



**PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
December 10, 2015**

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building, City Council Chambers, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, December 10, 2015.

CLOSED SESSION

3:20 pm To discuss Property, Personnel and Litigation

WORK SESSION

4:00 pm Council Questions and Comments

4:15 pm – Park City Chamber of Commerce/Convention & Visitors Bureau
Winter Update 2016

4:30 pm – Water Conservation Update

4:45 pm – Conceptual Design for Possible Ice Arena Expansion

5:45 pm – Regional Collaboration Update

REGULAR MEETING

6:00 PM

I. ROLL CALL

II. COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

1. Manager's Report: I-80 Corridor Study - Mountain Accord
2. Manager's Report: Park City Library Renovation Featured in Library Journal's Year in Architecture 2015

III. PUBLIC INPUT (*ANY MATTER OF CITY BUSINESS NOT SCHEDULED ON THE AGENDA*)

IV. CONSENT AGENDA

1. Approval of the FY2015 Audit Report and Comprehensive Annual Financial Report
2. Council Approval of Type 2 Convention Sales Licenses
3. Authorize the City Manager to Enter into a Professional Service Provider Agreement, in a Form Approved by the City Attorney, with CRSA, Inc., in the Amount of Ninety Thousand Nine Hundred Thirty Five Dollars (\$90,935) for a Structural Analysis of the McPolin Barn
4. Approve a Three-Year Term Lease for Administrative Office Space at the 1353 Park Avenue Fire Station for the Mountain Trails Foundation in a Form Approved by the City Attorney
5. Approve Local Consent for Special Event Temporary Alcoholic Beverage Licenses During the 2016 Sundance Film Festival

V. NEW BUSINESS

1. Consideration of Holding a Special Meeting between January 19-21, 2016, for Late Type 2 Convention Sales License (CSL) Applicants for Approval

VI. STUDY SESSION

1. Discussion on Latino Issues in the Park City Area

VII. ADJOURNMENT

A majority of City Council members may meet socially after the meeting. If so, the location will be announced by the Mayor. City business will not be conducted. Pursuant to the Americans with Disabilities Act, individuals needing special accommodations during the meeting should notify the City Recorder at 435-615-5007 at least 24 hours prior to the meeting. Wireless internet service is available in the Marsac Building on Wednesdays and Thursdays from 4 p.m. to 9 p.m. Posted:

See: www.parkcity.org



DATE: December 10, 2015

TO HONORABLE MAYOR AND COUNCIL

Bill Malone, President and CEO of the Park City Chamber of Commerce/Convention & Visitors Bureau will provide a Winter 2016 Update to Council. There is no staff report.

Respectfully:

Michelle Kellogg, City Recorder



DATE: December 10, 2015

TO HONORABLE MAYOR AND COUNCIL

This report contains a summary of selected water conservation efforts, and reports on Park City's progress in reaching its water conservation goal.

Respectfully:

Jason Christensen, Conservation & Tech Coordinator



City Council Staff Report

Subject: Water Conservation 2nd Update
Author: Jason Christensen
Department: Public Utilities
Date: December 10, 2015
Type of Item: Informational

Summary Recommendations:

Staff recommends Council review this staff report and ask questions related to Park City's water conservation program.

Executive Summary:

This report contains a summary of selected water conservation efforts, and reports on Park City's progress in reaching its water conservation goal.

Background:

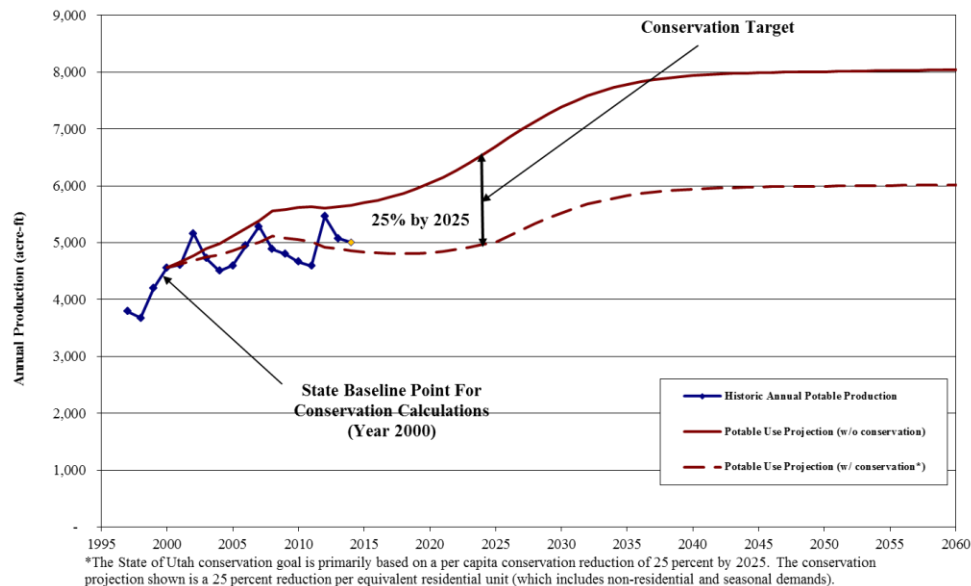
On December 4, 2014, Water Conservation was identified as High Priority and Council directed staff to return to Council to discuss Water Conservation at least twice a year.

