

# PARK CITY MUNICIPAL'S FISCAL YEAR 2025 BUDGET



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

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**Adjusted Budget Fiscal Year 2024  
Annual Budget Fiscal Year 2025**

**MAYOR AND CITY COUNCIL  
AS OF JANUARY 1, 2024**



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

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

**Volume II: Technical Data** displays Park City’s budget in a report format directly from our database. It includes details on revenues by fund and type of revenue; expenditures by fund, department, and type; and organizational charts for the entire entity.

## **VOLUME I: EXECUTIVE SUMMARY**

### **BUDGET OVERVIEW**

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

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**Park City Municipal**  
**445 Marsac Ave, P.O. Box 1480, Park City, Utah 84060**



## City Manager's Message

To the Honorable Mayor, City Council, residents, and businesses of Park City:

It is my privilege to announce that the Park City Council has adopted the Fiscal Year (FY) 2024 Adjusted Budget and the FY 2025 Budget. These budgets were prepared using practices recommended by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA). As required by the Uniform Fiscal Procedures Act for Utah Cities, the budgets are balanced.

The FY25 Budget supports the Council's vision of a well-balanced, locally connected, and high-quality community. We will build on the momentum of a strong FY24 to continue to tackle important community priorities, such as transportation, affordable housing, recreation, community development, neighborhood quality of life, and more.

### **Stable Revenues Projected for FY25**

The economic recovery in the wake of the COVID-19 pandemic led to several years of strong revenue growth, particularly in sales tax revenue. While Park City's economy remains strong, we anticipate this pace of growth to level off in the coming year. For FY25, we project revenue growth of over \$2 million (+4%) over FY24 in the City's General Fund.

Despite General Fund revenue growth stabilizing in FY25, we have sought ways to cover the increasing cost of service delivery without additional tax burdens on Park City's taxpayers. In fact, with the retirement of an older general obligation bond, Park City property taxpayers will realize savings on the PCMC portion of their property tax bill in FY25, equating to approximately -\$68 for the average primary home and -\$125 for a non-primary or business property (a median house in Park City is now ~\$2.3M).

While property and sales taxes are the largest revenue sources for the General Fund, the City's Water Fund relies primarily on fees for services to recover the increasing costs of delivering high-quality water to homes and businesses. While a recent rate study from a third-party consultant supported a 10% water rate increase to generate additional revenue, it also indicated there were several alternatives to generate revenue beyond a rate increase or by reducing costs.

For FY25 and after considerable City Council deliberation, water rate payers will only see a modest 4.5% increase on their bill. Additional resources from the General Fund and a pending grant were budgeted to supplement the Water Fund in FY25 and ensure we maintain infrastructure and our high levels of customer service. Beginning in FY26, we will begin a graduated 3-year plan to charge City-owned properties a municipal rate for their water usage. This would include a discounted rate structure for the public facilities that receive raw untreated water, such as the Quinns Fields and the Municipal Golf Course. This plan will provide the Water Fund with future revenues without additional and

proportional increases to water rates. Estimated future water rate increases of 4.5% to 3% are planned, subject to many factors, including water sales volumes and inflationary costs.

### **Maintaining High Levels of Service and Investing in Community Initiatives**

In FY25, we have committed to a fiscally responsible budget that maintains core City programs and essential services, provides high levels of customer service to residents and businesses, reinvests in our employees and workforce, and continues to support critical community initiatives and capital projects.

In collaboration with many community partners, we have several exciting capital projects and programs planned for FY25. Below are just a few examples of exciting community initiatives that will make lasting and significant impacts on Park City's future:

- \$15.2 million for a new Community Center and summer camp headquarters in City Park;
- \$7.5 million for aquatic facility upgrades at the PC MARC, including a new leisure pool, lap pool, and spa;
- \$8.5 million toward bus stop improvements, including additional shelters and ADA improvements;
- \$9.4 million for the Homestake roadway and multi-use path and sidewalk improvements;
- \$10 million in targeted funding for multi-use projects that will enhance Council goals of housing, transportation, and community connectivity;
- \$15 million for a Park & Ride near the intersection of S.R. 248 and U.S. 40 to further ease traffic congestion along this corridor;
- \$3.5 million to underground RMP transmission lines leading into the Bonanza Park area;
- \$2.5 million for bike and pedestrian pathway improvements in the Thaynes Canyon/Three Kings area to enhance residents' quality of life;
- \$1 million in additional investments to recruit and retain a strong City workforce;
- \$875,000 to continue to support an affordable childcare scholarship program for local working families;
- \$638,500 for essential nonprofit services administered by an independent public advisory committee; and
- \$75,000 for planning and preparation to host the 2034 Winter Olympics.

These are just a few of the many community initiatives and projects we will undertake in FY25. On behalf of the City's talented and dedicated workforce, we are grateful to the Mayor, Council, and community for the ongoing dedication and support to make Park City a better place to live and work.

Sincerely,

Matthew J. Dias  
City Manager  
Park City Municipal Corporation

## **DISTINGUISHED BUDGET AWARD**

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

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

# *Distinguished Budget Presentation Award*

PRESENTED TO

**Park City Municipal Corporation  
Utah**

For the Fiscal Year Beginning

**July 01, 2023**

*Christopher P. Morill*

**Executive Director**

## BUDGET OVERVIEW

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### THE BUDGET PROCESS

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

The budget process links the Council's policies and goals to the city's day-to-day management and operations. These goals are considered when department managers develop their service level needs to request operating and capital budgets.

The FY25 Budget reflects months of collaborative work with the City Council and numerous City departments. Below is a review of the key steps included in the FY25 Budget process:

- **Revenue Projections:** The Budget Department begins by forecasting the City's expected revenue for the upcoming fiscal year. The forecasting model incorporates local, national, and global economic trends. The model helps project revenues for ongoing operational expenses and capital initiatives and has proven accurate in predicting economic conditions;
- **Department Requests:** Managers, after working with the City Council's priorities and following the Annual Retreat discussions, submit annual budgetary requests outlining any new or additional needs for the upcoming fiscal year;
- **Results Team Review:** An internal committee of employees from across the City, known as the Results Team, reviews and scrutinizes departmental requests and makes recommendations to the City Manager based on alignment with City Council and community goals;
- **Executive Team Refinement:** The Executive Team receives the Results Team's recommendations and holistically reviews to ensure alignment with City Council and community goals; and
- **Council Review, Discussion, and Adoption:** Draft budgetary information is presented to the City Council for review and modification over several months. Following refinements, the tentative and final budgets are adopted in May and June, respectively, as Utah law requires.

Park City's budget development process emphasizes transparency and collaboration and is considerably longer than peer communities.

#### **Budget Considerations**

Department managers work with their teams to submit cost-effective program budgets. Throughout the budget process, Council has many opportunities to consider service-level reductions and corresponding program budget cuts, as well as program funding or program increases not recommended in the proposed FY25 budget.

## BUDGET OVERVIEW

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

Per state code, a tentative budget must be submitted to the City Council on or before the first scheduled meeting in May. The council adopts the tentative budget and then begins to make it their own by modifying and amending it. The proposed budget must be available for public inspection during normal business hours after it has been filed with the City Council.

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.



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

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

Each year, the budget department works with the City Manager to establish revenue and expense projections based on long-range historical trends. As the economic environment of a resort economy ebbs and flows, the long-term budget outlook is intended to act as a long-range measure and reference for future financial decisions.

While utilizing near-term, high-frequency projections is a critical part of the City's budget process, staff also generates long-term projections for revenue combined with hypothetical scenarios of expense growth. Recent revenue growth has been exceptional due to a boom in sales tax revenues (which we anticipate leveling off in FY25). Yet, staff uses knowledge of past growth rates to project future long-term revenue trends. However, we note that the long-term historical sales tax data, and thus corresponding projections, are not yet fully reflective of a post-COVID world with higher money supply, travel differences, and increased inflation.

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

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

- A. Budget draws upon Council input and long-term staff revenue and expense projections as a guide
  - Priority-driven operating budget based upon Council's critical and top priorities, goals, objectives, and desired outcomes
- B. The budget proposal is initially developed by several budget committees made up of cross-departmental staff:
  - Committees include Results Team, CIP Committee, and any other ad hoc committees needed for unique circumstances
  - Results Team will make recommendations by considering program scores, department manager's request, established need, available resources, and performance measures
- C. All operating and capital budget requests should be considered during the budget process
- D. Any General Fund budget surplus can be flexibly deployed for personnel, operating and/or for capital projects

# BUDGET OVERVIEW

## REVENUE AND EXPENDITURE SUMMARY

### General Fund Revenues

For FY25, the Budget Department projects revenue growth of at least \$2M over the FY24 Projected Revenues in the City’s General Fund. This is driven by continued growth in tourism and visitation reflected in sales taxes and stability in property taxes as Park City residents, businesses, and visitors thrive.

| General Fund Revenue Summary - FY24 & FY25 |                     |                     |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue                                    | FY19 Actual         | FY20 Actual         | FY21 Actual         | FY22 Actual         | FY23 Actual         | FY24 Proj           | FY25 Budget         |
| Property Taxes                             | \$11,299,738        | \$11,318,264        | \$13,008,978        | \$13,109,913        | \$12,458,061        | \$13,080,965        | \$14,141,021        |
| Sales Tax                                  | \$12,127,622        | \$7,410,281         | \$14,116,007        | \$16,465,025        | \$19,383,825        | \$19,953,016        | \$20,439,133        |
| Franchise Tax                              | \$3,230,881         | \$3,161,759         | \$3,253,431         | \$3,526,041         | \$4,368,710         | \$4,560,330         | \$4,782,816         |
| Planning, Building and Engineering Fees    | \$3,314,742         | \$5,280,540         | \$3,048,639         | \$4,138,054         | \$5,141,867         | \$5,839,319         | \$6,449,807         |
| Recreation                                 | \$1,944,730         | \$1,800,402         | \$2,319,273         | \$2,715,675         | \$2,705,477         | \$2,714,562         | \$2,863,434         |
| Licenses                                   | \$444,304           | \$368,301           | \$305,854           | \$335,232           | \$448,438           | \$452,436           | \$464,017           |
| Ice Revenue                                | \$828,397           | \$691,828           | \$634,725           | \$850,024           | \$945,775           | \$1,090,747         | \$1,276,867         |
| Intergovernmental Revenue                  | \$174,302           | \$86,525            | \$130,612           | \$137,010           | \$149,528           | \$138,275           | \$123,706           |
| Fees/Other                                 | \$1,738,688         | \$1,688,457         | \$3,701,886         | \$1,475,666         | \$2,601,752         | \$2,801,753         | \$2,042,402         |
| Interfund Transfers                        | \$2,673,664         | \$2,724,847         | \$2,724,847         | \$2,950,291         | \$3,430,983         | \$4,011,403         | \$4,197,778         |
| <b>Total</b>                               | <b>\$37,777,068</b> | <b>\$34,531,204</b> | <b>\$43,244,251</b> | <b>\$45,702,930</b> | <b>\$51,634,416</b> | <b>\$54,642,806</b> | <b>\$56,780,981</b> |

Sales Tax is the largest revenue stream for the City’s General Fund. Beginning in FY21, the City’s budget team assembled a sales tax model based on statistical techniques and includes over 70 model features. Staff projects an increase of ~\$500,000 in General Fund sales tax—from a projected \$19.9M in FY24 to \$20.4M in FY25

### Tax Projection Detail

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

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

- Current Revenue Projection Estimates Assume:
  - **Property Tax:** Property taxes assume base revenue of \$12M from FY24. From this base, we project incremental new growth of approximately \$850,000.
  - **Sales Tax:** Based on PCMC’s statistical sales tax model.
  - **Franchise Tax:** Modeled as a log-transformed function of time, this model was selected as we assume tapering demand for telecommunications services as new demand and new telecom services may hit saturation points.
  - **Licenses:** Assumes linear trend growth in line with historical averages.
  - **BP&E Fees:** Assumes linear trend growth in line with historical averages.
  - **Recreation:** Assumes linear trend growth in line with historical averages.
  - **Other Revenue:** Assumes linear trend growth in line with historical averages.

## BUDGET OVERVIEW

- **Ice:** Assumes linear trend growth in line with historical averages.
- **Interfund Transfers:** Assumes growth of 4% from FY24.
- **Intergovernmental Revenues:** Assumes linear trend growth in line with historical averages.

### Expenditure Summary

| Expenditure Summary - All Funds |                       |                       |                       |                        |                            |                            |                            |
|---------------------------------|-----------------------|-----------------------|-----------------------|------------------------|----------------------------|----------------------------|----------------------------|
|                                 | Actuals<br>FY 2021    | Actuals<br>FY 2022    | Actuals<br>FY 2023    | YTD Actuals<br>FY 2024 | Original Budget<br>FY 2024 | Adjusted Budget<br>FY 2024 | Original Budget<br>FY 2025 |
| Personnel                       | \$37,530,863          | \$41,409,399          | \$50,290,017          | \$51,152,267           | \$56,060,298               | \$56,217,999               | \$61,521,762               |
| Mat, Suppls, Services           | \$22,851,721          | \$22,169,453          | \$25,774,813          | \$22,863,495           | \$31,485,557               | \$32,200,057               | \$33,132,685               |
| Capital Outlay                  | \$429,591             | \$526,103             | \$853,785             | \$919,875              | \$1,172,832                | \$1,291,658                | \$818,127                  |
| Contingency                     | \$172,741             | \$24,600              | \$0                   | \$60,000               | \$300,000                  | \$300,000                  | \$300,000                  |
| <b>TOTAL</b>                    | <b>\$ 60,984,916</b>  | <b>\$ 64,129,555</b>  | <b>\$ 76,918,615</b>  |                        | <b>\$ 89,018,687</b>       | <b>\$ 90,009,714</b>       | <b>\$ 95,772,574</b>       |
| Capital                         | \$61,354,362          | \$51,495,991          | \$51,092,396          | \$33,147,882           | \$80,950,734               | \$172,701,436              | \$84,053,629               |
| Debt Service                    | \$19,373,212          | \$20,557,556          | \$20,260,179          | \$19,668,932           | \$25,857,617               | \$26,404,663               | \$24,800,480               |
| Interfund Transfer              | \$19,689,126          | \$23,094,790          | \$23,504,884          | \$20,129,508           | \$21,181,296               | \$23,672,793               | \$21,152,180               |
| Ending Balance                  | \$128,955,482         | \$167,922,695         | \$230,280,047         | \$0                    | \$76,340,418               | \$106,364,588              | \$69,399,758               |
| <b>TOTAL</b>                    | <b>\$ 229,372,182</b> | <b>\$ 263,071,032</b> | <b>\$ 325,137,506</b> |                        | <b>\$ 204,330,065</b>      | <b>\$ 329,143,480</b>      | <b>\$ 199,406,047</b>      |
| <b>COMBINED TOTAL</b>           | <b>\$ 290,357,098</b> | <b>\$ 327,200,587</b> | <b>\$ 402,056,121</b> | <b>\$ -</b>            | <b>\$ 293,348,752</b>      | <b>\$ 419,153,194</b>      | <b>\$ 295,178,621</b>      |

The FY24 Adjusted Budget, which is an attempt to “close out” the existing budgetary aspects of the fiscal year, included minor departmental adjustments, roll forward of grant funds, and grant recognition in previously approved capital projects.

The economic recovery in the wake of the COVID-19 pandemic led to several strong years of increased revenue growth, particularly in sales tax revenue. While Park City’s economy remains strong, we anticipate “higher than normal” revenue growth to level off in the coming year. For FY25, we project remaining revenue growth of over \$2M (4%) over FY24 in the City’s General Fund.



## OPERATING BUDGET HIGHLIGHTS

### FY25 Operating Budget: Prioritizing People, Existing Services, and Focus on Strategic Initiatives.

This year's operating budget prioritizes four key areas:

1. **Maintaining Core Programs:** The budget ensures the continuation of essential city services relied upon by residents daily;
2. **High Levels of Service:** We remain committed to delivering excellent customer service and accountability across all departments;
3. **Investing in Our Workforce:** Recognizing the importance of employees, the budget implements most of the recommendations from the third-party, or NFP, compensation study; and
4. **Refocus on Community Initiatives:** Refocusing internal resources over time to pursue complex community initiatives. These include Clark Ranch P3, Senior Center P3, 5-acre site in Bonanza, Gordo P3, Recreation P3, Main Street Area Planning, RMP Undergrounding and Relocation, Recreate SR-248, potential City Hall relocation, 2034 Olympic Readiness, and much more.

Unlike the last few years, we did not recommend many new positions, programs, or initiatives. Instead, we focused on accommodating the existing needs of departments to keep pace with inflationary increases, maintaining high customer service standards, and focusing on moving critical projects forward.

| <b>FY25 Operating Budget Requests (General Fund)</b>  |                   |
|---|-------------------|
| <b>New Material, Services &amp; Supplies Requests</b> | <b>\$ 300,950</b> |
| <b>Same Level of Service Requests</b>                 | <b>\$ 250,641</b> |
| <b>New Personnel Requests</b>                         | <b>\$ 172,824</b> |
| <b>One-Time Expenses</b>                              | <b>\$ 366,800</b> |
| <b>Contractual Obligations (mandatory)</b>            | <b>\$ 145,323</b> |

## BUDGET OVERVIEW

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### CAPITAL BUDGET HIGHLIGHTS

The capital project budget is spread throughout various Funds. The General Fund does not contain any capital budget but does contribute to the Capital Improvement Fund through an annual transfer of funds (\$5.5M for FY25).

The rest of the capital budget is broken out through different funds: Capital Improvement, Water, Transportation, and RDA. Below is a list of notable projects included within the FY25 budget:

- \$5.2 million for a new Community Center and summer camp headquarters in City Park;
- \$7.5 million for aquatic facility upgrades at the PC MARC, including a new leisure pool, lap pool, and spa;
- \$8.5 million toward bus stop improvements, including additional shelters and ADA improvements;
- \$9.4 million for the Homestake roadway and multi-use path and sidewalk improvements;
- \$10 million in targeted funding for multi-use projects that will enhance Council goals of housing, transportation, and community connectivity;
- \$15 million for a Park & Ride near the intersection of S.R. 248 and U.S. 40 to further ease traffic congestion along this corridor;
- \$3.5 million to underground Rocky Mountain Power transmission lines leading into the Bonanza Park area; and
- \$2.5 million for bike and pedestrian pathway improvements in the Thaynes Canyon/Three Kings area to enhance residents' quality of life.



