PARK CITY
1884

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MAY 4, 2000

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, May 4, 2000.

Work Session - City Council Chambers - Lower Level

3:40 p.m.	Council questions and comments
4:00 p.m.	Customer service award
4:15 p.m.	Budget overview
5:15 p.m.	Review of regular meeting Golf fees Other meeting questions/comments
5:45 p.m.	Break

Regular Meeting - City Council Chambers - Lower Level

I ROLL CALL

II PUBLIC INPUT

III COMMUNICATIONS FROM COUNCIL AND STAFF

IV WORK SESSION NOTES AND MINUTES OF THE MEETING OF APRIL 13, 2000

VI CONSENT AGENDA

1. Authorization of payment of $30,874 to claimant for damages resulting from a water line break and authorization to legal staff to pursue reimbursement of the full amount from Geneva Rock and/or its insurer Royal & Sun Alliance, including the filing of a civil lawsuit as necessary

2. Resolution declaring Park City's opposition to any congressional action which would extend or expand the internet tax moratorium and establishing Park City's support for enacting model sales tax simplification enabling legislation

VII NEW BUSINESS

Resolution adopting revised golf fees and repealing and replacing Resolution No. 36-99 in its entirety for Leisure Services including Racquet Club, Golf, Library, Cemetery, Parks and City Facilities for Park City, Utah

VIII ADJOURNMENT

Posted: 05/01/00
See parkcity2002.org

PARK CITY 1884

PARK CITY WORK SESSION NOTES
SUMMIT COUNTY, UTAH
MAY 4, 2000

Present: **Mayor Brad Olch; Council members Peg Bodell, Candace Erickson, Roger Harlan, Shauna Kerr; and Fred Jones**

Toby Ross, City Manager; Tom Bakaly, Director of Capital Management and Budget; Tom Bakaly, and Craig Sanchez, Director of Golf

George Hull, Chairman of the Parks and Recreation Board

1. **Council questions and comments.** Roger Harlan expressed his strong concern on the lack of progress of the Golf Course Hotel. Shauna Kerr reported that she welcomed the Utah National Guard Conference and described Attorney General Jan Graham's new website. She reported that the month of May is Senior Citizens Month. As the senior citizen liaison, Peg Bodell suggested that outdoor tables and chairs be provided and felt that the group would appreciated programs. The dungeon luncheons was also a suggestion, but the steep stairs may be a problem for some of the seniors. Ms. Kerr added that the Garden Club intends to landscape the yard and understood that they didn't want to sit outside. Ms. Bodell stated that the seniors should be involved in deciding what project they would prefer. There was discussion about youth groups, the Historical Society, and the Rotary Club being involved in various senior citizen center projects. Ms. Kerr pointed out that the City golf tournaments have been changed to from Fridays to Thursdays and urged Council to consider participation. She added that the National Day of Prayer service was hosted by the Ecumenical Council at the Hampton Inn this morning.

Fred Jones requested an update on plans for the Mike Hale and UP&L sites. He reported on the interagency task force meeting where the census, monthly updates, legislation and a joint dinner were discussed. The Olympic steering committee meets weekly and is formulating a mission statement. He, Council member Erickson, and staff will be meeting with the Summit County Commissioners next week to discuss water. He pointed out a common error, which appeared in the *Park Record* regarding the budget. *Even without a tax increase, the City's property tax revenues rose in the 90s due to upward reassessment of Park City property values by the Summit County Assessor's Office*. Since this is a false statement, there should be a correction printed in the paper. Tom Bakaly understood that the paper has already been advised and explained that property taxes decrease to compensate for increased assessed value, resulting in neutral property tax revenue. However, new growth and/or construction results in a benefit. Discussion ensued about fluctuations in property tax assessments when adjustments are made through reappraisals which are conducted in different neighborhoods from time to time by the County. A date for the City Manager's annual evaluation was discussed.

Peg Bodell reported that the Glenwood Cemetery clean-up will be held May 20 and May 27 at 10 a.m. She suggested integrating installation of bike racks throughout town in conjunction the City's transportation plan. There may be incentive programs for merchants for racks or a *bike check-in* program. She is still gathering information on the fees being charged to the mobile clinic and may be bringing back a fee waiver for Council consideration. She thanked everyone for their kind thoughts when her father passed away last week. Candy Erickson reported on the Summit County Board of Health meeting and her concern about the cut in funding for immunization services in Park City; the ambulance contract was also discussed. She added that she received an e-mail from a resident opposed to the City's news rack program and views it as a luxury. There was discussion about cars parking on SR224 to use the trail near Old Ranch Road. The Mayor pointed out his concern about cars for sale on the highway. Discussion resumed on parking for the McPolin Farm and trails and Ms. Kerr pointed out that providing paved parking by the Farm won't necessarily stop people from parking on the highway for the trail. The random parking along the highway may not be the best thing, but paving a lot may conflict with the City's entry statement. Ms. Bodell agreed and added that someone suggested to her that the old sewer site be a trail head with parking.

Fred Jones reported that he attended the EPA meeting on Tuesday dealing with the Silver Creek water shed study where three soils subgroups were formed to look at Prospector, other areas of the City including Old Town, and Flagstaff.

2. **Customer service award.** Shauna Kerr announced that Nick Calas is the winner of the quarterly award and read the nomination letter which focused on his pride in his work.

3. **Budget overview.** Tom Bakaly explained that this is the midpoint through the two-year budget; the fiscal year begins July 1 and ends June 30. He referred to Attachment A which outlines recommended changes to the budget plan and reviewed the meeting schedule, included in the staff report. There is a budget option review committee who makes recommendations on new requests as well as recommendations on departmental reductions. The group consists of senior and mid-managers from each department and the process has worked well. There will be a public hearing on May 18 and the Council will adopt a tentative budget on June 1 for changes to the current year as well as the upcoming year. This budget will be available to the public for ten days prior to the final adoption of the budget which is scheduled for June 15 if it is a *no increase* budget. If property taxes are increased, a notice would be rendered to all property taxpayers and a Truth and Taxation hearing would be held in August.

Mr. Bakaly referred to a graph identified as Attachment B regarding the General Fund in the staff report. The General Fund is one of the City's largest funds and covers departmental services, personnel and programs and is funded primarily with property tax, sales tax, and building and planning fees. In 1994 revenues equaled expenses and this revenue trend continued for the next couple of years and was fueled by new growth as well as sales tax growth. In 1999, revenues and expenditures began to level and it is anticipated that this trend will continue as building and planning fees will probably decrease. Also in FY 2001-2002, it is believed that sales tax will decrease the year of the Olympics. In response to a question from Ms. Bodell, Tom Bakaly explained that population is not factored-in but increased expenditures are projected. There is a gap in the FY 2000-2001 which has been balanced with the City's reserves. It has been the goal of the Council to maintain a reserve of 18%; it is currently at about 12%, and the upcoming budget contemplates reducing the 12% contingency by $400,000. There is typically an operating contingency budgeted on the expense side of approximately $500,000 but the budget for 2001 does not include that amount. In the past, the City has not had to draw down on the contingency due to a strong performance of sales and property taxes, and good departmental budget practices. Although this is the recommendation this year, staff believes that some sort of contingency will be needed for operations in the future. The 18% reserve is capped by the state and represents about $2.4 million in the General Fund; there is about a $1.6 million currently. The $500,000 reserve is a separate program. Mr. Bakaly explained that the contingency fund would be used if for instance, a low snow year resulted in dramatically decreased sales tax revenues.

Fred Jones asked how the contingency dropped from 18% to 12%. Mr. Bakaly stated that over the years it has been at 18% and there was a large balance in the General Fund. Of $5 million about $3 million was transferred into the Capital Improvement Fund due to pressure from the State Auditors Office to get the balance under 18%. To be on the conservative side, staff transferred more than needed. Those funds could be moved back to recover the 18%, which is not recommended. There may be a slight increase this year which would increase the contingency to 16%. Toby Ross interjected that the cap is set at 18% because the legislature philosophically believes that if it is higher, the municipality is assessing higher taxes than needed. This cap works in most instances, however, most cities are not as dependent on the annual snowfall. Tom Bakaly continued that next week Council will be reviewing options to balance the budget without decreasing the 12% contingency. In preparation of that, the staff report contains information on property taxes. In 1993, the tax rate dropped significantly and almost in half; in 1999, the rate increased slightly due to the general obligation bonds for open space. During the same period when the tax rate decreased to keep revenues neutral, except for new growth, the consumer price index increased in the Wasatch Front by 21%. Mr. Bakaly pointed out that this translates into a reduction in purchasing power as it relates to one of the City's largest revenue sources, property taxes.

He also pointed out the impact on the risk management fund due to the significant increase in the limits relating to liability claims approved by the legislature last session; implementation occurs in another year. The General Fund currently contributes to the self-insurance fund. Cities requested an additional revenue source alternative which wasn't entertained since state law allows cities to increase the tax rate to raise about $200,000 to $250,000 to cover this requirement. Fred Jones suggested the City look at an umbrella policy. Mr. Bakaly noted that there is some excess liability coverage that could be considered. Mr. Ross added that the City's current excess liability would cover these limits, but it doesn't change added exposure. Mr. Bakaly explained that in order to generate $250,000 per $100,000 assessed valuation, primary residences would pay an increase of $11.

The total funds for the original budget for 2000 was $79,791,000 adjusted to $105,819,912 which is somewhat misleading as it includes interfund transfers. That is taken out along with the ending balance and the majority of the ending balance is related to capital projects where funds have been appropriated from prior years and have been carried forward. Therefore, the original budget for 2000 was $52,648,284 adjusted to $69,226,045 for the current year. This is larger than the typical budget of about $32 million because of the $10 million open space bond and the transit center project. The current year budget needs to be adjusted to reflect unspent carry-forward money in the capital program which amounts to $19 million. There are new appropriations and changes of about $7 million in the capital program. Mr. Bakaly discussed transfers in departmental budgets. The debt service fund shows the transfers of funds relating to RDA bonds for lower Park Avenue and MBA bonds. In response to a question from Roger Harlan, Mr. Bakaly stated that he feels comfortable with projecting $7 million in sales tax for 2001, but believes the trend will be level in the upcoming years. It is anticipated that building and planning fees will go down next year. There is a modest increase projection in property taxes of $50,000 next year, which is not nearly the new growth demonstrated in the past, where the last four years represented $250,000 a year in additional revenue relating to new construction. He pointed out the $7 million decrease in the capital improvements plan as $6 million was not spent on acquiring open space, moving funds from 2000 to 2001. There is a $200,000 storm water runoff project identified for upper Park Avenue which will cover design and engineering services, however, there are no funds currently budgeted for completion of the work. He also discussed the transfer of funds from City Park to the golf course which is discussed below. Fred Jones asked that the property tax be broken out and felt that the tables are difficult to interpret because of all of the fund transfers. He requested that it be simplified so that the operating budget is clearer.

