

PARK CITY MUNICIPAL'S FISCAL YEAR 2026 BUDGET



City Council Approved Budget: Volume I

Adjusted Budget Fiscal Year 2025

Annual Budget Fiscal Year 2026

**MAYOR AND CITY COUNCIL
AS OF JANUARY 1, 2025**



Mayor Nann Worel

nann.worel@parkcity.org

Ed Parigian

ed.parigian@parkcity.org

Ryan Dickey

ryan.dickey@parkcity.org

Jeremy Rubell

jeremy.rubell@parkcity.org

Bill Ciraco

bill.ciraco@parkcity.org

Tana Toly

tana.toly@parkcity.org

Volume I Prepared by:

Matthew Dias—City Manager

Jed Briggs—Budget & Strategic Planning Director

Penny Frates—Assistant Budget Director

Robbie Smoot—Senior Financial & Data Analyst, Transportation

Jessica Morgan—Senior Financial Analyst

Hans Jasperson—Budget Analyst

FY26 BUDGET COMMITTEES

Operating Budget Results Team

Ryan Blair
Conor Campobasso
Bill Connell
Stormie Dawn
Brennen Graff
Chelsea Jones
Spencer Madanay

CIP Committee

Amanda Angevine
Ryan Blair
Troy Dayley
Chris Eggleton
Mindy Finlinson
Ken Fisher
Clint McAfee
John Robertson
Scott Robertson
Tim Sanderson

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 and expenditures by fund, department, and type.

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.

City Manager's Message	1
Distinguished Budget Award	3
The Budget Process	4
City's Long-Term Budget Strategies	5
Revenue and Expenditure Summary	6
Operating Budget Highlights	8
Capital Budget Highlights	10
Changes Between the Tentative and Final Budget	11
Budget Calendar	15
Budget Summaries	17

REVENUES

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

Property Tax	21
Sales Tax	23
Other Revenue	26

EXPENSES

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

Operating	28
Personnel	33
Materials, Supplies, and Services	37
Capital	38
Debt Service	48

POLICIES & OBJECTIVES

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

Budget Policy_____	51
Revenue Management_____	58
Debt Management and Compliance_____	68
Capital Improvements_____	74
Internal Service Policy_____	77
Public Service Contracts_____	79
Other Policies_____	88

SUPPLEMENTAL

Additional information related to this annual budget.

Fund Structure_____	89
---------------------	----



City Manager's Message

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

Park City has officially adopted the Fiscal Year 2025 Adjusted Budget and the Fiscal Year 2026 Budget, reinforcing our commitment to financial responsibility, neighborhood quality of life, and infrastructure stability. These budgets comply with the Uniform Fiscal Procedures Act for Utah cities and best practices from the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

As we planned for FY26, we recognized early on that economic conditions were shifting. Although our strong tourism economy has fueled steady and significant revenue growth for many years, we anticipate a modest slowdown, with \$1.66 million (+3%) in new revenue in FY26 compared to FY25 in the General Fund. Our focus remains on efficiency rather than expansion, stabilizing public service levels instead of expanding, and ensuring we manage rising costs internally as opposed to proposing new revenue streams or tax increases. In fact, in FY26, Park City residents can look forward to some welcome savings on their property tax bill thanks to the retirement of a 2008 open space bond.

The FY26 budget emphasized three core strategies:

- 1) **Intelligent Resource Allocation:** We conducted a comprehensive internal expenditure review to identify cost reductions without diminishing core services by reallocating underutilized budgets and minimizing program expansions;
- 2) **Technology and Performance Monitoring:** Using new technology to maintain, improve, or automate operations and customer service in the face of rising costs. Our managers targeted programs that align with the City Council's Core [Values](#). These will be tracked within the City Manager's [Work Plan](#); and
- 3) **Strategic Personnel Evaluation:** We eliminated or reallocated vacant positions and assessed position effectiveness or areas of redundancy for consolidation.

Despite our cautious approach, the FY26 Budget continues to invest in key priorities, including core public services, transportation, recreation, neighborhoods, and community housing and infrastructure. Some of the most notable include:

- **An additional \$4.1 million** for a new Community Center and PC summer camp headquarters at City Park;
- **An additional \$2.2 million** to upgrade the PC MARC pools, slated for completion in spring 2026, plus **\$570,000** to update the public locker rooms;
- **\$300,000** to design a 12-foot-wide shared-use pathway along Kearns Boulevard, enhancing pedestrian and cyclist safety and supporting better connectivity to the Bonanza District;
- **\$18.9 million** to replace outdated transit vehicles with 13 new electric buses and charging infrastructure. Importantly, Federal grants and incentives funded 79% of this project, which would otherwise come from Park City taxpayers;
- **\$510,000** to replace the Park City Municipal golf cart fleet;
- **\$660,000** to expand free transit services to the Bonanza Flat Area, with the enhanced 9 Purple Route running every 20 minutes on weekends;
- **\$110,000** to upgrade the lobby at the Ice Arena to create a better visitor experience;
- **~\$300,000** to continue support for Park City residents and our local workforce through our Childcare Needs-Based Scholarship program;
- **\$923,000** for a cost-of-living adjustment to keep up with inflation, allowing PCMC to attract and retain a talented workforce;
- **~\$500,000** for public safety enhancements, including a new Police Detective to tackle complex investigations and a new Police K9 Unit to enhance safety at special events; and
- **\$150,000** to design a new frontage road to support the community's next affordable housing development at Clark Ranch.

The FY26 budget ensures that Park City can remain strong and resilient, even in relatively uncertain times. Our commitment to delivering high-quality customer services to our residents, businesses, and visitors remains unwavering, and we look forward to building a thriving community together.

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 budgets for fiscal years beginning in 1991 through 2025.

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**Park City Municipal Corporation
Utah**

For the Fiscal Year Beginning

July 01, 2024

A handwritten signature in dark ink, reading 'Christopher P. Morill'. The signature is written in a cursive, flowing style.

Executive Director

THE BUDGET PROCESS

The City's budget process ensures sound financial planning, management, and accountability while allowing residents to voice their concerns through elected representatives.

Department managers collaborate to submit cost-effective budgets, while the City Council reviews service levels, funding requests, and potential cuts. This process connects the Council's policies with daily operations, ensuring alignment with city goals. The FY26 Budget reflects months of teamwork between the Council and multiple departments.

Key Steps in the FY26 Budget Process:

- **Revenue Projections:** The Budget Department estimates expected revenue using a sales tax forecasting model that considers economic trends;
- **Department Requests:** Managers submit budget proposals based on priorities and discussions from the City Council's Annual Retreat;
- **Results Team Recommendation:** A cross-departmental committee evaluates requests for alignment with city and community goals;
- **CIP Committee Recommendation:** Another cross-departmental committee assesses capital requests using a structured scoring process;
- **Executive Team Refinement:** The Executive Team holistically reviews recommendations to ensure consistency with Council priorities; and
- **Council Review, Discussion, and Adoption:** Over several months, the Council modifies and refines the budget before adopting tentative and final versions in May and June, respectively, per Utah law.

Park City's budget process prioritizes transparency and collaboration and spans a longer timeline than many peer communities. Utah law mandates a balanced budget, defining it as "anticipated revenues equaling appropriated expenditures."¹

The City Manager must submit a tentative budget by May's first Council meeting, making it available for public review. The Council then modifies and finalizes it. Budgetary control occurs at the department level, with managers ensuring financial responsibility. While Council can amend budgets during the year, governmental fund increases require a public hearing, while enterprise fund changes do not. Expenditures must remain within approved appropriations at the department level.

¹ 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 short-term, high-frequency projections play a vital role in the City's annual budget development, staff also prepare long-term revenue forecasts, which incorporate multiple scenario-based analyses. Sales tax revenue growth has stabilized. Staff continue to utilize the City's sales tax forecasting model, historical growth patterns, and current economic indicators to guide longer-term financial planning.

While long-term projections inherently involve uncertainty, they remain valuable tools for exploring potential future conditions and planning for variable outcomes. Staff manages the budgeting process dynamically, implementing prudent expense controls when necessary and strategically allocating resources when opportunities arise. Overall, staff maintain a cautiously optimistic outlook for Park City's economic future.

Below are the City's key long-term budgeting strategies that guide the preparation of the City Manager's Recommended Budget:

A. Council Input and Strategic Alignment

- The budget aligns closely with City Council priorities, objectives, and desired outcomes, supported by comprehensive staff-generated revenue and expense projections;

B. Collaborative Cross-Departmental Committee Review Process

- Results Team: Evaluates and scores program proposals considering established needs, department requests, available resources, and performance metrics;
- CIP Committee: Reviews and prioritizes capital project proposals;
- Ad hoc committees: Convened as necessary to address unique budgetary circumstances;

C. Inclusive Review of Requests

- All operating and capital budget requests undergo thorough consideration as part of the annual budgeting process; and

D. Strategic Use of Surplus

- Any General Fund surplus can be strategically allocated across personnel needs, operational enhancements, or capital investments, enabling flexible and responsive financial management.

BUDGET OVERVIEW

REVENUE AND EXPENDITURE SUMMARY

General Fund Revenues

For FY26, the Budget Department projects revenue growth of over \$1.66 million over FY25 in the City's General Fund.

Revenue	Actuals FY 2022	Actuals FY 2023	Actuals FY 2024	Adjusted Budget FY 2025	Budget FY 2026
Property Taxes	\$13,109,913	\$12,458,061	\$12,916,086	\$14,141,021	\$14,494,547
Sales Tax	\$16,465,025	\$19,383,825	\$19,421,962	\$20,439,133	\$21,052,307
Franchise Tax	\$3,526,041	\$4,368,710	\$4,096,926	\$4,782,816	\$4,236,909
Licenses	\$335,232	\$448,438	\$428,848	\$464,017	\$464,017
Planning Building & Engineering Fees	\$4,138,054	\$5,141,867	\$5,142,906	\$6,449,807	\$7,080,847
Intergovernmental Revenue	\$137,010	\$149,528	\$108,017	\$123,705	\$128,117
Recreation	\$2,715,675	\$2,705,477	\$2,725,993	\$2,863,434	\$3,351,216
Ice Revenue	\$850,024	\$945,775	\$1,059,280	\$1,276,867	\$1,109,407
Interfund Transfers	\$2,950,291	\$3,430,983	\$4,011,403	\$4,197,778	\$4,335,668
Fees/Other	\$1,475,666	\$2,601,752	\$2,293,570	\$2,042,402	\$2,186,142
Total	\$45,702,930	\$51,634,416	\$52,204,991	\$56,780,981	\$58,439,177

Sales Tax is the most significant revenue stream for the City's General Fund. Beginning in FY21, the City's budget team developed a statistical sales tax model with features representing both exogenous and endogenous economic variables. Staff projects an increase of around 3% in General Fund sales tax to just over \$21 million in FY26.

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:

- **Property Tax:** Property taxes assume base revenue of \$12.85 million from FY25. From this base, we project incremental new growth of approximately \$276,463;
- **Sales Tax:** Based on detailed analysis, historical trends, and the City'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;

BUDGET OVERVIEW

- **Licenses:** Assumes linear trend growth in line with historical averages;
- **Building, Planning & Engineering 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;
- **Ice:** Assumes linear growth, incorporating both historical averages and operational insights;
- **Interfund Transfers:** 4.4% increase over FY25, based on the projected costs of administrative services provided to other funds (Water, Stormwater, Parking, Golf, & Transportation); and
- **Intergovernmental Revenues:** Assumes linear trend growth in line with historical averages.

Expenditure Summary

The FY25 Adjusted Budget reflects a <1% increase from the FY25 Original Budget (capital excluded). The Adjusted Budget reflects the current fiscal year's budget ending June 30, accounting for increases and decreases over the Original FY25 Budget. The FY26 operating budget reflects a 2% increase over the FY25 Adjusted Budget, capturing the aggregate increase in the City's significant operating funds.

Expenditure Summary - All Funds							
	Actuals FY 2022	Actuals FY 2023	Actuals FY 2024	Through 3/31 Actuals FY 2025	Original Budget FY 2025	Adjusted Budget FY 2025	Original Budget FY 2026
Personnel	\$41,409,399	\$50,290,017	\$57,594,426	\$44,970,666	\$61,521,762	\$62,807,817	\$65,312,671
Mat, Suppls, Services	\$22,169,453	\$25,774,813	\$28,138,849	\$18,185,654	\$33,132,685	\$31,901,576	\$31,685,674
Capital Outlay	\$526,103	\$853,785	\$956,243	\$442,810	\$818,127	\$1,107,048	\$1,086,611
Contingency	\$24,600	\$0	\$60,000	\$38,286	\$300,000	\$300,000	\$250,000
TOTAL	\$ 64,129,555	\$ 76,918,615	\$ 86,749,518		\$ 95,772,574	\$ 96,116,441	\$ 98,334,956
Capital	\$51,495,991	\$51,092,396	\$43,056,960	\$19,246,435	\$84,053,629	\$208,841,672	\$64,747,408
Debt Service	\$20,557,556	\$20,260,179	\$20,584,287	\$14,472,084	\$24,800,480	\$24,800,480	\$23,532,229
Interfund Transfer	\$23,094,790	\$23,504,884	\$23,674,793	\$14,935,518	\$21,152,180	\$20,981,268	\$21,167,458
Ending Balance	\$167,922,695	\$230,280,047	\$219,587,248	\$0	\$69,397,758	\$63,652,861	\$85,154,748
TOTAL	\$ 263,071,032	\$ 325,137,506	\$ 306,903,288		\$ 199,404,047	\$ 318,276,281	\$ 194,601,843
COMBINED TOTAL	\$ 327,200,587	\$ 402,056,121	\$ 393,652,806		\$ 295,176,621	\$ 414,392,722	\$ 292,936,799

BUDGET OVERVIEW

OPERATING BUDGET HIGHLIGHTS

For FY26, department managers evaluated operational needs to optimize resource allocation, identifying underutilized budgets and efficiency improvements. The review focused on three areas: resource allocation, where expenditures were adjusted without reducing core services; technology, including AI tools and Key Performance Indicators to enhance service delivery; and personnel evaluation, aiming to eliminate or reallocate vacant positions for better efficiency. This effort aligns budget priorities with Council goals while maintaining financial responsibility.

General Fund Requests	Amount
Ongoing requests - personnel, services, supplies, same level of service	\$ 1,183,298
Offsets	\$ (667,586)
Net operating requests	\$ 515,712
Contractual Increases (Sundance, Summit County)	\$ 21,250
Health Insurance Increase	\$ 765,855
2.5% Cost of Living Adjustment (COLA)	\$ 923,393
One-time Expenses (childcare, vehicles, Redus, Election, Sundance elevated safety)	\$ 1,211,567

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

- **Child Care:** The Needs-Based Scholarship program continues through FY26 with an additional \$300,000 in funding, bringing the total contribution to \$633,000. Council must decide if it becomes a permanent part of the General Fund.
- **Transit Services:** Expanded routes have increased costs and reliance on overtime. To address this, three full-time and five seasonal transit operator positions are recommended. Reallocation of funds enables this without raising the overall transit budget, yielding a net savings of \$464,848.
- **Recreation:** Seasonal winter lifeguards are requested to support expanded pool facilities. Additional funding covers court maintenance, equipment, and software needs. Revenue growth of \$396,551 offsets increased operational expenses.
- **Public Safety:** A Detective Sergeant position is requested to enhance investigative capacity (\$190,802 plus a \$75,000 vehicle expense). A K9 Unit for explosives detection is also proposed (\$204,404 ongoing, plus a \$102,000

BUDGET OVERVIEW

vehicle expense).