### CHANGES BETWEEN THE TENTATIVE AND FINAL BUDGET

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

#### Changes and additional requests to the FY25 Tentative Operating Budget

These represent proposed changes to the Tentative Budget, adopted on [May 2, 2024](#):

- **Library** – Restored full program budget due to a technical error in the budget database;
- **Communications** – Reduced budget by \$3,000 for FY25 camera lens request, which will now be purchased in the current year;
- **Arts & Culture** – Zeroed out personnel budget of \$163,000 until the funds are necessary for near-term expenditures (this had been a holding allocation in the event that additional staff needs arose mid-fiscal year and Council could act quickly without opening the budget);
- **Childcare** – Adjusted the budget to reflect a \$150,000 donation from Park City Foundation to administrative services and subtract YTD expenditures. The new FY25 budget is \$825,000;
- **Planning Department** – The Boards & Commission budget was increased by \$30,000 to reflect new per diem amounts for boards/public bodies;
- **P.O. Box Reimbursement Program** – This program was created in FY21 to reimburse Park City residents for the annual cost of a standard-sized post office box rental where postal service delivery is not offered due to the City's historic district codes or maintenance needs (Old Town). Expenses are determined by the number of requests received. In FY24, the budget was \$25,000. Year-to-date reimbursement requests are now over \$36,000. Increase of \$15,000 for FY25, bringing the total budget to \$40,000;
- **Building Department** – Consolidated Demolition Permits and Design Fee to Building Permits revenue;
- **Building Maintenance and the MARC** – Reallocated \$4,800 from Building Maintenance to MARC part-time personnel to help offset labor costs for extended shifts at the MARC that were previously covered under a contract with Peak Security;
- **Housing** – Removed duplicated rent revenue from the General Fund budget; the rent is now deposited into the capital fund under miscellaneous revenues;
- **Special Event Revenue-** Decreased rental, public safety, and public works; revenues will better align with actual special events planned for FY25;
- **Parking Department-** Reduced Meter Revenue to \$3M from \$3.8M to align the budget to current economic trends; and

## BUDGET OVERVIEW

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- **Transit-** added \$300,000 revenue to Regional Transit Services received from Park City Mountain Resort and Deer Valley.

### Part-time Pay Plan

Aligning part-time pay with full-time rates ensures a fair and consistent compensation structure across all employee types. We seek the following part-time pay salary increases to continue attracting and retaining qualified staff for numerous critical customer service positions:

- Recreation - \$41,160
- PC MARC - \$106,400
- Tennis - \$15,960
- Library - \$24,476
- Ice Front Desk - \$5,000
- Ice Scorekeepers - \$4,500

### Changes and additional requests to the FY25 Tentative Capital Budget

These represent proposed changes to the Tentative Budget, adopted on May 2, 2024.

- **031-39110 Donations Revenue** – Updated revenue to +\$600 to better reflect the expected budget from \$600,000 that was written in error;
- **CP0540 Snow Creek Crossing** – Reduced total project budget to \$13M, and we will reassess the budget once a project plan is finalized or considered. The amount will not change, nor will resources be expended without Council approval;
- **CP0092 Open Space Improvements** – Updated project to reflect previously approved \$100,000 yearly budget to support ongoing projects for the improvement of Park City’s open space parcels; and
- **CP0041 Trails Master Plan Implementation** – Updated to reflect the previously approved \$50,000 yearly budget to support ongoing trails projects.

### Interfund Transfer (IFT)

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

- Increase of \$186,375 for the Administrative Interfund Transfer (Admin IFT) from other funds at the City into the General Fund based on calculated cost estimates; and
- Increase of \$47,298 for the Self-Insurance Interfund Transfer to account for insurance changes and potential premium increases.

### FY24 Budget Adjustments

End-of-year budget adjustments are often necessary as we approach the end of the fiscal year to align budgets with actual spending. These adjustments can address revenue

## BUDGET OVERVIEW

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recognition for a specific event or program, acceptance of grants and donations, modified spending schedules, or unexpected cost increases.

**Special Events** – Increased Special Events by \$10,000 to reflect the contribution from Park City Chamber for the Sundance 40<sup>th</sup> anniversary celebration held during the Sundance Film Festival.

**Sundance Mitigation** – Increased budget by \$45,000 for FY24 inflationary contract clause.

**Trails & Open Space** – Increased budget by \$29,000 for FY24 contribution from the Park City Chamber.

**Police** – When Human Resources began using ADP as our payroll services provider in late 2018, the reporting for earnings on lump merits was set up incorrectly for the Utah Retirement System (URS) for Public Safety employees. Upon discovering this error in FY24, HR did a five-year lookback on all lump merits paid to Public Safety and appropriately adjusted our URS reporting. The additional \$113,701 was paid to URS in January 2024.

**Dispatch Services** – Increase the budget by \$72,000 to align with the actual cost of the FY24 contract for dispatch services provided by PCMC by Summit County.

**Building Maintenance** – Added \$48,395 for a vehicle budgeted in FY23 but not received until FY24.

**Water Fund** – By using Impact Fees to make debt payments, budgeted up Water Impact Fee principal by \$1.2M and interest by \$1M, then reducing Water Service Fees principal and interest by corresponding amounts.

**MARC and Recreation** – Based on inflationary costs, same level of service impacts, and competitive wages, the FY24 Recreation and MARC budgets need adjustments before the summer season gets underway. To compete with local businesses and other public entities, including those in recreation, the part-time and seasonal budget saw a significant increase from FY23, and we are now proposing for the remainder of FY24. The increased pay rates proved substantially beneficial as we were able to attract the needed hiring pool and retain the majority of staff for a full summer season:

- Summer camps: 13% increase to starting pay
- Aquatics 20% increase to starting pay
- Group Fitness 11% increase to starting pay

Below is the breakdown of the adjustments requested for the MARC and Recreation:

- Recreation Budget \$17,000
  - Part-Time Personnel Budget - \$14,000
  - Rec Programs- Camps/Clinics - \$3,000

## BUDGET OVERVIEW

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- MARC Budget \$49,000
  - Part-Time Personnel Budget: \$30,000
  - Bank Charges: \$16,000
  - Department Supplies: \$3,000

**Business Improvement District** – removed revenue because we no longer have this district due to changes in Utah Law.

**Transportation Fund** – As discussed in the [November 02, 2023](#) City Council Meeting, \$300,000 was added to the Transportation Operations budget for Richardson Flat Express bus service to the resorts. Each resort contributed \$150,000 as an offset to this expense.

### FY24 Capital Projects

- **CP0332 Library Technology Equipment Replacement** - Received \$95,572 for Restaurant Tax Award;
- **CP0041 Trails Master Plan Implementation** - Received \$392,000 RAP grant for Trails;
- **CP0203 China Bridge Event Parking** - Increased project fund by \$176,000 based on earnings received from parking event revenue for the fiscal year; and
- **CP0316 Transit Facility Capital Renewal Account** – Increased budget by \$240,000 for the purchase of Carriage House transit employee housing.

### FY24 Grants and Rollover Funds

Departments apply for various grants throughout the year to help offset costs and the tax burden on PC residents and businesses. If PCMC is awarded a grant, an adjustment is needed to increase the related expense and revenue account to recognize the award and maintain auditing standards. These include:

- **Library** – \$95,572 through the Summit County Restaurant Tax Grant for technology upgrades to the Santy Auditorium;
- **Historic Preservation** – \$200,000 through the Summit County Restaurant Tax Grant for restoration of the Silver King Mine Headframe;
- **Trails & Open Space** – \$391,658 total through the Summit County RAP Tax Grant for Rail Trail bridges and mowing/mulcher equipment;
- **Parks & Fields** – \$42,570 through the Summit County RAP Tax Grant for a robotic field painter; and
- **Police** - \$30,000 from various state and federal grants for body-worn cameras, radio equipment, and mental health services for sworn personnel and their families.

### Budget Policies and Objectives

On May 23, 2024, the Budget Team presented proposed changes to Chapter 6 of the Budget Policies and Objectives as part of the revamp of the Public Service Contract process. The most significant policy change was to replace the existing Service Contract Subcommittee with the Nonprofit Services Advisory Committee. This public body will

## BUDGET OVERVIEW

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administer the competitive bid process for Public Service Contracts and make recommendations to the Council.

### **FY25 Fee Schedule Changes**

On [April 11, 2024](#), the Budget Team presented the proposed FY25 Fee Schedule to Council. We amended Sections 8.2 and 9.2 to specify a 70% cost recovery goal for the Ice Arena, which Council noted is the same goal as the Recreation Department and the PC MARC.

Since the April 11 Council meeting, the following additional fee schedule changes have been proposed (see [Link](#)):

- **Section 2, Utility Fees:** Increased Monthly Water Metered Services and Storm Water Fees by 4.5%.
- **(New) Sec. 2.5.2: New Meter Reinspection Fee**
  - A reinspection fee of \$150 was added for new water connections to cover the cost of repeated site visits. The first inspection will continue to be included in the price of a new meter.
- **Sec. 8.9: Miners Hospital Community Center Fees**
  - Specifies that all fees are due no less than two weeks in advance of the rental;
  - Requires a cleaning fee on all rentals; increases the cleaning fee from \$50 to \$65 to account for rising costs; and
  - Requires a \$500 damage deposit on all rentals, which is fully refundable if the space is left in satisfactory condition.



## BUDGET CALENDAR

### **April 11, 2024**

#### **Work Session**

- Capital projects budget review
- Proposed fee schedule changes

### **April 25, 2024**

#### **Work Session**

- Operating budget overview

### **May 2, 2024**

#### **Regular Meeting**

- Presentation of the tentative budget
- Budget overview and timeline
- Revenue/expenditure summary
- Benefits – pay plan/health insurance
- City Council compensation
- Public input on the tentative budget
- Adoption of the tentative budget by ordinance
- Set calendar date for public hearing on the final budget (June 20, 2024)

### **June 6, 2024**

#### **Work Session**

- Miscellaneous Budget Items
- Budget Policies
- Outstanding Budget Issues

#### **Regular Meeting**

- Set public hearings for elected and statutory officer compensation and executive municipal officer compensation

### **June 20, 2024**

#### **Regular Meeting**

- Public hearing on municipal executive officer compensation
- Public hearing on statutory and elected officer compensation
- Adoption of statutory and elected officer compensation ordinance
- Public hearing on the city fee schedule
- Adoption of the city fee schedule by resolution

#### **Regular Meeting**

- Public hearing on the final budget
- Adoption of the final budget by ordinance

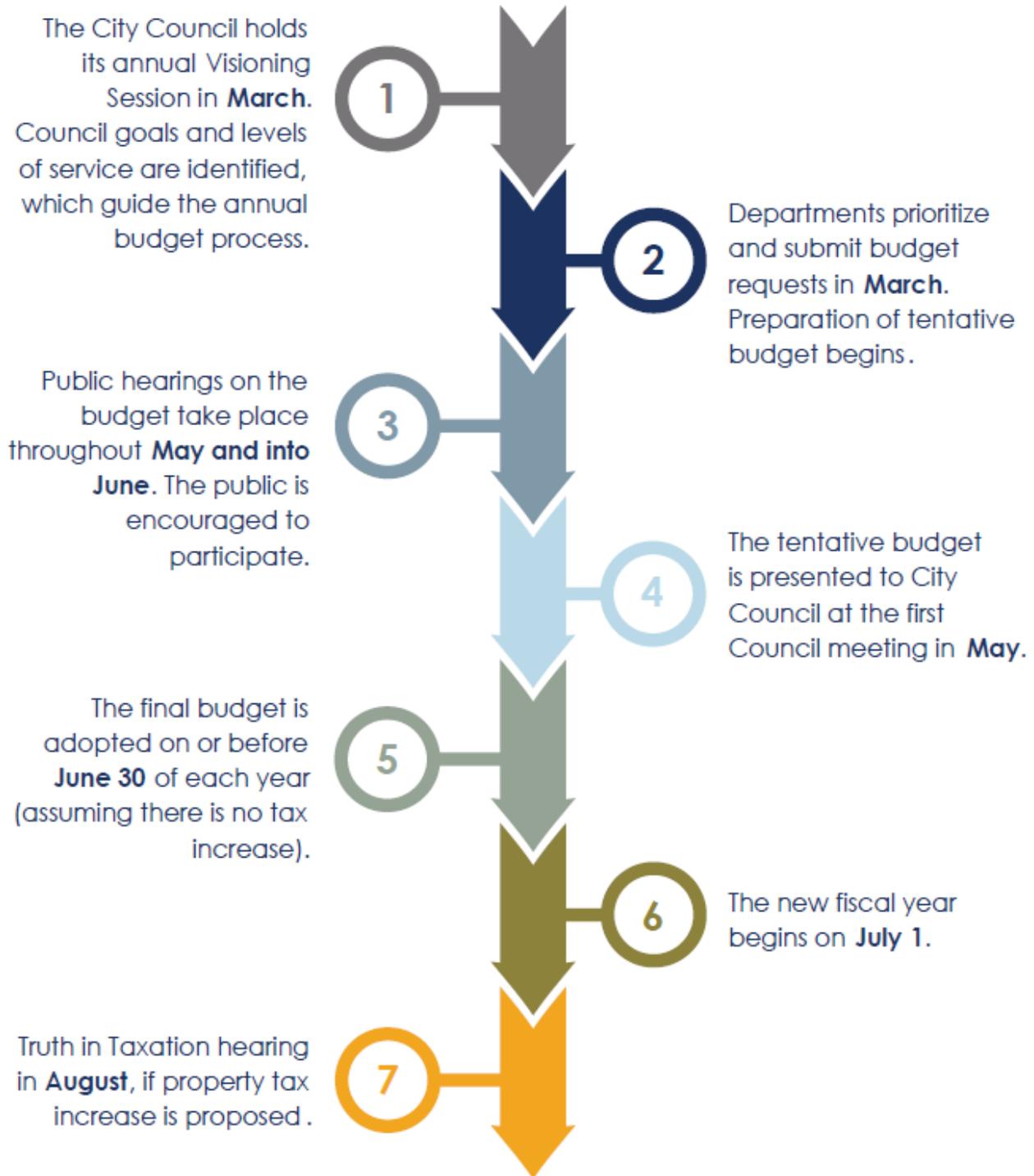
#### **Redevelopment Agency Meeting**

- 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

## BUDGET PROCESS TIMELINE



# BUDGET OVERVIEW

## BUDGET SUMMARIES

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

| Description                                    | Personnel<br>FY 2024 | Mat, Supplies,<br>Services<br>FY 2024 | Capital<br>FY 2024   | Debt Service<br>FY 2024 | Contingency<br>FY 2024 | Sub - Total<br>FY 2024 | Interfund<br>Transfer<br>FY 2024 | Ending<br>Balance<br>FY 2024 | Total<br>FY 2024     |
|--|----------------------|---------------------------------------|----------------------|-------------------------|------------------------|------------------------|----------------------------------|------------------------------|----------------------|
| <b>Park City Municipal Corporation</b>         |                      |                                       |                      |                         |                        |                        |                                  |                              |                      |
| 011 GENERAL FUND                               | \$34,015,611         | \$14,500,987                          | \$865,207            | \$0                     | \$300,000              | \$49,681,805           | \$4,131,457                      | \$10,285,124                 | \$64,098,386         |
| 012 QUINNS RECREATION COMPLEX                  | \$1,178,283          | \$416,387                             | \$1,000              | \$0                     | \$0                    | \$1,595,670            | \$0                              | \$-872,814                   | \$722,856            |
| 021 POLICE SPECIAL REVENUE FUND                | \$0                  | \$0                                   | \$35,773             | \$0                     | \$0                    | \$35,773               | \$0                              | \$0                          | \$35,773             |
| 022 DRUG CONFISCATIONS                         | \$0                  | \$0                                   | \$23,168             | \$0                     | \$0                    | \$23,168               | \$0                              | \$0                          | \$23,168             |
| 031 CAPITAL IMPROVEMENT FUND                   | \$0                  | \$0                                   | \$79,323,054         | \$0                     | \$0                    | \$79,323,054           | \$4,174,476                      | \$36,035,290                 | \$119,532,820        |
| 038 EQUIPMENT REPLACEMENT CIP                  | \$0                  | \$0                                   | \$4,254,187          | \$0                     | \$0                    | \$4,254,187            | \$0                              | \$59,362                     | \$4,313,549          |
| 051 WATER FUND                                 | \$4,934,076          | \$6,134,695                           | \$33,424,700         | \$9,403,863             | \$0                    | \$53,897,334           | \$2,584,649                      | \$1,825,496                  | \$58,307,479         |
| 052 STORM WATER FUND                           | \$662,651            | \$297,652                             | \$2,529,417          | \$0                     | \$0                    | \$3,489,720            | \$173,153                        | \$1,427,317                  | \$5,090,190          |
| 055 GOLF COURSE FUND                           | \$1,110,825          | \$687,145                             | \$524,438            | \$0                     | \$0                    | \$2,322,408            | \$186,195                        | \$1,573,712                  | \$4,082,315          |
| 057 TRANSPORTATION & PARKING FUND              | \$11,741,329         | \$3,955,202                           | \$48,757,045         | \$0                     | \$0                    | \$64,453,576           | \$3,742,831                      | \$16,549,695                 | \$84,746,102         |
| 058 PARKING FUND                               | \$1,272,238          | \$752,500                             | \$720,760            | \$0                     | \$0                    | \$2,745,498            | \$131,963                        | \$1,997,448                  | \$4,874,909          |
| 062 FLEET SERVICES FUND                        | \$1,302,988          | \$1,845,050                           | \$6,205              | \$0                     | \$0                    | \$3,154,243            | \$0                              | \$1,127,644                  | \$4,281,887          |
| 064 SELF INSURANCE FUND                        | \$0                  | \$2,498,329                           | \$0                  | \$0                     | \$0                    | \$2,498,329            | \$0                              | \$2,296,281                  | \$4,794,610          |
| 070 SALES TAX REV BOND - DEBT SVS<br>FUND      | \$0                  | \$0                                   | \$0                  | \$7,516,862             | \$0                    | \$7,516,862            | \$2,666,697                      | \$23,208,507                 | \$33,392,066         |
| 071 DEBT SERVICE FUND                          | \$0                  | \$0                                   | \$0                  | \$9,483,938             | \$0                    | \$9,483,938            | \$0                              | \$1,642,633                  | \$11,126,571         |
| <b>Total Park City Municipal Corporation</b>   | <b>\$56,218,000</b>  | <b>\$31,087,948</b>                   | <b>\$170,464,953</b> | <b>\$26,404,663</b>     | <b>\$300,000</b>       | <b>\$284,475,564</b>   | <b>\$17,791,421</b>              | <b>\$97,155,695</b>          | <b>\$399,422,680</b> |
| <b>Park City Redevelopment Agency</b>          |                      |                                       |                      |                         |                        |                        |                                  |                              |                      |
| 023 LOWER PARK AVE RDA SPECIAL<br>REVENUE FUND | \$0                  | \$657,109                             | \$0                  | \$0                     | \$0                    | \$657,109              | \$3,092,532                      | \$3,290,675                  | \$7,040,316          |
| 024 MAIN STREET RDA SPECIAL REVENUE<br>FUND    | \$0                  | \$455,000                             | \$0                  | \$0                     | \$0                    | \$455,000              | \$0                              | \$738,556                    | \$1,193,556          |
| 033 REDEVELOPMENT AGENCY-LOWER PRK             | \$0                  | \$0                                   | \$3,026,828          | \$0                     | \$0                    | \$3,026,828            | \$2,790,840                      | \$2,712,014                  | \$8,529,682          |
| 034 REDEVELOPMENT AGENCY-MAIN ST               | \$0                  | \$0                                   | \$501,313            | \$0                     | \$0                    | \$501,313              | \$0                              | \$1,639,789                  | \$2,141,102          |
| <b>Total Park City Redevelopment Agency</b>    | <b>\$0</b>           | <b>\$1,112,109</b>                    | <b>\$3,528,141</b>   | <b>\$0</b>              | <b>\$0</b>             | <b>\$4,640,250</b>     | <b>\$5,883,372</b>               | <b>\$8,381,034</b>           | <b>\$18,904,656</b>  |
| <b>Municipal Building Authority</b>            |                      |                                       |                      |                         |                        |                        |                                  |                              |                      |
| 035 BUILDING AUTHORITY                         | \$0                  | \$0                                   | \$0                  | \$0                     | \$0                    | \$0                    | \$0                              | \$825,859                    | \$825,859            |
| <b>Total Municipal Building Authority</b>      | <b>\$0</b>           | <b>\$0</b>                            | <b>\$0</b>           | <b>\$0</b>              | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>                       | <b>\$825,859</b>             | <b>\$825,859</b>     |
| <b>Park City Housing Authority</b>             |                      |                                       |                      |                         |                        |                        |                                  |                              |                      |
| <b>Total Park City Housing Authority</b>       |                      |                                       |                      |                         |                        |                        |                                  |                              |                      |
| <b>TOTAL</b>                                   | <b>\$56,218,000</b>  | <b>\$32,200,057</b>                   | <b>\$173,993,094</b> | <b>\$26,404,663</b>     | <b>\$300,000</b>       | <b>\$289,115,814</b>   | <b>\$23,674,793</b>              | <b>\$106,362,588</b>         | <b>\$419,153,195</b> |

