 – Retirement Costs

Under the scenario proposed here, the City would cover the cost of the URS percentage increase. But that would leave the 401(a), provided through ICMA-RC, unfunded. According to the City's agreement with ICMA-RC, 401(a) accounts must have a minimum contribution of 0.5% in order to remain active. The City could either require employees to fund the 401(a) to the minimum level or increase the City's contribution to retirement by 0.5%, at a cost of \$56,500 (\$37,000 in the General Fund). The City Manager's recommendation is contingent on the outcome of the health insurance negotiations. If sufficient savings is generated from the dual-track health plan, then the recommendation would be to use this savings to offset a City contribution of 0.5% to the 401(a). Otherwise, it is recommended that employees cover this amount.

CAPITAL BUDGET

Due to economic conditions last fiscal year the Capital Improvement Program (CIP) Committee examined capital projects with greater scrutiny in hopes of reducing the General Fund Transfer to capital projects in the current year as well as the two following budget years. Project managers were asked to determine whether they could operate their projects more efficiently by cutting funds and by finding other funding sources. Ultimately, the CIP Committee was successful in their objective of reducing the General Fund Transfer, while still funding the vast majority of current and new projects crucial for the City.

Since this year was the off-year of the budget the CIP Committee only looked at new CIPs and/or new funding requests for old CIPs. Projects were scored and spliced between the other projects that received scores last year. The goal of the Committee was to reduce the GF Transfer by \$650k in FY10 as part of the Recession Plan (5% budget cuts) and maintain the same amount from the FY11 Plan for the FY11 GF Transfer. Many CIPs already had funding cut during the fiscal year due to the Boyer land purchase, which cut about \$4.5 million from existing CIPs in order to pay for it. Tough decisions were made to cut non-essential projects, but overall most CIPs retained adequate funding.

The total proposed CIP budget for FY 2010 Adjusted Budget is \$137 million (\$48 million original budget, \$68 million carryforward budget, and \$21 million newly proposed budget). The proposed FY 2011 CIP budget is \$11.5 million—down \$14.6 million from the FY 2011 Plan.

BUDGET OVERVIEW

The General Fund transfer to fund projects will be approximately be \$2.25 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 the Boyer Land Purchase, OTIS Phase II(a), Bonanza Drive Reconstruction, and Fleet Equipment Replacement (Rolling Stock). The CIP originally had \$2.9 million scheduled to be transferred from the General Fund to fund projects in FY 2010 and another \$1.68 million in FY 2011. The needed transfer has been cut to \$2.25 million in FY 2010 and \$1.7 million in FY 2011. The CIP Budget was scheduled for discussion with City Council on May 27, 2010.

Update on Major Projects

Old Town Improvement Study (OTIS) Projects

The City has completed 5 of 21 street reconstruction projects outlined in the 2002 Old Town Improvement Study. The final projects of Phase I of OTIS (Lower Norfolk and Woodside – North of 13th) are complete at a total cost of \$3.6 million. Phase II (a) of OTIS was also scheduled in the Five-Year CIP to begin in FY 2009, at a cost of \$4.5 million. That phase includes reconstruction of Hillside in FY 2010 (almost done), Sandridge in FY 2011, and Empire and Upper Lowell in FY 2012. It's likely that Empire and Upper Lowell could be completed in conjunction with the Treasure Hill project at the project owners' expense. Currently, the cost for this portion of OTIS is not included in the anticipated bond or debt service.

The study identified sales tax revenue bonds as the recommended funding source for the projects. It is anticipated that the City will need to bond for approximately \$20 million in three different phases over the next 10 years to fund the remaining projects (\$6.7 million in FY 2012). Annual debt service will likely range from \$700,000 to \$2 million, depending upon the year. With General Fund surplus as the anticipated revenue source, it will be very important to monitor other competing needs. The proposed CIP outlines the OTIS Phases as a first step in this process. In the event that General Fund surplus exceeds expectations for a given year, staff advises that those funds be used to fund OTIS projects on an up-front cash basis rather than through debt financing. This has multiple benefits: (1) a previously identified need designated by the CIP Prioritization Committee as a primary concern (i.e., the OTIS Projects) would be funded sooner, (2) the funding would be guaranteed as the cash would be on-hand, and (3) the money saved by not having to pay interest on debt service could be used to fund other needs.

Water Projects

Water quality and delivery continue to be a top priority for Park City. With the rate of development that occurred over the past few years, water needs have been identified and the cost of these improvements is being developed to be fairly distributed between users and new development. CIP changes to the Water Fund are also reflective of the City's continuing commitment to secure Park City's water needs through improvements to the City's water infrastructure.

The Rockport Pump Station upgrade was completed in late 2008. Projects impacting the CIP during this budget process include the Park City Water Infrastructure Project which includes the construction of the raw water pipeline from Signal Hill in Promontory to Quinn's Junction where a new water treatment plant is going to be built, and the construction of a new finished waterline

BUDGET OVERVIEW

and raw waterline from the water treatment plant to the Prospector Park area. The Judge Tunnel Pipeline from the Judge Tunnel to the new water treatment plant at Quinn's Junction will also be designed with construction beginning in Spring of 2011. Also in the CIP is the meter reading technology project. Financial assistance has been obtained through the Utah State Division of Drinking Water in the form of a low interest loan. Additional market loans have been obtained. The remainder of the CIP and the debt service will be funded primarily with water impact fees and water service fees.

Racquet Club Remodel

As part of the FY 2010 budget Council approved a \$10.5 million project budget for the renovation of the Racquet Club as recommended by the CIP Committee. The Committee recommended that Council use \$7.2 million of General Fund surplus along with issuing \$3.3 million dollars of sales tax revenue bonds. The strategy was that this debt could be issued in conjunction with the OTIS sales tax bonds which are scheduled to be issued late in FY 2010. This would allow the City to monitor the economy through another ski season and re-evaluate the prudence of issuing debt for the project in the spring 2010.

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 new facility will be more efficient not only in design but also in energy usage.

Through input received during the public approval process the building renovation increased in size from 62,000 sf to 72,000 sf. These changes include: façade variation; relocation of mechanical equipment; redesigned entry; expansion of volume to accommodate running track (pushed by reduced height); storage for the tennis bubble, and expansion of soft arts room.

Preliminary cost estimates for construction are coming in at \$10.1 million. Including soft costs (architect, furnishings, art, etc.), total project estimate without any contingency is \$11.1 million.

If Council wishes to upgrade the building to an "essential building" it is estimated to cost an additional \$400,000. This is being bid as an additive alternate. Assuming the essential building is added, the project budget will be \$11.5 million.

To fund the estimated \$1 million increase beyond the approved budget, staff recommends that we issue the difference in sales tax bonds.

Debt service payments for these bonds would hover around \$386,000 per year starting in FY 2011 and are considered in the Debt Service section of this document. Total interest over 15 years would be around \$2 million. Council might consider structuring the bonds with an early call date, though, to keep the option of paying off the bonds after five years in the event the

BUDGET OVERVIEW

economy recovers and surplus funds become available, thus limiting the interest expense and maximizing the savings associated with this funding strategy.

The CIP Committee did not revise the prioritization of the Racquet Club Renovation project this year so it continues to recommend the project for funding as a priority 4 project.

Bonanza Drive Reconstruction

Bonanza Drive is an important commuter link for the City, but is seeing a significant increase in traffic congestion. In August 2007 H. W. Lochner was hired by Park City to develop a corridor and pedestrianization plan for Bonanza Drive based on earlier studies. The purpose of the plan was to outline and prioritize improvements for roadway, bicycle and pedestrian facilities along Bonanza Drive.

The design will include raised medians only near the intersection of SR-248 and Bonanza Drive, acceleration lanes at Prospector Avenue, “no left turn” restrictions, Bicycle lanes, northbound bus pull-out, trail connection including a pedestrian tunnel at the Iron Horse intersection, a mid-block pedestrian crossing, consistent 6 foot wide sidewalks, speed limit feedback signs, wiring and conduit for a traffic signal at the Bonanza Drive/Iron Horse intersection, right turn lane along Iron Horse onto Bonanza Drive and lengthened southbound left turn lane at Deer Valley Drive. As part of this work, the existing sewer line will be relocated due to the pedestrian tunnel and replaced up to Kearns Boulevard, the existing water line will be relocated due to the pedestrian tunnel and a new distribution water line will be installed.

Construction on Bonanza Drive started July 2009 (Phase 1) and will be completed in the fall of 2010 (Phase 2). The breakout of construction is as follows:

Season One (2009):

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

Season Two (2010):

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

Preliminary estimates of construction costs have been provided by the design consultant for Phase 2 of construction. The estimate is broken down as follows:

Project Element	Construction Estimate	Funds Available
Construction (Phase 1)	\$1,223,723	\$1,223,723
Construction (Phase 2)	\$4,633,485	\$4,685,397
Utilities and easements	\$200,000	\$200,000
Preliminary Eng.	\$582,320	\$582,320
Construction Eng.	\$581,984	\$581,984
Total amounts	\$7,221,512	\$7,273,424

BUDGET OVERVIEW

Additionally UDOT requires the City to set aside 10% or approximately \$560,000 for construction contingency.

It should be noted that except for the currently contracted preliminary engineering design fee, the other numbers are not hard. Actual construction costs will be obtained June 2010 through the bidding process and actual construction engineering fees are currently being developed by the selected construction engineering consultant.

OTHER ISSUES

Policies and Procedures

Each year, staff reviews the City's various policies including the Budget and Personnel Policies and Procedures documents. City Council generally adopts these policies, along with any changes, as a part of the budget process. This year, staff is recommending various changes to both documents which will be presented to City Council near the end of May and in June.

- Asset Management Policy (See *Policies and Procedures* – Chapter 3, Part III)
- Recession/Net Revenue Shortfall Plan (See *Policies and Procedures* – Chapter 1, Part IV)

Fleet Assessment Study

In light of recent concerns about the health of the CIP Rolling Stock Fund (RSF), a comprehensive analysis was conducted of the City fleet. This included analysis of the fleet replacement schedule, fleet policy, utilization data (including take-home usage), and City department vehicle needs.

Summary Findings (*the following findings represent the three largest problems facing the fleet fund & RSF*):

- The RSF currently receives an annual budget of \$550,000, it is anticipated that with no changes in the fleet schedule this transfer will need to grow by \$1.5 million over the next 10 years in order to maintain an adequate fund balance to cover costs.
- Of the 97 passenger fleet vehicles (all vehicles excluding heavy equipment) 34 percent are considered underutilized (less than 12,000 miles per year) and 22 percent are considered severely underutilized (less than 4,800 miles per year). This equates to a total of 56 percent of the City's passenger fleet as underutilized.
- Take-home mile represent a large proportion of total City fleet expenditures. Eighty percent of Public Safety vehicle miles can be attributed to take-home travel. This represents an annual amount in FY2009 of approximately \$255,000 in gas, maintenance, and vehicle replacement cost.

BUDGET OVERVIEW

Fiscal Year 2011 Recommendations *(The following items are recommended to correct inefficacy in the current City fleet in FY 2011):*

- Building Department Vehicles (severe underutilization)
 - FY2011 - Remove all but 2 vehicles and move to mileage reimbursement plan and Marsac Pool Option
- Engineering Department Vehicle (severe underutilization)
 - FY2011- Remove underutilized vehicle
- Streets Department (over-spec'd vehicle – Ford F450)
 - FY2011- Down grade vehicle to lower size requirement (Ford F250)
- Marsac Executive Vehicle (underutilization)
 - FY2011- Remove Vehicle - move to mileage reimbursement plan and Marsac Pool Option
- Racquet Club Vehicle (severe underutilization)
 - FY2011- Remove Vehicle - better utilize remaining recreation vehicles

Future Recommendations *(The following recommendation require additional research and planning. These recommendations will be evaluated during FY2011 and addressed in the FY2012 budget)*

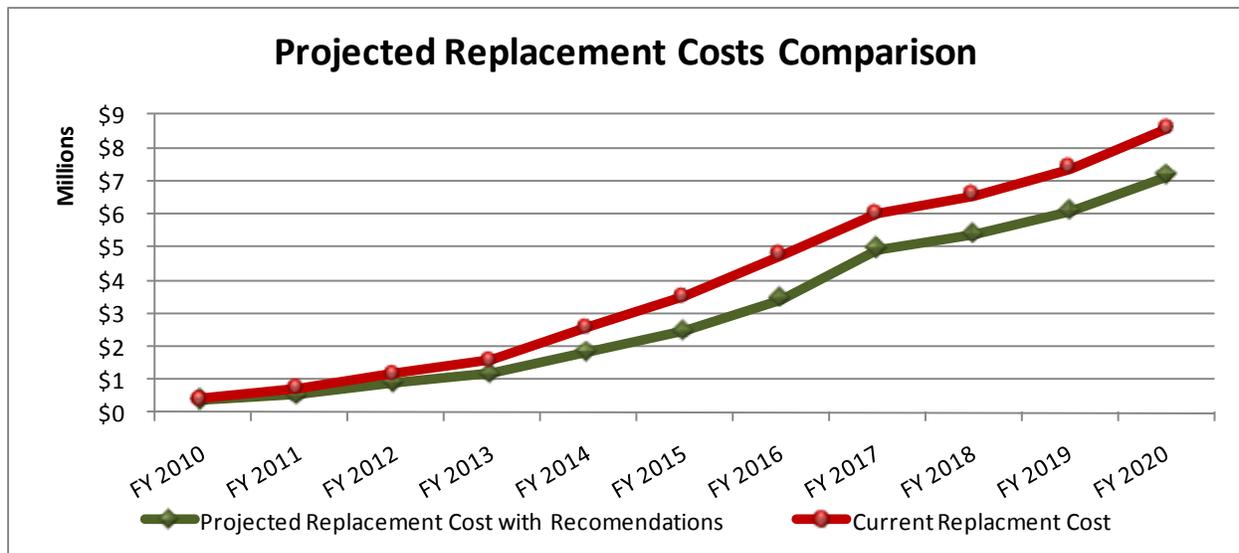
- Public Safety Vehicles* - (high gas, maintenance, and replacement costs associated with take-home miles – 80% of Public Safety miles occur in take-home travel)
 - Create Public Safety Pool (15 Chevy Tahoes, 2 Chevy Trail Blazers) (FY2012)
 - Liquidate remaining public safety vehicles (16 Chevy Tahoes, 1 Chevy Trail Blazers) (FY2012)
 - Trade down of public safety vehicles is not recommended because this will lead to an over-spec'd fleet (vehicles which are too big for job requirements)
 - No new vehicle replacement in FY2011
 - Because take-home vehicle use may significantly affect police officer recruitment efforts, it will be necessary to reevaluate Police Officer compensation and recruitment needs as part of pay plan process FY2012
 - Include car allowance options as part of Police Officer compensation
- Take-Home Policy (current policy on take home vehicles is vague - no cost restrictions)
 - Adopt and implement new take home policy for FY2012
 - Policy should limit take-home radius for all non on-call personnel (on-call personnel refers to City staff who are being paid an additional wage for on-call time). Take home vehicles should be allowed only while personnel is currently on-call
 - Public Safety and Public Works Managers will be provided take-home vehicle as necessary to respond to emergency situations
 - On-call take-home vehicles should be limited to distances which facilitate reasonable on-call response times.

*It is recognized that creating a Public Safety Pool will require additional planning and coordination. Items that will need to be discussed include such things as schedule and shift evaluation, disposal of excess vehicles, potential pass-down vehicle issues, take home policy adjustment and adoption, potential parking issues, and car allowance negotiation and pay-plan

BUDGET OVERVIEW

budget adjustments. The details of this recommendation will be evaluated during FY2011 and addressed in the FY2012 budget

If both the FY 2011 recommendations and the Future (FY2012) recommendations are implemented, the City will see an approximate \$1.36 million saving to the Rolling Stock CIP Fund (RSF) and \$1.66 million in gas and maintenance costs reductions over the next ten year. Mileage reimbursement and car allowance offset cost will be an approximate \$990,000 over ten years. This equates to a total ten year saving to the General Fund of approximately \$2.04 million while maintaining the same level of service to the community.



These recommendations will result in maintaining a \$550,000 yearly transfer from the General Fund into the RSF CIP through FY 2020. These options will allow the RSF CIP to sustain a healthy fund balance with dedicated resources to cover emergency and other unanticipated vehicle replacement needs.

Planning, Building, Engineering Fee Update

Back in May of 2001 a study was done determining the cost of service for the Community Development departments of Building, Planning, and Engineering (BPE) for Park City Municipal Corporation. This was not a fee study, but rather an examination of how BPE services cost. In some cases fees were looked at if there was a direct correlation between a specific service and fee; in other cases services were observed in general terms where multiple fees may or may not have been associated with that service. Furthermore, revenues associated with the different services (and/or fees) were *never* taken into consideration.

However, after the study it could be determined, in some cases, that the cost for services (that had an associated fee) were more than the individual fee—costs were outpacing revenues. At that time, Planning fees were increased after the study came out, since the study demonstrated the need for this.

BUDGET OVERVIEW

It must be noted that the State Code is not specific in the best way for determining BPE fees, but it does state (in reference to Plan Check Fees) that municipalities may impose a “nominal fee.” The definitions section of the State Code notes that a nominal fee is meant to reimburse expenses for and time spent in administering the fee.² This is the general rule of thumb for most fees administered at Park City Municipal Corporation.

Thus, the current study determines costs for administering BPE fees and recommends fee adjustments in conjunction with these cost estimates. Below are the recommendations provided by the different contributing departments.

Building Fees

Building Valuation Data Table

The Building Valuation Data (BVD) table provides “average” square foot estimates of cost for different types of buildings (i.e., single-family, commercial, industrial, etc.) and “presents factors that reflect relative value of one construction classification/occupancy group to another so that more expensive construction is assessed greater permit fees than less expensive construction.”³ The Budget and Building Departments recommend that the BVD table be updated starting July 1, 2010.

Building Permit/Plan Check Fees

Once the construction value of the building has been determined a building permit and plan check fee is then issued. It’s appropriate to look at these fees at the same time, since plan check fees are contingent upon building permit fees, and the associated costs are inherently linked. The plan check fee is 65% of the building permit fee. Still, it’s generally considered that the plan check fee takes into account all the plan reviews done before a project goes to permit—while the building permit would be covering costs associated with all the inspections of the building. All the administrative and overhead costs usually get combined. The two fees are paid together, but the work associated with them is done before the project (plan review) and after (building permit), while the calculations for the fees is done in reverse order. The Building Department uses a permit fee multiplier (i.e., a set percentage rate used in conjunction with the construction value of any given building) to determine the Building Permit Fee. Cost estimates suggest that the current building permit fee multiplier is pretty close and should continue to be used in the short-term. It must be recommended that in future years this multiplier is looked at further, considering the major fluctuations in construction values over time. ICC suggests updating the multiplier every year by determining the previous year’s total annual construction value.

The Budget and Building Departments recommend that the ICC (International Code Council) Permit Fee Multiplier stay at 0.0075 and not use the ICC Fee Table. The Budget Department also recommends that the multiplier be scrutinized every few years in order to ensure that the percentage rate is appropriate. The Budget and Building Departments recommend that the Plan Check Fee stay at 65% of the Building Permit Fee per State Code.

² Utah State Code, 10-9a-103 Definitions.

³ “International Code Council”, Building Valuation Data – February 2010.

BUDGET OVERVIEW

Plan Check Deposits

The deposit amounts are required in case a plan review doesn't go to permit. In rare, but costly cases, some plan reviews have never gone to permit, after the entire plan review was done. This isn't a very common occurrence, but if it does happen it can cause a serious burden on the plan checkers without any sufficient compensation to show for it. Thus, the Budget and Building Departments recommend that the Plan Check Fee Deposit amounts increase as follows:

Plan Check Fee Deposit	Current Fee	New Fee
less than 3 units/3,000 sq ft	\$200	\$500
up to 6 units/6,000 sq ft	\$500	\$1,000
in excess of 6 units/6,000 sq ft	\$1,000	\$2,000

Sub-Permit Fees

Sub-Permit fees are those associated with electrical, plumbing, and mechanical inspections. There are over 40 different kinds of sub-permits and are considered separately from the Building Permit Fee. There are many different methodologies for calculating each sub-permit such as square footage or number of BTUs, Amps, and fixtures, etc. Making it nearly impossible to determine exact costs associated with each fee. However, it is possible to determine costs associated with the different category of sub-permits. Overall, sub-permits revenues are on average basis equal to around \$79k annually, whereas average annual costs are around \$272k. Thus, the Budget and Building Departments recommend that the Sub-Permit fees are increased on a fee-by-fee basis due to the higher cost associated with each permit.

Other Inspection Fees

Calculations have determined that the hourly cost associated with other inspections is fairly close to the fee. Thus, the Budget and Building Departments recommend keeping this fee the same. The Budget Department also recommends that inspectors charge this fee more frequently in order to recoup costs in this area. Many times this fee is administered based on an inspector's discretion. At times, the hassle in administering the fee is viewed as inconvenient and not bothered with.

Administrative Code Enforcement (ACE) Fees

ACE Fees are considered fees, but act as fines. Since the overall intent is not to recover costs, but to dissuade code violations the recommendation is not to change the violation fee amounts. However, the Building, Budget, and Legal Departments recommend keeping the ACE violation fees as are for now. However, the Budget and Legal Departments recommend changing the Hearing Request (Appeal) Fee from \$365 per appeal to 30% of the violation as well as reserving the right to recover costs associated with the appeal if it is denied.

Planning Fees

It's a lot easier to calculate expenditures per application for planning fees. Because of this we can get an average cost per application and compare it with the actual fee. There are occasions, however, where it becomes difficult to get an average cost per application due to the varying levels of per unit equivalents tied to different applications. For example, a conditional uses

BUDGET OVERVIEW

permit costs \$720 no matter the square footage of the project, which means we can get an average cost per application. However, a subdivision application starts at \$180 and then increases depending on how many units there are in the project. This means that we need to calculate the average revenue per application based on past historical data. In the case of a subdivision application the fee is \$180, but the average revenue is \$990.

In conjunction with the Planning Department the study was able to determine the average cost per service. In most cases the average cost per service was higher than the current fee (or average fee amount). There were a few cases where the cost was higher than the fee. Recommendations were made by the Planning Department that were done in accordance with the average costs determined by the Budget Department. The only difference between the two recommendations comes by way of timeline. Planning fees haven't been updated for about 10 years and the Planning department would like to recover costs associated with those fees quickly. The Planning Department is not trying to recover 100% of the costs, but only about half. However, the Budget Department recommends a tiered approach over 3-4 years that would increase the fees in smaller increments over time, during a down economy.

Engineering Fees

Construction Inspection Fees

Prior to receiving a building permit, a notice to proceed or plat approval, developers pay a fee equal to 6% of the estimated construction cost as determined by the City Engineer. In projects with private street systems that limit city inspection requirements to water, drainage, and other improvements (not streets), the inspection fee is 4% of the estimated construction cost of the improvements to be inspected by the City Engineer. The city, upon notice to the developer, may charge the developer a fee of \$25 per man-hour to recoup costs to the city above the fee charged. The city may also charge \$25 per man-hour for re-inspections of work previously charged.

It was fairly difficult to research this fee out due to the few occurrences of the service over the last several years as well as the lack of electronic copies. In most cases, it appears that the Engineering Department contracts out the inspection services. However, revenues and costs were eventually determined and it would appear that the revenues associated with this fee far outweigh the costs.

The Engineering Department would like the 4% and 6% fee to remain as is, stating the costs were going to increase in the future. The Budget Department is recommending charging the cost determined by the contracted out inspection service plus \$200 for staff time per fee. This may, in fact, slow down the process of administering the fee and add more work to the process, but the revenues and costs would follow more in line with true cost recovery. Also, since the payment of the inspection service comes out of the Engineering Department budget, it is recommended that those costs are included as a budget option to budget up the contract service line-item affected. It is also recommended to increase the cost of the re-inspections from \$25 to \$75 per hour in accordance with the associated costs.

BUDGET OVERVIEW

Permit to Work in Public Right-of-Way

The Budget and Engineering Departments recommend increasing the Permit to Work in Public Right-of-Way from \$100 to \$200 due to the associated costs.

Construction Guarantees

There are two different kinds of construction guarantees: Limits of Disturbance (LOD) and Street Cut. These are essentially reimbursable deposits that go into a trust and agency balance account. It's not considered revenue because the City must pay back the guarantees if there aren't any construction issues after the development. The Budget and Engineering Departments recommend increasing the Street Cut Guarantee from \$1,000 to \$2,000. The Budget and Finance Department recommend researching further the unclaimed liabilities from the Street Cut and LOD Guarantees in order to figure out whether or not the City can claim these after a certain number of years.

CHANGES BETWEEN THE PROPOSED AND FINAL BUDGET

The following list details the changes made to the City Manager's Recommended Budget between the time it was presented in early May up until the final adoption on June 17. These changes have resulted from either (1) a request from Council for adjustment, (2) a request for adjustment from the City Manager and 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:

- 1) Cuts were made to the Marsac Seismic Renovation (\$350,000), Quinn's Public Improvements (\$48,735), Asset Management (\$500,000), Racquet Club Equipment Replacement (\$116,089), and OTIS Phase II(a) (\$535,176) projects in order to provide \$2.3M of cash funding for the Racquet Club Renovation and avoid bonding for the project. \$750,000 was taken from Fund 31 balance, as well.
- 2) \$8,000 was added to the capital fund for snow removal at Quinn's Rec Complex. \$12,000 was also added to the operating budget ongoing, to be accessed contingent upon the advent of a revenue source, such as donations. These funds would enable staff to clear the Sportex field for soccer activities in the winter.
- 3) Increases to Council, Mayor, City Manager, and City Attorney pay were removed entirely. The amount which would have been for Council and Mayor compensation (roughly \$22,000) was put instead into the Council travel budget.
- 4) The pool for lump merit increases for City staff was reduced from \$500,000 to \$330,000 to reflect Council's direction to change employee bonus eligibility from 6% to 4% annually.

BUDGET OVERVIEW

- 5) The budget option for special events contract funds was reduced by \$40,000, as discussed during departmental budget discussions.
- 6) The Ice Facility Building II part-time position was reduced from .75 to .25 FTE's, as discussed during departmental presentations.
- 7) Emergency Management budget was increased \$45,000 (essentially moving the budget from the CIP Fund to the General Fund), as discussed in the departmental presentations.
- 8) Interfund transfers were adjusted to reflect the latest projections for the Fleet Fund and Debt Service Funds. Also, a final General Fund transfer for capital will be calculated and presented to Council on June 17. This will be set sufficient to fund identified projects with any excess being used to reduce sales tax bonding needs, according to policy. The transfer will also be sufficient to keep fund balance below the 18% threshold required by statute.
- 9) Revenues were adjusted to be consistent with the latest estimates. There were no significant changes to revenue budgets at the fund level.

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, Racquet Club Renovation, 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.

Potential State legislation regarding the statewide consolidation of revenues and redistribution of funds to schools and cities, referred to as equalization efforts, continue to be a significant threat to Park City's historically high level of services. It is anticipated that the State Legislature will discuss and possibly act on the following issues in 2011:

- **Property Tax Issues:** All indicators are showing that an intense campaign to centralize school tax funding and reapportion revenues based on student counts will resume again in the 2011 session. This would shift property taxes to the state and drastically reduce funds available to the Park City School District, necessitating massive cuts to service levels or alarming tax hikes. The anti-state backlash and resulting property tax effects could spill over into City issues, putting major pressure on the City to scuttle future bond proposals or operating tax increases needed for our long term financial health.

BUDGET OVERVIEW

- **Retirement Costs:** In response to the 2007-2008 market losses to the state retirement system, of which the City is a member, the Legislature passed public retirement system reform in the 2010 session and launched a second actuarial study to determine further changes for 2011. Contributions from the cities are rising starting in 2010 and are projected to become much higher over the next decade.

BUDGET OVERVIEW

BUDGET CALENDAR

May 6

Work Session

- Presentation of the Tentative Budget
 - Budget Overview & Timeline
 - New Expenditure Funding Strategy
 - Update of Financial Impact Report (FIAR)
 - Revenue/Expenditure Summary
 - Economic Outlook – Revenue Mix

Regular Meeting

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

May 20

Work Session

- Operating Expenditures
 - 5% Budget Reduction Plan
 - Departmental Presentations
- Pay Plan
- Lump Merit Increase Pool
- Benefits
 - URS - Retirement
 - Health Insurance

Regular Meeting

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

May 27

Work Session

- Fees Changes
 - Building, Planning, and Engineering
 - Administrative Interfund Transfers
 - Special Event Fees
- CIP Budgets
 - CIP Alternative Matrix
 - Racquet Club
 - Fleet Study
 - New Project Request

Regular Meeting

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

June 3

Work Session

- Personnel Policies and Procedures (P&P) Manual
- 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 10

Work Session

- Outstanding Budget Issues (If necessary)

Regular Meeting

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

June 17

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

BUDGET OVERVIEW

BUDGET SUMMARIES

Resources & Requirements - All Funds Combined									
Description	2007 Actual	2008 Actual	2009 Actual	2010 Original Budget	2010 Adj Budget	2011 Plan	2011 Budget	Change - 2010 to 2011	
								Increase (reduction)	%
RESOURCES									
Sales Tax	12,977,127	12,755,443	11,027,464	11,071,000	11,064,000	13,774,000	11,048,209	(15,791)	0%
Planning Building & Engineering Fees	6,090,176	5,828,014	5,044,383	3,246,000	1,149,000	4,523,000	2,209,500	1,060,500	92%
Charges for Services	7,201,295	7,463,662	9,129,312	9,030,000	9,986,680	9,702,000	10,601,000	614,320	6%
Intergovernmental Revenue	3,926,496	1,450,079	3,058,819	14,598,957	13,525,239	7,448,837	7,812,837	(5,712,402)	-42%
Franchise Tax	2,529,915	2,748,571	2,720,272	2,964,000	2,789,000	3,117,000	3,051,000	262,000	9%
Property Taxes	12,744,480	13,974,590	13,213,009	16,029,000	15,905,000	16,559,000	16,745,315	840,315	5%
General Government	407,766	403,641	457,117	427,200	501,000	444,200	566,600	65,600	13%
Other Revenues	16,117,625	16,333,881	10,850,622	10,885,857	16,172,914	7,602,857	6,928,113	(9,244,801)	-57%
Total	<u>\$61,994,881</u>	<u>\$60,957,881</u>	<u>\$55,500,997</u>	<u>\$68,252,014</u>	<u>\$71,092,833</u>	<u>\$63,170,894</u>	<u>\$58,962,574</u>	<u>(\$12,130,259)</u>	<u>-17%</u>
REQUIREMENTS (by function)									
Executive	7,236,353	8,373,458	8,380,023	9,159,486	8,742,404	9,386,380	9,009,225	266,821	3%
Police	3,377,943	3,648,493	3,726,449	4,069,974	3,866,597	4,164,903	4,293,389	426,792	11%
Public Works	11,940,897	14,331,870	13,477,003	14,976,935	14,644,512	15,771,053	15,548,579	904,067	6%
Library & Recreation	2,815,519	3,011,937	3,030,262	3,462,610	3,188,445	3,510,506	3,354,072	165,627	5%
Non-Departmental	2,112,448	2,253,926	2,631,084	1,320,961	2,740,471	1,285,382	2,115,327	(625,144)	-23%
Special Service Contracts	318,847	362,101	360,896	433,973	433,973	433,973	408,973	(25,000)	-6%
Contingency	0	0	0	315,000	315,000	315,000	315,000	0	0%
Capital Outlay	267,579	493,666	327,443	641,772	723,970	499,172	463,822	(260,148)	-36%
Total	<u>28,069,586</u>	<u>32,475,453</u>	<u>31,933,160</u>	<u>34,380,711</u>	<u>34,655,371</u>	<u>35,366,369</u>	<u>35,508,387</u>	<u>853,016</u>	<u>2%</u>
REQUIREMENTS (by type)									
Personnel	17,443,771	19,540,194	20,553,234	21,149,427	21,255,216	22,060,765	22,090,130	834,914	4%
Materials, Supplies & Services	10,358,236	12,441,592	11,052,483	12,274,512	12,361,185	12,491,431	12,639,435	278,250	2%
Contingency	0	0	0	315,000	315,000	315,000	315,000	0	0%
Capital Outlay	267,579	493,666	327,443	641,772	723,970	499,172	463,822	(260,148)	-36%
Total	<u>28,069,586</u>	<u>32,475,453</u>	<u>31,933,160</u>	<u>34,380,711</u>	<u>34,655,371</u>	<u>35,366,369</u>	<u>35,508,387</u>	<u>853,016</u>	<u>2%</u>
EXCESS (deficiency) OF RESOURCES OVER REQUIREMENTS									
	\$33,925,295	\$28,482,429	\$23,567,837	\$33,871,303	\$36,437,462	\$27,804,525	\$23,454,187	(12,983,275)	-36%
OTHER FINANCING SOURCES (uses)									
Bond Proceeds	0	779,793	24,477,505	23,986,427	24,073,682	19,378,875	0	(24,073,682)	-100%
Debt Service	(6,310,364)	(6,583,721)	(9,834,751)	(8,670,056)	(12,244,083)	(8,789,691)	(10,989,473)	1,254,610	-10%
Interfund Transfers In	13,837,974	15,628,653	32,800,255	9,305,477	14,840,021	8,106,455	7,118,246	(7,721,775)	-52%
Interfund Transfers Out	(13,837,974)	(15,628,653)	(32,800,255)	(9,305,477)	(14,840,024)	(8,106,455)	(7,118,246)	7,721,778	-52%
Capital Improvement Projects	(19,603,022)	(15,994,618)	(41,241,569)	(48,021,678)	(137,079,221)	(36,133,908)	(11,539,881)	125,539,340	-92%
Total	<u>(25,913,386)</u>	<u>(21,798,545)</u>	<u>(26,598,814)</u>	<u>(32,705,307)</u>	<u>(125,249,625)</u>	<u>(25,544,724)</u>	<u>(22,529,354)</u>	<u>102,720,271</u>	<u>-82%</u>
EXCESS (deficiency) OF RESOURCES OVER REQUIREMENTS AND OTHER SOURCES (uses)									
	\$8,011,909	\$6,683,884	(\$3,030,978)	\$1,165,996	(\$88,812,163)	\$2,259,801	\$924,833	89,736,996	-101%
Beginning Balance	80,018,337	89,775,525	97,369,362	34,230,593	111,667,935	35,396,588	22,855,772	(88,812,163)	-80%
Ending Balance	88,030,246	96,459,405	94,338,414	35,396,588	22,855,772	37,656,387	23,780,604	924,832	4%

