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# City Manager's

## FY23 Recommended Budget

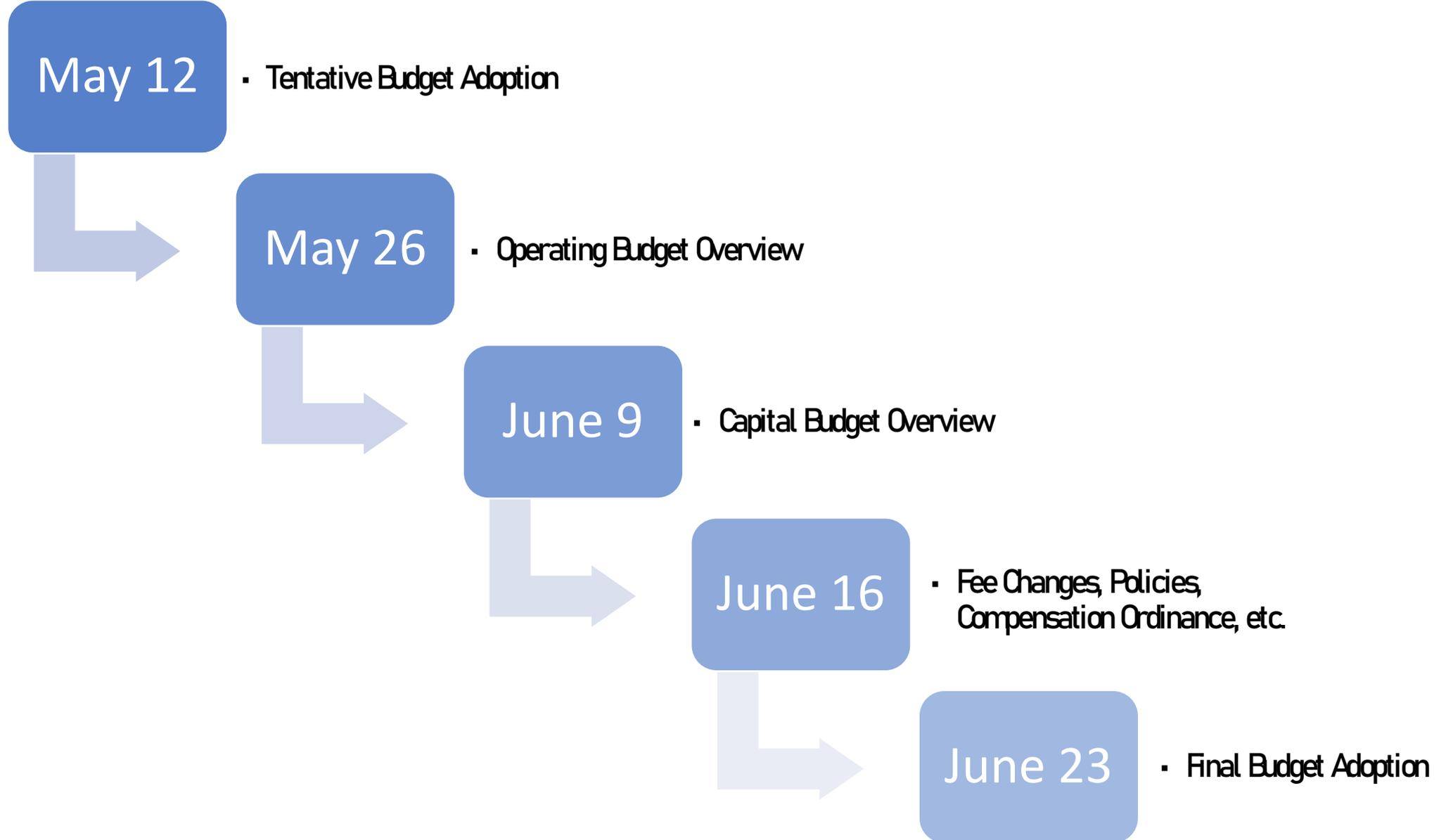
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# Timeline



# Budget Timeline



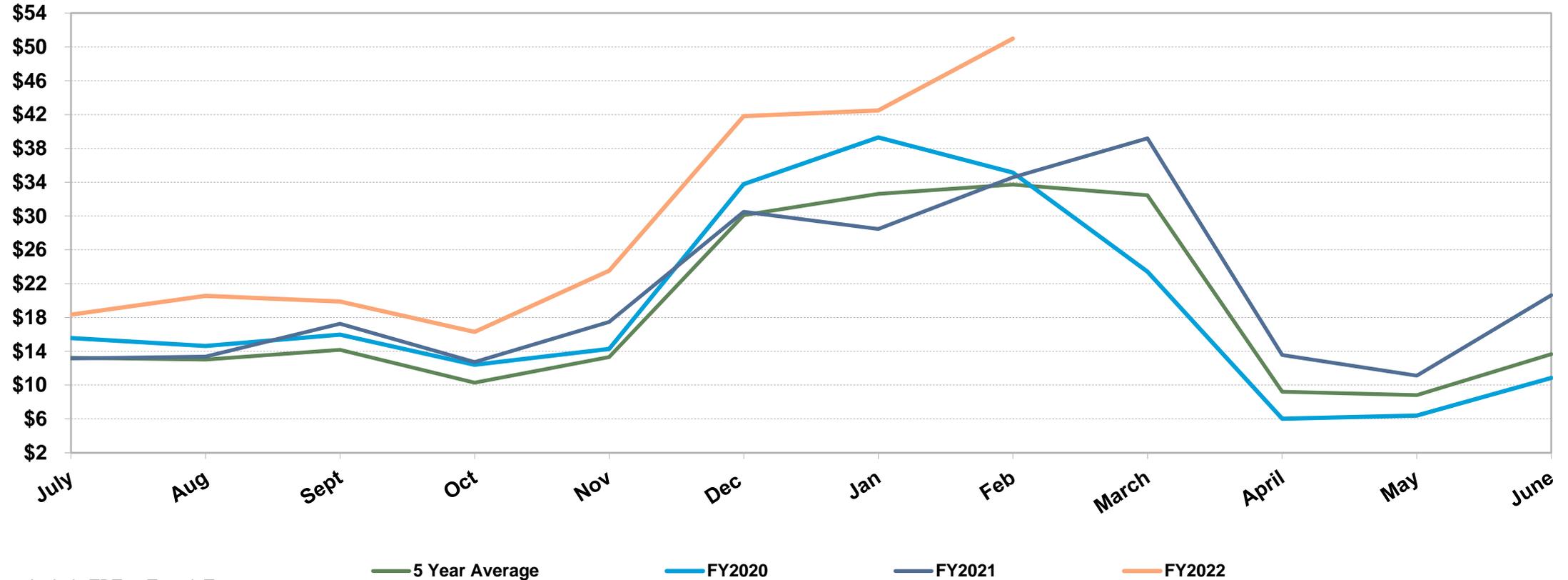


# Summary



# Sales Tax Revenues through February

x 100000



\*Does not Include TRT or Transit Tax

- February 2022 highest sales tax month ever recorded in PCMC history, previous monthly high was January 2022
- February FY22 up 47% vs. February FY21
- TRT February FY22 up 62% vs. February FY21

Source: Park City Municipal Corporation. As of April 29, 2022.

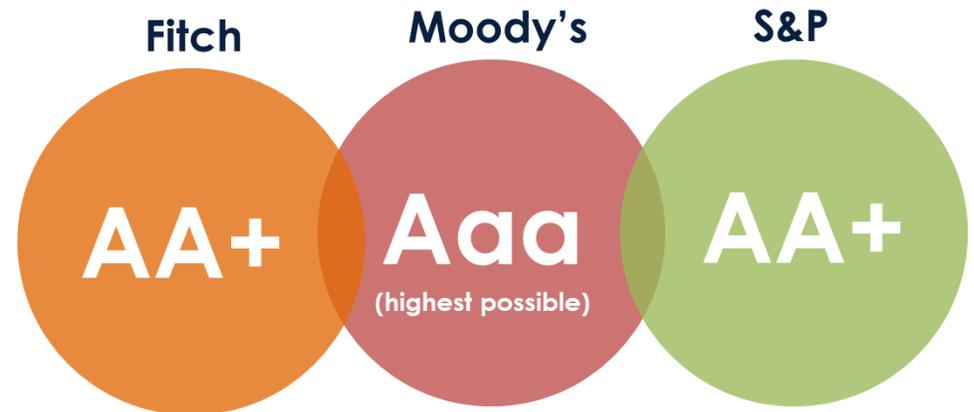
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# Financial Assessment

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*The 'AA+' IDR and GO bond ratings reflect the city's highest level of gap-closing capacity. This results from the city's high level of revenue control, solid expenditure flexibility and robust reserves, and a low long-term liability burden. The ratings also reflect the city's strong financial management practices and planning, which help mitigate concerns about a concentrated economy supported by the volatile tourism sector. ~Fitch*

- High-level of revenue control
- Solid expenditure flexibility
- Robust reserves
- Low long-term liability burden
- Strong financial management practices



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# Key Budget Themes

**\$3.5M – General Fund**

## 1. Organizational Infrastructure \$725k

Enhancements to data analytics, financial systems, business intelligence, etc.

## 3. Neighborhood Reinvestment \$797k

Increased neighborhood patrols, code enforcement, safety, and planning efforts

## 5. Core & Essential Services \$1M

Service increases related to critical priorities and existing service demands



## 2. Resort Economy Mitigation \$855k

More resources dedicated to traffic and resort impacts

## 4. Workforce Support \$268k

Resources to enhance recruitment, retention, and quality benefits

# General Fund Transfer - Summary

Revenue

**+\$5.0M**

**+\$4.89M**

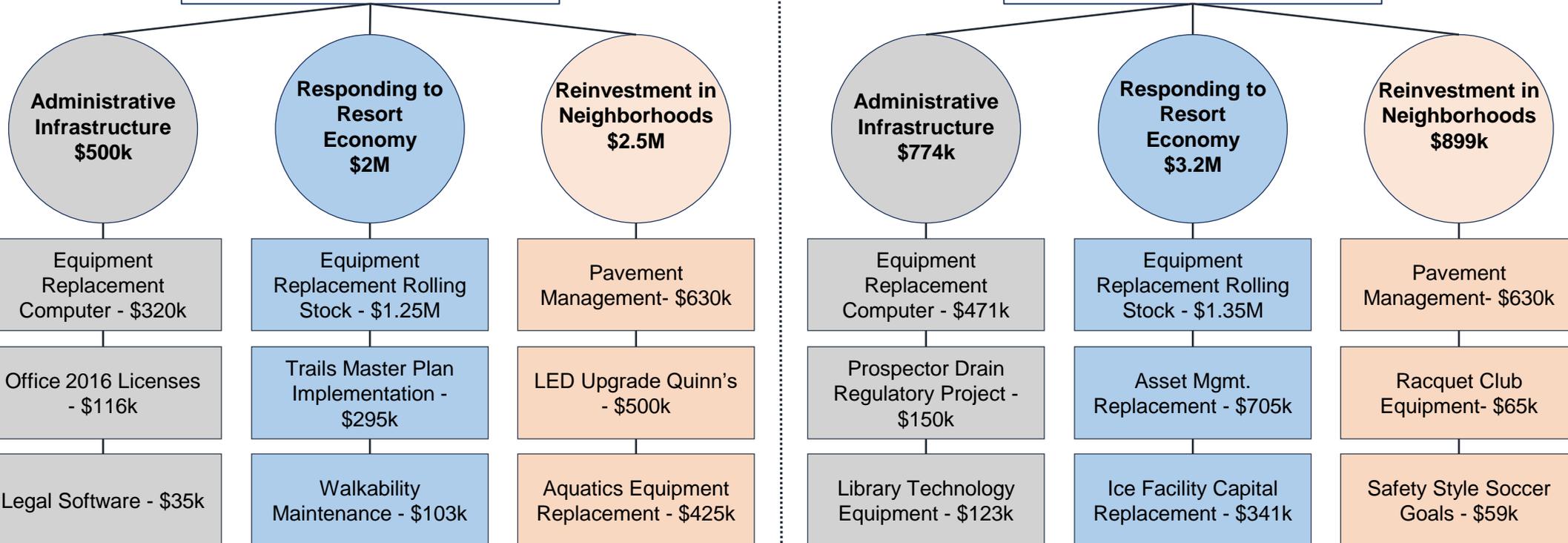
**FY22 Adjusted Budget**

**FY23 Proposed Budget**

Expense

**-\$5.0M**

**-\$4.89M**



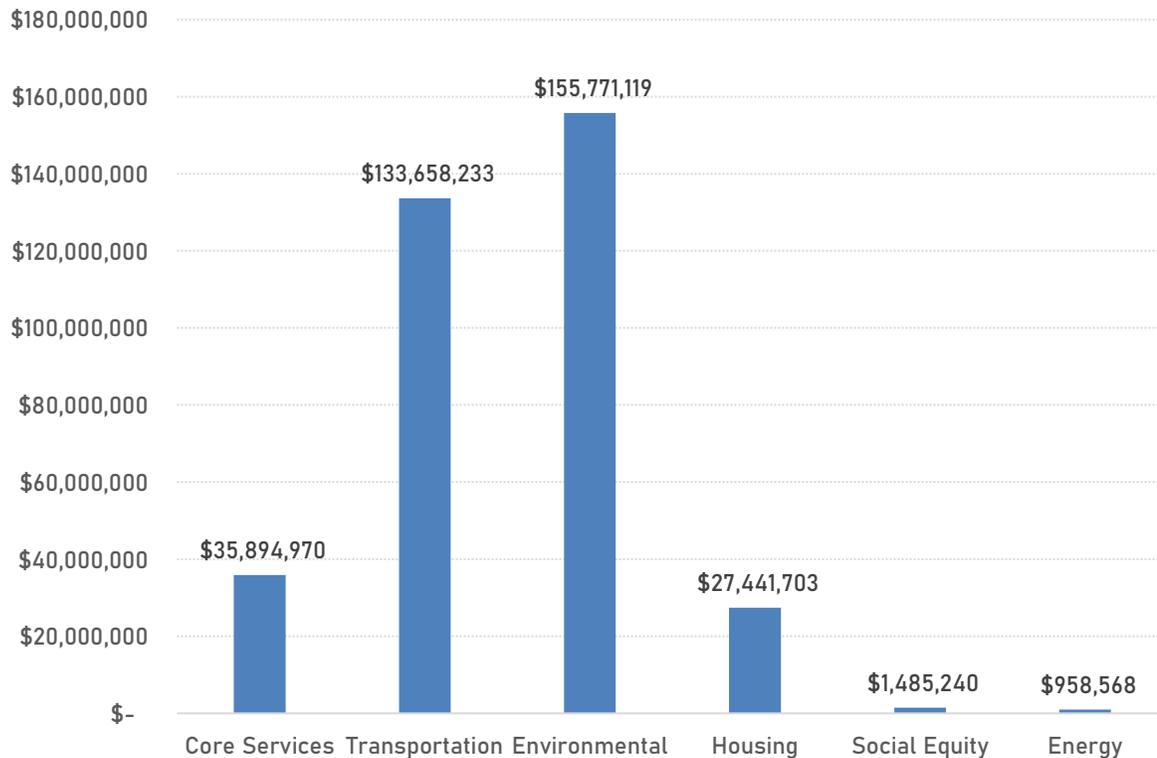
Top 3 Largest \$ Projects by Category

# City-Wide Capital Projects by Critical Priority

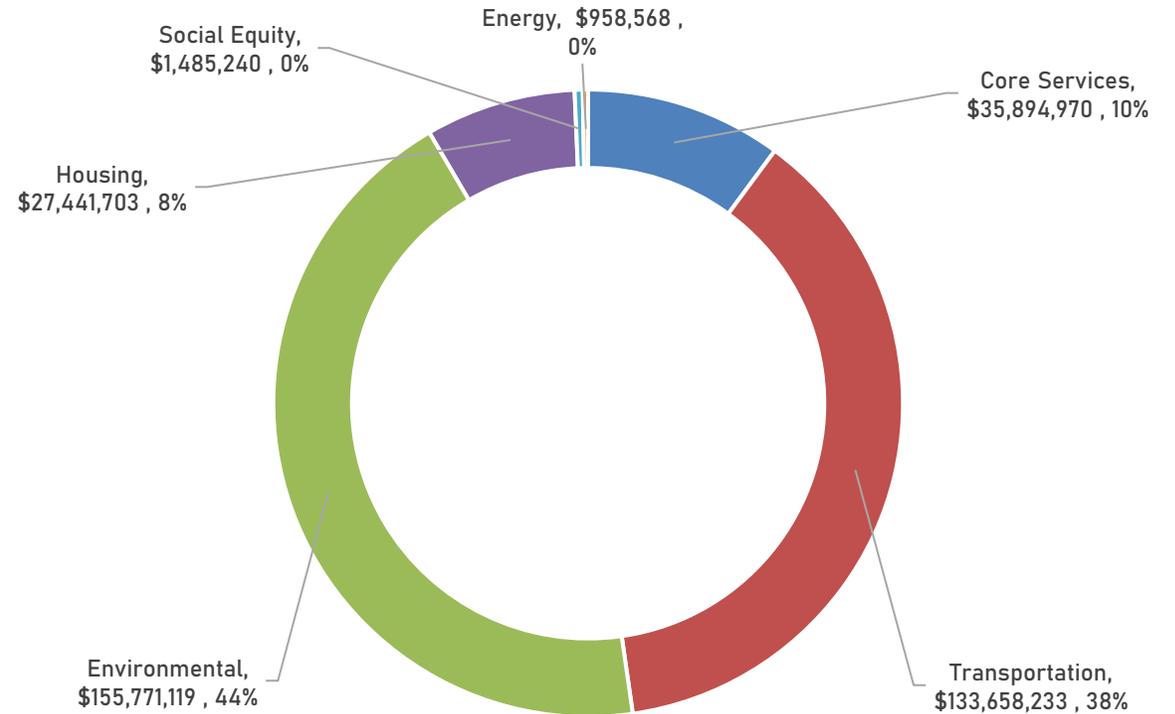
City-wide Capital Projects Budgets by Critical Priority

Critical Priority	Carry Forward	FY22	FY23	FY24	FY25	FY26	FY27	5Y Total Plan
Core Services	\$ 16,702,555	\$ 1,528,101	\$ 5,364,819	\$ 3,692,608	\$ 5,960,029	\$ 1,622,867	\$ 1,023,991	\$ 35,894,970
Transportation	\$ 17,862,875	\$ 34,090,114	\$ 26,229,744	\$ 16,026,238	\$ 17,419,262	\$ 18,790,000	\$ 3,240,000	\$133,658,233
Environmental	\$ 65,633,527	\$ 32,384,054	\$ 33,340,442	\$ 8,114,613	\$ 5,404,174	\$ 4,996,323	\$ 5,897,986	\$155,771,119
Housing	\$ 13,985,829	\$ 9,455,874	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ 27,441,703
Social Equity	\$ 1,383,722	\$ 61,518	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 1,485,240
Energy	\$ 958,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 958,568
<b>Total</b>	<b>\$ 116,527,076</b>	<b>\$ 77,519,661</b>	<b>\$ 68,975,005</b>	<b>\$ 27,833,459</b>	<b>\$ 28,783,465</b>	<b>\$ 25,409,190</b>	<b>\$ 10,161,977</b>	<b>\$355,209,832</b>

City-wide 5Y Capital Projects by Critical Priority



City-wide 5Y Capital Projects by Critical Priority



Source: Park City Municipal Corporation, as of May 2022.

# Top \$ Value - Key 5Y Infrastructure Projects

## Top Capital Fund Projects

Affordable Housing Program - \$12M	Existing
Pavement Management Implementation - \$7M	Existing
Park Avenue Reconstruction - \$5.1M	Existing
Woodside Phase II - \$5M	Existing
Asset Management Replacement Program - \$4.7M	Existing

## Top Transportation Fund Projects

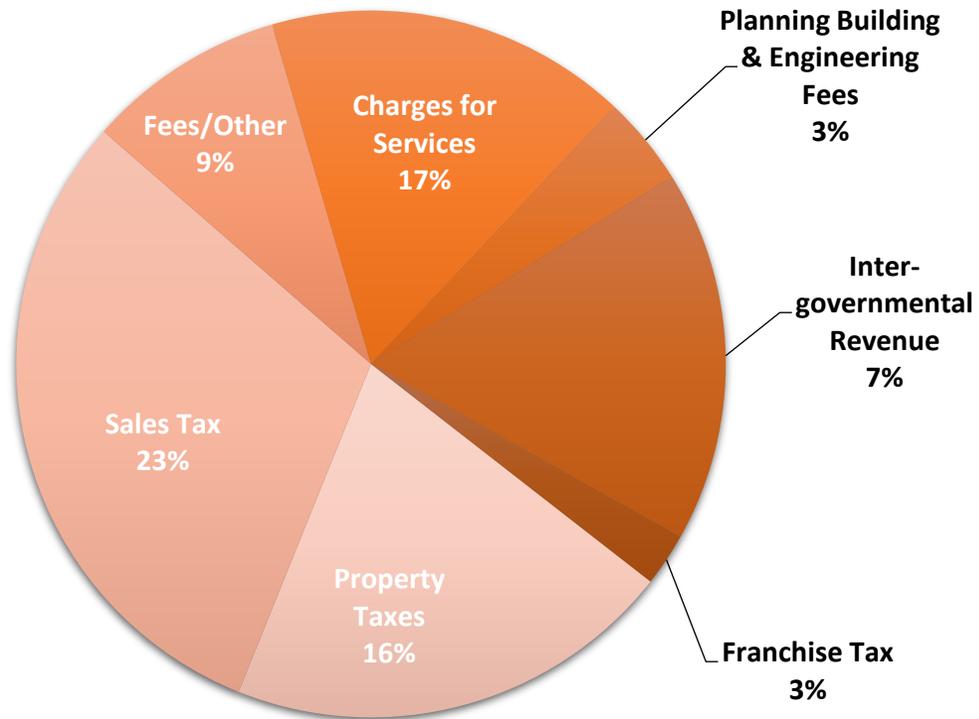
Transit Rolling Stock Replacement - \$16.8M	Existing
Snow Creek Crossing 248 Tunnel – (\$9.7M, Transportation Fund, \$4.6M Walkability Bond Proceeds, \$14M Total)	New
248 Corridor & Safety Improvement – \$5.3M	Existing
SR248/US40 Park & Ride – \$5.3M	Existing
Long Range Transportation Capital Plan – \$3.8M	New

## Top Water Fund Projects

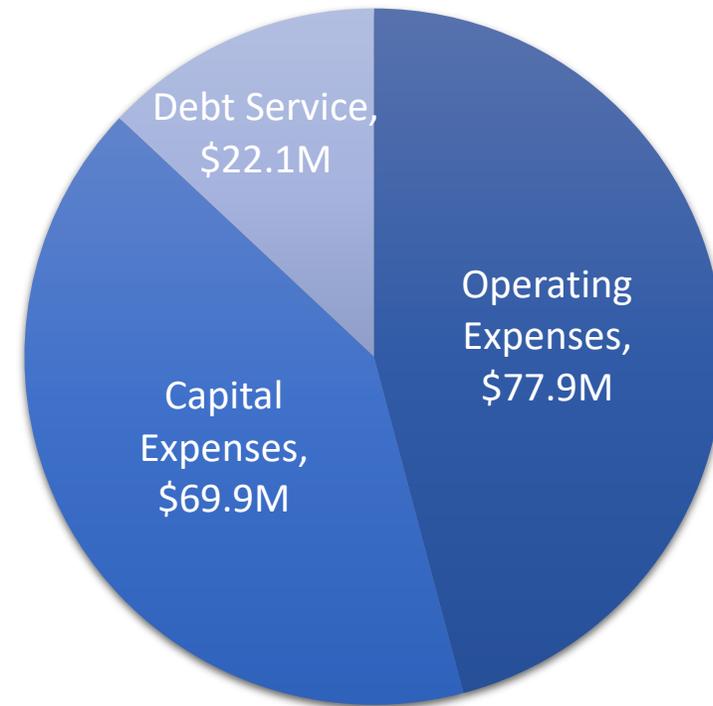
Three Kings Water Treatment - \$87M	Existing
Water Department Infrastructure Improvement - \$14.7M	Existing
Rockport Water Pipeline & Storage - \$10.6M	Existing
Tunnel Maintenance - \$7M	Existing
West Neck Tank - \$3.9M	Existing

# Park City FY23 Budget

## FY23 Projected Revenue



## FY23 Budgeted Expenses



# Budgeting for Outcomes



# Budgeting for Outcomes



Strategic Outcomes  
Continually Updated

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# Budgeting for Outcomes

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- Create direct link between what Council wants and how the budget is allocated
- Council and the public can see how taxpayer dollars are achieving their goals
- Prioritize budget based off of better cost estimates for projects, programs, and services
- Staff time and energy optimized by directing them toward the most important strategic outcomes
- Better clarity and more well-fined outcomes
- Increase Council satisfaction with budget process