- **Information Technology:** Growing demand requires a Helpdesk Manager position (\$156,127) to oversee IT support and service levels.
- **Water Operations:** Cost-saving measures will eliminate four positions and reduce operating costs by \$600,000. A shared GIS Administrator role moves from Water to IT.



BUDGET OVERVIEW

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 (\$5M for FY26).

The rest of the capital budget is divided into different funds: Capital Improvement, Golf, Water, Transportation, Municipal Building Authority (MBA), and the Redevelopment Agencies (RDAs). Below is a list of notable projects included within the FY26 budget:

- \$2.8 million in additional funding to upgrade PC MARC aquatics facilities, including locker room improvements;
- \$18.9 million for 13 new electric buses and charging infrastructure, 79% funded by federal grants;
- An additional \$4.1 million for a new Community Center and PC summer camp headquarters at City Park
- \$300,000 for a new 12-foot shared-use path on Kearns Boulevard;
- \$510,000 to replace the municipal golf cart fleet;
- \$110,000 for Ice Arena customer experience upgrades; and
- \$150,000 for Clark Ranch frontage road design to support future affordable housing.



CHANGES BETWEEN THE TENTATIVE AND FINAL BUDGET

Changes to the FY26 Budget

Each year, final budget adjustments are made to better align financial projections with actual revenue and expenses. These refinements ensure financial accuracy while maintaining the city's commitment to responsible budgeting.

For FY26, these updates primarily refine tax collection estimates, interfund transfers, and debt transactions.

FY26 Revenue Adjustments:

- **Special Event Revenue:** Reduced projected rental, public safety, and public works revenue based on planned events;
- **Capital Fund Garage:** Increased budget by \$321,000 to reflect higher parking revenue trends from China Bridge;
- **Transportation:** Added \$460,000 in parking revenue from Bonanza Flats, offsetting Transit to Trails service costs;
- **Other Contributions:** Boosted Flagstaff Transfer Fee revenue by \$43,443 for the Capital Fund and \$182,683 for Transportation;
- **Interest Earnings:** Adjusted projections to better align with FY25 levels and current market trends;
- **Franchise Tax:** Reduced Cable TV tax by \$20,000 and Phone tax by \$40,000 to reflect more realistic expectations; and
- **Water Fund:** Lowered Water Service Fees by \$1,888,624 due to rate adjustments for single-family and irrigation customers. Additionally, reduced Weber Basin Water Sales by \$1,327,000 to correct a prior miscalculation.

FY26 Operating Budget Expense Adjustments

- **Redus Property Exchange:** Added \$25,000 for title insurance and fees;
- **Elections:** Increased budget by \$20,000 to fund a primary election;
- **Cost of Living Adjustment (COLA):** A 2.5% increase was approved, impacting multiple city funds, including \$923,393 for the General Fund and adjustments across Water, Stormwater, Golf, Transportation, Parking, and Fleet; and
- **Transportation Electricity:** Increased bus barn electricity budget by \$10,000 to accommodate new electric chargers.

BUDGET OVERVIEW

FY26 Capital Budget Adjustments

Final capital budget updates reflect changes in project funding, scheduling, and resource allocation:

- **CP03836 Recreation Building in City Park:** Increased funding by \$4 million based on contractor estimates;
- **CP0092 Open Space Improvements:** Added \$190,000, including \$150,000 from updated Flagstaff Transfer Fee projections and \$40,000 for additional noxious weed mitigation if the Redus exchange occurs;
- **CP0009 Transit Rolling Stock:** Shifted \$300,000 in matching funds from FY26 to FY25 to align with disbursement timing;
- **CP0724 Transit to Trails Vehicles:** Removed \$305,000 due to unresolved leasing contract terms; funds remain within the Flagstaff Transfer Fee balance;
- **CP0316 Transit Facility Capital Renewal:** Moved request to FY25 and increased it by \$800,000 to cover updated cost estimates for High School tunnel snow melt system repairs;
- **CP0411 SR248/US 40 Park & Ride Program:** Removed \$10 million per Council direction, with funds remaining in respective balances; and
- **CP0025 Bus Stop Replacement:** Adjusted administrative timing for 3rd Quarter County Tax, shifting it from FY26 to FY25 per updated County funding information.

FY26 Interfund Transfer (IFT)

Interfund Transfers (IFTs) help allocate resources between funds to cover shared services. Adjustments between the Tentative and Final budget reflect updated financial data:

- **Administrative IFT:** Increased by \$137,892 (4.4%) across multiple funds to account for COLA, health insurance, expanded IT support, and rising costs; and
- **Self-Insurance IFT:** Increased by \$52,949 (2.8%) due to higher property insurance premiums, driven by an \$83 million rise in total insured value, including the 3 Kings Water Treatment Plant.

FY25 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 new revenue recognition for a specific event or program, acceptance of grants and donations, modified spending schedules, or unexpected cost increases. The following

BUDGET OVERVIEW

changes were made to amend the FY25 Budget, re-adopted on June 12, 2025.

FY25 Operating Budget Revenue Adjustments

- **Impact Fees:** Increased revenue across open space (\$827,669), public safety (\$128,565), and streets (\$162,484) based on year-to-date (YTD) funds;
- **Transportation:** Removed \$25,904 (FY25) and \$15,908 (FY26) in fare revenue, plus \$50,087 (FY25) and \$40,201 (FY26) in advertising revenue, as these streams are no longer realized. \$1,134,000 in grant funds was administratively reclassified but remains recorded;
- **Parking:** Reduced revenue projections by \$726,000, largely due to the temporary suspension of paid parking during the Main Street water-line project (\$650,000) and the absence of special-event parking agreements (\$76,877) for the Sundance Film Festival;
- **Water Fund:** Increased Water Service Fee revenue by \$1,484,092 due to higher usage from dry, warm conditions. Also increased Impact Fee revenue by \$1,114,951 to align with actual collections; and
- **Snowmaking Revenue:** Added \$350,000 from a new Surplus Water Sales Agreement with Deer Valley Ski Resort.

FY25 Operating Budget Expense Adjustments

- **Transportation Utilities:** Removed \$60,687 for decommissioned Old Town Transit Center charging and reduced High School tunnel electricity budget by \$7,900;
- **Redus Property Exchange:** Added \$35,000 for land surveys and legal descriptions, plus \$7,500 for environmental assessments;
- **Police Department:** Increased public safety funding by \$200,000 for festival security, year-round events, traffic enforcement, and holiday wages. A portion is offset by special event fee revenue;
- **Transit Services:** Allocated \$89,264 to expand transit operations during the Sundance Film Festival;
- **Special Events:** Added \$38,953 to improve traffic flow, pedestrian safety, and parking logistics during peak event days;
- **Recreation:** Increased budget by \$140,000 for sewer costs, staffing, and merchant fees, partially offset by higher revenue collections;
- **Sister City Program:** Incurred \$13,000 in one-time costs to host the Courchevel

BUDGET OVERVIEW

delegation.

- **Insurance Premiums:** Adjusted budget by \$136,394 to reflect updated property insurance rates; and
- **Vacancy Factor (Budget Neutral):** Standard adjustment to account for savings from staff vacancies and benefit fluctuations.

FY25 Capital Project Adjustments

- **China Bridge Event Parking:** Increased budget by \$416,000 to reflect special event revenue for garage maintenance;
- **Transit Rolling Stock:** Added \$310,000 to replace two cutaway vehicles with 4x4 capability for improved service;
- **Open Space Improvements:** Incorporated \$588,986 from Flagstaff Transfer Fee revenue; and
- **Police Equipment Replacement Fund:** Added \$8,000 for an unexpected printer/copier replacement.

Water infrastructure adjustments prioritize financial stability while deferring lower-priority projects:

- **Water Department Improvements:** Reduced budget by \$1.5 million to align with projected FY26 revenues; and
- **Capital Project Refinements:** Decreased funding for various water initiatives, including Rockport Pipeline (\$300,000), Water Quality Study (\$150,000), Quinn's Water Treatment Plant (\$500,000), and other infrastructure projects.

FY25 Grants and Rollover Funds:

- **Trails & Open Space:** Secured \$75,000 for pedestrian bridges and \$20,000 for transit to trails bike racks via Summit County Restaurant Tax Grant; and
- **Historic Preservation:** Awarded \$200,000 for Thaynes Mine restoration.

These adjustments maintain fiscal responsibility while supporting critical city initiatives.

BUDGET CALENDAR

April 10, 2025

Work Session

- Operating budget overview

April 24, 2025

Work Session

- Capital budget overview

May 1, 2025

Regular Meeting

- Presentation of the tentative budget
- Budget overview and timeline
- Revenue/expenditure summary
- Public input on the tentative budget
- Adoption of the tentative budget by ordinance
- Set calendar date for public hearing on the final budget (June 12, 2025)

May 15, 2025

Work Session

- Fee schedule overview
- Cost-of-living adjustments
- Outstanding budget issues

June 5, 2025

Work Session

- Final budget preview

Regular Meeting

- Public hearing on municipal executive officer compensation
- Public hearing on statutory and elected officer compensation

June 12, 2025

Regular Meeting

- Public hearing on statutory and elected officer compensation
- Adoption of statutory and elected officer compensation
- Public hearing on the fee schedule
- Adoption of the fee schedule by resolution
- Public hearing on the final budget
- Adoption of the final budget by ordinance

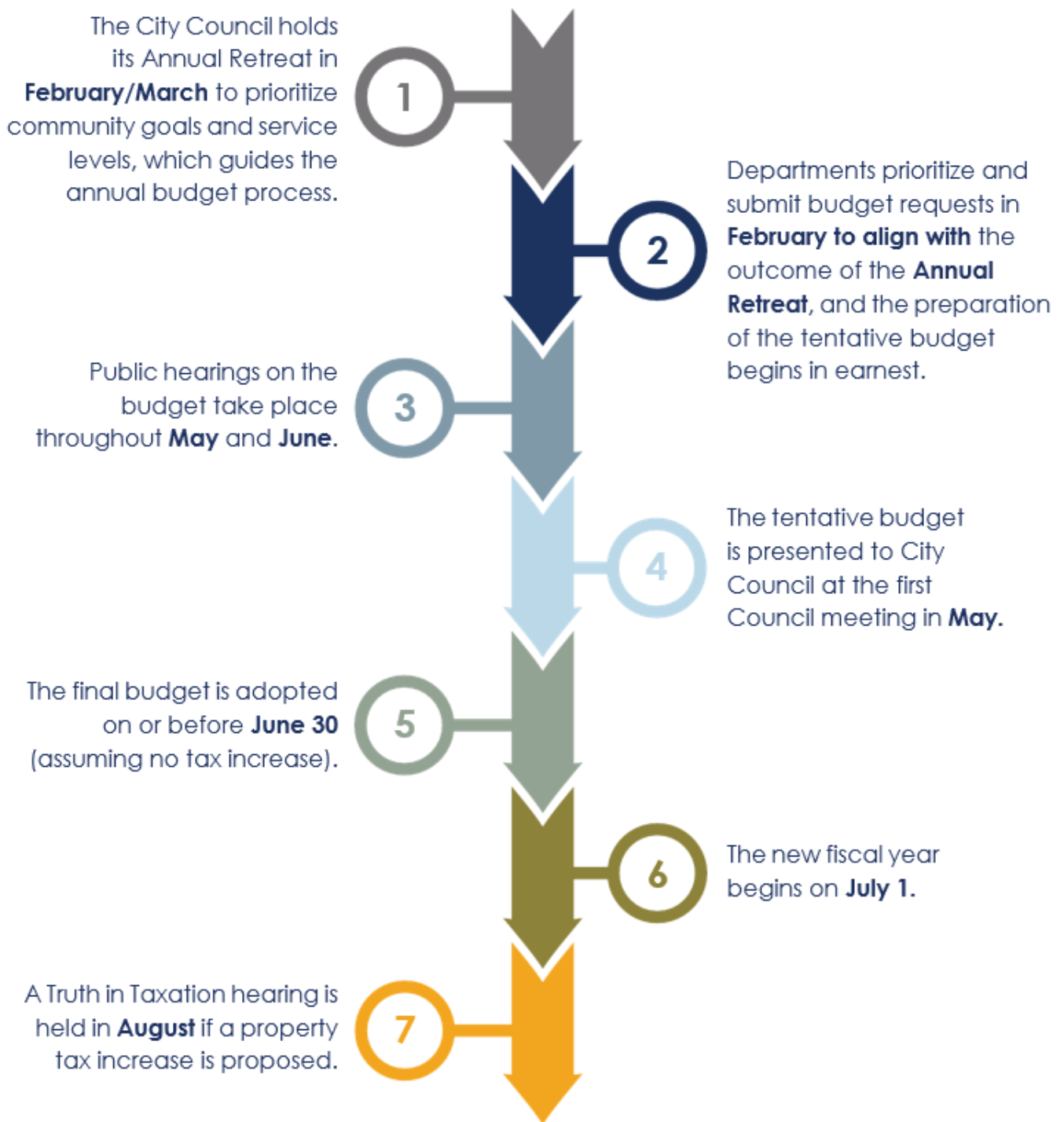
Redevelopment Agency Meeting

- 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 2025 Adjusted Budget)