Resources & Requirements - All Funds Combined								
Description	Budget (FY 2010)				Budget (FY 2011)			
	Original	Adjusted	Change from Original		Original	Adjusted	Change from Original	
			Total	%			Total	%
RESOURCES								
Sales Tax	11,071,000	11,064,000	(7,000)	0%	13,774,000	11,048,209	(2,725,791)	-20%
Planning Building & Engineering Fees	3,246,000	1,149,000	(2,097,000)	-65%	4,523,000	2,209,500	(2,313,500)	-51%
Charges for Services	9,030,000	9,986,680	956,680	11%	9,702,000	10,601,000	899,000	9%
Intergovernmental Revenue	14,598,957	13,525,239	(1,073,718)	-7%	7,448,837	7,812,837	364,000	5%
Franchise Tax	2,964,000	2,789,000	(175,000)	-6%	3,117,000	3,051,000	(66,000)	-2%
Property Taxes	16,029,000	15,905,000	(124,000)	-1%	16,559,000	16,745,315	186,315	1%
General Government	427,200	501,000	73,800	17%	444,200	566,600	122,400	28%
Bond Proceeds	23,986,427	24,073,682	87,255	0%	19,378,875	0	(19,378,875)	-100%
Other Revenues	10,885,857	16,172,914	5,287,057	49%	7,602,857	6,928,113	(674,744)	-9%
Sub-Total	\$92,238,441	\$95,166,515	\$2,928,074	3%	\$82,549,769	\$58,962,574	(\$23,587,195)	-29%
Interfund Transfers In	9,305,477	14,840,021	5,534,544	59%	8,106,455	7,118,246	(988,209)	-12%
Beginning Balance	34,230,593	111,667,935	77,437,342	226%	35,396,588	22,855,772	(12,540,816)	-35%
Total	135,774,511	221,674,471	85,899,960	63%	126,052,812	88,936,592	(37,116,220)	-29%
REQUIREMENTS (by function)								
Executive	9,159,486	8,742,404	(417,082)	-5%	9,386,380	9,009,225	(377,155)	-4%
Police	4,069,974	3,866,597	(203,377)	-5%	4,164,903	4,293,389	128,486	3%
Public Works	14,976,935	14,644,512	(332,423)	-2%	15,771,053	15,548,579	(222,474)	-1%
Library & Recreation	3,462,610	3,188,445	(274,165)	-8%	3,510,506	3,354,072	(156,434)	-4%
Non-Departmental	1,320,961	2,740,471	1,419,510	107%	1,285,382	2,115,327	829,945	65%
Special Service Contracts	433,973	433,973	0	0%	433,973	408,973	(25,000)	-6%
Contingency	315,000	315,000	0	0%	315,000	315,000	0	0%
Capital Outlay	641,772	723,970	82,198	13%	499,172	463,822	(35,350)	-7%
Sub-Total	\$34,380,711	\$34,655,371	\$274,660	1%	\$35,366,369	\$35,508,387	\$142,018	0%
Debt Service	8,670,056	12,244,083	3,574,027	41%	8,789,691	10,989,473	2,199,782	25%
Capital Improvement Projects	48,021,678	137,079,221	89,057,543	185%	36,133,908	11,539,881	(24,594,027)	-68%
Interfund Transfers Out	9,305,477	14,840,024	5,534,547	59%	8,106,455	7,118,246	(988,209)	-12%
Ending Balance	35,396,588	22,855,772	(12,540,816)	-35%	37,656,387	23,780,604	(13,875,783)	-37%
Total	135,774,510	221,674,471	85,899,961	63%	126,052,810	88,936,591	(37,116,219)	-29%
REQUIREMENTS (by type)								
Personnel	21,149,427	21,255,216	105,789	1%	22,060,765	22,090,130	29,365	0%
Materials, Supplies & Services	12,274,512	12,361,185	86,673	1%	12,491,431	12,639,435	148,004	1%
Contingency	315,000	315,000	0	0%	315,000	315,000	0	0%
Capital Outlay	641,772	723,970	82,198	13%	499,172	463,822	(35,350)	-7%
Sub-Total	\$34,380,711	\$34,655,371	\$274,660	1%	\$35,366,369	\$35,508,387	\$142,018	0%
Debt Service	8,670,056	12,244,083	3,574,027	41%	8,789,691	10,989,473	2,199,782	25%
Capital Improvement Projects	48,021,678	137,079,221	89,057,543	185%	36,133,908	11,539,881	(24,594,027)	-68%
Interfund Transfers Out	9,305,477	14,840,024	5,534,547	59%	8,106,455	7,118,246	(988,209)	-12%
Ending Balance	35,396,588	22,855,772	(12,540,816)	-35%	37,656,387	23,780,604	(13,875,783)	-37%
Total	135,774,510	221,674,471	85,899,961	63%	126,052,810	88,936,591	(37,116,219)	-29%

Expenditure Summary by Fund and Unit								
Expenditures	2007	2008	2009	2010 Budget		2011		
	(actual)			(original)	(adj)	(plan)	(budget)	% of Total
Park City Municipal Corporation								
011 General Fund	28,726,444	32,264,937	28,242,933	28,473,512	28,383,319	31,773,283	27,841,696	31%
012 Quinns Recreation Complex	325,914	7,727	(509,509)	(1,101,117)	(937,959)	(1,670,680)	(1,264,322)	-1%
021 Police Special Revenue Fund	19,972	21,122	22,722	0	23,522	0	0	0%
022 Criminal Forfeiture Restricted Account	17,220	17,220	10,791	(0)	9,455	(0)	(0)	0%
031 Capital Improvement Fund	60,595,296	61,514,186	78,907,419	20,279,873	61,829,914	34,267,443	5,676,445	6%
038 Equipment Replacement Fund	3,558,279	3,528,896	2,497,816	729,057	1,509,380	779,057	859,801	1%
051 Water Fund	14,904,687	20,122,090	23,341,099	36,892,183	57,813,350	19,252,700	15,190,631	17%
055 Golf Fund	1,749,008	1,618,675	1,753,465	1,530,980	1,765,577	1,448,632	1,454,750	2%
057 Transportation & Parking Fund	17,827,462	17,879,179	20,296,388	21,904,479	31,767,161	15,038,911	14,105,886	16%
062 Fleet Services Fund	2,035,581	2,557,652	2,131,322	2,479,436	2,150,163	2,500,927	2,412,268	3%
064 Self Insurance Fund	3,731,296	3,412,431	3,086,499	2,376,298	2,520,753	1,972,288	2,023,833	2%
070 Debt Service Fund	4,698,294	4,345,405	4,352,316	3,793,773	3,923,953	3,843,712	3,777,806	4%
071 Sales Tax Rev Bonds Debt Svc Fund	2,881,539	2,866,924	26,680,966	4,661,681	12,920,996	4,753,681	5,042,010	6%
Park City Municipal Corporation Total	\$141,070,992	\$150,156,445	\$190,814,227	\$122,020,155	\$203,679,583	\$113,959,954	\$77,120,804	87%
Park City Redevelopment Agency								
033 Redevelopment Agency Lower Park Av	7,997,865	7,559,167	9,874,209	8,868,866	11,065,466	7,279,866	6,916,016	8%
034 Redevelopment Agency Main St	2,651,344	4,071,289	2,645,503	1,826,394	3,122,849	1,761,394	2,422,522	3%
072 RDA Main Street Debt Service	112,581	0	0	0	0	0	0	0%
076 RDA Lower Park Ave Debt Service	2,505,968	2,555,174	2,568,492	1,468,461	1,477,945	1,467,461	1,476,945	2%
Park City Redevelopment Agency Total	\$13,267,758	\$14,185,630	\$15,088,205	\$12,163,722	\$15,666,260	\$10,508,722	\$10,815,483	12%
Municipal Building Authority								
035 Municipal Building Authority Fund	1,445,543	2,729,782	4,174,252	1,528,679	2,257,163	1,522,179	1,000,304	1%
073 MBA Debt Service Fund	0	0	0	0	0	0	0	0%
Municipal Building Authority Total	\$1,445,543	\$2,729,782	\$4,174,252	\$1,528,679	\$2,257,163	\$1,522,179	\$1,000,304	1%
Park City Housing Authority								
036 Park City Housing Authority	66,900	69,993	71,465	61,955	71,465	61,955	0	0%
Park City Housing Authority Total	\$66,900	\$69,993	\$71,465	\$61,955	\$71,465	\$61,955	\$0	0%
GRAND TOTAL	\$155,851,192	\$167,141,849	\$210,148,148	\$135,774,510	\$221,674,471	\$126,052,810	\$88,936,591	100%
Interfund Transfer	13,837,974	15,628,653	32,800,255	9,305,477	14,840,024	8,106,455	7,118,246	8%
Ending Balance	88,030,246	96,459,405	94,338,414	35,396,588	22,855,772	37,656,387	23,780,604	27%
GRAND TOTAL	\$53,982,972	\$55,053,791	\$83,009,480	\$91,072,445	\$183,978,675	\$80,289,968	\$58,037,741	65%

Expenditure Summary by Fund and Major Object (FY 2010)									
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	13,999,077	5,732,378	347,663	0	315,000	20,394,118	3,208,218	4,780,983	28,383,319
012 Quinns Recreation Complex	567,868	322,095	10,000	0	0	899,963	0	(1,837,922)	(937,959)
021 Police Special Revenue Fund	0	0	23,522	0	0	23,522	0	0	23,522
022 Criminal Forfeiture Restricted Account	0	0	9,455	0	0	9,455	0	(0)	9,455
031 Capital Improvement Fund	0	0	59,100,812	0	0	59,100,812	134,366	2,594,736	61,829,914
038 Equipment Replacement Fund	0	0	1,449,579	0	0	1,449,579	0	59,801	1,509,380
051 Water Fund	1,400,996	1,762,252	47,604,518	2,017,813	0	52,785,579	1,192,163	3,835,608	57,813,350
055 Golf Fund	680,954	446,160	341,485	31,543	0	1,500,142	130,685	134,750	1,765,577
057 Transportation & Parking Fund	3,983,134	706,730	22,297,246	0	0	26,987,110	2,056,502	2,723,549	31,767,161
062 Fleet Services Fund	585,249	1,399,045	1,000	0	0	1,985,294	0	164,869	2,150,163
064 Self Insurance Fund	37,938	767,300	0	0	0	805,238	0	1,715,515	2,520,753
070 Debt Service Fund	0	0	0	1,975,587	0	1,975,587	165,962	1,782,404	3,923,953
071 Sales Tax Rev Bonds Debt Svc Fund	0	0	0	6,228,640	0	6,228,640	6,300,663	391,693	12,920,996
<u>Park City Municipal Corporation Total</u>	<u>\$21,255,216</u>	<u>\$11,135,960</u>	<u>\$131,185,280</u>	<u>\$10,253,583</u>	<u>\$315,000</u>	<u>\$174,145,039</u>	<u>\$13,188,559</u>	<u>\$16,345,985</u>	<u>\$203,679,583</u>
Park City Redevelopment Agency									
033 Redevelopment Agency Lower Park Av	0	810,225	5,645,225	0	0	6,455,450	630,000	3,980,016	11,065,466
034 Redevelopment Agency Main St	0	415,000	635,327	0	0	1,050,327	950,000	1,122,522	3,122,849
072 RDA Main Street Debt Service	0	0	0	0	0	0	0	0	0
076 RDA Lower Park Ave Debt Service	0	0	0	601,000	0	601,000	0	876,945	1,477,945
<u>Park City Redevelopment Agency Total</u>	<u>\$0</u>	<u>\$1,225,225</u>	<u>\$6,280,552</u>	<u>\$601,000</u>	<u>\$0</u>	<u>\$8,106,777</u>	<u>\$1,580,000</u>	<u>\$5,979,483</u>	<u>\$15,666,260</u>
Municipal Building Authority									
035 Municipal Building Authority Fund	0	0	337,359	1,389,500	0	1,726,859	0	530,304	2,257,163
073 MBA Debt Service Fund	0	0	0	0	0	0	0	0	0
<u>Municipal Building Authority Total</u>	<u>\$0</u>	<u>\$0</u>	<u>\$337,359</u>	<u>\$1,389,500</u>	<u>\$0</u>	<u>\$1,726,859</u>	<u>\$0</u>	<u>\$530,304</u>	<u>\$2,257,163</u>
Park City Housing Authority									
036 Park City Housing Authority	0	0	0	0	0	0	71,465	0	71,465
<u>Park City Housing Authority Total</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$71,465</u>	<u>\$0</u>	<u>\$71,465</u>
GRAND TOTAL	<u>\$21,255,216</u>	<u>\$12,361,185</u>	<u>\$137,803,191</u>	<u>\$12,244,083</u>	<u>\$315,000</u>	<u>\$183,978,675</u>	<u>\$14,840,024</u>	<u>\$22,855,772</u>	<u>\$221,674,471</u>

Expenditure Summary by Fund and Major Object (FY 2011)										
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	14,271,387	5,589,772	246,492	10,000	315,000	20,432,650	1,830,047	5,578,999	27,841,696	
012 Quinns Recreation Complex	632,333	339,545	10,000	0	0	981,878	0	(2,246,200)	(1,264,322)	
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	2,746,444	0	0	2,746,444	134,366	2,795,635	5,676,445	
038 Equipment Replacement Fund	0	0	800,000	0	0	800,000	0	59,801	859,801	
051 Water Fund	1,438,379	1,970,637	5,399,698	3,217,523	0	12,026,237	1,191,052	1,973,341	15,190,631	
055 Golf Fund	678,389	442,360	131,005	31,543	0	1,283,297	130,685	40,767	1,454,750	
057 Transportation & Parking Fund	4,427,419	681,886	2,665,064	0	0	7,774,369	2,252,096	4,079,422	14,105,886	
062 Fleet Services Fund	604,260	1,637,935	5,000	0	0	2,247,195	0	165,074	2,412,268	
064 Self Insurance Fund	37,963	767,300	0	0	0	805,263	0	1,218,570	2,023,833	
070 Debt Service Fund	0	0	0	1,943,013	0	1,943,013	0	1,834,793	3,777,806	
071 Sales Tax Rev Bonds Debt Svc Fund	0	0	0	4,713,894	0	4,713,894	0	328,116	5,042,010	
Park City Municipal Corporation Total	\$22,090,130	\$11,429,435	\$12,003,703	\$9,915,973	\$315,000	\$55,754,241	\$5,538,246	\$15,828,317	\$77,120,804	
Park City Redevelopment Agency										
033 Redevelopment Agency Lower Park Av	0	805,000	0	0	0	805,000	630,000	5,481,016	6,916,016	
034 Redevelopment Agency Main St	0	405,000	0	0	0	405,000	950,000	1,067,522	2,422,522	
072 RDA Main Street Debt Service	0	0	0	0	0	0	0	0	0	
076 RDA Lower Park Ave Debt Service	0	0	0	602,000	0	602,000	0	874,945	1,476,945	
Park City Redevelopment Agency Total	\$0	\$1,210,000	\$0	\$602,000	\$0	\$1,812,000	\$1,580,000	\$7,423,483	\$10,815,483	
Municipal Building Authority										
035 Municipal Building Authority Fund	0	0	0	471,500	0	471,500	0	528,804	1,000,304	
073 MBA Debt Service Fund	0	0	0	0	0	0	0	0	0	
Municipal Building Authority Total	\$0	\$0	\$0	\$471,500	\$0	\$471,500	\$0	\$528,804	\$1,000,304	
Park City Housing Authority										
036 Park City Housing Authority	0	0	0	0	0	0	0	0	0	
Park City Housing Authority Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
GRAND TOTAL	\$22,090,130	\$12,639,435	\$12,003,703	\$10,989,473	\$315,000	\$58,037,741	\$7,118,246	\$23,780,604	\$88,936,591	

All Funds Combined								
Revenue	2007	2008	2009	2010		2011		
		(actual)		(original)	(adj)	(plan)	(budget)	% of Total
RESOURCES								
Property Taxes	12,744,480	13,974,590	13,213,009	16,029,000	15,905,000	16,559,000	16,745,315	19%
Sales Tax	12,977,127	12,755,443	11,027,464	11,071,000	11,064,000	13,774,000	11,048,209	13%
Franchise Tax	2,529,915	2,748,571	2,720,272	2,964,000	2,789,000	3,117,000	3,051,000	3%
Licenses	1,013,310	1,095,247	1,172,040	1,268,000	1,378,000	1,319,000	1,423,000	2%
Planning Building & Engineering Fees	6,090,176	5,828,014	5,044,383	3,246,000	1,149,000	4,523,000	2,209,500	3%
Other Fees	30,932	22,556	13,799	0	44,000	0	16,000	0%
Intergovernmental Revenue	3,926,496	1,450,079	3,058,819	14,598,957	13,525,239	7,448,837	7,812,837	9%
Charges for Services	7,201,295	7,463,662	9,129,312	9,030,000	9,986,680	9,702,000	10,601,000	12%
Recreation	2,475,541	2,489,483	2,588,792	2,622,788	2,424,250	2,689,788	2,429,270	3%
Other Service Revenue	75,304	92,500	101,177	102,000	102,000	105,000	108,000	0%
Fines & Forfeitures	750,817	720,031	527,991	715,500	702,500	716,500	655,500	1%
Misc. Revenue	9,887,563	8,091,717	3,223,604	5,195,569	7,332,053	1,795,569	1,791,343	2%
Interfund Transfers In	13,837,974	15,628,653	32,800,255	9,305,477	14,840,021	8,106,455	7,118,246	8%
Special Revenue & Resources	1,884,158	3,822,346	3,223,219	982,000	4,190,111	977,000	505,000	1%
Bond Proceeds	0	779,793	24,477,505	23,986,427	24,073,682	19,378,875	0	0%
Beginning Balance	80,018,337	89,775,525	97,369,362	34,230,593	111,667,935	35,396,588	22,855,772	26%
Total	155,443,426	166,738,212	209,691,002	135,347,311	221,173,471	125,608,612	88,369,992	100%

Change in Fund Balance									
Fund	2007 Actual	2008 Actual	2009 Actual	2010 Adjusted	Change - 2009 to 2010		2011 Budget	Change - 2010 to 2011	
					Increase (reduction)	%		Increase (reduction)	%
Park City Municipal Corporation									
011 General Fund	5,062,512	4,642,588	5,165,031	4,780,983	(384,048)	-7%	5,578,999	798,016	17%
012 Quinns Recreation Complex	(486,287)	(967,091)	(1,445,959)	(1,837,922)	(391,963)	27%	(2,246,200)	(408,278)	22%
021 Police Special Revenue Fund	19,772	21,122	22,522	0	(22,522)	-100%	0	0	
022 Criminal Forfeiture Restricted Account	17,220	10,696	9,455	(0)	(9,455)	-100%	(0)	0	
031 Capital Improvement Fund	48,655,592	51,554,158	51,656,557	2,594,736	(49,061,821)	-95%	2,795,635	200,899	8%
038 Equipment Replacement Fund	2,821,921	1,781,301	895,151	59,801	(835,350)	-93%	59,801	0	0%
051 Water Fund	7,065,103	12,204,897	13,010,035	3,835,608	(9,174,427)	-71%	1,973,341	(1,862,267)	-49%
055 Golf Fund	201,071	422,118	489,077	134,750	(354,327)	-72%	40,767	(93,983)	-70%
057 Transportation & Parking Fund	9,964,940	11,668,449	11,902,704	2,723,549	(9,179,155)	-77%	4,079,422	1,355,873	50%
062 Fleet Services Fund	201,188	199,690	171,968	164,869	(7,099)	-4%	165,074	205	0%
064 Self Insurance Fund	3,104,115	2,778,181	2,212,435	1,715,515	(496,920)	-22%	1,218,570	(496,945)	-29%
070 Debt Service Fund	1,609,730	1,743,242	1,924,529	1,782,404	(142,125)	-7%	1,834,793	52,389	3%
071 Sales Tax Rev Bonds Debt Svc Fund	527,975	691,114	686,335	391,693	(294,642)	-43%	328,116	(63,577)	-16%
Park City Municipal Corporation Total	\$78,764,852	\$86,750,465	\$86,699,839	\$16,345,985	(\$70,353,854)	-81%	\$15,828,317	(\$517,668)	-1%
Park City Redevelopment Agency									
033 Redevelopment Agency Lower Park Ave	4,626,990	5,854,007	5,283,466	3,980,016	(1,303,450)	-25%	5,481,016	1,501,000	38%
034 Redevelopment Agency Main St	1,245,516	1,295,338	844,425	1,122,522	278,097	33%	1,067,522	(55,000)	-5%
072 RDA Main Street Debt Service	0	0	0	0	0		0	0	
076 RDA Lower Park Ave Debt Service	1,912,445	1,963,226	877,945	876,945	(1,000)	0%	874,945	(2,000)	0%
Park City Redevelopment Agency Total	\$7,784,952	\$9,112,572	\$7,005,836	\$5,979,483	(\$1,026,353)	-11%	\$7,423,483	\$1,444,000	21%
Municipal Building Authority									
035 Municipal Building Authority Fund	1,413,543	526,376	561,274	530,304	(30,970)	-6%	528,804	(1,500)	0%
073 MBA Debt Service Fund	0	0	0	0	0		0	0	
Municipal Building Authority Total	\$1,413,543	\$526,376	\$561,274	\$530,304	(\$30,970)	-6%	\$528,804	(\$1,500)	0%
Park City Housing Authority									
036 Park City Housing Authority	66,900	69,993	71,465	0	(71,465)	-100%	0	0	0%
Park City Housing Authority Total	\$66,900	\$69,993	\$71,465	\$0	(\$71,465)	-102%	\$0	\$0	0%
Notes and Explanations of Change in Fund Balance:									
<p>- 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.</p> <p>- 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.</p> <p>- 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).</p> <p>- The Water Fund shows a large decrease in fund balance in FY 2011. This is due to anticipated capital infrastructure improvements which will be funded with accumulated impact fees, resulting in a sharp decrease in fund balance.</p> <p>- 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.</p>									

REVENUES

Property and sales taxes are the most significant sources of City revenue, representing 39 percent in FY 2010 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 2011.

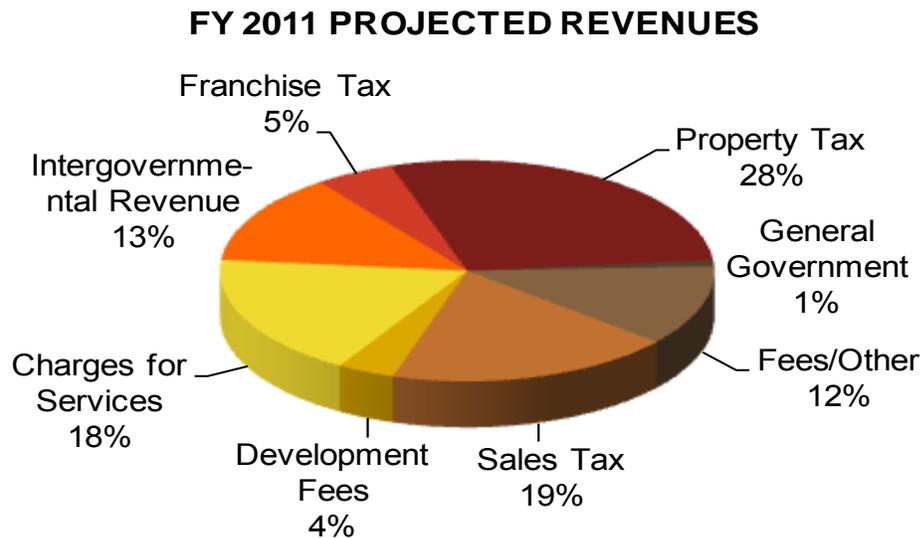


Figure R1 – Budgeted Revenue by Source

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

REVENUES

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

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 2004.

Tax Rate	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
General Levy	0.001855	0.001871	0.001748	0.001493	0.001288	0.001087	0.001125
Debt Levy	0.000412	0.000654	0.000601	0.000490	0.000386	0.000316	0.000654
Total:	0.002267	0.002525	0.002349	0.001983	0.001674	0.001403	0.001779

Tax Collected	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
General	\$5,443,953	\$6,643,405	\$6,159,798	\$6,325,091	\$6,516,899	\$6,415,910	\$6,914,098
Debt	\$1,688,909	\$1,688,909	\$2,188,909	\$2,188,909	\$2,188,909	\$2,188,909	\$4,009,000
RDA Increment	\$3,409,202	\$3,473,064	\$3,527,898	\$3,776,412	\$3,928,305	\$4,064,425	\$4,040,075
Fee-In-Lieu	\$237,246	\$230,286	\$242,227	\$227,953	\$232,688	\$160,187	\$123,007
Delinq/Interest	\$495,023	\$392,964	\$351,802	\$226,115	\$414,909	\$383,579	\$329,703
Total:	\$11,274,333	\$12,428,628	\$12,470,634	\$12,744,480	\$13,281,710	\$13,213,009	\$15,415,883

Table R2 – Property Tax Rates and Collections

Park City anticipates a six percent increase to the property tax general levy for 2011. This is expected to amount to an annual increase of \$30 to the average Park City primary resident.

REVENUES

SALES TAX

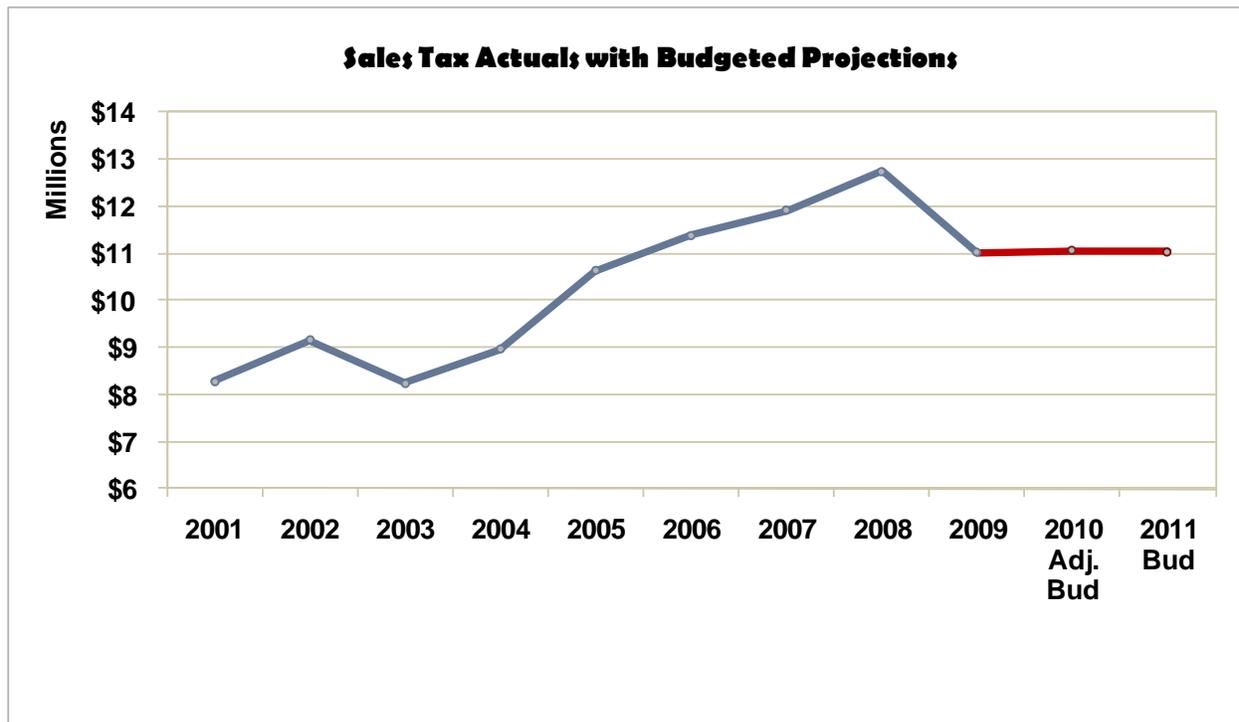


Figure R3- Sales Tax Actuals and Projections

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 sharp decline during the 2009 economic downturn and slow ski season. 2010 has remanded even with 2009 in terms of sales, however, a recent upswing in sales tax figures in recent months may indicate the start of growing sales tax figures in the future. Figure R3 shows actual sales tax amounts along with the forecasted amounts for FY 2010 and 2011.

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 has been seen during the current 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 2011 is expected to be down considerably as compared to FY 2008. While FY 2010 revenue is down, it is expected to reach levels similar to the 5 year average. FY 2011 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.

REVENUES

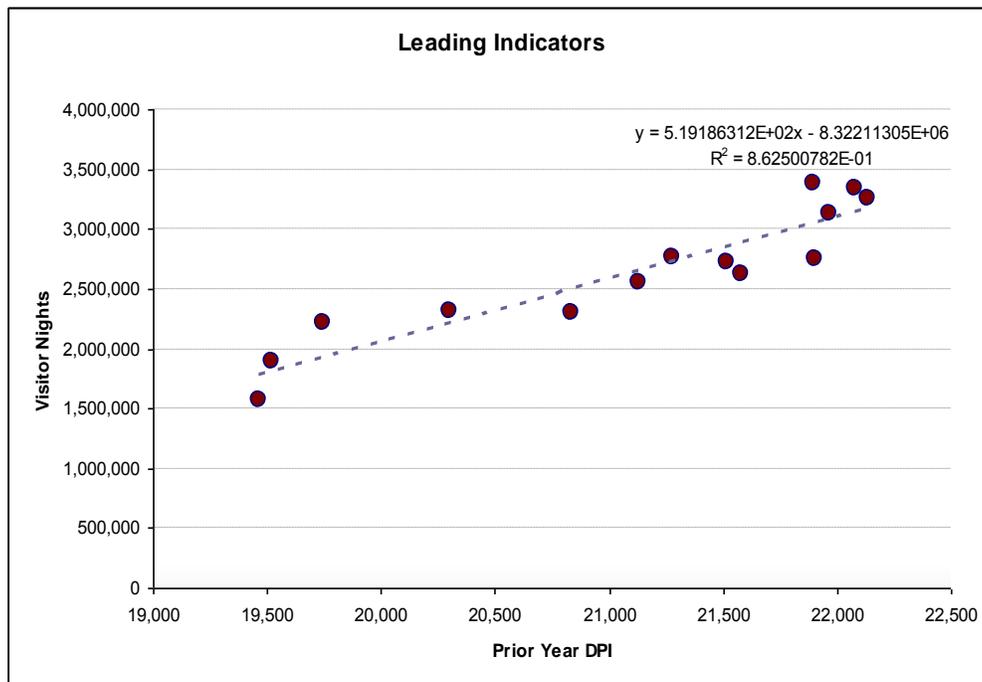


Figure R4 – Leading Indicator Visitor Nights Regression

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.

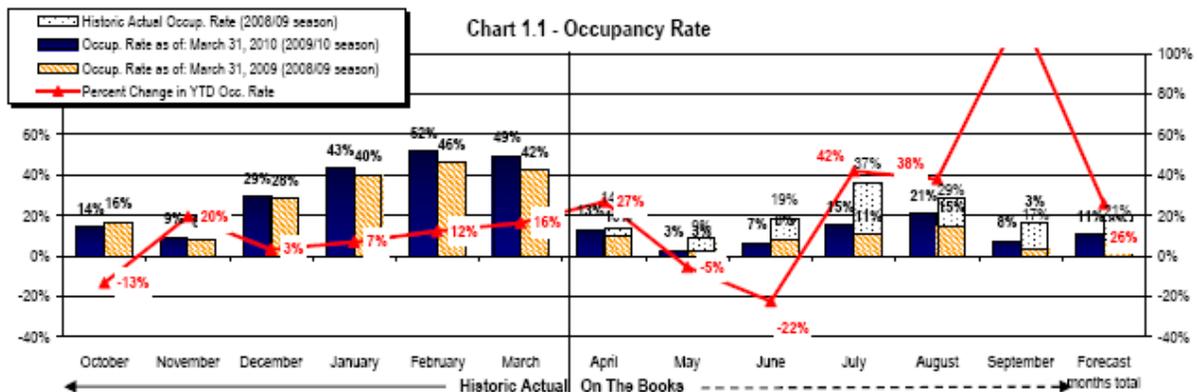


Figure R5 –Booking Data for Park City Hotels

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 2010 in comparison with FY 2009 and a five-year historical average.

REVENUES

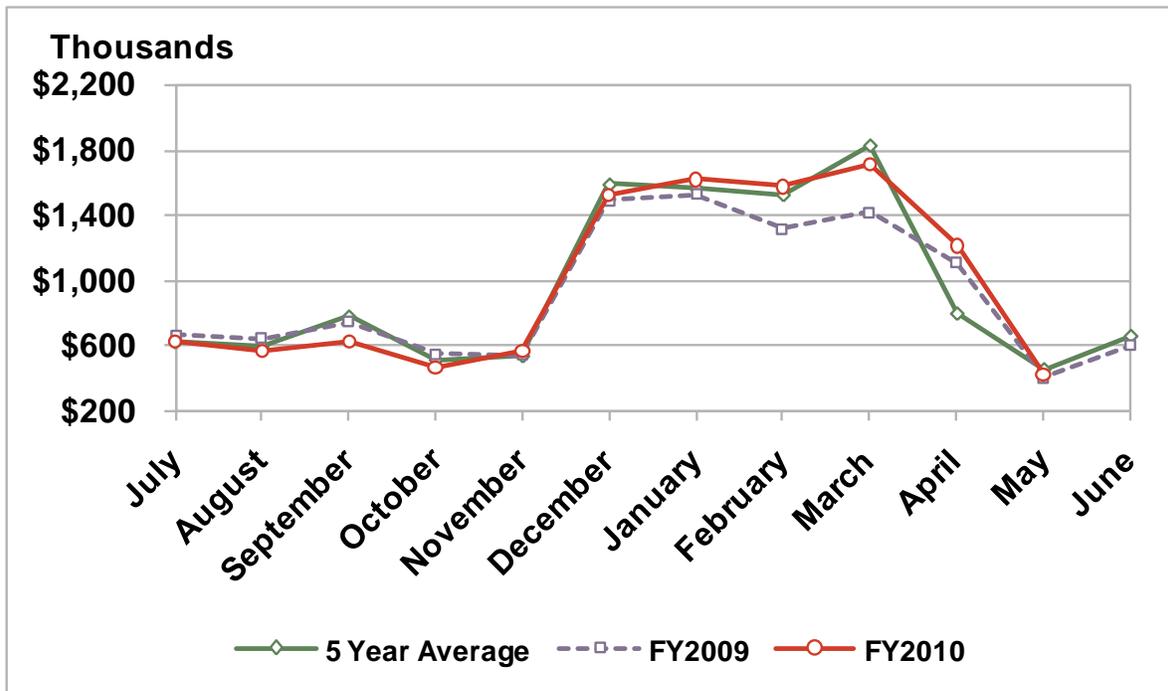


Figure R6 – Sales Tax for FY 2010 (Compared to a Five-year Average and FY 2009)

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	2010 Rate	2010 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 FY2009, 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 estimated loss for FY 2010 may be less significant.