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# BFO Strategies

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- Priority-driven budget process based upon Council's priorities, goals, objectives, and desired outcomes
- Internal budget committees develop the final budget proposal. Committees are made up of cross-departmental staff, including the Results Team, CIP, Pay Plan, Benefit, and Fleet committees, and other ad hoc committees as needed
- The Results Team formulates recommendations based on total BFO score, manager's request, established need, available resources, and related performance measures

# Council/Staff Roles

## Council

Define  
Pillars/Priorities

Focus on  
Policy/Outcomes

## Managers

Anticipate  
Department  
Needs/Costs

Design Budget  
Requests based on  
Council Goals

## Executive/Budget

Evaluate Priorities  
from an  
Organization-wide  
Perspective

Recommend Budget  
to Council based on  
Council  
Pillars/Priorities

# BFO

## Criteria & Weighting

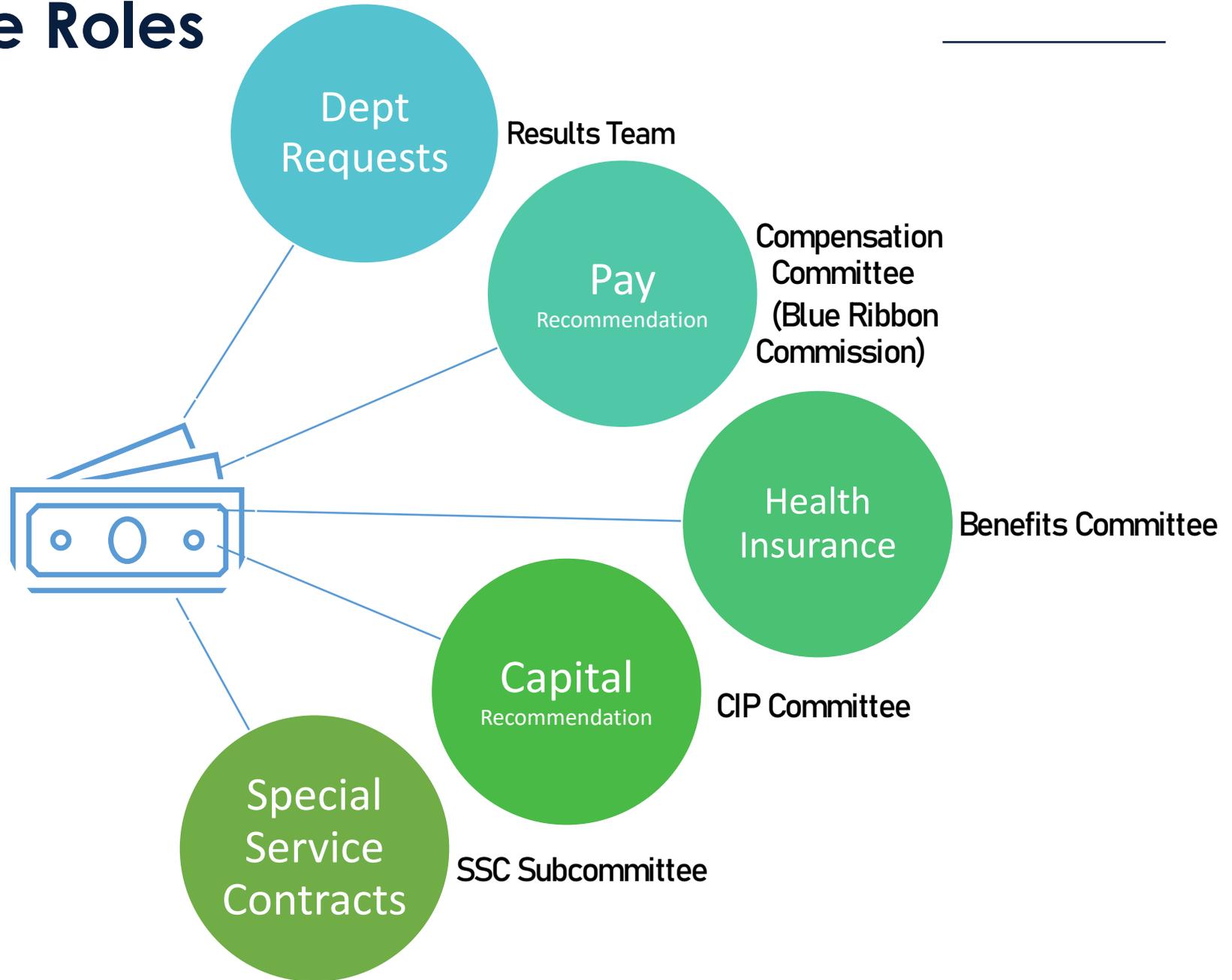
Council Priorities/Pillars/Core Services	2.00
Portion of Community Served by Program	1.00
Reliance on City to Provide Program	1.00
Change in Demand for the Program	1.00
Mandated to Provide Program	1.00
Effectiveness of Proposal	0.75
Cost Recovery of Program	0.50
Cost Savings/Innovation /Collaboration	0.25

# BFO Scoring

Prioritization	Weights FY 2015	Score Entry FY 2015	Score FY 2015	Weights FY 2016	Score Entry FY 2016	Score FY 2016
<b>Program : Street &amp; Sidewalk Maintenance (8)</b>						
Desired Outcomes	2.00	4	8.00	2.00	4	8.00
Cost Savings	0.75	1	0.75	0.75	1	0.75
Effectiveness	0.25	4	1.00	0.25	4	1.00
Cost Recovery	0.50	0		0.50	0	
Community Served	1.00	4	4.00	1.00	4	4.00
Reliance on City	1.00	4	4.00	1.00	4	4.00
Change in Demand	1.00	1	1.00	1.00	1	1.00
Mandated	1.00	3	3.00	1.00	3	3.00
<b>Total Street &amp; Sidewalk Maintenance</b>	<b>7.50</b>	<b>21</b>	<b>22</b>	<b>7.50</b>	<b>21</b>	<b>22</b>
<b>Program : Clean-up and Storm Drain (8)</b>						
Desired Outcomes	2.00	3	6.00	2.00	3	6.00
Cost Savings	0.75	1	0.75	0.75	1	0.75
Effectiveness	0.25	3	0.75	0.25	3	0.75
Cost Recovery	0.50	0		0.50	0	
Community Served	1.00	4	4.00	1.00	4	4.00
Reliance on City	1.00	4	4.00	1.00	4	4.00
Change in Demand	1.00	2	2.00	1.00	2	2.00
Mandated	1.00	2	2.00	1.00	2	2.00
<b>Total Clean-up and Storm Drain</b>	<b>7.50</b>	<b>19</b>	<b>20</b>	<b>7.50</b>	<b>19</b>	<b>20</b>

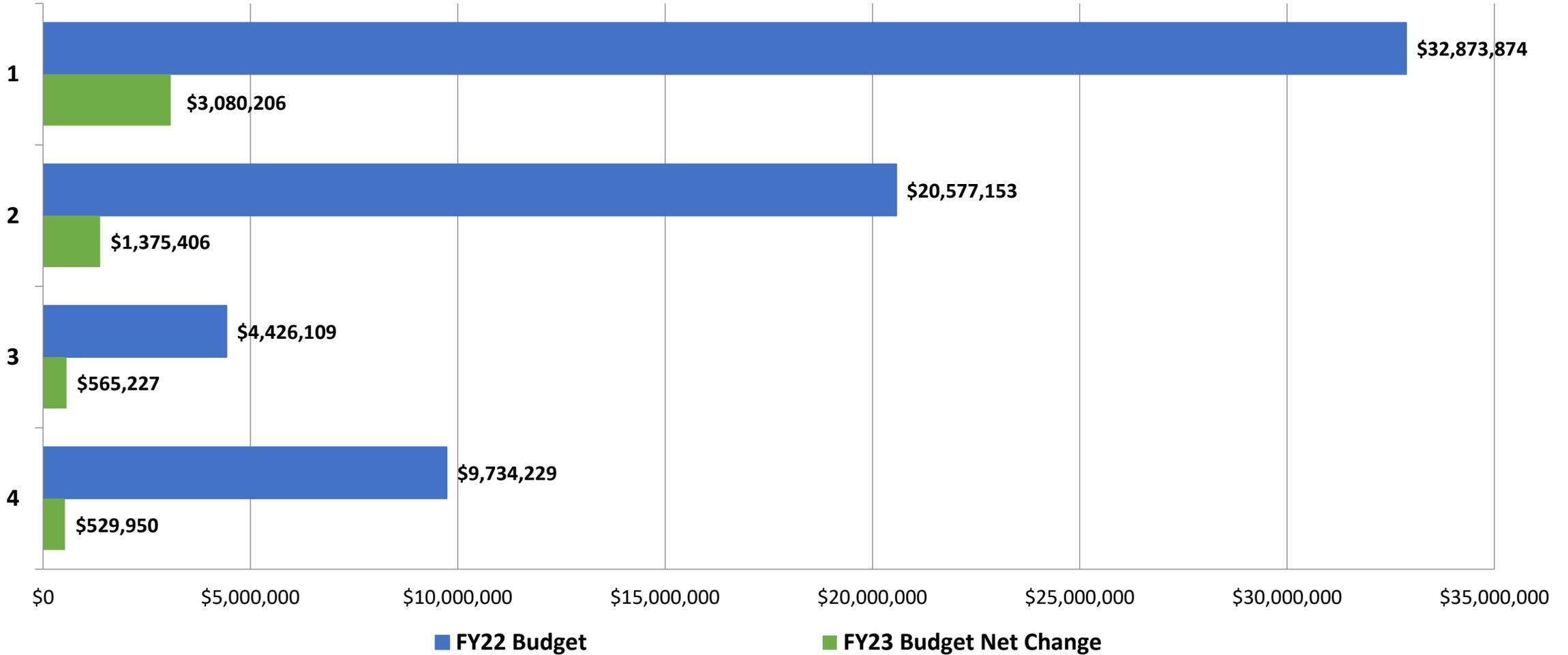
# Committee Roles

**City Manager's  
Recommended  
Budget**



# BFO Quartile Allocation

## BFO Budget Allocation by Quartile (All Funds)

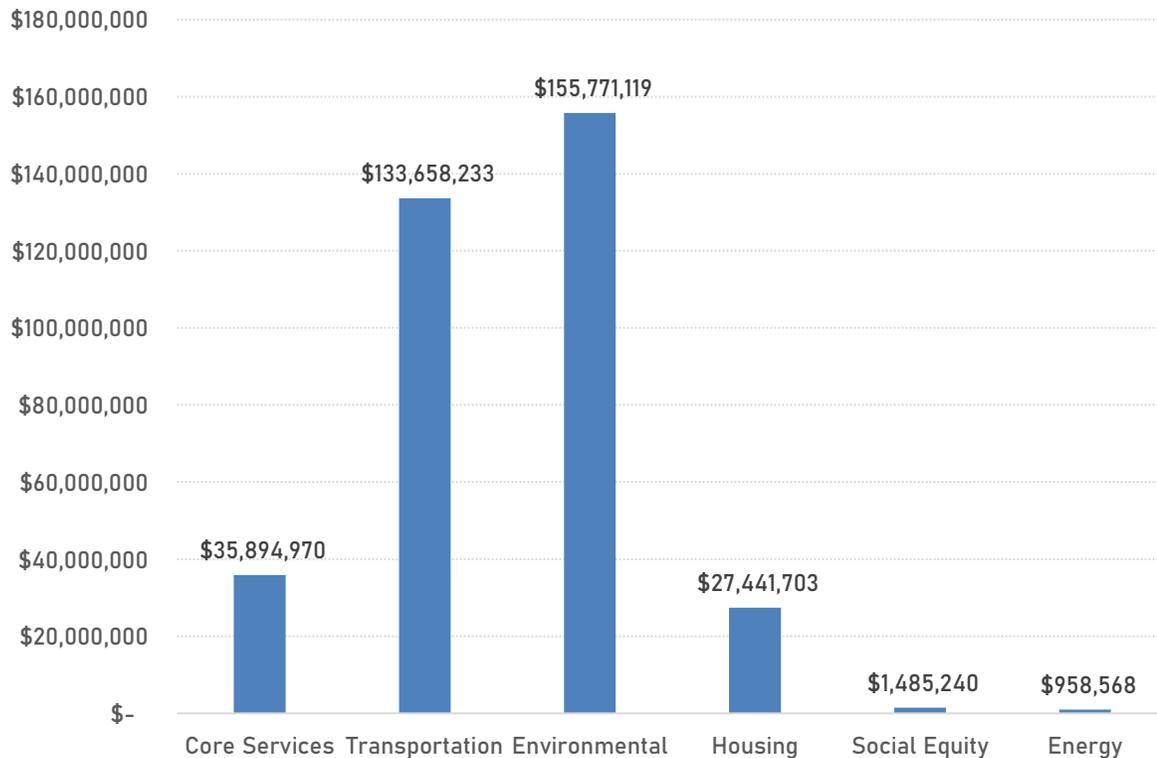


# City-Wide Capital Projects by Critical Priority

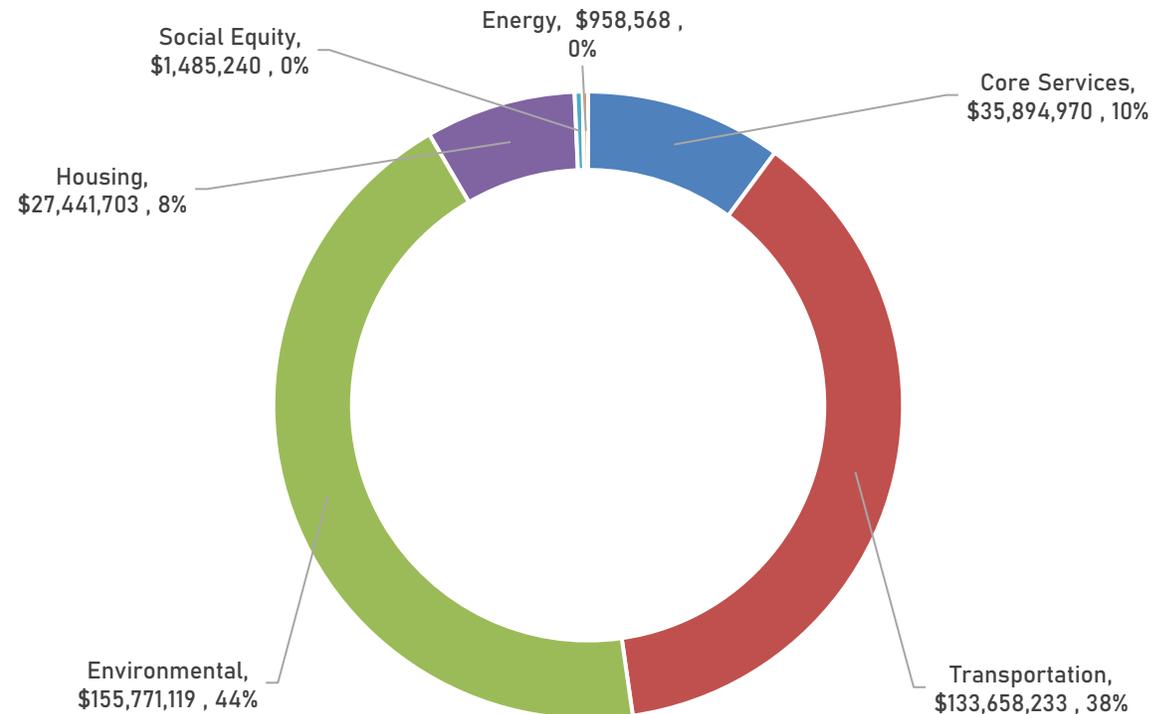
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City-wide 5Y Capital Projects by Critical Priority



City-wide 5Y Capital Projects by Critical Priority



Source: Park City Municipal Corporation, as of May 2022.



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# Revenues & Drivers

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PARK CITY

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# Budget Drivers

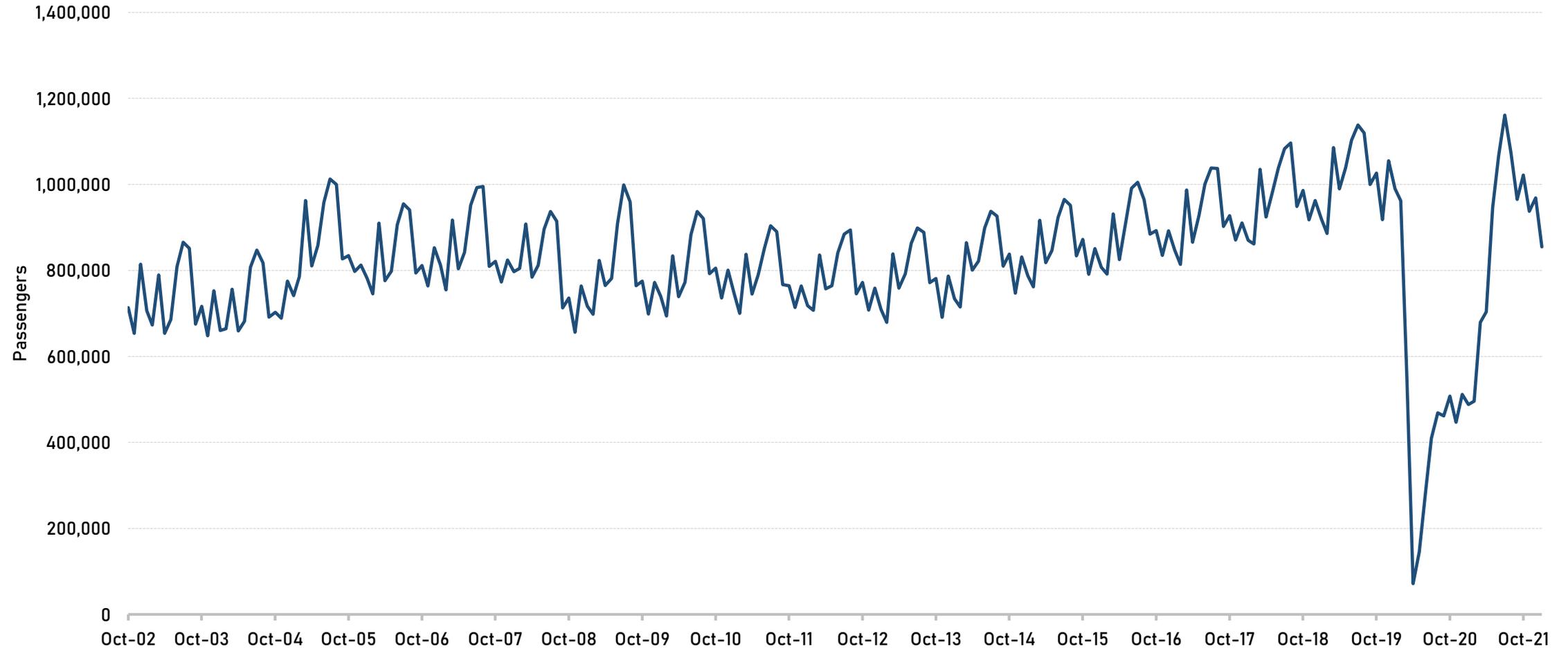
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- **Inflation** – Cost-of-doing business increases
- **Increase Demand for Services** – Increased volume and demand for service delivery
- **Labor Challenges** – Wage increases due to less labor participation and lower unemployment and cost of living challenges
- **Big Solutions**
  - Transportation, Transit & Parking
  - Housing and Affordability
  - Recreation Demand
  - Cultural District

# Travel

Domestic arrivals at SLC International surpassed pre-pandemic highs.

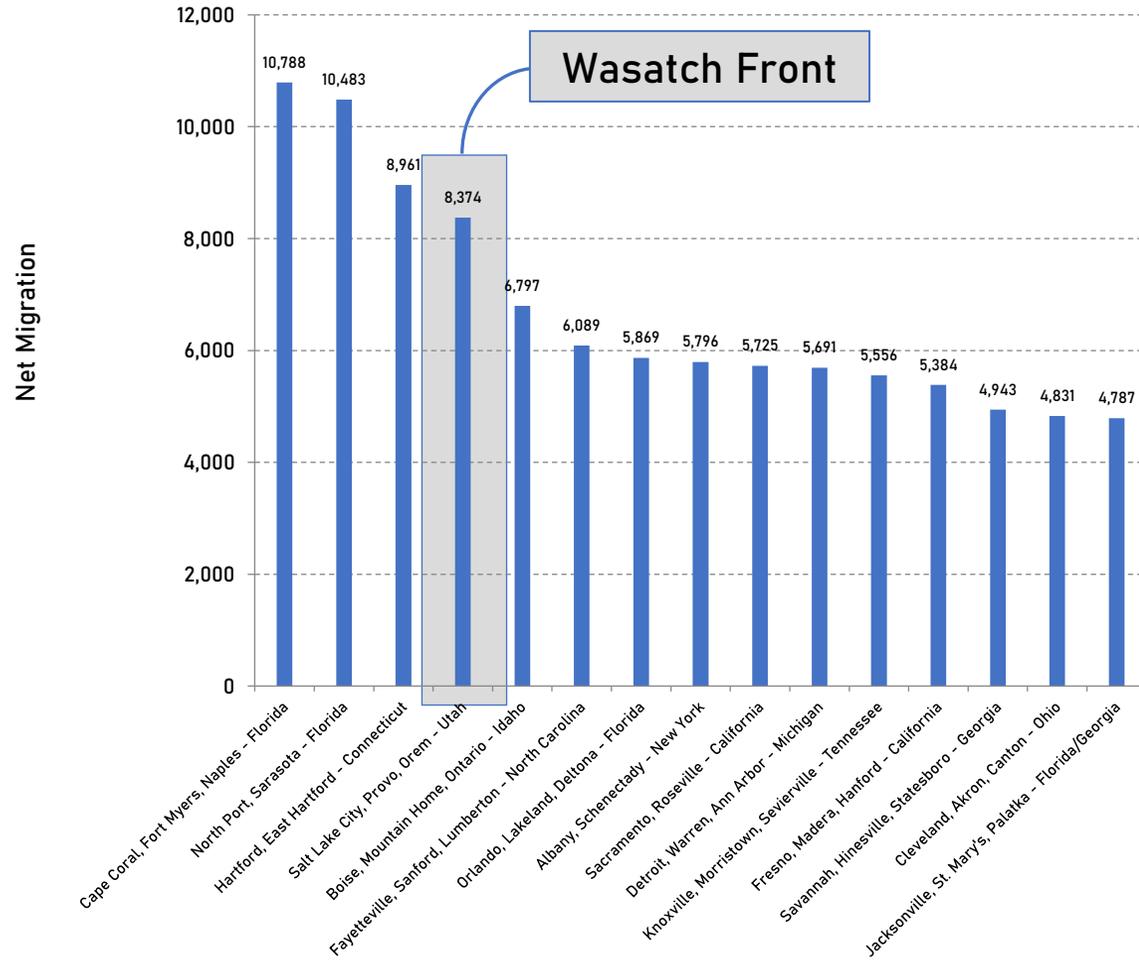
SLC Domestic Arrivals



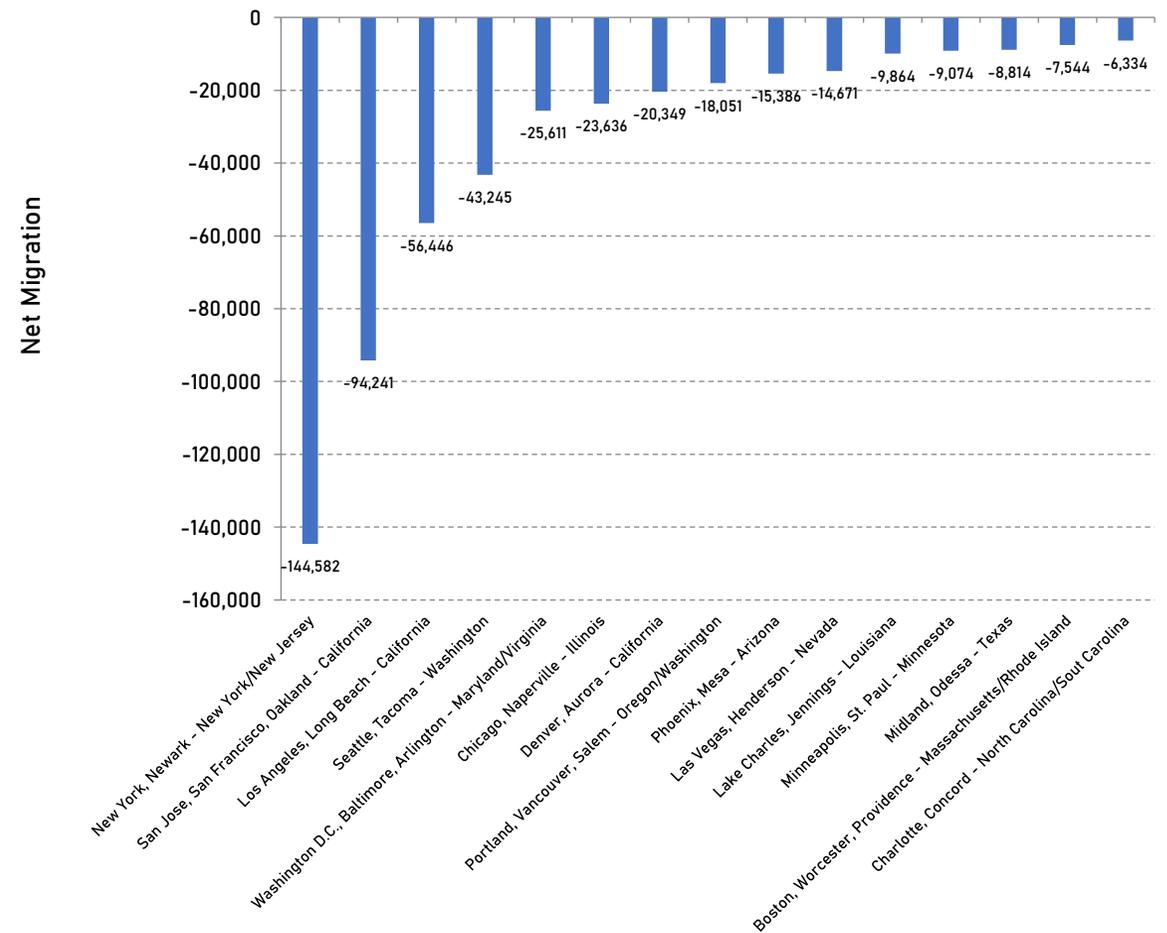
Source: Bureau of Transportation, PCMC. As of April 2022.

