



City Council Staff Report

Subject: FY26 Tentative Budget
Author: Budget Team
Department: Budget, Debt, & Grants
Date: May 1, 2025

Recommendation

Review and consider approving the required annual ordinance to adopt a Tentative FY26 Budget for Park City Municipal Corporation and related agencies and authorize the property tax rate computation at a no-tax-increase rate (Exhibit A).

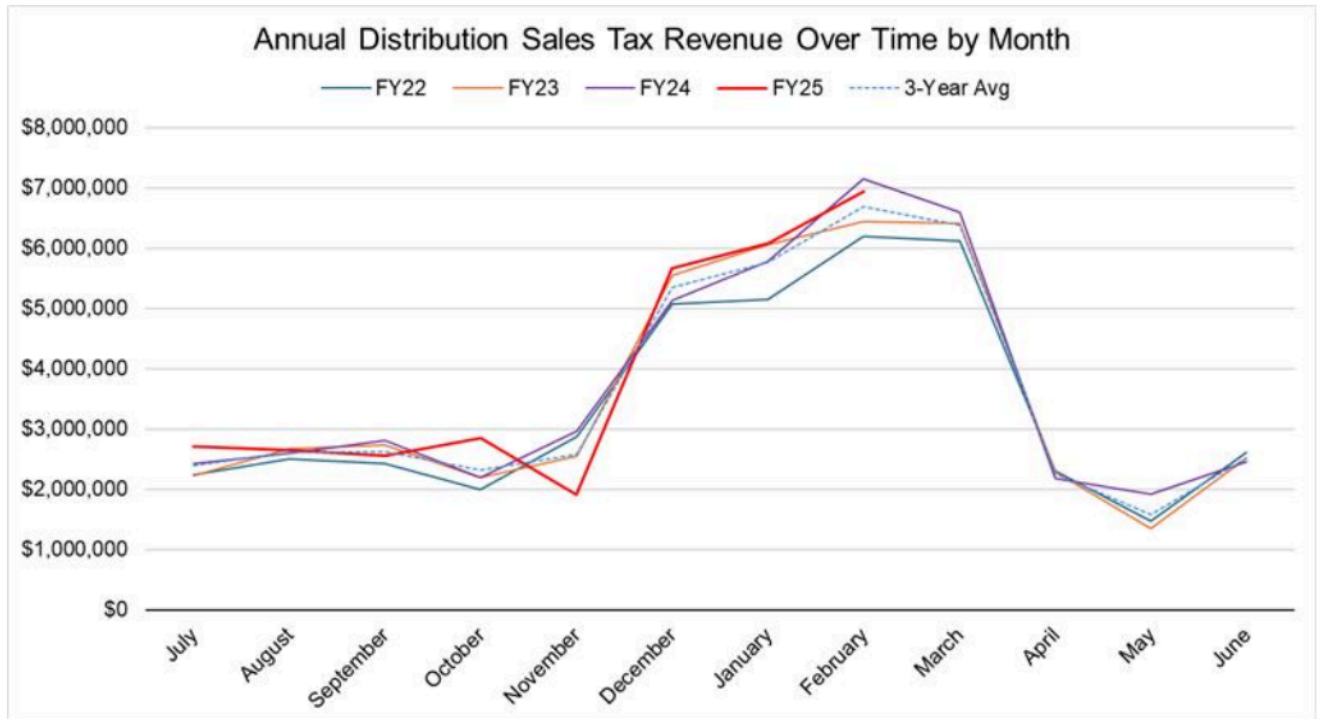
On June 12, 2025, the City Council will hold a final public hearing and adopt a Final FY26 Budget. Leading up to that date, Council will continue to evaluate and consider budget requests, with additional opportunities for community feedback at the following meetings:

- May 15 – Proposed Fee Changes
- May 22 – Follow-up presentations as needed
- June 5 – Follow-up presentations as needed

In the event that the City Council does not adopt a budget, the City would be unable to authorize expenditures or continue operations beyond the start of the new fiscal year, which is why State law requires the adoption of an annual budget by June 30.

Executive Summary

The current fiscal year's revenues are tracking slightly higher than last year's revenues. YTD General Fund sales tax revenues are tracking 0.10% below the cumulative YTD budget based on February distribution. With an eye toward caution, we anticipate FY26 to be a relatively flat or stable revenue year. We project the FY26 General Fund sales tax revenue to only be \$600k higher than FY25 projections, the lowest projected increase in recent years. Other fees and revenue projected increases contributed to a total increase of approximately \$845k, or \$1.45M higher than the FY25 projection.