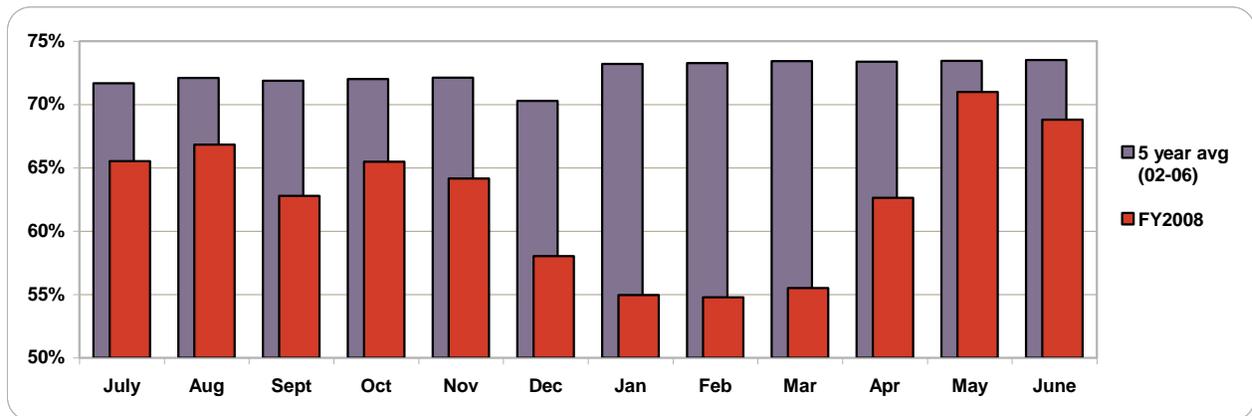


Figure R8 – Local Option Tax Distribution

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

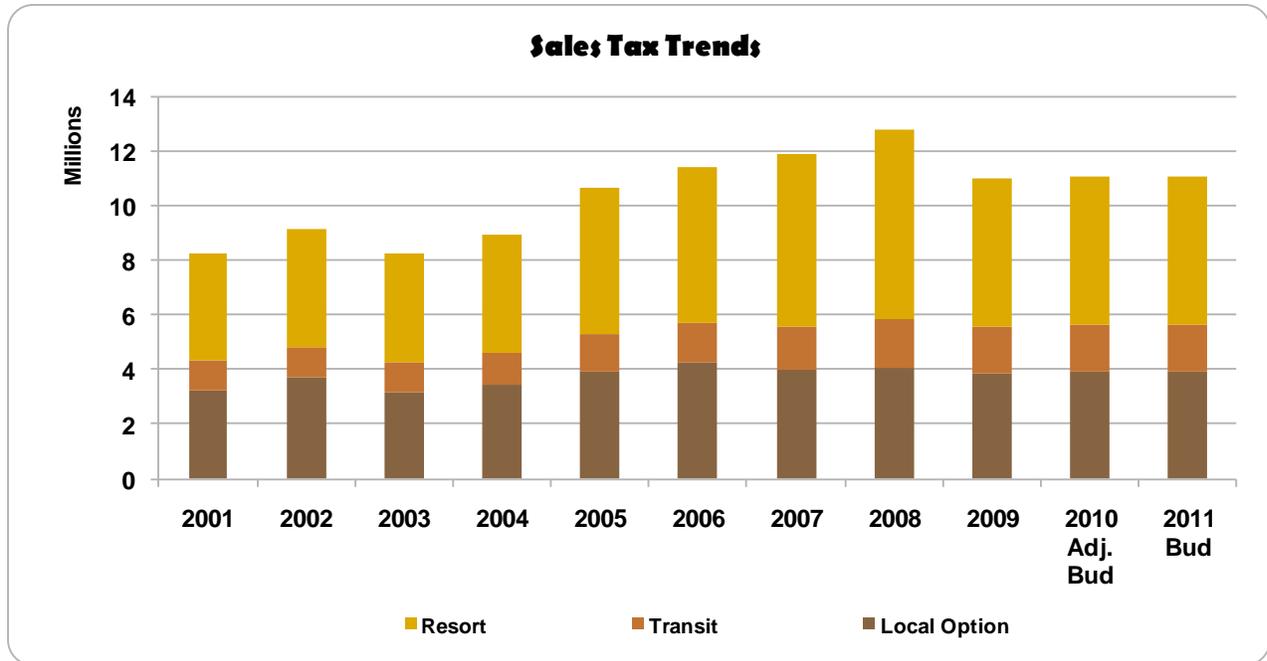


Figure R9 - Sales Taxes Breakdown

OTHER REVENUE

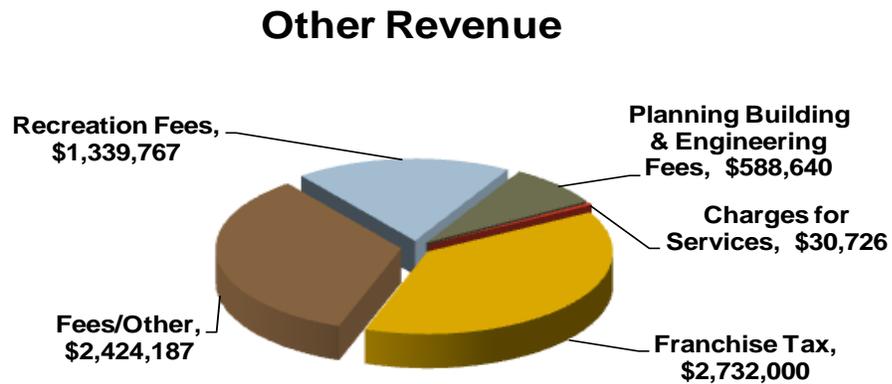


Figure R10 – Other Revenue Breakdown

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 an estimated 33 percent of the total FY 2010 General Fund revenue. Other revenues amounted to \$ 7,661,097 in FY 2010. It is projected that revenue from other sources will total

REVENUES

\$8,592,828 in FY 2011. Planning, Building, and Engineering fees have experienced significantly lower levels in FY 2010 as compared to previous years. Figure R10 shows a projected breakdown of other revenue by type and amount.

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 2011 budgeted revenues have been adjusted to account for the current national economic downturn. Charges for services, is projected using a downward logarithmic trend which will allow the forecasted revenue to level off over time. 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. The total estimated impact fees collected for FY 2010 is \$92,000. As would be expected when building activity is significantly down, impact fees are down over 90% from last year. Figure R11 shows the breakdown of estimated impact fees collected in FY 2010.

Impact Fees

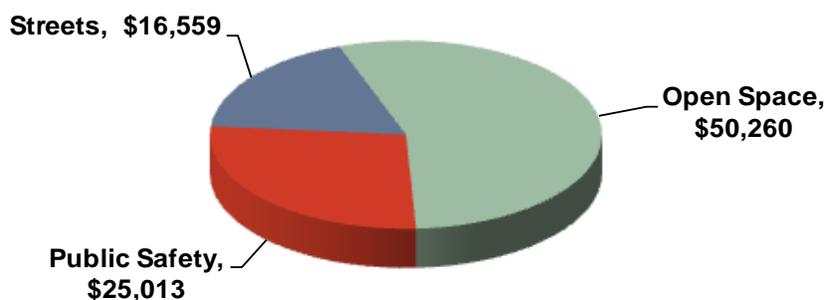


Figure R11 – Impact Fee Breakdown

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 2010 is

REVENUES

\$1,285,000 . 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 2011 as in FY 2010.

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 2009 was 0.52 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.

The City issued \$34.5 million of Water Revenue Bonds in Fiscal Year 2010 for water infrastructure projects and water rights purchase. In addition to this, the City issued \$6 million of General Obligation debt in late April 2010 for the purchase of open space the Armstrong and Osguthorpe open space purchases completed earlier in the fiscal year.

EXPENSES

The FY 2010 Adjusted Budget reflects a 9% operating increase from the FY 2010 Original Budget and an 11% operating increase from FY 2009 actual expenditures. About 95% of the increase from the FY 10 Original Budget is related to debt service. This stems from an increase in the debt service for the Water Revenue Bonds issued in July and December related to water infrastructure projects and the purchase of water rights from Jordanelle Special Service District. FY 2010 adjusted capital budgets appear extremely high, but the vast majority of the \$137 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 2009 is \$68 million. The actual new request portion of the capital budget in FY 2010 is \$3 million.

Expenditure Summary by Major Object - All Funds

	FY 2007	FY 2008	FY 2009	FY 2010 Ori Bud	FY 2010 Adj Bud	FY 2011 Plan	FY 2011 Bud
Personnel	17,443,771	19,540,194	20,553,234	21,149,427	21,255,216	22,060,765	22,090,130
Materials, Supplies & Services	10,358,236	12,441,592	11,052,483	12,274,512	12,361,185	12,491,431	12,639,435
Capital Outlay	19,870,601	16,488,284	41,569,011	48,663,450	137,803,191	36,633,080	12,003,703
Debt Service	6,310,364	6,583,721	9,834,751	8,670,056	12,244,083	8,789,691	10,989,473
Contingencies	0	0	0	315,000	315,000	315,000	315,000
Actual Budget	\$53,982,972	\$55,053,791	\$83,009,480	\$91,072,445	\$183,978,675	\$80,289,968	\$58,037,741
Budget Excluding Capital	\$34,112,371	\$38,565,507	\$41,440,469	\$42,408,995	\$46,175,484	\$43,656,888	\$46,034,038
Interfund Transfers	13,837,974	15,628,653	32,800,255	9,305,477	14,840,024	8,106,455	7,118,246
Ending Balance	88,030,246	96,459,405	94,338,414	35,396,588	22,855,772	37,656,387	23,780,604
Subtotal	\$101,868,220	\$112,088,058	\$127,138,669	\$44,702,065	\$37,695,796	\$45,762,842	\$30,898,850
Grand Total	\$155,851,192	\$167,141,849	\$210,148,148	\$135,774,510	\$221,674,471	\$126,052,810	\$88,936,591

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

The FY 2011 Budget would increase to \$46 million, which is a 0.3% decrease from the FY 2010 Adjusted Budget and 5.5% increase from the FY 2011 Plan. Again, 95% of this increase is due to increasing debt service, particularly in the Water Fund. Rate increases are already in place to handle these growing water debt costs. Any increases in the General Fund are largely offset with corresponding reductions in operating budgets. These changes are more fully discussed in the Budget Issues section along with details on other committee recommendations, operating budget changes, and major capital requests.

The Five-Year CIP has \$12 million of capital project funding scheduled for FY 2011. This represents a reduction of approximately \$14.6 million from the FY 2011 Plan. Twenty-six projects were adjusted during this year’s CIP Committee review. The most significant changes include moving scheduled bond issuances for the Town Plaza, OTIS Phase II(a), and Walkability. A potential \$3.3 million bond for the Racquet Club Renovation was moved from FY 2010 to FY 2011 and increased to \$4.3 million, according to the latest cost estimates. In excess of \$800,000 was removed from the Water Fund capital plan which was scheduled for the JSSD water lease, supplanted now by debt service associated with the bond for purchasing water

EXPENSES

rights from JSSD. Other major projects and significant changes to existing projects are discussed further in the Budget Issues section.

Table E1 shows citywide expenditures by Major Object. The FY 2010 Adjusted Budget reflects an increase in personnel expenses of 0.5% from the FY 2010 Original Budget. FY 2011 shows a 0.1% increase in personnel from the FY 2011 Plan due primarily to retirement cost increases. The 3.9% increase between the FY 2010 Adjusted Budget and the FY 2011 Budget is most influenced by the recommended pay plan market grade changes, already incorporated into the FY 2011 Plan.

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 27, 2010.

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 2010 Original Budget and FY 2011 Plan adopted by Council in June 2009.

**Total Operating Budget Options by Fund
(Change from FY2010 Budget & FY2011 Plan)**

	FY 2010 Adjusted Budget	FY 2011 Budget
Fund 11 General Fund	\$470,963	\$42,678
Fund 12 Quinn's Recreation Complex	-\$113,800	-\$56,049
Fund 51 Water Fund	\$0	\$17,761
Fund 55 Golf Fund	\$18,000	-\$32,588
Fund 57 Transportation Fund	\$9,000	\$94,593
Fund 62 Fleet Fund	-\$350,615	-\$107,313
Fund 64 Self Insurance Fund	\$92,910	\$92,936
Total	\$126,458	\$52,018

Table E2 – Operating Budget Options by Fund

The major increase from the FY 2010 Original Budget to the FY 2010 Adjusted Budget is found in the General Fund and Self Insurance Fund. Almost 50% of the General Fund increases have a revenue offset, such as a grant or increased fees. Another 40% of increase in the General Fund is due to relocation expenses associated with the proposed Racquet Club Renovation project. The increase in the Self Insurance Fund is related to outside legal fees related to various litigation cases. These expenses should not be ongoing, but are likely to carry through the FY 2011 Budget. The funding for this increase will come from the accumulated balance in the Self Insurance Fund. These changes are also reflected in the difference between the FY 2011 Plan and the FY 2011 Budget. Various other changes are happening in the General Fund in FY 2011, but

EXPENSES

the net effect is close to zero. These changes are extensive and difficult to summarize briefly, but the Funding Strategy presented in the Budget Issues section gives a fairly concise synopsis of the changes to the FY 2011 Plan.

PERSONNEL

Departments submitted few personnel requests for the FY 2010 Adjusted Budget and FY 2011 Budget. The impacts of all personnel budget options are shown for each fund in Tables E3(a)-(c).

**Total Personnel Options by Fund
(Change from FY2010 Budget & FY2011 Plan)**

	FY 2010 Adjusted Budget	FY 2011 Budget
Fund 11 General Fund	\$201,589	-\$8,781
Fund 12 Quinn's Recreation Complex	-\$113,800	-\$72,049
Fund 51 Water Fund	\$0	\$24,251
Fund 55 Golf Fund	\$18,000	-\$26,088
Fund 57 Transportation Fund	\$0	\$111,593
Fund 62 Fleet Fund	\$0	\$412
Fund 64 Self Insurance Fund	\$0	\$26
Total	\$105,789	\$29,365

(a)

**Total URS Retirement Adjustment by Fund
(Change from FY2011 Plan)**

	FY 2011 Budget
Fund 11 General Fund	\$61,910
Fund 12 Quinn's Recreation Complex	\$367
Fund 51 Water Fund	\$921
Fund 55 Golf Fund	\$184
Fund 57 Transportation Fund	\$2,223
Fund 62 Fleet Services Fund	\$412
Fund 64 Self Insurance Fund	\$26
Total	\$66,043

(b)

**Departmental Personnel Requests by Fund
(Change from FY2010 Budget & FY2011 Plan)**

	FY 2010 Adjusted Budget	FY 2011 Budget
Fund 11 General Fund	\$78,633	-\$404,641
Fund 12 Quinn's Recreation Complex	\$0	-\$55,036
Fund 51 Water Fund	\$0	\$22,673
Fund 55 Golf Fund	\$18,000	-\$24,495
Fund 57 Transportation Fund	\$0	\$97,837
Total	\$96,633	-\$363,662

(c)

Tables E3 – Personnel Options by Fund

EXPENSES

There are two options which are primarily driving changes in personnel budgets, the Utah Retirement System (URS) increase and the creation of a lump merit pool. These are both described in detail in the Budget Issues section.

Due to the recent recession, the state pension plan for government employees, URS, lost significant funding which is recoverable only through a heavy increase in contribution rates. Park City has historically budgeted 13.26% for contribution to retirement for its employees. The difference between the 13.26% and the state required percentage (which fluctuates slightly from year to year, generally between 11% and 12%) was contributed to a 401(a) account on the employees' behalf. However, the state will begin requiring 13.37% (25.83% for sworn officers) on July 1, 2010. The budget impact for this change is detailed in the Table E3(b).

A \$500,000 pool for lump merit increases (sometimes called performance bonuses) is proposed to be created in the General Fund. These lump merits are already awarded to employees semi-annually depending on performance. Historically, departments have been encouraged to cover these expenses within each departmental budget, without having a specific allotment for the bonuses. Over time this has become a burden on smaller departments with operating budgets that are personnel heavy. This problem has become exacerbated given multiple rounds of budget cuts in recent years. This lump merit pool would alleviate the burden and allow the City to continue the practice of rewarding employees for exemplary performance. Staff believes this leads to a more engaged workforce, more successful recruiting and retention, and ultimately efficiency and higher levels of service. As can be seen in the Funding Strategy in the Budget Issues section, this increase is directly offset with corresponding decreases in operating budgets, though in non-personnel areas causing the overall personnel budget to increase.

Other changes to the personnel budget include three department reorganizations. The most extensive is the Public Works Team reorganization. With the retirement of the Public Works Director mid-year, the Public Works Team went through the interim reorganization policy described in the City's Policies and Procedures. The director position was removed from the budget, with the duties of this position being distributed amongst the Public Works Operations Manager, the Transit & Transportation Manager, and the Water Manager. The adjusted job descriptions for these positions were reviewed and benchmarked by the Pay Plan Committee, and the City Manager recommends pay grade increases for these positions.

Also, as part of the reorganization, the unfilled Transportation Planner position was increased from a grade E06 to a grade E07. In conjunction with this change, the Principal Planner position in the Planning Department was removed with the intent of shifting resources from the Building, Planning, & Engineering function to the Transit & Transportation function as made necessary by current demand levels. It is expected that incumbent of the removed Principal Planner position will shift to the unfilled Transportation Planner position without a change in pay. The only other adjustment associated with this reorganization is the creation of a Water Operations Team Leader at a grade E06.

The total savings of the Public Works reorganization is in excess of \$200,000 citywide, although the impact varies by fund. The figure below details the savings of this reorganization as well as the two other reorganizations.

EXPENSES

Departmental Reorganizations

	Public Works Reorg	Ice Reorg	Building Reorg
Fund 11 General Fund	-\$248,517	\$0	-\$84,638
Fund 12 Quinn's Recreation Complex	\$0	-\$62,665	\$0
Fund 51 Water Fund	\$22,673	\$0	\$0
Fund 57 Transportation Fund	\$19,928	\$0	\$0
Total	-\$205,916	-\$62,665	-\$84,638

Table E3 – Departmental Reorganizations

The Ice Department also passed through an interim reorganization after the departure of the Ice Facility Manager early in the fiscal year. This reorganization does away with Ice Facility Manager position while reclassifying the grade N10 Ice Arena Operations Specialist to a grade E06 Ice Operations Manager and the grade N10 Marketing & Events Coordinator to a grade E06 Business Operations Manager. This reorganization also adds a part-time (0.75 FTE) building maintenance position for the arena. The total savings is more than \$60,000 annually.

The Building Department will shed a full-time regular position in FY 2011 as well. While this is not an interim reorganization, it will change the organizational structure of the department and is tied more to the pending retirement of a department employees rather than a reduction in force. All of the internal shifts are not finalized at this point, and therefore not described here. However, it is certain that when all changes are determined, one Senior Building Inspector position will be vacated and removed from the budget, at a savings of nearly \$85,000 annually.

Two more personnel changes of note in the FY 2011 Budget include a departmental request for increased level of service to begin providing transit service to the Quinn's Junction Park & Ride, at a cost of \$78,000 to the Transit Fund, as well as a technical adjustment to record the compensation decision made regarding the Mayor and City Council during last year's budget process. Staff proposed benchmarked pay data for elected official compensation last spring, which was to be implemented in FY 2011 after a 2% increase in FY 2010, mirroring the strategy employed by the City for the rest of the pay plan. Council directed staff to move forward with this, but the Budget Department neglected to incorporate this into the FY 2011 Plan. A technical adjustment has been entered this year to record the change.

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 2010 Adjusted Budget and FY 2011 Proposed Budget are found in Table E4 on the following page.

EXPENSES

FTE Count; by Department						
Department	FY 2010 Original	FY 2010 Change	FY 2010 Adjusted	FY 2011 Plan	FY 2011 Change	FY 2011 Budget
Budget, Debt, and Grants	2.00		2.00	2.00		2.00
Building	15.80		15.80	15.80	(1.00)	14.80
Building Maint.	5.00		5.00	5.00		5.00
City Manager	4.50		4.50	4.50		4.50
City Recreation	28.11	0.20	28.31	28.11	(0.67)	27.44
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	3.00		3.00
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	6.25		6.25	6.25	(0.75)	5.50
Golf Maintenance	10.70		10.70	10.70	(1.10)	9.60
Human Resources	6.95		6.95	6.95	(0.09)	6.86
Ice Facility	9.37		9.37	9.37	0.17	9.54
Legal	7.75		7.75	7.75		7.75
Library	11.23		11.23	11.23		11.23
Parks and Cemetery	17.20		17.20	17.20	0.10	17.30
Planning	7.00		7.00	7.00	(1.00)	6.00
Police	35.21		35.21	35.21		35.21
Public Affairs and Comm.						
Public Works Administration	2.50		2.50	2.50	(2.50)	
Self Insurance	0.50		0.50	0.50		0.50
State Liquor Enforcement	1.22	(0.20)	1.02	1.22	(0.20)	1.02
Street Maint.	16.72		16.72	16.72	0.75	17.47
Sustainability - Implementation	3.25		3.25	3.25		3.25
Sustainability - Visioning	2.75		2.75	2.75		2.75
Technical and Customer Services	9.80		9.80	9.80		9.80
Tennis	7.71		7.71	7.71	(0.82)	6.89
Transportation	76.29		76.29	79.79	2.00	81.79
Water Billing	1.00		1.00	1.00		1.00
Water Operations	17.50		17.50	17.50		17.50
Totals	336.04	0.20	336.24	339.55	(4.90)	334.64

Table E4 - FTE Changes by Department

Most FTE changes were described in the discussion on reorganizations. The two new FTE's in Transit are related to the Park & Ride operations and are part-time/seasonal bus drivers. Other changes are primarily related to operating budget reductions, which are exclusively reductions to the part-time and seasonal position pools as opposed to cutting full-time regular employees.

Figure E5 shows the total number of FTE's classified as Full-Time Regular or Part-Time Non-Benefited/Seasonal over time. In prior years, the Part-Time Non-Benefited/Seasonal classification was referred to as Temporary. The dramatic shift between PTNB to FTR in FY 2007 was due to changing many of our Bus Driver positions over to FTR status. FTR and PTNB both show a decrease in the FY 2011 Budget.

EXPENSES

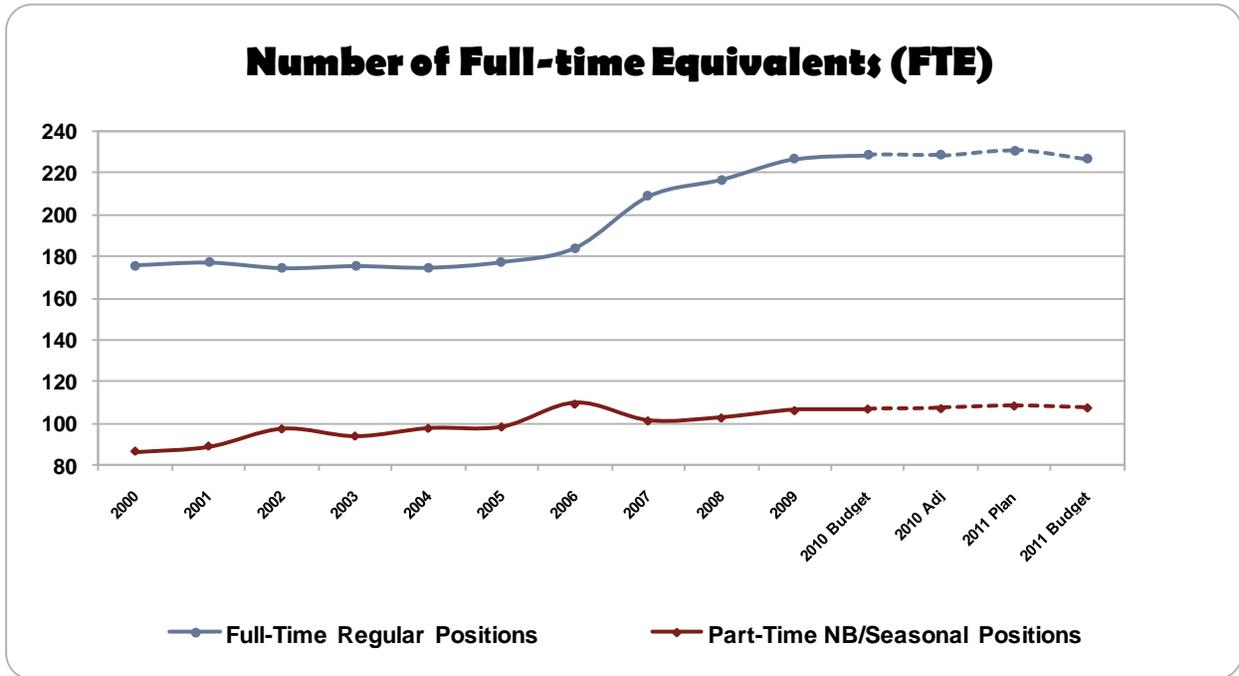


Figure E5 – FTE Totals

The following table shows the changes in FTE’s by fund. The General Fund is increasing by only 0.20 FTE’s in FY 2010 from the FY 2010 Original Budget. The Transit Fund shows a marked increase in FTE’s in FY 2011; again, this is due to bus service to the new park & ride.

Fund	FY 2009 Actual	FY 2010 Original	FY 2010 Adjusted	FY 2011 Plan	FY 2011 Budget
General Fund	203.95	204.44	204.64	204.44	199.22
Quinn's Recreation Complex	10.37	11.37	11.37	11.37	11.54
Water Fund	18.50	18.50	18.50	18.50	18.50
Golf Fund	17.65	16.95	16.95	16.95	15.10
Transportation Fund	73.79	76.29	76.29	79.79	81.79
Fleet Services Fund	8.50	8.00	8.00	8.00	8.00
Self Insurance Fund	0.50	0.50	0.50	0.50	0.50
TOTAL	333.26	336.04	336.24	339.55	334.64

Table E6 - 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 E7 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

EXPENSES

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.

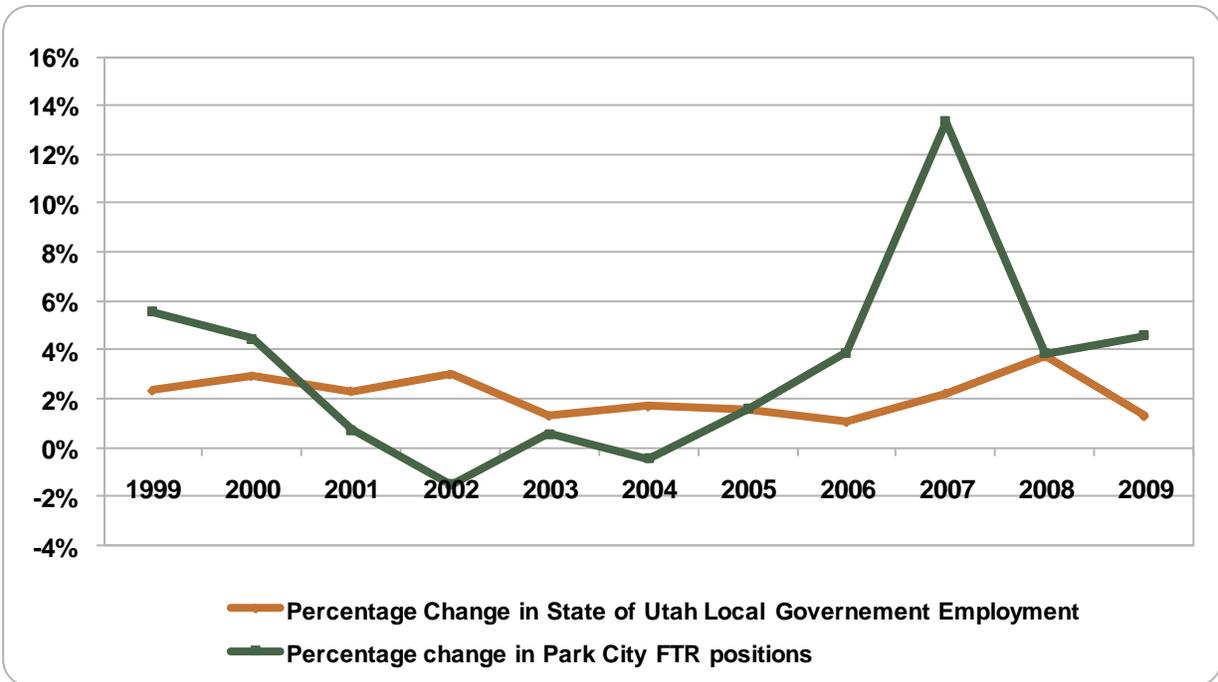


Figure E7 - Percentage Change in Park City and State Employment

The employment totals for Park City FTR positions and local government for the state of Utah are compared in Figure E8. 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 is growing faster than other cities in Utah in recent years. This is consistent with the growth in service demand.

EXPENSES

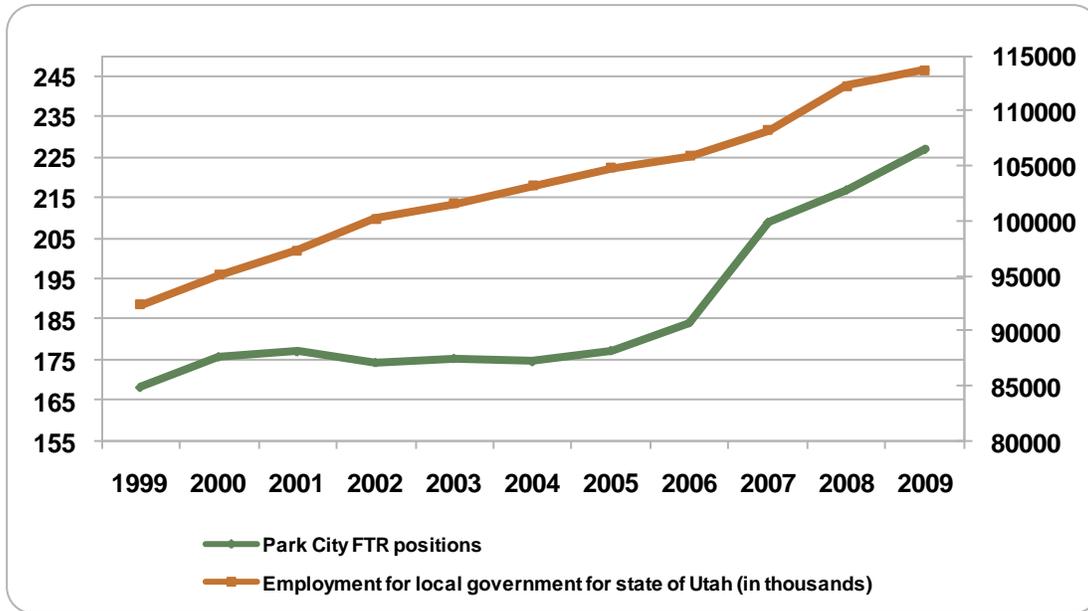


Figure E8 – Employment Totals for Utah Local Government and Park City FTR Positions

PAY PLAN ADJUSTMENTS

Park City implements a market pay philosophy in which positions in the City's pay plan are benchmarked against current market conditions in the first year of a budget biennium. This involves conducting a study of similar positions (benchmarks) in other cities in the Wasatch Front and some Colorado ski towns. If a given position is found to be paid more than 5% below the average of the midpoints of the top five benchmarks (using total compensation value rather than merely wages) then the position is recommended to move to the next pay grade. These are referred to as market adjustments. In the second year of the budget, all pay grades (and therefore all positions) are increased by 2% to keep up with the market during the off year. Traditionally, market adjustments to the pay plan would increase the budget between \$800,000 and \$1 million, while a 2% adjustment in the second year may cost less than half that amount.

Due to current economic conditions and the need to reduce the operating budget overall, Council employed an alternative approach to pay plan implementation during the current budget biennium. Simply put, the City flipped the two years of the pay plan, implementing a 2% across the board increase in the first year (FY 2010), and waiting until the second year (FY 2011) to make market adjustments. This resulted in a \$229,000 increase in the General Fund personnel budget in the FY 2010 Original Budget and an additional \$512,000 in FY 2011 Plan.

While Council can and should review pay plan decisions in the second year of the budget, staff continues to recommend that the pay plan adjustments included in the FY 2011 Plan go forward in the FY 2011 Budget. It is important to maintain the City's commitment to paying employees at market in order to maintain low turnover rates and continuity of current levels of service.

EXPENSES

MATERIAL, SUPPLIES, AND SERVICES

The remaining Operating Budget changes relate to Materials, Supplies, and Services. As previously noted, the Self Insurance Fund budget is increasing by nearly \$100,000 in the FY 2010 Adjusted Budget and FY 2011 Budget for outside legal fees and other expenses related to litigation. This will be funded from reserves in the Self Insurance side which have been set aside for just such a purpose. Decreases in operating budgets are seen in FY 2011. These are related to the reductions which were selected by the City Manager from the 5% reductions plans submitted by self-managed teams for inclusion in the Recommended Budget. These reductions and the corresponding impacts to City services are detailed in the Supplemental section and will be discussed with Council at length on May 20.

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.

Total Materials, Supplies & Services Options by Fund (Change from FY2010 Adopted Budget)

	FY 2010 Adj Bud	FY 2011 Budget
Fund 11 General Fund	\$216,153	\$76,809
Fund 12 Quinn's Recreation Complex	\$0	\$16,000
Fund 51 Water Fund	\$0	-\$6,490
Fund 55 Golf Fund	\$0	-\$6,500
Fund 57 Transportation Fund	\$9,000	-\$17,000
Fund 62 Fleet Fund	-\$346,615	-\$107,725
Fund 64 Self Insurance Fund	\$92,910	\$92,910
Total	-\$28,552	\$48,004

Table E9 – Material, Supplies, and Services by Fund

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.

EXPENSES

Project	Proposed Budget	Principal Funding Sources	Scheduled Start	Scheduled Finish
Iron Horse Transit Operations Facility	\$ 10 million	Federal Grants Sales Tax Transit Rev	Underway	Winter 2010
Walkable Community Projects	\$15 million	GO Bond	Underway	Phased
Water Projects	\$27.3 million	Water Service Fees Water Impact Fees Water Bonds	Underway	Phased
OTIS Phase II (a) Sandridge, Hillside, Empire, & Upper Lowell	\$4.5 million	Sales Tax Bond	2010	Phased
Bonanza Drive Reconstruction	\$7.2 million	General Fund Federal Grants GO Bond	2009	2010
Racquet Club	\$10 million	GF Reserves	Spring 2010	Spring 2012

Table E11 – 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) scored new projects or those requesting new funding for 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.

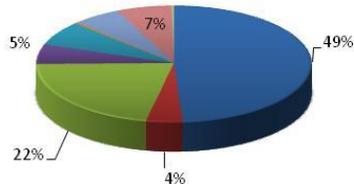
In light of the current economy and the City's shortfall strategy, the Committee set out with the task of reducing the General Fund Transfer to fund projects in the CIP by \$650k in FY 2010 and holding the transfer steady at \$1.7 million in FY 2011. Project managers were asked to comb through their 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 still meeting the targeted reductions in General Fund dollars funding capital.

A handful of projects fell below the cutoff line. Some of these projects are the Town Plaza (pushed into the future), Improved Website Mapping, Dredge Prospector Pond, Decision Support System, Mobile Command Post, and Street Light at Marsac and Guardsman. Other projects weren't approved, but an alternative source of funding was found them: Ice Rink Floor Sealing/Painting, Special Event Tables, Paper Records Conversion, Locker Room and Party Room Repair, Ice Rink Elevator Pit Sump Pump, Time and Attendance Software, GIS Development, and City Council Technology. Only three new projects were added as a CIP: Irrigation Controller Replacement, Rink Roof for Mechanical Equipment, and Quinn's Rec Light Visors.