Analysis:

Staff will provide topical updates under each underlined header. This is not a complete list of water conservation activities, but represents information that staff feels is important or that Council may find interesting. At the conclusion of the report, staff identifies the areas of focus for the coming calendar year. These areas of focus assume that all other conservation programs will continue, at current levels.

Water Conservation Plan

Historic and Projected Park City Annual Potable Water Production



On October 2, 2014, Council officially adopted the City's updated Conservation Plan. A key component of that plan is our Conservation Goal of reducing the residential equivalent unit¹ consumption by 25% by the year 2025. The graph above has been updated to add data from 2014. In 2014 total water placed into the distribution system decreased slightly to 5,007 acre feet or 1.63 billion gallons. While slightly above the conservation goal trend line, staff believes this represents continued progress given the drought that continued through 2014.

During 2014, water usage for commercial purposes and snowmaking increased over 2013. Water usage for residential, multi-family, and irrigation all decreased. Municipal usage is not discussed for a reason that will be shared in the water loss section.

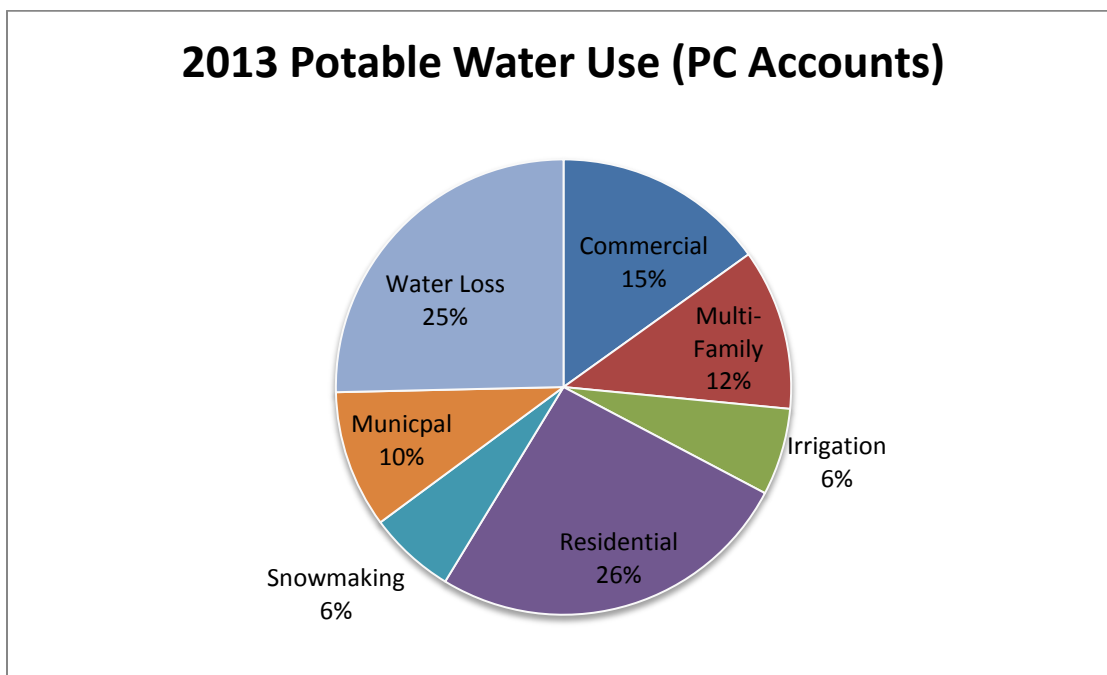
Account Type	2013 Usage	2014 Usage	Change
Commercial	249,719,000	266,603,000	107%
Multi-Family	189,115,000	174,743,000	92%
Irrigation	102,324,000	90,905,000	89%
Residential	429,740,000	369,108,000	86%
Snowmaking	102,113,000	118,346,000	116%

¹ A Residential Equivalent Unit or REU is how the Water Department projects growth. Many communities would use population here, but given the continued growth of 2nd home owners within the City this measure does not reflect conservation reductions in water usage.