Description	Personnel FY 2025	Mat, Supplies, Services FY 2025	Capital FY 2025	Debt Service FY 2025	Contingency FY 2025	Sub - Total FY 2025	Interfund Transfer FY 2025	Ending Balance FY 2025	Total FY 2025
Park City Municipal Corporation									
011 GENERAL FUND	\$37,326,577	\$14,444,760	\$468,117	\$0	\$300,000	\$52,539,454	\$4,011,649	\$13,968,513	\$70,519,616
012 QUINNS RECREATION COMPLEX	\$1,199,372	\$432,633	\$1,000	\$0	\$0	\$1,633,005	\$0	\$-343,963	\$1,289,042
021 POLICE SPECIAL REVENUE FUND	\$0	\$0	\$35,773	\$0	\$0	\$35,773	\$0	\$0	\$35,773
022 DRUG CONFISCATIONS	\$0	\$0	\$34,203	\$0	\$0	\$34,203	\$0	\$0	\$34,203
031 CAPITAL IMPROVEMENT FUND	\$0	\$0	\$116,404,314	\$0	\$0	\$116,404,314	\$4,174,675	\$2,113,891	\$122,692,880
038 EQUIPMENT REPLACEMENT CIP	\$0	\$0	\$3,072,540	\$0	\$0	\$3,072,540	\$0	\$394,718	\$3,467,258
051 WATER FUND	\$5,381,342	\$6,926,953	\$22,855,368	\$9,400,688	\$0	\$44,564,351	\$2,639,983	\$1,650,755	\$48,855,089
052 STORM WATER FUND	\$855,316	\$299,830	\$3,296,253	\$0	\$0	\$4,451,399	\$195,018	\$1,283,558	\$5,929,975
055 GOLF COURSE FUND	\$1,335,875	\$680,725	\$1,056,663	\$0	\$0	\$3,073,263	\$204,623	\$1,422,729	\$4,700,615
057 TRANSPORTATION & PARKING FUND	\$13,642,170	\$2,431,256	\$56,505,108	\$0	\$0	\$72,578,534	\$3,693,665	\$478,313	\$76,750,512
058 PARKING FUND	\$1,453,962	\$753,800	\$718,805	\$0	\$0	\$2,926,567	\$184,533	\$2,252,559	\$5,363,659
062 FLEET SERVICES FUND	\$1,613,204	\$2,399,450	\$6,205	\$0	\$0	\$4,018,859	\$0	\$1,154,457	\$5,173,316
064 SELF INSURANCE FUND	\$0	\$2,694,346	\$0	\$0	\$0	\$2,694,346	\$0	\$2,789,994	\$5,484,340
070 SALES TAX REV BOND - DEBT SVS FUND	\$0	\$0	\$0	\$6,969,266	\$0	\$6,969,266	\$0	\$26,011,160	\$32,980,426
071 DEBT SERVICE FUND	\$0	\$0	\$0	\$8,430,526	\$0	\$8,430,526	\$0	\$1,702,295	\$10,132,821
Total Park City Municipal Corporation	\$62,807,817	\$31,063,753	\$204,454,350	\$24,800,480	\$300,000	\$323,426,400	\$15,104,146	\$54,878,979	\$393,409,525
Park City Redevelopment Agency									
023 LOWER PARK AVE RDA SPECIAL REVENUE FUND	\$0	\$787,823	\$0	\$0	\$0	\$787,823	\$3,092,532	\$5,852,625	\$9,732,980
024 MAIN STREET RDA SPECIAL REVENUE FUND	\$0	\$50,000	\$0	\$0	\$0	\$50,000	\$0	\$1,165,198	\$1,215,198
033 REDEVELOPMENT AGENCY-LOWER PRK	\$0	\$0	\$4,361,583	\$0	\$0	\$4,361,583	\$2,784,590	\$381,304	\$7,527,477
034 REDEVELOPMENT AGENCY-MAIN ST	\$0	\$0	\$632,787	\$0	\$0	\$632,787	\$0	\$1,374,755	\$2,007,542
Total Park City Redevelopment Agency	\$0	\$837,823	\$4,994,370	\$0	\$0	\$5,832,193	\$5,877,122	\$8,773,882	\$20,483,197
Municipal Building Authority									
035 BUILDING AUTHORITY	\$0	\$0	\$500,000	\$0	\$0	\$500,000	\$0	\$0	\$500,000
Total Municipal Building Authority	\$0	\$0	\$500,000	\$0	\$0	\$500,000	\$0	\$0	\$500,000
Park City Housing Authority									
Total Park City Housing Authority									
TOTAL	\$62,807,817	\$31,901,576	\$209,948,720	\$24,800,480	\$300,000	\$329,758,593	\$20,981,268	\$63,652,861	\$414,392,722

BUDGET OVERVIEW

Expenditure Summary by Fund and Major Object (FY 2026 Budget)

Description	Personnel FY 2026	Mat, Supplies, Services FY 2026	Capital FY 2026	Debt Service FY 2026	Contingency FY 2026	Sub - Total FY 2026	Interfund Transfer FY 2026	Ending Balance FY 2026	Total FY 2026
Park City Municipal Corporation									
011 GENERAL FUND	\$39,515,491	\$13,804,905	\$539,467	\$0	\$250,000	\$53,820,248	\$4,073,905	\$ 13,100,577	\$71,284,345
012 QUINNS RECREATION COMPLEX	\$1,365,452	\$503,154	\$5,000	\$0	\$0	\$1,873,606	\$0	\$-1,094,225	\$779,381
021 POLICE SPECIAL REVENUE FUND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
022 DRUG CONFISCATIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,164	\$37,164
031 CAPITAL IMPROVEMENT FUND	\$0	\$0	\$47,813,802	\$0	\$0	\$47,813,802	\$4,175,025	\$5,113,951	\$57,102,778
038 EQUIPMENT REPLACEMENT CIP	\$0	\$0	\$1,979,000	\$0	\$0	\$1,979,000	\$0	\$454,318	\$2,433,318
051 WATER FUND	\$5,185,228	\$7,122,009	\$5,532,356	\$9,405,237	\$0	\$27,244,830	\$2,723,253	\$805,239	\$30,773,322
052 STORM WATER FUND	\$893,845	\$300,630	\$406,513	\$0	\$0	\$1,600,988	\$202,395	\$1,564,398	\$3,367,781
055 GOLF COURSE FUND	\$1,353,392	\$784,425	\$866,505	\$0	\$0	\$3,004,322	\$213,098	\$906,600	\$4,124,020
057 TRANSPORTATION & PARKING FUND	\$13,792,769	\$2,375,676	\$8,298,171	\$0	\$0	\$24,466,616	\$3,715,829	\$17,848,351	\$46,030,796
058 PARKING FUND	\$1,531,343	\$704,200	\$187,000	\$0	\$0	\$2,422,543	\$191,831	\$2,775,739	\$5,390,113
062 FLEET SERVICES FUND	\$1,675,152	\$2,399,450	\$6,205	\$0	\$0	\$4,080,807	\$0	\$0	\$4,080,807
064 SELF INSURANCE FUND	\$0	\$2,805,402	\$0	\$0	\$0	\$2,805,402	\$0	\$2,504,285	\$5,309,687
070 SALES TAX REV BOND - DEBT SVS FUND	\$0	\$0	\$0	\$6,964,616	\$0	\$6,964,616	\$0	\$27,028,687	\$33,993,303
071 DEBT SERVICE FUND	\$0	\$0	\$0	\$7,162,376	\$0	\$7,162,376	\$0	\$2,995,925	\$10,158,301
Total Park City Municipal Corporation	\$65,312,671	\$30,799,852	\$65,634,019	\$23,532,229	\$250,000	\$185,239,156	\$15,295,336	\$74,041,009	\$274,865,116
Park City Redevelopment Agency									
023 LOWER PARK AVE RDA SPECIAL REVENUE FUND	\$0	\$835,823	\$0	\$0	\$0	\$835,823	\$3,092,532	\$7,852,485	\$11,780,840
024 MAIN STREET RDA SPECIAL REVENUE FUND	\$0	\$50,000	\$0	\$0	\$0	\$50,000	\$0	\$1,161,253	\$1,211,253
033 REDEVELOPMENT AGENCY-LOWER PRK	\$0	\$0	\$200,000	\$0	\$0	\$200,000	\$2,779,590	\$631,246	\$3,610,836
034 REDEVELOPMENT AGENCY-MAIN ST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,468,755	\$1,468,755
Total Park City Redevelopment Agency	\$0	\$885,823	\$200,000	\$0	\$0	\$1,085,823	\$5,872,122	\$11,113,739	\$18,071,684
Municipal Building Authority									
035 BUILDING AUTHORITY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Municipal Building Authority	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Park City Housing Authority									
Total Park City Housing Authority									
TOTAL	\$65,312,671	\$31,685,675	\$65,834,019	\$23,532,229	\$250,000	\$186,324,979	\$21,167,458	\$85,154,748	\$292,936,800

BUDGET OVERVIEW

Change in Fund Balance

Fund	Actuals FY 2022	Actuals FY 2023	Actuals FY 2024	Ori Bud FY 2025	Adj Bud FY 2025	Var \$ FY25 v FY25 Adj Bud	Var % FY25 v FY25	Budget FY 2026	Var \$ FY25 v FY26 Ori Bud	Var % FY25 v FY26
Park City Municipal Corporation										
011 GENERAL FUND	\$14,584,589	\$15,183,108	\$15,027,677	\$9,736,869	\$13,968,513	\$4,231,644	43.5%	\$13,100,577	\$-867,936	-4%
012 QUINNS RECREATION COMPLEX	\$0	\$0	\$0	\$-1,346,777	\$-343,963	\$1,002,814	-74.5%	\$-1,094,225	\$-750,262	218%
021 POLICE SPECIAL REVENUE FUND	\$35,773	\$35,773	\$35,773	\$0	\$0	\$0		\$0	\$0	
022 DRUG CONFISCATIONS	\$23,168	\$23,168	\$23,168	\$11,035	\$0	(\$11,035)	-100.0%	\$37,164	\$37,164	
031 CAPITAL IMPROVEMENT FUND	\$82,329,107	\$96,577,328	\$97,878,102	\$5,695,414	\$2,113,891	(\$3,581,523)	-62.9%	\$5,113,951	\$3,000,060	142%
038 EQUIPMENT REPLACEMENT CIP	\$2,419,955	\$2,427,949	\$1,431,658	\$131,962	\$394,718	\$262,756	199.1%	\$454,318	\$59,600	15%
051 WATER FUND	\$10,575,595	\$28,146,222	\$17,488,143	\$319,407	\$1,650,755	\$1,331,348	416.8%	\$805,239	\$-845,516	-51%
052 STORM WATER FUND	\$3,106,148	\$2,942,190	\$3,605,317	\$1,177,581	\$1,283,558	\$105,977	9.0%	\$1,564,398	\$280,840	22%
055 GOLF COURSE FUND	\$2,807,041	\$2,122,432	\$2,434,996	\$1,036,586	\$1,422,729	\$386,143	37.3%	\$906,600	\$-516,129	-36%
057 TRANSPORTATION & PARKING FUND	\$33,005,887	\$39,409,102	\$36,074,923	\$6,861,302	\$478,313	(\$6,382,989)	-93.0%	\$17,848,351	\$17,370,038	3,632%
058 PARKING FUND	\$887,427	\$1,879,829	\$2,569,389	\$3,044,300	\$2,252,559	(\$791,741)	-26.0%	\$2,775,739	\$523,180	23%
062 FLEET SERVICES FUND	\$1,900,204	\$1,101,087	\$1,272,372	\$289,585	\$1,154,457	\$864,872	298.7%	\$0	\$-1,154,457	-100%
064 SELF INSURANCE FUND	\$1,297,178	\$2,397,165	\$3,039,597	\$2,099,534	\$2,789,994	\$690,460	32.9%	\$2,504,285	\$-285,709	-10%
070 SALES TAX REV BOND - DEBT SVS FUND	\$26,404,276	\$26,426,750	\$24,736,751	\$24,482,916	\$26,011,160	\$1,528,244	6.2%	\$27,028,687	\$1,017,527	4%
071 DEBT SERVICE FUND	\$1,645,801	\$1,648,133	\$1,673,648	\$4,879,411	\$1,702,295	(\$3,177,116)	-65.1%	\$2,995,925	\$1,293,630	76%
Total Park City Municipal Corporation	\$159,870,959	\$220,320,236	\$207,291,514	\$58,419,125	\$54,878,979	(\$3,540,146)	-6.1%	\$74,041,009	\$19,162,030	3,930%
Park City Redevelopment Agency										
023 LOWER PARK AVE RDA SPECIAL REVENUE FUND	\$1,262,193	\$2,654,316	\$4,430,146	\$4,713,154	\$5,852,625	\$1,139,471	24.2%	\$7,852,485	\$1,999,860	34%
024 MAIN STREET RDA SPECIAL REVENUE FUND	\$1,460,076	\$1,138,237	\$1,159,879	\$338,875	\$1,165,198	\$826,323	243.8%	\$1,161,253	\$-3,945	0%
033 REDEVELOPMENT AGENCY- LOWER PRK	\$3,281,547	\$3,649,297	\$4,297,945	\$3,011,956	\$381,304	(\$2,630,652)	-87.3%	\$631,246	\$249,942	66%
034 REDEVELOPMENT AGENCY- MAIN ST	\$1,594,504	\$2,047,102	\$1,913,542	\$1,733,789	\$1,374,755	(\$359,034)	-20.7%	\$1,468,755	\$94,000	7%
Total Park City Redevelopment Agency	\$7,598,320	\$9,488,952	\$11,801,512	\$9,797,774	\$8,773,882	(\$1,023,892)	-10.5%	\$11,113,739	\$2,339,857	106%
Municipal Building Authority										
035 BUILDING AUTHORITY	\$453,416	\$470,859	\$494,222	\$1,180,859	\$0	(\$1,180,859)	-100%	\$0	\$0	
Total Municipal Building Authority	\$453,416	\$470,859	\$494,222	\$1,180,859	\$0	(\$1,180,859)	-100%	\$0	\$0	

BUDGET OVERVIEW

Revenues – All Funds Combined

Revenue	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Through 3/31 Actual FY 2025	Original FY 2025	Adjusted FY 2025	Original FY 2026	% Variance
RESOURCES									
Property Taxes	\$28,380,276	\$27,864,213	\$26,358,146	\$27,862,538	\$26,098,182	\$30,959,830	\$27,751,699	\$28,721,341	3.5%
Sales Tax	\$33,614,011	\$49,056,806	\$51,529,732	\$52,859,211	\$28,526,403	\$52,872,621	\$52,872,621	\$55,499,374	5.0%
Franchise Tax	\$3,253,431	\$3,526,041	\$4,368,710	\$4,096,926	\$2,302,182	\$4,782,816	\$4,782,816	\$4,236,909	-11.4%
Licenses	\$1,213,639	\$1,251,664	\$1,422,301	\$1,478,483	\$1,456,492	\$1,491,838	\$1,491,838	\$1,593,248	6.8%
Planning Building & Engineering Fees	\$5,005,364	\$5,683,951	\$6,631,063	\$6,527,305	\$9,022,734	\$7,740,327	\$9,973,996	\$9,092,476	-8.8%
Special Event Fees	\$8,081	\$216,481	\$214,229	\$245,295	\$128,088	\$232,607	\$155,730	\$291,237	87.0%
Federal Revenue	\$11,071,350	\$5,819,607	\$18,340,954	\$7,217,231	\$1,393,184	\$14,121,660	\$20,121,660	\$23,040,787	14.5%
State Revenue	\$527,368	\$786,591	\$485,817	\$678,573	\$622,032	\$618,052	\$618,052	\$708,774	14.7%
County/SP District Revenue	\$1,171,385	\$2,034,782	\$382,160	\$4,012,773	\$1,251,836	\$1,746,139	\$1,746,139	\$3,355,723	92.2%
Water Charges for Services	\$22,597,344	\$21,922,162	\$22,538,675	\$25,851,894	\$25,277,367	\$27,663,316	\$29,780,169	\$28,884,368	-3.0%
Transit Charges for Services	\$2,455,909	\$4,066,593	\$33,379	\$313,392	\$300,000	\$75,991	\$375,991	\$300,000	-20.2%
Cemetery Charges for Services	\$19,787	\$27,621	\$25,162	\$37,217	\$15,904	\$61,817	\$61,817	\$61,679	-0.2%
Recreation	\$4,241,522	\$4,638,424	\$4,672,032	\$4,974,559	\$3,904,950	\$4,947,929	\$4,947,929	\$5,871,383	18.7%
Ice	\$634,725	\$850,024	\$945,775	\$1,059,280	\$877,604	\$1,276,867	\$1,276,867	\$1,109,407	-13.1%
Other Service Revenue	\$54,964	\$57,542	\$73,704	\$78,756	\$53,989	\$95,595	\$95,595	\$138,230	44.6%
Library Fees	\$13,483	\$16,811	\$14,615	\$18,877	\$14,508	\$22,552	\$22,552	\$20,488	-9.2%
Fines & Forfeitures	\$1,075,883	\$2,158,774	\$2,768,712	\$2,901,116	\$2,799,497	\$3,740,162	\$2,790,162	\$3,082,762	10.5%
Misc. Revenues	\$3,620,970	\$1,106,110	\$12,552,813	\$13,851,111	\$2,552,954	\$13,467,356	\$12,239,601	\$11,159,853	-8.8%
Interfund Transactions (Admin)	\$6,495,085	\$7,284,491	\$8,478,974	\$9,039,648	\$5,963,724	\$9,189,783	\$9,018,871	\$9,209,711	2.1%
Interfund Transactions (CIP/Debt)	\$13,194,041	\$15,815,649	\$15,025,910	\$14,829,896	\$8,971,794	\$11,962,397	\$11,962,397	\$11,957,747	0.0%
Special Revenues & Resources	\$8,106,934	\$2,014,065	\$1,981,567	\$1,004,512	\$1,301,296	\$1,744,377	\$1,744,377	\$948,442	-45.6%
Bond Proceeds								\$30,000,000	
Beginning Balance	\$142,278,488	\$168,838,441	\$187,500,425	\$230,280,047		\$106,362,588	\$220,561,842	\$63,652,861	
TOTAL	\$289,034,038	\$325,036,843	\$366,344,855	\$409,218,641	\$122,834,720	\$295,176,622	\$414,392,723	\$292,936,800	

REVENUES

CITY REVENUES

Property and sales taxes are the most significant city revenue sources, representing approximately 50% of general fund revenue in FY26, excluding beginning balance and inter-fund transfers. Figure R1 shows the makeup of Park City's anticipated revenues for FY26.