EXPENSES

The total proposed CIP budget for FY 2010 Adjusted Budget is \$137 million (\$48 million original budget, \$68 million carryforward budget, and \$21 million newly proposed budget). The proposed FY 2011 CIP budget is \$11.5 million—down \$14.6 million from the FY 2011 Plan. The following charts shows funding sources for those expenses.

CIP Funding Sources - FY 2010



CIP Funding Sources - FY 2011

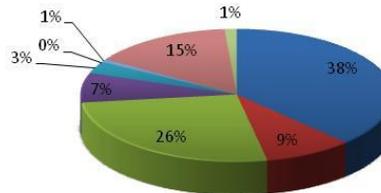


Figure E12 – CIP Funding Sources

The General Fund transfer to fund projects will be approximately be \$2.25 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 the Boyer Land Purchase, OTIS Phase II(a), Bonanza Drive Reconstruction, and Fleet Equipment Replacement (Rolling Stock). The CIP originally had \$2.9 million scheduled to be transferred from the General Fund to fund projects in FY 2010 and another \$1.63 million in FY 2011. The needed transfer has been cut to \$2.25 million in FY 2010 and \$1.7 million in FY 2011.

Deobligated Funds*

ADA Implementation
Asset Management/Replacement Program
BioCell Remediation
Building Activity Stabilization Fund
Cemetery Capital Replacement
City-Wide Signs Phase I
Deer Valley Drive Reconstruction
Dredge Prospector Pond
Emergency Management Program Replacement
Emergency Management Program Startup
Energy Efficiency Study on City Facilities
GIS Development
Park City Ice Arena Screens and Security
Park City Website Remodel
Public Art
Public Safety Complex
Public Works Equipment
Racquet Club Program Equipment Replacement
Quinn's Public Improvements
Tennis Bubble Replacement
Triangle Property
Walkability Maintenance

FY 2010 Notes

-\$40,000	Boyer Land Purchase
-\$2,427,291	Boyer Land Purchase & Budget Cuts
-\$23,188	Boyer Land Purchase
-\$75,000	Boyer Land Purchase
-\$1,216	Boyer Land Purchase
-\$14,906	Boyer Land Purchase
-\$75,000	Push grant match funds to 2012 Boyer Land Purchase
-\$173,724	CIP Committee Budget Cuts
-\$6,000	CIP Committee Budget Cuts
-\$30,000	Delay Emg Fueling Site for Boyer Land Purchase
-\$100,000	Boyer Land Purchase
-\$57,441	Boyer Land Purchase
-\$2,451	CIP Committee Budget Cuts
-\$126	CIP Committee Budget Cuts
-\$62,862	Boyer Land Purchase
-\$17,000	Boyer Land Purchase
-\$28,901	Boyer Land Purchase
-\$26,089	Racquet Club Remodel
-\$48,735	Racquet Club Remodel
-\$211	CIP Committee Budget Cuts
-\$50,000	Boyer Land Purchase
-\$58,060	Boyer Land Purchase

Subtotal: -\$3,318,201

Total Transfer from GF for Capital: \$2,248,871

Table E13 – Deobligated CIP Funds

EXPENSES

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 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 budget option was submitted this year for \$12k to go towards Walkability maintenance. 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.

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
CP0006	Pavement Management Impl.	\$ 5,034,207	\$ 600,000	\$ -	0	\$ 5,034,207
CP0017	ADA Implementation	\$ 65,076	\$ 10,000	\$ -	0	\$ 65,076
CP0025	Bus Shelters	\$ 641,612	\$ 15,000	\$ -	20	\$ 941,612
CP0033	Golf Pro Shop Acquisition	\$ 1,132,822	\$ 55,000	\$ -	0	\$ 1,132,822
CP0046	Golf Course Improvements	\$ 495,003	\$ 32,000	\$ -	0	\$ 495,003
CP0066	Homeland Security Improvements	\$ 77,319	\$ 2,000	\$ -	5	\$ 87,319
CP0085	Town Plaza	\$ 7,113,718	\$ 40,000	\$ -	30	\$ 8,313,718
CP0091	Golf Maintenance Equipment Replacement	\$ 565,000	\$ 98,000	\$ -	0	\$ 565,000
CP0118	Transit GIS/AVL system	\$ 1,507,200	\$ -	\$ 100,000	10	\$ 507,200
CP0133	Public Works Equipment	\$ 132,314	\$ 35,401	\$ -	5	\$ 309,319
CP0146	Asset Management/Replacement Program	\$ 3,894,612	\$ 582,709	\$ -	0	\$ 3,894,612
CP0160	Ice Facility Capital Improvements	\$ 386,293	\$ 5,000	\$ 5,000	10	\$ 386,293
CP0165	Time and Attendance Software	\$ 89,022	\$ 9,000	\$ -	10	\$ 179,022
CP0176	Deer Valley Drive Reconstruction	\$ 1,295,270	\$ 5,000	\$ -	20	\$ 1,395,270
CP0186	Energy Efficiency Study on City Facilities	\$ 1,392,505	\$ -	\$ 100,000	1	\$ 1,292,505
CP0191	Walkability Maintenance	\$ 61,940	\$ 40,000	\$ -	0	\$ 61,940
CP0201	Shell Space	\$ 1,839,381	\$ 4,000	\$ -	40	\$ 1,999,381
CP0212	Park City Ice Arena Screens and Security	\$ 39,549	\$ -	\$ 40,000	10	\$ (360,451)
CP0214	Racquet Club Renovation	\$ 9,619,427	\$ 429,000	\$ -	40	\$ 26,779,427
CP0216	Park & Ride (Access Road & Amenities)	\$ 1,973,591	\$ 140,000	\$ -	20	\$ 4,773,591
CP0220	800 Mhz Radios	\$ 214,859	\$ 30,000	\$ -	5	\$ 364,859
CP0226	Walkability Implementation	\$ 15,361,504	\$ 250,000	\$ -	20	\$ 20,361,504

* 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 E14 – CIPs with Significant Operating Costs or Savings

EXPENSES

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 just under 9% of the FY 2010 budgeted expenses.

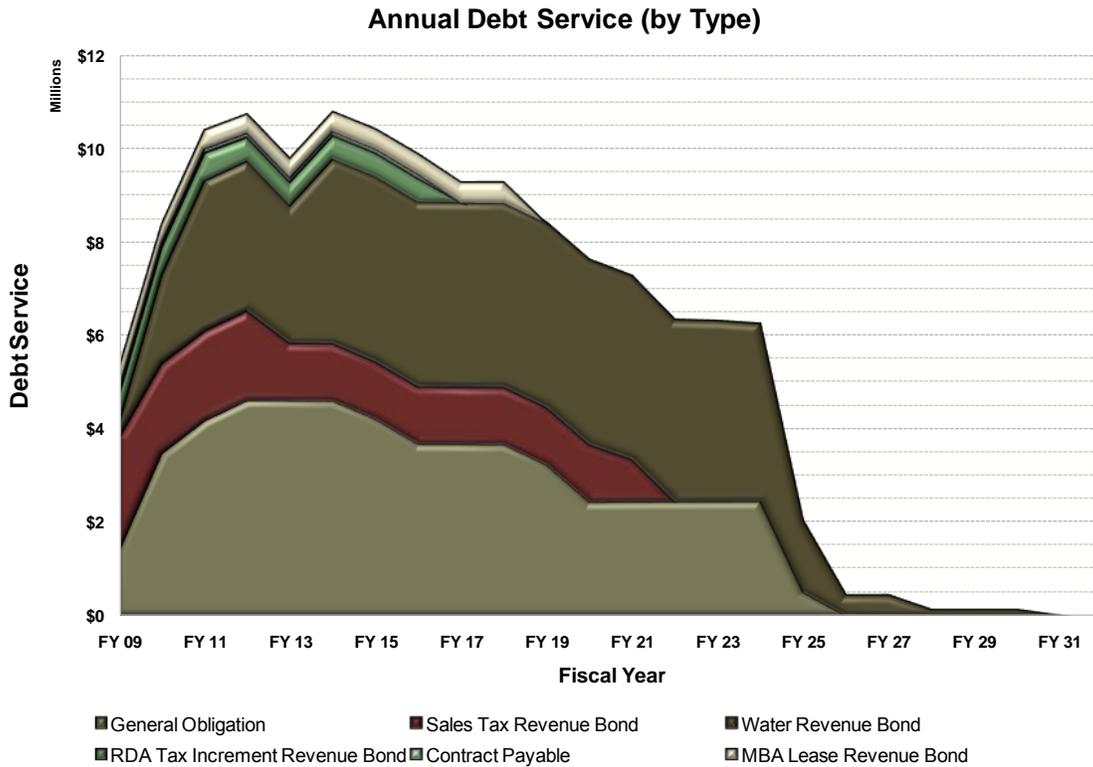


Figure E14 - Long Term Debt

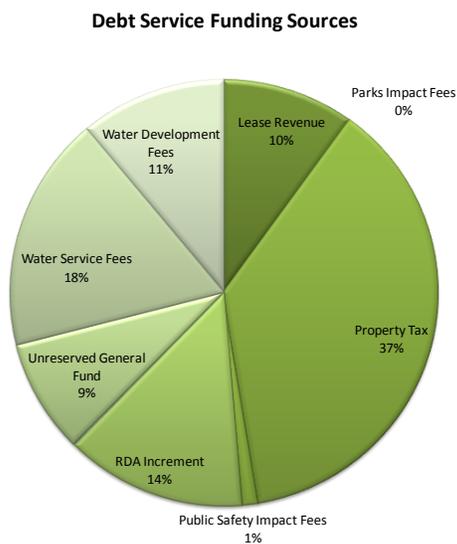


Figure E15 – Debt Funding Sources

Funding sources for debt service payments in FY 2010 are detailed in Figure E15. 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).

The City issued \$34.5 million of Water Revenue Bonds in Fiscal Year 2010 for water infrastructure projects and water rights purchase.

EXPENSES

In addition to this, the City issued \$6 million of General Obligation debt in late April 2010 for the purchase of open space the Armstrong and Osguthorpe open space purchases completed earlier in the fiscal year.

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, a series of Sales Tax Bond issuances totaling about \$22 million for the racquet club renovation and street reconstruction projects related to the Old Town Improvement Study (OTIS); and \$20 million of Water Revenue Bond for future phases of water infrastructure projects.

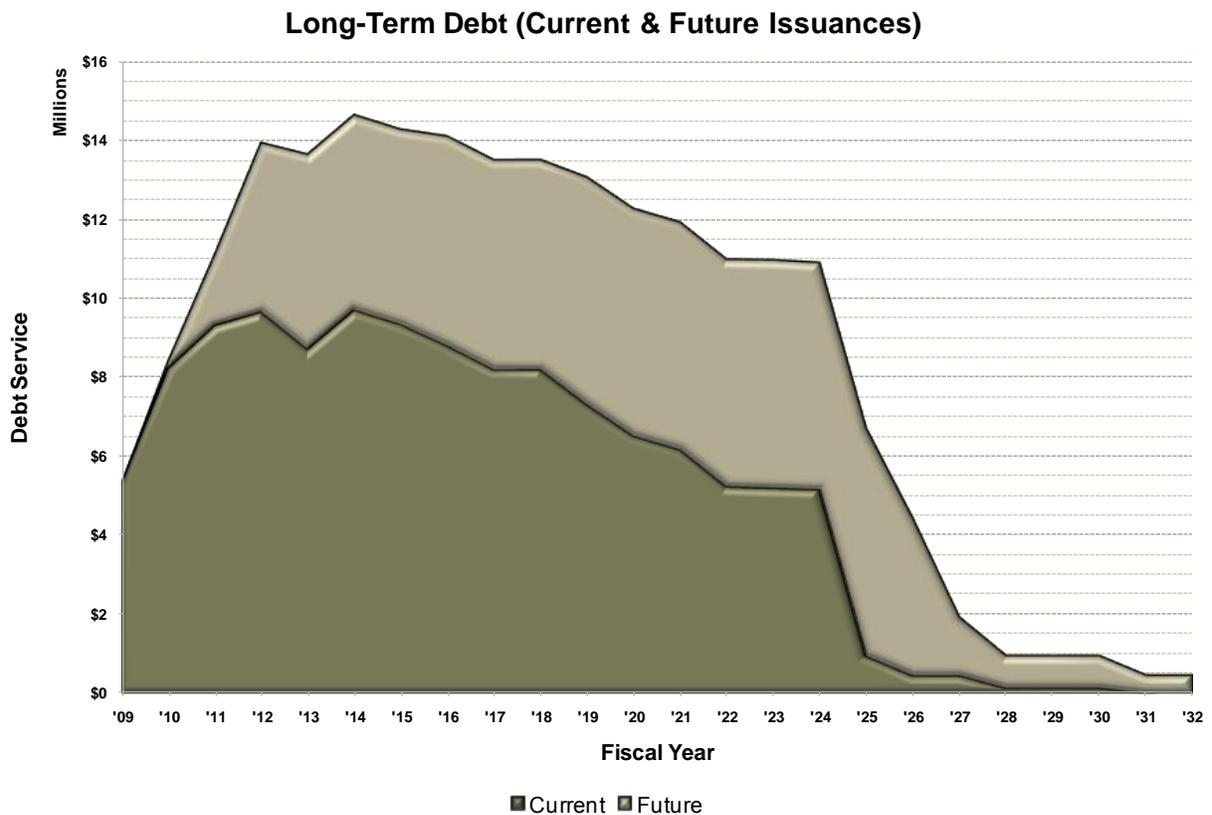


Figure E16 – Anticipated Future Debt Service Compared to Existing Debt

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). Figure E17 below shows how much of the City's annual

EXPENSES

surplus is currently pledged for debt service as well as the amounts that are expected to be dedicated for debt service in the future.

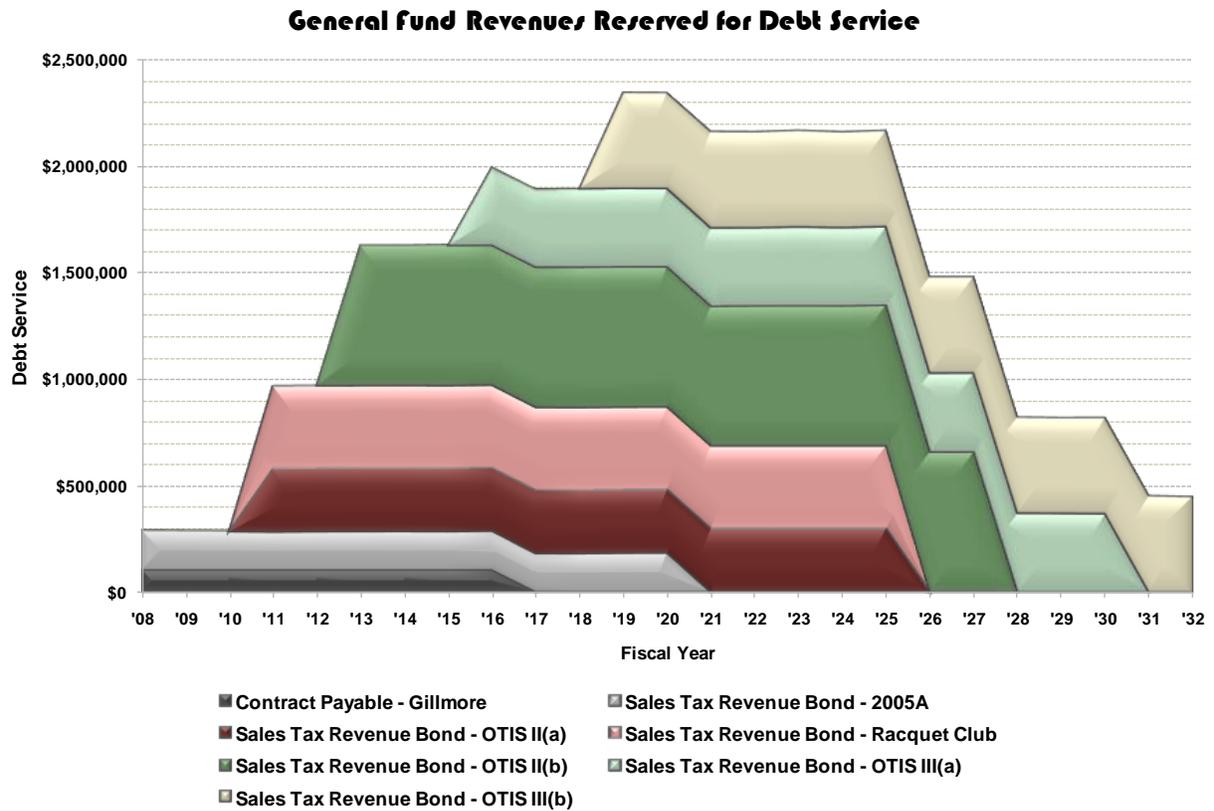


Figure E17 – General Fund Revenues Reserved for Debt Service

Note that approximately \$280,000 per year is currently pledged, but it is anticipated that all of the OTIS and Racquet Club 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.

Figure E17 shows projected revenues versus projected expenditures if the City were not to issue debt for the Racquet Club remodel project.

EXPENSES

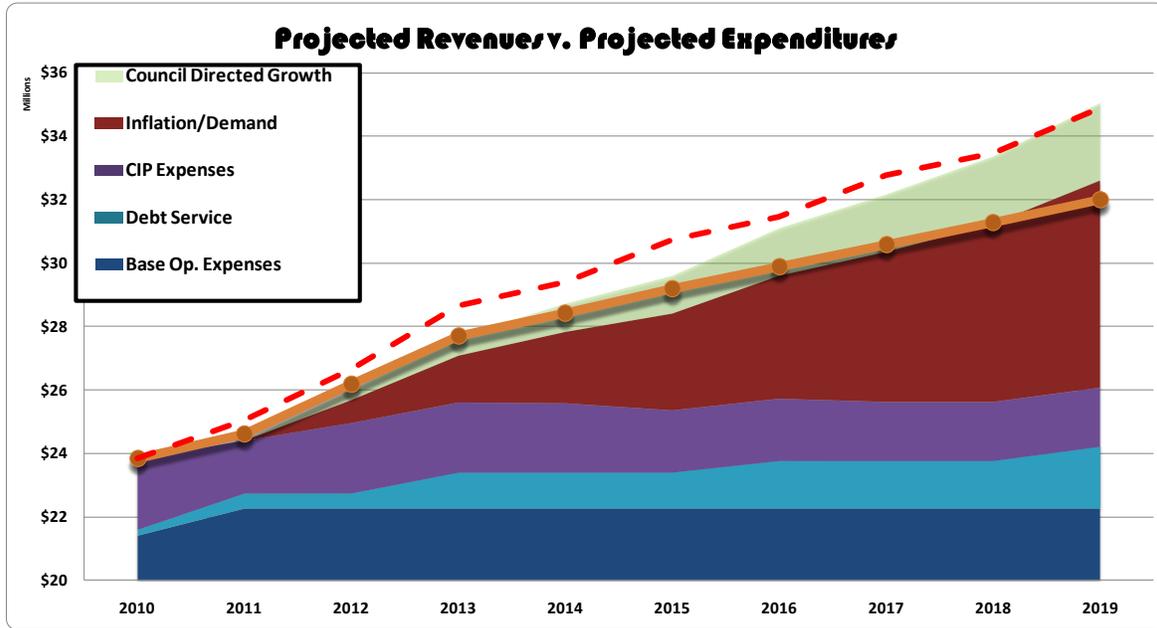
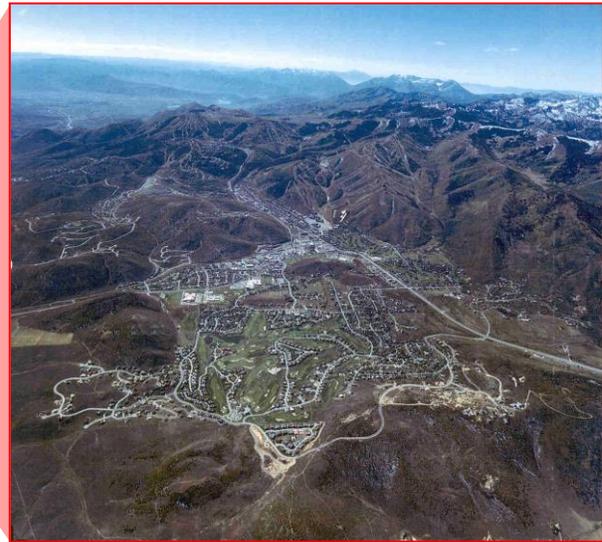
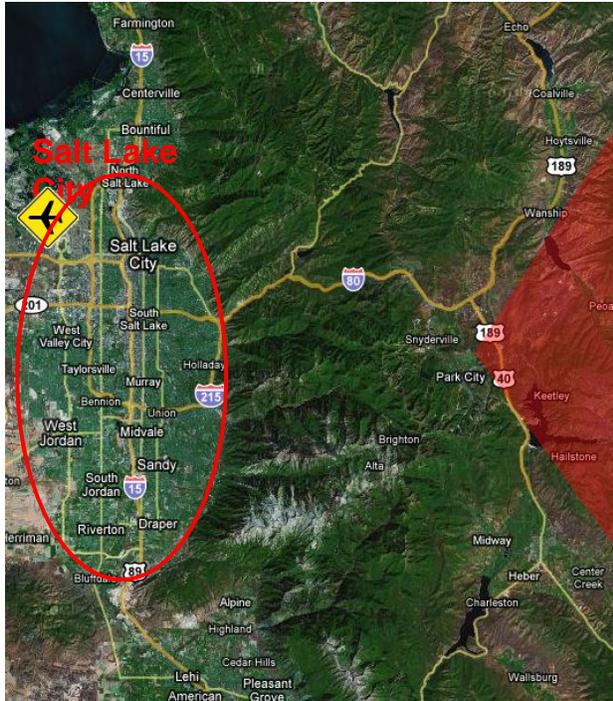


Figure E18 Long-Range Financial Projections - Without Racquet Club Bond

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 halfpipe; 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 fourth year in a row in January 2010. Also in February 2009, Deer Valley hosted the first World Cup Skier Cross competition ever held in North America. Deer Valley has invested over \$8.0 million in improvements for the 2008-09 ski season. For the third year in a row and fifth time in nine 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 has invested nearly \$10.5 million for the 2008-09 season. 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 36.7 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 official numbers for the 2008-09 ski season show that skiers still enjoy Park City's slopes in spite of the economic downturn. Utah's 2008-09 total represents the fourth best ski season on record. Total statewide skier days were 3,972,984. In the 2008-09 season, Park City area resorts claimed 41.4 percent of the total Utah skier day market share. Total skier days in Park City area resorts were 1,645,233, down 12 percent from the previous year.⁴ 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 134 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 34.2 percent. In the last ten years nightly capacity has increased by 57.0 percent.

The Sundance Film Festival made its 26th annual appearance in Park City in January 2010. The 2009 Sundance Film Festival generated an overall economic impact of a record \$92.1 million for the State of Utah, supported close to 2,000 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,

⁴ Source: Park City Chamber of Commerce, *Economic & Relocation Package*, Table 38: Skier Days (www.parkcityinfo.com/doc/Tourism.pdf).

ECONOMIC OUTLOOK

seminars, dinners and premiers which are open to the general public. It is estimated that the annual cultural event attracted over 40,291 attendees in 2009. Total spending in Park City was approximately \$57.0 million during the festival capping a decade of spectacular growth.

The Kimball Arts Center sponsored its 40th annual three-day Park City Arts Festival in August 2009. 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 220 of North America's top artists. This is one of the most attended annual events in Utah and consistently makes the Top Ten List by the renowned Harris Poll.

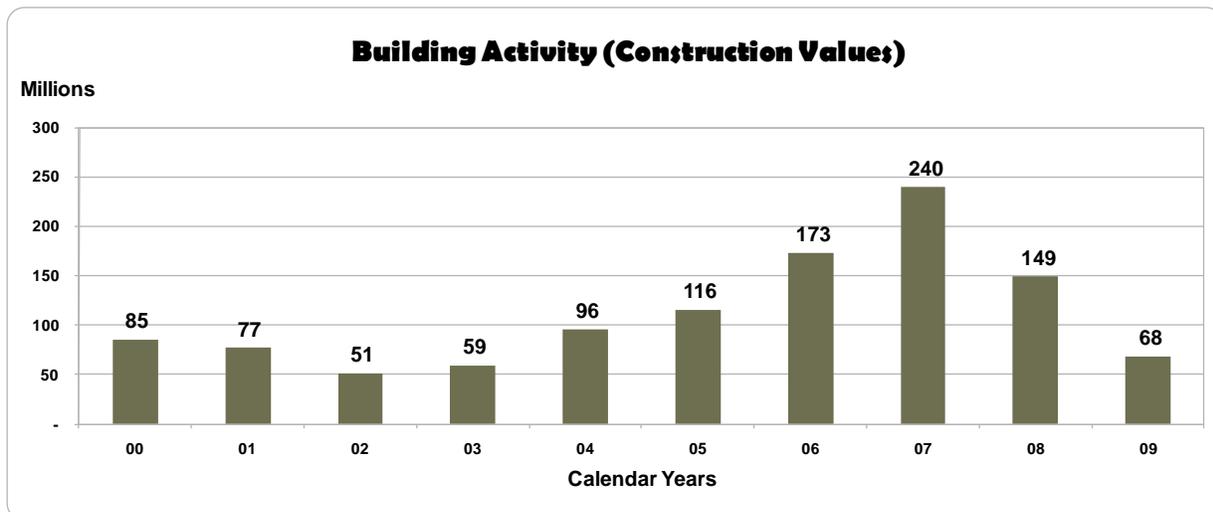


Figure EO1 – Annual Cost of Construction in Park City

Closely connected to the tourist and ski industries in Park City is the real estate industry. During the past ten years, building activity within the City has gone from a low of \$51.0 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 \$111.0 million per year. In fiscal year 2009, approximately 13.4 percent of the \$1.23 million in building activity has been in residential construction and 6.3 percent in commercial. The largest portion of building construction came from the multi-family category (52.7%)—this would include the \$1,000,000 sq ft Montage condo-hotel. The remaining 27.6 percent consists of remodeling, expanding and miscellaneous construction. The residential construction total valuation of approximately \$164k consisted of both single and duplex homes. Easy access to Salt Lake City has intensified the role for Park City as a bedroom community. This role and the current economy have shifted emphasis to the construction of residential homes. Properties have enjoyed a steady rate of appreciation through the years, which are expected to maintain their value and/or increase in the future.

According to recent statistics by the Park City Board of Realtors, more than \$858 million in real estate transactions changed hands in 2009 in the greater Park City area (Summit and Wasatch counties), according to a report by the Park City Board of Realtors. The total volume included the sale of homes, condominiums and land. In 2008, total sales exceeded \$1.03 billion, which is a 16.9 percent decrease in the volume sold in 2009. Compared to all other Rocky Mountain ski destinations, Park City has fared better than neighbors in Colorado, Wyoming and other resort

ECONOMIC OUTLOOK

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, and 2009 as well as the Sales Tax Revenue Bonds issued in 2005. The City's bond rating was upgraded in May 2006 by Moody's to Aa2. Furthermore, the City was upgraded last year 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. By the beginning of May 2010, Park City's bond rating will move 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 decreased in FY2009, due to the economic crisis. 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 4.5 percent. The current State of Utah rate is 6.5 percent and the national rate is 10.2 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. That isn't the case for the last fiscal year. Figure EO2 shows the growth in total estimated sales from 1999 to 2009. When adjusted for inflation, sales in Park City have seen an average growth rate of .78 percent from FY 1999 to FY 2009. For FY 2009, Park City collected roughly \$4.8 million in local option sales tax—equating to roughly \$485 million in estimated taxable sales—\$143 million less than the previous year, \$131 million more than FY 1999. Total sales are determined from the annual 1 percent local sales tax collected each year.

ECONOMIC OUTLOOK

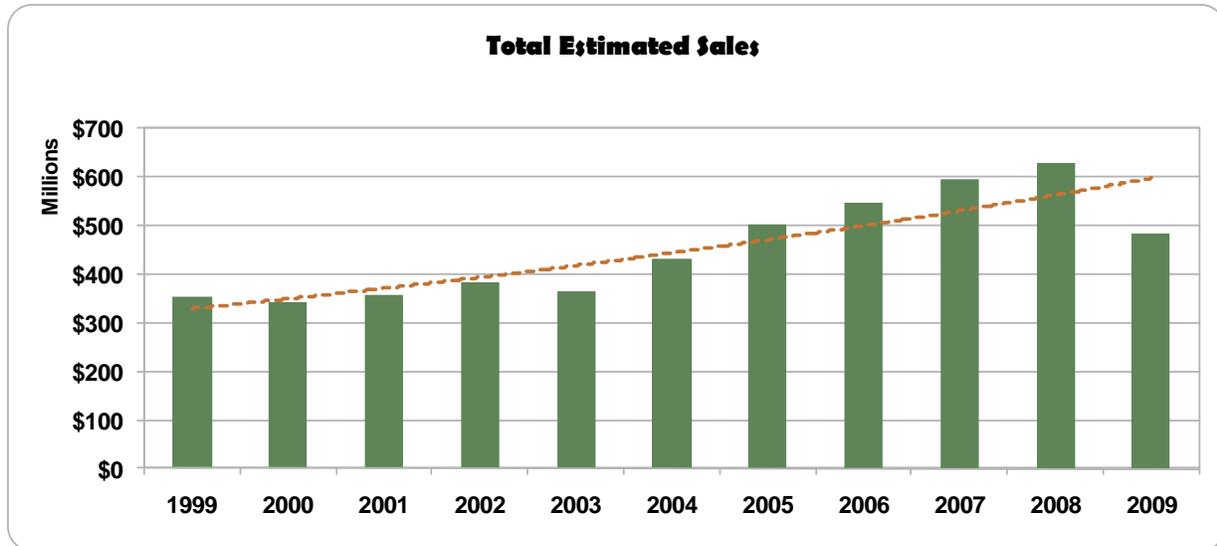


Figure EO2 – Total Estimated Sales

Figure EO3 shows the sales trends by industry from 1999 to 2009. 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 sharp decline in the last three years.

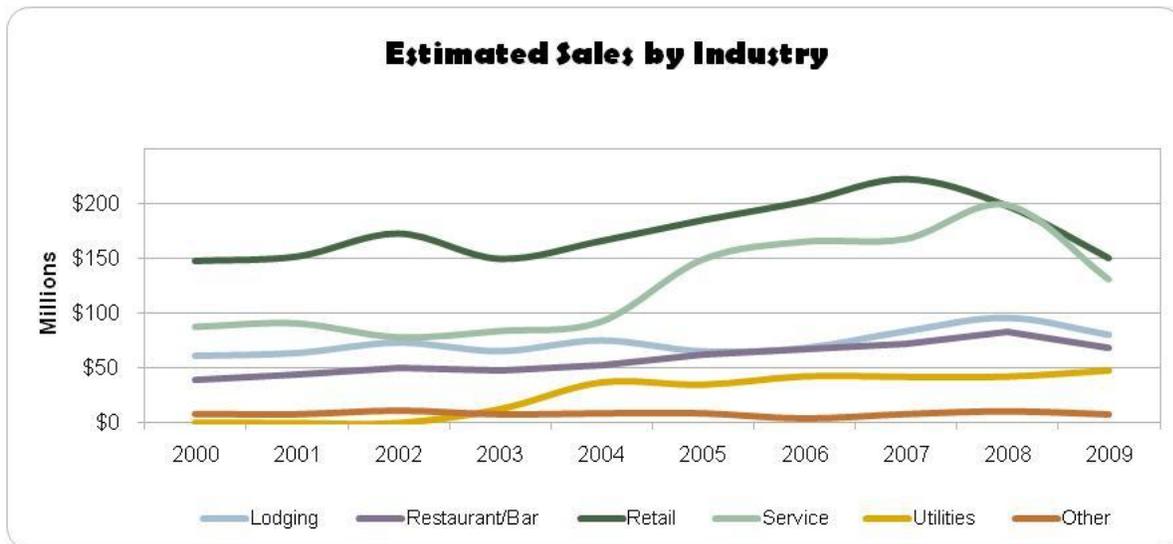


Figure EO3 – Estimated Sales by Industry

Because Park City’s economy relies heavily on the ski industry and tourism, sales tax revenues are extremely seasonal. Figure E04 represents seasonality by industry (based on a ten-year average). The Lodging Sector is the most seasonal with 54.75 percent of sales tax revenues coming during Quarter 3. The Service Sector—which includes skiing and entertainment amongst other services—is also highly seasonal; 54.63 percent of service-related sales come during Quarter 3. The Retail Sector showed the least seasonality with only 35 percent of total sales coming in Quarter 3, with the rest of its quarters demonstrating minimal variance of seasonality.