Water Loss

During 2014, several large municipal accounts (North 40, School District, Quinn's Fields) were switched over from culinary water to raw or secondary water. This resulted in a substantial decrease in municipal water consumption through the potable water system. It has also made it difficult to calculate an annual water loss number over 2014 as the switchover happened mid-year and the data is muddled. After January 15, 2016, staff should be able to calculate water loss for the year 2015.

In attempting to create the 2014 water loss graph, an error was identified in the 2013 water loss percentage. Multi-Family usage was overstated resulting in water loss being understated. This results in a 4% uptick in apparent water loss. As discussed in the 2014 Water Conservation Plan, across the nation, in states where they have adopted a water conservation goal, the highest adopted standard is 20 percent. An updated graph is provided below:



Staff continues, with Council's ongoing support, to make substantial financial investments in systems and asset replacement that will reduce water loss. Over the past year these efforts as they relate to water loss fall into three categories:

- 1. Upgraded SCADA system.*

Currently ongoing, this represents a \$2 Million investment that not only brings the water control system up to date, but also is a foundational step for allowing staff to break down water loss into discrete zones so that it is possible to target efforts on zones where water loss percentages appear greater than average.

This upgrade is necessary but not sufficient to view water loss by discrete zones. Further work will be needed to join billing meter data with the SCADA data. Physical upgrades such as new metering infrastructure may also be needed in some discrete zones.

2. Ongoing Asset Replacement.

Staff continues to make substantial investments in replacing water lines. These proactive replacements reduce the volume of water lost to leaks, breaks, and deteriorated connections. An example of this is the new sidewalk along 224. This line was targeted for replacement as part of this project. Several large leaks were found, and addressed by the replacement of the line.



Figure 1 Leaky Pipe that Failed on 224

3. Meter Replacements

An additional 16 meters have been replaced and rebuilt in 2015. A further 20 are scheduled to be replaced this fiscal year during the spring of 2016. These meter replacements help in two ways. First it reduces apparent water loss—water people use but shows in the pie chart as water loss. Second, it sends the correct pricing signals to a customer. Without this effort some customers end up getting more water for less money.

Rate Changes

An elevation surcharge was adopted as part of the fiscal year 2015 budget process. This surcharge took the place of the otherwise needed 3% rate increase. These

increases in rates continue to exert downward pressure on water consumption. The more expensive water is the more likely customers will look for ways to reduce their water usage.

On May 28, 2014, as part of the adoption of the pumping surcharge, Council requested the opportunity to consider two revisions to the fee code. The first revision requested was an energy efficiency surcharge. The second revision was additional and more aggressive residential consumptive tiers. Council prioritized the energy efficiency surcharge over additional tiers.

On December 3, 2014, Council directed staff to propose both the energy efficiency surcharge and the additional consumptive tiers as part of the fiscal year 2017 budget process. Staff is currently working on this request.

Smart Controller

15 customers participated in Smart Controller account credits this past year. This represents a substantial increase over 2 customers the prior year. This increase is at least partially attributable to an overhaul of the program at the beginning of the year. At the beginning of the year the program was changed so that a) more water savings equipment [controllers, rain gauges, soil moisture sensors, etc.] qualify for the rebate and b) the rebate was made more generous fully covering the cost of the equipment up to \$300 in total. Smart controllers continue to represent one of the easiest ways to reduce water consumption without substantial capital expense.

All single family residential customers received either by mail or email notice of the smart controller program in their July 2015 Home Water Report.



Get a smart controller rebate



Receive up to a **\$300 account credit** from Park City Water Department when you purchase a new smart controller. See additional qualifications online.

Call 435.615.5305 for more information.

Figure 2 Image from Home Water Report

WaterSmart Program

The WaterSmart Program continues to be successful and is second only to the impact that rates have on water consumption. Park City has the highest registration percentage of any utility currently enrolled in WaterSmart at 30% of all customers. All single family residential users receive six home water reports a year. All other account holders receive an annual reminder of their ability to access the WaterSmart system.