# Wasatch Front is a Stabilizer

Combined Statistical Areas with Largest Net Domestic Migration Increases  
Change Since 2019

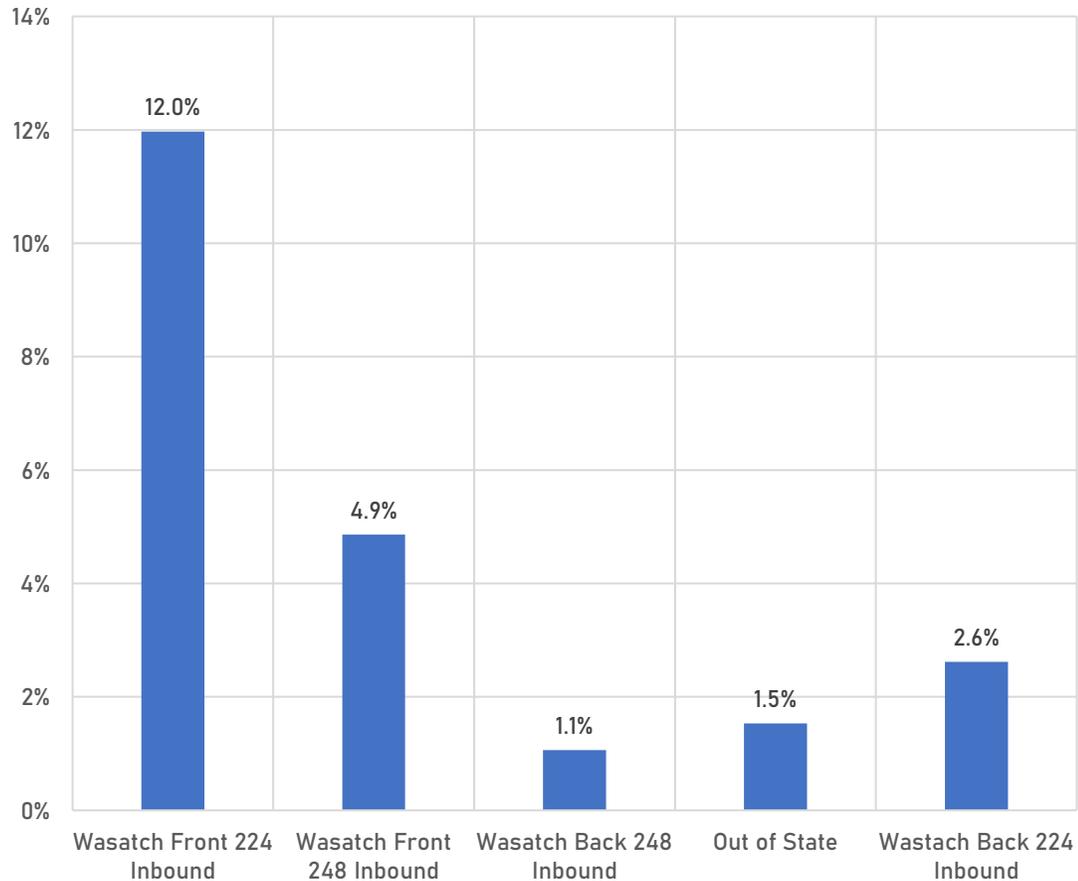


Combined Statistical Areas with Largest Net Domestic Migration Decreases  
Change Since 2019

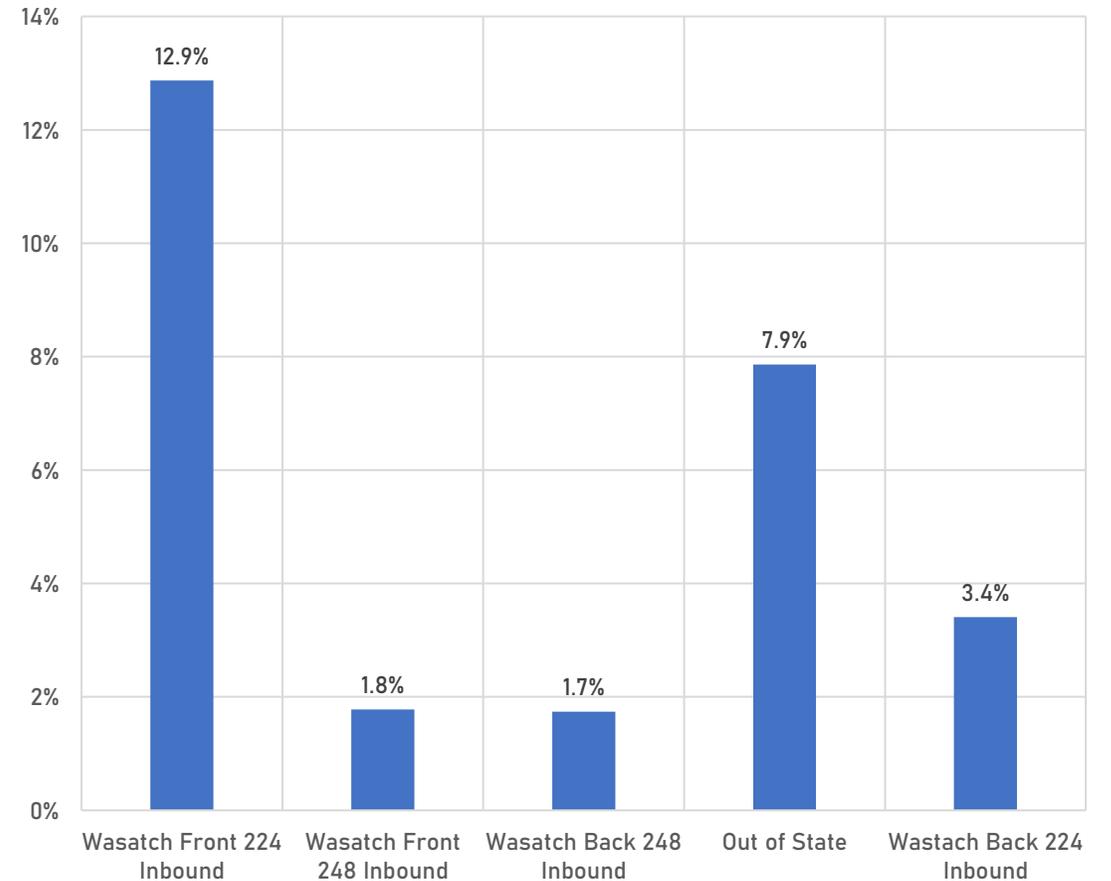


# But Also Comes with Impacts

Top % Visitors Through PCM Classic Base by Home Location  
If Home Location Detected  
Jan. 2021 - Feb. 2022

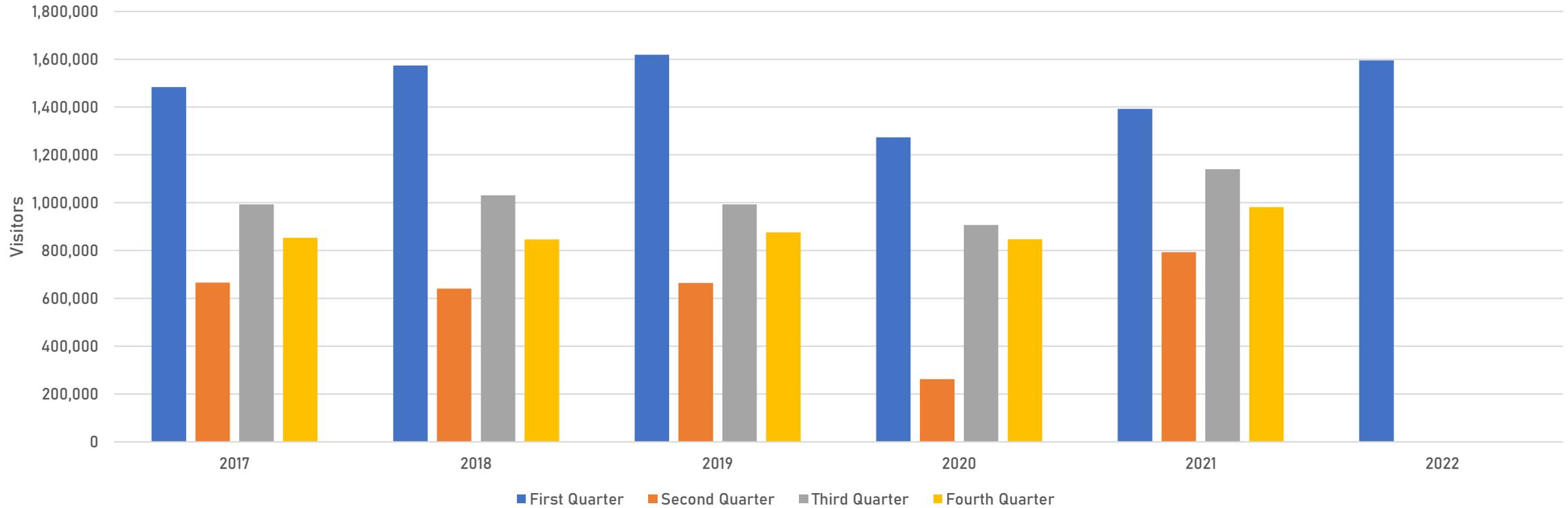


Top % Visitors Through DV Base by Home Location  
If Home Location Detected  
Jan. 2021 - Feb. 2022



# Shoulder Season A New Marginal Driver

Estimated Main Street Visitors by Calendar Year and Quarter

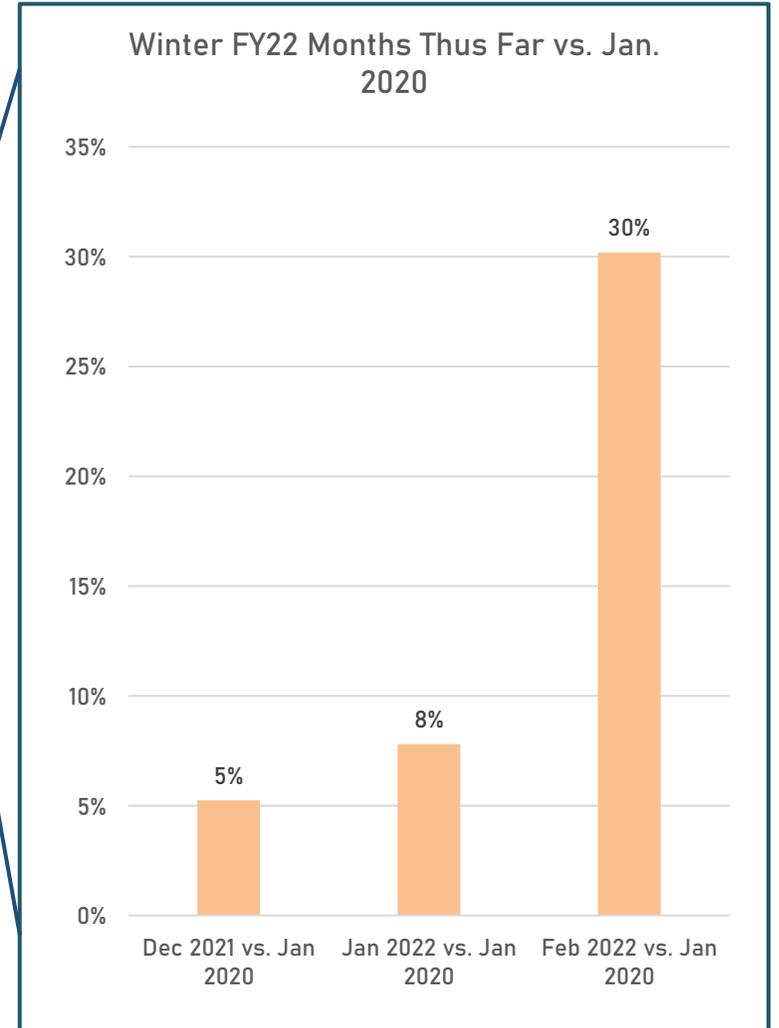
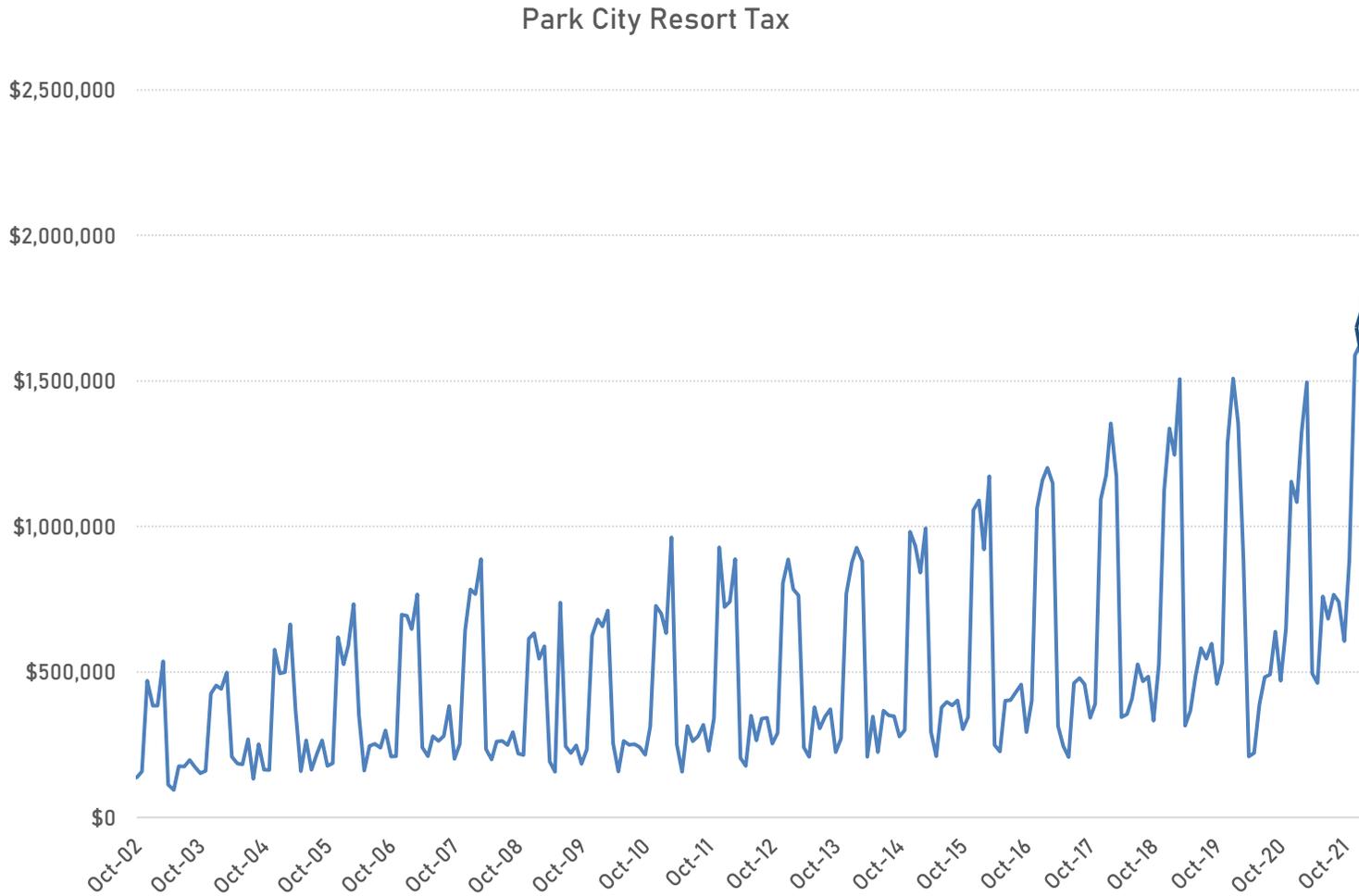


Calendar Year	Main Street Visitors					Main Street Visitors, YoY % Change				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Calendar Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Calendar Year
2017	1,483,161	665,538	993,336	853,676	3,995,711					
2018	1,573,286	640,188	1,030,691	845,928	4,090,093	6%	-4%	4%	-1%	2%
2019	1,618,275	663,881	992,946	875,761	4,150,863	3%	4%	-4%	4%	1%
2020	1,273,540	262,389	906,242	846,605	3,288,776	-21%	-60%	-9%	-3%	-21%
2021	1,391,936	793,237	1,139,918	981,176	4,306,267	9%	202%	26%	16%	31%
2022	1,594,725					15%				

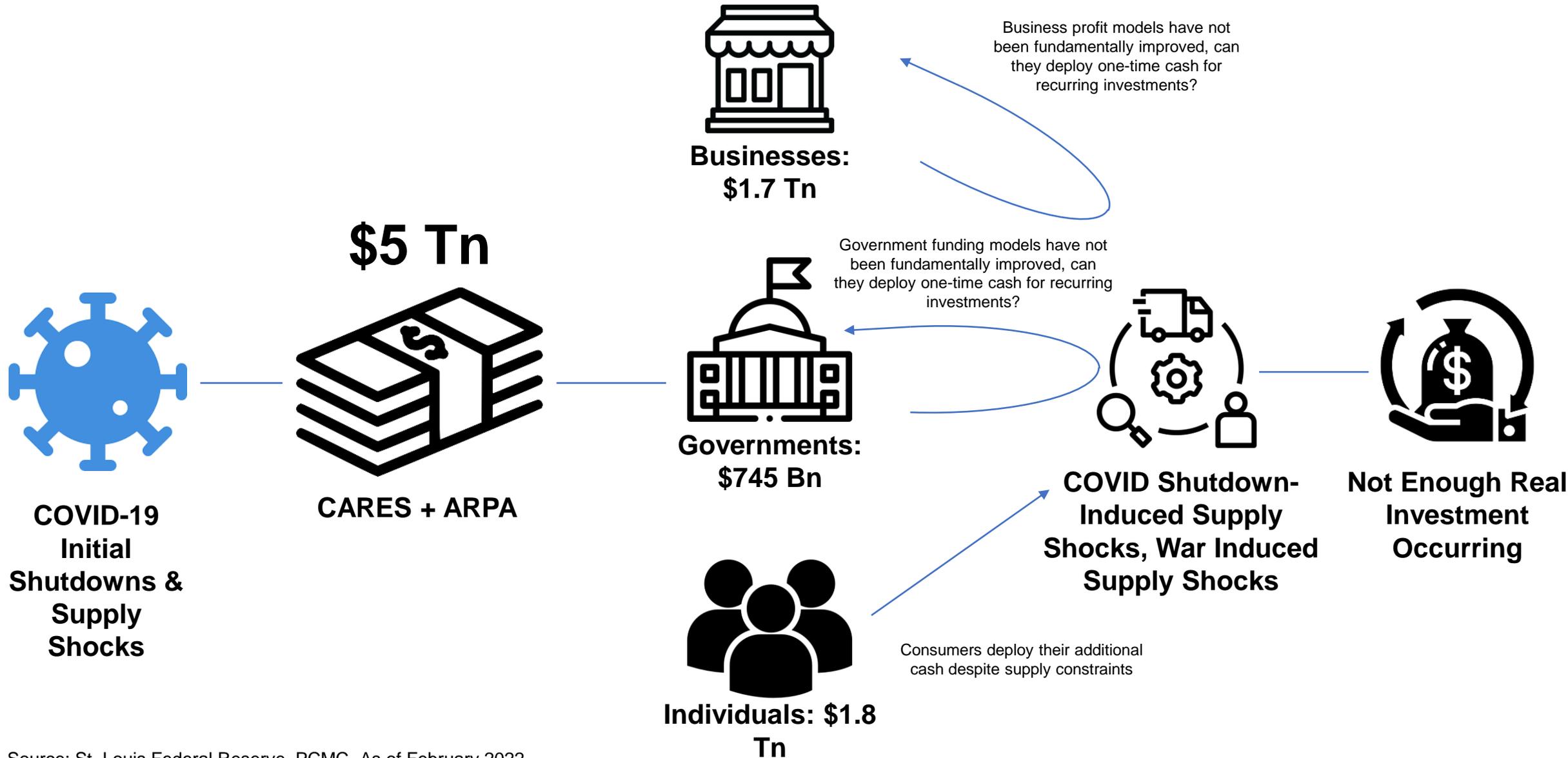
Source: PCMC, U.S. Census Bureau as of April 2022.

# Sales Revenues Reach Record Highs

Each month of winter FY22 thus far has beaten the City's previous record monthly high of January 2020.

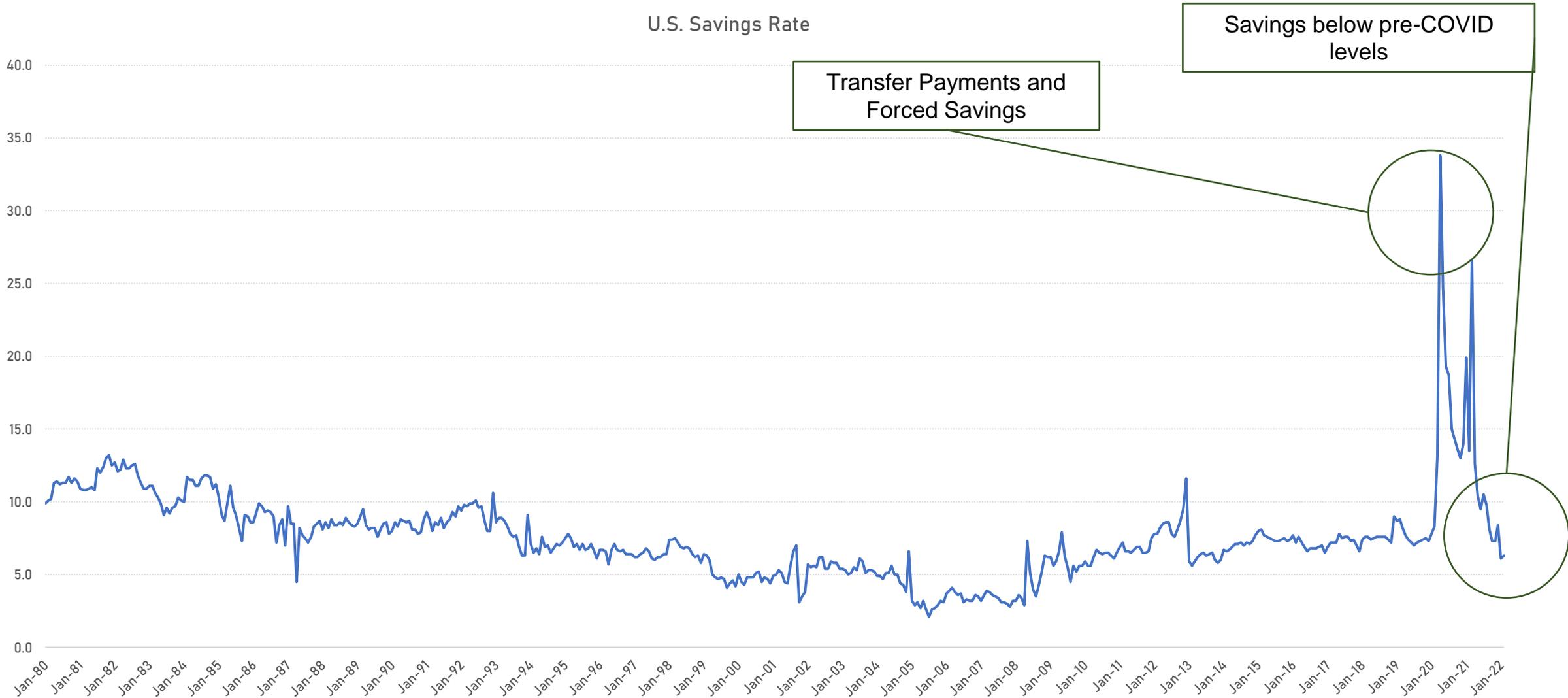


# — Where We've Come From – National/Global Picture —



# Savings Rates

COVID transfer payments and economic shutdowns stockpiled savings, which have now been spent.