ECONOMIC OUTLOOK

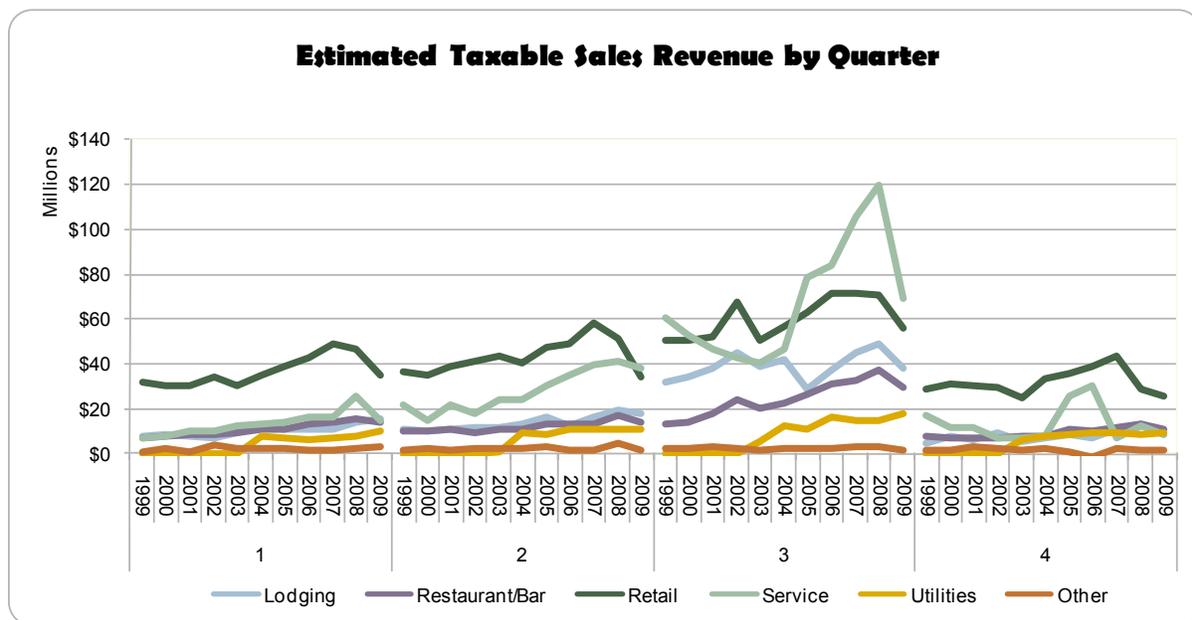


Figure EO4 – Estimated Taxable Sales Revenue by Quarter

CITY FINANCIAL HEALTH INDICATORS

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

TYPES OF FINANCIAL HEALTH INDICATORS

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

ECONOMIC OUTLOOK

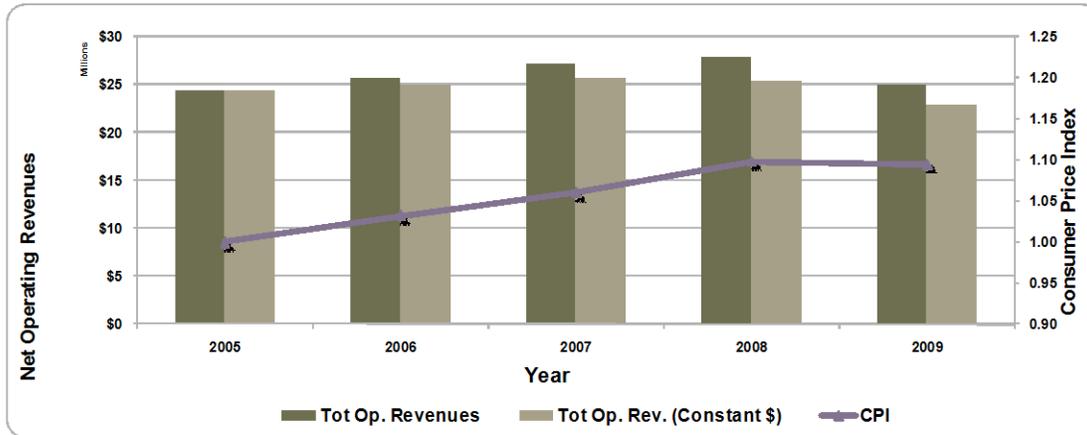
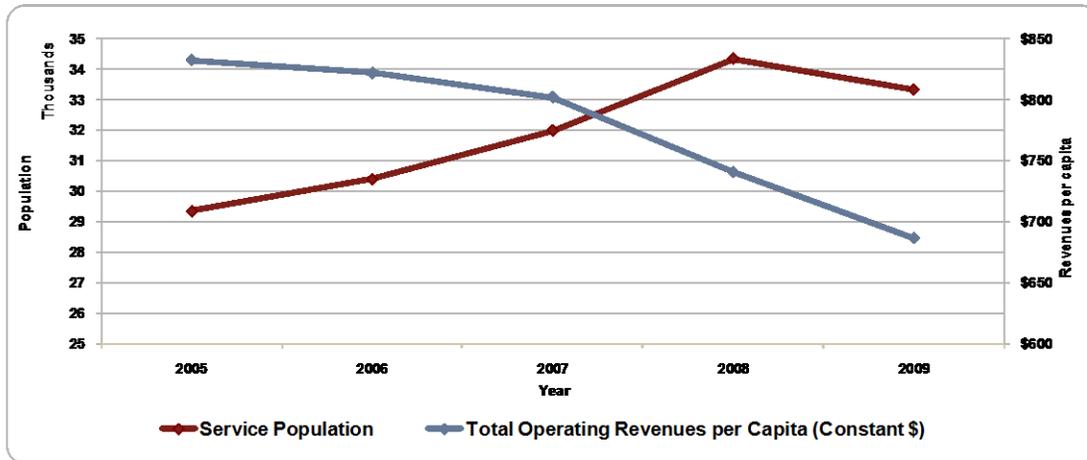
- B. Expenditures per capita
- C. Municipal employees per capita
- D. Operating (deficit) surplus per capita
- E. Comparison of the liquidity ratio and long-term debt
- F. Long-term overlapping debt as a percentage of assessed valuation
- G. Administrative costs as a percentage of total operating expenditures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

ECONOMIC OUTLOOK

Revenues per Capita

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

Description	2005	2006	2007	2008	2009
Total Operating Revenues	\$24,394,880	\$25,747,633	\$27,168,931	\$27,888,081	\$24,998,836
CPI	1.00	1.03	1.06	1.10	1.09
Total Operating Revenues (Constant dollars)	\$24,394,880	\$24,949,257	\$25,631,067	\$25,398,981	\$22,850,855.58
Service Population *	29,327	30,381	31,976	34,320	33,303
Total Operating Revenues per capita (Constant dollars)	\$831.82	\$821.22	\$801.56	\$740.06	\$686.16



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. The past year displays a decrease due to the global economic crisis. The service population and CPI dipped for the first time on these graphs.

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 FY09 Table 2, CAFR 05-06 Schedule 5 for Tax Revenue.

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

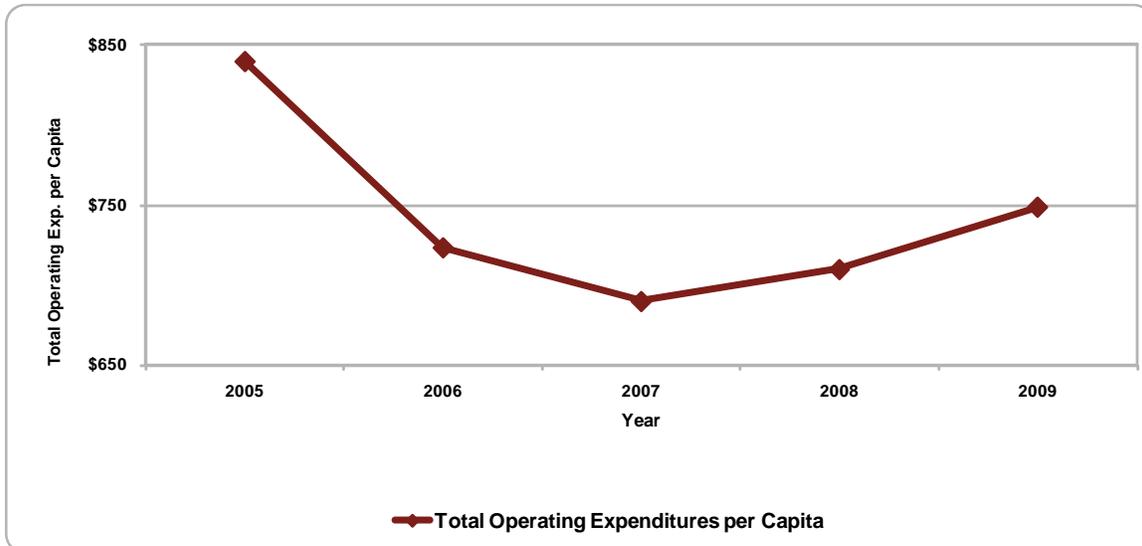
* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors

ECONOMIC OUTLOOK

Expenditures per Capita

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

Description	2005	2006	2007	2008	2009
Debt Service	\$8,614,018	\$5,672,895	\$5,357,113	\$5,420,065	\$7,006,784
Operating Expenditures	\$16,008,645	\$17,001,125	\$18,017,352	\$21,320,008	\$20,266,054
Total Operating Expenditures	\$24,622,663	\$22,674,020	\$23,374,465	\$26,740,073	\$27,272,838
CPI	1.00	1.03	1.06	1.10	1.09
Total Operating Expenditures (Constant dollars)	\$24,622,663	\$21,970,950	\$22,051,382	\$24,353,436	\$24,929,468
Service Population*	29,327	30,381	31,976	34,320	33,303
Net Operating Expenditures per capita (Constant dollars)	\$839.59	\$723.19	\$689.61	\$709.60	\$748.58



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 2009 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 - CIP)

Net Operating Expenditures - CAFR FY09 Table 1, CAFR FY09 Schedule 4

Total Operating Expenditures pg. 31 (General Total).

CPI - Bureau of Labor Statistics www.bls.gov

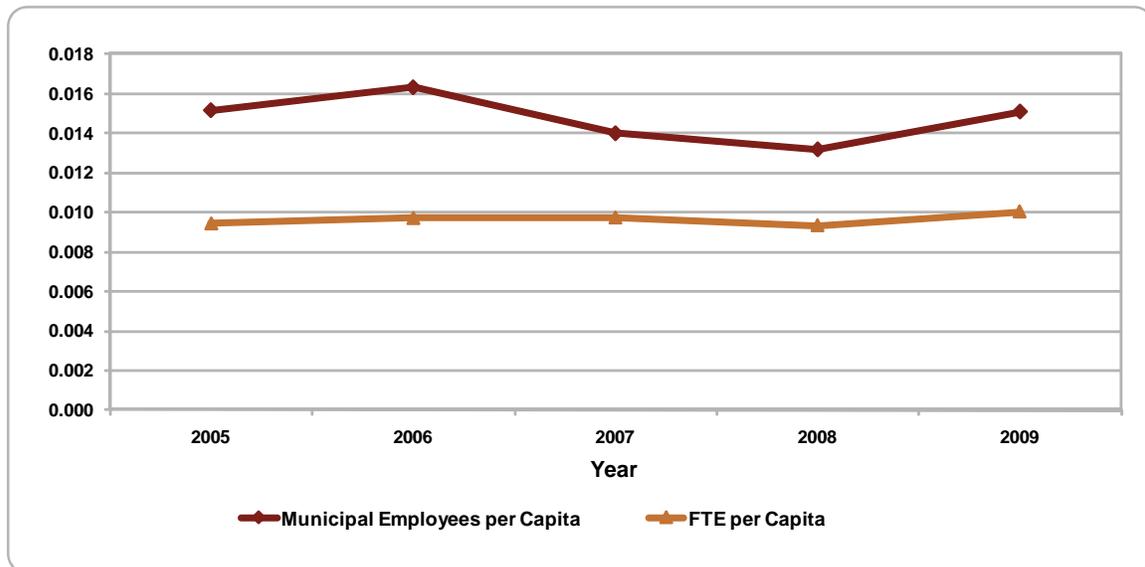
* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors

ECONOMIC OUTLOOK

Employees per Capita

Municipal employees per capita (service population*)

Description	2005	2006	2007	2008	2009
Number of Municipal Employees	444	495	447	452	502
# FTE (Full-time equivalents)	275.9	293.9	310.31	319.74	333.3
Service Population*	29,327	30,381	31,976	34,320	33,303
Number of Municipal Employees per Capita	0.015	0.016	0.014	0.013	0.015
Total FTE Per Capita	0.009	0.010	0.010	0.009	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 FY09 Table 16, 2005-06 from Human Resources Department.

FTE counts - FY09 Staffing Summary 4-120 and past Budget Documents, FY09 from Schedule 20 in FY09 CAFR Population - Census Bureau, www.census.gov

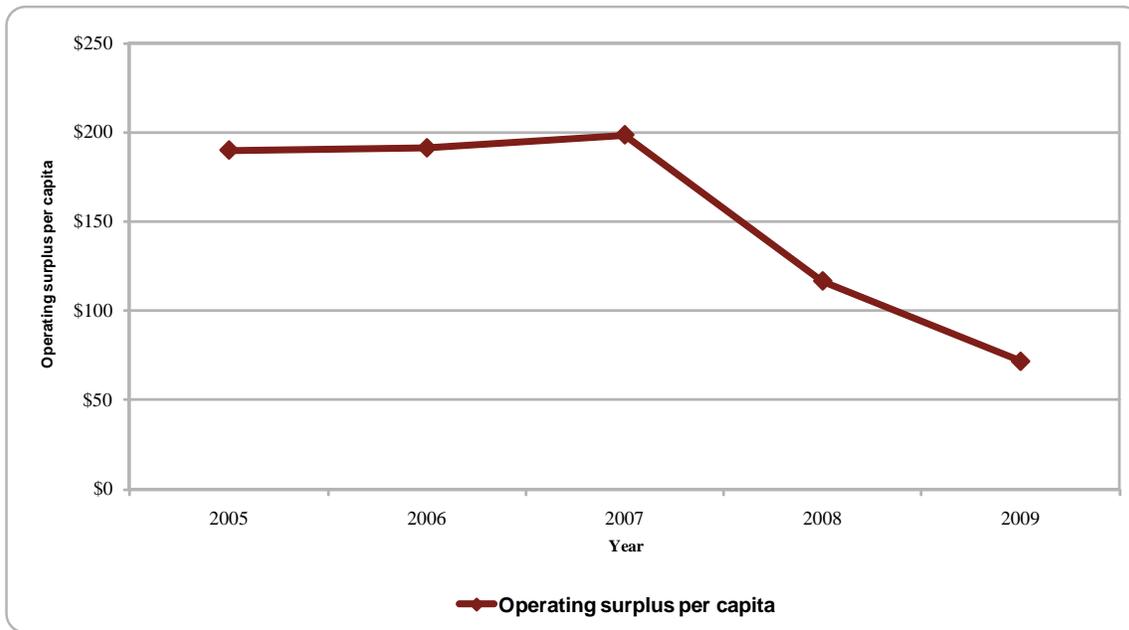
* Service Population = Permanent Population + Secondary Homeowners + Average Daily Visitors

ECONOMIC OUTLOOK

Operating (Deficit) or Surplus

Operating deficit or surplus as a percentage of operating revenues

Description	2005	2006	2007	2008	2009
Operating deficit or surplus	\$5,558,758	\$5,796,086	\$6,333,895	\$3,991,358	\$2,374,555
Net fund operating revenue	\$24,394,880	\$25,747,633	\$27,168,931	\$27,888,081	\$24,998,836
General fund operating surplus (deficit) as % of net fund operating revenues	23%	23%	23%	14%	9%
Service Population*	29,327	30,381	31,976	34,320	33,303
Operating surplus per capita	\$189.54	\$190.78	\$198.08	\$116.30	\$71.30



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 FY09 pg.33, Net Fund Operating Revenues - CAFR FY09 Table 2, CAFR FY09 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

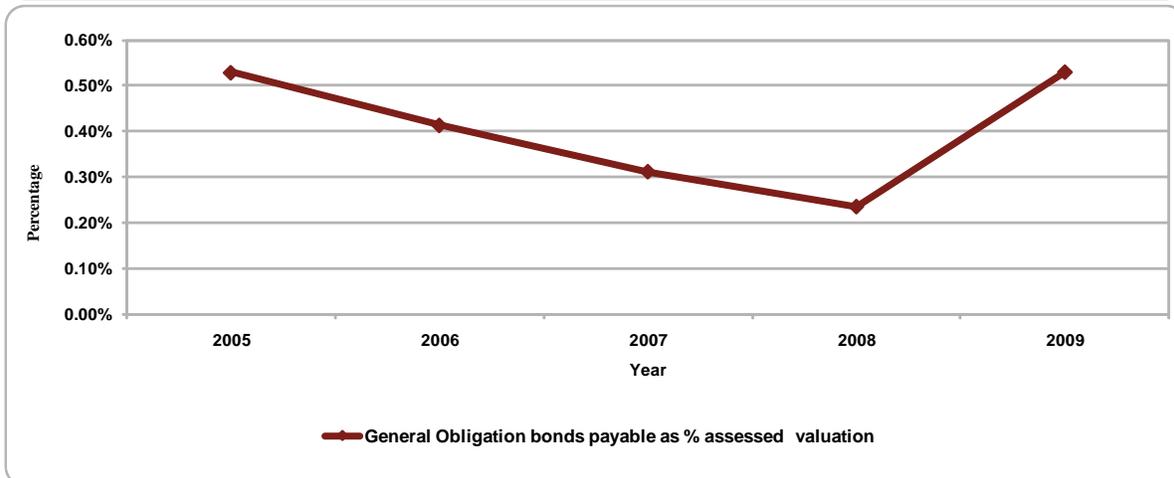
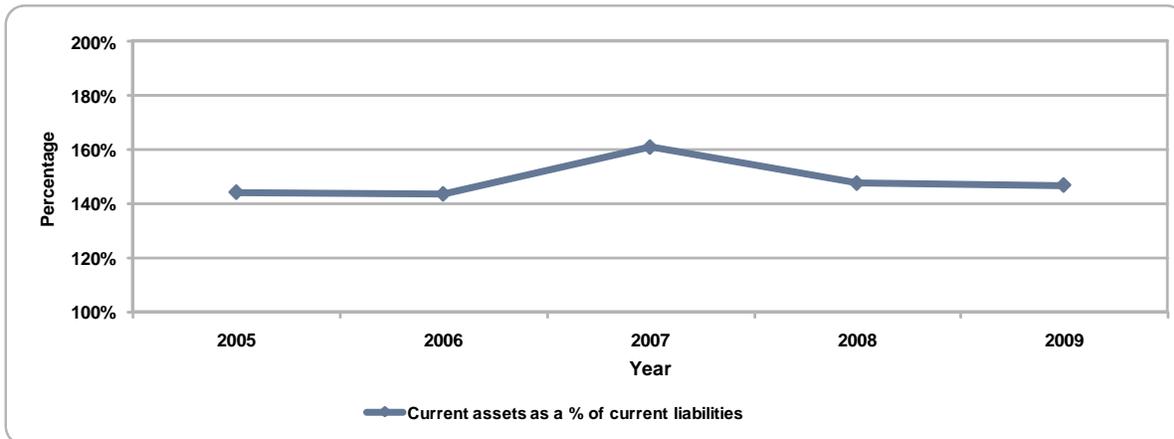
ECONOMIC OUTLOOK

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	2005	2006	2007	2008	2009
Cash and short-term investments	\$10,551,287	\$10,343,145	\$12,229,000	\$11,448,886	\$11,805,757
Current Liabilities	\$7,334,508	\$7,222,488	\$7,614,985	\$7,776,754	\$8,058,461
Current assets as a % of current liabilities	144%	143%	161%	147%	147%
Description	2005	2006	2007	2008	2009
Assessed valuation	\$3,761,216,189	\$4,494,051,730	\$5,522,763,146	\$6,723,322,492	\$6,783,652,435
Total G. O. bonds	\$19,915,000	\$18,570,000	\$17,175,000	\$15,720,000	\$36,015,000
General Obligation bonds payable as % assessed valuation	0.53%	0.41%	0.31%	0.23%	0.53%



ECONOMIC OUTLOOK

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, and 2009. 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

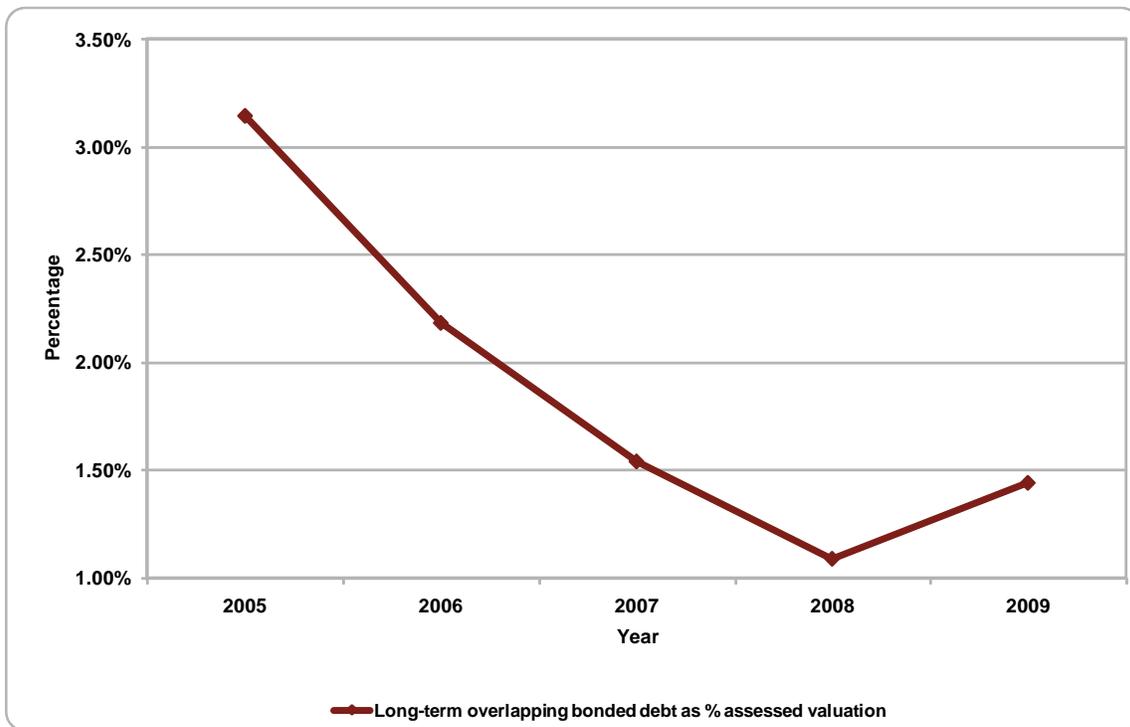
Current Assets - CAFR FY09 pg. 29, (General - Total). Current Liabilities - CAFR FY09 pg. 29, (General - Total). Assessed Valuation- Summit County Assessor's Office, Gross Bonded Long-Term Debt - CAFR FY09 Schedule 13. Current Assets - CAFR FY09, Current Liabilities - CAFR FY09, Assessed Valuation- CAFR FY09, Gross Bonded Long-Term Debt - CAFR FY09 Table 9

ECONOMIC OUTLOOK

Overlapping Debt

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

Description	2005	2006	2007	2008	2009
Park City	\$19,915,000	\$18,570,000	\$17,175,000	\$15,720,000	\$36,015,000
State of Utah	\$53,032,654	\$48,125,622	\$36,247,903	\$33,451,488	\$42,987,456
Summit County	\$11,244,000	\$5,419,885	\$2,521,348	\$2,070,405	\$2,240,705
Park City School District	\$26,295,854	\$20,306,303	\$23,810,641	\$17,544,846	\$14,317,853
Snyderville Basin Sewer District*	\$2,649,317	\$2,602,414	\$1,678,554	\$0	\$0
Weber Basin Water Conservancy District	\$5,436,791	\$4,567,266	\$4,220,818	\$4,266,828	\$2,064,732
Total Long-term overlapping bonded debt	\$115,924,299	\$96,989,076	\$83,975,710	\$73,053,567	\$97,625,746
Assessed valuation	\$3,688,014,044	\$4,445,057,404	\$5,457,931,458	\$6,723,322,492	\$6,783,652,435
Long-term overlapping bonded debt as % assessed valuation	3.14%	2.18%	1.54%	1.09%	1.44%



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 four years due to increases in assessed valuation, while increasing in 2009 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

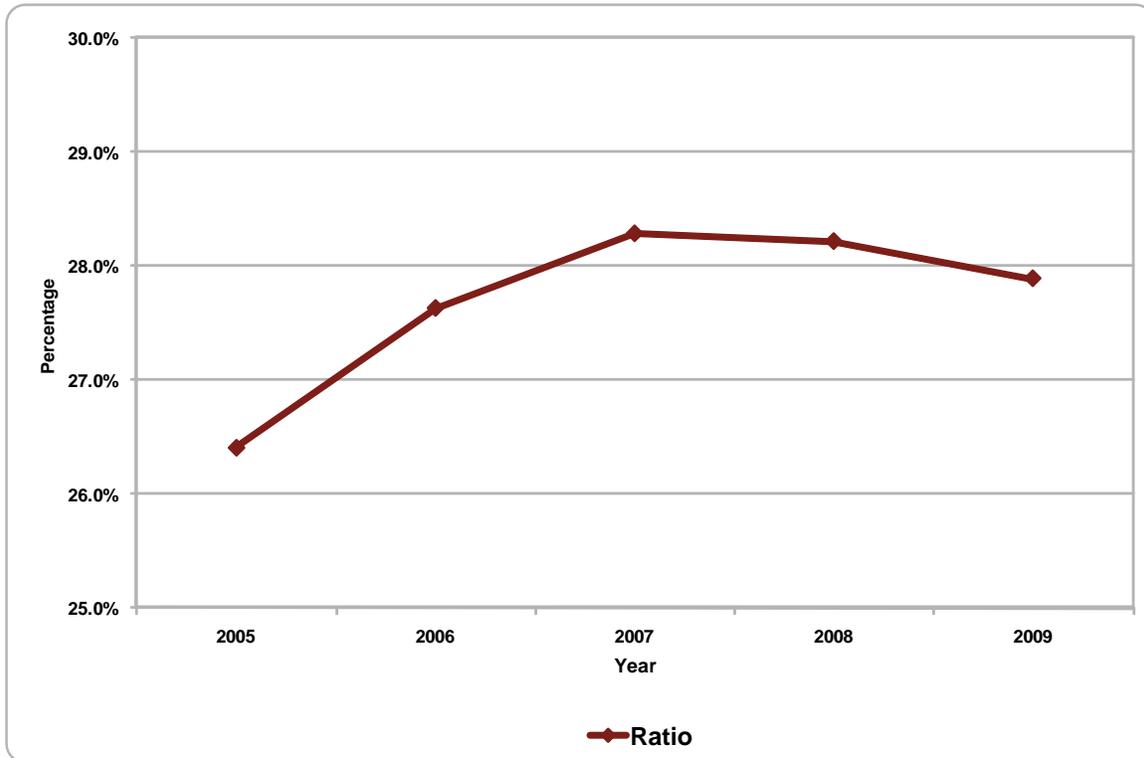
Long-term overlapping bonded debt - CAFR FY09 Table 10, Assessed valuation - CAFR FY09 Table 9

ECONOMIC OUTLOOK

Administrative Costs as a Percentage of Total Operating Expenditures

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

Description	2005	2006	2007	2008	2009
Administrative Costs	\$6,501,354	\$6,263,650	\$6,609,484	\$7,542,934	\$7,604,763
Net Operating Expenses	\$24,622,663	\$22,674,020	\$23,374,465	\$26,740,073	\$27,272,838
Ratio	26.4%	27.6%	28.3%	28.2%	27.9%



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	2005	2006	2007	2008	2009
Moody's	Aa3	Aa2	Aa2	Aa2	Aa2
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 2009 Census Bureau estimate of permanent population:	7,980
Service Population in 2009: <i>(Includes the permanent population, population estimate for secondary homeowners, and average daily visitors)</i>	33,303
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:	\$75,481
Median Family Income:	\$81,645
Median Age (2000 Census):	32.7
Enrolled School Population (2005):	4,344
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'
2008-09 Season Skier Days (3 area resorts):	1,645,233

POLICIES & OBJECTIVES - TABLE OF CONTENTS

CHAPTER 1 - BUDGET POLICY

PART I - BUDGET ORGANIZATION..... 94
PART II - ECONOMIC DEVELOPMENT GRANT POLICY..... 95
PART III - VENTURE FUND..... 97
PART IV - RECESSION/NET REVENUE SHORTFALL PLAN..... 97
PART V - GRANT POLICY..... 99
PART VI - MONTHLY BUDGET MONITORING..... 100

CHAPTER 2 - REVENUE MANAGEMENT

PART I - GENERAL REVENUE MANAGEMENT..... 103
PART II - ENTERPRISE FUND FEES AND RATES..... 103
PART III - INVESTMENTS..... 104
PART IV - SALVAGE POLICY..... 107
PART V - COMPREHENSIVE FINANCIAL MANAGEMENT PLAN..... 109
PART VI - RESERVES..... 110

CHAPTER 3 - CAPITAL IMPROVEMENTS

PART I - CAPITAL IMPROVEMENT MANAGEMENT..... 113
PART II - CAPITAL FINANCING AND DEBT MANAGEMENT..... 113
PART III - ASSET MANAGEMENT POLICY..... 115
PART IV - NEIGHBORHOOD CIP AND REQUEST POLICY..... 116

CHAPTER 4 - INTERNAL SERVICE POLICY

PART I - HUMAN RESOURCE MANAGEMENT..... 118
PART II - PROGRAM AND RESOURCE ANALYSIS..... 119
PART III - COST ALLOCATION PLAN..... 125

CHAPTER 5 - CONTRACT & PURCHASING POLICY

PART I - PUBLIC SERVICE CONTRACTS..... 126
PART II - CONTRACTING AND PURCHASING POLICY..... 130

CHAPTER 6 - OTHER POLICIES

PART I - DEBT MANAGEMENT..... 136
PART II - TRAFFIC CALMING POLICY..... 136
PART III - SPECIAL EVENTS SERVICES..... 142

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.

POLICIES & OBJECTIVES

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.

POLICIES & OBJECTIVES

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 - 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.

POLICIES & OBJECTIVES

PART V – GRANT POLICY

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

A. Application Process

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

B. Executing a Grant

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

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

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

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

C. Budgeting for a Grant

Generally, operating and capital budgets will not be increased to account for a grant before the grant is awarded. Any department that receives a grant should fill out a budget option during the regular budget process. The option should be to increase either their

POLICIES & OBJECTIVES

operating or capital budget (depending on the grant specifications) for the appropriate year by the amount of the grant. The Budget Department will share the responsibility for seeing that the grant is budgeted correctly.

D. Spending Money against a Grant

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

E. Closing a Grant

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

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

PART VI – 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.

POLICIES & OBJECTIVES

3. **Teams** - Team members will act in an advisory role to help or assist other managers with their budgets as well as strategize the sharing of resources to help cover shortages in the short-term.

B. Reporting

1. Budget Department

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

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

3. **Teams** - Team members should also look for any problems on budget reports and discuss them with the Budget Department if necessary or with other team members.

C. Analysis

1. **Budget Department** - As far as analysis, the department acts as more of a resource than anything else—helping out managers with specific questions and/or concerns. The Budget Department is always analyzing and breaking down the overall citywide budget, but general analysis of individual departments is the responsibility of the managers. Of course, the Budget Department will lend its resources and expertise for purposes of budget analysis upon the request of the departmental manager.

POLICIES & OBJECTIVES

2. **Managers** - Managers are expected to know the status of their budget at all times as well as understand the primary drivers which may cause shortages. Managers should analyze the data provided by the Budget Department throughout the fiscal year with the help of monthly monitoring, personnel, department-specific, and detail reports to assist them in managing their budgets. Managers set their own budget during the budget season by determining current expenditures (and revenues) and forecasting them for the remaining fiscal year as well as the following one. This process also helps managers to determine budget options at the beginning of the calendar year.
3. **Teams** - Team members assist other managers on budget concerns and share ideas on how to make budgeting more efficient.

D. Discussion

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

E. Training

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

POLICIES & OBJECTIVES

F. Review

1. **Budget Department** - There is a performance measure for the Budget Department establishing the goal of coming in within budget for the entire city. A question regarding the Budget Department's usefulness as a budget monitoring resource will be included on the Internal Service Survey, which will directly affect the Budget Officer's performance review.
2. **Managers** - A new performance measure is included for each department establishing the goal of coming in within budget.
3. **Teams** - Team members will take part in 360 reviews of managers that includes a section for fiscal responsibility in their job description. This allows team members to consider a manager's fiscal performance in the context of extenuating circumstances.

CHAPTER 2 - REVENUE MANAGEMENT

PART I - GENERAL REVENUE MANAGEMENT

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

PART II - ENTERPRISE FUND FEES AND RATES

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

PART III - INVESTMENTS

A. Policy

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

B. Scope

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

C. Prudence

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

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

D. Objective

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

- 1. Safety:** Safety of principal is the foremost objective of the investment program. Investments of the Park City Municipal Corporation shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 2. Liquidity:** The Park City Municipal Corporation's investment portfolio will remain sufficiently liquid to enable the PCMC to meet all operating requirements which might be reasonably anticipated.

POLICIES & OBJECTIVES

3. **Return on Investment:** The PCMC's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the PCMC's investment risk constraints and the cash flow characteristics of the portfolio.

E. Delegation of Authority

Investments and cash management will be the responsibility of the City Treasurer or his designee. The City Council grants the City Treasurer authority to manage the City's investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transaction undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

F. Ethics and Conflicts of Interest

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

G. Authorized Financial Dealers and Institutions

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

H. Authorized and Suitable Investments

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

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

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

POLICIES & OBJECTIVES

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

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

POLICIES & OBJECTIVES

by the Treasurer and reported quarterly to the City Council. The investment strategy will satisfy the City's investment objectives.

M. Internal Control

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

N. Performance Standards

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

O. Reporting

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

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

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

P. Investment Policy Adoption

As part of its 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.

POLICIES & OBJECTIVES

A. Responsibility for Property Inventory Control

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

B. Disposition of an Asset

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

C. Conveyance for Value

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

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

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

1. The value of the property is considered negligible in relation to the cost of sale by bid or public auction;
2. Sale by bidding procedure or public auction are deemed unlikely to produce a competitive bid;
3. Circumstances indicate that bidding or sale at public auction will 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

POLICIES & OBJECTIVES

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

E. Advertising Sealed Bids

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

F. Employee Participation

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

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

POLICIES & OBJECTIVES

4. Rate and fee increases
5. Other related and contributing plans and policies
 - a. Water Management
 - b. Flood Management
 - c. Parking Management
 - d. Budget
 - e. Pavement Management
 - f. Property Management
 - g. Facilities Master Plan
 - h. Recreation Master Plan

B. Assumptions

1. Growth
 - a. Population
 - b. Resort
2. Inflation
3. Current service levels
 - 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:

POLICIES & OBJECTIVES

- a. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
 - b. Contingencies for unseen operating or capital needs.
 - c. Cash flow requirements.
2. The Council may designate specific fund balance levels for future development of capital projects that it has determined to be in the best long-term interests of the City.
3. In addition to the designations noted above, fund balance levels will be sufficient to meet the following:
 - a. Funding requirements for projects approved in prior years that are carried forward into the new year.
 - b. Debt service reserve requirements.
 - c. Reserves for encumbrances
 - d. Other reserves or designations required by contractual obligations or generally accepted accounting principles.
4. In the General Fund, any fund balance in excess of projected balance at year end will be appropriated to the current year budget as necessary. The money will be allocated to building the reserve for capital expenditures, including funding equipment replacement reserves and other capital projects determined to be in the best long-term interest of the City.

B. General Fund:

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.

POLICIES & OBJECTIVES

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

C. Capital Improvements Fund

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

D. Enterprise Funds

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

POLICIES & OBJECTIVES

CHAPTER 3 - CAPITAL IMPROVEMENTS

PART I - CAPITAL IMPROVEMENT MANAGEMENT

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

POLICIES & OBJECTIVES

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

PART III - ASSET MANAGEMENT POLICY

A. Purpose

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

Goals of the Program:

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

B. Management

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

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

C. Accessing Funds

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

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

POLICIES & OBJECTIVES

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

PART IV - NEIGHBOURHOOD CIP REQUESTS POLICY

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

A. Submission of petition to the Executive Office

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

B. Initial Internal Review

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

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.

POLICIES & OBJECTIVES

D. Comprehensive Internal Review

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

E. Initiate Public Forum (Applicant & Staff partnership)

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

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

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

CHAPTER 4 - INTERNAL SERVICE POLICY

PART I - HUMAN RESOURCE MANAGEMENT

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

POLICIES & OBJECTIVES

peak workload requirements, fill interim vacancies, and accomplish tasks where less than regular, year-round staffing is required.

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

PART II - PROGRAM AND RESOURCE ANALYSIS

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

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

POLICIES & OBJECTIVES

issues facing the City and to provide Council and the community with tools to help make critical policy decisions for Park City's future.

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

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

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

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

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

Resort Economy and General Plan Element (A)

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

Program Service Levels and Expenditures (B)

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

Revenues and Assets (C)

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

POLICIES & OBJECTIVES

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 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.

POLICIES & OBJECTIVES

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

B. Program Service Levels and Expenditures

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

C. Revenues and Assets

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

POLICIES & OBJECTIVES

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.
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.