General Fund Revenue Summary						
Revenue	FY24 Actual	FY25 YTD Actual	FY25 Ori Bud	FY25 Proj	FY26 Budget	%, Variance FY26 vs. FY25 Proj
Property Taxes	\$12,916,086	\$13,231,471	\$14,141,021	\$14,141,021	\$14,494,547	2%
Sales Tax	\$19,421,962	\$5,827,227	\$20,439,133	\$20,439,133	\$21,052,307	3%
Franchise Tax	\$4,096,926	\$1,114,825	\$4,782,816	\$4,296,909	\$4,296,909	0%
Planning, Building and Engineering Fees	\$5,142,906	\$5,005,863	\$6,449,807	\$7,036,260	\$7,036,260	0%
Recreation	\$2,725,993	\$1,408,167	\$2,863,434	\$3,245,882	\$3,343,258	3%
Licenses	\$428,848	\$353,604	\$464,017	\$401,841	\$464,017	15%
Ice Revenue	\$1,059,280	\$512,753	\$1,276,867	\$1,142,436	\$1,118,391	-2%
Intergovernmental Revenue	\$108,017	\$119,993	\$123,706	\$138,275	\$123,706	-11%
Fees/Other	\$2,293,569	\$420,148	\$2,042,402	\$2,001,753	\$2,042,402	2%
Interfund Transfers	\$4,011,403	\$1,973,072	\$4,197,778	\$4,197,778	\$4,365,689	4%
Total	\$52,204,990	\$29,967,123	\$56,780,981	\$57,075,734	\$58,337,487	2%

Due to relatively flat revenue growth, this year's budget plan primarily focuses on strategic resource allocation and identifying efficiencies. We emphasized finding efficiencies to support inflationary increases and rising expenses without seeking new revenue or increasing fees to cover increases when possible. By maximizing existing resources and identifying efficiencies, the FY26 Tentative Budget continues to support investments in City Council's [Focus Areas](#):

- **Core Programs:** The budget ensures the continuation of essential City services;
- **Transportation:** The budget ensures convenient and reliable transportation options for residents, employees, and visitors, while strategically enhancing key routes to popular destinations;
- **Recreation:** The Budget continues facility upgrades and long-term planning for community recreation spaces;
- **Neighborhood:** The Budget enhances neighborhood livability by improving trails, trailheads, sidewalks and bike lanes; and
- **Housing:** The Budget focuses on leveraging additional public-private partnerships to increase the affordable housing supply.

Analysis

Given the flat revenue growth, a more selective and disciplined approach to budgeting was necessary. Managers closely reviewed their base budgets, identified underutilized resources, and proposed internal efficiencies before submitting new funding requests.

The City also relies upon a host of Budget Policies adopted each year by Council that govern the stewardship of public funds and ensure transparency. Our Budget Policies cover revenue management, fees and rates, capital financing and debt management, reserves, capital improvements, compensation, and public service contracts (found [here](#)). We reviewed and discussed Budget Policies with Council on [March 20, 2025](#).

Budget Summary

Expenditure Summary - All Funds							
	Actuals FY 2022	Actuals FY 2023	Actuals FY 2024	YTD Actuals FY 2025	Original Budget FY 2025	Adjusted Budget FY 2025	Original Budget FY 2026
Operations	Personnel	\$41,409,399	\$50,290,017	\$57,594,426	\$44,970,666	\$61,521,762	\$62,315,337
	Mat, Supplis, Services	\$22,169,453	\$25,774,813	\$28,138,349	\$18,185,654	\$32,690,185	\$31,897,008
	Capital Outlay	\$526,103	\$853,785	\$956,243	\$442,810	\$818,127	\$984,611
	Contingency	\$24,600	\$0	\$60,000	\$38,286	\$300,000	\$250,000
	TOTAL	\$ 64,129,555	\$ 76,918,615	\$ 86,749,518	\$ 95,330,074	\$ 95,320,471	\$ 95,446,955
Capital, Debt, Transfer & Balance	Capital	\$51,495,991	\$51,092,396	\$43,056,960	\$19,246,435	\$84,053,629	\$37,044,937
	Debt Service	\$20,557,556	\$20,260,179	\$20,584,287	\$14,472,084	\$24,800,480	\$23,532,229
	Interfund Transfer	\$23,094,790	\$23,504,884	\$23,674,793	\$14,935,518	\$21,235,718	\$21,152,180
	Ending Balance	\$167,922,695	\$230,280,047	\$219,445,012	\$0	\$66,137,141	\$0
	TOTAL	\$ 263,071,032	\$ 325,137,506	#####	\$ 196,226,968	\$ 340,775,328	\$ 81,729,346
	COMBINED TOTAL	\$ 327,200,587	\$ 402,056,121	#####	\$ 291,557,042	\$ 436,095,799	\$ 177,176,301