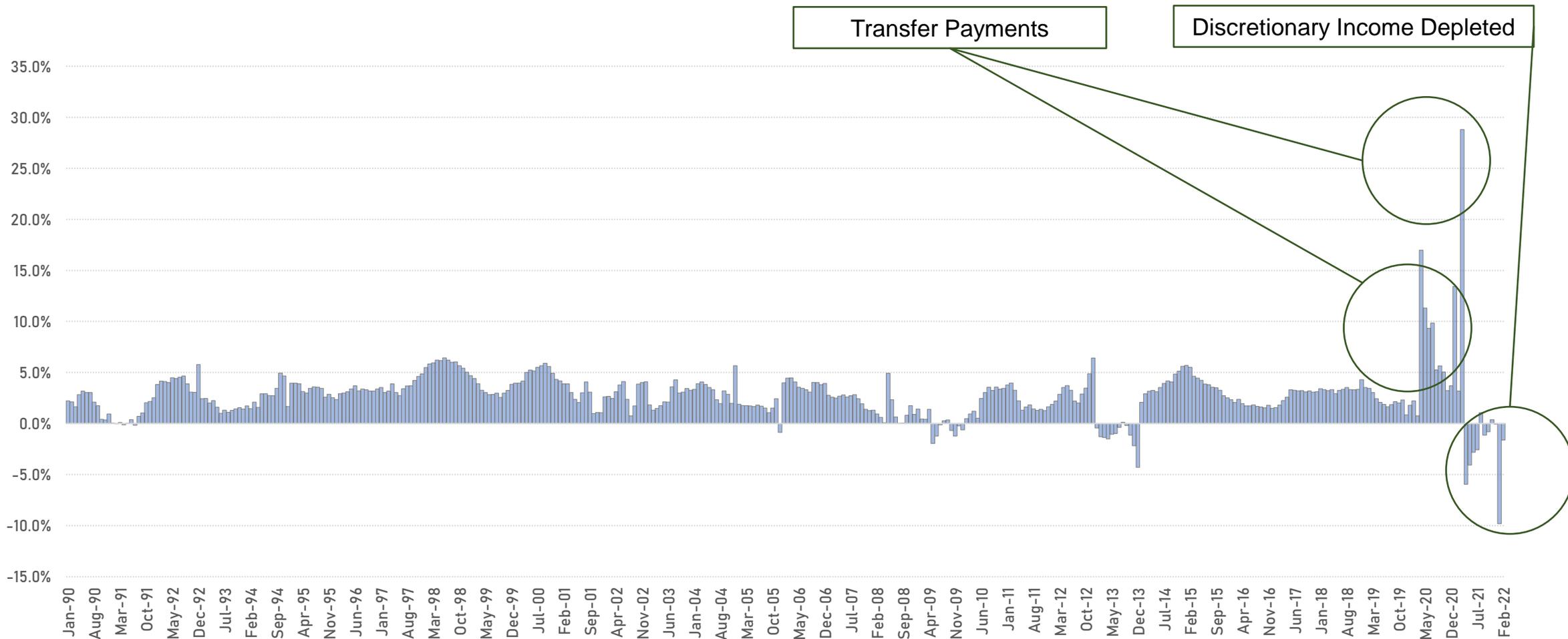


Source: St. Louis Federal Reserve, PCMC. As of April 2022.

# Real Disposable Income

Consumers are depleting discretionary income as must fund core purchases at increasing prices.

YoY% Change in U.S. Real Disposable Personal Income

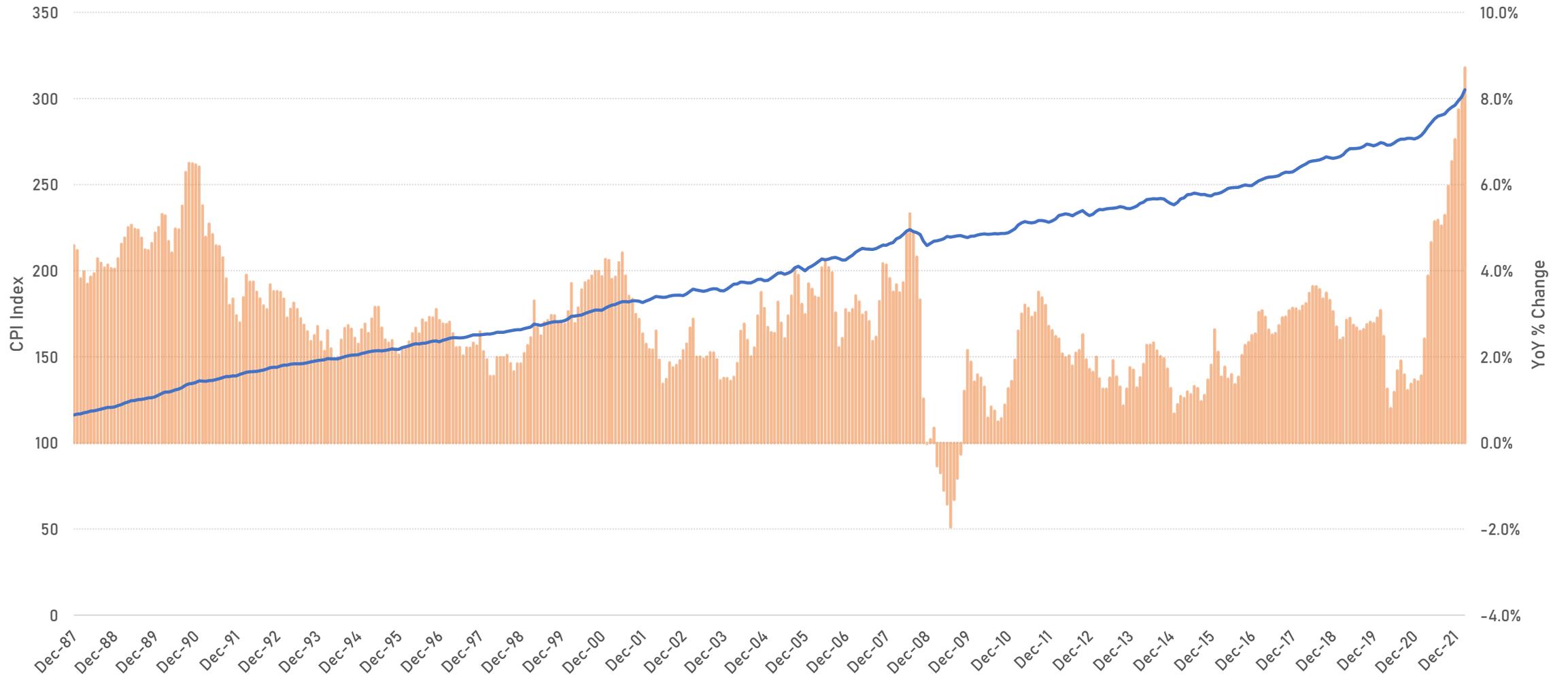


Source: Bureau of Labor Statistics, PCMC. As of April 2022.

# Inflation

Western region inflation continues to climb at historic levels, nearing 9% as of March 2022.

West Region CPI & YoY % Change

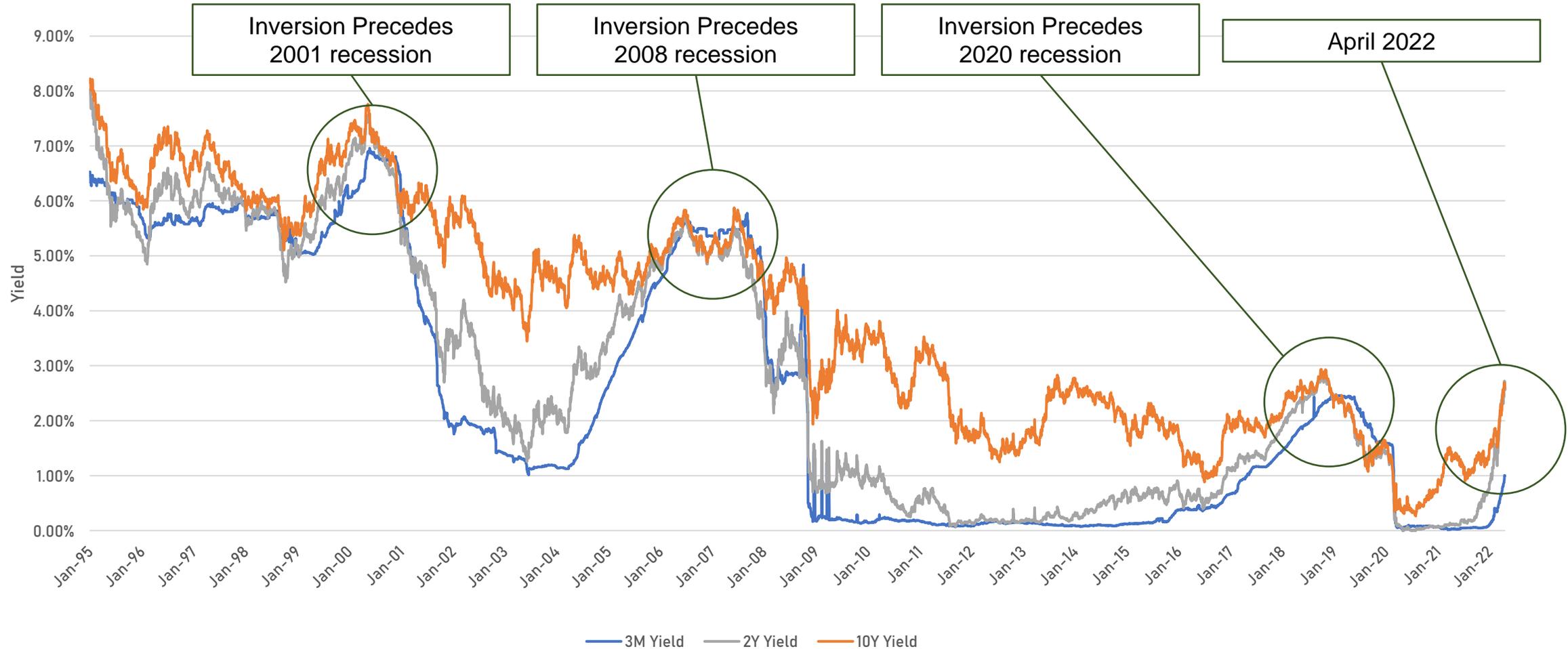


Source: Bureau of Labor Statistics, PCMC. As of April 2022.

# Credit Conditions

Benchmark yield curve inversions in the 3M-10Y spread have never not been followed by a recession within 10-15 months, we are approaching potential inversion.

U.S. 3-Month, 2-Year & 10-Year Yields



Source: Bloomberg, Barclays, PCMC. As of April 2022.

# Why Does This Happen?

Investors are becoming concerned that wages are not keeping up with inflation coupled with major supply issues, weighing on near term economic prospects

Investors sell short-term obligations

1

Investors seek medium to longer term protection

Demand for mid-curve to long-dated Treasuries keep 10Y-20Y yields more stable

2

This reduces the steepness of the yield curve

Yield curve flattens or inverts

3

Bank net interest margin is compressed

Bank business models are based on borrowing cheaply in the short-term and lending at higher rates in the long-term

4

In response banks make less loans at lower profitability

Credit contracts, less lending at higher cost of capital for broader economy

5

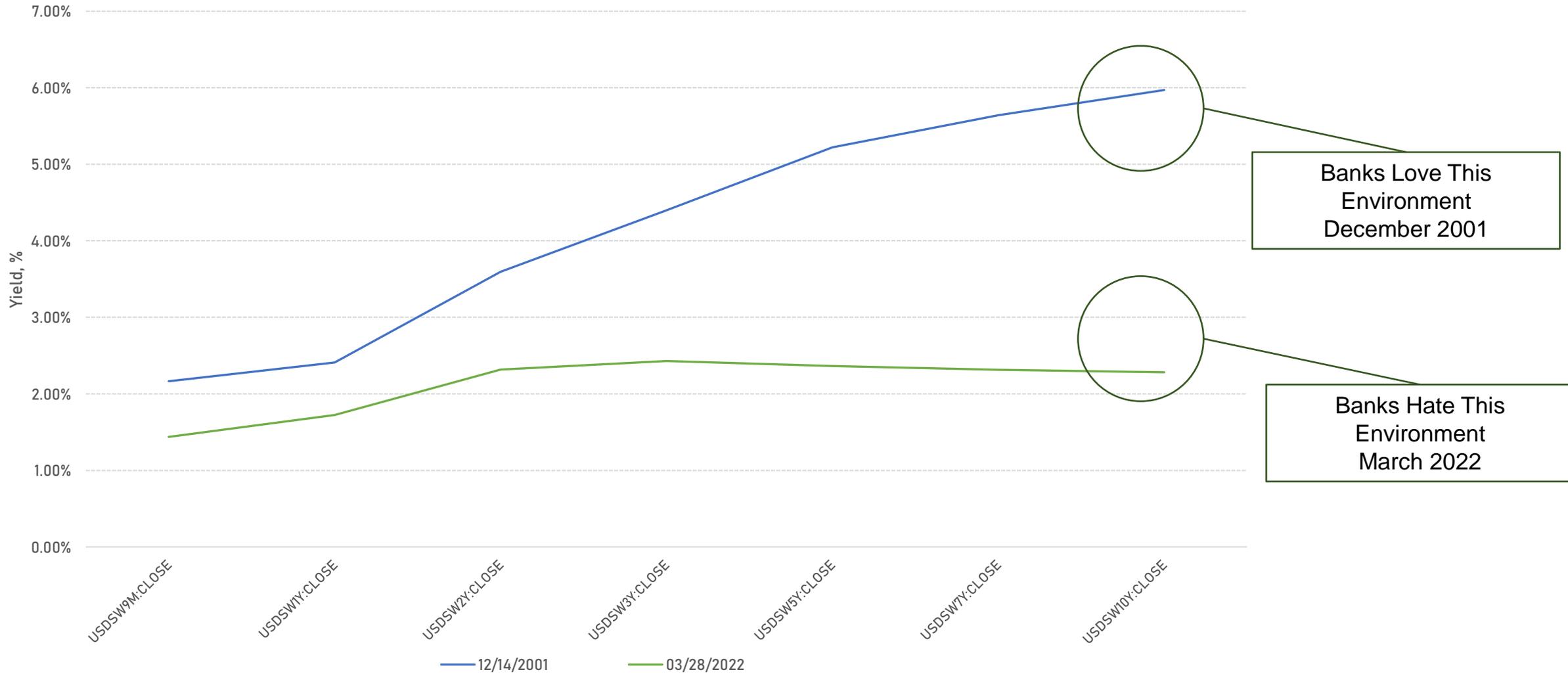
Recession follows

Businesses and households reassess their plans and/or hold back on further expenses

6

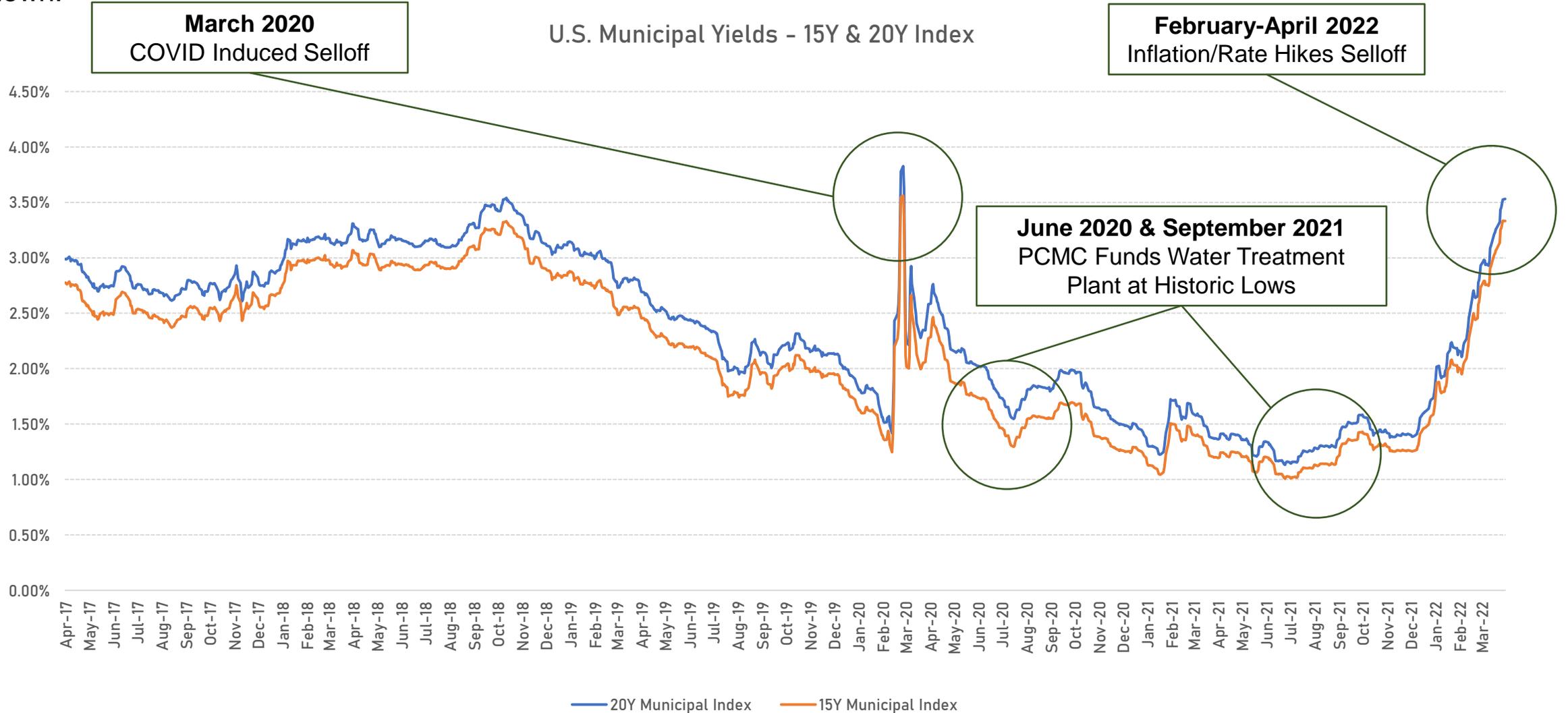
# Why Does This Happen?

U.S. Yield Curve on Two Different Dates



# The Bond Market Has Awoken

Global bond markets, including the U.S. Municipal market, have awoken to the risks and borrowing capacity is going down.

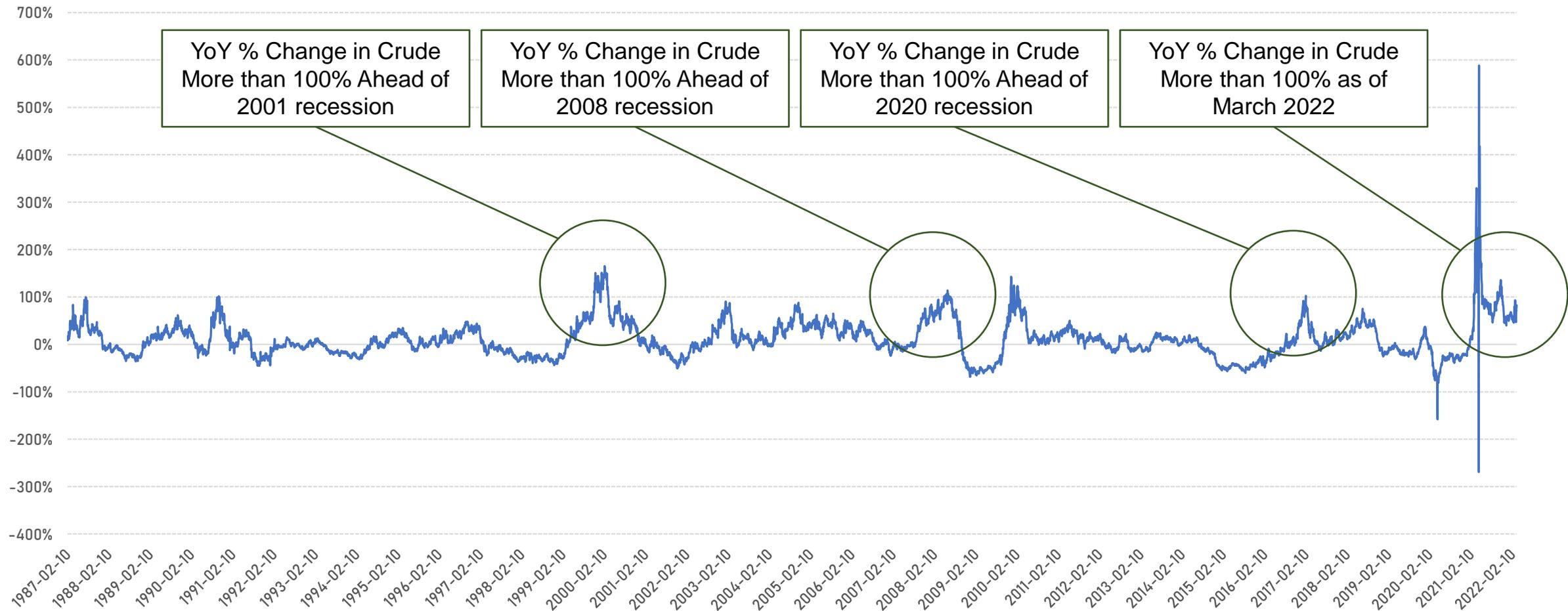


Source: Bloomberg, Barclays, PCMC. As of April 2022.

# Additional Indicators

Large year-over-year increases in oil prices are also usually associated with precursors to recession, albeit as a slightly less strong predictor.

YoY% Change in WTI Crude



Source: Bloomberg, Barclays, PCMC. As of February 2022.

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# Why Does This Happen?

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1

Crude oil is a key input into most industrial processes and in the delivery of goods and services. It becomes even more critical when economies are supplied by lengthy supply chains.

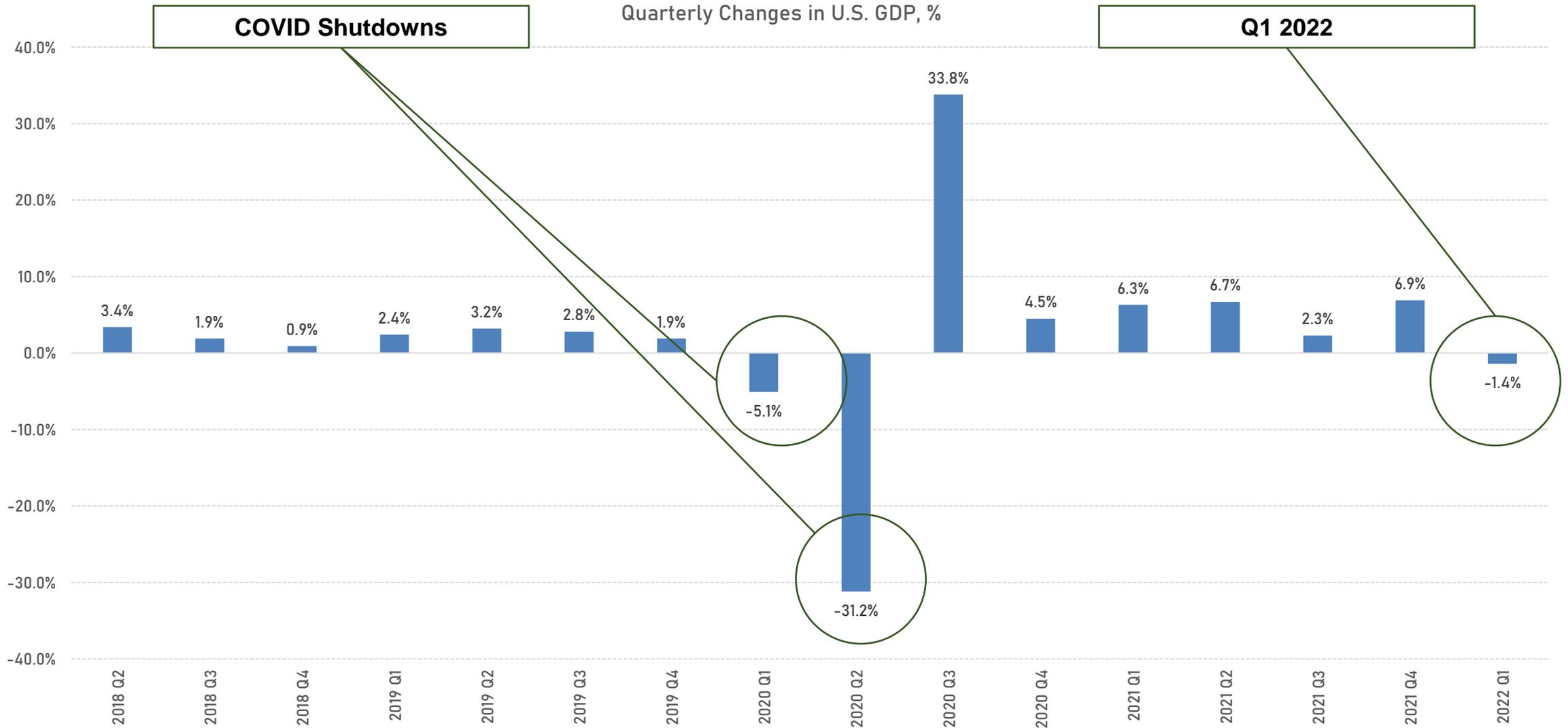
2

When marginal demand outstrips near-term supply projections, prices rise.