POLICIES & OBJECTIVES

G. Recreation Analysis

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

H. Miscellaneous Analysis

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

POLICIES & OBJECTIVES

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

POLICIES & OBJECTIVES

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.

POLICIES & OBJECTIVES

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

POLICIES & OBJECTIVES

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

POLICIES & OBJECTIVES

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.

Manager: City Manager or designee.

POLICIES & OBJECTIVES

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.
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 \$10,000 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 \$10,000.
8. When it is advantageous to the City, annual contracts for services and supplies regularly purchased should be initiated.
9. All purchases and contracts must be approved by the manager or their designee unless otherwise specified in these rules.
10. All contracts for services shall be approved as to form by the city attorney.
11. The following items require City Council approval unless otherwise exempted in these following rules:
 - a. All contracts (as defined) over \$20,000
 - b. All contracts and purchases awarded through the formal bidding process.
 - c. Any item over \$10,000 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 \$20,000 for contracts of \$200,000 or less
 - ii. more than 10% for contracts over \$200,000.
12. Acquisition of the following Items must be awarded through the formal bidding process:

POLICIES & OBJECTIVES

- a. All contracts for building improvements over the amount specified by state code, specifically:
 - i. for the year 2003, \$40,000
 - ii. for each year after 2003, the amount of the bid limit for the previous year, plus an amount calculated by multiplying the amount of the bid limit for the previous year by the lesser of 3% or the actual percent change in the CPI during the previous calendar year.
 - b. All contracts for public works projects over the amount specified by state code, specifically:
 - i. for the year 2003, \$125,000
 - ii. for each year after 2003, the amount of the bid limit for the previous year, plus an amount calculated by multiplying the amount of the bid limit for the previous year by the lesser of 3% or the actual percent change in the CPI during the previous calendar year.
 - c. Contracts for grading, clearing, demolition or construction in excess of \$2,500 undertaken by the Community Redevelopment Agency.
- 13. The following items require a cost benefit analysis as defined by the Budget, Debt, and Grants Department before approved:
 - a. All contracts, projects and purchases over \$20,000
 - b. All contracts and purchases awarded through the formal bidding process.
 - c. Any item over \$10,000 that is not anticipated in the current budget process.

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.
- 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.

POLICIES & OBJECTIVES

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.
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. A reasonable attempt will be made to notify any business with a Park City business license that, in the normal course of business, sells the equipment required by the City.
3. **Contracts for Professional Services** are usually contracts for services performed by an independent contractor, in a professional capacity, who produces a service predominately of an intangible nature. These include, but are not limited to, the services of an attorney, physician, engineer, accountant, architectural consultant, dentist, artist, appraiser or photographer. Professional service contracts are exempt from competitive bidding. The selection of professional service contracts shall be based on an evaluation of the services needed, the abilities of the contractors, the uniqueness of the service, and the general performance of the contractor. 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 (\$20,000 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. A written record of the source and the amount of the quotations must be kept. The manager may require formal bidding if it is deemed to be in the best interest of the City.
Major public improvements (greater than or equal to the amount specified by state code): Unless otherwise exempted, all contracts of this type require competitive bidding.
5. **Contracts for Professional Services, where the Service Provider is responsible for Public Improvements (Construction Manager / General Contractor "CMGC" Method)** are contracts where the owner contracts with a Construction Manager for services to construct public improvements. The CMGC contract is exempt from competitive bidding. The

POLICIES & OBJECTIVES

selection of CMGC contracts shall be based on an evaluation of the services needed, the abilities of the contractors, the uniqueness of the service, the cost of service, and the general performance of the contractor. 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 \$20,000) must be approved by the City Council. The selected CMGC will then implement all bid packages under a competitive bid requirement.

F. 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. 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.

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;
 - 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

POLICIES & OBJECTIVES

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.

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

POLICIES & OBJECTIVES

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 - 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

POLICIES & OBJECTIVES

5. Reduce the impact of motorized vehicles within a neighborhood
6. Balance the transportation needs of the various land uses in and around a neighborhood
7. Promote partnerships with Summit County, UDOT, and all other agencies involved with traffic calming programs

B. Objectives

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

C. Fundamental Principals

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

POLICIES & OBJECTIVES

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.

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

POLICIES & OBJECTIVES

disseminating flyers printed by the City reminding the community to slow down, community watch for commercial or construction vehicles, etc.

- c. Targeted police enforcement will begin to include real time speed control.
4. **Phase I Evaluation:** Evaluation of Phase I actions will occur over a 3 to 9 month period. Evaluation will include visual observations by residents and staff.
5. **Phase I Neighborhood Evaluation Meeting:** Phase I evaluation meeting will be held to discuss results of Phase I. It will be important that the City staff and the current residents also contact the relevant property owners to obtain their opinions and thoughts prior to taking any next steps.

Phase II:

1. **Phase II Initiation:** Twenty-five percent (25%) of the residents within the proposed neighborhood area can request the initiation of Phase II.
2. **Define Neighborhood Boundary:** A neighborhood will include all residents or businesses with direct access on streets to be evaluated by Phase II implementation. Residents or businesses with indirect access on streets affected by Phase II implementation will be included in neighborhood boundary only at the discretion of staff.
3. **Phase II Data Collection and Ranking:** Staff performs data collection to evaluate and rank neighborhood problems and the ability to solve problems. Data collection will include the following and will result in a quantitative ranking.

POLICIES & OBJECTIVES

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,

POLICIES & OBJECTIVES

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

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

H. Traffic Management Devices (Definitions)

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

POLICIES & OBJECTIVES

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

C. Year to Year or One Time Events

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

D. Funding Mechanisms for Special Event Budget Increases

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

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

E. Special Event Fees

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

F. Economic Benefit Offset (EBO):

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

G. Other General Fund Resources

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

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 Worker's 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.

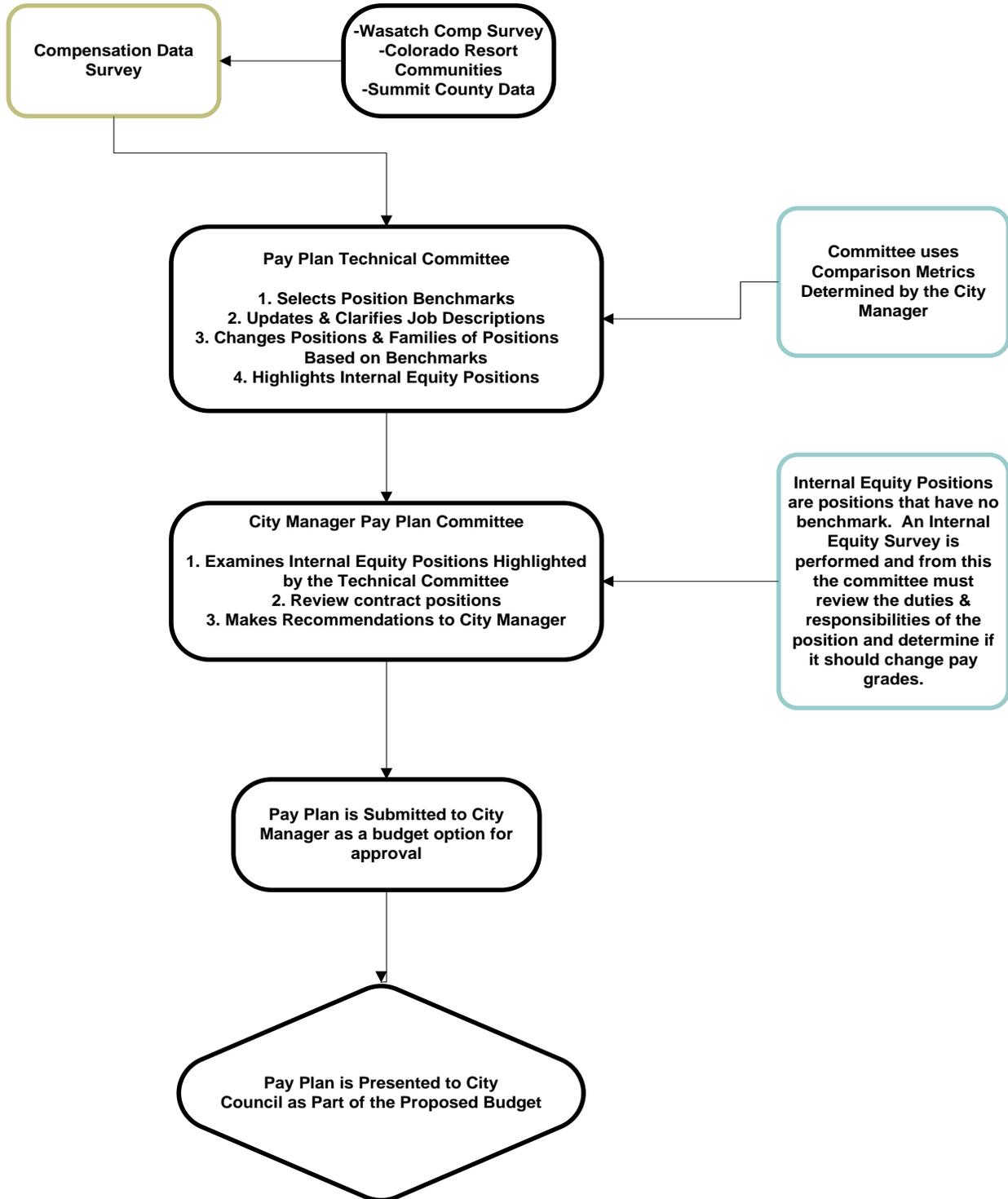
SUPPLEMENTAL

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



SUPPLEMENTAL

Park City Pay Plan - FY 2009

Grade	Exempt		Non-Exempt		Part-Time	
	Entry	Working	Entry	Working	Entry	Working
1	\$25,000	\$33,134	\$7.25	\$9.31	\$7.25	\$9.31
2	\$29,443	\$39,075	\$7.55	\$10.34	\$7.55	\$10.34
3	\$32,773	\$43,405	\$8.32	\$11.42	\$8.32	\$11.42
4	\$36,934	\$49,197	\$9.21	\$12.71	\$9.21	\$12.71
5	\$40,576	\$55,203	\$9.88	\$14.01	\$9.88	\$14.01
6	\$43,697	\$63,240	\$10.92	\$15.31	\$10.92	\$15.31
7	\$46,818	\$71,400	\$11.96	\$16.78	\$11.96	\$16.78
8	\$56,182	\$81,098	\$12.48	\$19.16	\$12.48	\$19.16
9	\$67,626	\$89,142	\$13.53	\$22.66	\$13.53	\$22.66
10	\$72,828	\$96,757	\$16.65	\$25.57	\$16.65	\$25.57
11	\$82,260	\$104,040	\$21.85	\$29.13	\$21.85	\$29.13
12	\$93,526	\$112,200			\$22.44	\$30.00
13	\$107,171	\$129,540				
14	\$112,200	\$133,314				

Park City Pay Plan - FY 2010

Grade	Exempt		Non-Exempt		Part-Time	
	Entry	Working	Entry	Working	Entry	Working
1	\$25,500	\$33,796	\$7.25	\$9.50	\$7.25	\$9.50
2	\$30,032	\$39,857	\$7.70	\$10.55	\$7.70	\$10.55
3	\$33,428	\$44,273	\$8.49	\$11.65	\$8.49	\$11.65
4	\$37,673	\$50,181	\$9.39	\$12.96	\$9.39	\$12.96
5	\$41,387	\$56,307	\$10.08	\$14.30	\$10.08	\$14.30
6	\$44,571	\$64,505	\$11.14	\$15.62	\$11.14	\$15.62
7	\$47,754	\$72,828	\$12.20	\$17.11	\$12.20	\$17.11
8	\$57,305	\$82,720	\$12.73	\$19.54	\$12.73	\$19.54
9	\$68,979	\$90,925	\$13.80	\$23.12	\$13.80	\$23.12
10	\$74,285	\$98,692	\$16.98	\$26.08	\$16.98	\$26.08
11	\$83,905	\$106,121	\$22.29	\$29.71	\$22.29	\$29.71
12	\$95,396	\$114,444	\$22.84	\$31.11	\$22.44	\$30.00
13	\$109,315	\$132,131				
14	\$114,444	\$135,980				

Park City Pay Plan - FY 2011

Grade	Exempt		Non-Exempt		Part-Time	
	Entry	Working	Entry	Working	Entry	Working
1	\$25,500	\$33,796	\$7.25	\$9.50	\$7.25	\$9.50
2	\$30,032	\$39,857	\$7.70	\$10.55	\$7.70	\$10.55
3	\$33,428	\$44,273	\$8.49	\$11.65	\$8.49	\$11.65
4	\$37,673	\$50,181	\$9.39	\$12.96	\$9.39	\$12.96
5	\$41,387	\$56,307	\$10.08	\$14.30	\$10.08	\$14.30
6	\$44,571	\$64,505	\$11.14	\$15.62	\$11.14	\$15.62
7	\$47,754	\$72,828	\$12.20	\$17.11	\$12.20	\$17.11
8	\$57,305	\$82,720	\$12.73	\$19.54	\$12.73	\$19.54
9	\$68,979	\$90,925	\$13.80	\$23.12	\$13.80	\$23.12
10	\$74,285	\$98,692	\$16.98	\$26.08	\$16.98	\$26.08
11	\$83,905	\$106,121	\$22.29	\$29.71	\$22.29	\$29.71
12	\$95,396	\$114,444	\$22.84	\$31.11	\$22.44	\$30.00
13	\$109,315	\$121,776				
14						

Table S7 – The City's Pay Plan

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.

Staffing Summary by Fund

Class Code:	Position Name:	Grade:	Wage Level			2010 FTEs	2011 FTEs
			Year	Entry	Working		
011 General Fund							
Full-Time Regular							
1190	City Manager	A02	2010	\$130,415	- \$141,415		1.00
			2011	\$114,444	- \$135,980		
1290	City Attorney	A01	2010	\$125,225	- \$136,225		1.00
			2011	\$109,315	- \$132,131		
1190	City Manager	E14	2010	\$114,444	- \$135,980	1.00	
			2011	\$114,444	- \$135,980		
1280	Deputy City Attorney	E13	2010	\$109,315	- \$132,131		1.00
			2011	\$109,315	- \$121,776		
1290	City Attorney	E13	2010	\$109,315	- \$132,131	1.00	
			2011	\$109,315	- \$121,776		
1280	Deputy City Attorney	E12	2010	\$95,396	- \$114,444	1.00	
			2011	\$95,396	- \$114,444		
1590	Finance Manager	E12	2010	\$95,396	- \$114,444		1.00
			2011	\$95,396	- \$114,444		
2190	Chief of Police	E12	2010	\$95,396	- \$114,444	1.00	1.00
			2011	\$95,396	- \$114,444		
4152	Public Works Manager	E12	2010	\$95,396	- \$114,444	1.00	
			2011	\$95,396	- \$114,444		
1180	Assistant City Manager	E11	2010	\$83,905	- \$106,121		1.00
			2011	\$83,905	- \$106,121		
1390	Human Resources Manager	E11	2010	\$83,905	- \$106,121		1.00
			2011	\$83,905	- \$106,121		
1590	Finance Manager	E11	2010	\$83,905	- \$106,121	1.00	
			2011	\$83,905	- \$106,121		
1690	IT & Customer Service Director	E11	2010	\$83,905	- \$106,121	1.00	1.00
			2011	\$83,905	- \$106,121		
3490	City Engineer	E11	2010	\$83,905	- \$106,121		1.00
			2011	\$83,905	- \$106,121		
1180	Assistant City Manager	E10	2010	\$74,285	- \$98,692	1.00	
			2011	\$74,285	- \$98,692		
1390	Human Resources Manager	E10	2010	\$74,285	- \$98,692	1.00	
			2011	\$74,285	- \$98,692		
1792	Environmental Affairs Director	E10	2010	\$74,285	- \$98,692		1.00
			2011	\$74,285	- \$98,692		
3390	Public & Community Affairs Director	E10	2010	\$74,285	- \$98,692		1.00
			2011	\$74,285	- \$98,692		

Staffing Summary by Fund

<u>Class Code:</u>	<u>Position Name:</u>	<u>Grade:</u>	<u>Wage Level</u>			<u>2010 FTEs</u>	<u>2011 FTEs</u>
			<u>Year</u>	<u>Entry</u>	<u>Working</u>		
3490	City Engineer	E10	2010	\$74,285	-	\$98,692	1.00
			2011	\$74,285	-	\$98,692	
1250	Attorney V	E09	2010	\$68,979	-	\$90,925	1.00
			2011	\$68,979	-	\$90,925	
1792	Environmental Affairs Director	E09	2010	\$68,979	-	\$90,925	1.00
			2011	\$68,979	-	\$90,925	
1970	Budget Officer	E09	2010	\$68,979	-	\$90,925	1.00
			2011	\$68,979	-	\$90,925	
2080	Special Projects & Economic Development Coordin:	E09	2010	\$68,979	-	\$90,925	1.00
			2011	\$68,979	-	\$90,925	
2180	Police Captain	E09	2010	\$68,979	-	\$90,925	2.00
			2011	\$68,979	-	\$90,925	
3080	Chief Building Official	E09	2010	\$68,979	-	\$90,925	1.00
			2011	\$68,979	-	\$90,925	
3290	Planning Director	E09	2010	\$68,979	-	\$90,925	1.00
			2011	\$68,979	-	\$90,925	
3390	Public & Community Affairs Director	E09	2010	\$68,979	-	\$90,925	1.00
			2011	\$68,979	-	\$90,925	
4150	PW Operations Manager	E09	2010	\$68,979	-	\$90,925	1.00
			2011	\$68,979	-	\$90,925	
5490	Library Director	E09	2010	\$68,979	-	\$90,925	1.00
			2011	\$68,979	-	\$90,925	
1670	Network Engineer	E08	2010	\$57,305	-	\$82,720	1.00
			2011	\$57,305	-	\$82,720	
2080	Special Projects & Economic Development Coordin:	E08	2010	\$57,305	-	\$82,720	1.00
			2011	\$57,305	-	\$82,720	
2180	Police Captain	E08	2010	\$57,305	-	\$82,720	2.00
			2011	\$57,305	-	\$82,720	
3230	Planner Architect	E08	2010	\$57,305	-	\$82,720	1.00
			2011	\$57,305	-	\$82,720	
3280	Principal Planner	E08	2010	\$57,305	-	\$82,720	1.00
			2011	\$57,305	-	\$82,720	
4150	PW Operations Manager	E08	2010	\$57,305	-	\$82,720	1.00
			2011	\$57,305	-	\$82,720	
5490	Library Director	E08	2010	\$57,305	-	\$82,720	1.00
			2011	\$57,305	-	\$82,720	
5790	Recreation Manager	E08	2010	\$57,305	-	\$82,720	1.00
			2011	\$57,305	-	\$82,720	

Staffing Summary by Fund

<u>Class Code:</u>	<u>Position Name:</u>	<u>Grade:</u>	<u>Wage Level</u>			<u>2010 FTEs</u>	<u>2011 FTEs</u>
			<u>Year</u>	<u>Entry</u>	<u>Working</u>		
1240	Attorney IV	E07	2010	\$47,754	- \$72,828	1.00	1.00
			2011	\$47,754	- \$72,828		
1580	Accounting Manager	E07	2010	\$47,754	- \$72,828	1.00	1.00
			2011	\$47,754	- \$72,828		
1660	GIS Administrator	E07	2010	\$47,754	- \$72,828	0.50	0.50
			2011	\$47,754	- \$72,828		
3072	Environmental Coordinator	E07	2010	\$47,754	- \$72,828	1.00	1.00
			2011	\$47,754	- \$72,828		
3078	Assistant Building Official	E07	2010	\$47,754	- \$72,828	1.00	1.00
			2011	\$47,754	- \$72,828		
3224	Senior Planner	E07	2010	\$47,754	- \$72,828	2.00	2.00
			2011	\$47,754	- \$72,828		
5690	Golf Manager	E07	2010	\$47,754	- \$72,828	0.30	0.30
			2011	\$47,754	- \$72,828		
5790	Recreation Manager	E07	2010	\$47,754	- \$72,828	1.00	
			2011	\$47,754	- \$72,828		
1370	Human Resources Coordinator	E06	2010	\$44,571	- \$64,505		1.00
			2011	\$44,571	- \$64,505		
1680	Systems Administrator	E06	2010	\$44,571	- \$64,505	1.00	1.00
			2011	\$44,571	- \$64,505		
1970	Budget Officer	E06	2010	\$44,571	- \$64,505	1.00	
			2011	\$44,571	- \$64,505		
2070	Parks Planner/Project Manager	E06	2010	\$44,571	- \$64,505	1.00	1.00
			2011	\$44,571	- \$64,505		
3024	Building Inspector Supervisor	E06	2010	\$44,571	- \$64,505	1.00	1.00
			2011	\$44,571	- \$64,505		
3050	Plan Check Coordinator	E06	2010	\$44,571	- \$64,505		1.00
			2011	\$44,571	- \$64,505		
3222	Planner II	E06	2010	\$44,571	- \$64,505	1.00	1.00
			2011	\$44,571	- \$64,505		
4490	Streets & Streetscape Supervisor	E06	2010	\$44,571	- \$64,505		1.00
			2011	\$44,571	- \$64,505		
5590	Parks & Golf Supervisor	E06	2010	\$44,571	- \$64,505		0.50
			2011	\$44,571	- \$64,505		
1652	IT Coordinator III	E05	2010	\$41,387	- \$56,307	2.00	2.00
			2011	\$41,387	- \$56,307		
1890	Building Maintenance Supervisor	E05	2010	\$41,387	- \$56,307		1.00
			2011	\$41,387	- \$56,307		

Staffing Summary by Fund

<u>Class Code:</u>	<u>Position Name:</u>	<u>Grade:</u>	<u>Wage Level</u>			<u>2010 FTEs</u>	<u>2011 FTEs</u>
			<u>Year</u>	<u>Entry</u>	<u>Working</u>		
2220	Dispatch Coordinator	E05	2010	\$41,387	-	\$56,307	1.00
			2011	\$41,387	-	\$56,307	
3050	Plan Check Coordinator	E05	2010	\$41,387	-	\$56,307	1.00
			2011	\$41,387	-	\$56,307	
5480	Senior Librarian	E05	2010	\$41,387	-	\$56,307	2.00
			2011	\$41,387	-	\$56,307	
5782	Recreation Supervisor	E05	2010	\$41,387	-	\$56,307	3.00
			2011	\$41,387	-	\$56,307	
1648	IT Coordinator I	E03	2010	\$33,428	-	\$44,273	1.00
			2011	\$33,428	-	\$44,273	
2160	Sergeant	N12	2010	\$47,501	-	\$64,713	6.00
			2011	\$47,501	-	\$66,007	
2160	Sergeant	N11	2010	\$46,354	-	\$61,805	6.00
			2011	\$46,354	-	\$61,805	
3022	Senior Building Inspector	N11	2010	\$46,354	-	\$61,805	5.80
			2011	\$46,354	-	\$61,805	
7738	Analyst V	N11	2010	\$46,354	-	\$61,805	1.00
			2011	\$46,354	-	\$61,805	
1370	Human Resources Coordinator	N10	2010	\$35,317	-	\$54,252	1.00
			2011	\$35,317	-	\$54,252	
1750	Events Coordinator	N10	2010	\$35,317	-	\$54,252	
			2011	\$35,317	-	\$54,252	
2142	Senior Police Officer	N10	2010	\$35,317	-	\$54,252	17.00
			2011	\$35,317	-	\$54,252	
2144	Detective	N10	2010	\$35,317	-	\$54,252	1.00
			2011	\$35,317	-	\$54,252	
2220	Dispatch Coordinator	N10	2010	\$35,317	-	\$54,252	1.00
			2011	\$35,317	-	\$54,252	
4120	Public Works Inspector	N10	2010	\$35,317	-	\$54,252	1.00
			2011	\$35,317	-	\$54,252	
5782	Recreation Supervisor	N10	2010	\$35,317	-	\$54,252	3.00
			2011	\$35,317	-	\$54,252	
7736	Analyst IV	N10	2010	\$35,317	-	\$54,252	2.00
			2011	\$35,317	-	\$54,252	
1112	Senior Recorder/Elections	N09	2010	\$28,695	-	\$48,085	1.50
			2011	\$28,695	-	\$48,085	
1202	Paralegal	N09	2010	\$28,695	-	\$48,085	2.00
			2011	\$28,695	-	\$48,085	

Staffing Summary by Fund

<u>Class Code:</u>	<u>Position Name:</u>	<u>Grade:</u>	<u>Wage Level</u>			<u>2010 FTEs</u>	<u>2011 FTEs</u>
			<u>Year</u>	<u>Entry</u>	<u>Working</u>		
1530	Payroll Coordinator	N09	2010	\$28.695	- \$48.085		1.00
			2011	\$28.695	- \$48.085		
1750	Events Coordinator	N09	2010	\$28.695	- \$48.085	1.00	1.00
			2011	\$28.695	- \$48.085		
1890	Building Maintenance Supervisor	N09	2010	\$28.695	- \$48.085	1.00	
			2011	\$28.695	- \$48.085		
2140	Police Officer	N09	2010	\$28.695	- \$48.085		4.00
			2011	\$28.695	- \$48.085		
3012	Sr. Code Enforcement Officer	N09	2010	\$28.695	- \$48.085	1.00	1.00
			2011	\$28.695	- \$48.085		
4416	Streets IV	N09	2010	\$28.695	- \$48.085		2.00
			2011	\$28.695	- \$48.085		
4490	Streets & Streetscape Supervisor	N09	2010	\$28.695	- \$48.085	1.00	
			2011	\$28.695	- \$48.085		
5430	Cataloguing Librarian	N09	2010	\$28.695	- \$48.085	1.00	1.00
			2011	\$28.695	- \$48.085		
5590	Parks & Golf Supervisor	N09	2010	\$28.695	- \$48.085	0.50	
			2011	\$28.695	- \$48.085		
7734	Analyst III	N09	2010	\$28.695	- \$48.085	1.00	1.00
			2011	\$28.695	- \$48.085		
1110	City Recorder	N08	2010	\$26.488	- \$40.641	1.00	1.00
			2011	\$26.488	- \$40.641		
1330	Benefits Technician	N08	2010	\$26.488	- \$40.641	1.00	1.00
			2011	\$26.488	- \$40.641		
1530	Payroll Coordinator	N08	2010	\$26.488	- \$40.641	1.00	
			2011	\$26.488	- \$40.641		
1630	City Records Coordinator	N08	2010	\$26.488	- \$40.641		1.00
			2011	\$26.488	- \$40.641		
1648	IT Coordinator I	N08	2010	\$26.488	- \$40.641	1.00	
			2011	\$26.488	- \$40.641		
2140	Police Officer	N08	2010	\$26.488	- \$40.641	4.00	
			2011	\$26.488	- \$40.641		
2206	Police Records Coordinator	N08	2010	\$26.488	- \$40.641		1.00
			2011	\$26.488	- \$40.641		
3010	Code Enforcement Officer	N08	2010	\$26.488	- \$40.641	1.00	1.00
			2011	\$26.488	- \$40.641		
5516	Parks IV	N08	2010	\$26.488	- \$40.641	1.50	4.50
			2011	\$26.488	- \$40.641		

Staffing Summary by Fund

<u>Class Code:</u>	<u>Position Name:</u>	<u>Grade:</u>	<u>Wage Level</u>			<u>2010 FTEs</u>	<u>2011 FTEs</u>	
			<u>Year</u>	<u>Entry</u>	<u>Working</u>			
7732	Analyst II	N08	2010	\$26,488	-	\$40,641	4.44	4.44
			2011	\$26,488	-	\$40,641		
1514	Accounting Clerk III	N07	2010	\$25,384	-	\$35,598	1.00	1.00
			2011	\$25,384	-	\$35,598		
1630	City Records Coordinator	N07	2010	\$25,384	-	\$35,598	1.00	
			2011	\$25,384	-	\$35,598		
1824	Building III	N07	2010	\$25,384	-	\$35,598		4.00
			2011	\$25,384	-	\$35,598		
2206	Police Records Coordinator	N07	2010	\$25,384	-	\$35,598	1.00	
			2011	\$25,384	-	\$35,598		
2210	Dispatcher	N07	2010	\$25,384	-	\$35,598	7.00	7.00
			2011	\$25,384	-	\$35,598		
4414	Streets III	N07	2010	\$25,384	-	\$35,598		6.00
			2011	\$25,384	-	\$35,598		
4416	Streets IV	N07	2010	\$25,384	-	\$35,598	2.00	
			2011	\$25,384	-	\$35,598		
5422	Circulation Team Leader	N07	2010	\$25,384	-	\$35,598	2.00	2.00
			2011	\$25,384	-	\$35,598		
5516	Parks IV	N07	2010	\$25,384	-	\$35,598	3.00	
			2011	\$25,384	-	\$35,598		
5766	Front Desk Coordinator	N07	2010	\$25,384	-	\$35,598	1.00	1.00
			2011	\$25,384	-	\$35,598		
7730	Analyst I	N07	2010	\$25,384	-	\$35,598	6.00	6.00
			2011	\$25,384	-	\$35,598		
1824	Building III	N06	2010	\$23,177	-	\$32,482	4.00	
			2011	\$23,177	-	\$32,482		
2204	Records Clerk	N06	2010	\$23,177	-	\$32,482	1.00	1.00
			2011	\$23,177	-	\$32,482		
4414	Streets III	N06	2010	\$23,177	-	\$32,482	6.00	
			2011	\$23,177	-	\$32,482		
5514	Parks III	N06	2010	\$23,177	-	\$32,482	1.00	1.00
			2011	\$23,177	-	\$32,482		
5763	Front Desk Team Leader	N06	2010	\$23,177	-	\$32,482	2.00	2.00
			2011	\$23,177	-	\$32,482		
7724	Office Assistant III	N06	2010	\$23,177	-	\$32,482	0.50	0.50
			2011	\$23,177	-	\$32,482		
7722	Office Assistant II	N05	2010	\$20,969	-	\$29,734	2.00	2.00
			2011	\$20,969	-	\$29,734		

Staffing Summary by Fund

<u>Class Code:</u>	<u>Position Name:</u>	<u>Grade:</u>	<u>Wage Level</u>			<u>2010 FTEs</u>	<u>2011 FTEs</u>	
			<u>Year</u>	<u>Entry</u>	<u>Working</u>			
1822	Building II	N04	2010	\$19,541	-	\$26,964	1.00	1.00
			2011	\$19,541	-	\$26,964		
<u>Part-Time Non-Benefitted/Seasonal</u>								
5110	Tennis Pro	T12	2010	\$46,675	-	\$62,400	2.80	2.50
			2011	\$46,675	-	\$62,400		
5754	Recreation Instructor VII	T12	2010	\$46,675	-	\$62,400	4.27	4.27
			2011	\$46,675	-	\$62,400		
2124	Special Events Police Officer	T10	2010	\$35,317	-	\$54,252		0.50
			2011	\$35,317	-	\$54,252		
2124	Special Events Police Officer	T09	2010	\$28,695	-	\$48,085	0.50	
			2011	\$28,695	-	\$48,085		
5752	Recreation Instructor VI	T09	2010	\$28,695	-	\$48,085	0.15	0.15
			2011	\$28,695	-	\$48,085		
1514	Accounting Clerk III	T07	2010	\$25,384	-	\$35,598	0.75	0.75
			2011	\$25,384	-	\$35,598		
4414	Streets III	T07	2010	\$25,384	-	\$35,598		7.33
			2011	\$25,384	-	\$35,598		
2122	Reserve Police Officer	T06	2010	\$23,177	-	\$32,482	2.93	2.93
			2011	\$23,177	-	\$32,482		
4414	Streets III	T06	2010	\$23,177	-	\$32,482	8.08	
			2011	\$23,177	-	\$32,482		
5414	Library Assistant	T06	2010	\$23,177	-	\$32,482		1.00
			2011	\$23,177	-	\$32,482		
5416	Senior Library Assistant	T06	2010	\$23,177	-	\$32,482	0.25	0.25
			2011	\$23,177	-	\$32,482		
5514	Parks III	T06	2010	\$23,177	-	\$32,482	1.00	1.10
			2011	\$23,177	-	\$32,482		
5730	Recreation Worker VI	T06	2010	\$23,177	-	\$32,482	0.16	0.16
			2011	\$23,177	-	\$32,482		
7724	Office Assistant III	T06	2010	\$23,177	-	\$32,482	0.25	0.25
			2011	\$23,177	-	\$32,482		
2110	Crossing Guard	T05	2010	\$20,969	-	\$29,734	1.00	1.00
			2011	\$20,969	-	\$29,734		
4412	Streets II	T05	2010	\$20,969	-	\$29,734	1.15	1.15
			2011	\$20,969	-	\$29,734		
5414	Library Assistant	T05	2010	\$20,969	-	\$29,734	1.00	
			2011	\$20,969	-	\$29,734		
5512	Parks II	T05	2010	\$20,969	-	\$29,734		5.40
			2011	\$20,969	-	\$29,734		

Staffing Summary by Fund

<u>Class Code:</u>	<u>Position Name:</u>	<u>Grade:</u>	<u>Wage Level</u>			<u>2010 FTEs</u>	<u>2011 FTEs</u>	
			<u>Year</u>	<u>Entry</u>	<u>Working</u>			
5728	Recreation Worker V	T05	2010	\$20,969	-	\$29,734	2.08	1.93
			2011	\$20,969	-	\$29,734		
5748	Recreation Instructor IV	T05	2010	\$20,969	-	\$29,734	0.98	0.98
			2011	\$20,969	-	\$29,734		
5412	Library Clerk	T04	2010	\$19,541	-	\$26,964		1.25
			2011	\$19,541	-	\$26,964		
5512	Parks II	T04	2010	\$19,541	-	\$26,964	5.40	
			2011	\$19,541	-	\$26,964		
5726	Recreation Worker IV	T04	2010	\$19,541	-	\$26,964	1.95	1.43
			2011	\$19,541	-	\$26,964		
5760	Recreation Front Desk Clerk	T04	2010	\$19,541	-	\$26,964	3.84	3.84
			2011	\$19,541	-	\$26,964		
5724	Recreation Worker III	T03	2010	\$17,659	-	\$24,237	1.60	0.88
			2011	\$17,659	-	\$24,237		
5744	Recreation Instructor II	T03	2010	\$17,659	-	\$24,237	0.85	0.85
			2011	\$17,659	-	\$24,237		
8844	General Office Clerk III	T03	2010	\$17,659	-	\$24,237	0.75	0.75
			2011	\$17,659	-	\$24,237		
8852	Intern II	T03	2010	\$17,659	-	\$24,237		2.30
			2011	\$17,659	-	\$24,237		
1810	Assistant Custodian I	T02	2010	\$16,014	-	\$21,943		0.33
			2011	\$16,014	-	\$21,943		
5412	Library Clerk	T02	2010	\$16,014	-	\$21,943	1.25	
			2011	\$16,014	-	\$21,943		
5510	Parks I	T02	2010	\$16,014	-	\$21,943	2.29	2.29
			2011	\$16,014	-	\$21,943		
5714	Official/Referee II	T02	2010	\$16,014	-	\$21,943	1.00	1.00
			2011	\$16,014	-	\$21,943		
5742	Recreation Instructor I	T02	2010	\$16,014	-	\$21,943	2.80	2.80
			2011	\$16,014	-	\$21,943		
8850	Intern I	T02	2010	\$16,014	-	\$21,943		3.86
			2011	\$16,014	-	\$21,943		
8852	Intern II	T02	2010	\$16,014	-	\$21,943	2.30	
			2011	\$16,014	-	\$21,943		
1810	Assistant Custodian I	T01	2010	\$14,239	-	\$19,758	0.33	
			2011	\$14,239	-	\$19,758		
5410	Library Aide	T01	2010	\$14,239	-	\$19,758	1.48	1.48
			2011	\$14,239	-	\$19,758		