# BUDGET OVERVIEW

## Expenditure Summary by Fund and Major Object (FY 2025 Original Budget)

| Description                                  | Personnel<br>FY 2025 | Mat, Supplies,<br>Services<br>FY 2025 | Capital<br>FY 2025  | Debt Service<br>FY 2025 | Contingency<br>FY 2025 | Sub - Total<br>FY 2025 | Interfund<br>Transfer<br>FY 2025 | Ending<br>Balance<br>FY 2025 | Total<br>FY 2025     |
|--|----------------------|---------------------------------------|---------------------|-------------------------|------------------------|------------------------|----------------------------------|------------------------------|----------------------|
| <b>Park City Municipal Corporation</b>       |                      |                                       |                     |                         |                        |                        |                                  |                              |                      |
| 011 GENERAL FUND                             | \$36,971,577         | \$14,170,976                          | \$468,117           | \$0                     | \$300,000              | \$51,910,670           | \$4,129,524                      | \$9,736,869                  | \$65,777,063         |
| 012 QUINNS RECREATION COMPLEX                | \$1,329,372          | \$432,633                             | \$1,000             | \$0                     | \$0                    | \$1,763,005            | \$0                              | \$-1,346,777                 | \$416,228            |
| 021 POLICE SPECIAL REVENUE FUND              | \$0                  | \$0                                   | \$0                 | \$0                     | \$0                    | \$0                    | \$0                              | \$0                          | \$0                  |
| 022 DRUG CONFISCATIONS                       | \$0                  | \$0                                   | \$0                 | \$0                     | \$0                    | \$0                    | \$0                              | \$11,035                     | \$11,035             |
| 031 CAPITAL IMPROVEMENT FUND                 | \$0                  | \$0                                   | \$49,605,794        | \$0                     | \$0                    | \$49,605,794           | \$4,174,675                      | \$5,695,414                  | \$59,475,883         |
| 038 EQUIPMENT REPLACEMENT CIP                | \$0                  | \$0                                   | \$1,963,000         | \$0                     | \$0                    | \$1,963,000            | \$0                              | \$131,962                    | \$2,094,962          |
| 051 WATER FUND                               | \$5,381,342          | \$6,895,386                           | \$5,326,295         | \$9,400,688             | \$0                    | \$27,003,711           | \$2,637,521                      | \$319,407                    | \$29,960,639         |
| 052 STORM WATER FUND                         | \$855,316            | \$299,830                             | \$1,238,600         | \$0                     | \$0                    | \$2,393,746            | \$180,648                        | \$1,177,581                  | \$3,751,975          |
| 055 GOLF COURSE FUND                         | \$1,335,875          | \$680,725                             | \$576,641           | \$0                     | \$0                    | \$2,593,241            | \$209,504                        | \$1,036,586                  | \$3,839,331          |
| 057 TRANSPORTATION & PARKING FUND            | \$12,581,115         | \$3,699,110                           | \$25,461,104        | \$0                     | \$0                    | \$41,741,329           | \$3,756,653                      | \$6,861,302                  | \$52,359,284         |
| 058 PARKING FUND                             | \$1,453,962          | \$753,800                             | \$80,000            | \$0                     | \$0                    | \$2,287,762            | \$186,533                        | \$3,044,300                  | \$5,518,595          |
| 062 FLEET SERVICES FUND                      | \$1,613,204          | \$2,399,450                           | \$6,205             | \$0                     | \$0                    | \$4,018,859            | \$0                              | \$289,585                    | \$4,308,444          |
| 064 SELF INSURANCE FUND                      | \$0                  | \$2,557,952                           | \$0                 | \$0                     | \$0                    | \$2,557,952            | \$0                              | \$2,099,534                  | \$4,657,486          |
| 070 SALES TAX REV BOND - DEBT SVS FUND       | \$0                  | \$0                                   | \$0                 | \$6,969,266             | \$0                    | \$6,969,266            | \$0                              | \$24,482,916                 | \$31,452,182         |
| 071 DEBT SERVICE FUND                        | \$0                  | \$0                                   | \$0                 | \$8,430,526             | \$0                    | \$8,430,526            | \$0                              | \$4,879,411                  | \$13,309,937         |
| <b>Total Park City Municipal Corporation</b> | <b>\$61,521,762</b>  | <b>\$31,889,862</b>                   | <b>\$84,726,756</b> | <b>\$24,800,480</b>     | <b>\$300,000</b>       | <b>\$203,238,860</b>   | <b>\$15,275,058</b>              | <b>\$58,419,125</b>          | <b>\$276,933,043</b> |
| <b>Park City Redevelopment Agency</b>        |                      |                                       |                     |                         |                        |                        |                                  |                              |                      |
| 023 LOWER PARK AVE RDA SPECIAL REVENUE FUND  | \$0                  | \$787,823                             | \$0                 | \$0                     | \$0                    | \$787,823              | \$3,092,532                      | \$4,713,154                  | \$8,593,509          |
| 024 MAIN STREET RDA SPECIAL REVENUE FUND     | \$0                  | \$455,000                             | \$0                 | \$0                     | \$0                    | \$455,000              | \$0                              | \$338,875                    | \$793,875            |
| 033 REDEVELOPMENT AGENCY-LOWER PRK           | \$0                  | \$0                                   | \$145,000           | \$0                     | \$0                    | \$145,000              | \$2,784,590                      | \$3,011,956                  | \$5,941,546          |
| 034 REDEVELOPMENT AGENCY-MAIN ST             | \$0                  | \$0                                   | \$0                 | \$0                     | \$0                    | \$0                    | \$0                              | \$1,733,789                  | \$1,733,789          |
| <b>Total Park City Redevelopment Agency</b>  | <b>\$0</b>           | <b>\$1,242,823</b>                    | <b>\$145,000</b>    | <b>\$0</b>              | <b>\$0</b>             | <b>\$1,387,823</b>     | <b>\$5,877,122</b>               | <b>\$9,797,774</b>           | <b>\$17,062,719</b>  |
| <b>Municipal Building Authority</b>          |                      |                                       |                     |                         |                        |                        |                                  |                              |                      |
| 035 BUILDING AUTHORITY                       | \$0                  | \$0                                   | \$0                 | \$0                     | \$0                    | \$0                    | \$0                              | \$1,180,859                  | \$1,180,859          |
| <b>Total Municipal Building Authority</b>    | <b>\$0</b>           | <b>\$0</b>                            | <b>\$0</b>          | <b>\$0</b>              | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>                       | <b>\$1,180,859</b>           | <b>\$1,180,859</b>   |
| <b>Park City Housing Authority</b>           |                      |                                       |                     |                         |                        |                        |                                  |                              |                      |
| <b>Total Park City Housing Authority</b>     |                      |                                       |                     |                         |                        |                        |                                  |                              |                      |
| <b>TOTAL</b>                                 | <b>\$61,521,762</b>  | <b>\$33,132,685</b>                   | <b>\$84,871,756</b> | <b>\$24,800,480</b>     | <b>\$300,000</b>       | <b>\$204,626,683</b>   | <b>\$21,152,180</b>              | <b>\$69,397,758</b>          | <b>\$295,176,621</b> |

# BUDGET OVERVIEW

## Change in Fund Balance

| Fund   | Actuals<br>FY 2021   | Actuals<br>FY 2022   | Actuals<br>FY 2023   | Ori Budget<br>FY 2024 | Adjusted<br>FY 2024 | Var \$<br>FY23 v FY24<br>Adj Bud | Var %<br>FY23 v<br>FY24 | Ori Budget<br>FY 2025 | Var \$<br>FY24 v FY25<br>Ori Bud | Var %<br>FY24 v<br>FY25 |
|--|----------------------|----------------------|----------------------|-----------------------|---------------------|----------------------------------|-------------------------|-----------------------|----------------------------------|-------------------------|
| <b>Park City Municipal Corporation</b>       |                      |                      |                      |                       |                     |                                  |                         |                       |                                  |                         |
| 011 GENERAL FUND                             | \$13,600,569         | \$14,584,589         | \$15,183,108         | \$8,466,782           | \$10,618,665        | \$-4,564,443                     | -30%                    | \$11,042,969          | \$424,304                        | 4%                      |
| 012 QUINNS RECREATION COMPLEX                | \$0                  | \$0                  | \$0                  | \$0                   | \$-851,814          | \$-851,814                       |                         | \$-1,316,097          | \$-464,283                       | 55%                     |
| 021 POLICE SPECIAL REVENUE FUND              | \$35,773             | \$35,773             | \$35,773             | \$0                   | \$35,773            |                                  |                         | \$35,773              |                                  |                         |
| 022 DRUG CONFISCATIONS                       | \$23,168             | \$23,168             | \$23,168             | \$749                 | \$23,168            |                                  |                         | \$34,203              | \$11,035                         | 48%                     |
| 031 CAPITAL IMPROVEMENT FUND                 | \$66,506,424         | \$82,329,107         | \$96,577,328         | \$14,475,792          | \$36,832,341        | \$-59,744,987                    | -62%                    | \$12,059,851          | \$-24,772,490                    | -67%                    |
| 038 EQUIPMENT REPLACEMENT CIP                | \$2,666,494          | \$2,419,955          | \$2,427,949          | \$9,333               | \$59,362            | \$-2,368,587                     | -98%                    | \$30,962              | \$-28,400                        | -48%                    |
| 051 WATER FUND                               | \$-15,937,392        | \$-10,575,595        | \$28,146,222         | \$15,208,046          | \$154,016           | \$-27,992,206                    | -99%                    | \$1,143,091           | \$989,075                        | 642%                    |
| 052 STORM WATER FUND                         | \$2,374,081          | \$3,106,148          | \$2,942,190          | \$1,650,876           | \$1,426,567         | \$-1,515,623                     | -52%                    | \$1,183,080           | \$-243,487                       | -17%                    |
| 055 GOLF COURSE FUND                         | \$2,182,110          | \$2,807,041          | \$2,122,432          | \$280,208             | \$1,196,734         | \$-925,698                       | -44%                    | \$691,793             | \$-504,941                       | -42%                    |
| 057 TRANSPORTATION & PARKING FUND            | \$20,683,401         | \$33,005,887         | \$39,409,102         | \$6,648,108           | \$16,704,305        | \$-22,704,797                    | -58%                    | \$2,813,084           | \$-13,891,221                    | -83%                    |
| 058 PARKING FUND                             | \$13,900             | \$887,427            | \$1,879,829          | \$1,640,930           | \$2,005,448         | \$125,619                        | 7%                      | \$3,878,572           | \$1,873,124                      | 93%                     |
| 062 FLEET SERVICES FUND                      | \$1,376,759          | \$1,900,204          | \$1,101,087          | \$2,400,034           | \$1,300,844         | \$199,757                        | 18%                     | \$635,985             | \$-664,859                       | -51%                    |
| 064 SELF INSURANCE FUND                      | \$972,015            | \$1,297,178          | \$2,397,165          | \$1,152,335           | \$2,520,781         | \$123,616                        | 5%                      | \$2,717,740           | \$196,959                        | 8%                      |
| 070 SALES TAX REV BOND - DEBT SVS FUND       | \$26,283,977         | \$26,404,276         | \$26,426,750         | \$25,429,789          | \$23,208,507        | \$-3,218,243                     | -12%                    | \$24,482,916          | \$1,274,409                      | 5%                      |
| 071 DEBT SERVICE FUND                        | \$1,635,448          | \$1,645,801          | \$1,648,133          | \$1,645,801           | \$1,642,633         | \$-5,500                         | 0%                      | \$4,879,411           | \$3,236,778                      | 197%                    |
| <b>Total Park City Municipal Corporation</b> | <b>\$122,416,727</b> | <b>\$159,870,959</b> | <b>\$220,320,236</b> | <b>\$71,419,377</b>   | <b>\$96,877,330</b> | <b>\$-123,442,906</b>            | <b>-424%</b>            | <b>\$64,313,333</b>   | <b>\$-32,563,997</b>             | <b>743%</b>             |
| <b>Park City Redevelopment Agency</b>        |                      |                      |                      |                       |                     |                                  |                         |                       |                                  |                         |
| 023 LOWER PARK AVE RDA SPECIAL REVENUE FUND  | \$1,061,151          | \$1,262,193          | \$2,654,316          | \$2,241,397           | \$3,290,675         | \$636,359                        | 24%                     | \$5,413,154           | \$2,122,479                      | 64%                     |
| 024 MAIN STREET RDA SPECIAL REVENUE FUND     | \$1,130,151          | \$1,460,076          | \$1,138,237          | \$182,714             | \$738,556           | \$-399,681                       | -35%                    | \$338,875             | \$-399,681                       | -54%                    |
| 033 REDEVELOPMENT AGENCY-LOWER PRK           | \$3,004,807          | \$3,281,547          | \$3,649,297          | \$623,981             | \$2,712,014         | \$-937,283                       | -26%                    | \$3,011,956           | \$299,942                        | 11%                     |
| 034 REDEVELOPMENT AGENCY-MAIN ST             | \$891,332            | \$1,594,504          | \$2,047,102          | \$1,419,533           | \$1,639,789         | \$-407,313                       | -20%                    | \$1,733,789           | \$94,000                         | 6%                      |
| <b>Total Park City Redevelopment Agency</b>  | <b>\$6,087,441</b>   | <b>\$7,598,320</b>   | <b>\$9,488,952</b>   | <b>\$4,467,625</b>    | <b>\$8,381,034</b>  | <b>\$-1,107,918</b>              | <b>-57%</b>             | <b>\$10,497,774</b>   | <b>\$2,116,740</b>               | <b>27%</b>              |
| <b>Municipal Building Authority</b>          |                      |                      |                      |                       |                     |                                  |                         |                       |                                  |                         |
| 035 BUILDING AUTHORITY                       | \$451,314            | \$453,416            | \$470,859            | \$453,416             | \$825,859           | \$355,000                        | 75%                     | \$1,180,859           | \$355,000                        | 43%                     |
| <b>Total Municipal Building Authority</b>    | <b>\$451,314</b>     | <b>\$453,416</b>     | <b>\$470,859</b>     | <b>\$453,416</b>      | <b>\$825,859</b>    | <b>\$355,000</b>                 | <b>75%</b>              | <b>\$1,180,859</b>    | <b>\$355,000</b>                 | <b>43%</b>              |

# BUDGET OVERVIEW

## Revenues – All Funds Combined

| Revenue                              | Actual<br>FY 2020    | Actual<br>FY 2021    | Actual<br>FY 2022    | Actual<br>FY 2023    | YTD Actual<br>FY 2024 | Original<br>FY 2024  | Adjusted<br>FY 2024  | Original<br>FY 2025  |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| <b>RESOURCES</b>                     |                      |                      |                      |                      |                       |                      |                      |                      |
| Property Taxes                       | \$25,486,395         | \$28,380,276         | \$27,864,213         | \$26,358,146         | \$27,487,904          | \$26,851,671         | \$26,851,671         | \$30,959,830         |
| Sales Tax                            | \$30,409,928         | \$33,614,011         | \$49,056,806         | \$51,529,732         | \$45,236,720          | \$50,514,710         | \$50,514,710         | \$52,872,621         |
| Franchise Tax                        | \$3,161,759          | \$3,253,431          | \$3,526,041          | \$4,368,710          | \$3,506,666           | \$3,591,845          | \$3,591,845          | \$4,782,816          |
| Licenses                             | \$1,315,865          | \$1,213,639          | \$1,251,664          | \$1,422,301          | \$1,473,690           | \$1,394,816          | \$1,394,816          | \$1,491,838          |
| Planning Building & Engineering Fees | \$7,513,747          | \$5,005,364          | \$5,683,951          | \$6,631,063          | \$6,350,000           | \$5,307,649          | \$5,307,649          | \$7,740,327          |
| Special Event Fees                   | \$178,672            | \$8,081              | \$216,481            | \$214,229            | \$205,509             | \$322,924            | \$322,924            | \$232,607            |
| Federal Revenue                      | \$5,698,041          | \$11,071,350         | \$5,819,607          | \$18,340,954         | \$1,475,667           | \$21,791,659         | \$15,819,628         | \$14,121,660         |
| State Revenue                        | \$818,625            | \$527,368            | \$786,591            | \$485,817            | \$666,301             | \$130,257            | \$130,257            | \$618,052            |
| County/SP District Revenue           | \$3,888,378          | \$1,171,385          | \$2,034,782          | \$382,160            | \$3,812,773           | \$71,827             | \$11,183,030         | \$1,746,139          |
| Water Charges for Services           | \$19,944,310         | \$22,597,344         | \$21,922,162         | \$22,538,675         | \$22,626,130          | \$24,487,920         | \$26,020,455         | \$27,663,316         |
| Transit Charges for Services         | \$5,286,336          | \$2,455,909          | \$4,066,593          | \$33,379             | \$313,392             | \$85,740             | \$85,740             | \$75,991             |
| Cemetery Charges for Services        | \$22,922             | \$19,787             | \$27,621             | \$25,162             | \$30,030              | \$228,269            | \$228,269            | \$61,817             |
| Recreation                           | \$3,294,003          | \$4,241,522          | \$4,638,424          | \$4,672,032          | \$3,740,586           | \$4,126,624          | \$4,505,131          | \$4,947,929          |
| Ice                                  | \$691,828            | \$634,725            | \$850,024            | \$945,775            | \$878,142             | \$716,838            | \$716,838            | \$1,276,867          |
| Other Service Revenue                | \$59,527             | \$54,964             | \$57,542             | \$73,704             | \$65,998              | \$56,768             | \$56,768             | \$95,595             |
| Library Fees                         | \$14,357             | \$13,483             | \$16,811             | \$14,615             | \$15,358              |                      |                      | \$22,552             |
| Fines & Forfeitures                  | \$1,934,534          | \$1,075,883          | \$2,158,774          | \$2,768,712          | \$3,153,391           | \$2,995,080          | \$2,995,080          | \$3,740,162          |
| Misc. Revenues                       | \$8,426,163          | \$3,620,970          | \$1,106,110          | \$12,552,813         | \$3,253,717           | \$5,340,240          | \$10,231,962         | \$13,467,356         |
| Interfund Transactions (Admin)       | \$6,898,975          | \$6,495,085          | \$7,284,491          | \$8,478,974          | \$8,161,068           | \$9,212,848          | \$9,039,648          | \$9,189,783          |
| Interfund Transactions (CIP/Debt)    | \$17,718,703         | \$13,194,041         | \$15,815,649         | \$15,025,910         | \$12,163,191          | \$11,968,448         | \$14,829,896         | \$11,962,397         |
| Special Revenues & Resources         | \$1,000,912          | \$8,106,934          | \$2,014,065          | \$1,981,567          | \$793,068             | \$216,418            | \$569,465            | \$1,744,377          |
| Bond Proceeds                        | \$10,768,465         |                      |                      |                      |                       | \$42,477,367         | \$4,477,367          |                      |
| Beginning Balance                    | \$110,302,971        | \$142,278,488        | \$168,838,441        | \$187,500,425        |                       | \$81,641,615         | \$230,280,047        | \$106,362,588        |
| <b>TOTAL</b>                         | <b>\$264,835,415</b> | <b>\$289,034,038</b> | <b>\$325,036,843</b> | <b>\$366,344,855</b> | <b>\$145,409,301</b>  | <b>\$293,531,533</b> | <b>\$419,153,196</b> | <b>\$295,176,622</b> |

REVENUES

CITY REVENUES

Property and sales taxes are the most significant sources of City revenue, representing a nearly 50% share in FY25 when Beginning Balance and Inter-fund Transfers are excluded. Figure R1 shows the makeup of Park City’s anticipated revenues for FY25.