Cumulative Registration

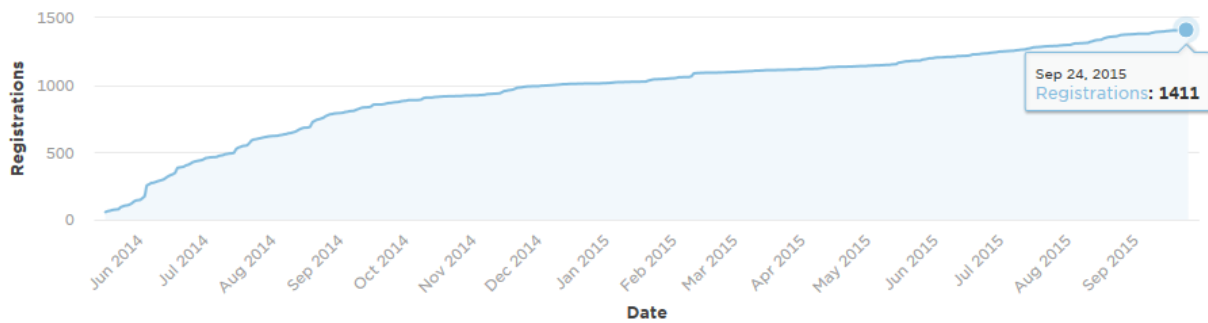


Figure 3 Cumulative Registration

A portion of the WaterSmart program I would like to highlight in this staff report is customer leaks. Tremendous progress has been made in reducing the number of customer side leaks, and immediately notifying a customer when there is a leak. In the last two weeks of July 2014 101 leaks were identified by the system and 18% of those customers were automatically notified. The low notification numbers were due to low enrollment in the program at that time. During that same period in July of 2015 78 leaks were identified and 42% of those customers were automatically notified. The clear trend in the data is that the number of leaks is decreasing, and more of those leaks are being automatically notified.

History

Leaks Altered Leaks



Figure 4 Leak Alert History

Billing Inserts

Staff included one billing insert that shared information about the drought situation, and the possibility of drought restrictions this past year.

Rain Barrel Distribution Event

The City partnered with the Utah Rivers Council this past summer to host a rain barrel distribution event at the Treasure Mountain Jr. High. This event was very successful, distributing about 300 rain barrels, about half for City residents and half for County residents.

Staff has grouped all the Park City participants together and will be tracking whether these subsidized rain barrels result in a group decrease in water usage. This will help evaluate the efficacy of the subsidized rain barrels.



New Rain Barrel Program

Collect and store rainwater in a brand new Ivy rain barrel. To get more information and order your easy-to-use rain barrel, visit savesomethingutah.org. Order today!

2016 Outlook

Staff is hopeful that 2016 will end the current drought cycle. It is anticipated that all the programs above will continue, with the Rain Barrel offering being contingent on whether the Utah Rivers Council continues that program. Staff will continue to focus on water loss (unmetered water) and seeking the most cost effective option to reduce it. Water loss will be included in the Water Department's energy efficiency program, and efforts to reduce water loss will be evaluated against other energy efficiency undertakings. Staff will be making Budgeting for Outcomes requests related to software and meters to accelerate progress on identifying where water loss is occurring. This will help bring solutions into focus. Staff anticipates focusing the first half of the year on the rate study required to implement additional residential consumptive tiers, and Budgeting for Outcomes requests related to water loss. Staff anticipates focusing the second half of the year on actual upgrades to our metering system.

Department Review:

This report has been reviewed by representatives of Public Utilities, the City Attorney's Office, and the City Manager's Office and their comments have been integrated into this report.

Significant Impacts:

Which Desired Outcomes might the Recommended Action Impact?		+ Effective water conservation program + Adequate and reliable water supply		
Assessment of Overall Impact on Council Priority (Quality of Life Impact)	Neutral 	Positive 	Neutral 	Neutral 
Comments: 				

Impacts on City Council's Critical Priority of Energy:

As total water usage decreases, so does the energy footprint of providing water to the community.

Recommendation:

Staff recommends Council review this staff report and ask questions related to Park City's water conservation program.



DATE: December 10, 2015

TO HONORABLE MAYOR AND COUNCIL

The Park City Ice Arena is a regional facility that serves residents of Summit and Wasatch Counties along with visitors from all over the world. The community's need for additional ice was defined as a top priority in 2012 by a recreation facility demand study and a community interest survey. It is with a regional approach that staff and other stakeholders continue to explore how we can meet the need for additional ice in the greater Park City area.