Operating Budget Summary

The Results and Executive teams evaluated over \$1.6M in total new departmental operating budget requests in the General Fund. The effort to leverage existing resources and identify efficiencies to offset requests strategically freed up funds to support key childcare, public safety, transportation, and recreation requests. The recommended budget includes \$1M in new requests, offset by \$667k in efficiencies, for a net operating increase of only \$355,585 from FY25 to FY26.

General Fund Requests	Amount
Ongoing requests - personnel, services, supplies, same level of service	\$ 1,023,171
Offsets	\$ (667,586)
Net operating total	\$ 355,585
Contractual Obligations (Sundance, Summit County)	\$ 21,250
Health Insurance	\$ 770,554
Total	\$ 1,147,389
One-time Expenses (childcare, vehicle, equipment)	\$ 750,000
Sundance Film Festival 2026 Elevated Service (one-time expense)	\$ 314,567

The following highlights summarize a few of the key operating budget recommendations:

Child Care – On [March 20, 2025](#), Council requested we maintain the Child Care Needs-Based Scholarship program (launched in FY24) through FY26. Moving forward, Council must decide whether to integrate the program into the General Fund for ongoing support, as FY26 represents the last year of one-time funding. Approximately \$333,000 remains from the \$1M [approved in FY24](#), and \$300,000 additional budget is recommended through June 30, 2026, for a total contribution of \$633,000 in FY26.

Transit Operators

Transit services recently expanded, including enhancements to the 20 Tan and Richardson Flats Park and Ride routes and the upcoming launch of the 9 Purple Transit to Trails this summer. Expanded services benefit our community but also increase costs and reliance on overtime. Transit recommends additional driver positions in FY26 to ensure sustainable service and reduce overtime costs. Through more efficient contract management in Transportation Planning and reallocating the Microtransit Pilot Program funds, we recommend three new full-time and five seasonal positions. As a result, this can be achieved without increasing the overall transit budget, resulting in net savings of \$464,848 for FY26.

Recreation

Recreation is committed to enriching lives through exceptional programs, people, and facilities. To support the expanded pool facilities and offer winter lap swimming from November to April, the FY26 budget requests a net increase to obtain seasonal winter lifeguards. Additional funding is also requested for supplies, equipment, tennis and pickleball court cleaning, and a 5% increase in software and contracted services. While limited offsets were identified, Recreation has demonstrated strong revenue growth, with a \$396,551 increase in the first half of FY25, which will offset the same level of service increases in merchant fees, supplies, and contract services.

A comprehensive list of all FY26 Operating Budget requests by department can be found in Exhibit C.

Follow-up and Adjustments from [April 10, 2025, Operating Budget Preview Meeting](#)

The City Council asked for more information about the following items:

Park City Police Detective Sergeant Position:

PCPD requested a new Detective Sergeant position to meet the growing and increasingly complex demands placed on our Investigations Division. As the volume and sophistication of criminal cases continue to rise, so does the need for experienced, hands-on leadership within the unit.

For example, the Children's Justice Center investigative caseload increased 82% over the last four years, and interviews increased 52% year-over-year. The increased caseload exceeds the capacity of the Investigations Unit and a dedicated Detective Sergeant would provide essential oversight, ensuring frontline investigators receive consistent guidance, operational direction, and timely support in managing the day-to-day increase in investigations. This new role is both supervisory and operationally active, carrying a caseload, reviewing investigative documents such as affidavits, warrants, and subpoenas, and streamlining crucial administrative functions.

The Detective Sergeant would enhance the efficiency, consistency, and quality of casework across the division. Their presence would directly contribute to stronger case outcomes, improved investigator performance, and a more responsive, resilient investigative team.

Summit County Dispatch Services Contract and PCPD School Resource Officer (SRO):

Staff and Council liaisons will meet with Summit County on May 5th to discuss the Summit County Dispatch services contract, which was \$755,740 in FY25, and the SRO position. We will return to Council with an update before the final budget adoption. The SRO request is not included in the tentative budget.