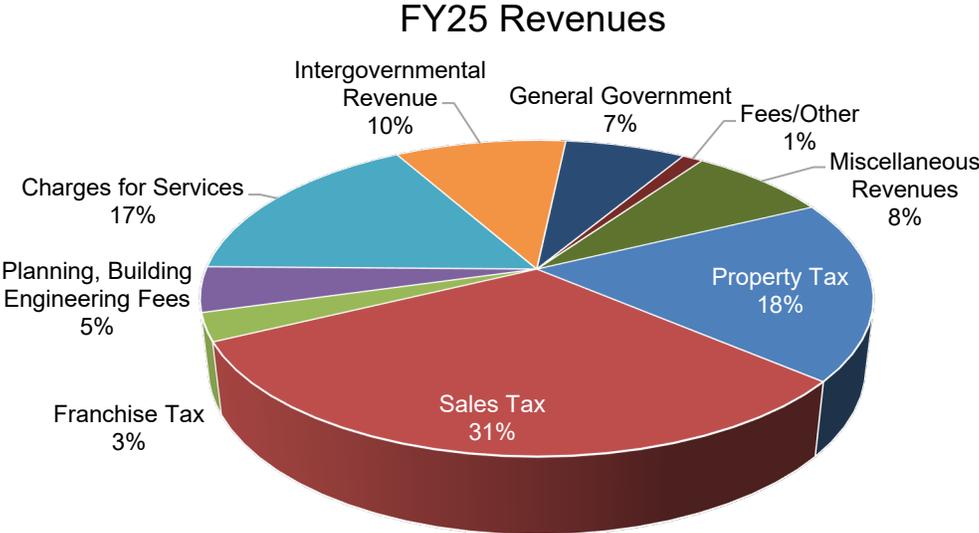


Figure R1 – Budgeted Revenue by Source

PROPERTY TAX

The Property Tax Act provides that all taxable property must be assessed and taxed at a uniform and equal rate based on its "fair market value" by January 1 of each year. "Fair market value" is defined as "the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts."<sup>2</sup>

Summit County levies, collects, and distributes property taxes for Park City and all other taxing jurisdictions within the County. Utah law prescribes how taxes are levied and collected. Generally, the law provides as follows: the County Assessor determines property values as of January 1 of each year and is required to have the assessment roll completed by May 15. If any taxing district within the County proposes an increase in the certified tax rate, the County Auditor must mail a notice to all affected property owners stating, among other things, the assessed valuation of the property, the date the Board of Equalization will meet to hear complaints on the assessed valuation, the tax impact of the proposed increase, and the time and place of a public hearing (described above) regarding the proposed increase.

<sup>2</sup> Utah State Code 59-2-202(13)(a)

## REVENUES

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

Park City's certified property tax rate is made up of two rates: (1) General Levy Rate and (2) Debt Service Levy Rate. The two rates are treated separately. The general levy rate is calculated in accordance with Utah State law to yield the same amount of revenue as was received the previous year (excluding revenue from new growth). If an entity determines that it needs greater revenues than what the certified tax rate will generate, statutes require that the entity must then go through a process referred to as "Truth in Taxation." The debt service levy is calculated based on the City's debt service needs pertaining only to General Obligation bonds. Figure R2 below shows Park City's property tax levies from calendar year (CY) 2018 through CY 2023.

| Tax Rate      | CY 2018         | CY 2019         | CY 2020         | CY 2021         | CY 2022         | CY 2023         |
|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| General Levy  | 0.001237        | 0.001202        | 0.001107        | 0.001104        | 0.000737        | 0.000542        |
| Debt Levy     | 0.000822        | 0.000732        | 0.001018        | 0.000944        | 0.000655        | 0.000476        |
| <b>Total:</b> | <b>0.002059</b> | <b>0.001934</b> | <b>0.002125</b> | <b>0.002048</b> | <b>0.001392</b> | <b>0.001018</b> |

| Tax Collected   | FY 2019              | FY 2020              | FY 2021              | FY 2022              | FY 2023              | FY 2024              |
|-----------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General         | \$ 9,883,951         | \$ 10,092,652        | \$ 11,106,091        | \$ 11,596,238        | \$ 11,813,650        | \$ 11,455,610        |
| Debt            | \$ 6,021,374         | \$ 9,279,385         | \$ 9,494,281         | \$ 9,497,688         | \$ 9,497,688         | \$ 9,275,272         |
| RDA Increment   | \$ 3,780,987         | \$ 4,491,787         | \$ 3,743,197         | \$ 3,959,661         | \$ 3,373,674         | \$ 4,163,564         |
| Fee-In-Lieu     | \$ 271,962           | \$ 272,291           | \$ 161,598           | \$ 147,147           | \$ 191,774           | \$ 137,808           |
| Deling/Interest | \$ 831,134           | \$ -                 | \$ 969,274           | \$ 146,568           | \$ 254,209           | \$ 1,362,000         |
| <b>Total:</b>   | <b>\$ 20,789,408</b> | <b>\$ 24,136,115</b> | <b>\$ 25,474,441</b> | <b>\$ 25,347,302</b> | <b>\$ 25,130,995</b> | <b>\$ 26,394,254</b> |

Table R2 – Property Tax Rates and Collections

## REVENUES

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### SALES TAX

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

In 2017, City Council adopted a 1% municipal transient room tax, which went into effect January 1, 2018, as an additional 1% tax on overnight stays. The Municipal TRT was used to purchase the Bonanza Park East properties with the intention of creating a mixed-use Arts and Culture District. Current and future TRT revenues are budgeted for projects relevant to the Bonanza site. The total levied sales tax for Park City is 9.05%

Sales tax revenue grew significantly over the past three years, but the significant growth leveled off in FY24. The city projects annual sales tax revenue using a combination of statistical models, including linear trend models that evaluate local, regional, and national economic indicators. Sales tax revenue is projected to stabilize in FY25 as we continue to recover from the impact of COVID-19. Figure R3 shows actual sales tax amounts and forecasted amounts through FY30. The shift upward in FY2014 relates to the Additional Resort Communities Sales Tax. The significant upward shift from FY21 to FY23 correlates to cost increases driven by many factors, including inflation, the war in Ukraine, and robust economic activity on the heels of the COVID-19 pandemic.

Although sales tax revenue has maintained some consistency over the last several years, it remains a revenue source susceptible to national, state, and local economic conditions, as evidenced during the 2009-2010 recession. These conditions fluctuate based on a myriad of factors. Using a linear equation to forecast sales tax revenue helps to smooth out larger fluctuations and conservatively budget the revenue source, ensuring fiscal stability and planning accuracy.

# REVENUES

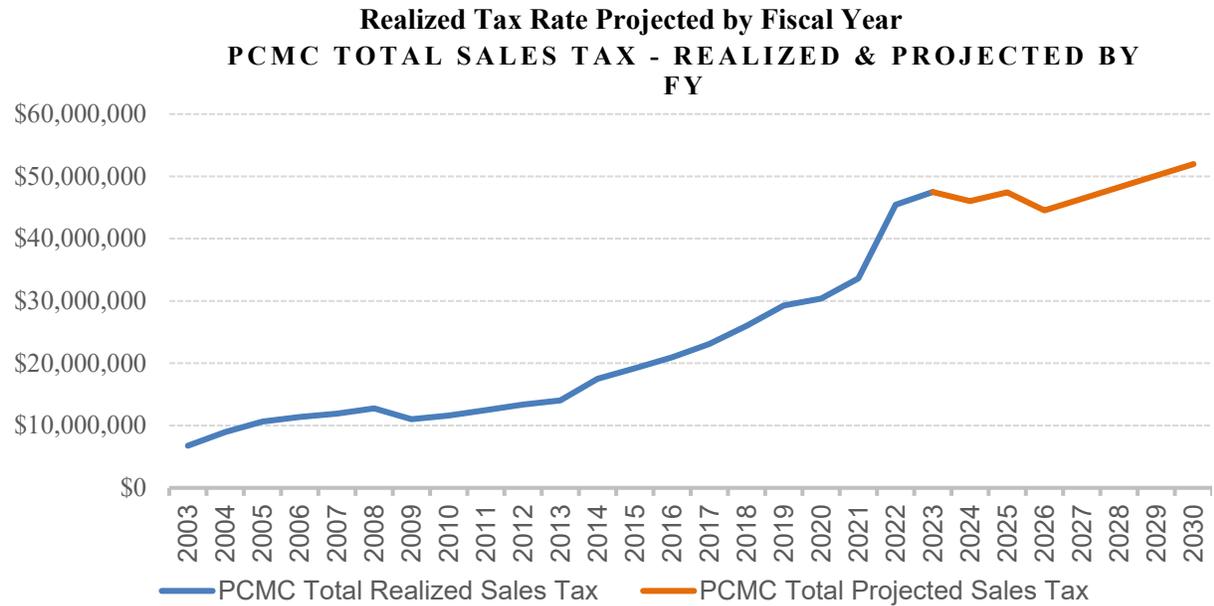


Figure R3- Sales Tax Actuals and Projections

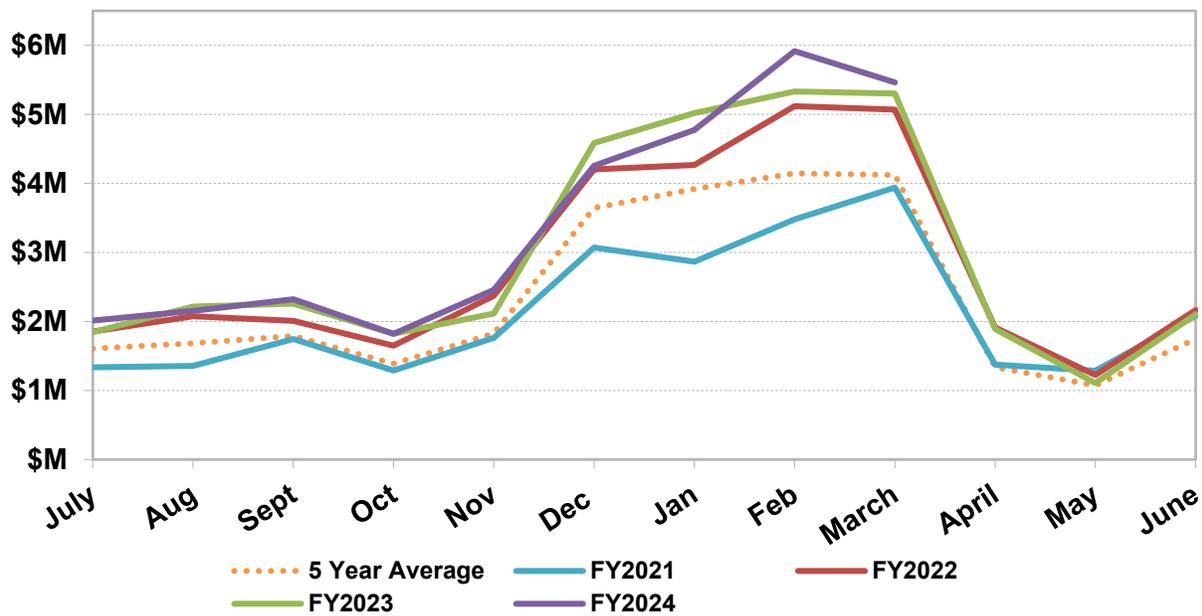


Figure R4 – Realized Sales Tax for FY 2024 (Compared to a Five-year Average and past 4 years.)

## REVENUES

### State Legislation and Sales Tax

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

| <b>SALES TAX RATES</b>              |                               |
|-------------------------------------|-------------------------------|
| <b>SALES AND USE TAXES</b>          | <b>EFFECTIVE JULY 1, 2024</b> |
| <b>STATE OF UTAH</b>                |                               |
| General Sales & Use Tax             | 4.85%                         |
| <b>SUMMIT COUNTY</b>                |                               |
| County Option Sales Tax             | 0.25%                         |
| Recreation, Arts, and Parks Tax     | 0.10%                         |
| Transportation Tax                  | 0.25%                         |
| Mass Transit Tax                    | 0.25%                         |
| Transportation Infrastructure Tax   | 0.25%                         |
| Transit Capital Expenses            | 0.20%                         |
| <b>PARK CITY</b>                    |                               |
| Local Option Sales Tax              | 1.00%                         |
| Resort City Sales Tax               | 1.60%                         |
| Mass Transit Tax                    | 0.30%                         |
| <b>TOTAL PARK CITY “BASE”</b>       | <b>9.05%</b>                  |
| <b>OTHER TAXES</b>                  |                               |
| Countywide Restaurant Tax           | 1.00%                         |
| Countywide Motor Vehicle Rental Tax | 2.50%                         |
| Countywide Transient Room Tax       | 3.00%                         |
| Statewide Transient Room Tax        | 0.32%                         |
| Park City Transient Room Tax        | 1.00%                         |

Table R5 – Sales Tax Rates

# REVENUES

Figure R6 shows the portions of total sales tax attributable to general sales tax, resort tax, transit sales tax, additional resort sales tax, and transient room tax by fiscal year.

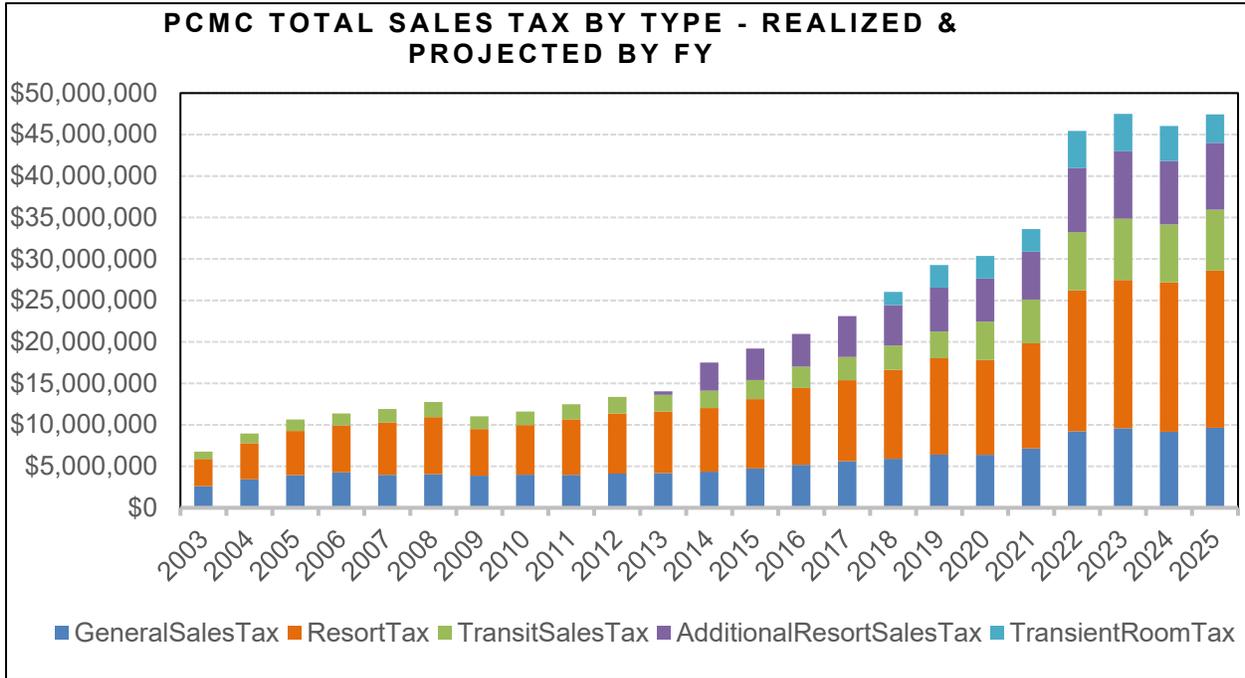


Figure R6 – Sales Taxes Breakdown



## REVENUES

### OTHER REVENUE

Revenue sources other than property and sales tax include fees, franchise taxes, grants, and other miscellaneous revenue. Total revenue from sources other than property and sales tax make up a large portion of the FY25 Budget. Figure R7 shows a projected breakdown of other revenue by type and amount.