Currently, a Recreation Master Plan is underway with a goal to gain a greater understanding of future recreation amenities for many of the community's recreation needs. Due to the complexity of ice arenas, a separate feasibility and design study has been completed to be considered along with the results of the Recreation Master Plan.

Victus Advisors was engaged by Park City Municipal Corporation, in conjunction with Snyderville Basin Recreation District and Utah Olympic Legacy Foundation, in July 2015 to conduct an objective and research-based study of the potential market demand and financial feasibility of expanding Park City Ice Arena to include a second ice sheet. In addition, Victus Advisors engaged Elliott Workgroup to develop site analysis and expansion concepts, and Construction Control Corporation to assist Elliott Workgroup with cost estimates for each concept.

The purpose of this Work Session is to share the information learned in the Conceptual Design Drawings for an additional sheet of ice. Today, staff has an opportunity to listen to any questions from City Council, or members of the community, with an ability to explore answers as Landmark Designs simultaneously completes the Recreation Master Plan. Staff plans to return to City Council with the product of the Recreation Master Plan and to seek direction for an ice arena expansion with an understanding of all of the desired amenities and funding options that will be needed to support them.

Respectfully:

Amanda Noel, Ice General Manager



City Council Staff Report

Subject: Conceptual Design Drawings- Ice Arena
Author: Amanda Angevine, Ice Arena General Manager
Department: Ice
Date: Thursday, December 3, 2015
Type of Item: Informational

Summary Recommendations:

This report is an informational update on the work performed by Victus Advisors, exploring possible expansion options for the Ice Arena. While staff does not yet have a formal recommendation, City Council may identify additional work or questions to be answered prior to staff returning with a formal recommendation.

Executive Summary:

The Park City Ice Arena is a regional facility that serves residents of Summit and Wasatch Counties along with visitors from all over the world. The community's need for additional ice was defined as a top priority in 2012 by a recreation facility demand study and a community interest survey. It is with a regional approach that staff and other stakeholders continue to explore how we can meet the need for additional ice in the greater Park City area.

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Acronyms in this report:

PCMC	Park City Municipal Corporation
Basin	Snyderville Basin Special Recreation District
RFP	Request for Proposal
PCIA	Park City Ice Arena
GO Bond	General Obligation Bond
CIP	Capital Improvement Project

Background:

Beginning in 2001, Park City Municipal Corporation (PCMC) and the Snyderville Basin Recreation District (Basin) worked cooperatively to develop an ice facility for the community. In 2004, an inter-local agreement designated ownership of the future facility to PCMC with all operating costs to be paid for by the City. Support from Basin would include \$50k annually to be used for capital replacement and future expansion. The facility was built upon deed restricted land that was donated by the Florence J. Gillmor Estate. The restrictions, found in Appendix A, limit the facility to hosting only recreational and educational activities. The doors opened on February 24, 2006, at which time PCMC had put forth \$3 million for the project along with \$2 million from Basin.

Initially, it was expected that the facility would provide ice programming nine months of the year and hosting dry-floor events during the other three months in order to generate additional revenue. However, after two years of operation due to high demand, the facility operated year round from 10:00 am to 10:00 pm (reducing to an 8 hour day during the off- season). Since the 2008-09 season, the facility has only closed for short periods of time to complete projects that cannot be undertaken while the facility is in operation.

In 2012 the facility further extended its hours of operation to 6:00 am to 11:00 pm to accommodate additional demand. Growth in participation continued and the facility was able to provide additional programming as well as sell more ice to user groups and private rentals, decreasing the annual subsidy (Appendix B). As the community saw need for additional recreation facilities of various types, two different studies were conducted; a recreational facility demand study and a community interest and opinion survey. The purpose of the two initiatives was to prioritize and confirm which recreation facilities were needed in the area, over the next four to five years, as part of the Mountain Recreation Strategic Action Plan. The results showed strong support for an ice arena, indoor aquatic center and indoor multi-purpose fields (Appendix C).

In October of 2013, Ice Arena staff met with Council during a study session to communicate the successes and opportunities of the facility since 2006. Staff communicated the continued growth and increasing demand for additional ice. Staff returned to Council in a work session on [July 10, 2014](#) (page 69 of the packet), and presented possible expansion options at a very high level at which time Council directed staff to return with more specific cost estimates for a variety of possible expansion options.