3. Review of regular meeting.

Golf fees. Craig Sanchez explained that since Council's last discussion on golf fees, staff has reviewed past and current operations, evaluated expenses against industry standards, evaluated the revenue structure, looked at the mix of play, and projected an operating budget based on alternatives. Tom Bakaly explained that consultant Karen Wixtrum collaborated with staff on a study which relates to a remedy of the trend of negative cash flows in 1998, 1999 and the one projected for 2000. In addition to fee increases, staff is recommending a loan from the City Park capital improvement budget. The study assumes that the course should operate without losses after 2000, a loan will be needed for this fiscal year only, and expenses need to be brought in line with operating ratios experienced in earlier years. Personnel expenses should be set at a percentage of revenues and 35% is a good target with industry norms. Alternatives include doing nothing, which would probably result in a negative cash balance which is not permitted by state law for an enterprise fund. Other options include increasing rates, changing the mix of play, and cutting expenses. Mr.

Bakaly continued that expenses are a disproportionate share of revenues and personnel has increased from 35% to 55% of revenues and materials and supplies have also increased and are high. Staff is conservatively predicting to be in the pro shop by the 2002. To meet recommended ratios, personnel, materials and supplies should be budged in the $90,000 range. The loan could be reduced to $100,000 rather than $200,000, if expenses decrease but if that is not the case, the $200,000 amount will be needed. This presentation was given to the golf committee and Parks and Recreation Board. The Parks and Recreation Board wanted assurances that the loan would be paid within two years as projected in the analysis. It is anticipated that cuts would be made in personnel costs, materials and supplies, and deferring capital projects for a few years.

Craig Sanchez explained that the goal for the mix of play is 40% resident, 15% pass play, 33% non-resident, and 12% lodging. Last year, the combination of resident and pass play totaled 63%, non-resident 33%, and lodging 12%. The resident and pass play should be kept at about 55%. Last year, the average cost of a round to a pass holder was about $11.35 and it is the goal for the average round to amount to $15. Non-resident fees are proposed to be raised from $33 to $35. The lodging and tournament play represents 60% more revenue than resident and pass play. It is projected that in 2003, the hotel construction will be complete and the golf course whole, to justify further fee adjustments. Mr. Sanchez compared Park City fees with other resort and local courses. A round for a resident with a cart is $38 while other municipally-owned courses ranged from $33 to $72. Of these courses, the only course that sells season passes is Salt Lake City who grandfathered that option about five years. A regular season pass is $500, senior $400, plus a $2 per nine hole user fee. He continued that the golf course sold 145 season passes last year; 16 junior, 53 senior, and the balance were regular season pass holders. On average, there was a 50% price reduction on play at $11.35. Increasing pass rates to $750 would offer a reasonable reduction to green fees; junior passes would only be increased to $30 to $330.

Tom Bakaly explained that it is anticipated to repay the loan within two years and reiterated that the plan is to maintain the percentage of expenses within industry norms. Staff believes that the City's fees are low compared with other courses, especially in resort areas and the fees need to be competitive. Many of the impacts to revenues have been related in the delay in the construction of the hotel along with the mix of play. It is recommended that Council approve the resolution at the regular meeting where the resident fee for 18 holes is $25, and $35 for non-residents. A season pass for residents would be increased from $300 to $750 and $330 would be offered for juniors. If is recommended that per round fees be credited to residents who paid $20 per round during the interim period toward the purchase of a season pass. Peg Bodell suggested crediting 50% of what was spent which was not supported by Council. She complimented staff on keeping consulting fees down, and suggested that this method be used as a model in the future. Tom Bakaly explained that this was a collaborative effort which worked well. Since $15 is the target for season passes, Ms. Erickson asked if seniors could have a discounted rate of $15. Mr. Sanchez responded that it could be accomplished with a punch pass, but some seniors already have ten to fifteen rounds in this year. He felt that seniors will still purchase the $750 season pass, however, it may be desirable to have a punch pass as an additional option. Tom Bakaly pointed out that the punch pass is not currently in the resolution but could be added. In response to a question from Ms. Kerr about limiting season pass play to mid-week, Mr. Sanchez explained that typically the senior pass holder plays Monday through Friday and occasionally on the weekends; the regular pass holder plays mostly evenings, mornings, and weekends. A mid-week pass would discriminate against those who can't play during the mid-week. Tom Bakaly added that staff avoided considering limitations because it was difficult to quantify exactly what the impact would be on mix.

George Hull, Parks and Recreation Board Chairman, stated that the board supports the fee increases recommended by management. He emphasized that the group views the golf course and City Park as crown jewels of the community and both are under its purview. If there is to be a transfer of funds from one fund to another, there should be a guarantee as the park should not be threatened by problems that have occurred with the golf course fund. He added that initially there was strong resistance regarding the loan by the board, particularly without an iron-clad assurance. Ms. Kerr suggested that the funds be transferred from the City Park fund now since the park improvements aren't scheduled this year and the funds are in place. The funds could be used in the interim and an adequate transfer could be made from the contingency fund to the park fund, if necessary, to make it whole during the construction phase and the golf course could then pay back the contingency. Mr. Hull suggested that the transfer from the contingency occur this year to simplify the plan. Ms. Kerr questioned if having the money sit in the capital improvements fund is accomplishing a public purpose. Mr. Hull deferred that decision to the Council but explained that the philosophical concern is that City Park funding is fragile and there may be a time that the funds are needed for health and safety projects. Ms. Kerr stated that she understands his concern, but doesn't want to tie the hands of future councils and Mr. Hull felt that the board would support that position, but suggested that there may be other sources of funding for the golf course. The board's support of this was an absolute guarantee that the money would return to park projects. The Mayor expressed that he appreciates the concerns of the board, but felt Council would approve the transfer. Tom Bakaly explained that the transfer would not occur until the budget is formally adopted by the City Council; capital projects will be discussed on May 18. Roger Harlan stated that he attended the Parks and Recreation Board meeting where the transfer was discussed and the concern is that the majority of users of the park are youth who can not vote and that is an easy group to target. Fred Jones noted that he appreciates the Parks and Recreation Board protecting its funds, but is comfortable with this arrangement at this point as the board oversees both activities which provides incentive to pay attention to golf course operations and the responsibility is where it belongs. The study on golf course revenues and expenditures is good work and he believes that if the recommendations are followed, the golf course fund will be healthy again and the parks fund will be paid back.

See regular meeting minutes.

Prepared by Janet M. Scott

PARK CITY 1884

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MAY 4, 2000

I ROLL CALL

Mayor Brad Olch called the regular meeting of the City Council to order at approximately 6:10 p.m. at the Marsac Municipal Building on Thursday, May 4, 2000. Members in attendance were Brad Olch, Peg Bodell, Candace Erickson, Roger Harlan, Fred Jones, and Shauna Kerr. Staff present were Toby Ross, City Manager; Mark Harrington, City Attorney; Eric DeHaan, City Engineer; Craig Sanchez, Director of Golf; and Tom Bakaly, Director of Capital Management and Budget.

II PUBLIC INPUT

The Mayor invited the public to comment on any matter of City business not scheduled on the agenda.

Park Avenue improvements - UPAPA - John Plunkett, resident, thanked staff for efforts to control construction traffic on upper Park Avenue by means of the tree median and the three-way stop which have helped. He suggested that the three-way stop be maintained as it seems to be effective to reduce speeds and eliminate confusion. The King Road end needs some work and he suggested installing a *yield to pedestrians* sign there and at all of the City staircases. He requested that Council reinstate Park Avenue on the capital improvement budget to rebuild the street. The RDA includes Swede Alley, Main Street, upper Park Avenue, Woodside Avenue and other areas and there has been considerable improvements in this area. There is only one street in the RDA that has not been rebuilt which is upper Park Avenue although resident property taxes have been funding the RDA for the past 20 years. In 1997, the Council approved a five-year capital improvement plan which anticipated $1.1 million in 2001 for the upper Park Avenue work and more than half of the funding was earmarked from the RDA. The residents were looking forward to the improvements but in 1999, the Council deleted upper Park Avenue from the capital improvement budget. More than 30 home owners have banded to form UPAPA and have met with members of Council, former Council candidates, and staff to express their concerns and feel that they have been generally well-received. Mr. Plunkett felt it important to address this issue at the beginning of the budget process and discussed a petition in progress. He read a letter from Fr. Bussen supporting the reconstruction of Park Avenue in 2001, as the current condition of the street is deplorable and delaying the project after the Olympics will cause further deterioration. Mr. Plunkett stated that streets should be repaired and most people take drains, curb, pavement and sewer for granted. He understood that the budgeted $200,000 is adequate for engineering and design services but not enough to complete construction drawings to actually do the work in 2001, which would require $800,000. The City Engineer indicated that reconstruction would be in the neighborhood of about $1.5 million.

Tom Bakaly explained that Woodside Avenue was funded perhaps at the expense of upper Park Avenue last year. The project is back in the capital improvement program and $200,000 is budgeted in FY 2001 which will cover design, engineering and bidding the project. These funds would not allow construction next spring unless $200,000 is budgeted for soft costs together with $600,000 for beginning work on the road. In FY2002, the balance of the project would need to be budgeted. He recommended that staff project the costs and if it is a priority of Council to complete it before the Olympics, the budget can be adjusted mid-year so that the budget process doesn't need to be reopened. In response to a question from Peg Bodell about the feasibility of the project, Eric DeHaan explained that sanitary sewer is a component of the project and the Snyderville Basin Sewer Improvement District work would have to dovetail with this accelerated schedule. Mr. Plunkett interjected that he contacted SBSID who has budgeted for this project and is willing to cooperate with the City's plans. Mr. DeHaan continued that there should be a neighborhood outreach program, which part of the Woodside Avenue project, so there is consensus on the project and this takes some time. Mr. Bakaly announced that Council will be reviewing the capital improvement budget on May 18. He added that the City Engineer is just finishing the Woodside Avenue project, will probably be the project manager for the upper Park Avenue project, and there may be additional costs in providing management services. Mr. Plunkett stated that UPAPA would like to work with staff to define what the residents would like.

Mike Getchow, UPAPA, brought a chunk of Park Avenue from the road in front of his house to the meeting and asked Council members if they could pick up their streets.