3

If prices reach significantly high rates of change, plans for future growth and profitability are made more uncertain and both consumers and producers put planned growth and consumption on hold.

# Latest National Developments



Source: Bureau of Economic Analysis. As of April 2022.

# What Does it Mean for Park City?

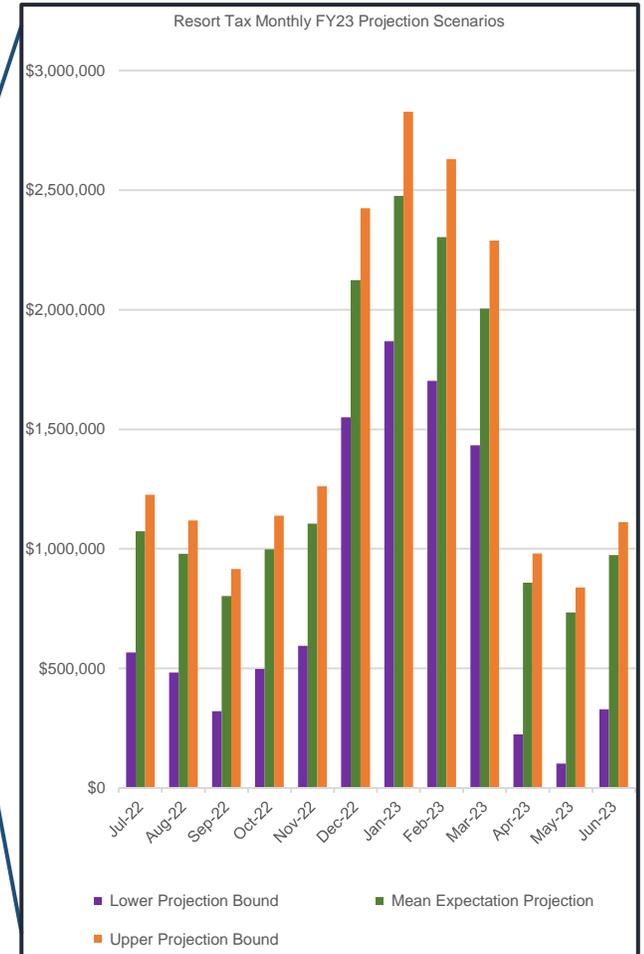
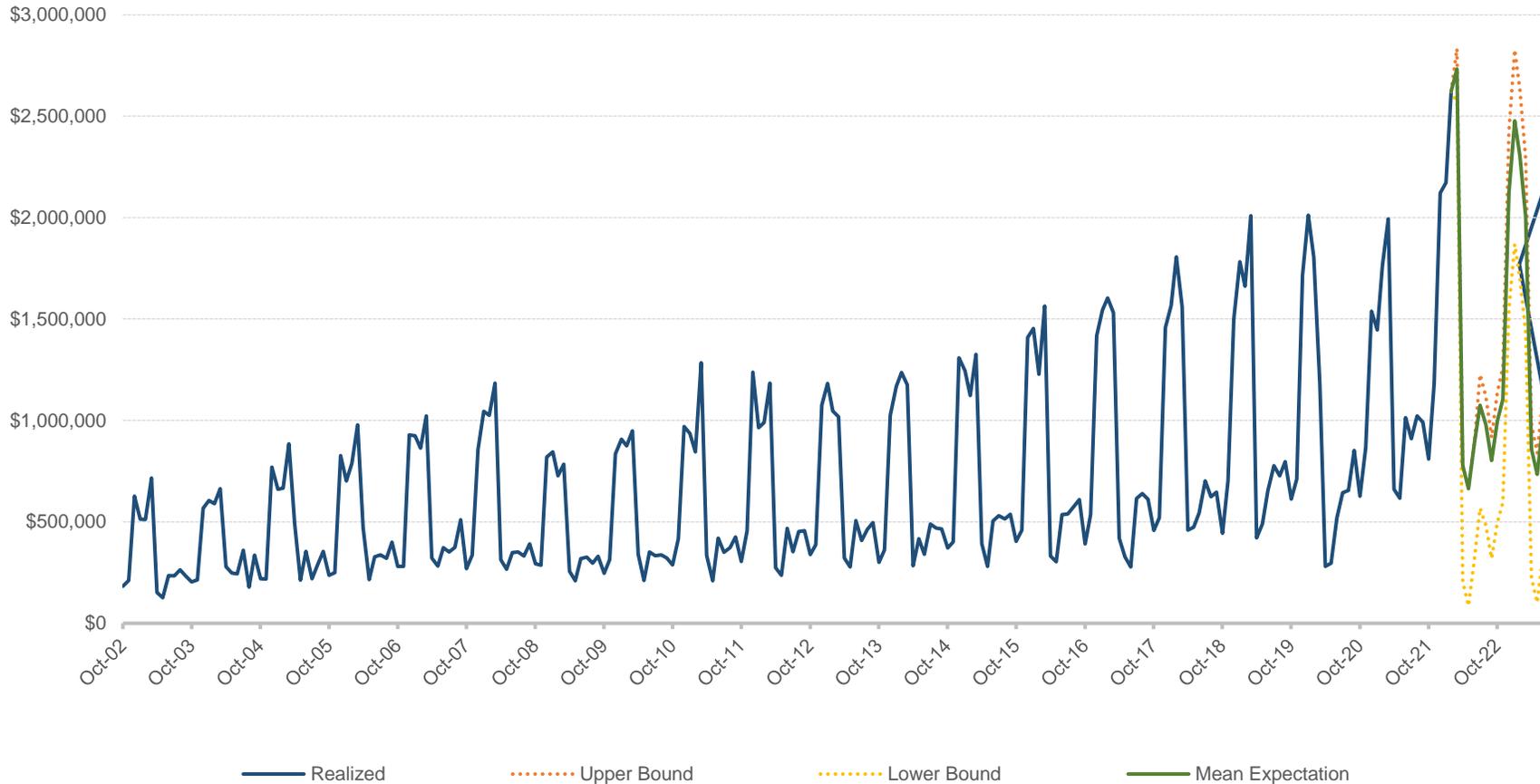
**2021 Realized Resort Tax**  
\$12.7M, +10.9% vs. FY20

**2022 Projected Resort Tax**  
\$16.8M, +26.7% vs.  
FY21

**2023 Projected Resort Tax**  
\$16.4M, -2.7% vs.  
FY22

**2024 Projected Resort Tax**  
\$18.2M, +8% vs.  
FY23

**Resort Tax - Projected Sales Tax Path**

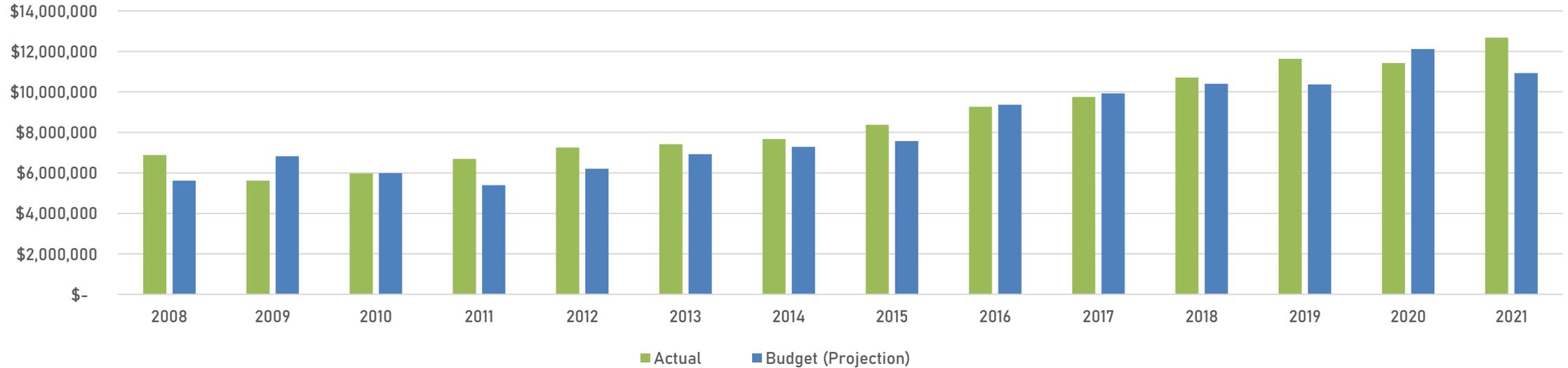


Source: PCMC as of April 2022.

# How Accurate Have Past Estimates Been?

Historical sales tax budgets have been within **9%** of actuals, on average.

Resort Tax, Actual vs. Initial Projection by Year



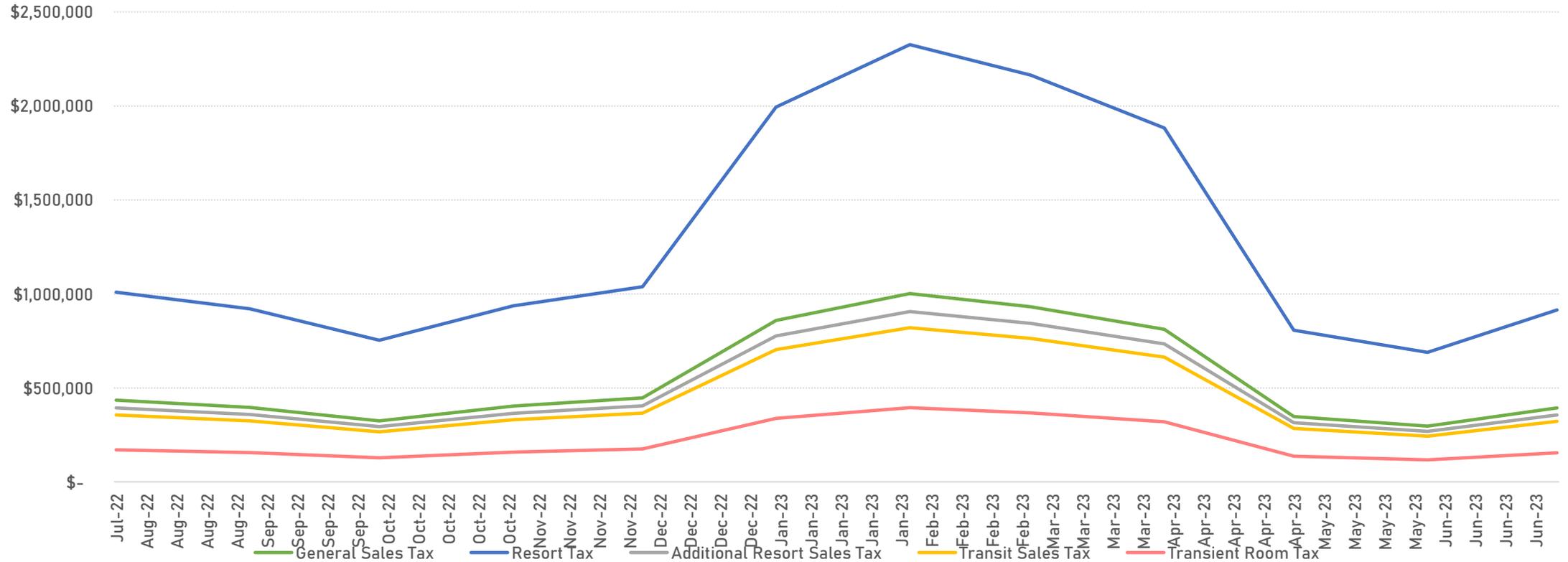
% Deviation, Resort Tax Actual vs. Initial Projection by Year



Source: PCMC as of April 2022.

# All Sales Taxes & Distribution to Funds

FY23 All Sales Taxes - Projection by Month



General Fund - FY23 Projection	
General Sales Tax	\$ 7,078,984
Resort Tax	\$ 9,354,558
<b>Total</b>	<b>\$ 16,433,542</b>

Capital Fund - FY23 Projection	
GFT (Resort Tax)	\$ 3,619,937
Additional Resort Sales Tax	\$ 6,404,558
Transient Room Tax	\$ 2,787,539
<b>Total</b>	<b>\$ 12,812,034</b>

Transportation Fund - FY23 Projection	
Transit Sales Tax	\$ 5,796,765
Resort Tax	\$ 3,459,047
County Related Transit Sales Tax <sup>1</sup>	\$ 2,840,415
<b>Total</b>	<b>\$ 12,096,227</b>

Source: PCMC as of April 2022.

1. County Related Transit Sales tax is anticipated PCMC's distribution from Summit County but is not yet received.

# FY23 General Fund Revenue Projections

General Fund Revenue Summary - FY22 & FY23								
Revenue	FY22 YTD Actual	FY22 Ori Bud	FY22 Adj Bud	FY23 Budget	\$, Variance Adj vs. Ori FY22	%, Variance Adj vs. Ori FY22	\$, Variance FY23 vs. Adj	%, Variance FY23 vs. Adj
Property Taxes	\$12,485,912	\$12,392,328	\$12,392,328	\$12,938,775	\$0	0%	\$546,447	4%
Sales Tax	\$11,948,882	\$13,333,686	\$17,888,070	\$16,433,542	\$4,554,384	34%	(\$1,454,528)	-8%
Franchise Tax	\$2,422,750	\$3,261,596	\$3,261,596	\$3,297,706	\$0	0%	\$36,110	1%
Planning, Building and Engineering Fees	\$3,375,087	\$3,565,757	\$3,565,757	\$3,914,520	\$0	0%	\$348,763	10%
Recreation	\$1,952,619	\$1,941,591	\$1,941,591	\$2,365,076	\$0	0%	\$423,485	22%
Licenses	\$318,600	\$484,692	\$484,692	\$500,088	\$0	0%	\$15,396	3%
Ice Revenue	\$638,723	\$907,421	\$907,421	\$955,233	\$0	0%	\$47,812	5%
Intergovernmental Revenue	\$107,757	\$155,304	\$155,304	\$138,275	\$0	0%	(\$17,029)	-11%
Fees/Other	\$1,036,178	\$495,211	\$999,740	\$1,239,454	\$504,529	102%	\$239,714	24%
Interfund Transfers	\$1,862,750	\$2,950,291	\$2,950,291	\$2,950,291	\$0	0%	\$0	0%
<b>Total</b>	<b>\$36,149,257</b>	<b>\$39,487,877</b>	<b>\$44,546,790</b>	<b>\$44,732,960</b>	<b>\$5,058,913</b>	<b>13%</b>	<b>\$186,170</b>	<b>0%</b>

# Major Budget Items



# General Fund

**\$5M**  
**Revenue**  
**Increase**



## **Pay Plan**

- 75<sup>th</sup> Percentile
- CPI

## **Non-discretionary**

- Health Insurance
- Inflation (cost of doing business)

## **Discretionary**

- Organizational Infrastructure
- Resort Economy Mitigation
- Neighborhood Reinvestment
- Workforce Support
- Core & Essential Services

# FY23 Major General Fund Key Investments

FY23 Expenses	Amount	Notes
<b>Organizational Infrastructure</b>	\$725,163	Budget increases to enhance our IT infrastructure, cybersecurity, 3Kings Water Treatment Plant, a new financial and accounting system, and new investment in data collection to better respond to public input and requests for information, transparency, and level of service increases.
<b>Resort Economy Mitigation</b>	\$855,848	Enhanced traffic and resort economy impacts – expand Neighborhood Traffic Management Program, Traffic Coordinator position, intersection management and equipment, and monitoring and enforcement.
<b>Neighborhood Reinvestment</b>	\$796,742	Increased neighborhood patrols, code enforcement and equipment, fire inspection, and community and area planning efforts.
<b>Workforce Support</b>	\$267,905	Additional resources to enhance recruitment, retention, and quality benefits, employee assistance, and professional development programs (non-monetary benefits).
<b>Core Services</b>	\$1,005,005	Service increases related to existing Critical Community Priorities and existing service demands – Affordable Housing, Recreation, Customer service, and Street Projects.

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# Organizational Infrastructure

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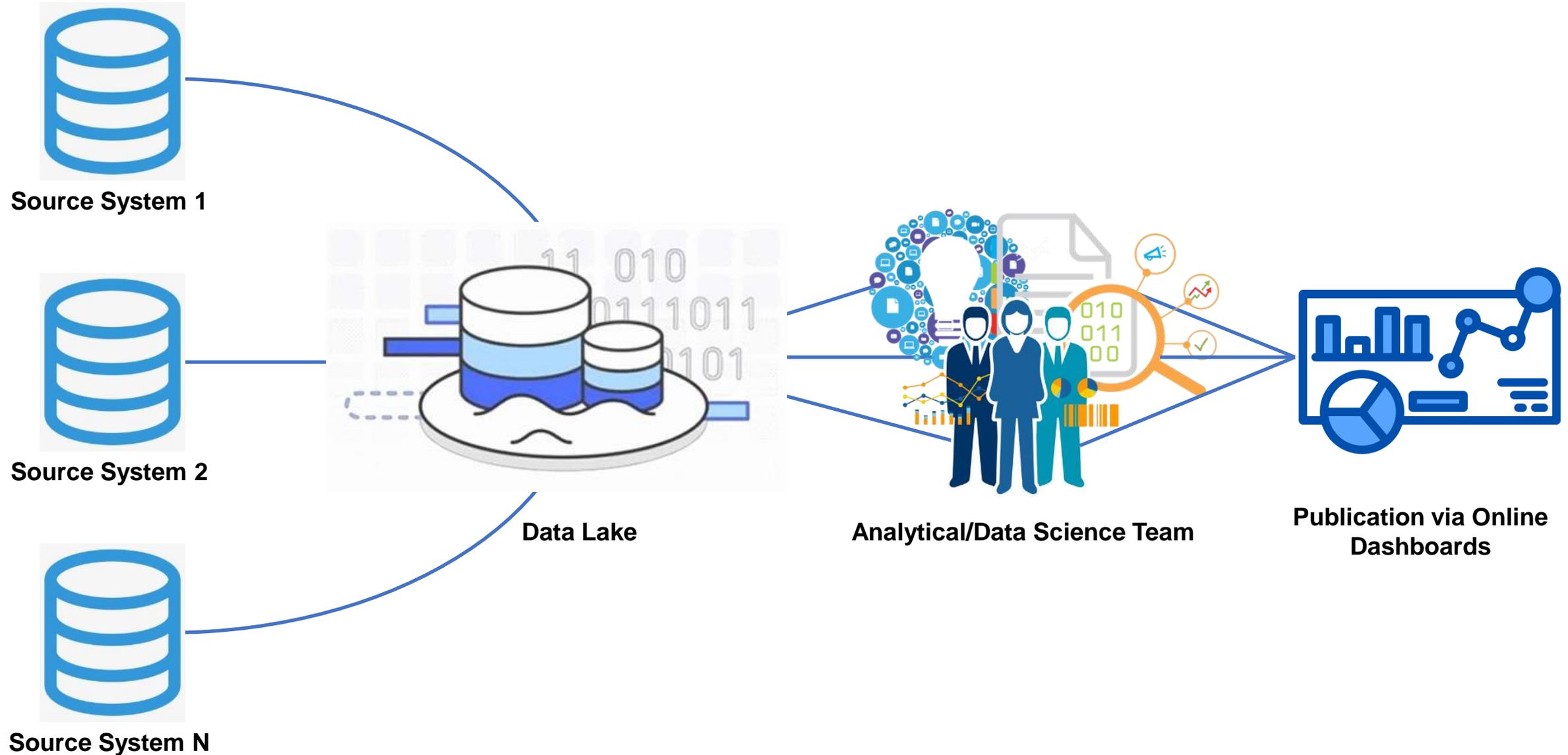
## IT

- Two additional staff added in IT department
- Data Science Tools – dashboards, cloud computing & processing/pipeline tools
- New ERP/Financial system multi-year implementation as current system is sunsetting (2027 sunset)
- Case Management Software
- Departmental webpage updates

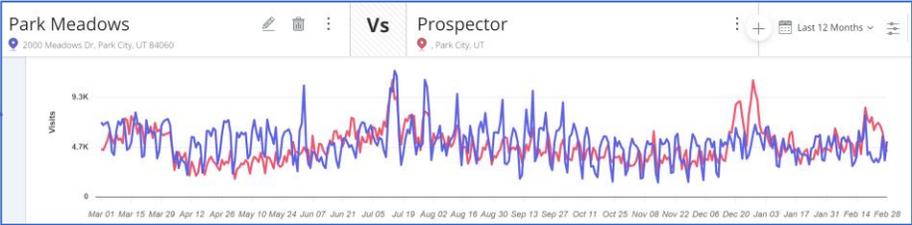
## Multiple Departments

- Bank Fees
- Replacement equipment (laptops, devices, cables, etc.) for Staff

# Potential Future State Data Environment



# Example Deliverables

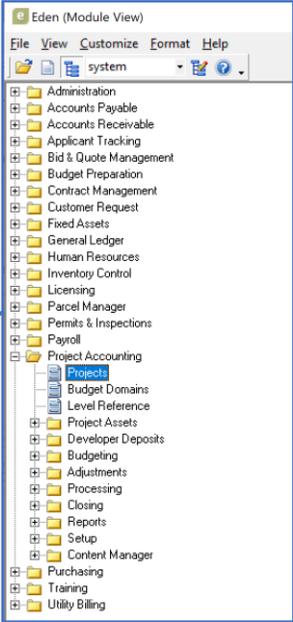


## Digitize Neighborhood Dashboards with statistics on:

- Traffic
- Crime
- NTMP
- Source of Visitors



Further public statistics on City financials



## Digitize Key Department Metric Dashboards :

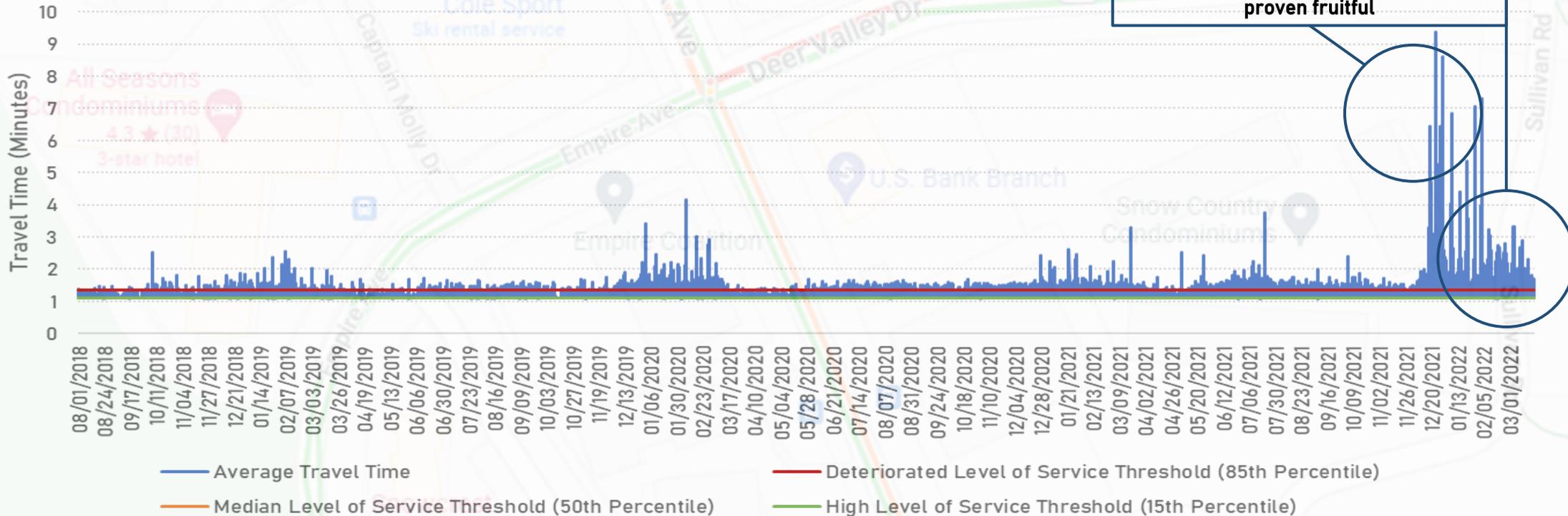
- E.g. digitize elements of PC Stat Dashboards



# Empire to PCMR Drop-Zone

Travel times to key base areas have proven challenging, yet mitigation efforts are improving conditions.