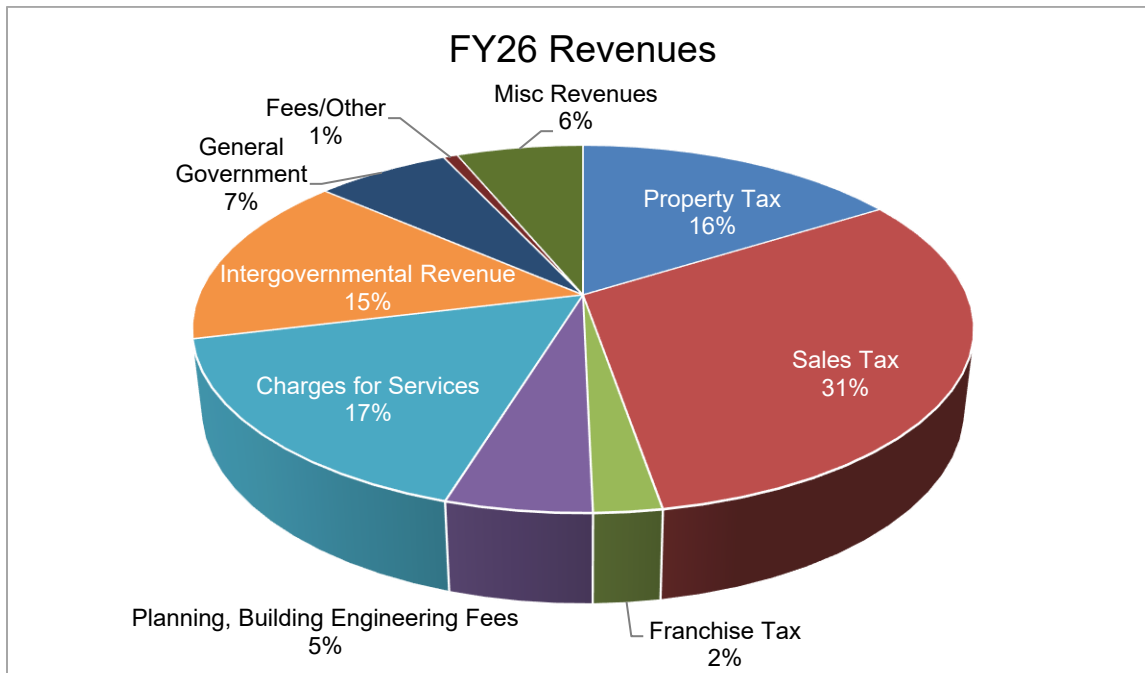


FIGURE R1 – BUDGETED REVENUE BY SOURCE

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."²

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

² Utah State Code 59-2-202(13)(a)

REVENUES

above) regarding the proposed increase.

After receiving the notice, the taxpayer may appear before the Board of Equalization. The County Auditor makes changes in the assessment roll depending upon the outcome of taxpayers' 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) 2019 through CY 2025.

Tax Rate	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
General Levy	0.001107	0.001079	0.001000	0.000737	0.000542	0.000542
Debt Levy	0.001018	0.000997	0.000989	0.000655	0.000476	0.000417
Total:	0.002125	0.002076	0.001989	0.001392	0.001018	0.000959

Tax Collected	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General	\$ 11,089,329	\$ 11,310,139	\$ 11,596,238	\$ 11,881,810	\$ 11,591,725	\$ 11,533,795
Debt	\$ 9,281,384	\$ 9,506,281	\$ 9,509,688	\$ 9,509,688	\$ 9,478,438	\$ 8,418,525
RDA Increment	\$ 4,886,747	\$ 5,070,223	\$ 5,244,611	\$ 4,390,396	\$ 5,468,015	\$ 5,306,835
Fee-In-Lieu	\$ 272,291	\$ 293,002	\$ 289,368	\$ 235,516	\$ 197,694	\$ 135,190
Delinq/Interest	\$ (31,355)	\$ 1,417,837	\$ 1,236,307	\$ 352,735	\$ 1,138,667	\$ 1,347,234
Total:	\$ 25,498,396	\$ 27,597,482	\$ 27,876,212	\$ 26,370,145	\$ 27,874,539	\$ 26,741,579

TABLE R2 – PROPERTY TAX RATES AND COLLECTIONS

REVENUES

SALES TAX

Park City strategically prioritizes sales tax revenue as its primary funding source for city services. Sales tax also helps to fund the infrastructure that supports special events and tourism. Park City's portion of sales tax is broken down into the following components: local option (1%), resort community tax (1.6%), and transit tax (0.30%). There is also a 1% municipal transient room tax (TRT) on overnight lodging. Table R3 shows the current sales tax rate. Park City collects the full amount for the Resort Communities and Mass Transit (1st Quarter) taxes, but the Local Option tax collection is affected by the 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 tax are distributed based on 50% of the population and 50% of the point of sale.

SALES TAX RATES	
SALES AND USE TAXES	AS OF JULY 1, 2025
STATE OF UTAH	
General Sales & Use Tax	4.85%
SUMMIT COUNTY	
County Option Sales Tax	0.25%
Recreation, Arts, and Parks Tax	0.10%
"Emergency Services" Tax	0.50%
Additional Mass Transit Tax (2 nd Quarter)	0.25%
Transportation Infrastructure Tax (3 rd Quarter)	0.25%
Transportation Tax (4 th Quarter)	0.25%
Transit Operating (5 th Quarter)	0.20%
PARK CITY	
Local Option Sales Tax	1.00%
Resort Cities Sales Tax	1.60%
Mass Transit Tax (1 st Quarter)	0.30%
TOTAL PARK CITY "BASE"	9.55%
OTHER TAXES	
Countywide Restaurant Tax	1.00%
Countywide Motor Vehicle Rental Tax	2.50%
Countywide Transient Room Tax	3.00%
Statewide Transient Room Tax	1.07%
Park City Transient Room Tax	1.00%

TABLE R3 – SALES TAX RATES

REVENUES

The Municipal TRT was adopted in 2018 and used to purchase the 5-acre Bonanza Park site to create a mixed-use district. Current and future TRT revenues are budgeted for projects relevant to the Bonanza 5-acre site.

Sales tax revenue experienced substantial growth in recent years, primarily due to expanded collections from online retail sales. Following this period of revenue increases, revenue moderated in FY24, returning to a more typical growth pattern. Figure R4 illustrates actual sales tax revenue through FY24 and projections through FY30. Notable shifts in revenue include the introduction of the Additional Resort Communities Sales Tax in FY14 and the recent upward trend (FY21–FY23), primarily driven by capturing online sales tax revenue. Our projections continue to rely on our sales tax model, historical growth patterns, national and international economic indicators, and ongoing analysis of local economic conditions.

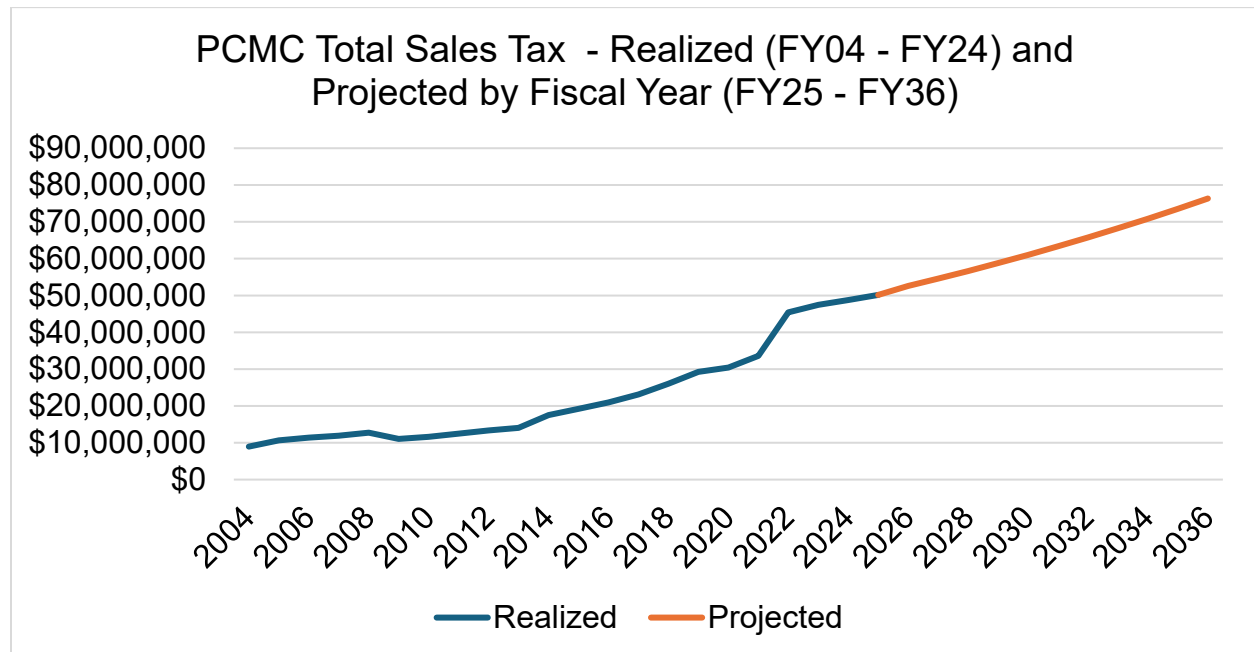


FIGURE R4- SALES TAX ACTUALS AND PROJECTIONS

Although sales tax revenue has been steady in recent years, it is still influenced by broader economic conditions at the national, state, and local levels—something we saw clearly during the 2009/10 recession. To manage uncertainty, the City uses a forecasting model that blends long-term historical trends with key economic indicators such as employment and visitor spending. This approach smooths short-term swings and produces a conservative revenue estimate, supporting fiscal stability and sound long-range planning. Figure R5 compares monthly sales tax revenues from FY22 through March of FY25, demonstrating the importance of the winter months.

REVENUES

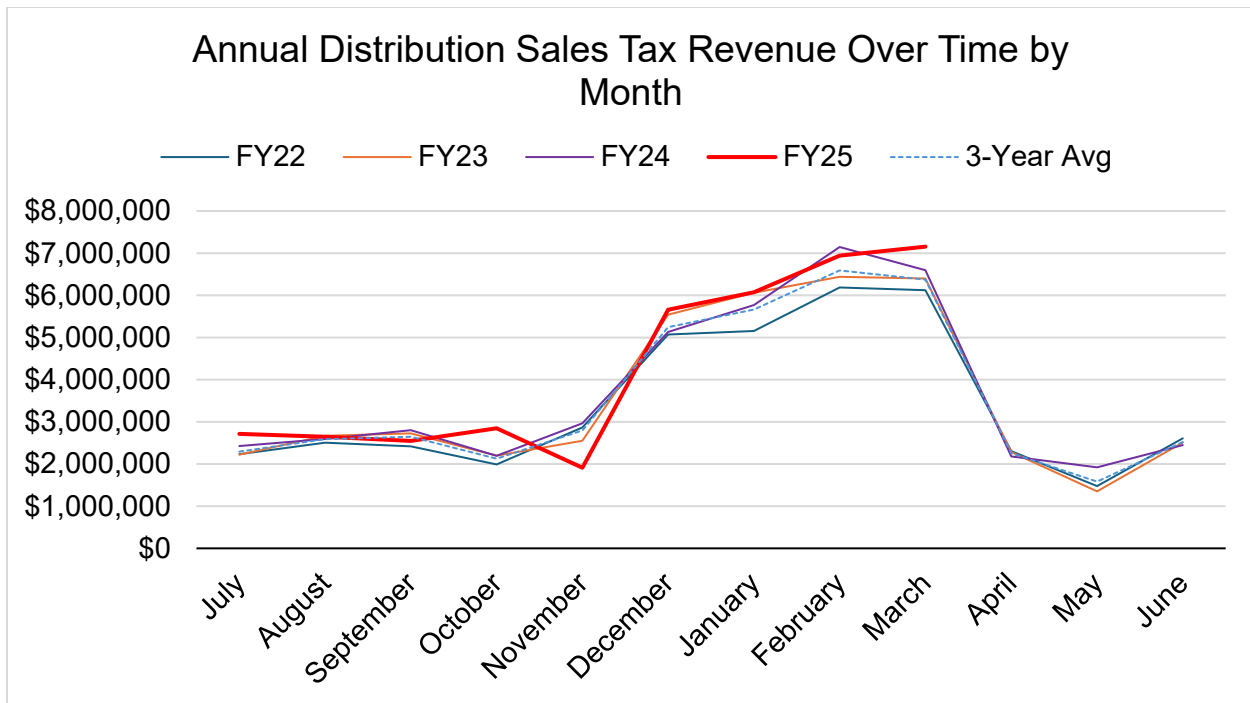


FIGURE R5 – REALIZED SALES TAX BY MONTH AS OF JUNE 2025

Figure R6 shows the amount of total sales tax attributable to the Local Option sales tax, Resort Communities sales tax, Transit sales tax, Additional Resort Communities sales tax, and Transient room sales tax by fiscal year.

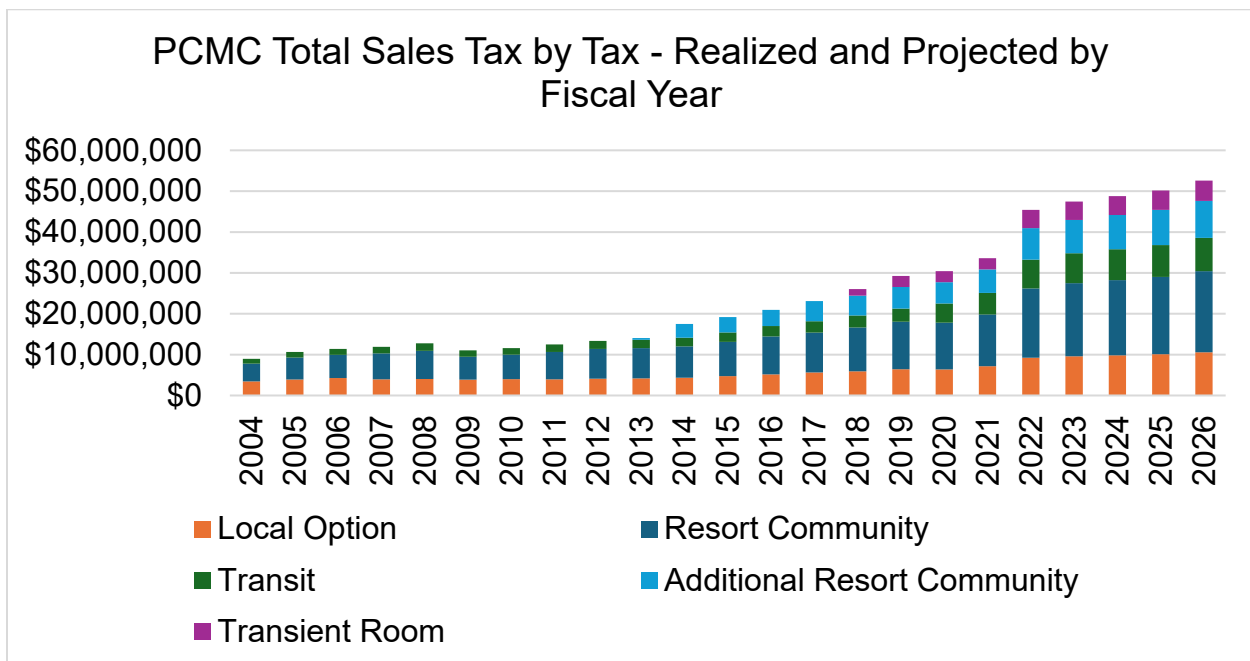


FIGURE R6 – TOTAL SALES TAX REVENUE BY SALES TAX

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 accounts for a considerable portion of the FY26 Budget. Figure R7 shows a projected breakdown of other revenue by type and amount.