Lynn Fey, Park Meadows resident, stated that she is proud of her street and if it wasn't in that type of condition she assured Council that the neighborhood would be up in arms. She also owns two houses on upper Park Avenue which she has restored as have many residents in the audience. Park Avenue and Park Meadows are both neighborhoods, but Park Avenue residents don't have a street that is attractive, safe, and clean. Upper Park Avenue is probably one of the three streets seen by most tourists in Park City. It's not just the time and money people put into their homes, it's the love. People come to Park City for its history and it looks like the City doesn't care about our mining heritage, the tourist base, or the people who live on the street. She believed that her street in Park Meadows has been asphalted at least twice during the six and a half years she has lived there, and urged Council to give this project some consideration.

Tom Hansen, resident, relayed an incident with a speeder who took the mirror off his car and damaged the side door. He would like a *children at play* sign and would like to know if the crossing at the stairs are legal cross walks that should be marked.

Barbara Coor, resident, urged Council to fix her street.

Kim Harrington, pointed out the high speeds of traffic and the number of children on the street at risk. The trucks are traveling at slower speeds but the flumes are horrible. She stated that she wants the street fixed.

Kurt Deffenbach, resident, discussed the efforts of his family to save an historic home on Park Avenue. This is a big investment and he urged Council to improve the street.

With no further input, the public input session was closed. The Mayor thanked the public for their comments.

III COMMUNICATIONS FROM COUNCIL AND STAFF

None.

IV WORK SESSION NOTES AND MINUTES OF THE MEETING OF APRIL 13, 2000

Roger Harlan made a correction to the work session notes to better identify the consultant for the skateboard park. With no further corrections, the Mayor requested an motion to approve. Shauna Kerr, "I so move". Fred Jones seconded. Motion unanimously carried.

VI CONSENT AGENDA

It was clarified for the benefit of Ms Bodell, that the City would not proceed with litigation unless it is necessary to do so to collect from the contractor, Geneva Rock. Mr. Ross explained that approval would provide staff with the authority to litigate, if needed. Shauna Kerr, "I move approval of the Consent Agenda". Roger Harlan seconded. Motion carried unanimously.

1. Authorization of payment of $30,874 to claimant for damages resulting from a water line break and authorization to legal staff to pursue reimbursement of the full amount from Geneva Rock and/or its insurer Royal & Sun Alliance, including the filing of a civil lawsuit as necessary - Staff recommends approval.

2. Resolution declaring Park City's opposition to any congressional action which would extend or expand the internet tax moratorium and establishing Park City's support for enacting model sales tax simplification enabling legislation - See staff report.

VII NEW BUSINESS

Resolution adopting revised golf fees and repealing and replacing Resolution No. 36-99 in its entirety for Leisure Services including Racquet Club, Golf, Library, Cemetery, Parks and City Facilities for Park City, Utah - See staff report and work session comments. Council member

Jones acknowledged that it will probably take a couple of years to attain a target ratio between revenues and expenditures and that revenues will improve with the completion of the Golf Course Hotel, but felt staff should be looking at decreasing expense levels now. There has been a large increase in expenses in the last three or four years and it's a balancing act; it will take increased revenues and decreased expenses to get the course on line. Tom Bakaly explained that reducing expenses dramatically now during the construction may have some long-term negative revenue impacts. It would take another $50,000 in reductions from what is proposed in order to reach that ratio this year; two years is projected to reach that goal. Mr. Bakaly noted that this can be discussed further next week when budget reductions are considered. Ms. Kerr didn't believe that that it is realistic and Mr. Sanchez stated that it would be difficult to further reduce expenses this season which is further complicated by the golf season occurring in two fiscal years. Fred Jones emphasized that it is not his intent to suggest to make up deficits in this fiscal year but in the golf season. Mr. Sanchez pointed out that cutting expenses may affect play in the long-term. The City Manager added that there are unique costs that are attributable to the Golf Course Hotel construction that will be eliminated, i.e, additional starters. Mr. Jones brought up the senior punch card option discussed in work session and Mr. Sanchez stated that he could support that option. There was discussion about seniors who now live in the county. Mr. Sanchez noted that if the punch card rate is $15 per round, it would be the cheapest golf in Utah and suggested a $18 to $20 range. He believed this would be easy to implement. The Mayor asked if there is consensus for a resident senior punch card. Ms. Kerr felt this is a difficult decision for her because many of the people at the Senior Citizens Center are no longer Park City residents. There was discussion about opening the door to something that is difficult to manage. The Mayor stated that it should be limited to senior residents and there was consensus that the cost per round be $20. Mayor Olch invited the public to comment.

Larry Newell, county resident and golf course patron, stated that he has been working with Messrs. Bakaly and Sanchez over the past week after reading all of the negative stories in the *Park Record*. His background is finance and is comfortable with providing an analysis which he shared to staff. The Park City Golf Course is fun to play and the City is undercharging tremendously for play. Twenty dollars per round should be an absolute minimum anyone should pay at any time to play on that course and believes the City would not lose money at that fee. Mr. Newell supported the senior discount and encouraged Council not to provide season passes. A season pass does not guarantee a certain level of revenue for the product like a punch card.

Fred Prettner, resident, stated that he doesn't have a problem with increasing rates and he will play the course anyway with or without senior rates. He doesn't think the City should ask for premium rates considering the condition of the course, and people with go to other courses. Season passes provide revenue before the season begins. He noted that he doesn't know of another course that has a director of golf and questioned why a PGA professional and assistant is not adequate. If the operation is in dire straights, cut personnel.

Roger Harlan, "I move approval of the resolution, including a resident senior punch pass at $20 per round for ten punches. Shauna Kerr seconded. In response to Mr. Newell's comment about the season pass, Mr. Sanchez explained that that was something staff looked at and agreed that the cost of a round can not be determined until the end of the year. The Mayor felt that Mr. Newell's comments are relevant; the season pass can be phased out and the City should probably move in that direction. Mr. Kerr also appreciated Mr. Newell's comments that play is under-priced. Motion unanimously carried.

VIII ADJOURNMENT

With no further business, the regular meeting of the City Council was adjourned.

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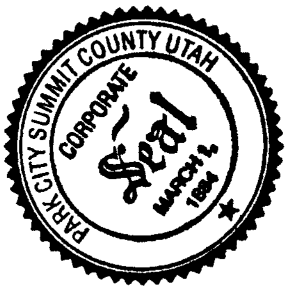
The meeting for which these minutes were prepared was noticed by posting at least 24 hours in advance and by delivery to the news media two days prior to the meeting.

Janet M. Scott

Janet M. Scott, City Recorder



PARK CITY
1884

COUNCIL AGENDA REPORT

DATE: May 4, 2000
DEPARTMENT: Office of Capital Management and Budget
AUTHOR: TB Tom Bakaly, Mark Christensen MC
TITLE: FY2001 Budget (next year) & FY2000 Revised Budget (current year)
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATION:

- Review the budget on May 4th and May 11th; Conduct a Public Hearing on May 18th , June 1st and June 15th.

- Adopt the FY2001 plan with recommended changes as the FY2001 budget. Tentative adoption is scheduled for June 1, 2000; final budget adoption is scheduled on June 15, 2000 or August 17, 2000.

- Adopt either the "Certified Property Tax Rate" {No Tax Increase Rate} for FY2001 on June 15, 2000 or a tax rate increase on August 17, 2000 *[Actual tax rate will not be known until Mid June].* Council Policy Direction is requested concerning a property tax increase.

- Review & adopt the recommended changes to the FY2000 Budget (tentative adoption is scheduled for June 1, 2000; final adoption on June 15th).

DESCRIPTION:

A. Topic: In accordance with Utah State Code, the City Council must adopt a budget for each fiscal year. Last year, the City Council adopted both a budget for FY2000 and a financial plan for FY2001. It is now time to formalize the FY2001 plan by appropriating funds and adopting the FY2001 budget. At the same time, the City Council also should adopt an adjusted current Fiscal Year (FY2000) budget.

B. Background: During the second year of the two-year budget, the City usually emphasizes Capital Improvements and changes that need to be made to the previously developed fiscal plan. Last year, the City Council conducted a comprehensive review of the Capital Improvements Program (CIP) and there are only minor project changes for this year. These changes include the addition of Upper Park Avenue street and storm water improvements, a loan from City Park to the Golf Fund, and the removal of funding for Golf Course Improvements in FY2001 and FY2002. The Changes in the CIP also constitute moving funding sources between accounts and years. A detailed list of changes in the CIP is included in Attachment A.

Please see the Attachment A spreadsheets showing the recommended changes to the FY2000 (current) budget, as well as changes to the FY2001 (next year) budget. These spreadsheets will be discussed in detail on May 11, 2000.

The budget presentation for this year will focus on the recommended changes to the FY2001 Plan. A new budget document will not be presented this year. Rather, the budget document adopted last year and the approved changes to the FY2001 plan will constitute the FY2001 Budget. Therefore, City Council should plan to use its budget document as a "guide" during this budget update process. Additional budget documents will be available if necessary at the May 4th meeting.

Long range Financial Planning: Staff recently completed a comprehensive Revenue and Expenditure Plan with projections into 2005. In this analysis staff projects that if revenue and expenditure trends continue, a revenue shortfall will cause a decline in General Fund balance beginning FY2001. Staff analysis projects that General Fund balances will be depleted by FY2002 if corrective action is not begun in FY2001. Please see the attached General Fund Financial Projection graphs (Attachment B).

To balance the General Fund Budget in FY2001, beginning balance reserves have been used. On May 11th alternatives will be presented that will prevent the projected revenue shortfall and restore reserves. The alternatives will include both expenditure reductions and revenue enhancements. If the revenue enhancements are not pursued, additional expenditure reductions will be required to restore reserves and contingencies to levels specified in the City's adopted budget policies. The following is the recommended schedule for updating the FY2000-2001 Budget:

May 4th	**Operating Budget** 1) Budget introduction, summaries & financial overview 2) Financial Planning Efforts
May 11th	**Operating Budget** 1) Budget Option Review Committee alternatives including: Budget reductions Revenue enhancements 2) Policies and Objectives- language modification.

May 18th	**Capital Improvement Budget & Operating Budget** 1) New CIP Projects 2) Grants
May 18th	1) Hold Public Hearing on the Budget and continue to 6/01/2000. 2) Discussion on budget as needed
May 25th	No meeting scheduled.
June 1th	1) Hold Public Hearing on the Budget and continue to 6/15/2000. 2) Tentative adoption of FY2001 Budget (no tax increase) 3) Tentative adoption of FY2000 Amended Budget
June 15th	Depending upon whether City Council raises property tax rates, the schedule for June 15, 2000 will be as follows: A. (No Tax Increase) Continuation and closure of the public hearing on the budget, with final adoption, by resolution, of both the FY2001 Budget, the FY2000 Adjusted Budget and the certified no increase tax rate for FY 2001. B. (Tax Increase) Continuation and Closure of the public hearing and adoption of the FY2000 Adjusted Budget and Tentative adoption of the FY2001 Budget as amended, which will be re-adopted by resolution at a regular meeting of the governing body on August 17, 2000. The final adoption will follow a Truth and Taxation Hearing concerning an increase to the property tax rates.