Empire to PCMR Drop-Zone Travel Time  
Aug. 2018 - March 2022



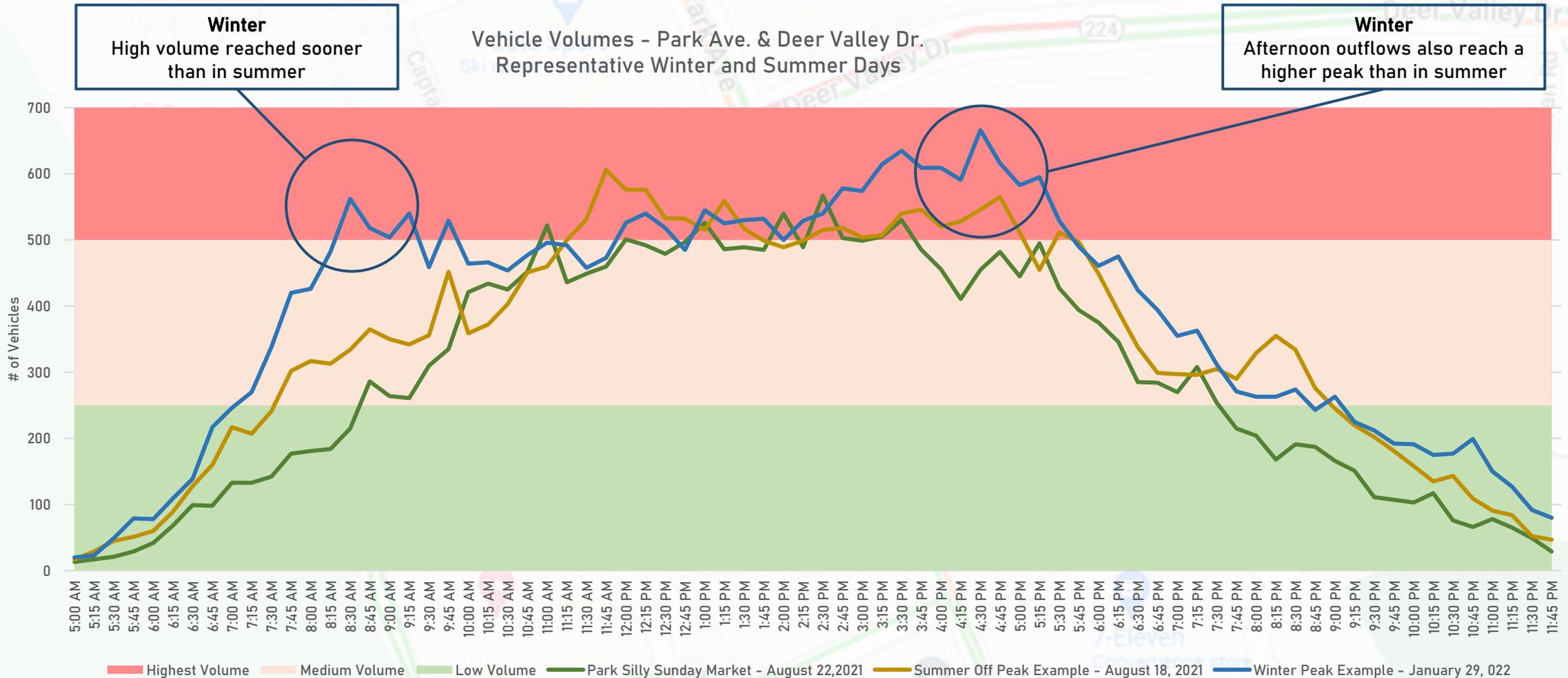
PCMC is partnered with UDOT on key projects:

1. S-LC43(34) Summit County Intersection Planning Study: PIN No. 20035; Contract No. 228840 Ongoing project with Summit County, Park City, UDOT.
2. SR248 EA pin # 14549.

Source: UDOT IPEMS, Park City Municipal Corporation. As of March 8, 2022.

# Park Ave & Deer Valley Drive – Hourly Zeroing in on the Problem

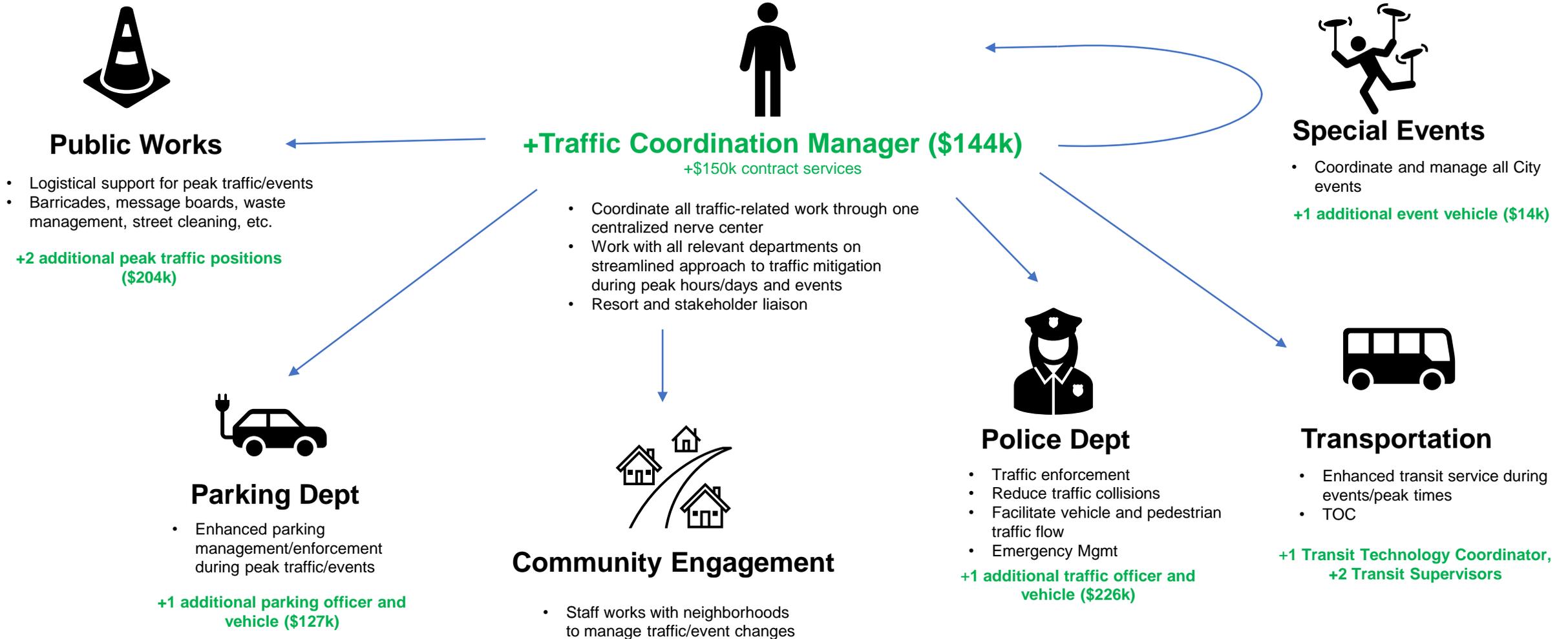
Specific roadways and corresponding levels of service are reaching high volume at specific hours of the day. As volume ramps in narrow time windows, free-flow speeds decay. In winter, a peak is reached sooner than in summer.



Source: UDOT IPEMS, Park City Municipal Corporation. As of March 8, 2022.

# Resort Economy & Peak Traffic Mitigation

Enhanced Focus - Team Approach – Consolidated Effort



# Transportation Fund

\$2M  
Revenue  
Increase



## Pay Plan

- 75<sup>th</sup> Percentile
- Targeted increased based on current market data

## Non-discretionary

- Health Insurance
- Inflation (cost of doing business)

## Discretionary

- Enhanced Transit Services
- Snow Creek Crossing
- Additional FTEs
- Short-range Transit Plan Implementation

# Transportation Innovation

## Transportation Operations:

- Two new Supervisors
- Transit Technology Coordinator
- Short-range Transit Plan Implementation

## Trails & Open Space/Transportation Planning:

- Additional Trail Rangers
- Transit to Trails program

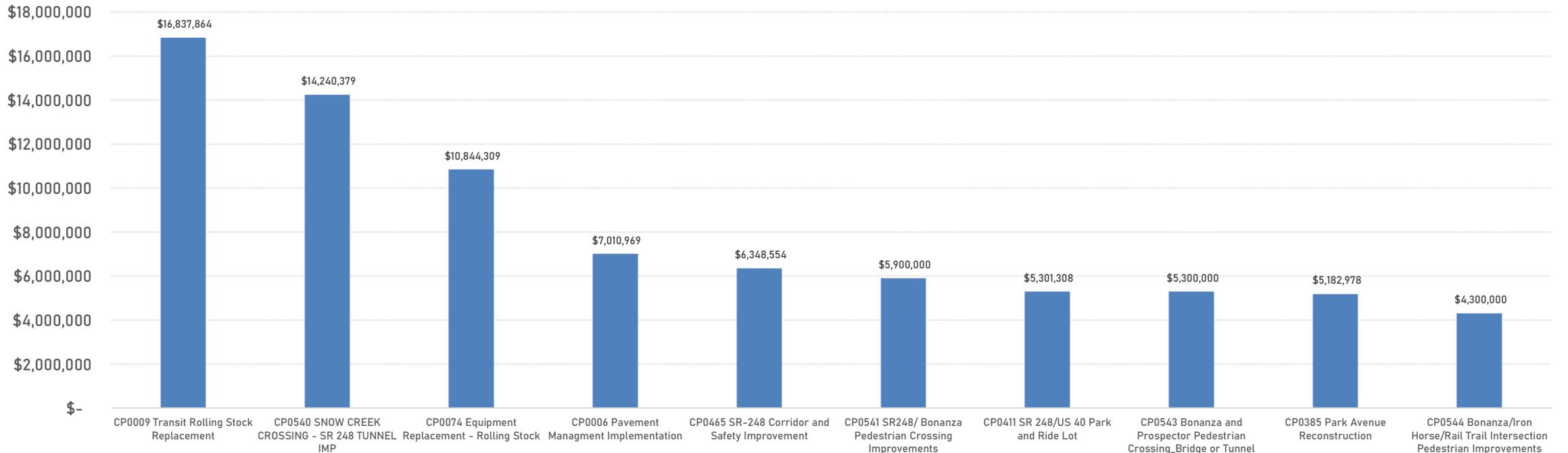


# Transportation – Top 10

Transportation Top 10 Capital Projects by 5Y \$

\$ Rank	Project	Carry Forward	FY22	FY23	FY24	FY25	FY26	FY27	5Y Total Plan
1	CP0009 Transit Rolling Stock Replacement	\$ 0	\$ 16,837,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,837,864
2	CP0540 SNOW CREEK CROSSING - SR 248 TUNNEL IMP	\$ -	\$ 268,107	\$ 4,320,365	\$ 7,064,619	\$ 2,587,288	\$ -	\$ -	\$ 14,240,379
3	CP0074 Equipment Replacement - Rolling Stock	\$ 1,894,309	\$ 1,250,000	\$ 1,350,000	\$ 1,500,000	\$ 1,550,000	\$ 1,650,000	\$ 1,650,000	\$ 10,844,309
4	CP0006 Pavement Managment Implementation	\$ 530,969	\$ 1,040,000	\$ 1,040,000	\$ 1,040,000	\$ 1,040,000	\$ 1,110,000	\$ 1,210,000	\$ 7,010,969
5	CP0465 SR-248 Corridor and Safety Improvement	\$ -	\$ -	\$ 6,348,554	\$ -	\$ -	\$ -	\$ -	\$ 6,348,554
6	CP0541 SR248/ Bonanza Pedestrian Crossing Improvements	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 5,600,000	\$ -	\$ 5,900,000
7	CP0411 SR 248/US 40 Park and Ride Lot	\$ 127,643	\$ 4,513,665	\$ 300,000	\$ 360,000	\$ -	\$ -	\$ -	\$ 5,301,308
8	CP0543 Bonanza and Prospector Pedestrian Crossing_Bridge or Tunnel	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 5,000,000	\$ -	\$ 5,300,000
9	CP0385 Park Avenue Reconstruction	\$ 3,689,298	\$ 747,100	\$ 746,580	\$ -	\$ -	\$ -	\$ -	\$ 5,182,978
10	CP0544 Bonanza/Iron Horse/Rail Trail Intersection Pedestrian Improvements	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 4,000,000	\$ -	\$ 4,300,000
<b>Total</b>		<b>\$ 6,242,219</b>	<b>\$ 24,656,736</b>	<b>\$ 14,105,499</b>	<b>\$ 9,964,619</b>	<b>\$ 6,077,288</b>	<b>\$ 17,360,000</b>	<b>\$ 2,860,000</b>	<b>\$ 81,266,361</b>

Transportation Top 10 5Y Capital Projects



Source: Park City Municipal Corporation, as of May 2022.

# Neighborhood Reinvestment

## Community Engagement:

- Additional funds to expand support for outreach and community events, such as Catch up With Council and Mayor Nann in the Neighborhood, along with our printed quarterly newsletter

## Planning

- Increased public noticing
- Contract services for Neighborhood Plans and General Plan Update

## Police

- New detective
- Take-Home Car Program
- Communications/Dispatch Contract with County for dispatch services

## Housing

- Additional FTE to support collaborative projects and public-private partnerships
- Maintenance and minor repairs of City-owned units

## Engineering

- Office Assistant and new analysis software, +\$150k NTMP increase (CIP)

## Building

- New vehicles for the Building dept to replace leased and borrowed vehicles

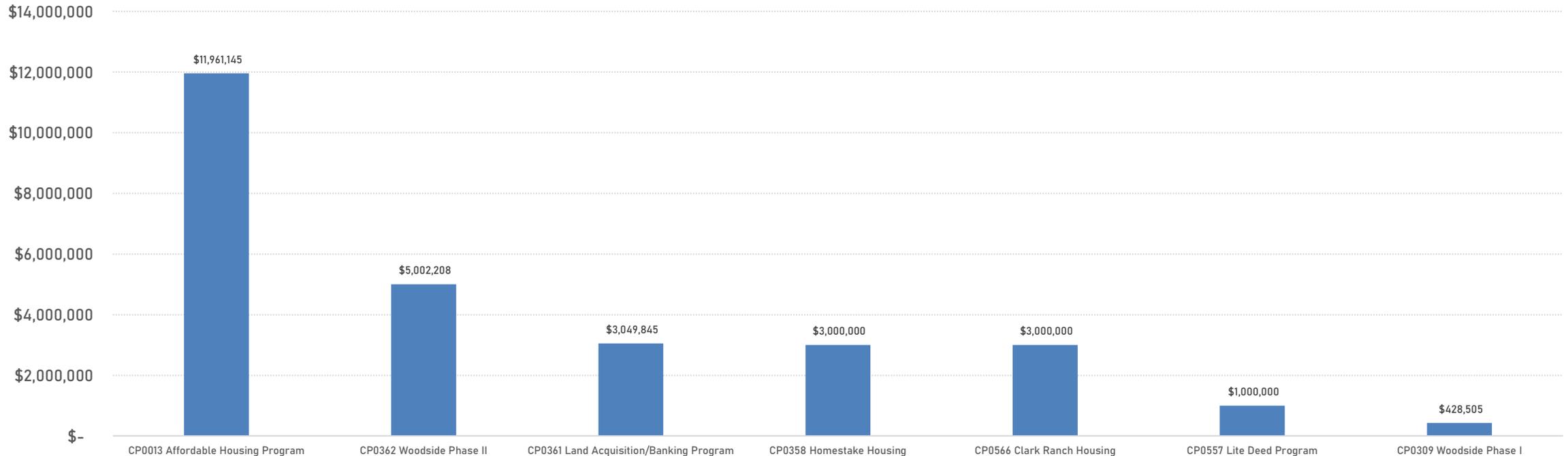
## Parks/Streets

- Increase seasonal staff
- Striping & Street Signs projects

# Housing – Top 10

Housing Top 10 Capital Projects by 5Y \$									
\$ Rank	Project	Carry Forward	FY22	FY23	FY24	FY25	FY26	FY27	5Y Total Plan
1	CP0013 Affordable Housing Program	\$ 765,116	\$ 11,196,029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,961,145
2	CP0362 Woodside Phase II	\$ 12,802,208	\$ (7,800,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,002,208
3	CP0361 Land Acquisition/Banking Program	\$ -	\$ 3,049,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,049,845
4	CP0358 Homestake Housing	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
5	CP0566 Clark Ranch Housing	\$ -	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
6	CP0557 Lite Deed Program	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
7	CP0309 Woodside Phase I	\$ 418,505	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 428,505
	<b>Total</b>	<b>\$ 13,985,829</b>	<b>\$ 9,455,874</b>	<b>\$ 4,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,441,703</b>

Housing Top 10 5Y Capital Projects



Source: Park City Municipal Corporation, as of May 2022.

# Workforce Support

## Creating the Great Retention

### Investment in Staff Salaries

- Creation of 20 new positions to support across the organization
- 10.3% increase to pay ranges (grades)
- Targeted increase to Transit Operators based on 2022 data ~ \$4/hr increase per driver

### Exploring Enhanced Benefits

- Parental leave, increased PTO, Childcare options, increased life insurance and housing allowance

### Continue to Follow “Pay for Performance” Standards

- Annual review process with self, peer and manager feedback
- Training on goal setting and performance management including reviews
- Focused Goal Setting for FY23
- Performance Review Software (streamline process)

# Workforce Support

- **Vacation, Holidays, & Sick Leave**
- **Generous Health Benefits, Employee Assistance/Wellness Program**
- **Utah Retirement System (URS) choice of hybrid or 401k plan with 10% employer contribution**
- **Monthly housing allowance for employees within the Park City School District**
- **Free access to community athletic center (PC MARC), discounted skiing, tennis, ice rink, golf**
- **Free UTA Transit Pass/Vanpool**
- **Education reimbursement up to \$10,000 per year**
- **Flex-Time Accommodations - the ability to work from home and flex work hours as job responsibilities allow**
- **IREACH bonus – peer nomination and manager approved spot bonuses up to \$400**
- **Transit High Five – peer or customer-nominated recognition for transit drivers**
- **Service awards – recognition at five-year intervals**

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# Workforce Support

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## Human Resources:

- New Recruiter and increased support for benefits/onboarding and daily operations
- Increase recruitment and retention programs such as education assistance, recruiting programs, employee assistance/wellness program
- Compensation analysis software, payroll system training and support
- Pay Plan – update 2020 compensation ranges to current 75<sup>th</sup> percentile



# Environmental Leadership



- **Contract Services in Legal and Environmental Regulatory to support Senior Project Manager position added in mid-FY22**
- **Curbside Composting pilot program**
- **Enhance water leak detection efforts**
- **Library Sustainability Resource Center**
- **Forestry Plan \$100k FY22 CIP**
- **Wildfire Risk Mitigation and Mapping \$250k Fy22 CIP**

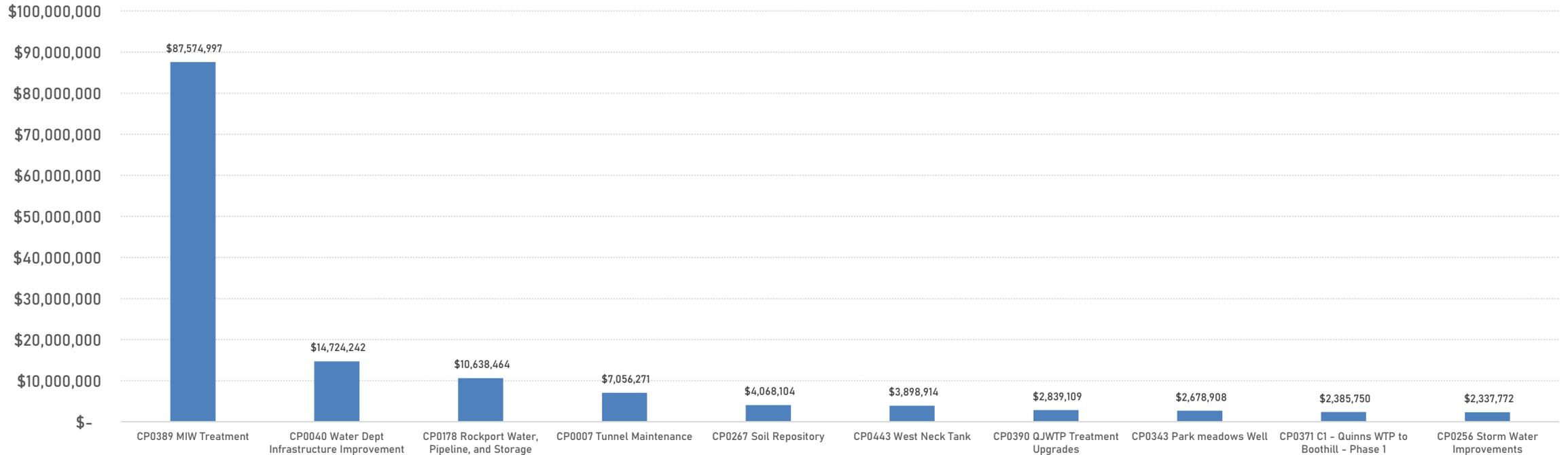


# Environmental – Top 10

Environmental Top 10 Capital Projects by 5Y \$

\$ Rank	Project	Carry Forward	FY22	FY23	FY24	FY25	FY26	FY27	5Y Total Plan
1	CP0389 MIW Treatment	\$ 38,219,228	\$ 28,200,000	\$ 20,094,153	\$ 250,000	\$ 260,000	\$ 270,400	\$ 281,216	\$ 87,574,997
2	CP0040 Water Dept Infrastructure Improvement	\$ 415,848	\$ 2,396,891	\$ 3,454,863	\$ 3,496,538	\$ 1,776,879	\$ 1,183,223	\$ 2,000,000	\$ 14,724,242
3	CP0178 Rockport Water, Pipeline, and Storage	\$ 169,876	\$ 4,080,796	\$ 1,274,570	\$ 1,357,520	\$ 1,203,543	\$ 1,276,958	\$ 1,275,201	\$ 10,638,464
4	CP0007 Tunnel Maintenance	\$ 2,749,968	\$ 274,750	\$ 2,781,619	\$ 292,884	\$ 304,599	\$ 319,829	\$ 332,622	\$ 7,056,271
5	CP0267 Soil Repository	\$ 4,068,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,068,104
6	CP0443 West Neck Tank	\$ 1,398,914	\$ 1,250,000	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -	\$ 3,898,914
7	CP0390 QJWTP Treatment Upgrades	\$ 2,839,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,839,109
8	CP0343 Park meadows Well	\$ 2,678,908	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,678,908
9	CP0371 C1 - Quinns WTP to Boothill - Phase 1	\$ -	\$ 2,385,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,385,750
10	CP0256 Storm Water Improvements	\$ 487,492	\$ 257,242	\$ 300,000	\$ 300,000	\$ 315,000	\$ 330,750	\$ 347,288	\$ 2,337,772
<b>Total</b>		<b>\$ 53,027,447</b>	<b>\$ 38,845,429</b>	<b>\$ 29,155,205</b>	<b>\$ 5,696,942</b>	<b>\$ 3,860,021</b>	<b>\$ 3,381,160</b>	<b>\$ 4,236,327</b>	<b>\$ 138,202,531</b>

Environmental Top 10 5Y Capital Projects



Source: Park City Municipal Corporation, as of May 2022.