In November 2014, Snyderville Basin residents passed a General Obligation bond for Recreation and Open Space, which included 2.5 million dollars earmarked for additional ice. [In March of 2015](#) with Council's permission, staff issued an RFP for conceptual design drawings for a possible expansion of the Ice Arena. Victus Advisors was selected to complete this process and are here today to present their study.

In an effort to gain more concrete numbers for possible expansion options, staff requested that Victus develop conceptual plans for following options:

1. Outdoor local/community rink,
2. Indoor Community/regional rink, and
3. Olympic venue rink.

Each plan was to include estimated construction costs as well as annual operational and maintenance costs; pros and cons for locating the expansion on two different sites, the current site and a second site in Quinn's Junction where the City owns property; a list of possible amenities associated with each option; and a list of possible funding sources (see Appendix D for a complete Scope of Services).

The Ice Arena hosts figure skating, hockey, speed skating, curling and sled hockey and is home to nine user groups, 64 adult hockey teams (second largest league in the state), year round Skating and Hockey Academies, multiple camps and clinics, tournaments, special events, and public programming. During Fiscal Year 2015, the Ice Arena was at 92% capacity between the hours of 6:00 am and midnight. For the 2015-16 winter season the facility has once again expanded hours to accommodate a 5:00 am hockey practice, increasing hours to an average of 17 hours a day throughout the winter.

Last year the facility operated at an 88.6% cost recovery with programs and leagues operating with a full cost recovery. The facility's programs and leagues are made up primarily of residents of Snyderville Basin's Recreation District (50-60%) with between 15 and 20% of users (depending on the program) living in the incorporated area of Park City. The remaining users reside in of other areas within Summit and Wasatch counties and the greater Salt Lake area. In addition to area residents, patrons of public sessions (Open Skate, Freestyle, Drop-in Hockey etc.) also include visitors from across the country and around the world. Staff is currently tracking zip codes for public programming to gain a better understanding of the makeup of our users.

Analysis:

The analysis below is the Executive Summary written by Victus Advisors. The complete final report by Victus Advisors can be found in Appendix E.

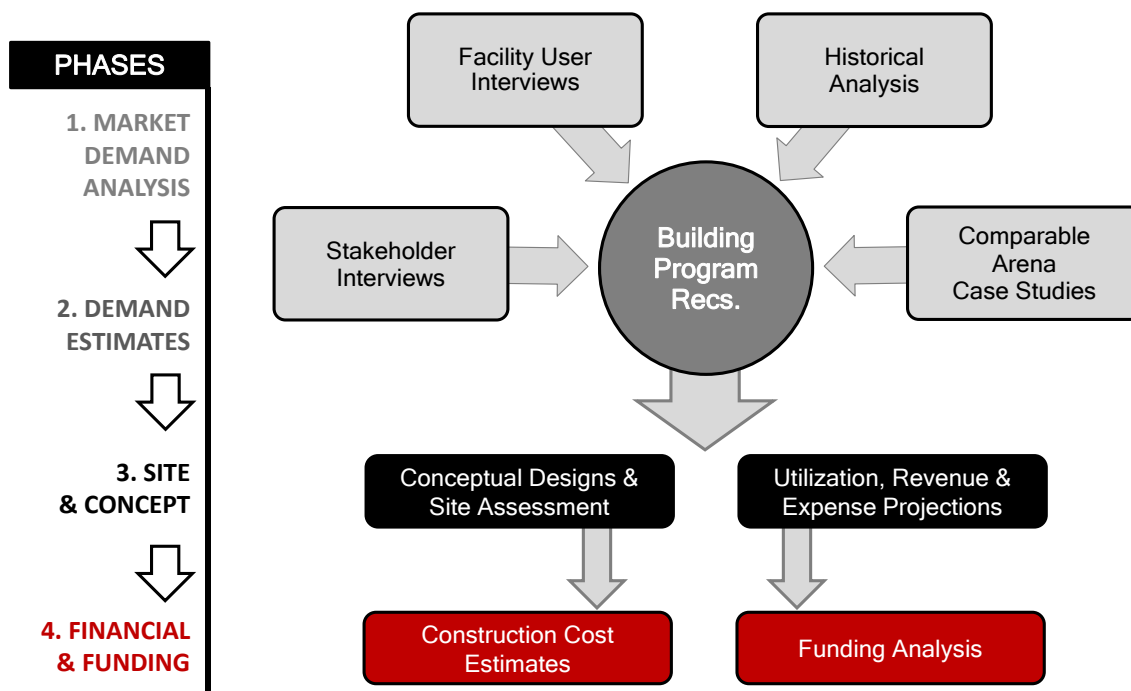
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feasibility of expanding Park City Ice Arena to include a second ice sheet. In addition, Victus Advisors engaged Elliott Workgroup to develop site analysis and expansion concepts, and Construction Control Corporation to assist Elliott Workgroup with cost estimates for each concept.