C. Analysis:

Staff has completed a study of revenues and expenditures which indicates that slowed revenue growth and expanding service costs will most likely result in expenditures exceeding revenues as soon as the 2001 budget. In FY2001, staff is projecting a "revenue shortfall" of approximately $400,000 with no money being appropriated for operating contingencies ($550,000) in FY2001. Thus the shortfall or "gap" for FY 2001 is roughly $1 million. As can be seen from the attached financial projection graphs (Attachment B), the "gap" would grow in the future. Therefore, on May 11, 2000, staff will recommend alternatives for expenditure reductions and revenue enhancements to proactively close the gap. Any surpluses realized from this strategy will be used to first reinstate the General Fund balance to 18%, maintain operating contingencies of $550,000 in the General Fund, and then will be transferred to the CIP as prescribed in the City's budget policies.

The budget presented in this report is balanced through the use of beginning balance and by not budgeting for operating contingencies. Several factors have influenced this revenue shortfall. Basically, as shown in the attached graph, revenues have "leveled off" while expenditures continue to grow. Primary indications, however, attribute the shortfall to debt service payments and increases in operation expense.

Analysis indicates that General Fund expenditures have increased on average 10 percent since 1994. Revenues during this same time period have increased an average of 6 percent. This growth is attributed to the growth of the City's revenue base and includes substantial increases in programs and services. However, if this rate of growth were to continue without a revenue increase, projections indicate a revenue shortfall of $1.8 million in FY2002 growing to $3.6 million in FY2005.

Historically, the General Fund has had excess fund balance that was transferred to the CIP to keep the General Fund at the maximum legal allowable fund balance levels of 18%. In order to maintain this practice expenditures must be reduced and revenues increased in some proportion.

In an effort to provide viable alternatives for the City Council, a Budget Option Review Committee (BORC) was created to help prioritize budget requests and review General Fund Operating budgets for possible expenditure reductions. They were asked to rank these new requests and base reductions on their relation to Council priorities, overall City goals and there relation to service delivery. BORC alternatives will be presented on May 11th and will include departmental budget reductions along with possible revenue enhancements.

During the budget process each department was asked to identify a 5 percent General Fund reduction in their operating budget. The cumulative effect of this reduction is approximately $650,000. It is anticipated that these reductions will not significantly reduce the level of service or the number of programs that the city provides. The reductions will reduce the flexibility individual departments have to deal with unforseen circumstances.

Along with an overall expenditure reduction the BORC was given the task of reviewing possible revenue enhancement options. Among these options is a property tax increase, a transient room tax, franchise fees, and increased City fees.

Staff will present several funding alternatives for the City Council on May 11th to address the projected revenue shortfalls. These alternatives will address several combinations of revenue increases as well as options recommending budget reductions. The following information is intended to give the City Council some background information in preparation for that meeting.

Property Tax Increase: Utah law basically provides that the *No Tax Increase Property Tax Rate* is the rate that will generate the same property tax revenue as previous year, exclusive of new growth. The *No Tax Increase Property Tax Rate* is adjusted to compensate for changes in assessed value. Consequently, if assessed values increase, the tax rate declines to keep revenues neutral except for new construction. The municipal property tax rate declined steadily from 1993 until last year when the Open Space Bond caused a rate increase and the certified rate was increased to compensate for State and County assessed valuations. Since 1993 the tax rate has dropped from .004135 to .002117 in FY 2000, a 49% decrease. So, while assessed values have increased dramatically due to reassessments, Park City's General Fund received no additional property tax revenue related to those reassessments. New growth (new construction), not reassessments accounts for increased property tax revenue.

Table 1: Tax Rate 1993-1999

Year	Property Tax Rate Per $1 of taxable Value	Change From Prior Year
1993	.004135	0.000325
1994	.004079	- 0.000056
1995	.003706	- 0.000373
1996	.002675	- 0.001031
1997	.002419	- 0.000256
1998	.002281	- 0.000138
1999	.001805	- 0.000476
2000	.002117	0.000312

The *No Tax Increase Property Tax Rate* provides no adjustment for inflation. The Consumer Price Index (CPI) for the Wasatch Front increased from 116.1 to 140.6. Thus, the purchasing power of Park City's property tax has declined 21% since 1993.

Table 2: CPI 1993 - 2000

Consumer Price Index	United States	Wasatch Front
Year	Avg. Index	Avg. Index
1993	124.0	116.1
2000	145.8	140.6
Total Change	21.8	24.5
Percent Change	18%	21%

Other Issues:

Bond Rating: Park City currently has a bond rating of A+ from Standard and Poors, and an A+ rating from Fitch, and an A1 rating from Moody's Investor Service. Staff hopes that this rating will be upgraded during the next debt issuance if financially sound practices are continued. This would include keeping General Fund balances at the current policy level of 18%. Other actions that may help improve the City's bond rating would include maintaining fund balances at current or higher levels in the Self Insurance Fund and the Equipment Replacement Fund.

To balance the FY2000 and FY2001 budgets it was necessary to tentatively remove the operating contingency funds from the General Fund. This option will not be recommended for the final budget in part because it may have a negative impact on the City's ability to improve its current bond rating. Since rating agencies look at the City's reserves, reducing General Fund reserves and operating contingencies below 18% may have a negative impact on future debt issuance. As part of its recommendations staff will provide options that restore all or a portion of the reserves and operating contingency funds.

Revenue Projections: After meeting with representatives from the Community Development Department, the projection of revenues generated from Building Permits and Plan Check Fees have been reduced to reflect a possible slowdown or reduction in construction. The pace of development and construction is expected to decline through and after the Olympics. Staff projects a decline in FY2001 revenues related to development. This revenue decline does not translate into decreased workload for City staff; rather, staff anticipates increased workload relating to Olympic Preparation.

Increased Insurance Liability: During the 2000 legislative session the legislature approved SB 35 Government Tort Liability Amendments. This legislation increases the liability limits of municipalities and governmental agencies.

Table 3: Judgement Insurance Changes

Judgement Limitations for Damages	Past Tort Limit	Current Limit
Per person	$250,000	$500,000
Per Occurrence	$500,000	$1,000,000
Judgement Limitations for Death	$250,000	$500,000
Judgement Limitations for Property Damage	$100,000	$200,000

Municipalities are authorized to raise property tax rates .0001 (roughly $200,000) to cover the costs associated with self insurance funds. Currently the City has not exercised this tax option. It is anticipated that many municipalities throughout the State will begin exercising this option in response to SB 35.

Property Tax Summary:

News of a possible property tax increase should not come as a surprise because in the FY2000 Adopted Budget (last year) staff addressed the possible need of a property tax increase. In the Introduction of the Budget, the following is stated: "If new funding sources do not materialize, and the City Council elects to proceed with the programs, or if the Council wishes to expand programs, a property tax increase for FY2000-01 could be necessary."

The BORC is reviewing the necessity of a property tax increase in conjunction with other revenue enhancements and expenditure reductions. It is anticipated that on May 11th the City Council will be presented with a series of alternatives to fund the revenue shortfalls that include a property tax increase in some of the alternatives. These options will address revenue enhancements and budget reductions. However, Council should view these alternatives in respect to levels of service, future community goals, and community programs. The following table illustrates the approximate impacts of property tax increases.

Table 4: Approximate Tax Rate Increase Needed to Generate New Revenues

1999/2000 Net A/V $2,212,628,229	Current Tax Rate	To Generate $250,000	To Generate $500,000	To Generate $1,000,000
Property Tax Rev.	$4,124,339	$4,374,339	$4,624,393	$5,124,447
Rev. Per $100K of Net Assessed Value	$186.40	197.70	$209.00	$231.60
Tax Inc. per $100K of Net Assessed Value		$11.30	$22.60	$45.20

OPERATING BUDGET

Financial Overview : The City's total recommended adjusted budget for FY2000 is $69,226,045 and $41,340,936 for FY2001. The FY2000 adjusted budget has gone up from the original budget of $52,648,284 to reflect unspent CIP project balance from prior years. The budget for FY2001 has gone up from the 2000-01 Plan ($31,766,361) due in large part to increases in the CIP budget. Please see Attachment A for general summaries relating to expenditures and revenues. Revenue and expenditure projections have changed (primarily dealing with interfund transfers, debt service, contingencies, development related revenues and the CIP) when compared to the original FY 2000-01 Plan that was approved as part of the two-year budget last year.

Because this is the "off-year" of the two-year budget, staff will focus on major changes to the FY 1999-00 and FY 2000-01 Budget. Naturally, if City Council is interested, staff can provide and explain any change that City Council would like to see.

Public Service Contracts (Grants): The budget formally referred to various grants administered by the City, this section of the budget has been amended by the Legal department to more accurately describe this function. These changes will be discussed in detail on May 11th.

Please note that if the 5 percent departmental budget reductions are taken there will be a corresponding decrease in the Public Service Contracts to match the total General Fund Budget reduction. This action is consistent with the Policies and Procedures adopted in last years budget.

Golf Fund: The financial position of the Golf Fund will be discussed in detail on May 4, 2000 when the City Council considers golf fee increases. The recommended budget changes include recommended expenditure reductions. Depending on the outcome of Golf fee discussions, revenues will be amended accordingly when the budget is adopted in June.

Recreation Fund: In FY 2000, City Council amended its contract with the Snyderville Basin Recreation Distict. The financial implications of this action resulted in a decrease of revenue to the Recreation Fund. The revenue loss has been made up in the budget by increasing the General Fund transfer to the Recreation Fund and proposing the closure of the lap pool in the Winter.

Olympic Budgeting: The Olympic Budget for FY 1999-00 and 2000-01 is not being changed or amended by Staff other than to "carry-forward" unspent funds from FY 2000. Staff anticipates that next year there will be a thorough review of the Olympic Budget beginning in January, 2001.

Carry-Forward: The FY 2000-01 budget includes the "carry-forward" of some funds ($100,000) that were unspent in FY 1999-00 in the areas of Olympic planning, Leadership 2000 and Grant Contingency.

Financial Planning: The BORC alternatives will include a variety of revenue enhancements. These recommendations should be viewed with both immediate and long term financial planning goals in mind. Staff expects BORC to continue to look at other revenue sources after the FY2000 Adjusted Budget and FY2001 Budget are adopted.

Financial Monitoring: Staff have been closely monitoring the Cities financial resources over the last year with monthly and quarterly monitoring. Staff anticipates that with the use of the Vacancy Factor (a 7 % reduction in the personnel budget), and the potential 5 % expenditure reductions in the General Fund, departments will need to monitor expenditures carefully. OCMB will provide frequent updates to departments and will continue to assist in financial analysis.