# Recreation

## MARC

- Full-time front desk staff to meet increased demand
- Increase Pickleball Instructor hours
- Equipment, pool chemicals
- MARC Equipment Replacement +\$150k
- Aquatics Equipment Replacement +\$400k

## Tennis

- Increase Pro Shop inventory to keep product stocked
- Freight, Office Supplies
- Tennis Court Resurface +\$100k

## Ice

- Seasonal Ice Tech to support outdoor rink

## Golf

- Increase Pro Shop inventory
- Uniforms, fertilizer, plant materials

## Trails Master Plan Implementation



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# Core Services

## Building Maintenance

- Two Building Maintenance employees and vehicle to support increased demand and 3Kings Water Treatment Plant
- Increase in contract services due to inflation

## Water (offset by revenue)

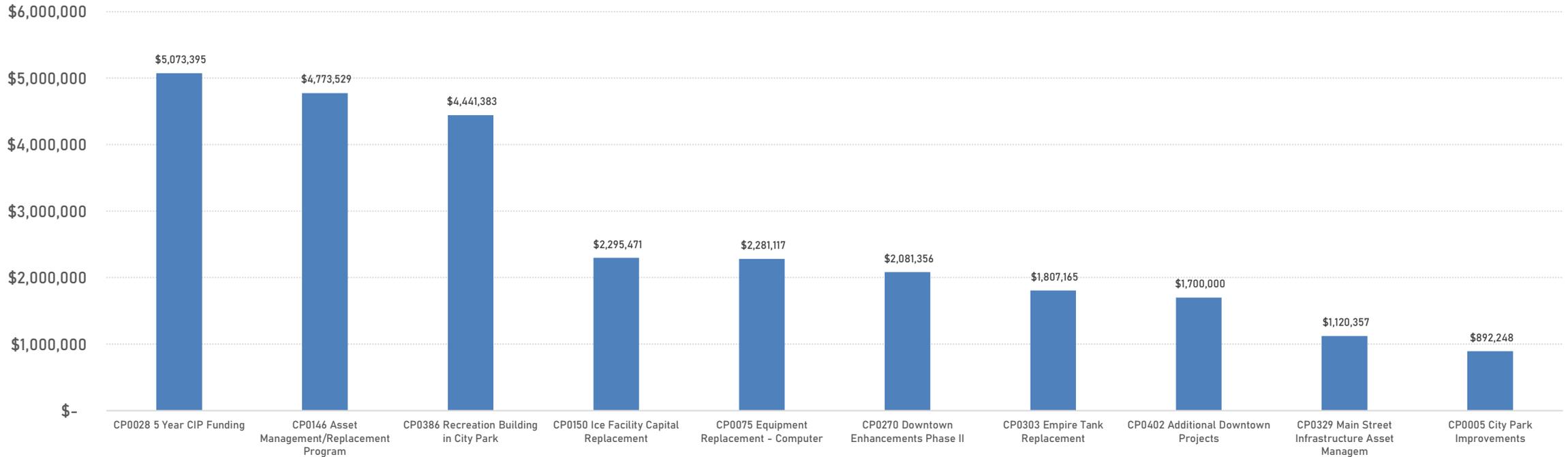
- Chemicals, utilities, technology, contract services
- Vehicles and heavy equipment rental
- Maintenance of meters and hydrants



# Core Services – Top 10

Core Services Top 10 Capital Projects by 5Y \$									
\$ Rank	Project	Carry Forward	FY22	FY23	FY24	FY25	FY26	FY27	5Y Total Plan
1	CP0028 5 Year CIP Funding	\$ 5,073,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,073,395
2	CP0146 Asset Management/Replacement Program	\$ 160,642	\$ 552,709	\$ 704,760	\$ 1,105,418	\$ 750,000	\$ 750,000	\$ 750,000	\$ 4,773,529
3	CP0386 Recreation Building in City Park	\$ 241,383	\$ -	\$ -	\$ -	\$ 4,200,000	\$ -	\$ -	\$ 4,441,383
4	CP0150 Ice Facility Capital Replacement	\$ 888,601	\$ 537,870	\$ 473,000	\$ 132,000	\$ 132,000	\$ 132,000	\$ -	\$ 2,295,471
5	CP0075 Equipment Replacement - Computer	\$ 505,963	\$ 360,564	\$ 628,026	\$ 502,564	\$ 142,000	\$ 142,000	\$ -	\$ 2,281,117
6	CP0270 Downtown Enhancements Phase II	\$ 152,130	\$ 620,810	\$ 327,104	\$ 327,104	\$ 327,104	\$ 327,104	\$ -	\$ 2,081,356
7	CP0303 Empire Tank Replacement	\$ -	\$ 1,807,165	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,807,165
8	CP0402 Additional Downtown Projects	\$ -	\$ 500,000	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ 1,700,000
9	CP0329 Main Street Infrastructure Asset Managem	\$ 21,047	\$ 100,000	\$ 100,000	\$ 599,310	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,120,357
10	CP0005 City Park Improvements	\$ 652,013	\$ 90,235	\$ 50,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 892,248
<b>Total</b>		<b>\$ 7,695,174</b>	<b>\$ 4,569,353</b>	<b>\$ 3,482,890</b>	<b>\$ 2,766,396</b>	<b>\$ 5,651,104</b>	<b>\$ 1,451,104</b>	<b>\$ 850,000</b>	<b>\$ 26,466,021</b>

Core Services Top 10 5Y Capital Projects



Source: Park City Municipal Corporation, as of May 2022.

# Future Capital

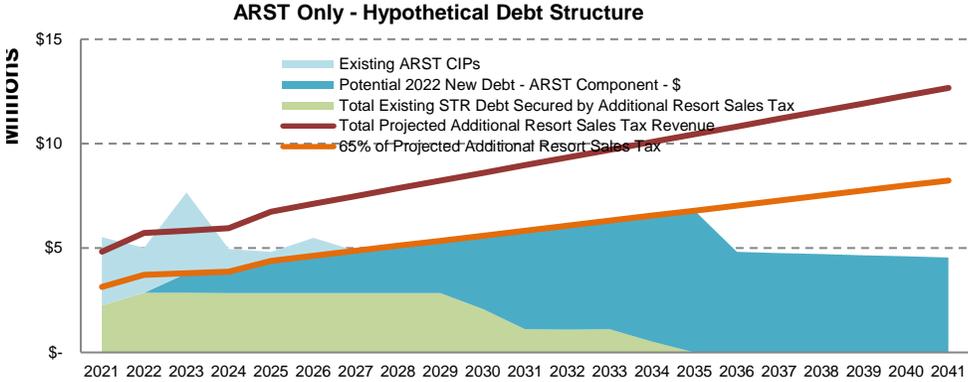


# Project Prioritization & Budgeting



# Additional Opportunity 1: ARST

## Debt Capacity



## Historical Use

- Open Space Acquisition
- Historic Park City, Main Street & Downtown Projects
- Old Town Street Improvements
- Storm Water

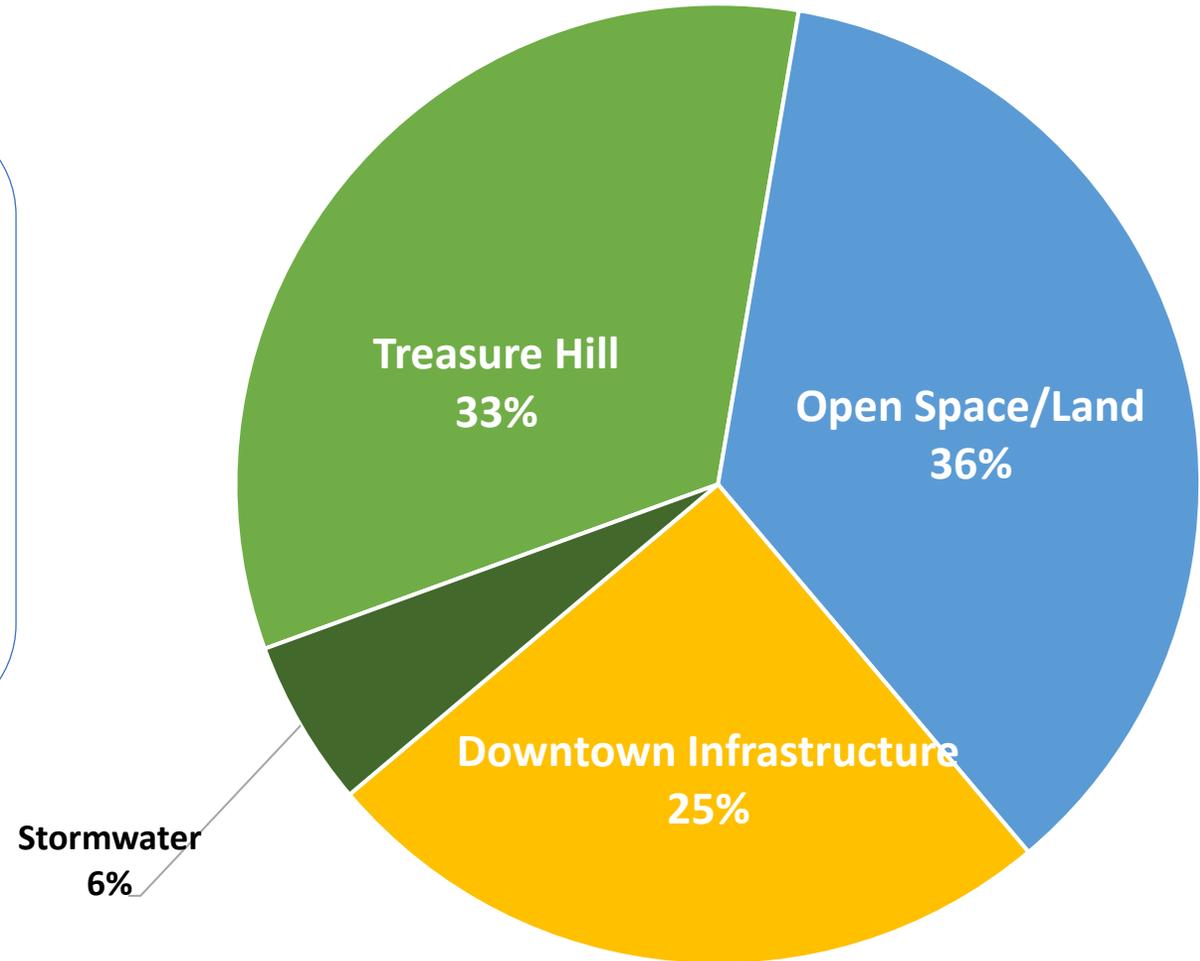
**~\$45-50M over 20 yrs  
@ 65% of Gross Revenue**

## Potential Future Use

**100% Flexible at Council Discretion**

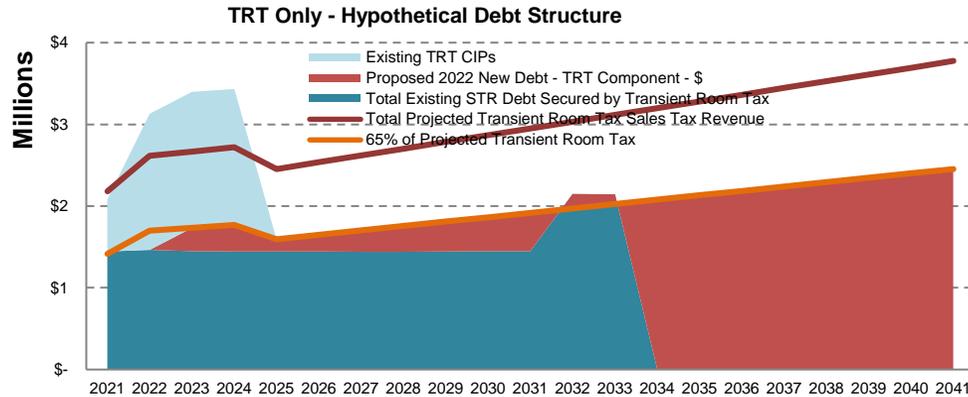
# Additional Resort Sales Tax

- Adopted 2012 with Intended Uses
- \$5.2M (5-year avg)
- \$2.6M/year debt service
- \$42.5M Expended



# Additional Opportunity 2: TRT

## Debt Capacity



**~\$13-15M over 20 yrs  
@ 65% of Gross Revenue  
~\$17-20M over 20yrs  
@ 75% of Gross Revenue**

## Historical Use

### ■ Arts & Culture

- Adopted 2017
- \$2.7M (3-year avg)
- \$1.4M/year debt service
- \$22.2M Expended

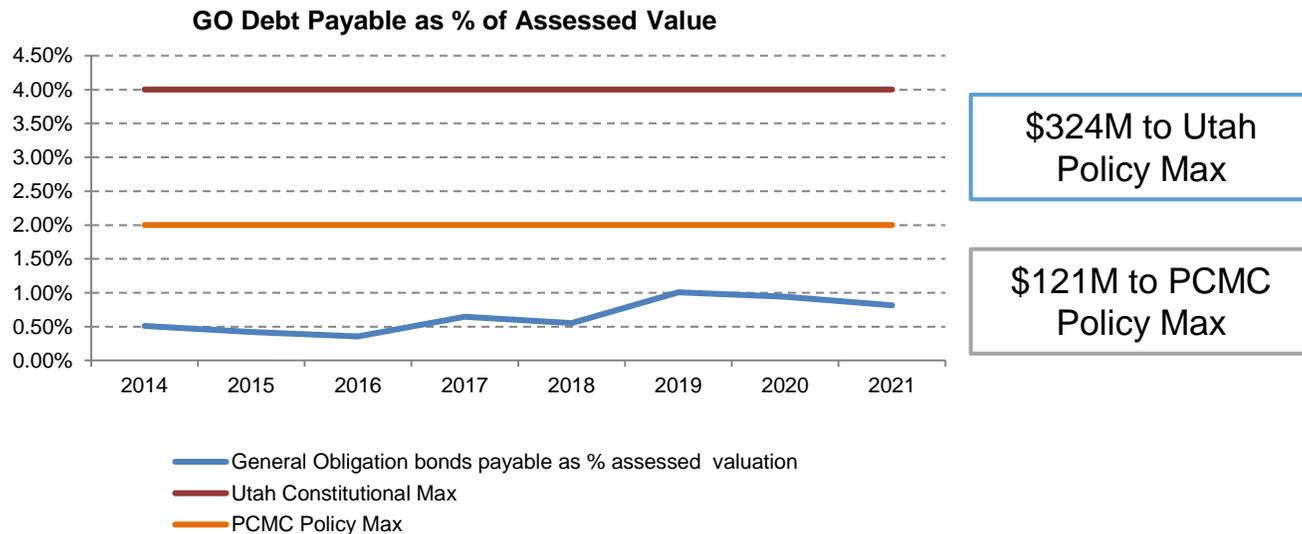
## Potential Future Use

**100% Flexible at Council Discretion**

# Debt Practices

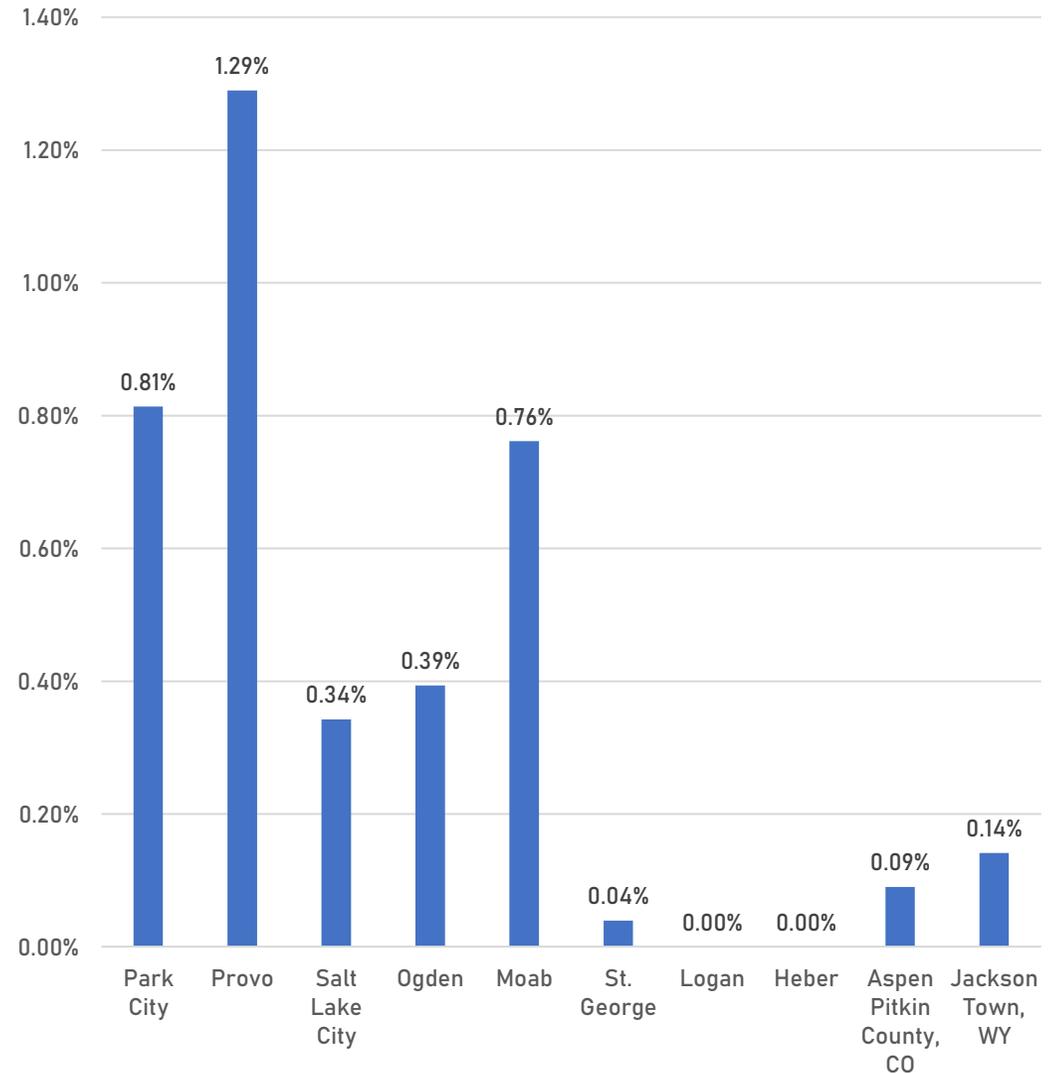
## General Obligation Bonds

PCMC limits total General Obligation debt payable to not exceed 2% of the City's assessed value, which stood at \$10.1 Bn as of FY21.



Source: PCMC as of April 2022.

Selection of Cities  
General Obligation Debt as % of Assessed Value



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# Additional Opportunity 4: Special Financing Tools

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CRA

## Community Reinvestment Agency

- Redistributes property tax within geographic boundary based on new growth
- Other governmental entities must authorize



PID

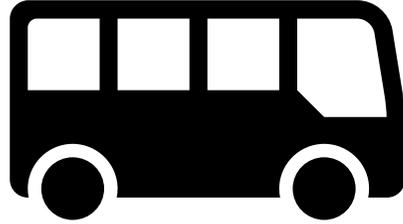
## Public Improvement District

- Creates a new property tax within geographic boundary
- City authorizes

**Proceeds from special financing deals are 100% dependent on creating new asset growth and the corresponding resulting assessed value of the new asset**

# Transportation Revenue Opportunities

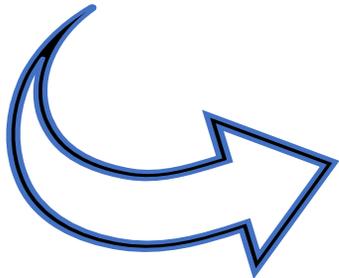
## Transit Sales Taxes



## Grants

- \$5M/year received directly for operations
- \$2.5M/year received from Summit County for ops
- \$2.5M/year apply through Summit County annually (capital only)

- Federal and state grants
- Over \$30M planned in next 5 yrs
- Continually applying



# Flexible Sales Tax Revenue Raising Capacity & Competing Capital Priorities

## Unfunded Large Capital Initiatives

Arts & Culture District

Long Range Transp. Plan

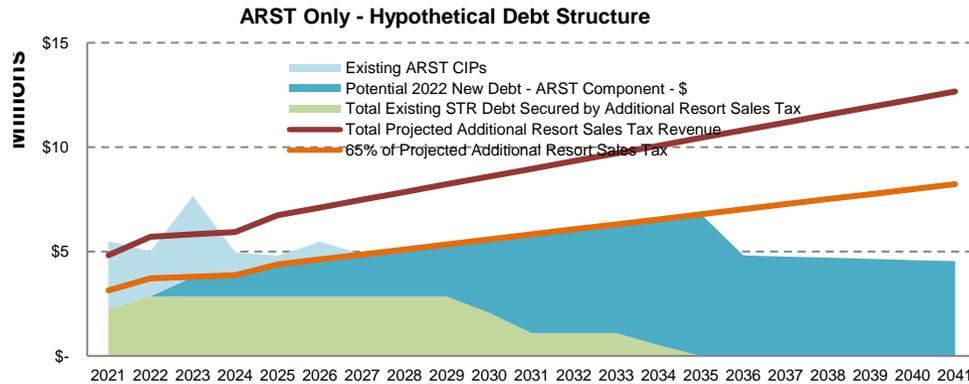
RMP Substation Move

Soils Remed. Program

Housing Program Expansion

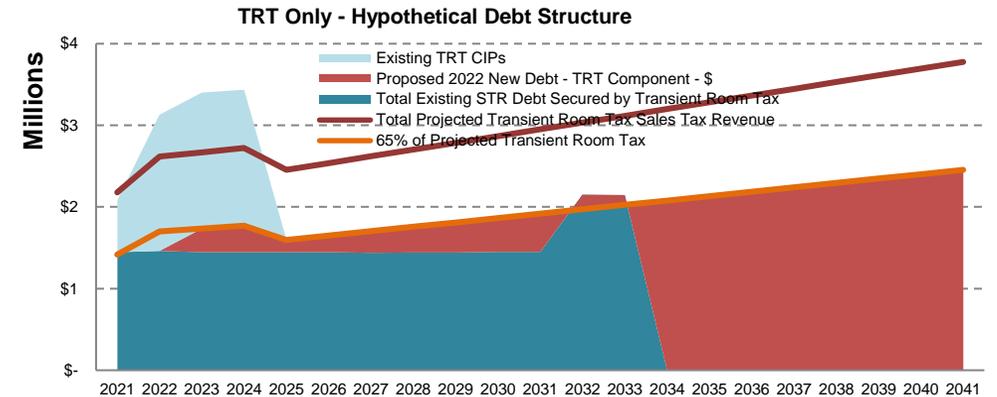
Recreation Expansion

### ARST Proceed Potential



**~\$45-50M over 20 yrs  
@ 65% of Gross Revenue**

### TRT Proceed Potential



**~\$13-20M over 20 yrs  
@ 65-75% of Gross Revenue**



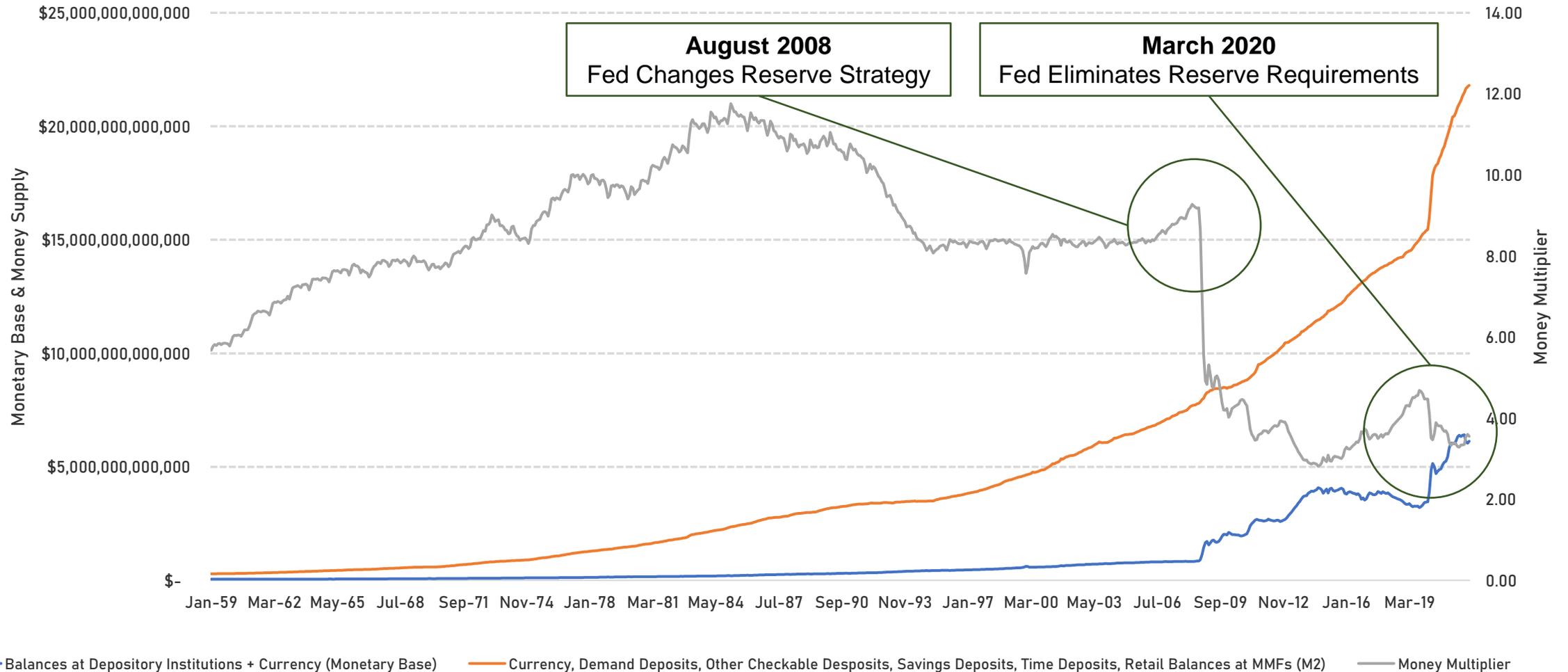
# Appendix



# — Where We've Come From – National/Global Picture —

Prior to 2008, the Fed regulated the onshore financial system in a scarce-reserves regime. Post 2008 the Fed moved to an ample-reserves regime. Has the cost been efficiency?