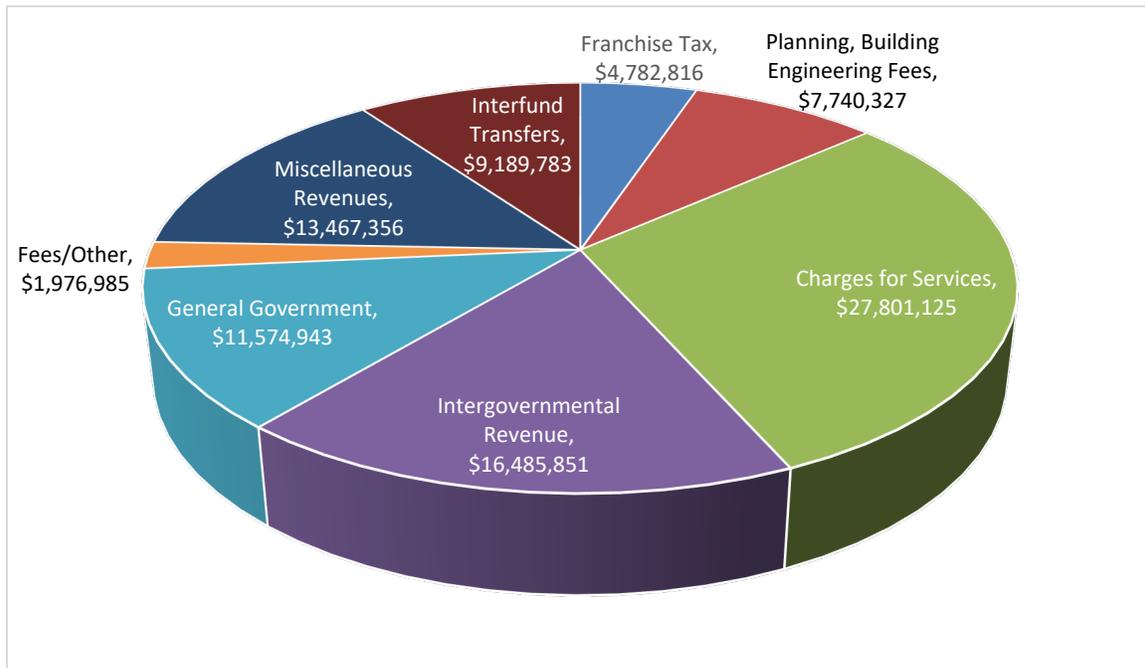


Figure R7 – Other Revenue Breakdown

Charges for services consist primarily of water services fees. Intergovernmental revenue includes various federal, state, and county grants. Revenues categorized under general government include licenses, recreation fees, and parking. Miscellaneous revenues are made up of interest earnings, sale of assets, rental income, amongst other revenues.

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

# REVENUES

## Impact Fees

Park City receives additional revenue by collecting development impact fees. These fees include street impact fees, water impact fees, public safety impact fees, and open space impact fees. These fees reflect the calculated cost of providing city services to new, private development projects. State law requires that collected impact fees are applied to the capital facilities plan within six years of the collection date. Figure R8 details projected impact fees for FY25.

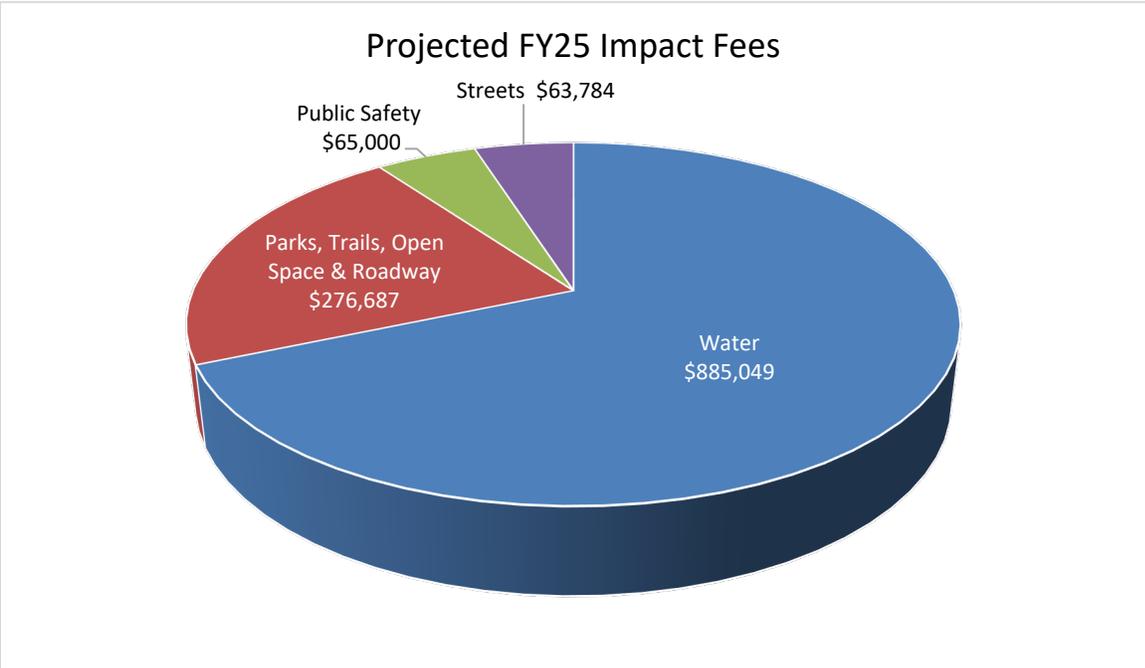


Figure R8 – Impact Fees Breakdown

## Golf Fees

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

## Grants

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

## REVENUES

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### **Municipal Bonds**

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

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



## EXPENSES

### OPERATING BUDGET

The Operating Budget consists of Personnel, Materials, Supplies, and Services, Equipment, and Contingencies. Below is a summary of the FY25 Operating Budget requests by department.

#### FY25 OPERATIONAL APPROVED BUDGET REQUESTS BY DEPARTMENT

| FY25 Operating Budget Requests  |                |                |
|---------------------------------|----------------|----------------|
| Department                      | Request Amount | Recommendation |
| Budget                          | \$ 30,000      | \$ 30,000      |
| Building                        | \$ 59,818      | \$ -           |
| Public Works                    | \$ 149,801     | \$ 138,868     |
| City Manager/Executive Office   | \$ 199,404     | \$ 174,404     |
| City Council                    | \$ 47,628      | \$ 47,628      |
| Community Engagement            | \$ 144,800     | \$ 66,800      |
| Engineering                     | \$ 63,898      | \$ -           |
| Environmental Regulatory        | \$ 30,000      | \$ 30,000      |
| Housing                         | \$ 5,500       | \$ 5,500       |
| Library                         | \$ 22,321      | \$ 22,321      |
| Leadership                      | \$ 13,300      | \$ 13,300      |
| Planning                        | \$ 446,256     | \$ 417,256     |
| Police                          | \$ 593,653     | \$ 36,483      |
| Trails                          | \$ 800         | \$ 800         |
| Events                          | \$ 125,000     | \$ 50,000      |
| MARC                            | \$ 34,030      | \$ 21,030      |
| Tennis                          | \$ 20,000      | \$ 10,000      |
| Recreation                      | \$ 11,000      | \$ 11,000      |
| Ice                             | \$ 15,825      | \$ 15,825      |
| Sundance Contract               | \$ 50,200      | \$ 50,200      |
| Summit County Dispatch Contract | \$ 95,123      | \$ 95,123      |
| Transit Operations              | \$ 289,000     | \$ 249,000     |
| Golf                            | \$ 144,500     | \$ 144,500     |
| Water                           | \$ 781,877     | \$ 781,877     |
| Stormwater                      | \$ 70,538      | \$ 70,538      |

### General Fund

#### Budget – \$30,000

Funds were added to the final budget to support a Building, Planning and Engineering fee study in FY25.

#### City Manager/Executive Office – \$174,404

This request provides additional funding for contracted lobbyists and legislative consultants. Their expertise is essential for advocating for Park City's interests during the legislative and policymaking process. The request also includes Olympic planning support for studies, attendance at key meetings with relevant organizations and

## **EXPENSES**

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stakeholders, preparing long-term financial or operational plans, and public outreach.

### **Community Engagement – \$51,800**

The Community Engagement department requested funds for a Customer Relationship Management (CRM) tool to allow for specific and timely communications to residents and stakeholders. An allocation of \$25,000 was added to support additional strategic communications during high-profile and complex community issues. We plan to draw upon this budget only when elevated services are desired by the Mayor and City Council. \$16,800 was also approved for the biannual NCS survey, a statistical survey that helps local governments understand how their residents feel about their communities.

### **Environmental Regulatory – \$30,000**

This request supports monthly lab analysis for sampling at the Prospector Drain site. The Water Department is working with the Environmental Regulatory Program to provide staff to do the sampling, this saves the program approximately \$42,000 per year.

### **Housing – \$5,500**

Increased support for outreach, training, Urban Land Institute participation and new RFP writing software.

### **Library – \$22,321**

The Library requested several same level of service budget increases to maintain critical programs such as Libby Digital Resource, public printing services, hot spots, and books and materials. Our current room reservation software is sunsetting and a replacement is necessary in FY25. The new system will integrate with our current software and offer users a more seamless interface where they can maintain their accounts, RSVP to events, and reserve books and rooms all in one place.

### **Park City Leadership – \$13,300**

The majority of this request is to cover inflationary increases to maintain the Leadership program, as the budget hasn't been increased for several years. An additional \$3,000 was requested to provide small stipends for professional speakers.

### **Planning – \$417,256**

The Planning Department requested \$300,000 to update the City's General Plan in FY25. As per new legislation, \$30,400 was added to increase per diem amounts for certain public bodies/boards. Personnel funds were added to reclass a Planner I to a Planner II and reclass a part-time position to a full-time Planner I.

### **Police – \$36,483**

Due to rising equipment costs, inflation, and supply chain complexities, the Police Department requested \$16,483 to increase its equipment budget and ensure officers are adequately equipped.

## EXPENSES

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An increase to the Special Event Contract Officer budget was also requested in the amount of \$60,000 to increase pay for officers. Because we are such a small agency, we must use contract police officers from outside jurisdictions to help cover special event shifts. Annually, these contract officers cover about 40% of our approximately 7,300 special event hours. Though we are increasing special event fees, some of these events qualify for fee waivers and the cost of the officers is not recouped from fees. We have struggled to fill these shifts in FY24 due to staffing shortages at other agencies and less competitive pay than the private sector

### **Trails – \$800**

A minimal inflationary increase for supplies and equipment.

### **Public Works – \$138,868**

Between Operating and Capital expenditures, Public Works budgets total nearly \$20M annually, with the majority of expenses in contract services, parts, materials, and supplies. Rather than relying on State contracts and the City's procurement manager alone, a new Public Works Procurement and Contracts Coordinator has been added and will scrutinize hundreds of vendors and contracts to maximize services and value. Public Works identified budget offsets of more than \$70,000 to fund the new position request. Funds were added to Building Maintenance to cover increased costs in contracts, supplies, maintenance, and inspections to maintain service levels.

### **Special Events – \$50,000**

Funds were requested to replace old and destroyed signage to ensure adequate signage for safety, closures, and critical information. The Event department has a small storage space for equipment. The shelving system is more than 10 years old and beginning to fail. Resources were added for an updated shelving/organization system to keep this space safe and efficient.

Within Special Events, \$15,000 was added for a celebratory event if Utah is selected as the 2034 Winter Olympics host. We plan to collaborate with community partners (UOP, PC Chamber, Resorts, HPCA, etc.) to showcase Park City's local spirit and excitement to host the Games.

We continue traffic mitigation during major events and peak periods. Feedback to continue providing this level of operational response and services is consistent, and a budget increase of \$25,000 is necessary for FY25. This continues the strategic coordination over holidays and weekends.

### **Recreation – \$42,030**

The majority of increases are offset by user and participant fees.

### **MARC – \$21,030**

This is a same level of service request and includes items such as Aquatics uniforms, certifications and training, software licenses and credit card fees.

## EXPENSES

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### **Tennis – \$10,000**

Same level of service increase for supplies.

### **Recreation – \$11,000**

Summer Day Camp supplies and transportation expenses have increased, and a budget increase is necessary to continue providing high-quality programs. A small amount of funding was also added for the Adult Softball league.

### **Ice Rink – \$15,285**

Our beginner classes are in high demand at the Ice Rink, and a request for additional hours for Skate Instructors was approved, along with funds for minor repairs/maintenance and supplies.

## **Enterprise Funds**

### **Golf Fund – \$144,500**

Beginning in FY25, the Golf Fund will strategically initiate a multi-year capital improvement plan. On the operational side, requests were made for inflationary increases to contract services (HVAC, plumbing, additional HOA dues, etc.) and annual course maintenance materials such as sand, topsoil, and green waste removal. A full-time Assistant Superintendent was also approved, offset by part-time funds that would no longer be necessary with this position in place.

### **Water/Public Utilities Fund – \$781,877**

Minimal increase for materials, supplies and equipment to keep our system operational and increase focus on asset management with a goal of reducing water breaks and water loss. Funds were added for the Jordanelle Special Service District (JSSD) annual payment, a planned expense as our 2010 prepayment is expiring.

### **Stormwater Fund – \$70,538**

Additional part-time hours to assist with Spring run-off as needed, especially in heavy snow years. These hours won't be filled if Spring run-off is mild.

### **Transportation Fund – \$249,900**

The increase is for Richardson Flat rental restrooms, marketing/outreach, and building maintenance. Funds have also been added to move pilot contracts to normal agreements and to increase staff training/professional development.

EXPENSES

PERSONNEL

Personnel Budget

| Fund          | FY24 Total Personnel Budget | FY25 Total Personnel Budget | Variance     |
|---------------|-----------------------------|-----------------------------|--------------|
| General Fund* | \$ 33,791,803               | \$ 36,960,501               | \$ 3,168,699 |
| Water         | \$ 4,934,076                | \$ 5,381,342                | \$ 447,266   |
| Stormwater*   | \$ 662,651                  | \$ 855,316                  | \$ 192,665   |
| Golf*         | \$ 1,110,825                | \$ 1,335,875                | \$ 225,051   |
| Transit       | \$ 11,741,329               | \$ 12,581,115               | \$ 839,786   |
| Parking       | \$ 1,272,238                | \$ 1,453,962                | \$ 181,724   |
| Fleet         | \$ 1,302,988                | \$ 1,613,204                | \$ 310,216   |

\*includes new positions and reclasses

Administrative Infrastructure

**Health Benefits (~ \$375,000)** – Health insurance is an essential employee benefit. Our provider (Aetna) conducts an annual review with our HR Team, analyzing factors such as prior year usage and projected costs. Through negotiations, we secured a 10.8% increase rather than 18% as proposed. We continue to explore cost-saving measures while balancing access to quality healthcare, such as the FY24 \$500,000 savings achieved.

**Utah Retirement System (\$17,000)** – Due to a new Utah law, the Tier II Hybrid URS retirement plan requires additional contributions. For public safety employees, employers are allowed to ‘pick up’ the additional contribution on behalf of employees. Because we budget at Tier I rates (higher than Tier II), this will be budget neutral if we pick up the +2.14% for Park City’s Police Department. Most other cities/towns are covering this additional budgetary item. By doing so, Park City Police Department remains a competitive regional employer.

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

**FY25 NFP Compensation Study, Performance and Accountability** – A quality and motivated workforce is critical to Park City’s success. By investing in our employees and ensuring competitive compensation and benefits, we can attract and retain quality professionals, allowing Park City to deliver exceptional programs and services our community and visitors expect. On March 14, 2024, the City Council reviewed the NFP Compensation Study [results](#) and supported the new philosophy, which reflects the unique nature of Park City’s job market.

## EXPENSES

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The NFP methodology ensures that employees in good standing paid at least to the minimum of the new market-rate pay bands.

The NFP pay bands are designed to carry an employee between 8-10 years in the same job in the same band. For example, employees with fewer years of experience would begin at lower levels of the bands, while high performers would be at the middle or higher levels of the new bands.

The simplified pay plan will provide employees in good standing with an increase to the mid-point (or competitive market pay) of their pay band OR an increase equal to 7% of their current salary, or whichever is greater. Implementation caveats include performance, accountability, training, and experience.

**Reallocation of Lump Sum Merit** – Employees in good standing typically receive a lump sum merit bonus at the end of each year. The merit program was originally created to entice employees to “stay through the season.” Yet Park City has evolved into a year-round destination, and we recommend reallocating the end-of-year funding to employees’ base wages. The benefits are: (1) impacting our lower wage earners the most by putting annual earnings into their weekly earnings instead of holding out until the end of the year; (2) eliminating an arbitrary “retention” program that is no longer necessary in a year-round community; and (3) bringing Park City more in line with other municipalities.

Reallocating the lump sum merit does not eliminate seasonal bonuses for specific functions, such as seasonal transit operators, snow removal, and summer programs. Nor does it remove the opportunity for an employee to earn a one-time bonus for exemplary performance or cost savings.

### **FY25 Personnel Changes**

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

| <b>Personnel Requests &amp; Reclasses by Fund</b> |            |
|---|------------|
| General Fund                                      | \$ 172,824 |
| Golf Fund   | \$ 74,000  |
| Water Fund  | \$ -       |
| Stormwater Fund                                   | \$ 70,538  |
| Transportation Fund                               | \$ -       |

## EXPENSES

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### FY25 Personnel Changes by Fund

The table below displays the year-over-year change in FTE count by Fund.

| Fund Name           | FY24          | FY25          | Variance    |
|---------------------|---------------|---------------|-------------|
| General Fund        | 268.56        | 269.51        | 0.95        |
| Water Fund          | 32.96         | 32.96         | 0.00        |
| Golf Fund           | 17.68         | 18.68         | 1.00        |
| Transportation Fund | 105.87        | 105.87        | 0.00        |
| Parking Fund        | 13.5          | 13.5          | 0.00        |
| Fleet Services Fund | 9.97          | 10.12         | 0.15        |
| Storm Water Fund    | 5.9           | 7.00          | 1.10        |
| <b>TOTAL</b>        | <b>454.44</b> | <b>457.64</b> | <b>3.20</b> |

### MATERIALS, SUPPLIES, AND SERVICES

The table below displays expenses in Materials, Supplies, and Services by Fund. In FY25, the main increases are for contract services, such as the General Plan update initiative in the General Fund and Jordanelle Special Services Contract in the Water Fund. There are also increases to supplies, utilities, and bank fees, mainly due to inflationary cost increases. Many of the Organizational Infrastructure requests are located here.

| Materials, Supplies and Services by Fund |            |
|--|------------|
| General Fund                             | \$ 918,391 |
| Golf Fund                                | \$ 70,500  |
| Water Fund                               | \$ 781,877 |
| Stormwater Fund                          | \$ -       |
| Transportation Fund                      | \$ 249,000 |

**EXPENSES**

**CAPITAL BUDGET**

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

For FY24 and FY25 capital budgets, most project increases will be funded by improved sales tax revenues distributed to the capital fund via a general fund transfer. In FY25, project managers largely targeted core recurring and new maintenance expenses with the ability to apply for new funding.