The customized methodology completed by Victus Advisors from August to October of 2015 employed a mixture of public engagement, primary and secondary research methods, and other analytical tools. This methodology was divided into the following four phases (as shown below):

- **Phases 1 & 2** - Victus Advisors conducted research in order to understand the market demand for an expanded ice arena and recommend initial building program options.
- **Phases 3 & 4** - Victus Advisors estimated the financial operations and funding potential for the various expansion options, while Elliott Workgroup developed initial site plans and concepts and estimated potential development costs.

II. HISTORICAL ANALYSIS



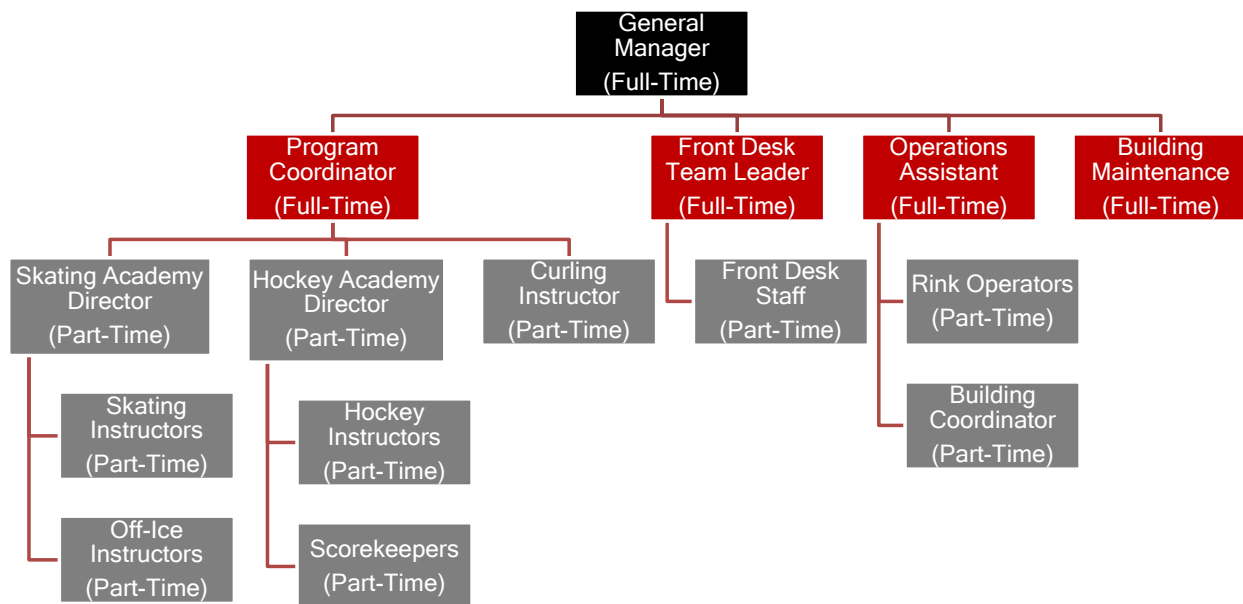
The following information represents a summary of key findings from Victus Advisors' analysis of the historical operations of Park City Ice Arena:

FACILITY OVERVIEW:

- Park City Ice Arena opened in 2006. The 45,854 gross square foot, single sheet, Ice Arena was built for \$5 million. It was funded 100% publicly (60% Park City Municipal Corporation, 40% Snyderville Basin Special Recreation District). It is owned and operated by Park City Municipal Corporation and has a spectator seating capacity between 350 and 500.

- The Ice Arena currently averages utilization of 92% of available daily ice hours. The Ice Arena's primary event/user types include:
 - Adult, high school, and youth hockey clubs
 - Figure skating academy
 - Curling
 - Sled hockey
 - Speed skating club
 - Open skate
 - Off- ice ballet classes

ORGANIZATIONAL CHART:



As shown above, the Park City Ice Arena has five full-time staff members, with 10 additional part-time positions that currently utilize more than 11,500 hours per year.