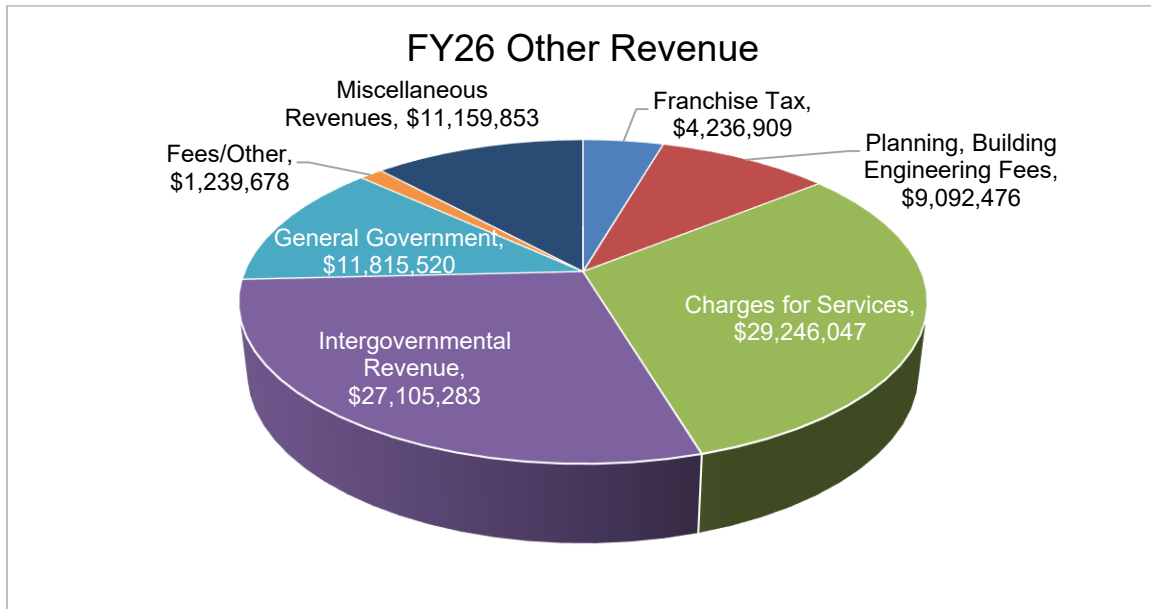


FIGURE R7 – OTHER REVENUE BREAKDOWN

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 include interest earnings, the sale of assets, and rental income.

The city levies a franchise tax on utilities operating within its jurisdiction. Most revenue sources, including fees and business licenses, follow a multi-year trend analysis assuming stable economic conditions. A linear trend model predicts general revenue, while charges for services use a logarithmic trend that levels off as the city nears build-out. Water service fees factor in historical consumption and a growth adjustment.

Impact Fees

Park City receives revenue from development impact fees, including street, water, public safety, and open space fees. These fees reflect the calculated cost of providing city services for new, private development projects. State law requires that collected impact fees be applied to the capital facilities plan within six years of collection. Figure R8 details projected impact fees for FY26.

REVENUES

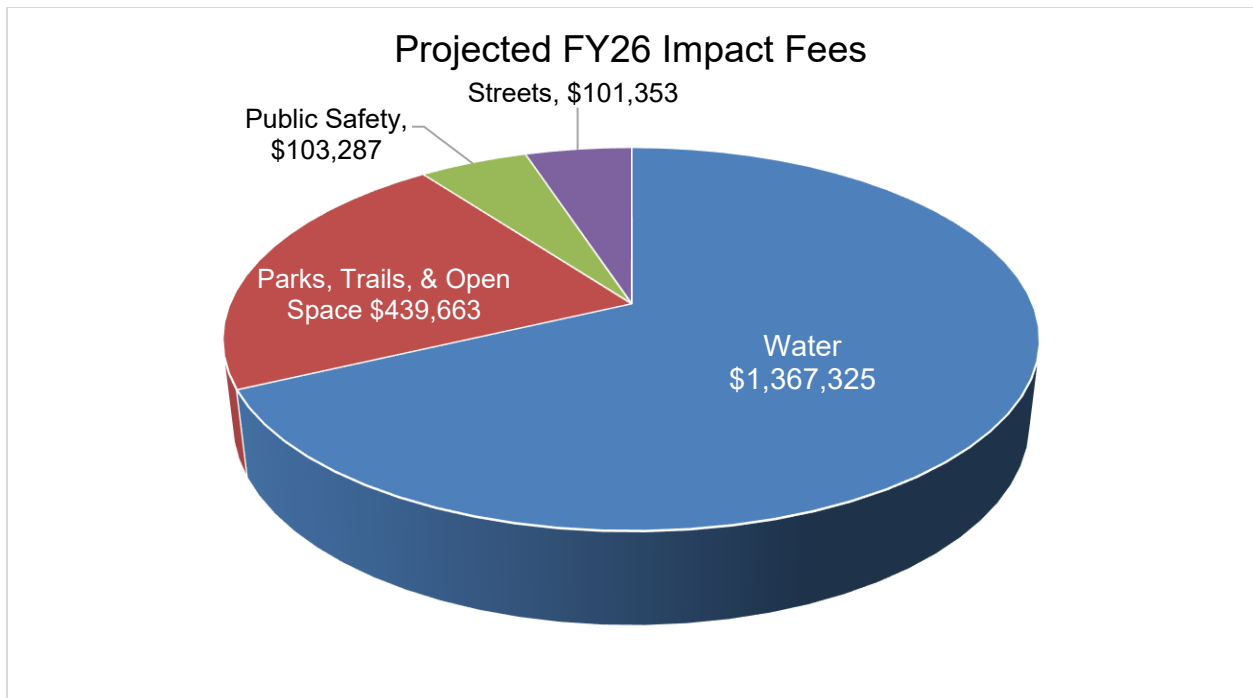


FIGURE R8 – IMPACT FEE BREAKDOWN

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 unavailable.

Municipal Bonding

Municipal bonds are another way for Park City to fund capital projects through a property tax increase, sales taxes, or water user fees. 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. 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. For FY26, department leaders optimized resource allocation by repurposing unused funds and improving efficiency. Spending adjustments ensured core services remained intact, while performance metrics guided enhancements in service delivery. Vacant positions were reassessed for better utilization. Below is a summary of the FY26 Operating Budget net new requests by department.

Department	FY26 Request	FY26 Recommended
Budget		\$ (5,600)
Building	\$ 46,562	\$ (156,922)
Public Works	\$ 257,378	\$ 154,595
Community Engagement		\$ (8,600)
Economic Development		\$ (93,253)
Elections	\$ 20,000	\$ 20,000
Engineering	\$ 28,250	\$ 250
Environmental Regulatory	\$ 25,000	\$ 25,000
Library	\$ 23,882	\$ 215
Planning	\$ 113,696	\$ 1,611
Police	\$ 826,610	\$ 572,206
MARC	\$ 364,728	\$ 198,785
Racquet Sports	\$ 5,000	\$ 3,000
Recreation	\$ 10,600	\$ 6,250
Ice	\$ 93,460	\$ 35,888
Sundance Contract	\$ 4,250	\$ 4,250
Summit County Dispatch Contract	\$ 17,000	\$ 17,000
Transportation Fund	\$ 1,038,372	\$ (549,848)
Golf	\$ 101,500	\$ 21,000
Water	\$ 647,419	\$ (156,202)
Services Contracts/Agreements	\$ 8,000	\$ -

General Fund

Budget | (\$5,600)

Identified savings in contract services and public notices. These budgets haven't been fully expended in previous years.

Building | (\$180,203)

Building identified over \$15,000 in operating reductions in mileage reimbursement, contract services and equipment. A vacant position was eliminated and duties have been absorbed by existing staff.

EXPENSES

Child Care | \$633,000

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 an additional \$300,000 budget is recommended through June 30, 2026, for a total contribution of \$633,000 in FY26.

Community Engagement | (\$8,600)

Savings identified in computer equipment, training and meetings/conferences. These line items were reduced to reflect anticipated spending in FY26.

Elections | \$20,000

Funds added for primary election in FY26.

Emergency Contingency | (\$50,000)

The total Emergency Contingency budget is \$100,000. After further evaluation, we have not utilized this budget for several years and staff proposed a \$50,000 reduction.

Environmental Regulatory | \$25,000

Title insurance and real estate fees for newly acquired property.

Economic Development | (\$93,253)

Reallocated vacant positions to better align with departmental needs, resulting in overall personnel savings.

Engineering | \$250

The Engineering Department presented several inflationary requests for supplies and equipment. Nearly all of these were successfully offset by identifying efficiencies of \$23,000 in other operating expenses, either from historically underspent allocations or by fulfilling needs through alternative methods, such as utilizing online training and education.

Information Technology - 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

EXPENSES

incoming requests, allocate workload efficiently, and serve as the bridge between ongoing project work and day-to-day user support.

Library | \$215

The Library initially requested a \$24,000 budget increase to expand programs, mailing services, materials, memberships, and training. However, the Library Director identified nearly \$8,000 in offsets and efficiencies, including staff taking on previously contracted responsibilities. This has resulted in a budget-neutral request for FY26, which still allows for additional materials, training, tenant support, and marketing. The City Manager also recommended temporarily foregoing additional service expansions that require more resources for one year as the team takes on additional responsibilities for more specialized tenant management.

Planning | \$1,611

The General Plan update is advancing through its phased process, currently in Phase Three, and ready for adoption by summer. A comprehensive rewrite of the LMC is necessary to implement the General Plan. Initially, this work required additional contractor service funding. However, Planning identified \$89,000 in existing funds to reallocate to support this work, and a personnel reclassification of \$22,000 to balance workloads within the department. Planning plans to shift work from consultants to experienced staff and utilize consultants for specialized services in historic preservation, arborist services, LMC amendments/illustrations, and updating zoning maps/Sensitive Land Overlay. Funds were also reallocated to account for per diems for the various boards and commissions within the Planning Department.

Public Safety

Detective Sergeant | Net ongoing request \$190,802 (wages, benefits, equipment), plus \$75,000 as a one-time vehicle expense

Park City Police Department (PCPD) began requesting additional investigative resources eight years ago. While a new detective position was granted in FY23, the current workload already exceeds the capacity of the new position. 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. PCPD proactively identified \$50,000 in savings from operating expenses to help offset this request.

K9 Unit | \$204,404 ongoing (wages, benefits, equipment) plus \$102,000 as a one-time expense for vehicle

Each year, Park City hosts approximately 280 special event days. Risk assessments

EXPENSES

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. 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.

Public Works | \$154,595

The Public Work Team is tasked with maintaining and managing 45 buildings, 133 miles of streets, 135 acres of landscaping, playgrounds, and parks, hanging baskets and beautification efforts, 17 miles of sidewalks and bike paths, 30 flights of Old Town stairs, 23 miles of stormwater piping, 985 streetlights, over 3,000 street signs, and a fleet of over 300 vehicles of all types. Demand for quality services has never been higher, and grows each year with increased facility use and visitation. By eliminating a vacant contract position, reducing seasonal personnel and other operating expenses, Public Works identified \$120,000 in savings to offset the FY26 requests.

Parks

With the expansion of our pedestrian infrastructure, including new sidewalks, stairs, and paths, we have incurred a significant increase in snow removal demand. The Parks Department requests two Parks III positions. Currently, sidewalk and pathway snow removal services are limited to daytime coverage, ending at 4 pm. The staffing increase will enable seven-day coverage, including early morning and evening operations during periods of snow, which will provide valuable services to facilities such as the PC Library, PC MARC, and PC Ice Arena. In addition to enhanced winter services, other year-round duties include specialized maintenance and repairs on parks infrastructure, including irrigation systems, playgrounds, public restrooms, and facilities, and supporting special event preparation and clean-up. Proactively, a portion of seasonal funds of \$50,000 have been proposed to help offset the request.

Building Maintenance

While our cleaning contract, renewing in 2025, includes a 3% inflationary increase, the Public Works Director identified a cost-saving solution. By reallocating funds from department supplies and a vacant position shared with the Water Department, we recommend offsetting this increase and achieving a net savings of \$46,603 that we can use toward the personnel request in the Parks Department.

Recreation | \$208,035

EXPENSES

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.

Ice Arena

The Ice Arena requested \$51,000 for enhanced cleaning services. This investment aims to improve the visitor experience and free up existing staff to focus more on customer service, camps, and programs. Additionally, \$9,000 was allocated to cover increased payment processing fees and the purchase of a new computer for the League Coordinator. \$24,000 in savings was identified to offset these requests.

Enterprise Funds

Water Operations

Pursuant to the financial impacts of the recently proposed changes to the Single-Family Rate structure, the Public Utilities Team conducted an extensive cost reduction exercise, reducing over \$600,000 in operating costs. This includes eliminating four positions: Engineering Manager, Water Treatment Operator IV, Building Maintenance IV (shared with Building Maintenance), and Project Manager (shared with the Streets department), along with \$58,000 in supplies, water assessments, and contract services. In addition, a shared (25%) GIS Administrator position was reallocated from Water to the IT department, as Water has a full-time GIS position and does not require additional support from the General Fund.

Transit Operators

Transit services recently expanded, including enhancements to the 20 Tan and Richardson Flat Park and Ride routes and the upcoming launch of the 9 Purple extension to Bonanza Flats 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.

EXPENSES

Parking

The Parking Department identified \$50,000 in operating expense reductions from historically underspent accounts in materials, services and supplies.

PERSONNEL

Total Personnel Budget by Fund

Fund	Total Personnel FY25 Adjusted Budget	Total Personnel FY26 Budget
General Fund	\$ 39,922,704	\$ 42,103,365
Water	\$ 5,361,967	\$ 5,167,013
Storm Water	\$ 852,415	\$ 890,905
Golf	\$ 1,333,295	\$ 1,350,770
Transportation	\$ 13,595,008	\$ 13,743,198
Parking	\$ 1,448,319	\$ 1,525,594
Fleet	\$ 1,607,022	\$ 1,668,905

Administrative Infrastructure

Health Benefits

Health insurance is an essential employee benefit. Human Resources began planning for our annual employee benefits renewal at the beginning of the year. After an indication that our Aetna health insurance renewal would increase by 34% or \$2.9 million, we immediately issued an RFP using our benefits broker, GBS. With the support of GBS, we negotiated a not-to-exceed 16% agreement for our health insurance benefits with new carriers, Regence BCBS and Select Health. Regence is a dedicated University of Utah network, and Select Health corners the market with the Intermountain Health network. Partnership with both networks allows a continuous offering of the same providers as Aetna – providing an important option for many of our employees living along the Wasatch Front and maintaining services for those living along the Wasatch Back.