Staffing Summary by Fund

Class Code:	Position Name:	Grade:	Wage Level			2010 FTEs	2011 FTEs	
			Year	Entry	Working			
5720	Recreation Worker I	T01	2010	\$14,239	-	\$19,758	2.47	2.47
			2011	\$14,239	-	\$19,758		
8850	Intern I	T01	2010	\$14,239	-	\$19,758	3.95	
			2011	\$14,239	-	\$19,758		
012 Quinn's Recreation Fund								
<u>Full-Time Regular</u>								
3580	Ice Arena Operations Specialist	E07	2010	\$47,754	-	\$72,828	1.00	
			2011	\$47,754	-	\$72,828		
3590	Ice General Manager	E07	2010	\$47,754	-	\$72,828		
			2011	\$47,754	-	\$72,828		
3586	Operations Manager	E06	2010	\$44,571	-	\$64,505		1.00
			2011	\$44,571	-	\$64,505		
3588	Business Operations Manager	E06	2010	\$44,571	-	\$64,505		1.00
			2011	\$44,571	-	\$64,505		
3570	Marketing and Events Coordinator	N10	2010	\$35,317	-	\$54,252	1.00	
			2011	\$35,317	-	\$54,252		
3580	Ice Arena Operations Specialist	N10	2010	\$35,317	-	\$54,252	1.00	
			2011	\$35,317	-	\$54,252		
3528	Ice Arena Operations Assistant	N08	2010	\$26,488	-	\$40,641	1.00	1.00
			2011	\$26,488	-	\$40,641		
5516	Parks IV	N08	2010	\$26,488	-	\$40,641		1.00
			2011	\$26,488	-	\$40,641		
1826	Building IV	N07	2010	\$25,384	-	\$35,598	1.00	1.00
			2011	\$25,384	-	\$35,598		
3540	Ice Front Desk Supervisor	N07	2010	\$25,384	-	\$35,598	1.00	1.00
			2011	\$25,384	-	\$35,598		
5516	Parks IV	N07	2010	\$25,384	-	\$35,598	1.00	
			2011	\$25,384	-	\$35,598		
<u>Part-Time Non-Benefitted/Seasonal</u>								
3510	Hockey Coordinator	T09	2010	\$28,695	-	\$48,085		0.75
			2011	\$28,695	-	\$48,085		
3520	Skating Coordinator	T09	2010	\$28,695	-	\$48,085		0.30
			2011	\$28,695	-	\$48,085		
5730	Recreation Worker VI	T09	2010	\$28,695	-	\$48,085	0.45	
			2011	\$28,695	-	\$48,085		
3510	Hockey Coordinator	T07	2010	\$25,384	-	\$35,598	0.75	
			2011	\$25,384	-	\$35,598		
3520	Skating Coordinator	T07	2010	\$25,384	-	\$35,598	0.25	
			2011	\$25,384	-	\$35,598		

Staffing Summary by Fund

<u>Class Code:</u>	<u>Position Name:</u>	<u>Grade:</u>	<u>Wage Level</u>			<u>2010 FTEs</u>	<u>2011 FTEs</u>	
			<u>Year</u>	<u>Entry</u>	<u>Working</u>			
5730	Recreation Worker VI	T06	2010	\$23,177	-	\$32,482		
			2011	\$23,177	-	\$32,482		0.72
5512	Parks II	T05	2010	\$20,969	-	\$29,734		1.00
			2011	\$20,969	-	\$29,734		
1822	Building II	T04	2010	\$19,541	-	\$26,964		0.25
			2011	\$19,541	-	\$26,964		
5512	Parks II	T04	2010	\$19,541	-	\$26,964	1.00	
			2011	\$19,541	-	\$26,964		
5726	Recreation Worker IV	T04	2010	\$19,541	-	\$26,964	1.70	1.70
			2011	\$19,541	-	\$26,964		
5760	Recreation Front Desk Clerk	T04	2010	\$19,541	-	\$26,964	0.22	0.32
			2011	\$19,541	-	\$26,964		
051 Water Fund								
<u>Full-Time Regular</u>								
4590	Water Manager	E11	2010	\$83,905	-	\$106,121		1.00
			2011	\$83,905	-	\$106,121		
4590	Water Manager	E10	2010	\$74,285	-	\$98,692	1.00	
			2011	\$74,285	-	\$98,692		
1660	GIS Administrator	E07	2010	\$47,754	-	\$72,828	0.25	0.25
			2011	\$47,754	-	\$72,828		
4560	Water Project Manager	E07	2010	\$47,754	-	\$72,828	1.00	1.00
			2011	\$47,754	-	\$72,828		
4540		E06	2010	\$44,571	-	\$64,505		1.00
			2011	\$44,571	-	\$64,505		
4120	Public Works Inspector	N10	2010	\$35,317	-	\$54,252	1.00	1.00
			2011	\$35,317	-	\$54,252		
7736	Analyst IV	N10	2010	\$35,317	-	\$54,252	2.00	1.00
			2011	\$35,317	-	\$54,252		
4526	Water Worker IV	N09	2010	\$28,695	-	\$48,085	4.00	4.00
			2011	\$28,695	-	\$48,085		
4524	Water Worker III	N08	2010	\$26,488	-	\$40,641	6.00	6.00
			2011	\$26,488	-	\$40,641		
7732	Analyst II	N08	2010	\$26,488	-	\$40,641	1.00	1.00
			2011	\$26,488	-	\$40,641		
7724	Office Assistant III	N06	2010	\$23,177	-	\$32,482	0.25	0.25
			2011	\$23,177	-	\$32,482		
<u>Part-Time Non-Benefitted/Seasonal</u>								
4514	Water Laborer III	T06	2010	\$23,177	-	\$32,482	0.50	0.50
			2011	\$23,177	-	\$32,482		

Staffing Summary by Fund

Class Code:	Position Name:	Grade:	Wage Level			2010 FTEs	2011 FTEs
			Year	Entry	Working		
4510	Water Laborer I	T04	2010	\$19,541	- \$26,964	1.50	1.50
			2011	\$19,541	- \$26,964		
055 Golf Fund							
<u>Full-Time Regular</u>							
5690	Golf Manager	E07	2010	\$47,754	- \$72,828	0.70	0.70
			2011	\$47,754	- \$72,828		
5590	Parks & Golf Supervisor	E06	2010	\$44,571	- \$64,505		0.50
			2011	\$44,571	- \$64,505		
5590	Parks & Golf Supervisor	N09	2010	\$28,695	- \$48,085	0.50	
			2011	\$28,695	- \$48,085		
5516	Parks IV	N08	2010	\$26,488	- \$40,641	0.50	1.50
			2011	\$26,488	- \$40,641		
7732	Analyst II	N08	2010	\$26,488	- \$40,641	0.56	0.56
			2011	\$26,488	- \$40,641		
5516	Parks IV	N07	2010	\$25,384	- \$35,598	1.00	
			2011	\$25,384	- \$35,598		
<u>Part-Time Non-Benefitted/Seasonal</u>							
5650	Assistant Golf Pro	T06	2010	\$23,177	- \$32,482	3.00	2.50
			2011	\$23,177	- \$32,482		
5512	Parks II	T05	2010	\$20,969	- \$29,734		7.20
			2011	\$20,969	- \$29,734		
5512	Parks II	T04	2010	\$19,541	- \$26,964	8.30	
			2011	\$19,541	- \$26,964		
5614	Golf Course Starter	T03	2010	\$17,659	- \$24,237	1.00	0.75
			2011	\$17,659	- \$24,237		
5510	Parks I	T02	2010	\$16,014	- \$21,943	0.39	0.39
			2011	\$16,014	- \$21,943		
5612	Golf Course Ranger	T02	2010	\$16,014	- \$21,943	0.50	0.50
			2011	\$16,014	- \$21,943		
5610	Golf Cart Servicer	T01	2010	\$14,239	- \$19,758	0.49	0.49
			2011	\$14,239	- \$19,758		
057 Transportation and Parking Fund							
<u>Full-Time Regular</u>							
4292	Transit & Transportation Manager	E12	2010	\$95,396	- \$114,444		1.00
			2011	\$95,396	- \$114,444		
4292	Transit & Transportation Manager	E11	2010	\$83,905	- \$106,121	1.00	
			2011	\$83,905	- \$106,121		
4272		E08	2010	\$57,305	- \$82,720		1.00
			2011	\$57,305	- \$82,720		

Staffing Summary by Fund

Class Code:	Position Name:	Grade:	Wage Level			2010 FTEs	2011 FTEs
			Year	Entry	Working		
1660	GIS Administrator	E07	2010	\$47,754	- \$72,828	0.25	0.25
			2011	\$47,754	- \$72,828		
4140	Parking and Fleet Administration Team Leader	E06	2010	\$44,571	- \$64,505	1.00	1.00
			2011	\$44,571	- \$64,505		
4270	Transit Project Manager	E06	2010	\$44,571	- \$64,505	1.00	
			2011	\$44,571	- \$64,505		
4280	Transit Administration Team Leader	E06	2010	\$44,571	- \$64,505	1.00	1.00
			2011	\$44,571	- \$64,505		
4262	Operations Team Leader	N10	2010	\$35,317	- \$54,252	1.00	1.00
			2011	\$35,317	- \$54,252		
4250	Transit Shift Supervisor	N09	2010	\$28,695	- \$48,085	3.00	3.00
			2011	\$28,695	- \$48,085		
4216	Bus Driver IV	N08	2010	\$26,488	- \$40,641	2.00	2.00
			2011	\$26,488	- \$40,641		
4214	Bus Driver III	N07	2010	\$25,384	- \$35,598		37.00
			2011	\$25,384	- \$35,598		
4414	Streets III	N07	2010	\$25,384	- \$35,598		1.00
			2011	\$25,384	- \$35,598		
4214	Bus Driver III	N06	2010	\$23,177	- \$32,482	35.00	
			2011	\$23,177	- \$32,482		
4414	Streets III	N06	2010	\$23,177	- \$32,482	1.00	
			2011	\$23,177	- \$32,482		
7724	Office Assistant III	N06	2010	\$23,177	- \$32,482	1.25	1.25
			2011	\$23,177	- \$32,482		
7722	Office Assistant II	N05	2010	\$20,969	- \$29,734	1.00	1.00
			2011	\$20,969	- \$29,734		
<u>Part-Time Non-Benefitted/Seasonal</u>							
4112	Parking Adjudicator	T09	2010	\$28,695	- \$48,085	0.20	0.20
			2011	\$28,695	- \$48,085		
4214	Bus Driver III	T07	2010	\$25,384	- \$35,598		8.75
			2011	\$25,384	- \$35,598		
4414	Streets III	T07	2010	\$25,384	- \$35,598		0.20
			2011	\$25,384	- \$35,598		
4214	Bus Driver III	T06	2010	\$23,177	- \$32,482	5.25	
			2011	\$23,177	- \$32,482		
4414	Streets III	T06	2010	\$23,177	- \$32,482	0.20	
			2011	\$23,177	- \$32,482		
4212	Bus Driver II	T05	2010	\$20,969	- \$29,734	22.05	22.05
			2011	\$20,969	- \$29,734		

Staffing Summary by Fund

<u>Class Code:</u>	<u>Position Name:</u>	<u>Grade:</u>	<u>Wage Level</u>			<u>2010 FTEs</u>	<u>2011 FTEs</u>	
			<u>Year</u>	<u>Entry</u>	<u>Working</u>			
4210	Bus Driver I	T04	2010	\$19,541	-	\$26,964	0.09	0.09
			2011	\$19,541	-	\$26,964		
062 Fleet Fund								
<u>Full-Time Regular</u>								
4680	Fleet Operations Team Leader	N11	2010	\$46,354	-	\$61,805		2.00
			2011	\$46,354	-	\$61,805		
4680	Fleet Operations Team Leader	N10	2010	\$35,317	-	\$54,252	2.00	
			2011	\$35,317	-	\$54,252		
4652	Mechanic II	N09	2010	\$28,695	-	\$48,085	1.00	1.00
			2011	\$28,695	-	\$48,085		
4650	Mechanic I	N08	2010	\$26,488	-	\$40,641	5.00	5.00
			2011	\$26,488	-	\$40,641		
064 Self Insurance Fund								
<u>Full-Time Regular</u>								
1112	Senior Recorder/Elections	N09	2010	\$28,695	-	\$48,085	0.50	0.50
			2011	\$28,695	-	\$48,085		
						336.24	334.14	

Budget Option Descriptions (by Team)

Building, Planning & Engineering

Vol. I Page 164

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
Approved Budget Options						
Y	TDPWRO	1	Transit Department (PW) Reorganization This is the Transit Department portion of the Public Works reorganization	Planning Dept. Transportation Oper	\$0	-116,781
Y	EDCDSR	4	8th Street Stairs This option will provide maintenance to the 8th street stairs, including snow removal, future staining, monthly safety inspection and future repairs	Parks & Cemetery Street Maintenance	\$0	3,706
Y	HAADJ	TEC	Housing Allowance Adjustment Adjust Housing Allowances to Reflect Current Usage	Multiple Departments	\$0	-2,626
Y	VACA	TEC	Vacancy Factor Redistribution 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.	Building Dept. City Manager City Recreation Communication Center Finance Human Resources Ice Facility Info Tech & Cust Serv Library Planning Dept. Police Street Maintenance Tennis	\$-164,300	0
Total Approved for Budget Options:					\$-164,300	\$-115,701
5% Plan Options						
Y	BDCDBI5	1	Building Inspector Remove Senior Building Inspector position	Building Dept.	\$0	-84,638
Y	EDCDES5	2	Engineering Services Hire consultants to help complete work requested by other City departments and City Council.	Engineering	\$0	-18,968
Y	PDCDMC5	3	Planning - Miscellaneous Contract Services	Planning Dept.	\$0	-12,905

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Budget Option Descriptions (by Team)

Building, Planning & Engineering

<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
		The 5% reduction in the Planning Department's budget will have service level impacts relative to the General Plan. While the Planning Department has taken on the task of completing the General Plan in-house; there will be an on-going need to utilize outside professionals/consultants for specialized/expert studies. Typically these will include economic analysis, graphic documents, demographic research, etc. While not anticipated to be expensive or long duration studies, it would not be uncommon to have a \$10k or greater cost associated with each. With less than \$35K in the consulting budget (for all of Planning's needs, not just the GP), there will likely be a delay and a lack of necessary information provided for the GP.			
Total Approved for 5% Plan Options:				<u>\$0</u>	<u>\$-116,511</u>
Total Approved Options for Building, Planning & Engineering:				<u><u>\$-164,300</u></u>	<u><u>\$-232,212</u></u>

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Budget Option Descriptions (by Team)

Building, Planning & Engineering

Vol. I Page 166

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
<u>Not Approved Budget Options</u>						
N	PDCDCE	1	Planning Department - Contract Employee Position A planning intern was hired as a contract employee in January 2010 for six months; Planning would like to secure this position for 2011. This position will be instrumental in allowing the Department to pursue long-range planning options	Planning Dept.	\$0	62,000
N	PDCDMS	2	Main Street National Historic District Study To meet the City Council's top priorities for the year; Planning proposes to do a complete study of the Main Street National Historic District and assess the integrity of the district based on the Department of the Interior guidelines. In addition, additional work will include updating the Historic Sites Inventory, documenting the City's two structures located at 1450 and 1460 Park Avenue, looking at citywide threatened or distressed properties, creating a preservation easement program, identifying new sources of grants and fundraising, continuing the involvement of our historic preservation consultant in our Design Review Team process, etc	Planning Dept.	\$0	75,000
N	EDCDEI	3	Engineering Intern Hire a summer engineering intern to help start/complete work items such as the specification updates, assist with the monitoring of construction and assist with requests that come into engineering.	Human Resources	\$0	6,975
N	EDCDFV*	TEC	I.S. Central Garage Maintenance and Gas Engineering vehicle has been transferred to Planning	Engineering	\$0	-3,230
N	PDCDFV	TEC	I.S. Central Garage Maintenance and Gas Engineering vehicle has been transferred to Planning	Planning Dept.	\$0	3,230
Total Not Approved for Budget Options:					<u>\$0</u>	<u>\$143,975</u>
Total Not Approved Options for Building, Planning & Engineering:					<u>\$0</u>	<u>\$143,975</u>

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Budget Option Descriptions (by Team)

Executive

<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
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Budget Option Descriptions (by Team)

Executive

Vol. I Page 168

	Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
Approved Budget Options						
Y	CARA	CM	Car Allowances Car Allowances	City Manager	\$0	5,253
Y	CMCCTR	CM	Council Comp. Travel Council Comp. Travel - Deferred Council Raises	City Council	\$0	22,717
Y	ELEDOB	TEC	Elections Department FY2010 Budget (One Time) This is a one time budget adjustment to the Elections Department to cover election expenses for FY 2010. This is a technical adjustment.	Elections	\$14,260	0
Y	HAADJ	TEC	Housing Allowance Adjustment Adjust Housing Allowances to Reflect Current Usage	Multiple Departments	\$0	3,721
Y	VACA	TEC	Vacancy Factor Redistribution 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.	Building Dept. City Manager City Recreation Communication Center Finance Human Resources Ice Facility Info Tech & Cust Serv Library Planning Dept. Police Street Maintenance Tennis	\$-60,600	0
Y	SEEDLC	0	Self Insurance & SEC Bond Outside Legal Services - Actual outside legal costs have been between \$310,000 and \$280,000 for past 2 fiscal years. Target budget of \$250,000 shows anticipated reductions in outside legal costs. Previously, costs were netted from contributions made into risk management fund from other line items. Budgets have been completely reviewed to get to good cost numbers on each line items. General Insurance Claims - reduction	Self Ins & Sec Bond	\$150,000	150,000

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Budget Option Descriptions (by Team)

Executive

	Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
Y	SEEDMS	0	Self Insurance & SEC Bond Safety Programs & Supplies and Department Supplies and Meetings/Conference Travel Adjustment	Self Ins & Sec Bond	\$600	600
Y	WCEDCR	0	Workers Comp Workers Comp Claim Reimb	Workers Comp	\$-57,690	-57,690
Total Approved for Budget Options:					\$46,570	\$124,600
5% Plan Options						
Y	SMEDMC5	1	Special Meetings The Special Meetings account is used to supplement City-wide events such as Quarterly Management Team meeting refreshments, Inter-Agency Task Force meeting supplies and refreshments; City Council Visioning meals, etc. More importantly, this account provides the City with flexibility to expand regional cooperation opportunities and to increase Park City's visibility at the State level with the Legislature. Moderate to high impacts.	Special Meetings	\$0	-5,000
Y	VFEDCS5	2	Venture Fund In each budget since FY 1990, the City Council has authorized a sum of money to encourage innovation and to realize opportunities not anticipated in the regular program budgets. Further reductions to this fund reduce the Manager's ability to address and support opportunities proposed by employees. This fund has supported opportunities such as: content development for the ParkCityGreen.com website, etc. moderate to high impacts	Venture Fund	\$0	-10,000
Y	LDEDCT5	3	Legal	Legal	\$0	-3,552

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Budget Option Descriptions (by Team)

Executive

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
		<p>This fund pays for all expenses related to meetings including negotiations, lunches and associated facility rental and materials; mandatory, annual continuing legal education (CLE) classes and conferences for all six FTEs (12 hours for attorneys and 16 hours for paralegals/legal asst); and all department travel, except mileage. Travel such as to Denver and Washington DC on federal legislative, EPA or historic preservation matters is also paid out of this fund. The proposed reduction represents an approximately 27% cut to this fund. While historically we have used nearly all and on one occasion exceeded the amount of this fund, we have taken advantage of other fund availability to pay for a greater percentage of qualifying meetings and conferences (water, risk management). While the cuts will limit our ability to make discretionary trips, or attend some out-of-state meetings, we will attempt to continue to utilize other funding sources to balance reductions. We will also continue efforts to minimize costs via existing measures such as rotating employee participation at larger conferences (instead of sending each employee every year) and selecting only the most useful training which focus on our most pressing areas of government practice (as opposed to the more general and expensive Utah State Bar conventions).</p>			
Y	CMEDMA5	4	City Manager	\$0	-29,200
		<p>02121 - Subscriptions represents a low impact; 02713 - Photo Copy represents a low impact; 04520-000 - Misc Contract Services - moderate to high impacts; 04520-040 - Misc Contract Services - moderate to high impacts - Reductions in the two Misc. Contract Services accounts result in fewer opportunities to tap into consultant services to handle directives that Staff is unable to incorporate into current workload</p>			
Total Approved for 5% Plan Options:				\$0	\$-47,752
Total Approved Options for Executive:				\$46,570	\$76,848

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Budget Option Descriptions (by Team)

Executive

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request	
Not Approved Budget Options						
N	CMEDLC	1	Legislative Consultant	City Manager	\$0	0
			<p>The overall objective of the consulting service is to assist the City with crucial relationships at the State Legislature and discourage state legislative actions from enabling development inconsistent with local zoning, and help the City facilitate a long term solution for the Air Force that compiles with County and City codes. The consultant will also assist the City with water, transit programs, and with school district issues and other projects as determined.</p>			
N	TEC3	TEC	City Council and Mayor Compensation	City Council	\$0	22,717
			<p>This is an adjustment which sets the Mayor and City Council compensation at market level.</p>			
				Total Not Approved for Budget Options:	\$0	\$22,717
5% Plan Options						
N	LDEDPT5	5	Legal	Legal	\$0	-43,165
			<p>The temporary salary reduction would result in the complete loss of part-time law clerks/interns which we typically hire from local law schools. These cuts would have a major level of service impact as these positions support all legal functions including criminal.</p>			
				Total Not Approved for 5% Plan Options:	\$0	-\$43,165
				Total Not Approved Options for Executive:	\$0	-\$20,448

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Budget Option Descriptions (by Team)

Golf Course

Vol. I Page 172

	Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
Approved Budget Options						
Y	GPLRUB	1	Golf Pro Shop - Unemployment benefits As a seasonal employer majority of staff is seasonal. Every winter there is a significant cost for unemployment benefits. In the past this line item has not been budgeted.	Golf Pro Shop	\$0	17,700
Y	GPLRBP	TEC	Bonus Pay Neg. Budget Fix This option corrects a negative budget amount in the Golf Pro shop bonus line item	Golf Pro Shop	\$18,000	18,000
Y	HAADJ	TEC	Housing Allowance Adjustment Adjust Housing Allowances to Reflect Current Usage	Multiple Departments	\$0	-1,777
Total Approved for Budget Options:					\$18,000	\$33,923
5% Plan Options						
Y	GPLRPR5	1	Personnel These cuts target shoulder season personnel and will have an impact on service levels. (Assistant)	Golf Pro Shop	\$0	-17,773
Y	GPLRPR52	1	Personnel These cuts target shoulder season personnel and will have an impact on service levels. (Starter)	Golf Pro Shop	\$0	-6,631
Y	GMPWPR5	2	Golf Maintenance -5% These cuts will target personnel and will have a minimal impact on playing conditions.	Golf Maintenance	\$0	-35,792
Y	GPLRIN5	3	Inventory for resale Reduce the expense for cost of goods sold. Will have revenue impacts	Golf Pro Shop	\$0	-6,500
Total Approved for 5% Plan Options:					\$0	\$-66,695
Total Approved Options for Golf Course:					\$18,000	\$-32,772

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Budget Option Descriptions (by Team)

Human Resources, Budget, Finance & IT

<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
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Budget Option Descriptions (by Team)

Human Resources, Budget, Finance & IT

Vol. I Page 174

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
Approved Budget Options						
Y	ITISWM	CM	City Council Website Maintenance This option is for website services related to City Council meetings. This would allow greater public access to council meeting records including live audio and video as well as public access to digital archives.	Info Tech & Cust Serv	\$0	8,000
Y	HAADJ	TEC	Housing Allowance Adjustment Adjust Housing Allowances to Reflect Current Usage	Multiple Departments	\$0	0
Y	HRISHA	TEC	Housing Allowance Line Item Correction This is a technical adjustment to correct a mistake in the HR housing allowance line	Human Resources	\$16,040	15,163
Y	VACA	TEC	Vacancy Factor Redistribution 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.	Building Dept. City Manager City Recreation Communication Center Finance Human Resources Ice Facility Info Tech & Cust Serv Library Planning Dept. Police Street Maintenance Tennis	\$-119,200	0
Total Approved for Budget Options:					\$-103,160	\$23,163
5% Plan Options						
Y	FIISL5	1	Reduce Finance Software and Computer Maint Budget Software licenses are currently covered under Eden and through IT. The Comp Maint line was for Stromberg Maintenance.	Finance	\$0	-9,750
Y	HRISCT5	2	Meetings/Conf. Travel Admin.	Human Resources	\$0	-1,600

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Budget Option Descriptions (by Team)

Human Resources, Budget, Finance & IT

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request	
		City wide, department and employee training, Wasatch Comp. Meetings. Reduction would limit ability to attend Wasatch Comp and other HR meetings regarding pay, benefits, HR trends and programs.				
Y	ITISMT5	2	IT - Meetings/Travel	Info Tech & Cust Serv	\$0	-7,000
		Funds used for meetings and professional development. This reduction will have a moderate impact as no more funds will be remaining.				
Y	HRISDS5	3	Department Supplies	Human Resources	\$0	-500
		Request for Personnel Action forms, personnel files, applications, forms & supplies to maintain department operations, recruitments, & other city-wide training & operations				
Y	HRISEM5	4	Memberships	Human Resources	\$0	-700
		Wasatch Comp. Group, Society for Human Resources Management, Personnel Management Assoc. State & Federal HR affiliations. This will impact the ability to maintain up to date state and federal industry standards and requirements.				
Y	HRISOS5	5	Office Supplies	Human Resources	\$0	-500
		Supplies to maintain department operations, letterhead, envelopes, folders, pens, etc.				
Y	HRISS5	6	Subscriptions	Human Resources	\$0	-350
		Department of Labor, Fair Labor Standards, Bureau of National Affairs, Human Resources benefits and retirement subscriptions. Human Resources would rely on department internet research instead of state and federal updates to maintain mandated requirements.				
Y	BDISME5	7	Membership Elimination	Budget, Debt & Grants	\$0	-900
		Eliminate GFOA memberships for all Budget Dept employees. Finance would retain a membership, keeping the City a member. This would have a moderate impact in the long-run on department level of service and employee morale.				
Y	FIISAC5	8	Reduce Finance Audit Contract Line	Finance	\$0	-2,500

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Budget Option Descriptions (by Team)

Human Resources, Budget, Finance & IT

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request	
		This option reduces the audit contract line to approximately the amount required for the 2010 audit. In the future, if audit costs increase, a budget request will have to be granted in order to afford the audit.				
Y	FIISPL5	9	Reduce IRS Penalty Line	Finance	\$0	-1,000
		The IRS Penalty line is only used when payroll tax deposit errors occur. This option would reduce the City's flexibility when this happens.				
Y	ITISCE5	10	IT - Computer Equipment	Info Tech & Cust Serv	\$0	-24,000
		Equipment purchases for IT and citywide projects will result in a moderate impact in fulfilling project objectives and technology development.				
Y	HRISLM5	12	Reduce Lump Merit Increase Pool for Temporary Employees	Human Resources	\$0	-6,609
		Currently, the City budgets \$41,000 in a pool in the Human Resources Dept for discretionary lump merit increases for temporary employees. This option would reduce the pool 15%. This would have a moderate impact on city service levels as it would diminish reward/retention potential for part-time employees, and therefore impact employee engagement.				
Y	HRISPC5	14	Professional & Consulting	Human Resources	\$0	-4,280
		City-wide program to assist City Manager and city departments fund short term, one-time, unanticipated consulting, training, and/or contract staffing needs. This may reduce the ability to fund unanticipated city-wide needs.				
Y	FIISOE5	16	Reduce Finance Office Equipment Repairs & Maintenance	Finance	\$0	-1,250
		This cut could result in a temporary discontinuation of some services in the event that equipment breaks down.				
Y	HRISRT5	17	Recruitment & Training	Human Resources	\$0	-1,000

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Budget Option Descriptions (by Team)

Human Resources, Budget, Finance & IT

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request	
		City-wide recruitment costs for advertising, candidate travel, lodging & selection. Recruitment copy costs, recruitment brochures. City-wide harassment training and other mandatory city-wide employee training. Reduction could limit the scope, area and ability to recruitment qualified candidates when intermountain west and national recruitments are necessary.				
Y	FIISFC5	18	Reduce Finance Misc Contract Svc Budget	Finance	\$0	-6,245
		This line was used in the past for expenses not anticipated in the budget related to the Finance Dept. This cut would significantly impact flexibility to respond to service demands. The remaining balance could be used for Kronos Maintenance.				
Y	ITISDS5	19	IT - Department Supplies	Info Tech & Cust Serv	\$0	-5,000
		Office supplies such as paper, toner, cleaners, tools, towels and water. This reduction will have a moderate impact.				
Y	BDISTT5	28	Training/Travel Reduction	Budget, Debt & Grants	\$0	-4,050
		Currently the department has sufficient training budget to pay for 2 trainings for each employee (one local, one travel). This option would reduce this budget to 2 trainings to be shared by the department. Any meeting expense (lunch meetings, local travel, materials, etc) would need to be covered within this budget. This would have a significant impact in the long run on the quality of service provided by the department as well as employee morale.				
Y	FIISTT5	29	Reduce Finance Travel & Training	Finance	\$0	-3,625
		This option will cut back budget travel and training budgets, resulting in no outside training for Finance Dept employees other than the Finance Manager.				
Y	HRISEP5	23	Employee party	Human Resources	\$0	-7,000
		City-wide program for employee summer events, annual service award dinner & other city-wide employee functions. Reduction would continue to diminish quality and scope of events.				
Y	HRISSE5	22	Seasonal Employee Reduction	Human Resources	\$0	-2,010

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Budget Option Descriptions (by Team)

Human Resources, Budget, Finance & IT

Vol. I Page 178

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>	
			Reduction to the seasonal employee line in HR. This line is currently used to fund citywide unanticipated short-term temporary employment needs, such as interns. Negligible impact on level of service.				
Y	HRISXP5	24	Annual X-mas party City-wide program for annual employee winter holiday celebration. Reduction would continue to diminish quality and scope of event.	Human Resources	\$0	-1,500	
					Total Approved for 5% Plan Options:	<u>\$0</u>	<u>\$-91,369</u>
					Total Approved Options for Human Resources, Budget, Finance & IT:	<u><u>\$-103,160</u></u>	<u><u>\$-68,206</u></u>

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Budget Option Descriptions (by Team)

Human Resources, Budget, Finance & IT

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request	
<u>Not Approved</u>						
Budget Options						
N	ITISPR	1	Paper Records Conversion	Info Tech & Cust Serv	\$0	43,000
			Park City's paper record storage capacity has exceeded its ability to convert paper documents to electronic format. This request represents a second phase of converting records once other electronic capture processes are implemented.			
				Total Not Approved for Budget Options:	\$0	\$43,000
5% Plan Options						
N	ITISFS5	11	IT - Admins Financial System	Info Tech & Cust Serv	\$0	-10,362
			Admins was the primary financial data system for PCMC but is now retired. The systems function was retained for historical reference. Some of these funds were used to pay for other maintenance contracts including EDEN. A minor/moderate impact to will result with service contracts.			
N	HRISEA5	13	Educational Assistance	Human Resources	\$0	-5,000
			City-wide program providing reimbursement for approved degree programs. Reimbursement based on grade achieved. Reduction could result in denial of educational assistance reimbursement and therefore impact employee engagement and professional development potential.			
N	BDISBM5	15	Eliminate Benchmarking	Budget, Debt & Grants	\$0	-1,400
			The department is currently budgeted for an annual payment to UCMA for benchmarking data as well as travel costs associated with a Park City led benchmarking effort with CAST. The data gleaned from benchmarking is currently used sparingly. The short-run impact of this reduction would be minimal, but the long-term impact could be significant as far as opportunity cost associated with withdrawing from benchmarking.			
N	BDISER5	27	Eliminate/Reduce Budget Dept Materials, Supplies, & Services	Budget, Debt & Grants	\$0	-6,400

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Budget Option Descriptions (by Team)

Human Resources, Budget, Finance & IT

Vol. I Page 180

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request	
		Eliminate all books, publications, public notices, office equipment repairs, cell phone, software licenses, and office equipment budgets for department. Reduce office supply budget by half. This will have a severe impact on the ability of the department to operate. Virtually all spending other than personnel costs, extremely limited office supplies, postage, printing, and internet access will cease. Employee morale will suffer heavily as Budget Department employees will be expected to continue to perform at a high level with little to no resources provided them.				
N	BDISPT5	25	Eliminate Property Tax Database	Budget, Debt & Grants	\$0	-3,600
			The city currently contracts out for a database of property tax data parcel by parcel. This database is used to inform decisions on a semi-regular basis. The information is valuable, but not indispensable. The impact would be moderate.			
N	FIISFS5	26	Reduce Finance Subscriptions	Finance	\$0	-1,000
			Cut Payroll, GASB & Single Audit subscriptions. This will have an impact on ability of the Finance Dept to keep up-to-date on industry standards, which may result in service level decrease in the long term.			
N	HRISCS5	21	Misc. Contract Services	Human Resources	\$0	-7,400
			City-wide program to fund unanticipated and/or one time intern, temporary, or emergency staffing. This may reduce the ability to fund unanticipated city-wide staffing needs.			
N	ITISUT5	30	IT - Utilities	Info Tech & Cust Serv	\$0	-12,000
			Funds are used to support telecommunication services including Internet, phone lines and long-distance service. Reductions will result in a minor impact if citywide costs remain consistent. If cost overruns occur or new lines of service are requested the impact will be major.			
Total Not Approved for 5% Plan Options:					\$0	\$-47,162
Total Not Approved Options for Human Resources, Budget, Finance & IT:					\$0	\$-4,162

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Budget Option Descriptions (by Team)

Library, Recreation, Golf & Ice

<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
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Budget Option Descriptions (by Team)