Park City Police K9 Unit:

The City Manager did not recommend this budget item, nor was it a high priority for the PCPD. Each year, Park City hosts approximately 280 special event days. Risk assessments based on size, scale, and potential controversy are performed during large events to identify vulnerabilities. Based on the assessment, public safety sometimes requires the deployment of Explosives Detection (EOD) K9s, similar to other communities holding large events.

Fortunately, PCPD has relied on external resources—primarily through the state's EOD list and, more recently, private K9 services, to perform these services. This was the case for two events lthis year, Sundance and the World Cup. When working with private K9 services, a sworn officer must accompany the non-sworn private K9 handlers. The YTD total for K9 services is \$36k. A new K9 Officer costs \$300k when fully outfitted with salary, benefits, equipment and vehicle. The expenses related to insurance, food, and veterinary services are currently being assessed.

K9 teams can quickly and effectively sweep a given area much faster than a team of individuals. This makes the K9 Unit invaluable during threats or precursory sweeps. Quickly performing sweeps saves staff hours by freeing up public safety personnel and reducing the number of personnel required for a scene. EOD dogs are often cross-trained in search and rescue operations, further expanding their utility to the city.

Year	# of Events	# of Filled Shifts	# of Unfilled Shifts
YTD 2025	2	10	18
2024	9	20	44
2023	13	20	48
2022	7	5	23

Looking ahead, there may be grant opportunities to offset some of the K9 and training expenses. If this position is added to the budget, we will aggressively pursue grant funding. This request has not been included in the tentative budget due to competing priorities and the department's prioritization of the new Detective position.

Sundance Film Festival 2026 Budget Increase for Enhanced Service Levels:

We estimate the elevated level of service and safety for the 2025 Sundance Film Festival was approximately \$315k across departments throughout the City, such as Transportation, Public Safety, Public Works, and Special Events. The table below shows the estimated budget increases for FY26 to support the same level of service as provided in 2025. These expenses are included in the tentative budget.

Department	Increase
Transit Services	\$ 89,264
Public Safety (Police, EMS, SWAT)	\$ 177,133
Special Events	\$ 38,953
Traffic Management (Drop and Load Area)	\$ 1,000
Public Works	\$ 8,217
Total	\$ 314,567

Helpdesk Manager Position | \$156,127

The internal IT Helpdesk team manages over 7,000 annual work orders from several different facilities. We anticipate the volume will increase as the initiatives like "Email for All" and mobile workforce support continue to scale. With over 70 physical sites, hundreds of mobile devices, and applications in use, the complexity and expectations on IT have grown substantially.

A dedicated Helpdesk Manager is essential to maintain service levels while ensuring operational oversight of frontline IT support, prioritize incoming requests, allocate workload efficiently, and serve as the bridge between ongoing project work and day-to-day user support.

Exhibit E provides additional detail and data on the overall IT department workflow, projects and challenges.

Sunny Slopes Trail Segment

Bids have come in favorably for trail repaving and asphalt paving this year. This trail segment, from Meadows Drive to the Round Valley trailhead, was able to be included in the FY26 Pavement Management Program request in the capital budget at no additional costs due to quality bids. Construction is planning to start in July. The Public Works Director plans to return to Council in May seeking contract approvals for the FY26 Pavement Management Program.

Payment processing fees for City Services

As of April 1, Finance and Utility Billing transitioned to a new payment processing provider as a key upgrade within our new Enterprise Resource Planning (ERP) system. Finance will actively monitor the performance and the costs of the new provider to ensure its effectiveness and competitiveness.

For example, the current 2% credit card processing fee for transactions over \$5,000 is being evaluated as part of the FY26 fee schedule. We may consider adjusting this threshold and/or the fee percentage. In FY24 we had 45 transactions over \$5,000 and collected \$10,466 in fees. Typically, these transactions occur in the Building, Planning and Engineering departments.

Separately, the MARC and Golf facilities are also moving to a new payment provider to improve integration with their existing point-of-sale systems and lower their monthly service rates. Additionally, while no-shows aren't common, this system will provide the option for the golf course to implement a no-show fee for online reservations that aren't canceled in advance.