CAPITAL IMPROVEMENT PROGRAM BUDGET (CIP)

	FY 2000	**FY 2001**
New Requests and Appropriation Changes	($7,067,567)	$10,459,523

Please see Attachment A for a detailed listing of new CIP appropriations. Please note that the majority of these changes represent increased CIP revenues (Open Space G.O. Bonds) that should be reflected in the budget. A separate staff report(s) will be provided for the CIP meeting scheduled to take place on May 18, 2000.

D. Department Review: - To be provided as needed.

ALTERNATIVES:

A. Approve the Request - Either approve the budget as recommended or as adjusted during City Council review over the next couple of weeks.

B. Deny the Requested Changes - City Council could deny (in total or in part) the recommended changes. The impact of such denial would need to be elaborated upon during the Operating and CIP budget presentations.

C. Continue the Item - June 15, 2000 is the last date on which adoption (No Tax Increase Rate) can occur in order for us to meet the filing deadlines with the County and State if there is no property tax increase. August 17th is the day for Final Budget Adoption (property tax increase).

D. Do Nothing - Not an Option.

SIGNIFICANT IMPACTS: Establishes the level of service that the City will provide for the next year and authorizes expenditure of funds.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:

The specific impacts of not approving individual recommended changes will be discussed during budget presentations.

RECOMMENDATION:

The City Council should follow the budget presentation schedule described above and tentatively approve the recommended changes to the FY2000 and FY 2001 budgets (or revisions thereof) by June 1, 2000. Final adoption of the budget should occur on either June 15, 2000 or August17th depending upon the City Council's decision regarding property tax rates. If a property tax increase is proposed by City Council, the City would tentatively adopt the FY 2000-01 Budget on June 15, 2000.

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Park City Municipal Budget for FY2000 & 2001

	FY 00 Budget				FY 01 Budget			
	Orginal	Adjusted	Change		Plan	Adjusted	Change	
Total all funds Combined	**79,791,675**	**105,819,912**	**26,028,237**	32.6%	$ **53,480,279**	**74,644,977**	**21,164,698**	39.6%
LESS:								
Interfund	(10,996,603)	(11,467,198)	(470,595)		(6,937,658)	(13,285,600)	(6,347,942)	
Ending Balance	(16,146,788)	(25,126,669)	(8,979,881)		(14,776,260)	(20,018,441)	(5,242,181)	
	$ **52,648,284**	**69,226,045**	16,577,761	31.5%	$ **31,766,361**	**41,340,936**	9,574,575	30.1%
Less: Adjustment Due to Carry-over of Prior Year Appropriations for Capitial Improvements			(19,644,492)					
New Appropriations			**(3,066,731)**	-5.8%			**9,574,575**	30.1%
Capital Improvement Budget (New appropriations)			(7,067,567)				10,459,523	
Operating Budget:								
Adjustments & Options								
Public Works			98,995				(555)	
Leisure			(73,483)				29,821	
Police			(1,504)				(1,497)	
Community Development			0				0	
Administrative Services			546				163	
General Government			2,500				3,500	
Non-Departmental			0				120,000	
Grants			0				30,000	
Debt Service			4,498,782				(541,380)	
Contingency			(525,000)				(525,000)	
			(3,066,731)				**9,574,575**	

ATTACHMENT A

Park City Municipal Buuget for FY2000 & 2001

	FY 00 Budget			FY 01 Budget		
	Orginal	Adjusted	Change	Plan	Adjusted	Change
RESOURCES:						
Sales Tax	7,050,000	7,050,000	0	$ 7,050,000	7,050,000	0
Building/Planning	3,318,056	3,498,056	180,000	3,157,509	2,957,509	(200,000)
Charges for Services	2,614,850	4,755,248	2,140,398	4,876,575	4,808,575	(68,000)
Intergovernmental	8,723,651	8,860,271	136,620	2,794,585	2,794,585	0
Franchise Tax	1,150,000	1,150,000	0	1,200,000	1,200,000	0
Other	14,591,527	18,545,139	3,953,612	2,449,380	8,520,130	6,070,750
Interfund Transactions	10,996,603	11,467,198	470,595	6,937,658	13,285,600	6,347,942
Property Tax	8,346,909	8,346,909	0	8,851,909	8,901,909	50,000
Beginning Balance	23,000,079	42,147,091	19,147,012	16,162,663	25,126,669	8,964,006
	$ **79,791,675**	**105,819,912**	**26,028,237**	$ **53,480,279**	**74,644,977**	**21,164,698**
REQUIREMENTS:						
Community Development	2,324,085	2,324,085	0	$ 2,356,895	2,356,895	0
Public Works	5,757,735	5,856,730	98,995	5,728,871	5,728,316	(555)
Public Safety	2,364,140	2,362,636	(1,504)	2,384,494	2,382,997	(1,497)
CIP Budget	26,888,803	39,465,728	12,576,925	5,878,439	16,337,962	10,459,523
Leisure Services	4,672,785	4,599,302	(73,483)	4,808,093	4,837,914	29,821
Administrative Services	1,938,743	1,939,289	546	1,974,580	1,974,743	163
General Government	1,812,301	1,814,801	2,500	1,837,646	1,841,146	3,500
Non-Departmental	1,504,390	1,504,390	0	1,484,390	1,604,390	120,000
Grants	321,583	321,583	0	249,055	279,055	30,000
Debt Service	4,538,719	9,037,501	4,498,782	4,538,898	3,997,518	(541,380)
Contingency	525,000	0	(525,000)	525,000	0	(525,000)
Interfund Transfers	10,996,603	11,467,198	470,595	6,937,658	13,285,600	6,347,942
Ending Balance	16,146,788	25,126,669	8,979,881	14,776,260	20,018,441	5,242,181
	$ **79,791,675**	**105,819,912**	**26,028,237**	$ **53,480,279**	**74,644,977**	**21,164,698**
REQUIREMENTS:						
Personnel	11,673,580	11,666,318	(7,262)	$ 11,963,595	11,936,815	(26,780)
Materials, Supplies & Services	8,071,357	8,354,207	282,850	8,055,504	8,289,232	233,728
Capital Outlay	27,839,628	40,377,569	12,537,941	6,683,364	17,117,371	10,434,007
Debt Service	4,538,719	8,827,951	4,289,232	4,538,898	3,997,518	(541,380)
Interfund Transactions	10,996,603	11,467,198	470,595	6,937,658	13,285,600	6,347,942
Contingencies	525,000	0	(525,000)	525,000	0	(525,000)
Ending Balance	16,146,788	25,126,669	8,979,881	14,776,260	20,018,441	5,242,181
	$ **79,791,675**	**105,819,912**	**26,028,237**	$ **53,480,279**	**74,644,977**	**21,164,698**

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ATTACHMENT A

Park City Municipal Budget for FY2000 & 2001

	FY2000 ADJ Budget	FY2001 Budget
Park City Municipal Corporation:		
General Fund	16,678,799	16,564,106
Recreation Fund	1,712,143	1,786,619
Golf Course Fund	1,699,423	1,742,847
Water Fund	9,630,218	5,039,594
Transportation Fund	15,313,676	6,797,730
Debt Service Fund	4,971,764	2,112,207
SID - Debt Service Fund	0	0
SID - Grarantee Fund	0	0
Centeral Garage Fund	979,143	992,956
Circuit Court	231,485	220,232
Equipment Replacement Fund	2,920,622	927,593
Self Insurance Fund	2,859,449	2,718,377
Police Special Revenue Fund	7,767	7,767
Capital Improvements Fund	21,811,646	14,066,245
	78,816,135	**52,976,273**
Park City Redevelopment Agency:		
Main Street Debt Service	1,344,548	1,534,656
Main Street RDA	3,722,721	2,110,048
Lower Park Avenue Debt Service	5,267,177	4,738,691
Lower Park Avenue RDA	5,569,913	4,765,419
	15,904,359	**13,148,814**
Park City Municipal Building Authority:		
Debt Service Fund	10,440,056	6,816,341
Building Authority	600,716	1,653,344
	11,040,772	**8,469,685**
Park City Housing Authority:		
Park City Housing Authority	58,646	50,205
	58,646	**50,205**
Park City Housing Authority:	0	0
Grand Total (All Units)	**105,819,912**	**74,644,977**
LESS: Interfund Transfers	(11,467,198)	(13,285,600)
Ending Balance	(25,126,669)	(20,018,441)
	$ **69,226,045**	$ **41,340,936**