Library, Recreation, Golf & Ice

Vol. I Page 182

	Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
Approved Budget Options						
Y	CRLRSP	1	<p>Summer Programming</p> <p>Historically the length of summer is 10 weeks but due to a change in the school calendar this summer is 11 weeks long. This gives the department an extra week to supply programming (day camp, swim lessons, pool operation & skateboarding).</p>	City Recreation	\$6,552	0
Y	CRLRSPR*	1	<p>Summer Programming OFFSET (CRLRSP)</p> <p>Historically the length of summer is 10 weeks but due to a change in the school calendar this summer is 11 weeks long. This gives the department an extra week to supply programming (day camp, swim lessons, pool operation & skateboarding).</p>	Day Camp Swim Fees Youth League And Classes	\$-13,250	0
Y	IFLRCS	3	<p>contract services</p> <p>Cover cost of necessary contract services, including cooling tower water treatment, elevator maintenance, entryway rug cleaning</p>	Ice Facility	\$0	6,500
Y	CRLRCR	4	<p>Creekside Park Restroom Cleaning</p> <p>Creekside Park will be open to the public by July 1st and the restrooms will need to be cleaned 3 times a week. The restroom building was designed and planned to be open year round due to the design of a sledding hill and close proximity to winter trail use. If the desire is to keep the facility open seasonally then the request can be reduced to \$9,000.</p>	Bldg Maint Adm	\$0	11,000
Y	IFLRCT	6	<p>Meeting/Conf/Travel & Training</p> <p>Ops Mgr. needs to renew certifications in May. Other Staff have never been able to go to professional training. Currently can not afford to send any staff to training. All industry training requires out of state travel. Also covers CPR/AED and First Aid for all staff (\$1000). offset by reduction in FT staffing.</p>	Ice Facility	\$0	2,000
Y	CRLRDT	7	<p>Transportation</p>	City Recreation	\$0	750

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Budget Option Descriptions (by Team)

Library, Recreation, Golf & Ice

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request	
		Increased cost to rent busses for day camp field trips. Increased cost will be passed on to participants resulting in a revenue offset of \$750				
Y	CRLRDTR*	7	Transportation OFFSET (CRLRDT)	Day Camp	\$0	-750
		Increased cost to rent busses for day camp field trips. Increased cost will be passed on to participants resulting in a revenue offset of \$750				
Y	IFLRPT	8	Part-Time Staffing	Ice Facility	\$0	5,036
		Need additional funds to cover increased hours of operation due to league growth and more hourly ice rentals. Current/returning staff should receive pay increases. Revenue offset from league registration and ice rental.				
Y	IFLRPTR*	8	Part-Time Staffing - OFFSET (IFLRPT)	Ice Facility League Rental	\$0	-6,750
		Need additional funds to cover increased hours of operation due to league growth and more hourly ice rentals. Current/returning staff should receive pay increases. Revenue offset from league registration and ice rental.				
Y	CRLRAP	9	Additional Programming	City Recreation	\$0	4,176
		Due to increased demand for dirt jump clinic & adventure camp we would like to add an additional week of both. There is a revenue offset of \$4,680 for adventure camp and \$840 for dirt jump camp.				
Y	CRLRAPR*	9	Additional Programming	Day Camp	\$0	-5,520
		Due to increased demand for dirt jump clinic & adventure camp we would like to add an additional week of both. There is a revenue offset of \$4,680 for adventure camp and \$840 for dirt jump camp.				
Y	IFLRSO	13	Sports officials	Ice Facility	\$0	3,500
		provide officials for expanding Adult leagues and cover inflationary costs for officials and scorekeepers. Revenue offset of \$4.75 for each \$1 spent in this line.				
Y	IFLRSOR*	13	Sports officials OFFSET (IFLRSO)	Ice Facility League Rental	\$0	-33,250

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Budget Option Descriptions (by Team)

Library, Recreation, Golf & Ice

Vol. I Page 184

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
			provide officials for expanding Adult leagues and cover inflationary costs for officials and scorekeepers. Revenue offset of \$4.75 for each \$1 spent in this line.			
Y	IFLRFS	14	Retail - Figure Skate Sales Increase retail offerings to include figure skates. Currently no local business filling need. All figure skaters purchasing skates in Salt Lake. Revenue offset of \$1.40 for each \$1.00 spent. Skates will be ordered as needed to avoid expense of carrying stock. need 4 hrs/wk staffing to fit and order skates.	Ice Facility	\$0	4,592
Y	IFLRFSR*	14	Retail - Figure Skate Sales - OFFSET (IFLRFS) Increase retail offerings to include figure skates. Currently no local business filling need. All figure skaters purchasing skates in Salt Lake. Revenue offset of \$1.40 for each \$1.00 spent. Skates will be ordered as needed to avoid expense of carrying stock. need 4 hrs/wk staffing to fit and order skates.	RETAIL SALES	\$0	-5,600
Y	BADJ	TEC	Base Level Adjustment Zero-sum changes to budget lines within a department	Multiple Departments	\$0	0
Y	HAADJ	TEC	Housing Allowance Adjustment Adjust Housing Allowances to Reflect Current Usage	Multiple Departments	\$0	-2,600
Y	IFLRPTTA	TEC	Ice Technical Adjustment (Ice Worker VI to Grade T06) This option adjusts the Ice Worker VI part time pool from a T09 to a T06 which is in line with the grade of a Rec. Worker VI	Ice Facility	\$0	0

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Budget Option Descriptions (by Team)

Library, Recreation, Golf & Ice

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
Y	VACA	TEC	Vacancy Factor Redistribution		
		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.	Building Dept. City Manager City Recreation Communication Center Finance Human Resources Ice Facility Info Tech & Cust Serv Library Planning Dept. Police Street Maintenance Tennis	\$-412,973	0
Total Approved for Budget Options:				\$-419,671	\$-16,916
5% Plan Options					
Y	IFLRRR5	1	Finalize Ice Rink Reorganization	Ice Facility	\$0
			Finalize reorganization approved by City Manger 12/09. Council approval and entry into official pay plan is final step.		-77,418
Y	LDLRRB5	2	Reciprocal Borrowing for Summit County Residents who work in Park City.	Library	\$0
			Remove funding for this program.		-12,000
Y	CRLRH05	3	Park City Holiday	City Recreation	\$0
			Currently \$5,000 budgeted for Park City holiday. Currently much of the program is donated such as cookies, coffee, hot chocolate but fixed expenses such as photos with Santa would not occur.		-5,000
Y	TDLRPS5	3	Reduction in Pro Shop	Tennis	\$0
			The Racquet Club Pro Shop will be closed during the renovation. Some funds will still be needed to order special order racquets and perform racquet stringing		-94,269
Y	TDLRPSR*5	3	Reduction in Pro Shop -OFFSET	Retail Sales	\$0
			The Racquet Club Pro Shop will be closed during the renovation. This is the expected revenue loss offset resulting from the closure of the pro-shop.		84,000

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Budget Option Descriptions (by Team)

Library, Recreation, Golf & Ice

Vol. I Page 186

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
Y	CRLRSB5	5	Softball Reduce cost of trophies & t-shirts along with limiting the purchase of new softballs resulting in only a new ball every other game versus every game.	City Recreation	\$0	-2,520
Y	LDLRKC5	6	Kid's Catalog Discontinue subscription to software for kids to search on-line catalog for library materials. Impact=Low Kids can utilize adult card catalog to find items.	Library	\$0	-800
Y	LDLRRD5	6	Reference USA Database Reduce subscription to only U.S. Business Listings. Impact=Low The most often utilized portion of this d-base is U.S. businesses.	Library	\$0	-1,450
Y	TDLRTT5	9	Tennis Tournament Eliminate a Men's National Tennis Tournament. Revenue loss would be minimal since the courts would now be available for lessons and/or open play.	Tennis	\$0	-6,500
Y	TDLRLT5	10	Leagues & Tournaments Reduce costs associated with adult and youth tennis tournaments such as trophies & t-shirts	Tennis	\$0	-3,000
Y	LDLRLP5	11	Library Programming Decrease adult program funds by \$750 and children's' by \$250.	Library	\$0	-1,000
Y	CRLRFC5	0	Reduction in Fitness Center At Iron horse we will not need fitness center staff since the equipment will be all on the same floor	City Recreation	\$0	-17,759
Y	TDLRTS5	0	Reduction in Tennis Staffing Due to the renovation the number of indoor courts available for teaching will be reduced to 3.	Tennis	\$0	-18,734
Total Approved for 5% Plan Options:					<u>\$0</u>	<u>-\$156,451</u>
Total Approved Options for Library, Recreation, Golf & Ice:					<u><u>\$-419,671</u></u>	<u><u>-\$173,366</u></u>

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Budget Option Descriptions (by Team)

Library, Recreation, Golf & Ice

	Option Code	Priority*	Option Description	Department	2010 Request	2011 Request	
<u>Not Approved</u>							
Budget Options							
	N	LDLRLS	2	Library Shelving	Library	\$0	2,250
				Additional shelving is needed to accommodate growth of materials collection.			
	N	CRLRSL	5	Software Licenses	City Recreation	\$0	600
				Cover increased CLASS maintenance fees.			
	N	IFLRSL	5	Software Licenses	Ice Facility	\$0	600
				Cover increased CLASS maintenance fees.			
	N	IFLRM	10	Cleaning and Maintenance	Ice Facility	\$0	3,500
				Cover increasing cost of cleaning materials and increased demand for cleaning and maintenance as business hours expand and building ages.			
	N	IFLRPC	11	Photo Copy	Ice Facility	\$0	900
				Cover increasing service contract costs			
	N	IFLROS	12	Dept Supplies & Office Supplies	Ice Facility	\$0	1,100
				need more supplies to support increased program participation and business operations. Offset by reduction in FT staffing.			
	N	IFLRUC	15	Uniforms/Clothing	Ice Facility	\$0	1,500
				Staff attire needed to better promote professional image of Facility and Park City, especially because of increased contact with national and professional organizations (US Soccer, USA Hockey, LA Kings, REAL Salt Lake). Able to purchase at reduced cost due to relationships with local and national companies.			
					Total Not Approved for Budget Options:	\$0	\$10,450

5% Plan Options

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Budget Option Descriptions (by Team)

Library, Recreation, Golf & Ice

Vol. I Page 188

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
N	CRLRPM5	4	Play Magazine The Play magazine is a joint annual publication with Basin Rec, Library, Ice & Golf that outlines programs for the next year. It comes out annually in March. In 2010 the cost to produce and mail the magazine was \$19,355	City Recreation Tennis	\$0	-19,355
N	CRLRSP5	8	Scholarship Program Reduce Scholarship funds and non revenue producing programs such as Halloween Safety Day. This will impact services provided to disadvantaged members of the community	City Recreation	\$0	-5,500
N	CRLRVT5	12	Volleyball Tournaments Park City has organized and hosted volleyball tournament on July 4th & Arts festival. Participants are primarily from Salt Lake Valley . Lost revenue would be \$5,593 but takes significant FT staff time that is not directly allocated to the tournament .	City Recreation	\$0	-4,500
N	TDLRPR5	13	Pro Shop Reduce the purchase of retail items by 30% and reduce hours by 10 per week.	Tennis	\$0	-4,116
N	LDLRPT5	14	Library Part-Time Staff Hours Reduction Eliminate use of part-time staff hours for opening duties and reduce overall hours worked	Library	\$0	-7,941
N	CRLRFI5	15	Fitness Center Reduce staffing of fitness center by 20%	City Recreation	\$0	-6,906
N	CRLRCH5	16	Racquet Club Hours Reduce Racquet Club Hours from 107 hours a week to 97 hours a week.	City Recreation	\$0	-29,088
N	CRLRGF5	17	Group Fitness Classes Reduce Group Fitness Schedule significantly	City Recreation	\$0	-5,583
Total Not Approved for 5% Plan Options:					<u>\$0</u>	<u>-\$82,989</u>
Total Not Approved Options for Library, Recreation, Golf & Ice:					<u>\$0</u>	<u>-\$72,539</u>

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Budget Option Descriptions (by Team)

Non-Departmental

<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
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Budget Option Descriptions (by Team)

Non-Departmental

Vol. I Page 190

	Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
Approved Budget Options						
Y	CARA	CM	Car Allowances Car Allowances	City Manager	\$0	-368
Y	LM	CM	General Fund Lump Merit Pool 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 reduced in order to offset the cost of creating a lump merit pool .	Lump Merit	\$0	330,000
Y	NDNDPS	CM	Park Silly Sunday Market Pursuant to Council approval of a \$90,000 long-term agreement with PSSM (\$80k in cash payments, \$10k of improvements the city will make on their behalf), the yearly amount of \$80,000 will be budgeted to the a Park Silly Sunday Market non-departmental line and \$10,000 will be budgeted to the Economy Department special events line.	PSSM LONG TERM AGREE	\$80,000	80,000
Y	NDNDPSR*	CM	Pursuant to Council approval of a \$90,000 long-term agreement with PSSM (\$80k in cash payments, \$10k of improvements the city will make on their behalf), the yearly amount of \$80,000 will be budgeted to the a Park Silly Sunday Market non-departmental line and \$10,000 will be budgeted to the Economy Department special events line.	Festival Facilitation Fee Meter Revenue	-\$80,000	-80,000
Y	TRCRC	CM	Temporary Racquet Club Relocation Costs Temporary Racquet Club Relocation Costs	RACQUET CLUB RELOCATION	\$130,000	250,000
Y	PPLN	COM	Pay Plan Adjustments Adjustments recommended by Pay Plan Committee to bring City positions to market.	Operating Departments	\$0	-16,414
Y	BADJ	TEC	Base Level Adjustment Zero-sum changes to budget lines within a department	Multiple Departments	-\$2,100	-2,100

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Budget Option Descriptions (by Team)

Non-Departmental

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
Y	CONF	TEC	Technical adjustment to show confiscations funds available for expenditure. Confiscations	Police Special Revenue Fund	\$9,455	0
Y	HAADJ	TEC	Housing Allowance Adjustment Adjust Housing Allowances to Reflect Current Usage	Multiple Departments	\$0	151
Y	NDNDEM	TEC	Emergency Management Program Replacement This option is shifting the budget for cp0218 (Emergency Management Program Replacement) from the CIP Fund into the General Fund in order to conform with State law.	Emergency Management	\$14,000	22,000
Y	RDAOP	TEC	RDA Operating Budgets The option creates a operation budget for both the Lower Park Ave. RDA & Main Street RDA and creates a building maintenance budget for affordable housing located in the Lower Park RDA. \$10,000 was transferred from the CIP which was previously used for RDA operating expenses.	LOWER MAIN RDA OPER MAIN STREET OPER RDA C Operations RDA Mitigation	\$115,225	160,000
Y	TEC1	TEC	Technical adjustment to show FY21001 URS cost URS adjustment	Operating Departments	\$0	76,132
Y	TOBC	TEC	Technical adjustment to show tobacco compliance funds available for expen Tobacco Compliance	Police Special Revenue Fund	\$23,522	0
Y	VACA	TEC	Vacancy Factor Redistribution 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.	Building Dept. City Manager City Recreation Communication Center Finance Human Resources Ice Facility Info Tech & Cust Serv Library Planning Dept. Police Street Maintenance Tennis	\$1,084,473	0
Total Approved for Budget Options:					\$1,374,575	\$819,401

5% Plan Options

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Budget Option Descriptions (by Team)

Non-Departmental

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
Y	SSC5	CM	Reduction in unused 2011 SSC Reduction in Unused FY2011 Special Service Contract Budget	Spec. Srv. Cntrt. Unspecified	\$0	-25,000
Y	TEC2	TEC	Heath Care Premium Heath Care Premium - Medical Cost	Operating Departments	\$0	0
Total Approved for 5% Plan Options:					<u>\$0</u>	<u>-\$25,000</u>
Total Approved Options for Non-Departmental:					<u><u>\$1,374,575</u></u>	<u><u>\$794,401</u></u>

Not Approved Budget Options

N	TEC3	TEC	City Council and Mayor Compensation This is an adjustment which sets the Mayor and City Council compensation at market level.	City Council	\$0	-1,590
Total Not Approved for Budget Options:					<u>\$0</u>	<u>-\$1,590</u>
Total Not Approved Options for Non-Departmental:					<u><u>\$0</u></u>	<u><u>-\$1,590</u></u>

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Budget Option Descriptions (by Team)

Public Safety

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
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Budget Option Descriptions (by Team)

Public Safety

Vol. I Page 194

	Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
Approved Budget Options						
Y	PDPSPDC	1	Dry Cleaning This option would restore a cut to the dry cleaning budget from FY 2009	Police	\$0	7,000
Y	CCPSRE	CM	911 Grant Reimbursement 911 Grant Reimbursement	Communication Center	\$9,982	0
Y	CCPSRER*	CM	911 Grant Reimbursement (offset) 911 Grant Reimbursement (offset)	State Contribution	-\$9,982	0
Y	PDPSPBV	CM	Bulletproof Vest Grant Reimbursement Bulletproof vest grant reimbursement	Police	\$2,543	0
Y	PDPSPBVR*	CM	Bulletproof Vest Grant Reimbursement (offset) Bulletproof vest grant reimbursement (offset)	State Contribution	-\$2,543	0
Y	PDPSEM	CM	Emergency Management Contract Emergency Management Salary Contract	Police	\$0	100,000
Y	PDPSPSHS	CM	Homeland Security Grant Reimbursement Homeland Security Grant Reimbursement	Communication Center Police	\$36,678	0
Y	PDPSPSHSR*	CM	Homeland Security Grant Reimbursement (offset) Homeland Security Grant Reimbursement (offset)	State Contribution	-\$36,678	0
Y	PDPSPSRE	CM	DUI Reimbursement DUI Reimbursement	Police	\$2,911	0
Y	PDPSPSRER*	CM	DUI Reimbursement (offset) DUI Reimbursement (offset)	State Contribution	-\$2,911	0
Y	DEPSDE	TEC	Drug Education Officer Fix This adjustment will distribute the proper FTE percentage to the Drug Education Fund	Drug Education State Liquor Enforcement	\$325	0
Y	HAADJ	TEC	Housing Allowance Adjustment	Multiple Departments	\$0	1,313

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Budget Option Descriptions (by Team)

Public Safety

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
			Adjust Housing Allowances to Reflect Current Usage			
Y	PDPSSSE	TEC	Special Events Revenue This is a one time adjustment for Special Events Revenue	Police	\$33,480	0
Y	PDPSSER*	TEC	Special Events Revenue OFFSET (PDPSSSE) This is a one time adjustment for Special Events Revenue OFFSET	Special Events Police	\$-33,480	0
Y	VACA	TEC	Vacancy Factor Redistribution 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.	Building Dept. City Manager City Recreation Communication Center Finance Human Resources Ice Facility Info Tech & Cust Serv Library Planning Dept. Police Street Maintenance Tennis	\$-250,100	0
Total Approved for Budget Options:					\$-249,775	\$108,313

5% Plan Options

Y	PDPSP05	1	Postage Postage - Low	Police	\$0	-500
Y	PDPSP5	2	Film/photo Process Film/photo Process - Low	Police	\$0	-400
Y	PDPSP0E5	3	Office Equipment Office Equipment - Low	Police	\$0	-500
Y	PDPSPVR5	4	Vehicle Repair/Maintenance Vehicle Repair/Maintenance - Low	Police	\$0	-1,500
Y	PDPSPMA5	5	Memberships admin Memberships admin -Low	Police	\$0	-1,000

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Budget Option Descriptions (by Team)

Public Safety

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
Y	PDP SCT5	6	Meetings/Conf Travel Meetings/Conf Travel - Low	Police	\$0	-3,000
Y	PDP SGU5	8	Gasoline, Unleaded Gasoline, Unleaded - Low	Police	\$0	-100
Y	PDP SOS5	9	Office Supplies Office Supplies - Low	Police	\$0	-2,000
Y	PDP SEQ5	10	Office Equip. Office Equip. - Low	Police	\$0	-500
Y	PDP SPA5	11	Printing admin Printing admin - Low	Police	\$0	-1,000
Y	PDP SCA5	12	Photo copy admin Photo copy admin - Low	Police	\$0	-3,000
Y	CCP SCD5	13	Cellular Dispatch Cellular Dispatch - Low	Communication Center	\$0	-500
Y	PDP SDS5	14	Dept. supplies dispatch Dept. supplies dispatch - Low	Police	\$0	-2,000
Y	CCP SPD5	15	Printing Dispatch Printing Dispatch - Low	Communication Center	\$0	-500
Y	CCP SPC5	16	Photo copy dispatch Photo copy dispatch -Low	Communication Center	\$0	-500
Y	CCP SUD5	17	Uniforms dispatch Uniforms dispatch -Low	Communication Center	\$0	-2,000
Y	CCP SMD5	19	Memberships dispatch Memberships dispatch - Low	Communication Center	\$0	-500
Y	CCP SCE5	27	Comm. Equip. dispatch Comm. Equip. dispatch - Moderate	Communication Center	\$0	-4,000

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Budget Option Descriptions (by Team)

Public Safety

	Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
Y	CCPSED5	20	Office equip. dispatch Office equip. dispatch -Low	Communication Center	\$0	-500
Y	PDPSEP5	26	Comm. Equip. patrol Comm. Equip. patrol - Moderate	Police	\$0	-3,000
Y	PDPSIN5	25	Investigations Investigations - Moderate	Police	\$0	-2,000
Y	PDPSLD5	22	Telephone long dist Telephone long dist - Moderate	Police	\$0	-500
Y	PDPSOR5	32	Overtime Reduction \$20,000 Overtime Reduction; Severe Service Level Impact	Police	\$0	-18,600
Y	PDPSRT5	23	Recruitment & training Recruitment & training - Moderate	Police	\$0	-2,000
Y	PDPSSE5	24	Special events Special events - Moderate	Police	\$0	-2,000
Y	PDPSTA5	21	Telephone admin Telephone admin - Moderate	Police	\$0	-5,000
Total Approved for 5% Plan Options:					<u>\$0</u>	<u>\$-57,100</u>
Total Approved Options for Public Safety:					<u><u>\$-249,775</u></u>	<u><u>\$51,213</u></u>

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Budget Option Descriptions (by Team)

Public Safety

Vol. I Page 198

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
<u>Not Approved</u>						
5% Plan Options						
	N	PDPSVW5	7	Vehicle Car Wash Vehicle Car Wash - Low	Police	\$0 -1,500
	N	CCPSDC5	18	Dry cleaning dispatch Dry cleaning dispatch - Low	Communication Center	\$0 -500
	N	CCPSTD5	28	Training dispatch Training dispatch	Communication Center	\$0 -2,000
	N	PDPSEA5	31	Reduction in Equipment Administration Equipment admin - Severe Service Level Impact	Police	\$0 -10,000
	N	PDPSFT5	34	FTE Police Officer \$48,500; Severe Service Level Impact	Police	\$0 -74,482
	N	PDPSOR52	32	Overtime Reduction \$50,000 Overtime Reduction; Severe Service Level Impact	Police	\$0 -28,846
	N	PDPSPT5	33	PT Non-benefited \$20,000; Severe Service Level Impact	Police	\$0 -18,600
	N	PDPSTR5	30	Reduction in Training Administration Training admin - Severe Service Level Impact	Police	\$0 -4,000
	N	PDPSUC5	29	Uniforms & clothing Uniforms & clothing - Moderate	Police	\$0 -10,000
Total Not Approved for 5% Plan Options:					\$0	-\$149,927
Total Not Approved Options for Public Safety:					\$0	-\$149,927

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Budget Option Descriptions (by Team)

Public Works

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
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Budget Option Descriptions (by Team)

Public Works

Vol. I Page 200

	Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
Approved Budget Options						
Y	PAPWRO	1	Public Works Admin. (PW) Reorganization This is the Public Works Administration portion of the Public Works reorganization	Public Works Admin. Street Maintenance	\$0	-149,251
Y	SMPWRO	1	Streets Maintenance (PW) Reorganization This is the Streets Maintenance portion of the Public Works reorganization	Street Maintenance	\$0	9,340
Y	TDPWRO	1	Transit Department (PW) Reorganization This is the Transit Department portion of the Public Works reorganization	Planning Dept. Transportation Oper	\$0	40,291
Y	WDPWRO	1	Water Department (PW) Reorganization This is the Water Department portion of the PW Reorganization	Water Operations	\$0	22,673
Y	PCPWBT	2	Backflow Testing The State requires annual testing of all irrigation backflow preventers. Testing will be contracted out to a third party tester. This option supports Council's top priority goal of "Water Quality".	Parks & Cemetery	\$0	6,000
Y	TDT DPR	2	Park and Ride Transit Transit service to Park and Ride	Transportation Oper	\$0	77,910
Y	TDTDF	3	Credit Card Fees Increase in Credit Card Transaction Fees associated with new meter technology	Transportation Oper	\$9,000	18,000
Y	PAPWCT	CM	Public Works Administration Closing Transfer This technical adjustment transfers the remaining budget in the Public Works Administration department into the Streets Department	Public Works Admin. Street Maintenance	\$0	0
Y	PCPWQS	CM	Quinn's Soccer Field Snow Removal Quinn's Soccer Field Snow Removal	Fields	\$0	12,000

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Budget Option Descriptions (by Team)

Public Works

	Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
Y	BADJ	TEC	Base Level Adjustment Zero-sum changes to budget lines within a department	Multiple Departments	\$0	0
Y	FLET	TEC	Fleet Fund Adjustments Technical adjustments to Fund 62 to bring the internal service fund in line with actuals.	Fleet Services Dept	\$-350,615	0
Y	HAADJ	TEC	Housing Allowance Adjustment Adjust Housing Allowances to Reflect Current Usage	Multiple Departments	\$0	-4,596
Y	SDPWRF	TEC	URS - Streets Dept. Technical Adjustment This is a technical option which provides the appropriate budget to cover a retirement contribution adjustment to the URS in the Streets Department	Street Maintenance	\$2,492	0
Y	VACA	TEC	Vacancy Factor Redistribution 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.	Building Dept. City Manager City Recreation Communication Center Finance Human Resources Ice Facility Info Tech & Cust Serv Library Planning Dept. Police Street Maintenance Tennis	\$-77,300	0
Total Approved for Budget Options:					\$-416,423	\$32,367
5% Plan Options						
Y	FSFSOG5	1	Reduction in Oil and Greases Reduction in oil and grease expenditures - This option will have a moderate impact on maintenance levels. One Time Reduction	Fleet Services Dept	\$0	-17,725
Y	SLPWSL5	1	Street lights & Sign budget additional 5% reduction	Street Lights Sign	\$0	-9,200

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Budget Option Descriptions (by Team)

Public Works

Vol. I Page 202

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request	
		Reduction in sign and light replacement. Replacement of regulatory signs only if required. All other signage will be reused after depleting existing inventory. Utilize existing inventory of street lighting parts. Delay replacement of complete fixtures.				
Y	TDTDRR5	1	Reduce Recruiting Expenses	Transportation Oper	\$0	-10,000
		Reduce Recruiting Expenses -This should have moderate impact on recruiting as level of recruiting effort required in an employer's market is reduced. One Time Option				
Y	FSFSDF5	2	Reduction in Diesel Fuel	Fleet Services Dept	\$0	-50,000
		Reduction in Diesel Fuel budget to reflect current pricing. This option does not reflect reduction in fuel consumption and some risk of price increase for this commodity exists. This option will have only a moderate impact on fleet operations if fuel costs remain stable or decline. If fuel costs increase impact could be significant to severe. One-time reduction				
Y	SAPWSA5	2	Swede Alley budget additional -5% reduction	Swede Alley Parking Struct.	\$0	-4,025
		Reduction in contract services and equipment. Reduce parking garbage cleanings. Some impacts will be offset by staff and are expected to be moderate.				
Y	TDTDBR5	2	Delay Building Repairs	Transportation Oper	\$0	-10,000
		Delay Building Repairs -This should have only moderate effect on maintenance provided option is one time only. One Time Option				
Y	FDPWQF5	3	Quinn's -Fields -5%	Fields	\$0	-10,000
		This option will impact our ability to replace dead shrubs and trees. This reduction will impact maintenance of the facility such as field lighting, fence repairs, pressure washing, etc. Impacts will not affect playability of the fields.				
Y	FSFSDS5	3	Departmental Supplies	Fleet Services Dept	\$0	-40,000
		Reduction in Departmental Supplies - This option will have a moderate to high impact on maintenance levels provided option is one time only. One Time Reduction				

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Budget Option Descriptions (by Team)

Public Works

	Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
Y	TDTDSR5	3	Reduce Sign Replacement Reduce Sign Replacement - This should have only moderate effect on maintenance provided option is one time only . One Time Option	Transportation Oper	\$0	-5,000
Y	WBWDWB5	3	Water Billing 5% reduction Reduction in printing, departmental supplies and postage	Water Billing	\$0	-6,490
Y	PCPWPC5	4	Parks & Cemetery -5% This option will moderately impact city beatification program. Areas impacted: eliminate the planter at the bottom of light poles, eliminate the annual planting in front of Miners hospital, drastically reduce holiday lighting, and postpone the replacement of all small equipment.	Parks & Cemetery	\$0	-36,113
Y	TDTDUR5	4	Delay Uniform Replacement Delay Uniform Replacement - This should have only moderate effect on driver appearance provided option is one time only . One Time Option	Transportation Oper	\$0	-10,000
Y	SMPWSM5	5	Streets Maint budget additional 5% reduction Additional reductions in contract services including concrete curb, gutter, guardrail, storm drain and sidewalk replacement. Staff uniforms, training, consulting will be reduced. Impacts in snow removal will be evident and are expected.	Street Maintenance	\$0	-46,967
Y	BMPWBM5	6	Building Maintenance -5% This option will cut cleaning supplies, equipment repairs & maintenance. Eliminate window cleaning, reduce carpet cleaning and reduce restroom room cleaning during special events. This option will have a moderate impact in our ability to provide quality service.	Bldg Maint Adm	\$0	-54,950
Y	PAPWPA5	7	Public Works Admin. 5% budget reduction This option will impact our ability to purchase much needed supplies, impact staff training and daily operations.	Public Works Admin.	\$0	-20,271
Total Approved for 5% Plan Options:					\$0	\$-330,741
Total Approved Options for Public Works:					\$-416,423	\$-298,374

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Budget Option Descriptions (by Team)

Public Works

Vol. I Page 204

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request	
<u>Not Approved</u>						
Budget Options						
N	WDPWRON	CM	Water Department (PW) Reorganization	Water Operations	\$0	12,189
			This is the Water Department (Water Project Manager) portion of the PW Reorganization			
				Total Not Approved for Budget Options:	\$0	\$12,189
5% Plan Options						
N	WOWDQP5	1	Quinn's Water Treatment Plant	Water Operations	\$0	-218,000
			WTP is behind schedule, so options put into budget in anticipation of the WTP operating are deferred. Budget will be put back in FY12 budget. There will be no service level impact in FY11. If the one time reduction is not approved to be added back in Fy12 Budget, there would be no budget for the operation of the new WTP. Therefore, this is a one-time reduction.			
N	WOWDCH5	2	Chemicals	Water Operations	\$0	-10,000
			Reduction to match actual spending until WTP is online. Chemical usage is dependent on water consumption. The more water consumed, the more chemicals needed for the treatment and chlorination of the water delivered. Current trends indicate that there would be little impact with the proposed cut. However, if the dry weather trend continues, water consumption could increase which could impact the need for the chemical budget. This is a one-time reduction			
N	TDTDDC5	5	Delay Capital Expenditures	Transportation Oper	\$0	-75,000
			Delay vehicle and equipment replacement - This option will have moderate to high impact on capital replacement as any forgone budget will need to be made up in future years. One Time Reduction			
N	TDTDTS5	6	Traffic Study Reduction	Transportation Oper	\$0	-50,000
			Traffic and Transit Studies would be eliminated or funded from other sources as needed - This option will have a significant to severe impact on transit and traffic planning efforts. One Time Reduction			

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Budget Option Descriptions (by Team)

Public Works

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
N	TDTDHR5	7	<p>Service Hours Reduction</p> <p>Labor Hours Reduction. If City Manager should choose to approve this option Staff will develop and present service reduction options to meet this target. Options would include reduction in operating hours, routes, maintenance and events. This option will have a significant impact on transit service levels. One Time Option</p>	Transportation Oper	\$0	-200,618
Total Not Approved for 5% Plan Options:					<u>\$0</u>	<u>\$-553,618</u>
Total Not Approved Options for Public Works:					<u>\$0</u>	<u>\$-541,428</u>

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Budget Option Descriptions (by Team)

Sustainability

Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
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Budget Option Descriptions (by Team)

Sustainability

	Option Code	Priority*	Option Description	Department	2010 Request	2011 Request
Approved Budget Options						
Y	IMSULK	1	Contract Sidewalk Snow Removal Remove snow on Little Kate Sidewalk - this \$ should go to Parks Contract Svcs budget - 011-40412-04520-000-000	Parks & Cemetery	\$0	12,000
Y	IMSUCE	CM	Event Project Manager This option provides the required funds to hire a contract employee to manage event related projects.	Economy	\$0	3,021
Y	IMSUPS	CM	Park Silly Sunday Market Facility Improvements Pursuant to Council approval of a \$90,000 long-term agreement with PSSM (\$80k in cash payments, \$10k of improvements the city will make on their behalf), the yearly amount of \$80,000 will be budgeted to the a Park Silly Sunday Market non-departmental line and \$10,000 will be budgeted to the Economy Department special events line.	Economy	\$10,000	10,000
Y	IMSUBF	TEC	Negative Budget Technical Adjustment Technical adjustment to correct negative budget	Economy	\$0	150
Y	LDSUBR	TEC	Leadership Budget Technical Adjustment This is a technical adjustment to create an organized leadership budget as requested by Myles Rademan	Spec. Svc. Cntrt. Ldrshp 2000	\$0	-3,617
Total Approved for Budget Options:					\$10,000	\$21,554
5% Plan Options						
Y	IMSUA5	1	Office Administration Reduced resources for office equipment, computer equipment and repairs. Low Impact	Economy	\$0	-700
Y	VISUA5	1	Office Administration Reduced resources for office equipment, computer equipment and repairs. Low Impact	Community & Environment	\$0	-700
Y	VISUAH5	3	Affordable Housing Reduced resources for affordable housing policy , planning and development services. Low Impact	Community & Environment	\$0	-5,250

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Budget Option Descriptions (by Team)

Sustainability

Vol. I Page 208

	<u>Option Code</u>	<u>Priority*</u>	<u>Option Description</u>	<u>Department</u>	<u>2010 Request</u>	<u>2011 Request</u>
Y	VISUES5	4	Environmental Sustainability Reduced resources for environmental policy and planning consulting services may impact ability to implement proposed 2011 projects. Moderate Impact	Community & Environment	\$0	-5,250
Y	VISUPP5	5	Public Process Reduced scope of citizen outreach including design and mailing of print materials, design and conducting community satisfaction surveys, and hosting community meetings. Related expenses include reduction in budget for books and subscriptions for current issues and best practices, and reduced printing and postage costs. Moderate service level impact.	Community & Environment	\$0	-11,956
Y	IMSUCS5	6	Contract Services Reduced services for implementation of Economic Development Strategic Plan & Redevelopment efforts. Moderate Impact	Economy	\$0	-11,082
Total Approved for 5% Plan Options:					<u>\$0</u>	<u>\$-34,938</u>
Total Approved Options for Sustainability:					<u>\$10,000</u>	<u>\$-13,384</u>
<u>Not Approved</u>						
5% Plan Options						
N	LSSULS5	2	Leadership Reduction in budget for seminar expenses. Low impact (based upon FY 09 actuals)	Spec. Srv. Cntrt. Ldrshp 2000	\$0	-5,781
Total Not Approved for 5% Plan Options:					<u>\$0</u>	<u>\$-5,781</u>
Total Not Approved Options for Sustainability:					<u>\$0</u>	<u>\$-5,781</u>

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