**Criteria for Increase**

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

**Capital Fund Fiscal Year 2024**

The chart below comprises Capital Fund projects with proposed increases and decreases for FY24.

| Project  | Carry Forward | Base FY 2024 | Newly Requested FY 2024 |
|--|---------------|--------------|-------------------------|
| CP0002 Information System Enhancement/Upgrades     | \$122,688     |              | (\$2,688)               |
| CP0006 Pavement Management Implementation          | \$767,381     | \$1,040,000  | \$361,995               |
| CP0013 Affordable Housing Program                  | \$707,096     |              | (\$587,144)             |
| CP0014 McPolin Farm                                | \$2,280       |              | (\$2,280)               |
| CP0019 Library Development & Donations             | \$29,562      | \$60,000     | \$115,028               |
| CP0020 City-wide Signs Phase I                     | \$59,601      |              | (\$27,156)              |
| CP0025 Bus Shelters Design and Capital Improvement | \$1,803,623   | \$4,574,265  | (\$1,996,961)           |
| CP0036 Traffic Calming                             | \$42,856      | \$160,000    | (\$6,262)               |
| CP0041 Trails Master Plan Implementation           | \$647,494     | \$345,000    | \$853,911               |
| CP0046 Golf Course Improvements                    | \$37,000      | \$12,000     | (\$37,000)              |

## EXPENSES

|  |             |              |                |
|--|-------------|--------------|----------------|
| CP0075 Equipment Replacement - Computer            | \$235,956   | \$527,564    | (\$284,866)    |
| CP0089 Public Art                                  | \$460,431   | \$100,000    | (\$158)        |
| CP0091 Golf Maintenance Equipment Replacement      | \$235,629   | \$266,363    | \$8,637        |
| CP0092 Open Space Improvements                     | \$291,439   | \$400,000    | (\$141,439)    |
| CP0118 Bus Stop Sign Technology                    | \$105,256   |              | (\$105,256)    |
| CP0128 Quinn's Ice/Fields Phase II                 | \$36,805    |              | (\$36,805)     |
| CP0146 Asset Management/Replacement Program        | \$430,046   | \$1,105,418  | (\$160,642)    |
| CP0157 OTIS Phase III(a)                           | \$1,106,341 |              | (\$396,742)    |
| CP0163 Quinn's Fields Phase III                    |             | \$22,000,000 | (\$22,000,000) |
| CP0178 Rockport Water, Pipeline, and Storage       | \$3,442,438 | \$1,357,520  | (\$3,348,816)  |
| CP0186 Energy Efficiency Study City Facilities     | \$22,305    |              | (\$22,305)     |
| CP0203 China Bridge Event Parking                  | \$1,475,807 | \$125,000    | \$432,387      |
| CP0217 Emergency Management Program                | \$13,416    | \$15,000     | (\$11)         |
| CP0226 Walkability Implementation                  | \$10,701    |              | (\$10,701)     |
| CP0236 Triangle Property Environmental Remediation | \$99,779    |              | (\$99,779)     |
| CP0248 Middle Silver Creek Watershed               | \$234,297   |              | \$99,779       |
| CP0251 Electronic Record Archiving                 | \$29,662    | (\$73,281)   | \$86,754       |
| CP0275 Smart Irrigation Controllers                | \$4,353     |              | (\$4,353)      |
| CP0276 Water Quality Study                         | \$394,252   | \$300,000    | (\$494,252)    |
| CP0280 Aquatics Equipment Replacement              | \$185,091   | \$25,000     | \$9,368        |
| CP0294 Spriggs Barn                                | \$5,000     |              | (\$5,000)      |
| CP0301 Scada and Telemetry System Replacement      |             | \$1,139,001  | (\$139,001)    |
| CP0303 Empire Tank Replacement                     | \$34,611    |              | (\$34,611)     |
| CP0308 Library Remodel                             | \$449       |              | (\$449)        |
| CP0316 Transit Facility Capital Renewal Account    | \$2,138,653 | \$230,000    | \$240,000      |
| CP0323 Dog Park Improvements                       | \$35,000    | \$5,000      | (\$40,000)     |
| CP0325 Network & Security Enhancements             | \$33,187    | \$136,813    | (\$170,000)    |
| CP0326 Website Remodel                             | \$12,378    |              | (\$12,378)     |
| CP0332 Library Technology Equipment Replacement    | \$87,669    | \$274,387    | \$90,572       |
| CP0336 Prospector Avenue Reconstruction            | \$31,812    |              | (\$31,812)     |
| CP0343 Park meadows Well                           | \$2,678,908 |              | (\$2,678,908)  |
| CP0351 Artificial Turf Replacement Quinn's         |             | \$293,731    | (\$293,731)    |
| CP0353 Remote snow storage site improvements       | \$38,068    | (\$38,068)   | \$38,068       |
| CP0354 Streets and Water Maintenance Building      | \$100,269   |              | (\$100,269)    |
| CP0362 Woodside Phase II                           | \$1,984     |              | (\$1,946)      |
| CP0363 Traffic Management Cameras                  | \$38,458    |              | (\$38,458)     |
| CP0371 C1 - Quinns WTP to Boothill - Phase 1       | \$1,397,445 |              | (\$1,397,445)  |
| CP0372 Regionalization Fee                         | \$600,000   | \$200,000    | (\$600,000)    |
| CP0381 Transit and Transportation Land Acquisition |             | \$1,000,000  | \$1,400,000    |
| CP0382 Transit Security Cameras & Software         | \$50,000    |              | \$38,458       |
| CP0385 Park Avenue Reconstruction                  |             | \$8,000,000  | (\$8,000,000)  |
| CP0389 MIW Treatment                               | \$8,923,647 | \$250,000    | \$6,981,033    |
| CP0390 QJWTP Treatment Upgrades                    | \$2,884,576 |              | (\$2,884,576)  |
| CP0392 Distribution Zoning Meters                  | \$8,358     |              | (\$8,358)      |
| CP0393 Energy Projects                             | \$570,804   |              | (\$570,804)    |
| CP0407 Bonanza Flats Open Space                    | \$3,326,471 |              | (\$3,076,471)  |
| CP0411 SR248/US 40 Park & Ride Program             |             | \$6,482,175  | \$1,370        |
| CP0415 Mobile Control                              | \$20,150    |              | (\$20,150)     |

## EXPENSES

|   |             |               |               |
|---|-------------|---------------|---------------|
| CP0416 Windows 10 Client Licenses                 | \$7,980     |               | (\$7,980)     |
| CP0420 Enhanced Bus Stops at Fresh Market         | \$0         | \$2,499,203   | \$57,483      |
| CP0427 Main Street Bollards Phase I               | \$11,718    |               | (\$11,718)    |
| CP0430 Treasure Hill & Armstrong                  | \$8,319,715 | (\$7,796,643) | \$155,346     |
| CP0434 GIS GeoEvent Server License                | \$18,000    |               | (\$18,000)    |
| CP0440 Bike Share Improvements                    | \$140,061   |               | (\$40,061)    |
| CP0442 MIW Offsite Improvements                   | \$9,451,750 |               | (\$9,084,977) |
| CP0443 West Neck Tank                             | \$2,648,914 |               | (\$2,648,914) |
| CP0446 Loader                                     | \$300,000   |               | (\$300,000)   |
| CP0447 EV Chargers                                | \$358,637   |               | (\$296,818)   |
| CP0449 Roadside Trailhead Signage 2019            | \$2,411     |               | (\$2,411)     |
| CP0450 Prospector Square/Rail Trail 2019          | \$31,000    |               | (\$31,000)    |
| CP0451 Round Valley Trail 2019                    | \$10,000    |               | (\$10,000)    |
| CP0454 Prospector Sq. Rail Trail Connector        | \$900       | \$40,000      | (\$40,900)    |
| CP0455 Olympic Park Pathway Connector             |             | \$113,000     | (\$113,000)   |
| CP0456 PC Heights Pathway                         |             | \$65,000      | (\$65,000)    |
| CP0460 Bus lift                                   | \$80,987    | \$181,500     | (\$262,487)   |
| CP0469 Deer Valley Drive Bike & Ped               | \$302,179   | \$250,000     | (\$2,179)     |
| CP0483 LED Upgrade Quinn's Fields                 | \$233,101   |               | \$101,195     |
| CP0525 MARC Cement Pad/Patio                      | \$30,000    |               | (\$30,000)    |
| CP0526 MARC Leisure Pool Water Feature            | \$9,368     |               | (\$9,368)     |
| CP0527 Homestake Roadway & Trail Imp              | \$1,842,113 |               | \$36,033      |
| CP0528 Munchkin & Woodbine Extn/Multi Trail       | \$347,124   | \$1,380,085   | (\$1,727,209) |
| CP0531 Prospector Park Improvements               | \$213,096   |               | (\$127,082)   |
| CP0535 Santy Chairs Replacement                   | \$16,500    | \$50,000      | (\$33,000)    |
| CP0551 Short Range Transit Plan                   | \$12,614    |               | (\$12,614)    |
| CP0555 McPolin and Meadows Bus Stop Improvement   | \$88,528    |               | (\$88,528)    |
| CP0556 Upper Main Street Intersection Improvement | \$1,702,074 |               | (\$536,995)   |
| CP0559 Marsac Remodel                             |             | \$800,000     | \$775,200     |
| CP0560 Forestry Plan                              |             |               | \$100,000     |
| CP0562 Emergency Response Trailer                 | \$100,000   |               | (\$29,770)    |
| CP0567 Safety Style Soccer Goals                  | \$7,711     |               | (\$7,711)     |
| CP0568 Gate for Mine bench and Judge Tunnel       | \$1,377     |               | (\$1,377)     |
| CP0569 Replace Vehicle Wash                       | \$55,370    | \$19,985      | (\$75,355)    |
| CP0570 Replace Fuel Pump System                   |             | \$27,233      | (\$27,233)    |
| CP0573 Acoustifence - Pickleball Noise Mitigation |             | \$32,259      | (\$32,259)    |
| CP0580 Safety Netting at Quinn's                  |             | \$33,090      | \$38,316      |
| CP0586 Housing Ongoing Asset Improvement          | \$1,980,299 |               | \$1,782,122   |
| CP0594 Short Range Transportation Plan I          |             | \$1,000,000   | (\$1,000,000) |
| CP0595 Intercept Lot/Park & Ride Amenities        |             | \$80,000      | (\$80,000)    |
| CP0598 PC MARC Aquatics Replacement               |             | \$14,000,000  | (\$8,000,000) |
| CP0601 Parking Asset Maintenance & Improvements   | \$265,760   | \$80,000      | \$75,000      |

### Capital Fund Fiscal Year 2025

The FY25 capital budget focuses on collaboration and coordination between City Council, project managers, the Budget Team, and the CIP Committee. Over the last few months, managers shared plans, projects, and initiatives shaping the FY25 capital budget requests. We approached this year's capital budget through a zero-based

## EXPENSES

budget lens. In other words, every capital project, new and old, was evaluated as if it had a budget of zero dollars. This proved a valuable strategy, allowing us to identify and clean up several capital projects that had been stalled or lacked policy support, freeing up additional funding to support more time-sensitive or relevant initiatives.

In collaboration with many community partners, we have several exciting projects and programs in the works. The chart below lists the capital fund FY24 adjustments and new requests for FY25:

| Project  | Carry Forward | Base FY 2024 | Newly Requested FY 2024 | Base FY 2025 | Newly Requested FY 2025 |
|--|---------------|--------------|-------------------------|--------------|-------------------------|
| CP0001 Planning/Capital Analysis               | \$68,177      |              |                         |              |                         |
| CP0002 Information System Enhancement/Upgrades | \$122,688     |              | (\$2,688)               |              | \$60,000                |
| CP0003 Old Town Stairs                         | \$49,050      |              |                         |              |                         |
| CP0006 Pavement Management Implementation      | \$767,381     | \$1,040,000  | \$361,995               | \$1,040,000  | \$140,000               |
| CP0013 Affordable Housing Program              | \$681,210     |              | (\$561,258)             |              |                         |
| CP0014 McPolin Farm                            | \$2,280       |              | (\$2,280)               |              |                         |
| CP0017 ADA Implementation                      |               |              |                         |              | \$25,000                |
| CP0019 Library Development & Donations         | \$29,562      | \$60,000     | \$115,028               |              |                         |
| CP0020 City-wide Signs Phase I                 | \$32,445      |              |                         |              |                         |
| CP0028 5-Year CIP Funding                      | \$5,073,395   |              |                         |              |                         |
| CP0036 Traffic Calming                         | \$36,594      | \$160,000    |                         |              | \$150,000               |
| CP0041 Trails Master Plan Implementation       | \$647,494     | \$345,000    | \$853,911               |              | \$50,000                |
| CP0074 Equipment Replacement - Rolling Stock   | \$2,247,761   | \$1,500,000  |                         | \$1,550,000  |                         |
| CP0075 Equipment Replacement - Computer        |               | \$370,600    |                         | \$50,000     | \$299,000               |
| CP0089 Public Art                              | \$422,682     | \$100,000    | (\$158)                 |              | \$50,000                |
| CP0090 Friends of the Farm                     | \$20,662      |              |                         |              |                         |
| CP0092 Open Space Improvements                 | \$291,439     | \$400,000    | (\$141,439)             |              | \$1,150,000             |
| CP0100 Neighborhood Parks                      | \$109,815     |              |                         |              |                         |
| CP0128 Quinn's Ice/Fields Phase II             | \$36,805      |              | (\$36,805)              |              |                         |
| CP0142 PC MARC Program Equipment Replaceme     | \$239,606     | \$65,000     |                         |              | \$65,000                |
| CP0146 Asset Management/Replacement Program    | \$430,046     | \$1,105,418  | (\$160,642)             | \$750,000    |                         |
| CP0150 Ice Facility Capital Replacement        | \$1,121,270   | \$474,394    |                         | \$866,000    |                         |
| CP0157 OTIS Phase III(a)                       | \$1,106,341   |              | (\$396,742)             |              |                         |

## EXPENSES

|  |             |               |                |           |             |
|--|-------------|---------------|----------------|-----------|-------------|
| CP0163 Quinn's Fields Phase III                    |             | \$22,000,000  | (\$22,000,000) |           |             |
| CP0186 Energy Efficiency Study City Facilities     | \$22,305    |               | (\$22,305)     |           |             |
| CP0191 Walkability Maintenance                     | \$104,486   | \$78,825      |                | \$78,825  |             |
| CP0203 China Bridge Event Parking                  | \$1,475,807 | \$125,000     | \$432,387      | \$125,000 |             |
| CP0217 Emergency Management Program                | \$13,416    | \$15,000      | (\$11)         | \$15,000  |             |
| CP0226 Walkability Implementation                  | \$10,701    |               | (\$10,701)     |           |             |
| CP0236 Triangle Property Environmental Remediation | \$99,779    |               | (\$99,779)     |           |             |
| CP0248 Middle Silver Creek Watershed               | \$234,297   |               | \$99,779       |           |             |
| CP0250 Irrigation Controller Replacement           | \$20,000    |               |                |           |             |
| CP0251 Electronic Record Archiving                 | \$29,662    | (\$73,281)    | \$86,754       |           | \$45,000    |
| CP0264 Security Projects                           | \$27,566    |               |                |           |             |
| CP0266 Prospector Drain - Regulatory Project       | \$1,006,712 | \$150,000     |                |           |             |
| CP0267 Soil Repository                             | \$4,025,136 |               |                |           |             |
| CP0269 Environmental Revolving Loan Fund           | \$58,882    |               |                |           |             |
| CP0270 Downtown Enhancements Phase II              | \$653,094   | \$327,104     |                | \$327,104 |             |
| CP0280 Aquatics Equipment Replacement              | \$185,091   | \$25,000      | \$9,368        |           | \$25,000    |
| CP0292 Cemetery Improvements                       | \$84,405    |               |                |           |             |
| CP0294 Spriggs Barn                                | \$5,000     |               | (\$5,000)      |           |             |
| CP0309 Woodside Phase I                            | \$1,257,091 | (\$1,257,091) |                |           |             |
| CP0311 Senior Community Center                     |             | \$2,508,610   |                |           |             |
| CP0312 Fleet Management Software                   | \$46,454    |               |                |           |             |
| CP0318 Bonanza Park/RMP Substation Mitigation      |             | \$958,568     |                |           | \$2,541,432 |
| CP0323 Dog Park Improvements                       | \$35,000    | \$5,000       | (\$40,000)     |           |             |
| CP0324 Recreation Software                         | \$12,000    |               |                |           |             |
| CP0325 Network & Security Enhancements             | \$33,187    | (\$33,187)    |                |           |             |
| CP0326 Website Remodel                             | \$12,378    |               | (\$12,378)     |           | \$20,000    |
| CP0329 Main St. Infrastructure Asset Management    | \$189,224   | \$599,310     |                | \$100,000 |             |
| CP0332 Library Technology Equipment Replacement    | \$87,669    | \$274,387     | \$90,572       |           |             |

## EXPENSES

|  |             |               |               |              |             |
|--|-------------|---------------|---------------|--------------|-------------|
| CP0333 Engineering Survey Monument Re-establish      | \$35,000    |               |               |              |             |
| CP0334 Repair of Historic Wall/Foundation            | \$113,254   | (\$113,254)   |               |              |             |
| CP0336 Prospector Avenue Reconstruction              | \$31,812    |               | (\$31,812)    |              |             |
| CP0338 Council Chambers Advanced Technology Upgrades | \$210,000   | \$230,000     |               |              |             |
| CP0339 City Wide Fiber                               | \$13,695    | \$80,000      |               | \$180,000    |             |
| CP0340 Fleet Shop Equipment Replacement              | \$40,858    | \$15,000      |               | \$15,000     |             |
| CP0351 Artificial Turf Replacement Quinn's           |             | \$293,731     | (\$293,731)   |              |             |
| CP0352 Parks Irrigation System Efficiency Imp        | \$87,578    | \$30,000      |               | \$30,000     |             |
| CP0353 Remote snow storage site improvements         | \$38,068    | (\$38,068)    | \$38,068      |              |             |
| CP0354 Streets and Water Maintenance Building        | \$100,269   |               | (\$100,269)   |              |             |
| CP0361 Land Acquisition/Banking Program              | \$750,000   |               |               |              |             |
| CP0364 Master Plan for Recreation Amenities          | \$685,418   |               |               |              |             |
| CP0375 LED Streets Lights Phase I                    | \$33,053    |               |               |              | \$20,000    |
| CP0378 Legal Software for Electronic Document M      | \$35,000    | \$35,000      |               | \$35,000     |             |
| CP0385 Park Avenue Reconstruction                    |             | \$8,000,000   | (\$8,000,000) |              | \$4,450,000 |
| CP0386 Recreation Building in City Park              |             |               |               | \$15,000,000 |             |
| CP0401 Downtown Projects Plazas                      | \$839,902   |               |               |              |             |
| CP0402 Additional Downtown Projects                  | \$1,200,000 |               |               |              |             |
| CP0407 Bonanza Flats Open Space                      | \$3,326,471 |               | (\$3,076,471) |              |             |
| CP0411 SR248/US 40 Park & Ride Program               |             |               |               |              | \$5,000,000 |
| CP0412 PC MARC Tennis Court Resurface                | \$199,135   |               |               |              |             |
| CP0422 Electrical Generator Upgrades                 |             | \$64,000      |               | \$34,000     |             |
| CP0429 Arts and Culture District                     | \$527,908   |               |               |              |             |
| CP0430 Treasure Hill & Armstrong                     | \$8,319,715 | (\$7,796,643) | \$155,346     |              |             |
| CP0431 Bubble Repair                                 |             | \$50,000      |               |              |             |
| CP0432 Software Subscriptions & Licenses             | \$113,057   |               |               |              |             |