Although most merchant fees are not directly charged to users at the point of sale, this factor is considered during the annual fee review. One area we are very sensitive to propose passing this fee along to consumers is when paying public utility bills online. Additionally, according to Utah Code § 13-38a-401, before a utility company imposes a convenience fee, it must:

1. **Clearly disclose** to the consumer that a convenience fee will be charged;
2. **Specify the amount** of the convenience fee; and
3. **Provide an alternative payment method** that does not incur a convenience fee, such as ACH transfer or check payment.

These disclosures must be made in a manner and at a time that allows the consumer to accept or reject the fee before completing the transaction.

While the City currently offers no-fee alternative payment options for utility bills, our existing online residential portal does not fully support the required disclosures for potential convenience fees, nor opportunity to cancel the transaction and change the payment method. We are addressing this limitation with the launch of our new online portal, anticipated in early 2026. This upgraded platform will provide a user-friendly solution that meets all state disclosure requirements, which will give us additional tools moving forward if the City Council wants to make a policy change in this area.

Budget Report by Department

Exhibit D shows each departmental budget along with staffing numbers and a summary of budget efficiencies proposed for FY26. Many of the budgetary reallocations came from the City Manager's attempt to reduce costs by eliminating non-essential vacant positions, reevaluating trainings and travel requests, and rebidding contractual services to obtain a better rate or costs.

Increase Bus Frequency of 20 Tan Line: The 20 Tan line runs every two hours. There is a request to consider the costs to increase the frequency to once an hour from residents in the neighborhood and the HOA. The Transportation Team is planning to return on June 5 for discussion.

Golf Enterprise Consultant: The Golf Enterprise has reached out to several consultants, with support from the Budgeting Team, to assess golf operations and capital investments. We anticipate having an RFP with a scope of work in April.

Capital Budget Summary

At the April 24, 2025, City Council meeting, we previewed the City's FY26 Capital Budget recommendations. In that discussion, \$4.1M was the net reduction in the General Capital Fund balance that we recommend repurposing to continue to build a balance to support the future of an S.R.248 Park and Ride capital project. Here's a few highlights:

- **CP0411 SR248/US 40 Park & Ride Program, \$10M** – This project is split between the General Capital and Transportation Funds to support the DVR LOI [agreement](#) for a regional parking and transportation facility located near SR 248. This project already has a FY25 \$15M budget, which meets the minimum required City contribution to match DVR's contribution. We recommend allocating another \$10M to support this high-priority transportation project: \$5M is obtained from repurposing capital projects in the General Capital Fund, and \$5M is obtained from the Transportation Fund. This brings the project total to \$25M and will help support the Mayor's challenge to identify a project location this summer, while also building a construction balance over several years. The increased funding demonstrates the City's commitment to pushing forward long-term transportation and traffic solutions in one of our key entryway corridors.
- **CP0598 PC MARC Aquatics Replacement, \$2.2M** – This FY25 budget request will cover the higher costs from the most recent construction contract amendment approved by the City Council on [March 20, 2025](#). This recommendation enables the pool construction project to begin on time, or on April 21, 2025, with completion by March 2026.
- **0000000729 PC MARC Public Restroom and Locker Room Remodel, \$570k** – The PC MARC locker rooms have seen significant use over the last 13+ years and require increasing maintenance and operational services due to daily malfunctioning equipment and wear and tear. This recommendation includes new lockers, restrooms, showers, plumbing upgrades, steam rooms, and all tile, grout, countertops, and fixtures.
- **0000000730 Kearns Blvd. Multi-Purpose Trail, \$300k** – This recommendation funds the design of a proposed 12-foot-wide shared-use path with a 3-foot landscaped buffer along Kearns Boulevard, a high-traffic corridor within a major redevelopment area that includes the City's 5-acre parcel. The project aims to improve pedestrian and cyclist safety and respond to long-standing public interest in enhanced multimodal connections throughout the Bonanza District.

Summary

Despite relatively flat revenue projections and broader economic uncertainty, Park City's Operating and Capital Improvement Funds remain strong and well-positioned to continue investing in infrastructure, maintaining core programs, delivering high levels of service, recruiting and retaining a competitive workforce, and refocusing resources to support community initiatives.

For additional information, please refer to FY26 Fund Summaries and FY26 Capital Budget Summary available on the [Budget, Debt and Grants](#) page of Park City website.

Exhibits

Exhibit A – Tentative Budget Ordinance

Exhibit B – Budget Summaries

Exhibit C – FY26 Operating Budget Requests

Exhibit D – Departmental Budget Report

Exhibit E – Helpdesk Manager Information