ATTACHMENT A

Capital Improvement Adjustments

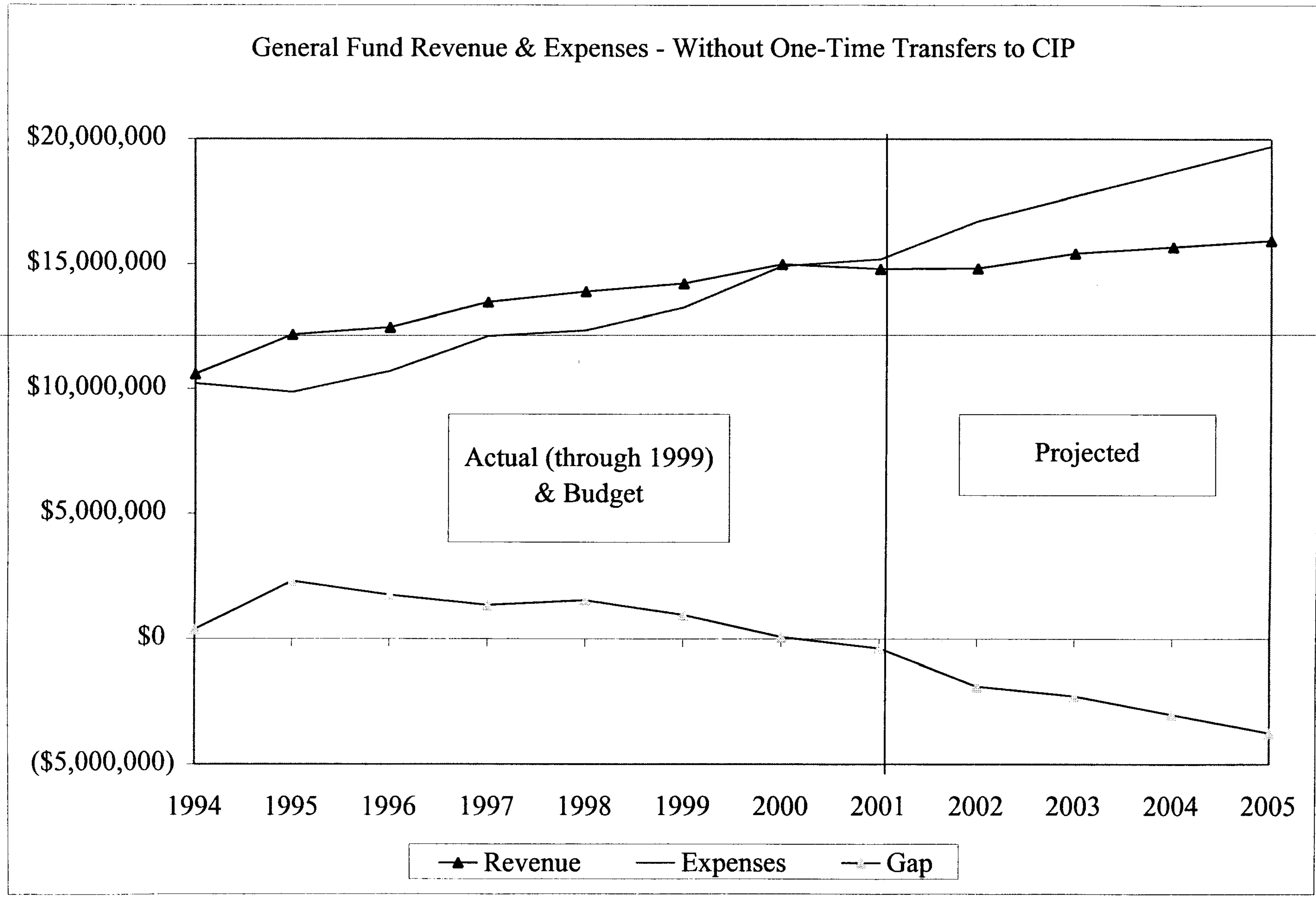
Project #	Project Title	FY2000 Adjusted	FY2001 Adjusted
32	Old Town Stairs	(511,508)	511,508
37	Hillside Avenue Design and Widening	(67,224)	
48	City Park Improvements	(1,060,891)	829,095
445	Affordable Housing	(381,054)	381,054
445	Affordable Housing -130106 carryover		
485	Lower Park Avenue	(328,825)	328,825
579	Library Donations Expenditures	29,001	70,750
648	5 Year CIP Project Funding	(200,000)	(200,000)
681	Golf Pro Shop	(200,000)	1,665,000
699	Open Space Acquisition	(6,000,000)	6,000,000
705	Water Source, Storage and Delivery	0	
708	Trails Master Plan Implementation	(841,292)	861,291
709	Property Improvements	(92,000)	92,000
712	Building Replacement & Enhancement	0	
713	Golf Course Improvements	100,000	(80,000)
719	Snow Creek Parcel	2,239,702	
740	CIP Transfer to General Fund INTERFUND XFER	0	0
741	Storm Water Runoff and Water Quality	200,000	
742	Bus Turn Out and Shelters	40,000	
744	Snowcat Replacement	6,524	
		($7,067,567)	$10,459,523

City policy allows for carryforward amounts in capital improvement projects.
The adjusted carryforward amounts amounts are not included in this listing.

* $231,796 has been transfered to the Golf Course Fund to fund an operating revenue shortfall.
This money represents a loan to be repaid by Golf Fund revenues within two years at an interest rate of 6%.
If the loan is not repaid in this time period the City Council should identify other revenues to repay this loan.

ATTACHMENT A

Attachment B



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PARK CITY 1884

DATE: April 26, 2000
DEPARTMENT: Executive/OCM&B
AUTHOR: Toby Ross, Tom Bakaly
TITLE: Resolution on Delaying Congressional Action on Internet Tax Moratorium
TYPE OF ITEM: Policy Declaration

SUMMARY RECOMMENDATIONS: Adopt a resolution supporting simplification of state and local sales tax systems and urging Congress to reject any legislation extending the Internet tax moratorium not linked to sales tax simplification.

DESCRIPTION:

A. Topic: Implications of current Federal legislation regarding Internet sales tax.

B. Background: Internet tax issues are coming to the forefront of Congressional legislation and will have significant impacts on state and local governments. Bills have been introduced to extend the current Internet tax moratorium for five more years and for a permanent extension of the moratorium. The Advisory Commission on Electronic Commerce (ACEC), created by the Internet Tax Freedom Act in the fall of 1998, held it's final meeting last month. Absent the required number of votes to make recommendations, some members of the Commission sent a majority report to Congress. Recommendations of the report include:

- Repealing the three-percent federal excise tax on telecommunications services.
- Permanently banning state or local taxes on Internet access fees.
- Extending the current Internet taxation moratorium to October 2006.
- Encouraging states and municipalities to streamline their sales tax systems.
- Exempting sales tax from products that can be delivered digitally (i.e. books, compact discs, software, etc.)
- Prohibiting states from collecting sales tax on an out-of state company, whose only nexus is an affiliate in the state that handles returns, exchanges, or warranties of merchandise.
- Placing a permanent moratorium on international tariffs for online transactions.

The recommendations failed to address the concerns of "brick and mortar" retailers who must collect sales tax (as opposed to their internet-based competitors) or mention the issue of revenue loss for state and local governments. Governor Mike Leavitt recently testified before the Senate Commerce Committee and urged congress to reject the ACEC report. Opponents of the legislation propose implementing sales tax simplification, thereby triggering Congressional authorization of expanded duty to collect use taxes on remote sales.

C. Analysis: This is a timely issue as witnessed by Congressional and local action. Point of Sale tax is an important source of revenue to the City. The current moratorium does not expire until October 21, 2001 - 17 months from now. A five year extension of that moratorium (until October 2006) would seriously impact City revenues and operating funds.

D. Department Review: The Office of capital Management and Budget, City Attorney, and City Manager all participated in developing the information in this report.

ALTERNATIVES:

A. Approve the Request: Council could adopt the resolution supporting a simplification of state and local sales tax systems, and urging Congress to reject an extension of any internet tax moratorium not associated with tax simplifications.

B. Deny the Request: Council could refuse to adopt the resolution and instruct staff to discontinue the current research.

C. Continue the Item: Council could direct staff to continue research and seek further sources of information regarding the impacts of Internet tax legislation.

SIGNIFICANT IMPACTS: Reasonable estimates indicate a 10 to 20 percent loss in state and local sales tax revenues over the next few years. This translates to $700,000 - $1,400,000 for Park City. Researchers estimate that the State of California lost nearly $74 million in sales taxes in 1999 due to sales over the Internet. This loss is predicted to rise sharply, and Utah can expect similar losses.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION: If the City wishes to have an impact on the Internet tax issue, now is the time. As previously mentioned, bills are being introduced in both Congressional chambers, and various national and state organizations are taking sides on the issue. A moratorium until 2006 could have serious revenue implications if losses due to internet-based sales result as predicted.

RECOMMENDATION: Adopt a resolution to support simplification of state and local tax systems and urge Congress to reject any legislation extending an Internet tax moratorium not involving sales tax simplifications.

PARK CITY 1884

Resolution No.

A RESOLUTION DECLARING PARK CITY'S OPPOSITION TO ANY CONGRESSIONAL ACTION WHICH WOULD EXTEND OF EXPAND THE INTERNET TAX MORATORIUM AND ESTABLISHING PARK CITY'S SUPPORT FOR ENACTING MODEL SALES TAX SIMPLIFICATION ENABLING LEGISLATION.

WHEREAS, out-of-state remote sellers who conduct sales via the Internet, mail order, and phone are not required by law to collect existing sales and use taxes imposed by state and local governments; and

WHEREAS, the primary barrier to collecting taxes on remote sales is the Supreme court's ruling in *Quill V. North Dakota* which defers to Congress to authorize states to require remote sellers to collect taxes in a manner that does not unduly burden Interstate commerce; and

WHEREAS, state and local governments are working together to implement a streamlined sales tax system that would simplify definitions, tax rates and tax bases and use 21st Century technology in the collection process; and

WHEREAS, current laws create a competitive disadvantage and great inequities between merchants who sell from traditional "brick- and -mortar" establishments and those who sell from electronic stores; and

WHEREAS, increasing sales on the Internet, and the resulting erosion of sales and use tax revenues, will limit the ability of states and governments and school districts to finance essential public services such as police, fire, emergency medical service, education, social services, infrastructure development, and healthcare; and

WHEREAS, impacts to Park City Sales Tax may result in sales tax revenue losses of between $700,000 and $1,400,000; and

WHEREAS, a recent University of Tennessee study estimates that state sales tax revenue losses in 2003 will exceed $10 billion; and

WHEREAS, the Advisory Commission on Electronic Commerce failed to reach a legally required consensus on fair and equitable treatment of both remote sellers and "Main Street" retailers and also proposed that Congress preempt state and local sovereignty guaranteed by the U. S. Constitution:

NOW, THEREFORE BE IT RESOLVED by the City Council of Park City, Utah as follows:

SECTION 1. POLICY ADOPTION. a. Park City officially supports simplification of state and local sales taxes, and urges states to move expeditiously to develop and approve model simplification legislation; and

b. Congress should not extend or expand the current moratorium beyond its expiration in October 2001; and

c. If state and local governments choose to negotiate a brief extension of the existing moratorium as part of a broader bill, such an extension:

- Should only be effective for a short period of time (no more than two years); and
- Must be linked to states' successfully implementing sales tax simplification, which would trigger Congressional authorization of expanded duty to collect use taxes on remote sales.

SECTION 2. EFFECTIVE DATE. This resolution shall take effect upon adoption.

PASSED AND ADOPTED this ________________ of May, 2000.

PARK CITY MUNICIPAL CORPORATION

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Mayor Bradley A. Olch

Attest:

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Janet M. Scott, City Recorder

Approved as to form:

____

Mark D. Harrington, City Attorney

PARK CITY
1884

COUNCIL AGENDA REPORT

DATE: May 4, 2000
DEPARTMENT: Leisure Services and Office of Capital Management and Budget
AUTHOR: Craig Sanchez and Tom Bakaly
TITLE: 2000 Golf Fees and Golf Fund Analysis
TYPE OF ITEM: Legislative/Administrative

SUMMARY RECOMMENDATIONS: The City Council should adopt the attached resolution relating to golf fees for the 2000 season and comment on budget recommendations for the Golf Fund contained in the Recommended FY 2000-01 Budget, including the proposed loan to the Golf Fund from the City Park Capital Improvement Program (CIP) account for 2 years.

DESCRIPTION:

A. Topic: Golf Course Fees and Expenditures

B. Background:

On March 23, 2000 City Council received a report on the financial condition of the Golf Fund. City Council decided to defer selling season passes for the 2000 golf season until a comprehensive financial study of the Golf Fund was conducted. Staff enlisted the services of Karen Wikstrom to help with the analysis. A summary of the analysis compiled by staff and Karen Wikstrom is attached under separate cover.