Monetary Base, Money Supply & Money Multiplier

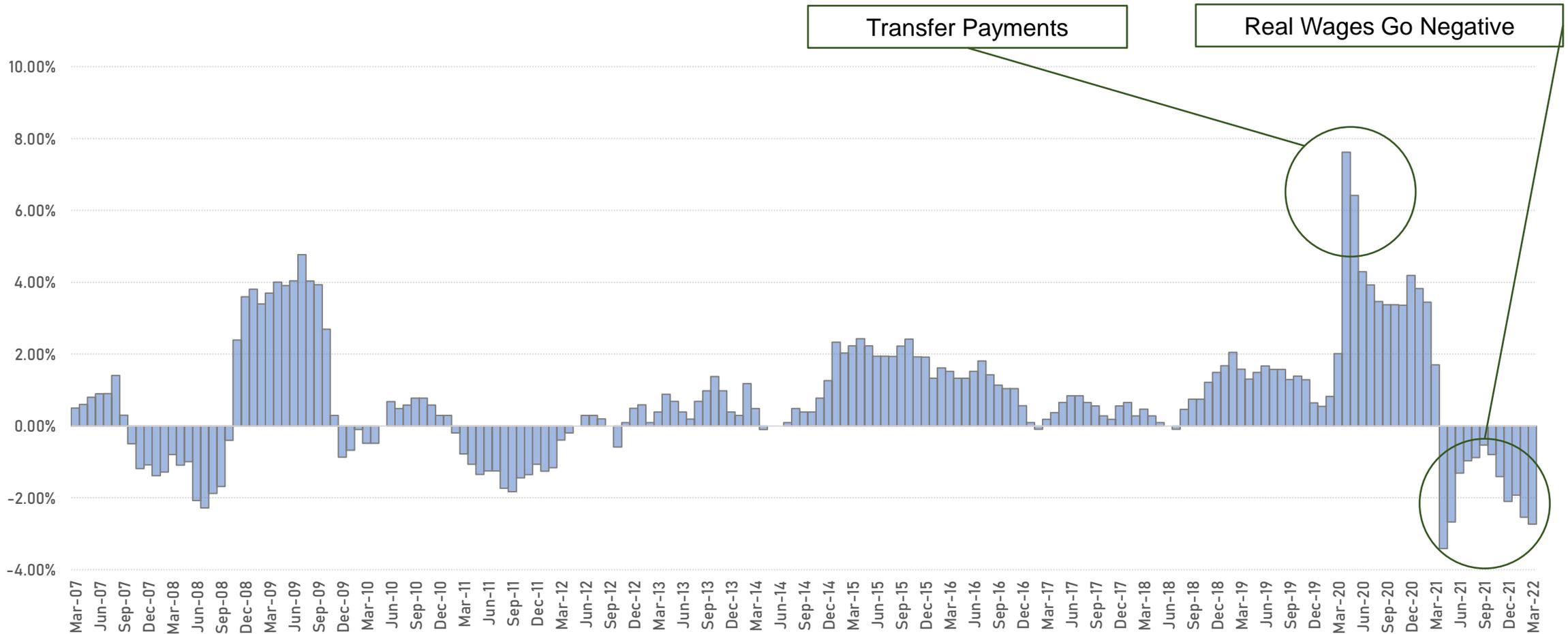


Source: St. Louis Federal Reserve, PCMC. As of February 2022.

# Real Wages

Year-over-year changes in real average hourly earnings went negative in April of 2021.

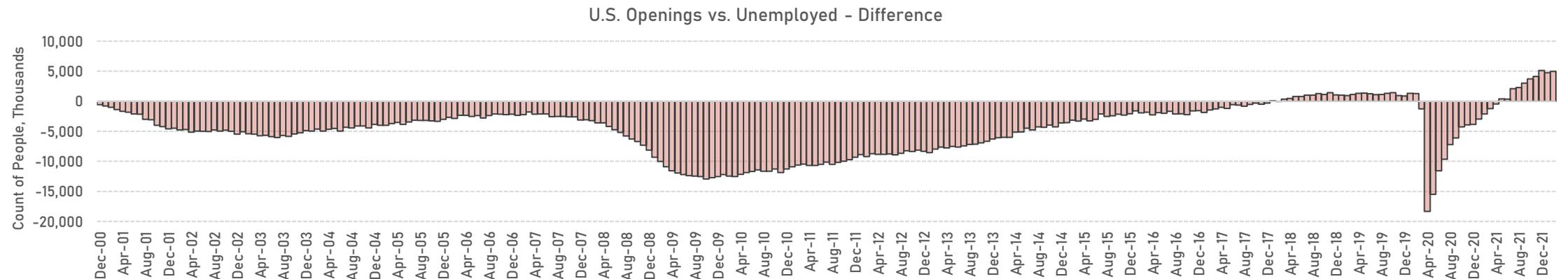
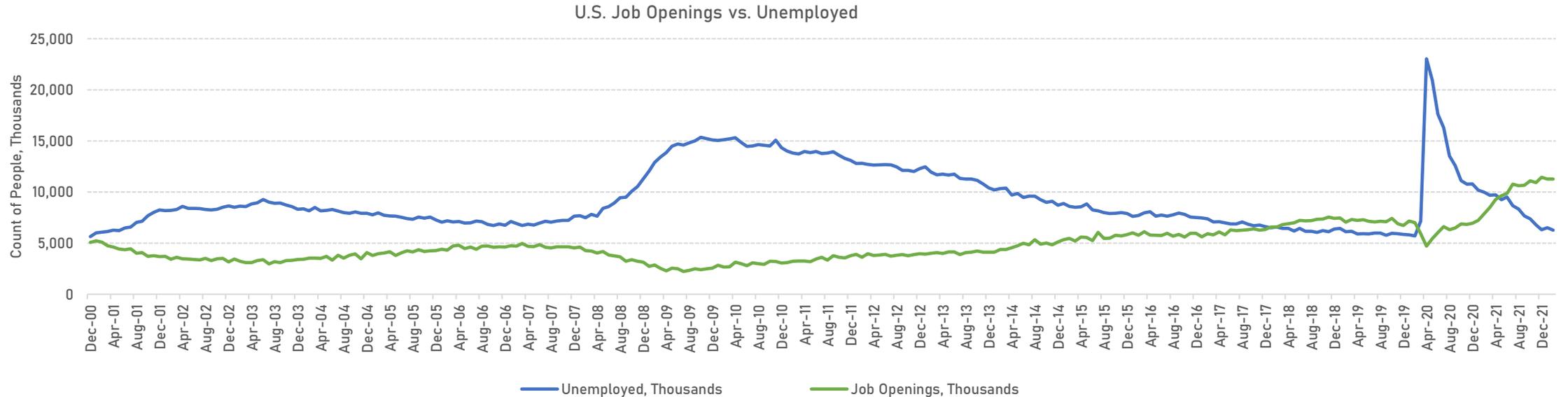
YoY % Change in U.S. Real Average Hourly Earnings



Source: Bureau of Labor Statistics, PCMC. As of April 2022.

# Job Openings vs. Unemployed

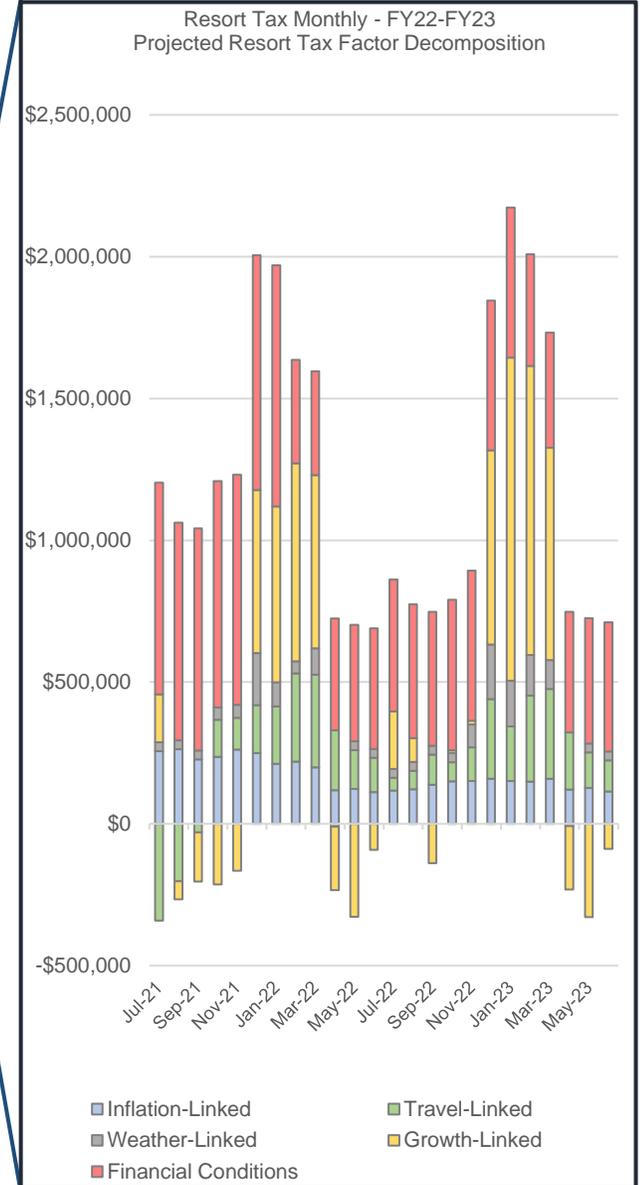
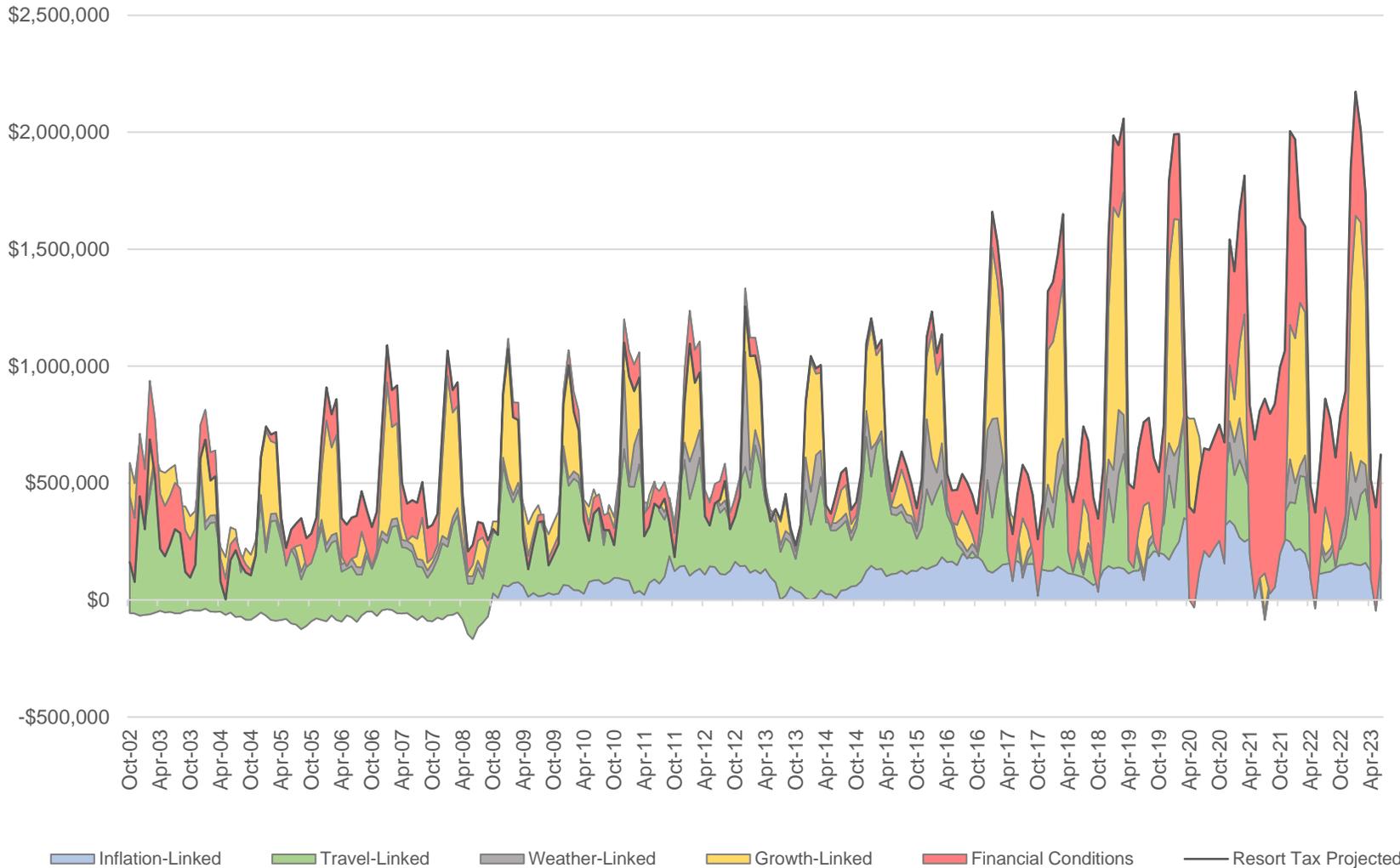
Labor market unemployment has come down yet openings remain at record highs.



Source: St. Louis Federal Reserve, PCMC. As of February 2022.

# Sales Tax Decomposition by Month

Resort Tax Monthly  
Historical & Projected with Statistical Factor Decomposition

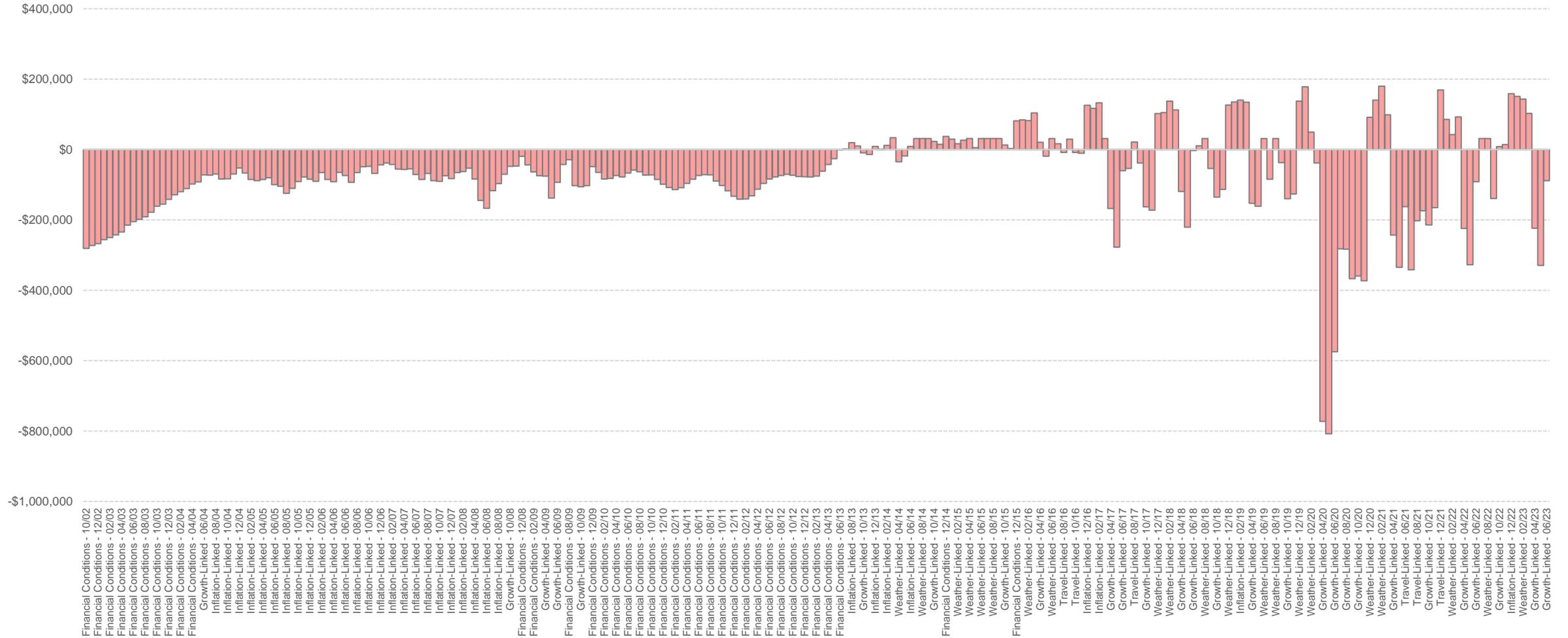


Source: PCMC as of April 2022.



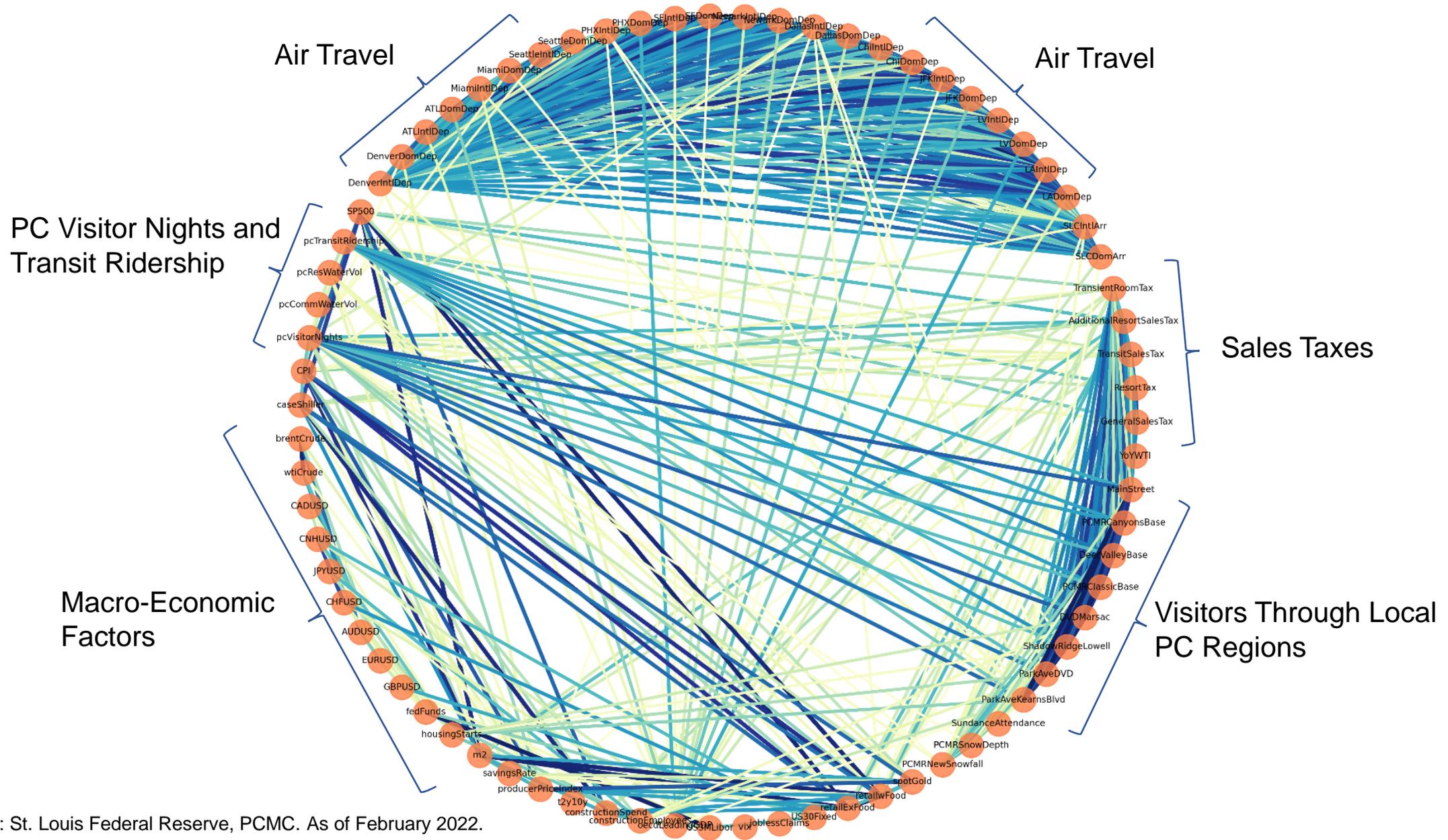
# Sales Tax Smallest Contributor by Month

Smallest Factor Contributor to Sales Taxes by Month



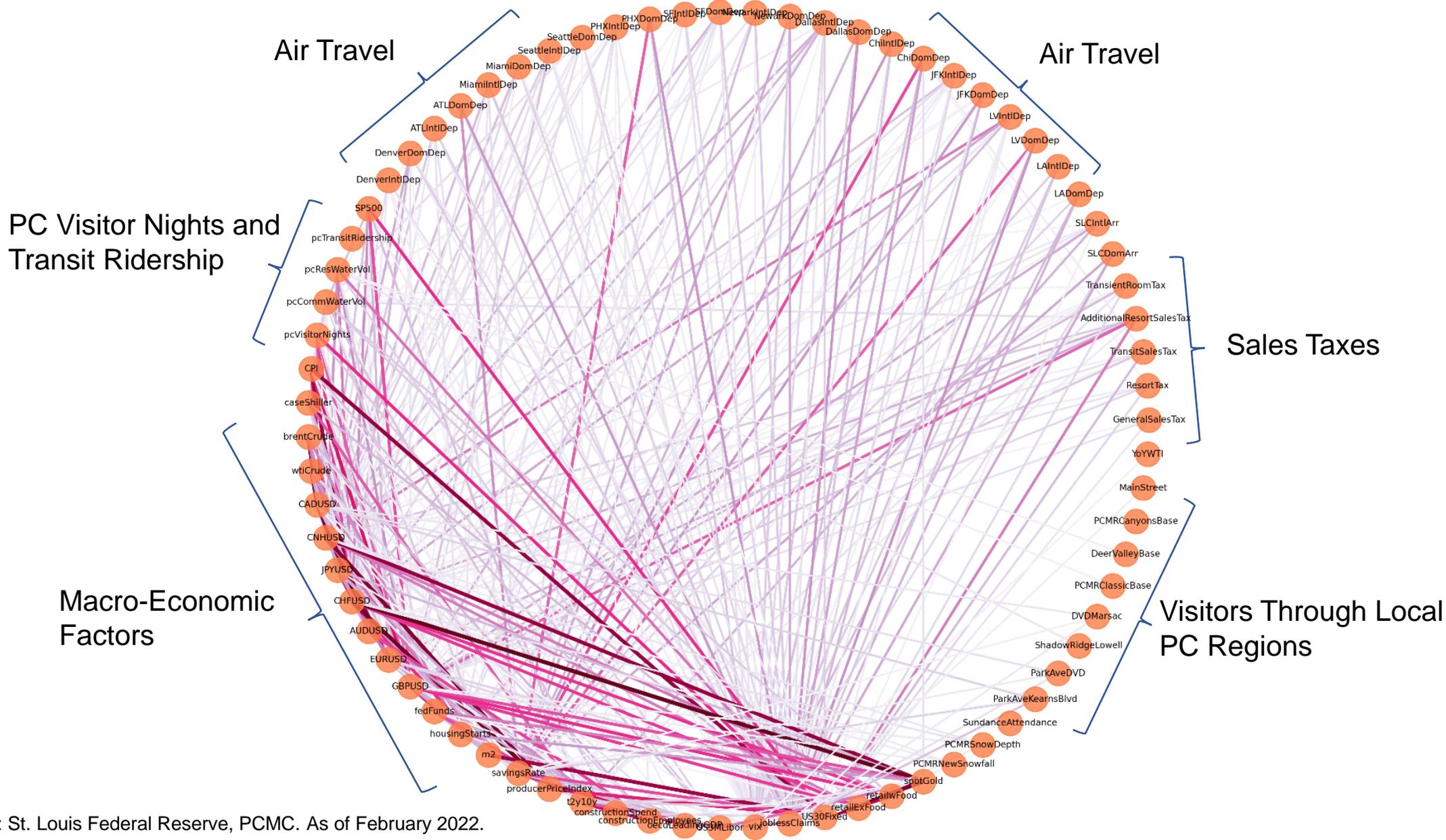
Source: PCMC as of April 2022.

# Sales Tax Correlation Network – Positive Contributors



Source: St. Louis Federal Reserve, PCMC. As of February 2022.

# —Sales Tax Correlation Network – Negative Contributors—



Source: St. Louis Federal Reserve, PCMC. As of February 2022.