We have an 18-month agreement with both carriers, which ensures a rate guarantee until January 2027.

EXPENSES

Fund	Health Insurance FY25 Orig Budget	Health Insurance FY26 Orig Budget
General Fund	\$ 4,815,899	\$ 5,586,443
Water	\$ 679,007	\$ 787,648
Storm Water	\$ 112,997	\$ 131,076
Golf	\$ 98,689	\$ 114,480
Transportation	\$ 2,056,335	\$ 2,385,349
Parking	\$ 268,637	\$ 311,619
Fleet	\$ 216,100	\$ 250,676

COLA

This year, rising living costs, particularly for housing, groceries, gas, and commute times, continue to affect our local economy and our ability to compete regionally for employees. For the FY26 budget, we reviewed several local and regional economic conditions, including inflation rates, trends in other cities, and Federal government actions. The recommended COLA increase is 2.5% to keep abreast of local and national inflationary costs.

Fund	COLA 2.50% (estm)
General Fund	\$ 923,393
Water	\$ 125,394
Stormwater	\$ 18,611
Golf	\$ 115,118
Transportation	\$ 307,289
Parking	\$ 45,035
Fleet	\$ 37,832

FY25 Personnel Changes by Fund

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.

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

EXPENSES

FTEs and Contract Employees by Fund			
Fund Name	FY25	FY26	Variance
General Fund	275.32	280.11	4.79
Water Fund	33.71	30.26	-3.45
Golf Fund	18.68	18.15	-0.53
Transportation Fund	109.62	114.35	4.73
Parking Fund	13.50	13.50	0.00
Fleet Services Fund	10.12	10.12	0.00
Storm Water Fund	7.00	6.70	-0.30
Total	467.95	473.19	5.24

Personnel Changes by Department

The General Fund's FY26 budget reflects modest new headcount growth, alongside strategic reclassifications and eliminations. Specifically:

- The Police Department and Parks Department each gained two additional Full-Time Equivalent (FTE) positions.
- A new position was added within the IT Department.
- Two contract employees in the Tennis Department were reclassified to regular employee status.
- The Housing Department was merged with Economic Development to optimize internal reporting structures and workflows.
- As part of the efficiency exercise led by managers, vacant positions in the Building and Streets departments were eliminated.

The Water Fund implemented personnel reductions, primarily by eliminating vacant positions, to compensate for anticipated revenue decreases under the new fee structure. The duties associated with these roles have been efficiently absorbed and reassigned among existing staff.

The Transportation Fund underwent a personnel restructuring. Several employees were transferred from the Transit Operations budget to the Transportation Planning budget, reflecting an updated reporting structure and revised responsibilities. Concurrently, Transit Operations requested additional FTEs in FY26 to support new and expanding routes.

EXPENSES

FTEs and Contract Employees by Department						
Department	FTE Count FY25	FTE Count FY26	FTE Change	FY25 Contract	FY26 Contract	Contract Change
CITY MANAGER	6.62	6.62	0.00			
CITY ATTORNEY	8.00	8.00	0.00			
BUDGET, DEBT & GRANTS	5.00	5.00	0.00			
HUMAN RESOURCES	6.68	6.68	0.00			
FINANCE	7.72	7.72	0.00			
TECHNICAL & CUSTOMER SERVICES	12.35	13.60	1.25			
BLDG MAINT ADM	8.90	8.65	-0.25			
MARC	16.89	18.18	1.29			
TENNIS	7.81	9.81	2.00	2.00	0.00	-2.00
MCPOLIN BARN	0.38	0.38	0.00			
ICE FACILITY	12.83	12.83	0.00			
FIELDS	2.45	2.45	0.00			
RECREATION PROGRAMS	10.29	10.29	0.00			
COMMUNITY ENGAGEMENT	4.00	4.00	0.00	0.25	0.00	-0.25
ECONOMIC DEVELOPMENT	1.00	6.00	5.00			
EVENTS	4.00	3.00	-1.00			
ENVIRONMENTAL REGULATORY	1.00	1.00	0.00			
ENVIRONMENTAL SUSTAINABILITY	2.95	2.95	0.00	0.50	0.50	0.00
EMERGENCY MANAGEMENT	1.00	1.00	0.00			
ARTS & CULTURE	0.00	0.00	0.00			
TRAILS	4.55	4.55	0.00			
SOCIAL EQUITY	0.50	0.50	0.00			
POLICE	47.53	49.53	2.00			
DRUG EDUCATION	0.20	0.20	0.00			
STATE LIQUOR ENFORCEMENT	1.30	1.30	0.00			
COMMUNICATION CENTER	0.00	0.00	0.00			
AFFORDABLE HOUSING	4.00	0.00	-4.00			
ENGINEERING	8.75	8.75	0.00			
PLANNING DEPT.	11.10	11.10	0.00			
BUILDING DEPT.	19.00	18.00	-1.00			
PARKS & CEMETERY	20.22	22.22	2.00			
STREET MAINTENANCE	20.30	20.30	0.00	0.25	0.00	-0.25
WATER OPERATIONS	32.96	30.26	-2.70	0.75	0.00	-0.75
STORM WATER OPER	7.00	6.70	-0.30			
FLEET SERVICES DEPT	10.12	10.12	0.00			
TRANSPORTATION OPER	103.87	104.10	0.23			
TRANSPORTATION PLANNING	5.75	10.25	4.50			
PARKING	13.50	13.50	0.00			
LIBRARY	15.00	15.00	0.00			
GOLF MAINTENANCE	9.53	9.00	-0.53			
GOLF PRO SHOP	9.15	9.15	0.00			
TOTAL	464.20	472.69	8.49	3.75	0.50	-3.25

EXPENSES

MATERIALS, SUPPLIES, AND SERVICES

The table below displays the increase in materials, supplies, and services by fund. In FY26, the main increases are for contract services, such as the General Plan update initiative in the General Fund and the Jordanelle Special Services Contract in the Water Fund. Supplies, utilities, and bank fees also increased, mainly due to inflationary cost increases. Many of the Organizational Infrastructure requests are located here.

Materials, Services and Supplies Increase by Fund	
General Fund	\$ 192,748
Golf Fund	\$ 51,500
Water Fund	\$ 397,881
Stormwater Fund	\$ -
Transportation Fund	\$ -
Parking Fund	\$ (50,000)

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 FY25 and FY26 capital budgets, most project increases will be funded by sales tax revenues distributed to the capital fund via general fund transfer. In FY26, project managers primarily targeted core recurring and new maintenance expenses, with the ability to request 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; and
- 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 examined each project through the lens of essential criticality to City core services.

Capital Fund FY25

The chart below comprises Capital Fund projects with proposed increases and decreases for FY25. During this budget cycle, the Budget Department worked to reduce funding from projects that were either inactive or delayed. Thus, in some cases, budget decreases result from moving budget into future fiscal years. As always, the Budget Department works to utilize current funding for projects that are active or “ready to go.” In other cases, we are closing out projects.

Project	Carry Forward	Base FY 2025	Newly Requested FY 2025
CP0003 Old Town Stairs	\$100,562		(\$84,052)
CP0006 Pavement Management Implementation	\$1,090,502	\$1,180,000	\$175,408

EXPENSES

CP0009 Transit Rolling Stock Replacement	\$6,878,839	\$7,032,263	(\$531,304)
CP0019 Library Development & Donations	\$171,524		\$5,046
CP0020 City-wide Signs Phase I	\$24,093		(\$24,093)
CP0025 Bus Shelters Design and Capital Improvement	\$3,706,907	\$8,569,434	(\$74,552)
CP0041 Trails Master Plan Implementation	\$964,503	\$50,000	\$47,950
CP0091 Golf Maintenance Equipment Replacement	\$418,022	\$495,136	\$50,000
CP0092 Open Space Improvements		\$405,100	\$1,199,885
CP0108 Flagstaff Transit Transfer Fees	\$2,118,737		(\$552,925)
CP0118 Bus Stop Sign Technology	\$105,076	\$50,000	(\$5,629)
CP0150 Ice Facility Capital Replacement	\$901,920	\$866,000	\$27,092
CP0178 Rockport Water, Pipeline, and Storage	\$361,013	\$1,333,543	(\$300,000)
CP0203 China Bridge Event Parking	\$1,935,444	\$625,000	\$416,709
CP0250 Irrigation Controller Replacement	\$20,000		(\$20,000)
CP0264 Security Projects	\$67,566	\$40,000	(\$27,566)
CP0269 Environmental Revolving Loan Fund	\$58,882		(\$58,882)
CP0313 Transportation Grants/Plans/Policy Support	\$356,331		(\$106,331)
CP0316 Transit Facility Capital Renewal Account	\$1,888,474	\$230,000	\$1,600,000
CP0318 Bonanza Park/RMP Substation Mitigation	\$808,568	\$6,391,432	(\$122,452)
CP0323 Dog Park Improvements			\$124,000
CP0332 Library Technology Equipment Replacement	\$358,670		(\$53,000)
CP0333 Engineering Survey Monument Re-establish	\$35,000		(\$35,000)
CP0338 Council Chambers Advanced Technology	\$425,119		(\$200,000)
CP0339 City Wide Fiber	\$90,185	\$180,000	(\$135,185)
CP0385 Park Avenue Reconstruction		\$4,450,000	(\$4,298,334)
CP0439 Bonanza Multi-Modal and Street Improvements	\$300,000	\$300,000	\$20,000
CP0440 Bike Share Improvements	\$100,000		(\$100,000)
CP0527 Homestake Roadway & Trail Improvements	\$1,775,220	\$3,971,854	\$129,310
CP0535 Santy Chairs Replacement	\$19,760		(\$19,760)
CP0550 Bike & Pedestrian Plan	\$73,803		(\$65,514)
CP0559 Marsac Remodel	\$775,200	\$820,000	(\$800,000)
CP0576 Ability Way Reconstruction	\$619,195	\$100,000	\$456,843
CP0582 China Bridge Elevator Replacement	\$150,000	\$625,000	(\$232,213)
CP0583 Swede Alley Trash Compactors Replacement	\$4,125		(\$4,125)
CP0586 Housing Ongoing Asset Improvement	\$3,446,809		(\$1,559,834)
CP0588 Housing Program Public-Private Partnership	\$15,692,362	(\$10,000,000)	\$1,947,198
CP0589 Housing Programs	\$587,334		(\$587,334)
CP0596 Public Transit Bus Engine Replace	(\$186,875)	\$528,008	(\$214,181)
CP0598 PC MARC Aquatics Replacement	\$6,000,000	\$1,500,000	\$2,440,350
CP0600 Strategic Asset Analysis	\$150,000	\$150,000	(\$300,000)
CP0604 Backflow Prevention		\$100,000	(\$49,955)
CP0605 Transit Construction Design Program		\$150,000	(\$150,000)
CP0606 10-Wheeler Dump Truck		\$185,000	(\$50,000)
CP0615 Police Equipment Replacement Fund		\$157,525	\$8,000
CP0616 GRAMA Request Management Platform		\$8,800	(\$8,800)

EXPENSES

CP0752 Clark Ranch Frontage Road			\$50,000
----------------------------------	--	--	----------

Capital Fund FY26

The FY26 capital budget focuses on collaboration and coordination between the City Council, project managers, the Budget Team, and the CIP Committee. Over the last several months, managers shared plans, projects, and initiatives shaping the FY26 capital budget requests. We approached this year's capital budget through a semi-zero-based budget lens with a focus on intelligent resource allocation and efficiency. 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. The chart below lists the capital fund FY25 adjustments and new requests for FY26:

Project	Carry Forward	Base FY 2025	Newly Requested FY 2025	Base FY 2026	Newly Requested FY 2026
CP0001 Planning/Capital Analysis	\$68,177				
CP0002 Information System Enhancement/Upgrades	\$107,060	\$60,000		\$60,000	\$200,000
CP0003 Old Town Stairs	\$49,050		(\$49,050)		
CP0006 Pavement Management Implementation	\$1,090,502	\$1,180,000	\$175,408	\$1,250,000	
CP0017 ADA Implementation		\$25,000			
CP0019 Library Development & Donations	\$171,524		\$5,046		
CP0020 City-wide Signs Phase I	\$24,093		(\$24,093)		
CP0028 5-Year CIP Funding	\$5,073,395				
CP0036 Traffic Calming	\$131,719	\$150,000			\$150,000
CP0041 Trails Master Plan Implementation	\$964,503	\$50,000	\$47,950	\$50,000	
CP0074 Equipment Replacement - Rolling Stock	\$1,089,785	\$1,550,000		\$1,650,000	
CP0075 Equipment Replacement - Computer	(\$14,782)	\$349,000		\$299,000	\$250,000
CP0089 Public Art	\$408,310	\$50,000			\$50,000
CP0090 Friends of the Farm	\$20,536				
CP0092 Open Space Improvements		\$405,100	\$1,199,885	\$400,000	\$215,000
CP0142 PC MARC Program Equipment Replacement	\$260,104	\$65,000		\$65,000	
CP0146 Asset Management/Replacement Program	\$1,063,462	\$750,000		\$800,000	
CP0150 Ice Facility Capital Replacement	\$901,920	\$866,000	\$27,092	\$116,000	
CP0191 Walkability Maintenance	\$88,983	\$78,825		\$82,500	\$60,000
CP0203 China Bridge Event Parking	\$1,935,444	\$125,000	\$416,709	\$125,000	
CP0217 Emergency Management Program	\$27,778	\$15,000			

EXPENSES

CP0248 Middle Silver Creek Watershed	\$334,076				
CP0250 Irrigation Controller Replacement	\$20,000		(\$20,000)		
CP0251 Electronic Record Archiving	(\$44,773)	\$45,000		\$45,000	
CP0264 Security Projects	\$27,566		(\$27,566)		
CP0266 Prospector Drain - Regulatory Project	\$1,156,712				
CP0267 Soil Remediation	\$3,934,761				\$2,000,000
CP0269 Environmental Revolving Loan Fund	\$58,882		(\$58,882)		
CP0270 Downtown Enhancements Phase II	\$980,198	\$327,104		\$327,104	
CP0280 Aquatics Equipment Replacement	\$159,555	\$25,000		\$25,000	
CP0292 Cemetery Improvements	\$34,247				
CP0311 Senior Community Center	\$2,508,610		(\$2,508,610)		
CP0312 Fleet Management Software	\$46,454				
CP0318 Bonanza Park/RMP Substation Mitigation	\$808,568	\$6,391,432	(\$122,452)		
CP0323 Dog Park Improvements			\$124,000		
CP0324 Recreation Software	\$12,000				
CP0326 Website Remodel		\$20,000			\$35,000
CP0329 Main St. Infrastructure Asset Management	\$619,975	\$100,000		\$100,000	
CP0332 Library Technology Equipment Replacement	\$358,670		(\$53,000)		
CP0333 Engineering Survey Monument Re-establish	\$35,000		(\$35,000)		
CP0338 Council Chambers Advanced Technology Upgrades	\$425,119		(\$200,000)		
CP0339 City Wide Fiber	\$90,185	\$180,000	(\$135,185)	\$180,000	(\$90,000)
CP0340 Fleet Shop Equipment Replacement	\$50,432	\$15,000		\$15,000	
CP0352 Parks Irrigation System Efficiency Improvements	\$110,753	\$30,000		\$30,000	
CP0353 Remote snow storage site improvements	\$38,068				
CP0361 Land Acquisition/Banking Program	\$249,125				
CP0364 Master Plan for Recreation Amenities	\$550,162				
CP0375 LED Street Lights Phase I	(\$8,195)	\$20,000		\$30,000	
CP0378 Legal Software for Electronic Document Management	\$10,065	\$35,000		\$35,000	
CP0385 Park Avenue Reconstruction		\$4,450,000	(\$4,298,334)	\$883,303	
CP0386 Recreation Building in City Park		\$15,000,000			\$4,086,704
CP0401 Downtown Projects Plazas	\$839,902				
CP0402 Additional Downtown Projects	\$1,132,703				
CP0407 Bonanza Flats Open Space	\$250,000				