## EXPENSES

|   |             |             |               |           |             |
|---|-------------|-------------|---------------|-----------|-------------|
| CP0434 GIS GeoEvent Server License              | \$5,000     |             | (\$5,000)     |           |             |
| CP0435 GIS Satellite Imagery Multi-Spectral     | \$6,000     | (\$6,000)   |               |           |             |
| CP0445 Add Uphill Marsac Gate Above Chambers Av | \$50,000    | (\$50,000)  |               |           |             |
| CP0446 Loader                                   | \$300,000   |             | (\$300,000)   |           |             |
| CP0447 EV Chargers                              | \$358,637   |             | (\$296,818)   |           |             |
| CP0449 Roadside Trailhead Signage 2019          | \$2,411     |             | (\$2,411)     |           |             |
| CP0450 Prospector Square/Rail Trail 2019        | \$31,000    |             | (\$31,000)    |           |             |
| CP0451 Round Valley Trail 2019                  | \$10,000    |             | (\$10,000)    |           |             |
| CP0454 Prospector Sq. Rail Trail Connector      | \$900       | \$40,000    | (\$40,900)    |           |             |
| CP0455 Olympic Park Pathway Connector           |             | \$113,000   | (\$113,000)   |           |             |
| CP0456 PC Heights Pathway                       |             | \$65,000    | (\$65,000)    |           |             |
| CP0457 City AED Replacement and Maintenance     | \$968       | \$15,000    |               | \$15,000  |             |
| CP0469 Deer Valley Drive Bike & Ped             | \$2,179     |             | (\$2,179)     |           |             |
| CP0483 LED Upgrade Quinn's Fields               | \$233,101   |             | \$101,195     |           |             |
| CP0525 MARC Cement Pad/Patio                    | \$30,000    |             | (\$30,000)    |           |             |
| CP0526 MARC Leisure Pool Water Feature          | \$9,368     |             | (\$9,368)     |           |             |
| CP0527 Homestake Roadway & Trail Imp            | \$1,842,113 |             | \$36,033      |           | \$3,971,854 |
| CP0528 Munchkin & Woodbine Extn/Multi Trail Imp | \$347,124   | \$1,380,085 | (\$1,727,209) | \$131,616 | (\$131,616) |
| CP0531 Prospector Park Improvements             | \$213,096   |             | (\$127,082)   |           | \$20,000    |
| CP0535 Santy Chairs Replacement                 | \$16,500    | \$50,000    | (\$33,000)    |           |             |
| CP0540 Snow Creek Crossing                      | \$4,412,805 |             |               |           |             |
| CP0556 Upper Main Street Intersection Improve   | \$1,702,074 |             | (\$536,995)   |           |             |
| CP0559 Marsac Remodel                           |             | \$800,000   | \$775,200     |           | \$820,000   |
| CP0560 Forestry Plan                            |             |             | \$100,000     |           |             |
| CP0567 Safety Style Soccer Goals                | \$7,711     |             | (\$7,711)     |           |             |
| CP0568 Gate for Mine bench and Judge Tunnel     | \$1,377     |             | (\$1,377)     |           |             |
| CP0569 Replace Vehicle Wash                     | \$55,370    |             | (\$55,370)    |           |             |
| CP0570 Replace Fuel Pump System                 |             | \$24,273    | (\$24,273)    |           |             |

## EXPENSES

|   |             |              |               |           |                |
|---|-------------|--------------|---------------|-----------|----------------|
| CP0573 Acoustifence - Pickleball Noise Mitigation |             | \$32,259     | (\$32,259)    |           |                |
| CP0575 10th St Retaining Wall Reconstruction      |             | \$145,000    |               |           | \$25,000       |
| CP0576 Ability Way Reconstruction                 |             | \$630,000    |               |           | \$100,000      |
| CP0577 Police Station Parking Lot                 |             | \$210,000    |               |           | \$31,500       |
| CP0579 Guardrail Replacement                      |             | \$68,000     |               | \$68,000  |                |
| CP0580 Safety Netting at Quinn's                  |             | \$33,090     | \$38,316      |           |                |
| CP0581 Street Sign Replacement Program            |             | \$9,754      |               | \$9,754   |                |
| CP0583 Swede Alley Trash Compactors Replacement   |             | \$126,000    |               |           |                |
| CP0585 Facility Wireless Upgrades                 | \$50,000    | \$160,000    |               | \$170,000 |                |
| CP0586 Housing Ongoing Asset Improvement          | \$1,980,299 |              | \$1,782,122   |           |                |
| CP0587 Housing Program Asset Acquisition          | \$5,500,000 |              |               |           |                |
| CP0588 Housing Program Public Private Pa          |             | \$16,845,233 |               |           | (\$10,000,000) |
| CP0589 Housing Programs                           | \$798,202   |              |               |           |                |
| CP0598 PC MARC Aquatics Replacement               |             | \$14,000,000 | (\$8,000,000) |           | \$1,500,000    |
| CP0600 Strategic Asset Analysis                   |             | \$150,000    |               | \$150,000 |                |
| CP0602 PC MARC Furnishings                        |             |              |               |           | \$60,000       |
| CP0603 Curb and Gutter Replacement                |             |              |               |           | \$80,000       |
| CP0604 Backflow Prevention                        |             |              |               |           | \$100,000      |
| CP0606 10 Wheeler Dump Truck                      |             |              |               |           | \$135,000      |
| CP0607 MARC Lighting System Replacement           |             |              |               |           | \$50,000       |
| CP0609 Future Core Software                       |             |              |               |           | \$430,000      |
| CP0611 Miscellaneous 5-Acre Site Improvements     |             |              |               |           | \$8,200,000    |
| CP0612 Tress for City Lands                       |             |              |               |           | \$15,000       |
| CP0613 Email For All                              |             |              |               |           | \$140,000      |
| CP0615 Police Equipment Replacement Fund          |             |              |               |           | \$157,525      |
| CP0616 GRAMA Request Management Platform          |             |              |               |           | \$8,800        |
| CP0617 Library Building Improvements              |             |              |               |           | \$25,000       |

## EXPENSES

|  |  |                 |              |                 |              |
|--|--|-----------------|--------------|-----------------|--------------|
| CP0619 Emerging Community Development Projects |  |                 |              |                 | \$10,000,000 |
| CP0620 Silver King Mine Restoration            |  |                 |              |                 | \$200,000    |
| CP0621 Interfund Transfer to Water Fund        |  |                 |              |                 | \$1,000,000  |
|  |  | FY24 Base + New | \$25,644,771 | FY25 Base + New | \$51,768,794 |

### Water Fund FY24 and FY25

The 3Kings Water Treatment Plant remains the most significant capital project by the Public Utilities Department and the City. After starting operations in October 2023, it began treating drinking water in June 2024. Bond proceeds fund the new Treatment Plant, and water service fees fund all other capital projects. Concurrently, the Water Department Infrastructure Improvement project maintains aging infrastructure using a risk-based approach, prioritizing assets based on their likelihood and consequences of failure. Due to budget constraints, some projects may be deferred. Currently, the top priority is replacing Main Street's water line, which has seen increased failures. This three-phased project began in April 2024 and will be completed over the next three shoulder seasons from April to July in the years 2024-2026, historically the quietest business months.

| Project  | Carry Forward | Base FY 2024 | Newly Requested FY 2024 | Base FY 2025 | Newly Requested FY 2025 |
|--|---------------|--------------|-------------------------|--------------|-------------------------|
| CP0007 Tunnel Maintenance                              | \$1,894,394   | \$3,292,884  |                         | \$304,599    |                         |
| CP0010 Water Department Service Equipment              | \$243,529     | \$133,200    |                         | \$136,528    |                         |
| CP0040 Water Dept Infrastructure Improvement           | \$2,865,752   | \$3,496,538  |                         | \$1,776,879  | \$223,121               |
| CP0075 Equipment Replacement - Computer                | \$184,510     | \$138,232    | -\$219,506              | \$117,000    |                         |
| CP0178 Rockport Water, Pipeline, and Storage           | \$3,442,438   | \$1,357,520  | -\$3,348,816            | \$1,203,543  | \$130,000               |
| CP0275 Smart Irrigation Controllers                    | \$4,353       |              | -\$4,353                |              |                         |
| CP0276 Water Quality Study                             | \$394,252     | \$300,000    | -\$494,252              | \$250,000    | -\$200,000              |
| CP0301 Scada and Telemetry System Replacement          |               | \$1,139,001  | -\$139,001              | \$206,000    |                         |
| CP0303 Empire Tank Replacement                         | \$34,611      |              | -\$34,611               |              |                         |
| CP0304 Quinn's Water Treatment Plant Asset Replacement | \$943,540     | \$238,471    |                         | \$245,625    |                         |
| CP0312 Fleet Management Software                       | \$17,307      |              |                         |              |                         |
| CP0325 Network & Security Enhancements                 |               | \$170,000    | -\$170,000              |              |                         |
| CP0341 Regional Interconnect                           | \$75,012      |              |                         |              |                         |

# EXPENSES

|  |             |                 |              |                 |             |
|--|-------------|-----------------|--------------|-----------------|-------------|
| CP0342 Meter Replacement                     | \$118,555   | \$150,000       |              | \$50,000        |             |
| CP0343 Park Meadows Well                     | \$2,678,908 |                 | -\$2,678,908 |                 |             |
| CP0371 C1 - Quinns WTP to Boothill - Phase 1 | \$1,397,445 |                 | -\$1,397,445 |                 |             |
| CP0372 Regionalization Fee                   | \$600,000   | \$200,000       | -\$600,000   | \$200,000       |             |
| CP0389 MIW Treatment                         | \$8,923,647 | \$250,000       | \$6,981,033  | \$260,000       |             |
| CP0390 QJWTP Treatment Upgrades              | \$2,884,576 |                 | -\$2,884,576 |                 |             |
| CP0392 Distribution Zoning Meters            | \$8,358     |                 | -\$8,358     |                 |             |
| CP0393 Energy Projects                       | \$570,804   |                 | -\$570,804   |                 |             |
| CP0415 Mobile Control                        | \$13,000    |                 | -\$13,000    |                 |             |
| CP0416 Windows 10 Client Licenses            | \$1,480     |                 | -\$1,480     |                 |             |
| CP0418 JSSD Interconnection Improvements     | \$146,686   | \$90,000        |              | \$180,000       |             |
| CP0442 MIW Offsite Improvements              | \$9,451,750 |                 | -\$9,084,977 |                 |             |
| CP0443 West Neck Tank                        | \$2,648,914 |                 | -\$2,648,914 |                 |             |
| CP0569 Replace Vehicle Wash                  |             | \$19,985        | -\$19,985    |                 |             |
| CP0570 Replace Fuel Pump System              |             | \$2,960         | -\$2,960     |                 |             |
| CP0574 Landscaping Incentives                |             | \$200,000       |              | \$200,000       |             |
|  |             | FY24 Base + New | -\$6,162,122 | FY25 Base + New | \$5,283,295 |

## Transportation Fund FY24 and FY25

The Transportation fund continues to evolve as Park City focuses its transportation operations on the core of Park City. In FY25, we are prioritizing efficiency, sustainability, and social equity in our transportation system, ensuring that our services meet the growing demands of our community while reducing environmental impact. Additionally, Park City Transit, in partnership with our resorts, has committed resources to provide express transit routes from Richardson Flat to Deer Valley and Park City Resorts following the success of winter 2023/24.

Transportation capital projects are traditionally funded by a combination of Transportation Sales Taxes and local and federal grants. However, as operating expenses continue to rise, the Fund's capacity to execute capital projects with sales taxes remains constrained. Consequently, our ability to embark on new, large-scale transformative projects remains limited. The 5-year capital plan reflects this reality, as it does not include new budget requests for major transformative projects but rather focuses on maintaining, optimizing, and, in some cases, replacing existing infrastructure. One exception is additional funding going toward a park-and-ride solution near US 40.

## EXPENSES

| Project  | Carry Forward | Base FY 2024 | Newly Requested FY 2024 | Base FY 2025 | Newly Requested FY 2025 |
|--|---------------|--------------|-------------------------|--------------|-------------------------|
| CP0009 Transit Rolling Stock Replacement           | \$5,625,513   | \$3,575,222  |                         | \$6,471,439  | \$560,824               |
| CP0025 Bus Shelters Design and Capital Improve     | \$1,803,623   | \$4,574,265  | (\$1,996,961)           | \$2,000,000  | \$6,569,434             |
| CP0075 Equipment Replacement - Computer            | \$49,481      | \$16,172     | (\$60,639)              |              | \$30,000                |
| CP0108 Flagstaff Transit Transfer Fees             | \$2,118,737   |              |                         |              |                         |
| CP0118 Bus Stop Sign Technology                    | \$105,256     |              | (\$105,256)             |              | \$50,000                |
| CP0313 Transportation Grants/Plans/Policy Sup      | \$356,331     |              |                         |              |                         |
| CP0316 Transit Facility Capital Renewal Account    | \$2,138,653   | \$230,000    | \$240,000               | \$230,000    |                         |
| CP0381 Transit and Transportation Land Acquisition |               | \$1,000,000  | \$1,400,000             |              |                         |
| CP0382 Transit Security Cameras & Software         | \$50,000      |              | \$38,458                |              | \$36,542                |
| CP0411 SR248/US 40 Park & Ride Program             |               | \$6,482,175  | \$1,370                 |              | \$3,516,455             |
| CP0420 Enhanced Bus Stops at Fresh Market and P    |               | \$2,499,203  | \$57,483                |              |                         |
| CP0432 Software Subscriptions & Licenses           | \$4,620       |              |                         |              |                         |
| CP0439 Bonanza Multi-Modal and Street Improv       |               | \$300,000    |                         |              | \$300,000               |
| CP0440 Bike Share Improvements                     | \$140,061     |              | (\$40,061)              |              |                         |
| CP0441 Transportation Demand Management Program    | \$91,287      | \$511,284    |                         |              |                         |
| CP0465 SR248 Corridor & Safety Improvement         | \$5,204,630   |              |                         |              |                         |
| CP0469 Deer Valley Drive Bike & Ped                | \$300,000     | \$250,000    |                         |              |                         |
| CP0478 Bike/Ped Improvements in Thayne's           |               | \$250,000    |                         | \$1,450,000  | \$1,010,000             |
| CP0536 Bonanza District Bus Stops                  |               | \$2,700,000  |                         |              | \$130,000               |
| CP0540 Snow Creek Crossing                         |               | \$6,891,593  |                         | \$1,587,288  | \$108,314               |
| CP0550 Bike & Pedestrian Plan                      | \$140,514     |              |                         |              |                         |
| CP0554 Emerging Tech in Transit                    | \$130,000     |              |                         |              |                         |
| CP0562 Emergency Response Trailer                  | \$100,000     |              | (\$29,770)              |              |                         |
| CP0591 Transit Operations Radios Upgrade           | \$100,000     | \$100,000    |                         |              |                         |

## EXPENSES

|   |  |                 |              |                 |              |
|---|--|-----------------|--------------|-----------------|--------------|
| CP0592 CAD/AVL Replacement                        |  | \$1,000,000     |              |                 | \$200,000    |
| CP0596 Public Transit Bus Engine Replace          |  | \$100,000       |              |                 | \$528,008    |
| CP0605 Transit Construction Design Program        |  |                 |              |                 | \$150,000    |
| CP0608 SR224 & Roundabout Transit Priority Design |  |                 |              |                 | \$300,000    |
|   |  | FY24 Base + New | \$29,831,938 | FY25 Base + New | \$25,228,304 |

### Lower Park Avenue RDA

The LPA RDA is the primary source of repayment for the 2019 STR debt that currently provides funding for the City's affordable housing projects. Additionally, after debt service payments, smaller, annually recurring revenues are available for additional capital projects within the geographic boundary of the RDA. The largest budgeted capital project for the LPA RDA in FY24 and FY25 remains the Senior Community Center at \$991,000. For the future budgeting years of FY26 to FY27, a significant project will be the Park Avenue Reconstruction, which is still in the planning phase. All capital projects in the 5-year plan are listed below budgeted with the Lower Park Avenue RDA as a funding source.

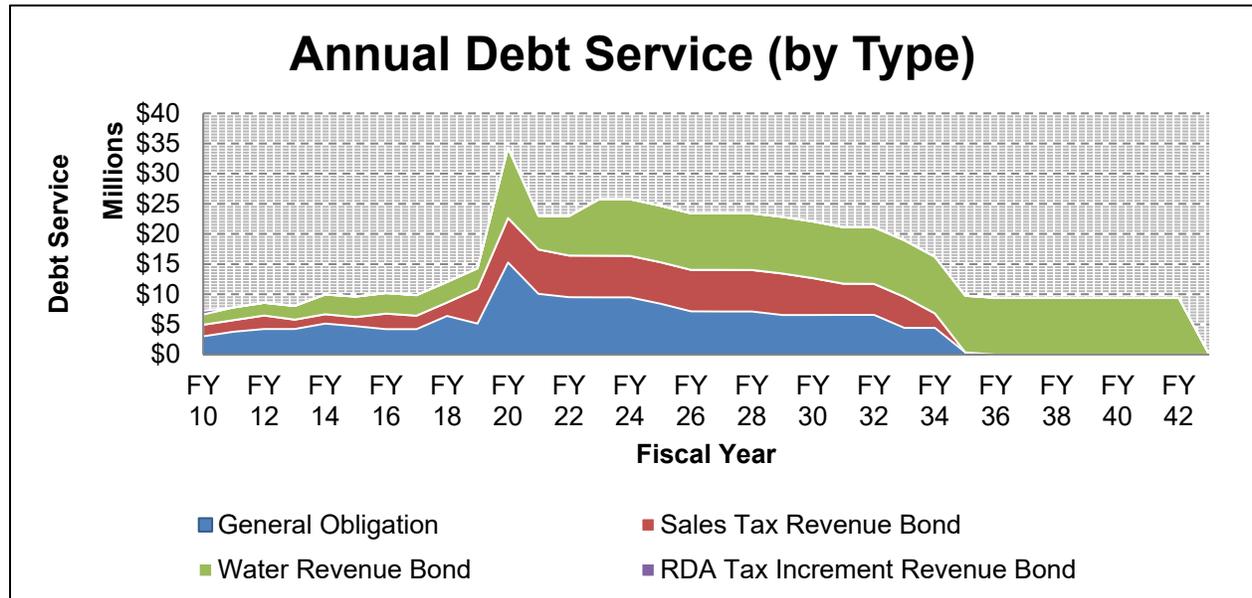
| Project                                 | Carry Forward | Base FY 2024    | Newly Requested FY 2024 | Base FY 2025    | Newly Requested FY 2025 |
|---|---------------|-----------------|-------------------------|-----------------|-------------------------|
| CP0003 Old Town Stairs                  | \$469,501     | \$300,000       |                         |                 |                         |
| CP0005 City Park Improvements           | \$827,358     | \$100,000       |                         |                 | \$100,000               |
| CP0013 Affordable Housing Program       | \$25,886      |                 | -\$25,886               |                 |                         |
| CP0020 City-wide Signs Phase I          | \$7,156       |                 | -\$7,156                |                 |                         |
| CP0036 Traffic Calming                  | \$6,262       |                 | -\$6,262                |                 |                         |
| CP0089 Public Art                       | \$37,749      |                 |                         |                 |                         |
| CP0167 Skate Park Repairs               | \$14,749      | \$5,000         |                         | \$30,000        | -\$25,000               |
| CP0264 Security Projects                |               | \$40,000        |                         | \$40,000        |                         |
| CP0308 Library Remodel                  | \$449         |                 | -\$449                  |                 |                         |
| CP0311 Senior Community Center          | \$991,390     |                 |                         |                 |                         |
| CP0362 Woodside Phase II                | \$1,984       |                 | -\$1,946                |                 |                         |
| CP0386 Recreation Building in City Park | \$241,042     |                 |                         |                 |                         |
|   |               | FY24 Base + New | \$403,301               | FY25 Base + New | \$145,000               |

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

# EXPENSES

## DEBT SERVICE

Park City has various bond issuances outstanding. The debt service to be paid on these bonds is detailed in Figure E1. The Utah State code states that direct debt issued by a municipal corporation should not exceed 4% of the assessed valuation—Park City has a more stringent policy of 2% of assessed valuation.