On March 23, 2000 City Council learned that a loan to the Golf Fund in the projected amount of $275,000 would be needed in the current fiscal year (FY 1999-00) so that the fund would not end in a negative cash balance. Staff recommended that funds for the loan come from the City Park Capital Improvement Program (CIP) because of the relation to recreation and the location of the Golf Course in the Lower Park Avenue Redevelopment Area. The fact that the PRBB is the oversight board for the golf course and City Park also influenced staff's recommendation.

On April 17, 2000 staff presented the recommendations in this report to the Golf Committee. The Golf Committee asked that staff revise its projections for hotel play in the future and staff did that. Some Committee members expressed concern about the recommendation to not offer Senior Passes. The Golf Committee asked staff to consider offering a mid week pass.

On April 19th, The Parks Recreation and Beautification Board (PRBB) reviewed the analysis of the Golf Fund and the recommendations. The PRBB was particularly interested in the terms of the loan from the City Park project to the Golf Fund. On March 13, 2000, staff initially presented this concept to the PRBB. The PRBB felt that the Golf Fund had the ability to pay back a loan in the future once their financial position stabilized. The PRBB preferred that the City Park account not be the source of funding for the loan. The PRBB asked staff to explore other funding sources and only use the City Park account for a portion of the loan if no other options existed.

The analysis projects that the loan amount will be in the $100,000 - $200,000 range, and projects that the loan will be repaid within 2 years if the Golf Fund meets revenue and expenditure targets. Staff recommends that the entire amount of the loan (approx. $200,000) initially come from the City Park Account in the FY 2000-01 Budget Update (received by City Council on May 4, 2000). If not all of the $200,000 is needed due to expenditure reductions, the unused funds will be returned to the City Park project before the final adoption of the budget in mid June. The PRBB would like a commitment from City Council that the funds would be returned to the City Park Account by 2002 which is when the PRBB expects to expend those funds on improvements to the City Park Recreation Building. Staff concurs that the PRBB should have certainty that the funds will be returned to the City Park account if the Golf Fund fails to meet its expenditure and revenue targets.

C. <u>Analysis</u>:

It is clear from the attached analysis that in order to operate without a loss, the golf course will need to make changes in both revenues and expenses. The expense for personnel and materials, services and supplies has grown dramatically in the past two years and will need to be cut in order to stay within reasonable levels. In addition, the greens fees are lower than those charged for comparable courses in the area and should be increased. The mix of play among pass holders, residents and nonresidents should be adjusted. Since 1996, the proportion of rounds played by residents and pass holders has increased from 52 percent to 62 percent. As a result, even in years where the number of rounds played has increased, revenues have not. The course operations as currently configured cannot break even while operating at 80 percent of capacity. This suggests a need for structural changes.

The hotel construction project has strained the operation of the course. It is anticipated that this disruption will continue through the summer of 2002. The recommendations include suggestions for the construction period and post-construction period. However, staff recommends that the golf course adopt the overall principal that expenses will be reduced to keep them in line with revenues. This will mean expense cuts, accompanied by increases in revenues, neither of which is easy decisions to make, especially when operations are disrupted by construction. Expenses should be held to a percentage of revenues.

Staff also recommends, as a general rule, that fee increases occur *across the board* and not be targeted toward any particular group. In order to achieve the revenue increases that are needed to break-even in the next year, both the large revenue sources will need to be targeted for increases as well as the fees that represent smaller portions of the total budget.

Golf Course Play and Mix Issues:

Player Mix and Green Fee Revenue Per Round - As can be seen from the attached analysis, the number of rounds in recent years has decreased. The mix has also swung towards resident and pass play (62%) which has had a negative impact on revenues. Despite not operating at capacity, the golf Fund should be profitable if expenses are kept in line with revenues. Staff is not recommending special passes or incentives to influence mix. Rather, staff will try to book as many hotel rounds as possible and try to control mix fluctuations through pricing.

Expenses:

The attached recommendations, in essence, reverse the trends of the past three years. The desired 2003 operation mirrors the 1996 budget. This allows for continued extraordinary expenses related to the hotel construction and establishes a three-year target to return to more profitable operating levels. However, it should be noted that no losses are projected within the attached proforma. This means that over the next few years, expenditures will need to decrease in order to have personnel costs represent roughly 35% of revenues and materials and supplies represent roughly 26%. The remaining 39% is made up of debt payments, transfers to the General Fund for services, Capital Improvements and fund balance.

Please note that transfers to the General Fund were increased significantly last Summer for this Fiscal Year to reflect the true cost of services provided to the Golf Fund. The attached analysis and recommended budget update for this year returns the interfund transfer from the Golf Fund to the FY 1998-99 level. The transfer is then restored to the appropriate level in the analysis once the hotel construction is complete. By reducing the interfund transfer ($70,000) and reducing expenditures in FY 1999-00 ($92,000), the loan amount could be roughly $100,000 instead of $275,000 if expense and revenue targets are met. As stated earlier, staff has identified the source of the loan as the City Park and has thus decreased the City Park project. If Council is not comfortable with that strategy, another source of funds should be identified. Alternative sources of funding could be other CIP projects or the City's reserves.

Recommended Expense Reductions from FY (1998-99):

	FY 1999-00	FY 2000-01
Personnel	-$54,000	-$13,000
Materials & Supplies	-$38,000	-$27,000
Total	-$92,000	-$40,000

Impact of Expense Reductions:

Impacts of these reductions will be noticeable by the golfers. The impact on the line of play from the tees to the greens will be minimal. The noticeable changes will be along the edges: the rough areas will not be mowed as often so the grass will look more ragged. The flower beds may not be planted. The bunkers (sand traps) will not be edged and so will not look as "groomed." Weed eating along stream beds will be reduced.

Under this plan, we would also see few capital improvements in the coming years. The plan does allow money for the rebuilding of 18 green in the future. Cart path construction would be slowed and forward tees, #14 green rebuild, and benches would be put on hold. Golf cart purchases and golf maintenance replacement equipment would also be put on hold. These reductions will be more noticeable to staff than to customers, as the impacts will be in more frequent breakdowns and repairs. Other expense reductions will be in materials and supplies used by office staff.

Revenues:

As can be seen from the analysis, the resident and nonresident fees at the Park City course are lower, and often substantially lower, than other comparable courses. Staff does not expect play to decrease significantly due to fee increases because Park City is the only public course in Summit County. The study projects that play will be at 75% of capacity in 2000.

Resident Fees

Based on this review, it was determined that a "market" price for resident fees is more likely in the neighborhood of $30 (as opposed to the current $20 price). Thus, an increase up to the $30 level, may not result in a substantial decrease in the number of resident rounds played.

Pass Fees

A number of observations are made regarding season pass play. First, a very limited number of players, a total of 145, use the season pass (see table below), yet pass play represents nearly one quarter of all rounds played. It appears that the average revenue per pass round is $11.35. Please note that the number of passes does not include punch passes. Those figures are included in the attached golf study.

Resident	76
Jr\Sr resident	69
Total	145

Given that the current resident price per round is $20, pass holders are getting a roughly 50 percent price benefit off of an already low price for golf (roughly $11 v. $20). It is assumed that if a reasonable opportunity for cost savings were offered with the season pass price, pass holders would still play at the levels seen in 1998 and 1999. Given the amount of play, senior discounts should no longer be given. A youth discount should be continued.

Nonresident Fees

Nonresident fees of $33 per round also appear to be low. These fees should be increased to reflect other resort's rates. An increase of $5 to $10 will not result in noticeable reduction in play, but would have a significant impact on total revenues.

Recommended Fees: Please note that these fees are contained in the attached fee resolution. A two-stage price increase is suggested to reflect the reduced quality of the course during the construction period.

Recommended Fees

	2000	2001	2002	2003	2004
Resident	$25.00	$26.00	$27.00	$30.00	$31.00
Season Pass	$15.00	$15.00	$15.00	$20.00	$21.00
Non Resident	$35.00	$36.00	$37.00	$40.00	$41.00
Tournament	$40.50	$43.00	$48.00	$51.00	$55.00

The intent of the pricing is to more closely match the market once construction is completed, but to make some price adjustments in the next year to provide needed revenues. The season pass pricing is based on the assumption that the average revenue per round should be approximately 75 percent of the normal resident green fee.

Recommended Season Pass Rate Increase

Type of Pass	Current Fee	Proposed Fee
Regular	$600	$750
Senior	$300	$750
Youth	$300	$330

Please note that since season pass sales were suspended by City Council on March 23, 2000, daily fees paid between that time and when season passes are sold should be credited towards the season pass fee. For example, if a golfer played one round in April ($20.00) and then purchased a regular season pass, they would owe $730 ($750 - 1 round @ $20).

D. Department Review: This report has been reviewed by the Leisure Services Department, the Office of Capital Management and Budget and the City Manager.

ALTERNATIVES:

A. Staff's Recommendation: 1) Approve the attached Golf Fee Resolution; and 2) Endorse a loan from City Park CIP account for FY 1999-00 to the Golf Fund for 2 years.

B. Approve Combinations of Alternatives: City Council could amend in total or in part the recommendations relating to fees. City Council should refer to the attached pro/con matrix for a fairly comprehensive listing of possible options. The Council could suggest other sources of funding for the loan to the Golf Fund

C. Deny the Request in Total: The City Council could deny the request in total. This would result in the Golf Course Fund ending the fiscal year in a negative cash position.

D. Continue the Item: Time is of essence if season passes are to be sold in early May which is typically the case.

E. Do Nothing: Same as continuing the item

SIGNIFICANT IMPACTS :

Through the attached Golf Fund analysis and the analysis section of this report, staff has addressed the significant financial impacts of this issue.

CONSEQUENCES OF NOT TAKING RECOMMENDED ACTION:

The consequences to the financial position of the Golf Fund vary with the alternative selected.

RECOMMENDATION:

1) Approve the attached Golf Fee Resolution; 2) Comment on budget recommendations; and 3) Endorse a loan from the City Park CIP account to the Golf Fund for 2 years.

Attachments:

Golf Fee Resolution (Golf Fees on Page 5)
Golf Fee Analysis (Separate Cover)
Golf Pro/Con Matrix

Note: Only the pertinent pages of the resolution are included.