EXPENSES

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	\$115,335				
CP0430 Treasure Hill & Armstrong	\$381,248				
CP0431 Bubble Repair	\$23,750				
CP0432 Software Subscriptions & Licenses	\$107,311			\$45,000	
CP0447 EV Chargers	\$61,799				
CP0457 City AED Replacement and Maintenance	\$3,323	\$15,000		\$15,000	
CP0483 LED Upgrade Quinn's Fields	\$334,296				
CP0527 Homestake Roadway & Trail Improvements	\$1,775,220	\$3,971,854	\$129,310	\$3,550,000	(\$129,310)
CP0528 Munchkin & Woodbine Extn/Multi Trail Improvements					\$300,000
CP0531 Prospector Park Improvements	(\$4,030)	\$20,000			
CP0535 Santy Chairs Replacement	\$19,760		(\$19,760)		
CP0540 Snow Creek Crossing	\$4,329,583				
CP0559 Marsac Remodel	\$775,200	\$820,000	(\$800,000)		
CP0560 Forestry Plan	\$99,693				
CP0575 10th St Retaining Wall Reconstruction	\$135,665	\$25,000	(\$158,945)		
CP0576 Ability Way Reconstruction	\$619,195	\$100,000	\$456,843		
CP0577 Police Station Parking Lot	\$208,500	\$31,500			
CP0579 Guardrail Replacement	\$33,516	\$68,000		\$68,000	
CP0581 Street Sign Replacement Program	\$9,754	\$9,754		\$9,754	
CP0583 Swede Alley Trash Compactors Replacement	\$4,125		(\$4,125)		
CP0585 Facility Wireless Upgrades	\$147,998	\$170,000			
CP0586 Housing Ongoing Asset Improvement	\$3,446,809		(\$1,559,834)		
CP0587 Housing Program Asset Acquisition	\$4,068,259				
CP0588 Housing Program Public Private Partnerships	\$15,692,362	(\$10,000,000)	\$1,947,198		
CP0589 Housing Programs	\$587,334		(\$587,334)		
CP0598 PC MARC Aquatics Replacement	\$6,000,000	\$1,500,000	\$2,440,350		
CP0600 Strategic Asset Analysis	\$150,000	\$150,000	(\$300,000)		
CP0602 PC MARC Furnishings		\$60,000			
CP0603 Curb and Gutter Replacement		\$80,000		\$80,000	
CP0604 Backflow Prevention		\$100,000	(\$49,955)	\$100,000	(\$100,000)
CP0606 10-Wheeler Dump Truck		\$135,000			
CP0607 MARC Lighting System Replacement		\$50,000			
CP0609 Future Core Software		\$430,000		\$430,000	(\$430,000)

EXPENSES

CP0611 Misc 5-Acre Site Improvements		\$8,200,000			\$30,000,000
CP0612 Trees for City Lands		\$15,000			
CP0613 Email For All		\$140,000		\$140,000	
CP0614 Virtual Conference Room				\$50,000	
CP0615 Police Equipment Replacement Fund		\$157,525	\$8,000	\$117,525	\$95,000
CP0616 GRAMA Request Management Platform		\$8,800	(\$8,800)	\$8,800	(\$8,800)
CP0617 Library Building Improvements		\$25,000			\$10,000
CP0619 Emerging Community Development Projects		\$10,000,000			
CP0620 Silver King Mine Restoration		\$200,000			
CP0621 Interfund Transfer to Water Fund		\$1,000,000			
CP0721 PC Heights Area Trails					\$93,057
CP0722 Container for Outdoor Ice Rink					\$7,500
CP0726 Lobby Upgrades - Ice Arena					\$105,000
CP0727 PC MARC Front Desk Remodel					\$36,000
CP0728 MARC Gymnasium Renovation					\$80,000
CP0729 MARC Public Restroom & Locker Room Remodel					\$570,000
CP0730 Kearns Blvd Multipurpose Trail					\$300,000
CP0731 Sidewalk Snowplow					\$100,000
CP0737 Santy Stage ADA Access					\$28,000
CP0739 Library Furniture Replacement					\$20,000
CP0743 McLeod Creek Trail Improvements					\$260,005
CP0744 Quinn's Double Track Improvements					\$83,660
CP0746 Marsac Ave Plowing					\$60,000
CP0748 Chambers Ave Landscaping					\$60,000
CP0752 Clark Ranch Frontage Road			\$50,000		\$150,000
		FY25 Base + New	\$50,880,760	FY26 Base + New	\$49,828,802

Water Fund FY25 and FY26

In FY25 and FY26 a 4.5% water rate increase was approved by the City Council, along with rate adjustments for single-family and irrigation customers. To help offset the impact of rate adjustments and preserve the long-term financial health of the Water Fund, Public Utilities implemented targeted cost reductions in both operations and capital projects.

The Infrastructure Improvement capital project remains a top priority, addressing aging

EXPENSES

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. Construction of a three-phase project to replace the water main, fire line, and water services began on April 1, 2024. The project was strategically scheduled to align with the shoulder season, historically the quietest period for Main Street businesses. Final construction is underway and will be completed in the summer of 2025.

Project	Carry Forward	Base FY 2025	Newly Requested FY 2025	Base FY 2026	Newly Requested FY 2026
CP0007 Tunnel Maintenance	2,141,720	\$304,599		\$319,829	
CP0010 Water Department Service Equipment	\$198,900	\$136,528		\$139,989	
CP0040 Water Dept Infrastructure Improvement	\$3,324,492	\$2,000,000		\$2,000,000	(\$1,500,000)
CP0075 Equipment Replacement - Computer	\$100,001	\$117,000		\$117,000	\$50,000
CP0178 Rockport Water, Pipeline, and Storage	\$361,013	\$1,333,543		\$1,466,958	(\$300,000)
CP0276 Water Quality Study	\$142,075	\$50,000	(\$150,000)	\$50,000	
CP0301 Scada and Telemetry System Replacement	\$446,766	\$206,000		\$212,180	(\$150,000)
CP0304 Quinn's Water Treatment Plant Asset Replacement	\$1,087,811	\$245,625	(\$500,000)	\$252,994	
CP0312 Fleet Management Software	\$17,307				
CP0341 Regional Interconnect	\$75,012			\$2,500,000	(\$200,000)
CP0342 Meter Replacement	\$253,047	\$50,000		\$150,000	
CP0372 Regionalization Fee	\$200,000	\$200,000		\$200,000	
CP0389 MIW Treatment	\$9,500,698	\$260,000		\$270,400	
CP0418 JSSD Interconnection Improvements	\$147,495	\$180,000		\$180,000	(\$100,000)
CP0574 Landscaping Incentives		\$200,000		\$200,000	(\$200,000)
CP0002 Information System Enhancement/Upgrades					\$33,000
		FY25 Base + New	\$22,682,866	FY26 Base + New	\$5,909,350

Transportation Fund FY25 and FY26

The Transportation Fund continues to evolve as Park City focuses its transportation operations on the core of Park City. In FY26, we prioritize efficiency, sustainability, and social equity in our transportation system, ensuring that our services meet the growing

EXPENSES

demands of our community while reducing environmental impact. This budget adds funding to extend the 9 Purple route to Bonanza Flats on the weekends, providing free transit to access outdoor recreation. Additionally, Park City Transit, in partnership with our resorts, has continued to commit resources to provide express transit routes from Richardson Flat to Deer Valley and Park City Resorts during the winter ski season.

Transportation Sales Taxes and local and federal grants traditionally fund transportation capital projects. However, as operating expenses continue to rise, the Fund's capacity to execute capital projects with sales tax 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, except federally funded projects such as Rolling Stock Replacement, but instead focuses on maintaining, optimizing, and, in some cases, replacing existing infrastructure.

Project	Carry Forward	Base FY 2025	Newly Requested FY 2025	Base FY 2026	Newly Requested FY 2026
CP0009 Transit Rolling Stock Replacement	\$6,878,839	\$7,032,263	(\$531,304)		\$6,548,442
CP0025 Bus Shelters Design and Capital Improvements	\$3,706,907	\$8,569,434	(\$74,552)		
CP0075 Equipment Replacement - Computer		\$30,000		\$30,000	
CP0108 Flagstaff Transit Transfer Fees	\$2,118,737		(\$552,925)		
CP0118 Bus Stop Sign Technology	\$105,076	\$50,000	(\$5,629)		
CP0313 Transportation Grants/Plans/Policy Support	\$356,331		(\$106,331)		
CP0316 Transit Facility Capital Renewal Account	\$1,888,474	\$230,000	\$1,600,000	\$230,000	
CP0381 Transit and Transportation Land Acquisition	\$2,400,000				
CP0382 Transit Security Cameras & Software	\$88,458	\$36,542			
CP0411 SR248/US 40 Park & Ride Program	\$6,458,287	\$3,516,455			
CP0420 Enhanced Bus Stops at Fresh Market and Park Ave	\$372,082				\$159,860
CP0432 Software Subscriptions & Licenses	\$4,620				
CP0439 Bonanza Multi-Modal and Street Improvements	\$300,000	\$300,000	\$20,000		(\$100,000)
CP0440 Bike Share Improvements	\$100,000		(\$100,000)		
CP0441 Transportation Demand Management Program	\$553,368				
CP0465 SR248 Corridor & Safety Improvement	\$3,004,404				
CP0469 Deer Valley Drive Bike & Pedestrian	\$550,000				
CP0478 Bike/Ped Improvements in Thayne's	\$159,784	\$2,460,000			

EXPENSES

CP0536 Bonanza District Bus Stops	\$2,700,000	\$130,000			
CP0540 Snow Creek Crossing	\$6,891,593	\$195,602			
CP0546 Old Town Complete Street Improvements				\$1,000,000	
CP0550 Bike & Pedestrian Plan	\$73,803		(\$65,514)		
CP0565 Park City Parking Needs Assessment					
CP0591 Transit Operations Radios Upgrade	\$100,762				
CP0592 CAD/AVL Replacement	\$1,000,000	\$200,000			\$180,000
CP0596 Public Transit Bus Engine Replacement	(\$186,875)	\$528,008	(\$214,181)		
CP0605 Transit Construction Design Program		\$150,000	(\$150,000)	\$150,000	(\$150,000)
CP0608 SR224 Roundabout Transit Priority Design		\$300,000			
CP0725 Empire Transit Trailheads & Bus Shelter					\$350,000
CP0731 Sidewalk Snowplow					\$85,000
CP0743 McLeod Creek Trail Improvements					\$308,935
CP0751 Richardson Flat Restrooms					\$80,000
		FY25 Base + New	\$23,547,868	FY26 Base + New	\$8,972,237

Lower Park Avenue RDA FY25 and FY26

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 FY25 and FY26 remains the Senior Community Center at \$3.5 million. 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 2025	Newly Requested FY 2025	Base FY 2026	Newly Requested FY 2026
CP0003 Old Town Stairs	\$23,853		(\$14,093)		
CP0005 City Park Improvements	\$228,880	\$100,000		\$100,000	
CP0089 Public Art	\$37,749				
CP0167 Skate Park Repairs	\$19,749	\$5,000		\$5,000	
CP0264 Security Projects	\$40,000	\$40,000		\$40,000	
CP0385 Park Avenue Reconstruction				\$2,666,697	(\$2,666,697)
CP0311 Senior Community Center	\$991,390		\$2,508,610		

EXPENSES

CP0386 Recreation Building in City Park	\$231,259				
CP0575 10th St Retaining Wall Reconstruction			\$158,945		\$55,000
		FY24 Base + New	\$4,371,343	FY25 Base + New	\$200,000

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 Figures E1 and E2. The [Utah Constitution](#) states that direct debt issued by a municipal corporation should not exceed 4% of the assessed valuation. Park City has a more stringent policy of 2% of assessed valuation.