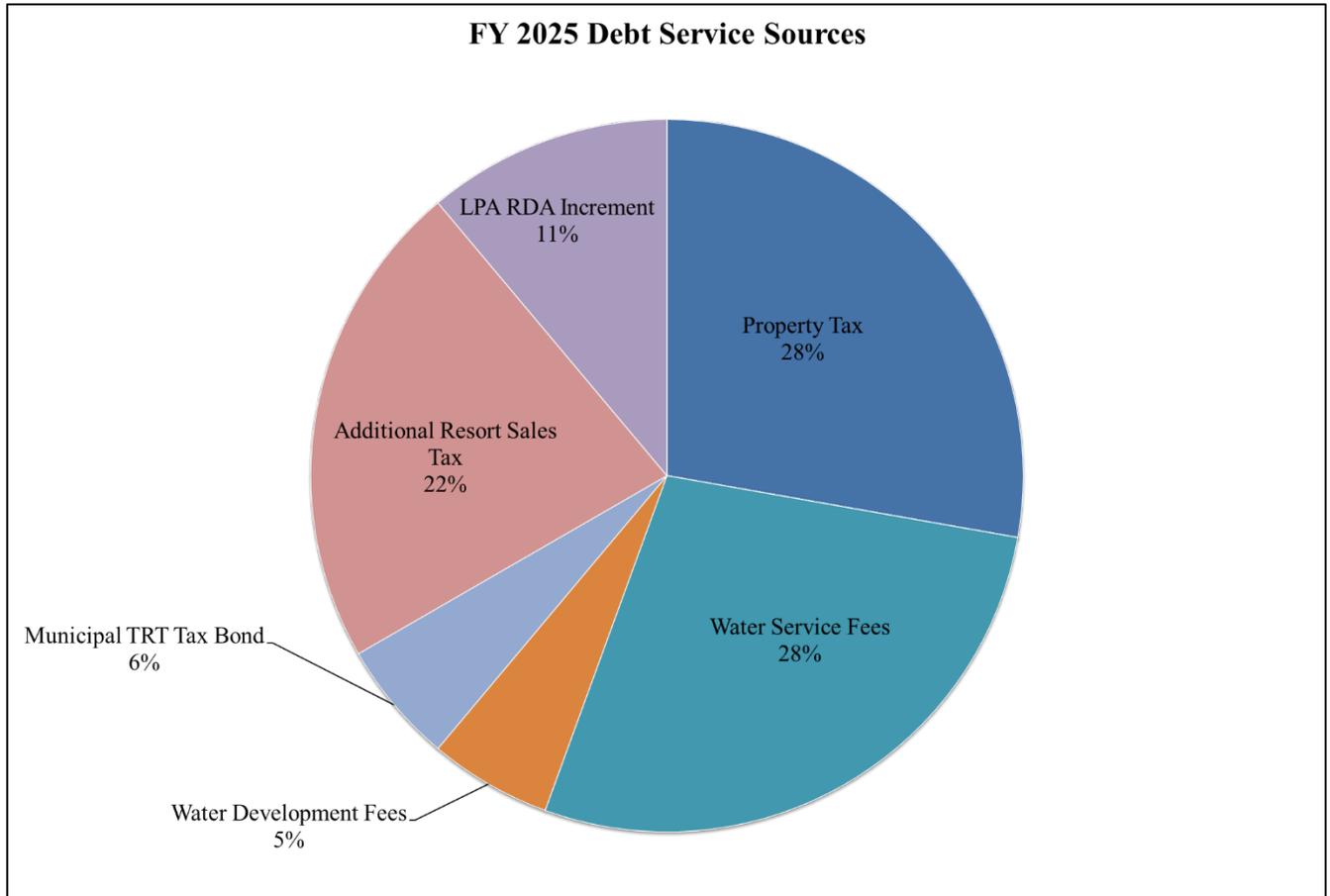
E1 - Long Term Debt



## EXPENSES

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Funding sources for debt service payments in FY 2024 are detailed in Figure E2. 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 increments. Sales Tax Bonds are backed by sales tax revenue, but the City has dedicated several revenue sources for repayment, including lease revenue, impact fees, and unreserved general fund revenue.



**E2 – Debt Funding Sources**

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# POLICIES & OBJECTIVES

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## CHAPTER 1 - BUDGET POLICY

### PART I - BUDGET ORGANIZATION

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

## POLICIES & OBJECTIVES

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

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

## PART II - OPERATING CONTINGENCY ACCOUNTS

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

### A. Access to General Contingency Funds

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

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

## POLICIES & OBJECTIVES

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

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

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

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

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### C. Access to Council Contingency Funds

1. Facilitate Council directed increases in level of service in the short term.
  - a. Council may direct staff to use contingency funds for purposes of initiating an increased level of service in the middle of a budget year or for one-time operating or capital budgets, not previously budgeted.
  - b. All requests for ongoing level of service increases should pass through the Budgeting for Outcomes (BFO) framework, whether the funding source is contingency or another source.
  - c. Council will direct staff to access contingency funding through a simple majority vote.

### D. Monitoring

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

## PART III - RECESSION/ REVENUE SHORTFALL PLAN

- A. The City has established a plan, including definitions, policies, and procedures to address financial conditions that could result in a net shortfall of resources as compared to requirements. The Plan is divided into the following three components:
  1. **Indicators** which serve as warnings that potential budgetary impacts are increasing in probability. The City will monitor key revenue sources such as sales tax, property tax, and building activity, as well as inflation factors and national and state trends.
  2. **Phases** which will serve to classify and communicate the severity of the situation, as well as identify the actions to be taken at the given phase.
  3. **Actions** which are the preplanned steps to be taken in order to prudently address and counteract the anticipated shortfall.
- B. The recession plan and classification of the severity of the economic downturn will be used in conjunction with the City's policy regarding the importance of maintaining revenues to address economic uncertainties. As always, the city will look to ensure that revenues are calculated adequately to provide an appropriate level of city services. As any recessionary impact reduces the City's projected revenues, corrective action will increase proportionately. Following is a summary of the phase classifications and the corresponding actions to be taken. This analysis will be primarily used to determine General Fund reductions but could apply to other funds as needed. The percent decreases are based on comparing the budgeted revenue in the current fiscal year against

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

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

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- e. Preparing a strategy for reduction in force.
- 5. **Level 5 - CRISIS:** A reduction in projected revenues in excess of 50%.
  - a. Implementing reduction in force or other personnel cost-reduction strategies.
  - b. Eliminating programs.
  - c. Deferring indefinitely capital improvements.
- C. If an economic uncertainty is expected to last for consecutive years, the cumulative effect of the projected reduction in reserves will be used for determining the appropriate phase and corresponding actions.

## PART IV – BUDGET MONITORING

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

Managers are expected to always know the status of their budget as well as understand the primary drivers which may cause shortages. Managers should analyze the data provided by the Budget Department throughout the fiscal year with the help of the budget software to assist them in managing their budgets. Managers set their own budget during the budget season by determining current expenditures (and revenues) and forecasting them for the remaining fiscal year as well as the following one. This process also helps managers to determine budget options at the beginning of the calendar year.

The Budget Department will train all managers and selected analysts on the budget monitoring software as well as clarify any other general questions regarding the budget and the budget process. The goal here is to make the managers aware of all the tools they need and how to use them.

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### **CHAPTER 2 - REVENUE MANAGEMENT**

#### **PART I - GENERAL REVENUE MANAGEMENT**

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

#### **PART II - ENTERPRISE FUND FEES AND RATES**

- A.** The city will set fees and rates at levels that fully cover the total direct and indirect costs, including debt service, of the Water, Stormwater, and Golf enterprise programs.
- B.** The City will cover all transit program operating costs, including equipment replacement, with resources generated from the transit sales tax, business license fees, federal and state transit funds, and not more than 1/4 of 1 percent of the resort sales tax, without any other general fund contribution. Parking operations will be funded through parking-related revenues and the remaining portion of the resort sales tax not used by the transit operation. The city will take steps to ensure revenues specifically for transit (transit sales tax and business license fees) 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

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of Utah Public Treasurer's Investment Pool.

### C. Prudence

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

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

### D. Objective

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

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

### E. Delegation of Authority

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

### F. Ethics and Conflicts of Interest

The Treasurer is expected to conduct themselves in a professional manner and within ethical guidelines as established by City and State laws. The Treasurer shall refrain from

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personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The Treasurer and other employees shall disclose to the City Manager any material financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the PCMC, particularly regarding the time of purchase and sales.

### **G. Authorized Financial Dealers and Institutions**

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

### **H. Authorized and Suitable Investments**

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

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

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

1. Federal Farm Credit Banks
2. Federal Home Loan Banks
3. Federal National Mortgage Association
4. Federal Home Loan Mortgage Corporation
5. Federal Agriculture Mortgage Corporation
6. Tennessee Valley Authority
7. Fixed rate corporate obligations that are rated “A” or higher
8. Other investments as permitted by the Money Management Act

### **I. Investment Pools**

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

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

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

### **J. Safekeeping and Custody**

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

### **K. Diversification**

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

### **L. Maximum Maturities**

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

### **M. Internal Control**

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

### **N. Performance Standards**

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

### **O. Reporting**

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

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

The City's annual financial audit shall report the City's portfolio in a manner consistent with the Governmental Accounting Standards Board (GASB) market-based requirements.

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

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

## PART IV - COMPREHENSIVE FINANCIAL MANAGEMENT PLAN

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

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

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

### **B. Assumptions**

1. Growth

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

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

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

## **PART V - RESERVES**

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

#### **1. Purpose**

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

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

#### **2. Limits**

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

#### **3. Budget**

The City Council may appropriate fund balance as needed to balance the budget for the current fiscal year in compliance with State Law. Second, a provision will be made to transfer any remaining General Fund balance to the City's CIP Fund. These

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one-time revenues are designated to be used for one-time capital project needs in the City's Five-Year CIP plan. Any amount above an anticipated surplus will be dedicated to completing current projects, ensuring the maintenance of existing infrastructure, or securing funding for previously identified needs. The revenues should not be used for new capital projects or programming needs.

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

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

### **C. Enterprise Funds**

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

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

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

## PART VI – GASB 54 FUND BALANCE

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

### **I. Fund Balance Components**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### A. General Fund

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

#### B. Special Revenue Funds

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

#### C. Capital Projects

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

#### D. Debt Service

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

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

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

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

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

The City of Park City (the “City”) issues tax-exempt governmental bonds to finance capital improvements. As an issuer of tax-exempt governmental bonds, the City is required by the terms of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated there under (the “Treasury Regulations”), to take certain actions after the issuance of such bonds to ensure the continuing tax-exempt status of such bonds. In addition, Section 6001 of the Code and Section 1.6001-1(a) of the Treasury Regulations impose record retention requirements on the City with respect to its tax-exempt governmental bonds. This Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds (the “Policy”) has been approved and adopted by the City to ensure that the City complies with its post-issuance compliance obligations under applicable provisions of the Code and Treasury Regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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## CHAPTER 4 - CAPITAL IMPROVEMENTS

### PART I - CAPITAL IMPROVEMENT MANAGEMENT

- A. The public Capital Improvement Plan (CIP) will include the following:
1. Public improvements that cost more than \$10,000.
  2. Capital purchases of new vehicles or equipment (other than the replacement of existing vehicles or equipment) that cost more than \$10,000.
  3. Capital replacement of vehicles or equipment that individually cost more than \$50,000.
  4. Any project that is to be funded from building-related impact fees.
  5. Alteration, ordinary repair, or maintenance necessary to preserve a public improvement (other than vehicles or equipment) that cost more than \$20,000.
- B. The purpose of the CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness, as well as conformance with established policies. The CIP is a five-year plan, reflecting a balance between capital replacement projects that repair, replace, or enhance existing facilities, equipment, or infrastructure and capital facility projects that significantly expand or add to the City's existing fixed assets.
- C. Development impact fees are collected and used to offset certain direct impacts of new construction in Park City. Park City has imposed impact fees since the early 1980s.

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

### PART II - CAPITAL FINANCING AND DEBT MANAGEMENT

#### Capital Financing

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

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

## PART III - ASSET MANAGEMENT POLICY

### **A. Purpose**

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

Goals of the Program:

- 1. Protect assets

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

### **B. Management**

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

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

### **C. Accessing Funds**

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

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

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

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## CHAPTER 5 - INTERNAL SERVICE POLICY

### PART I - HUMAN RESOURCE MANAGEMENT

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

## **POLICIES & OBJECTIVES**

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regular, year-round staffing is required.

- G.** Contract employees will be defined as temporary employees with written contracts and may receive approved benefits depending on hourly requirements and length of contract. Generally, contract employees will be used for medium-term projects (generally between six months and two years), programs, or activities requiring specialized or augmented levels of staffing for a specific period. Contract employees will occasionally be used to staff programs with unusual operational characteristics or certification requirements, such as the golf program. The services of contract employees will be discontinued upon completion of the assigned project, program, or activity. Accordingly, contract employees will not be used for services that are anticipated to be delivered on an ongoing basis except as described above.
- H.** The hiring of Seasonal employees will not be used as an incremental method for expanding the City's regular work force.
- I.** Independent contractors will not be considered City employees. Independent contractors may be used in the following two situations:

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

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

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

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

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

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

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included in the public service contract should equal or exceed the total amount of compensation from the City unless outweighed by demonstrated intangible benefits.

### **B. Fund Categories**

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

- 1. Public Service Contracts**
- 2. Emergent Community Needs Grants**
- 3. Rent Contribution**
- 4. Historic Preservation**

### **C. Public Service Contracts**

A portion of the budget will be designated for service contracts relating to nonprofit services with a demonstrated community benefit aligned with City goals and priorities. Services that fall into this category would include, but not be limited to the following: community art & culture, childhood education, medical treatment, emergency assistance, food pantry, housing outreach & education, mental health, senior services, and safe haven. To the extent possible, individual special services will be delineated in the budget.

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

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

All Public Service Contract proposals must be consistent with the criteria listed in this policy, in particular criterion 1-4.

### **D. Emergent Community Needs Grants**

A portion of the budget will be designated for grants to nonprofits to launch a new program or to address an emergent community need. Proposals must be consistent with

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the criteria listed in this policy, in particular criterion 1-4. Awards are limited to 1-2 years. Organizations receiving grant funding to launch a new program must show how the program will be financially viable without ongoing support from the City. If funding is used to address an emergent need, organizations must demonstrate how short-term City funding would address the need.

The City will award Emergent Community Needs Grants through a competitive bid process administered by the Nonprofit Services Advisory Committee 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.

### **E. Rent Contribution**

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

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

### **F. Historic Preservation**

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

### **G. Exceptions**

Rent Contribution and Historic Preservation funds will be appropriated through processes separate from the Public Service Contract process and when deemed necessary by City Council or its designee. All final decisions relating to public service funding are at the

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discretion of the City Council.

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

### PART II – GRANT POLICY

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

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

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

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

#### **C. Notification**

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

### PART III - ECONOMIC DEVELOPMENT GRANT POLICY

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(AS OF JUNE 23, 2022, THE GRANT PROGRAM IS UNDER REVIEW;  
APPLICATIONS WILL NOT BE ACCEPTED UNTIL FURTHER NOTICE)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ED Grants will be placed in three potential categories:

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

### **D. Application Process**

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

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### **E. Deadlines**

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

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

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

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

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

### **F. Award Process**

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

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

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

Nothing in this policy shall create a binding contract or obligation of the City. Individual ED Grant Contracts may vary from contract to contract at the discretion of the City Council. Any award of a contract is valid only for the term specified therein and shall not constitute a promise of future award. The City reserves the right to reject all proposals, and to waive any technical deficiency at its sole discretion. Members of the City Council, the Economic Development Program Committee, and any advisory board, Task Force, or special committee with the power to make recommendations regarding ED Contracts are

## POLICIES & OBJECTIVES

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ineligible to apply for such Contracts. City Departments are also ineligible to apply for ED Contracts. All submittals shall be public records in accordance with government records regulations (“GRAMA”) unless otherwise designated by the applicant pursuant to UCA Section 63-2-308, as amended.

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

The City Council may appropriate funds dedicated to the purchase of deed restrictions for housing vitality and preservation within the City limits of Park City. The Live Park City housing program purchases deed restrictions that require owner occupancy or long-term rental of the property. The disbursement of funds will be administered by the City Manager and based on the recommendation of an Advisory Board created by City Council and following program criteria established by the Housing Department and adopted by City Council. The Advisory Board has the authority to award recommendations and to enter and negotiate individual deed restrictions, subject to approval by the City Manager provided the funds being provided is less than \$200,000. If the home funds in an application exceeds \$200,000, the authority to approve a deed restriction and delegate funds is subject to City Council approval.

### PART V - Landscaping Incentive

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

## **POLICIES & OBJECTIVES**

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

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

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

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

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

### FUND STRUCTURE

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

#### **General Fund**

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

#### **Enterprise Funds**

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

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

#### **Debt Service Funds**

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

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

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

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

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

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

This fund accounts for the accumulation of money for the repayment of 1997 Main

## SUPPLEMENTAL

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Street refunding bonds and the series 1998 Lower Park Avenue Bonds. The principal source of revenue is property tax increment from the redevelopment area.

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

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

### **Internal Service Funds**

Accounting records for all internal service funds are prepared on an accrual basis.

Budgets for all internal service funds are prepared on a modified accrual basis.

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

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

### **Capital Project Funds**

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