PARK CITY
1884

Resolution No. -00

RESOLUTION ADOPTING REVISED GOLF FEES AND REPEALING AND REPLACING RESOLUTION NOS. 36-99 AND 4-00 IN THEIR ENTIRETY FOR LEISURE SERVICES INCLUDING RACQUET CLUB, GOLF, LIBRARY, CEMETERY, PARKS, AND CITY FACILITIES FOR PARK CITY, UTAH

WHEREAS, it is necessary for the City Council to amend fee resolutions from time to time, to reflect current policies and philosophies regarding the increased costs of performing services and providing programs and other public benefits; and

WHEREAS, the City Council finds it in the best interest of the public to adjust recreation fees at this time;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Park City, Utah, that Sections 4A and 4B, dealing with fees for recreation cards and Racquet Club fees are hereby amended and the Leisure Services Fee Resolution is hereby adopted as follows:

SECTION 1. PURPOSE AND PHILOSOPHY. Leisure Services Administration, the Park Department and the Library are divisions of Leisure Services supported primarily by tax dollars through the City's General Fund. The Recreation Department, Racquet Club and Golf Course have been established as enterprise funds and should be primarily supported by revenues other than taxes. This policy applies to Recreation/Racquet Club and Golf Course Enterprise funds.

The purpose of this resolution is to establish a level of operations and maintenance cost recovery for programs, activities and facilities, and direction for establishing fees and charges for the use of and/or participation in the programs, activities and facilities offered by the Recreation Department, Racquet Club and Golf Course.

It is the intent of the City to offer its Leisure Services programs, activities and facilities to the entire community. To help offset the cost of providing these services, and since the primary beneficiaries of these services are users, it is appropriate to charge fees that are adequate to fund operation of the facility in line with other like programs.

SECTION 2. COST RECOVERY. It is the intent of the City to recover roughly 80% of the operations and maintenance expenses incurred by the Recreation Department and the Racquet Club and 100% of the operations and maintenance expenses incurred by the Golf Course through sources of revenue other than taxes. The City's cost recovery plan is described in detail in the City's budget document. User fees should not be considered the only source for accomplishing

Tennis Court Fees. Tennis court fees are based on full court charges, divided by the number of people playing.

Hourly Court Fees

Full Court Charges:

	Indoor	Outdoor
Resident discount rate	$16.00	$6.00
Regular rate	24.00	9.00

Drop-in Fees: Drop-in activities fall into two categories - those with instructors, and those without.

Instructed classes	
Resident discount rate	$6.00
Regular rate	8.00

Facility use	
Resident discount rate	$5.00
Regular rate	6.25
Resident 12 and under	2.00
Regular 12 and under	3.00

Monthly and multiple month passes: Passes may include use of any or all facility classes and amenities, except tennis.

Resident discount passes	Single	Couple
1 month	$ 45	$ 80
3 month pass	120	215
6 month pass	215	385
12 month pass	370	665

Regular passes	Single	Couple
1 month	$ 56	$100
3 month pass	150	269
6 month pass	269	481
12 month pass	463	831

E. **Golf Fees**:

The Park City Municipal Golf Course is an 18 hole course and 6,743 yards in length. The fees listed below are established fees, however they may be altered for certain types of tournament play. To receive a resident discount, the recreation card (which must have a City resident designation) must be presented to the golf starter. Season passes are available only to those who possess a locals card. Playing conditions on the course may vary due to weather constraints, particularly early and late in the season. The Golf Pro may, at his discretion, discount the established fees in order to encourage use of the course when playing conditions are less than optimum.

Regular Season- Memorial Day through September
Off-Season- Pre-Memorial Day, October and November

Green Fees

Resident 9	$~~10.00~~12.50
Resident 18	~~20.00~~25.00
Regular 9	~~16.50~~17.50
Regular 18	~~33.00~~35.00
Off season 9	~~13.25~~15.00
Off season 18	~~26.50~~30.00

Pass Rates

Resident pass	$~~600.00~~750.00
Regular pass	~~750.00~~900.00
Junior~~/Senior~~ pass	~~300.00~~330.00
Punch pass	~~265.00~~300.00
~~Senior punch pass~~	~~220.00~~
Corporate pass	2,500.00

Golf Cart Rental

Pull cart 9	$ 2.00
Pull cart 18	4.00
Ride 9	14.00
Ride 18	26.00
Cart pass	390.00

Range Fees

Small bucket	$ 2.50
Large bucket	5.00
Range pass	145.00

County - Association Golf Tag $ 75.00

F. **Library Fees**:

The Park City Library Board routinely reviews non-resident fee options and recommends changes. Library services, which are funded by the General Fund, are provided without charge to property owners, residents, and renters within the City's boundaries. Non-resident card fees are charged to those who request borrowing privileges but live outside the City's taxing area.

Non-Resident Card Fees

Family membership	$ 75.00 per year
Temporary membership	20.00 plus $10.00 deposit for a period of 90 days
Student card (Grades 6 - 12)	25.00 per year ($15.00 from student and $10.00 from Summit County)
Student card - College enrolled	25.00 per year
Organization card - non-profit	50.00 per year
Organization card - for-profit	100.00 per year

G. **Cemetery Fees**:

Anyone owning property, currently residing, or having resided in Park City for a period of more than ten years consecutively, is eligible to purchase cemetery property or may be buried in the Park City Cemetery. There are a limited number of lots available for individuals not meeting the eligibility requirements set forth in Resolution No. 11-93. These will be sold on a first-come, first-served basis.

	Eligible Resident Fees	Non-Resident Fees
Single adult grave	$300	$600
Single infant grave	150	300
Opening and closing adult grave	270	370
Opening and closing infant grave	150	225
Removal of adult from one grave to another within cemetery	600	600
Removal of infant from one grave to another within cemetery	400	400
Removal of adult for interment outside cemetery	300	300
Removal of infant for interment outside cemetery	150	150

Policy Alternatives for Golf Course Fund

REVENUES

Fees
- Fee Increase (Resident and Non-Resident)
- Fee Increase - Resident Only
- Fee Increase - Non-Resident Only
- Fee Increase - Season Passes
- Fee Increase - Senior and Youth
- Fee Increase - High Season Only
- Premium Fees - Available to Residents for Preferred Dates, Times & Days

Preferred Play
- Limit Preferred Play for Residents to Certain Times in the Day
- Limit Preferred Play for Residents to Certain Days of the Week
- Limit Preferred Play for Residents to Certain Times of the Year
- Allow Non-Residents Same Opportunity as Residents to Book Times
- Allow Hotel Guests Same Opportunity as Residents to Book Times
- Save Blocks of Time in Each Day for Non-Residents or Hotel Guests
- Lottery System for Preferred Times and/or Season Passes

Miscellaneous
- Lessons Revenue - 10% Management Fee to Golf Course
- Cart Rental - Increase

EXPENSES

Decrease Personnel Expenditures - Pro Shop, Driving Range & Course Maintenance
Change Inventory Procedures - Consignment with Vendor
Freeze Capital Expenditures
Reduce Inter-fund Transfer to General Fund for Services Provided

OTHER

Receive Loan from General Fund for 3 years for Capital Projects, Equipment and/or Debt
Construct Temporary Driving Range Using Nets
Use Redevelopment Agency (RDA) Funds for Appropriate Projects
Solicit PCMR Financial Participation in 18th Green Reconstruction
Remedies from Hotel Construction relating to Lost Golf Revenue and Temporary Pro Shop

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R nues

A. Fee Increase Across the Board & Season Passes

PROS	CONS
Increased revenue	Public Relations
Could help to increase non-resident play (player mix)	Make the course less of a locals course

B. Fee Increase - Senior and Youth

PROS	CONS
Increased revenue.	Public Relations

C. Fee Increase - High Season Only

PROS	CONS
Increase play and revenue in shoulder season.	Cost Increase to golfers
Demand is at the lowest	

D. Premium Fees - Available to Residents or Pass Holders for Preferred Dates, Time and Days

PROS	CONS
Increased revenue	Residents would feel they are losing by paying more
Would most likely impact player mix	

E. Preferred Play - Limited for Residents or Pass Holders to Certain Times in the Day

PROS	CONS
Free up times for non-residents and hotel guests	Public Relations
Increased Revenue	Residents would feel restricted

F. Preferred Play - Limited for Residents or Pass Holders to Certain Days of the Week

PROS	CONS
Increased Revenue (Player Mix Changes)	Restricted Play for Pass Holders (week vs weekend workers)

G. Preferred Play - Limited for Residents or Pass Holders to Certain Times of the Year

PROS	CONS
Increased Revenue (Player Mix Changes)	Restricted Play for Pass Holders

H. Preferred Play - Allow Non-Residents and Hotels Same Opportunity as Residents to Book Times

PROS	CONS
Increased Revenue (Change in Mix)	Would significantly restrict residents

I. Preferred Play - Save Blocks of time in each Day for Non-Residents or Hotel Guests

PROS	CONS
Increased revenue.	Could create fewer times for residents.
Direct pre sold times to non prime times.	
Save prime times for week out reservations.	

J. Preferred Play - Lottery System for Preferred Times and/or Seasons Pass

PROS	CONS
Increased Revenue (player mix)	Public Relations & Admin. Costs

K. Miscellaneous - Lessons Revenue - 10% Management Fee to Golf Course

PROS	CONS
Increased revenue.	Instructors make less revenue.
Would create a revenue stream to keep teaching area upgraded.	Could lose instructors.

L. Miscellaneous - Increase Cart Rental

PROS	CONS
Increased revenue.	Already highest fee for cart rental in State.

Expenses

A. Decrease Personnel Expenditures - Pro Shop, Driving Range & Course Maintenance

PROS	CONS
Reduced expenditures.	Reduce quality of customer service.

B. Change Inventory Procedures - Consignment with Vendor

PROS	CONS
Reduce expenditures.	Profit margins could go down.
No year end inventory.	Could do fewer sales.

C. Freeze Capital Expenditures

PROS	CONS
Reduce expenditures.	Could create the feeling of "what am I getting for my increased fees?"
	Could pay more in the future for those same improvements.

D. Reduce Inter-fund Transfer to General Fund for Services Provided

PROS	CONS
Reduce expenditures.	General Fund not Receiving Total Cost Recovery

Other

A. Receive Loan from General Fund for 2 years for Capital Projects, Equipment and/or Debt

PROS	CONS
Better Product.	Interest compounds future costs.
Get everything done while we are in "construction mode".	Takes Funds from City Park Project
Could charge higher rates when project is done.	

B. Construct Temporary Driving Range Using Nets

PROS	CONS
Increased revenue.	Expense
Protection of houses.	Neighborhood Concerns
Reduced man hours to pick range.	
Reduce liability exposure.	

C. Use Redevelopment Agency (RDA) Funds for Appropriate Projects

PROS	CONS
Keep resident fees low.	Lack of funds for other RDA Projects (City Park)
Good PR move to show the City is helping with project.	

D. Solicit PCMR Financial Participation in 18^{th} Green Reconstruction

PROS	CONS
Shared expense.	Could create a short course.
Playable hole.	

E. Remedies from Hotel Construction relating to Lost Golf Revenue and Temporary Pro Shop

PROS	CONS
No or low interest loans.	Limited Remedies under development Agreement
Payment for lost/forgone Golf Revenue	