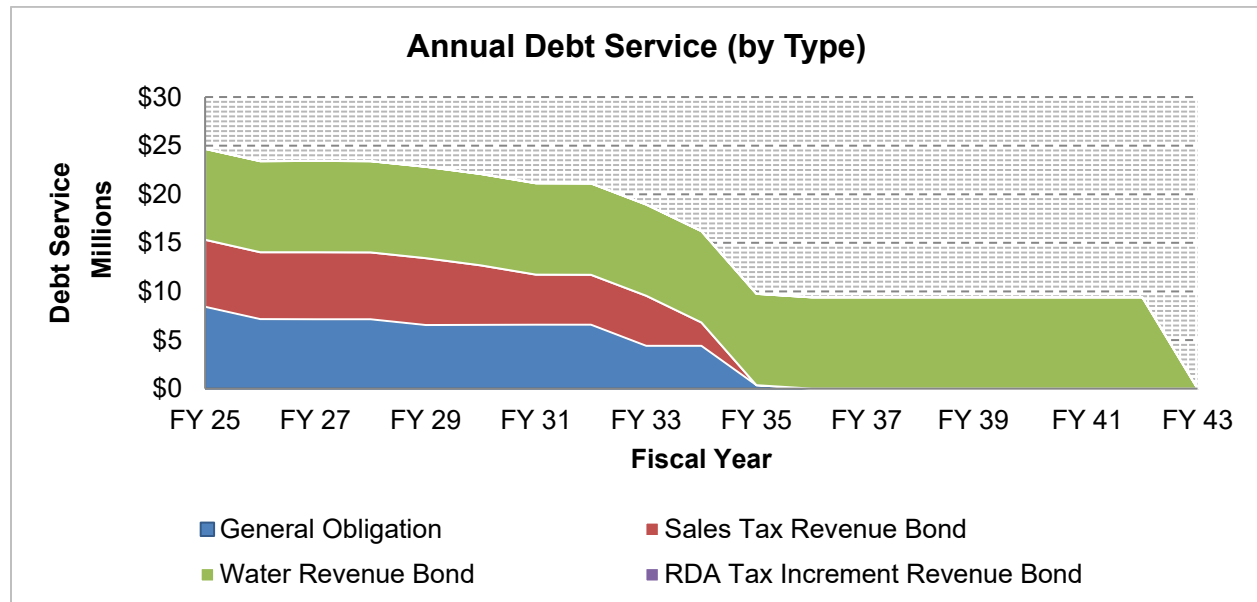


FIGURE E1 – LONG-TERM DEBT

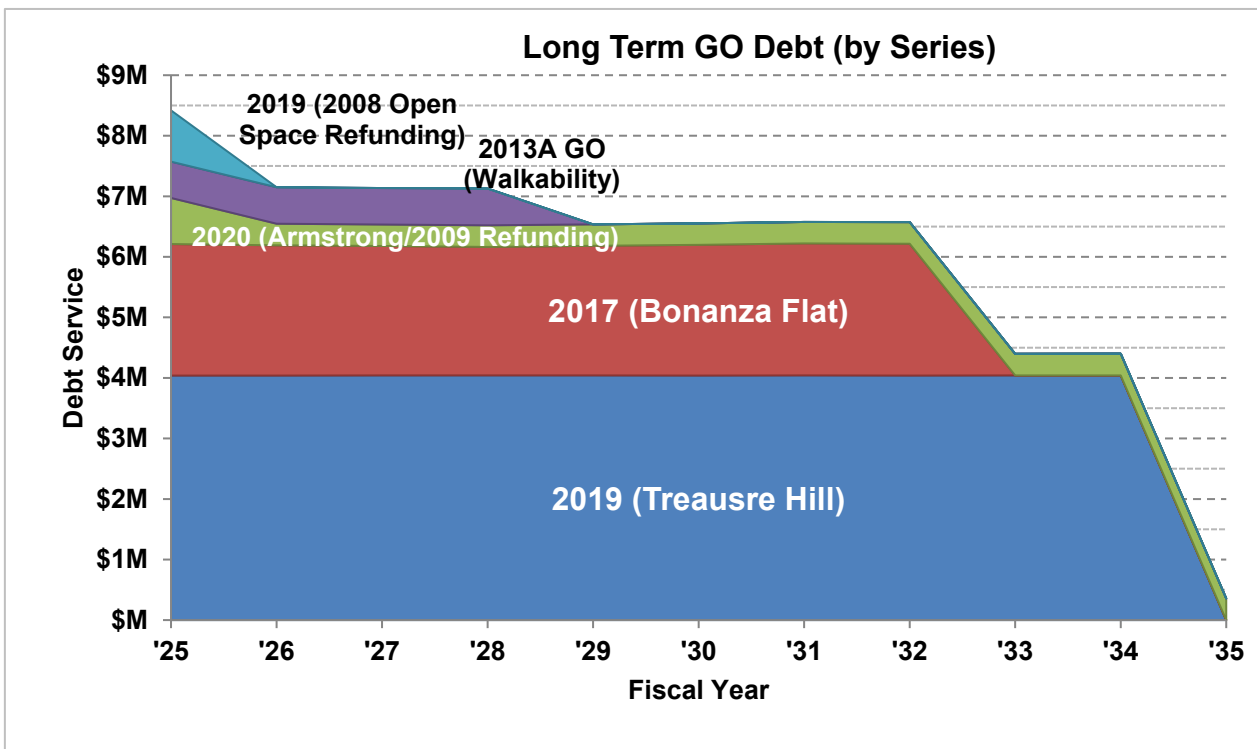


FIGURE E2 LONG-TERM GO DEBT BY PHASE

EXPENSES

Figure E3 details the funding sources for debt service payments in FY26. General Obligation Bonds have property tax as a dedicated repayment source, while Water Bonds generally have water service fees as a dedicated revenue source. Property tax increments back RDA Bonds. 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.

FY 2026 Debt Service Sources

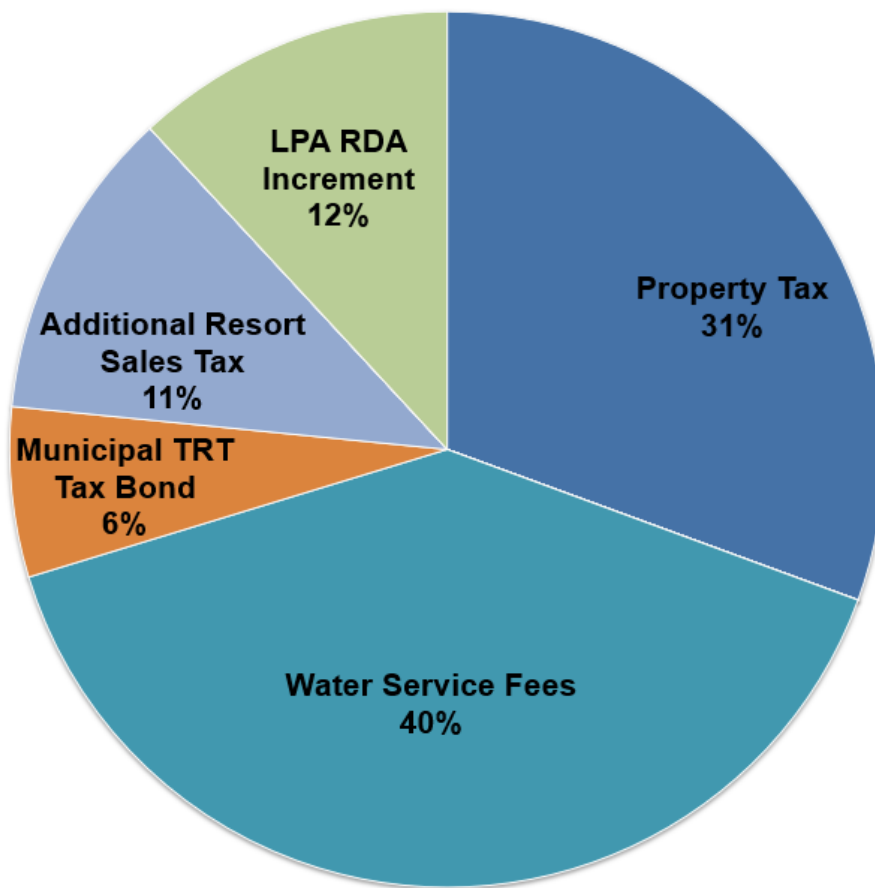


FIGURE E3 – DEBT FUNDING SOURCES

POLICIES & OBJECTIVES - TABLE OF CONTENTS

CHAPTER 1 - BUDGET POLICY

PART I - BUDGET ORGANIZATION	51
PART II - OPERATING CONTINGENCY ACCOUNTS	52
PART III - RECESSION/NET REVENUE SHORTFALL PLAN	54
PART IV - BUDGET MONITORING	56

CHAPTER 2 - REVENUE MANAGEMENT

PART I - GENERAL REVENUE MANAGEMENT	58
PART II - ENTERPRISE FUND FEES AND RATES	58
PART III - INVESTMENTS	58
PART IV - COMPREHENSIVE FINANCIAL MANAGEMENT PLAN	62
PART V - RESERVES	63
PART VI - GASB 54 FUND BALANCE	65

CHAPTER 3 - DEBT MANAGEMENT AND COMPLIANCE

PART I - DEBT MANAGEMENT	68
PART II - POST ISSUANCE COMPLIANCE	68

CHAPTER 4 - CAPITAL IMPROVEMENTS

PART I - CAPITAL IMPROVEMENT MANAGEMENT	74
PART II - CAPITAL FINANCING AND DEBT MANAGEMENT	74
PART III - ASSET MANAGEMENT POLICY	75

CHAPTER 5 - INTERNAL SERVICE POLICY

PART I - HUMAN RESOURCE MANAGEMENT	77
------------------------------------	----

CHAPTER 6 - PUBLIC SERVICE CONTRACTS, GRANT POLICIES, AND INCENTIVE PROGRAMS

PART I - PUBLIC SERVICE FUND	79
PART II - GRANT POLICY	82
PART III - ECONOMIC DEVELOPMENT GRANT POLICY	83
PART IV - LIVE PARK CITY LITE DEED PROGRAM	86
PART V - LANDSCAPING INCENTIVE	86

CHAPTER 7 - OTHER POLICIES

PART I - SETTLEMENT AUTHORITY	88
-------------------------------	----

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:
 - a. the output of program activities
 - b. the accomplishment of program objectives
 - c. the expenditure of program appropriations
- B.** All requests for increased funding or enhanced levels of service should be considered together during the budget process, rather than in isolation. 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 Balance; ensuring basic service levels are predictable and cost effective. A balance should be maintained between the services provided and the local economy's ability to pay.

POLICIES & OBJECTIVES

- F.** The city will strive to improve productivity, though not by the single-minded pursuit of cost savings. The concept of productivity should emphasize the importance of quantity and quality of output as well as quantity of resource input.
- 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 existing LOS
 - iv. Large-scale mechanical or equipment failure requiring immediate replacement

POLICIES & OBJECTIVES

- 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 the 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 minor 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

POLICIES & OBJECTIVES

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.

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 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 ensure that revenues are calculated adequately to provide an appropriate level of city services.

POLICIES & OBJECTIVES

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 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% to 5%. The actions associated with this phase would best be described as delaying expenditures when reasonably possible, while maintaining the "Same Level" of service. Each department will be responsible for monitoring its 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 that 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 actions 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 maintaining the same level of service where possible;
 - f. Reprioritizing capital projects with the intent to de-obligate non-critical capital projects; and
 - 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 in 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.

POLICIES & OBJECTIVES

- d. Hiring to fill vacant positions only with special justification and authorization.
- e. Identifying expenditures that would result in a 10% cut to departmental operating budgets while trying to minimize service level impacts where possible.
- f. Eliminate access to contingency funds.
- 4. Level 4 - MAJOR:** A reduction in projected revenues of 30% to 50%.
Implementation of major service cuts.
 - a. Instituting a hiring freeze.
 - b. Reducing the Part-time Non-Benefited and Seasonal work force.
 - c. Deferring merit wage increases.
 - d. Further reducing capital expenditures.
 - e. Preparing a strategy for reduction in force.
- 5. Level 5 - CRISIS:** A reduction in projected revenues in excess of 50%.
 - a. Implementing reduction in force or other personnel cost-reduction strategies.
 - b. Eliminating programs.
 - c. Deferring indefinitely capital improvements.
- C.** If an economic uncertainty is expected to last for consecutive years, the cumulative effect of the projected reduction in reserves will be used for determining the appropriate phase and corresponding actions.

PART 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

POLICIES & OBJECTIVES

monitoring software and clarify any other general questions regarding the budget and the budget process. The goal is to make the managers aware of all the tools they need and how to use them.

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 achieves 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.

POLICIES & OBJECTIVES

B. Scope

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

C. Prudence

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

The standard of prudence to be used by the Treasurer shall be applied in the context of managing an overall portfolio. The Treasurer, acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided 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

POLICIES & OBJECTIVES

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 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

POLICIES & OBJECTIVES

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.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement process), and how often the securities are 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 accept 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

POLICIES & OBJECTIVES

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 the City Council with quarterly investment reports that provide a clear picture of the status of the investment portfolio. The quarterly reports should contain the following:

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

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

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

The City intends to develop a strategy for fiscal independence to allow it to identify and resolve financial problems before rather than after they occur. The proposed outline for this plan is below.

A. Scope of Plan

1. 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

POLICIES & OBJECTIVES

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

C. Findings, Conclusions, and Recommendations

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

PART 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:

POLICIES & OBJECTIVES

- a. to provide working capital to finance expenditures from the beginning of the budget year until other revenue sources are collected;
- b. to provide resources to meet emergency expenditures in the event of fire, flood, earthquake, etc.; and
- c. 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% 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 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.

POLICIES & OBJECTIVES

Reserves will provide a measure of financial flexibility to react to budget shortfalls in a timely manner and 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.

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.

POLICIES & OBJECTIVES

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 the restricted fund balance be spent first when expenditure is incurred for which both restricted and unrestricted fund balances are available. Similarly, when expenditure is incurred for purposes for which amounts in 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

POLICIES & OBJECTIVES

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 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.

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 the assessed valuation.
- C. An internal feasibility analysis will be prepared for each long-term financing activity, analyzing its impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.
- D. The city will generally conduct financing on a competitive basis. However, negotiated financing may be used due to market volatility or the use of an unusual or complex financing or security structure.
- E. The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and credit enhancements, such as letters of credit or insurance, when necessary for marketing purposes, availability, and cost-effectiveness.
- F. The city will annually monitor all forms of debt, coincident with the City's budget preparation and review process, and report concerns and remedies, if needed, to the Council.
- G. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.
- H. The City will maintain good communications with bond rating agencies regarding its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus.

PART II – Post-Issuance Compliance Procedure and Policy for Tax-exempt 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

POLICIES & OBJECTIVES

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

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

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

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

POLICIES & OBJECTIVES

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

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

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

POLICIES & OBJECTIVES

- 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.
- (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

POLICIES & OBJECTIVES

bond-financed facilities that arise subsequent to the date of issue through leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons and copies of any such agreements or instruments; (xiii) arbitrage rebate reports and records of rebate and yield reduction payments; (xiv) resolutions or other actions taken by the governing body subsequent to the date of issue with respect to such bonds; (xv) formal elections authorized by the Code or Treasury Regulations that are taken with respect to such bonds; (xvi) relevant correspondence relating to such bonds; (xvii) documents related to guaranteed investment contracts or certificates of deposit entered into subsequent to the date of issue; (xviii) copies of all Form 8038-Ts, 8038-CPs and Form 8038-Rs filed with the IRS; and (xix) the transcript prepared with respect to such tax-exempt governmental bonds.

The records collected by the Finance Manager shall be stored in any format deemed appropriate by the Finance Manager and shall be retained 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

POLICIES & OBJECTIVES

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 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.

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:

POLICIES & OBJECTIVES

1. When the project's useful life will exceed the term of the financing.
 2. When project revenues or specific resources will be sufficient to service the long-term debt.
- B.** 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.

POLICIES & OBJECTIVES

The fund should be sufficient to ensure that assets are effectively and efficiently supporting the operations and objectives of the City. The Asset Management Plan is an integral part of the City's long-term plan to replace and renew the City's primary assets in a fiscally responsible manner.

Goals of the Program:

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

B. Management

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

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

C. Accessing Funds

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

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

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

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 workforce 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 workforce. 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 workforce 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

POLICIES & OBJECTIVES

employees. The city will encourage the use of Part-time Non-Benefited and Seasonal employees to meet peak workload requirements, fill interim vacancies, and accomplish tasks where less than regular, year-round staffing is required.

- G.** Contract employees will be defined as temporary employees with written contracts and may receive approved benefits depending on hourly requirements and length of contract. Generally, contract employees will be used for medium-term projects (generally between six months and two years), programs, or activities requiring specialized or augmented levels of staffing for a specific period. 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.

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

PART I - PUBLIC SERVICE FUND (AMENDED 2024)

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.
 - Public Service Contract applicants may also apply under the 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. Public 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

POLICIES & OBJECTIVES

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

B. 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 Public 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 the criteria listed in this policy, in particular criterion 1-4. Awards are limited to 1-

POLICIES & OBJECTIVES

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

POLICIES & OBJECTIVES

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 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

POLICIES & OBJECTIVES

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 (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.

POLICIES & OBJECTIVES

- 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.

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

POLICIES & OBJECTIVES

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 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.

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 30th)

2Q – Second Friday in November for the end of the Second Quarter (Dec. 31st)

3Q – Second Friday in February for the end of the Third Quarter (March 31st)

4Q – Second Friday in May for the end of the Fourth Quarter (June 30th)

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 Public Service Contract and ongoing Rent Contribution and Historic Preservation process.

POLICIES & OBJECTIVES

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 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 are less than \$200,000. If the home funds in an application exceed \$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

POLICIES & OBJECTIVES

established by the Public Utilities Department and awarded by the Public Utilities Department. Disbursements under this program shall not exceed \$50,000.

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 the 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

Accounts for the accumulation of money for the repayment of 2013A, 2019, and 2020 General Obligation Bonds. The principal source of revenue is property tax.

Sales Tax Revenue Debt Service Fund

Accounts for the accumulation of money for the repayment of 2014B, 2015, 2017, and 2019 Sales Tax Revenue and Refunding Bonds.

Redevelopment Agency Debt Service Fund

SUPPLEMENTAL

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

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 prioritization.