REVENUES & EXPENSES:

The exhibit below shows the Ice Arena's revenues and expenses for the last three (3) fiscal years. In particular, during the last two (2) fiscal years, cost recovery was relatively consistent at 89-90%.

Revenues	Fiscal Year			3-Year Average	
	2013	2014	2015	Total	%
Ice Rental	\$212,161	\$268,879	\$267,526	\$249,522	34%
Leagues	139,901	175,504	164,047	159,817	22%
On-Ice Classes, Freestyle & Off-Ice Programs	114,235	160,595	139,780	138,203	19%
Public Skate & Drop-In Programs	115,641	109,277	109,485	111,467	15%
Retail Sales	38,661	21,535	31,223	30,473	4%
Advertising & Other Revenues	4,131	36,410	32,900	24,480	3%
Skate Services	10,752	13,564	11,959	12,092	2%
Total Revenues	\$635,481	\$785,764	\$756,922	\$726,056	100%
Expenses					
Full-Time Salaries & Benefits	\$418,530	\$396,974	\$354,415	\$389,973	45%
Part-Time Wages & Benefits	166,603	160,227	175,546	167,459	20%
General & Administrative	132,116	167,034	171,407	156,852	18%
Utilities	124,173	142,576	152,780	139,843	16%
Capital Expenditures	7,439	1,903	78	3,140	0%
Total Expenses	\$848,861	\$868,713	\$854,227	\$857,267	100%
Net Operating Deficit	\$(213,379.55)	\$(82,949.31)	\$(97,305.65)	\$(131,211.50)	
Cost Recovery	75%	90%	89%	85%	

ANNUAL USAGE & LOST BUSINESS:

- On average, the Ice Arena currently utilizes approximately 92% of ice based on an 18 hour day (6:00 am - midnight).
- During fiscal year 2015, the Ice Arena averaged approximately 13 to 15 hours of on-ice usage per day
- The Ice Arena averaged nearly 410 hours of ice usage per month during fiscal year 2015, with hockey accounting for approximately 49% of ice usage, and recreational skating (25%), figure skating (24%), and speed skating (1%) and curling (1%) accounting for the remaining ice usage.
- Of the regular users that have a valid ZIP code registered in the Ice Arena's computer system, 53% reside within ZIP code 84098, 16% within 84060, 16% non-residents of Summit or Wasatch County, and 15% other Summit or Wasatch County residents.
- Based on "lost business" tracking data provided by Ice Arena staff, Victus Advisors found that the Ice Arena lost at least \$100,000 in potential revenue in fiscal years 2014 and 2015 due to a lack of available ice time.

III. COMPARABLE FACILITY CASE STUDIES

Victus Advisors researched a variety of other ice facilities across the country for benchmarking purposes, including both one sheet and two sheet facilities, and indoor and outdoor ice sheets. We ultimately identified six (6) facilities for potential comparison to Park City Ice Arena, including:

- Peaks Ice Arena - Provo, Utah - Two Indoor Olympic-sized Ice Sheets

- Stephen C. West Ice Arena - Breckenridge, Colorado - Two NHL Ice Sheets (One Indoor, One Outdoor)
- Salt Lake County Ice Center - Murray, Utah - One Indoor Olympic Ice Sheet
- Centre Ice Arena - Traverse City, Michigan - Two Indoor NHL Ice Sheets
- Sun Prairie Ice Center - Sun Prairie, Wisconsin - One Indoor NHL Ice Sheet
- Casco Bay Arena - Falmouth, Maine - One Outdoor NHL Ice Sheet

The following list details some of the key takeaways from this benchmarking analysis:

- In 2015 construction dollars, according to the Turner Building Cost Index, the venues in question cost between \$2.0 million and \$21.7 million to construct. The lowest project cost, Casco Bay Arena (\$2 million), was built as an outdoor ice sheet with minimal support/administrative facilities, while Peaks Ice Arena (\$21.7 million in 2015 construction dollars) was originally built for use during the 2002 Winter Olympics.
- Park City Ice Arena was constructed in 2006 for approximately \$6.1 million in 2015 construction dollars. Comparable ice arena projects completed in Utah and Colorado have ranged from \$11.5 million (Salt Lake County Ice Center, one indoor ice sheet), to \$12.1 million (West Ice Arena, one indoor and one outdoor sheet), and \$21.7 million (Peaks Ice Arena, two indoor ice sheets), in 2015 construction dollars.
- Peaks Ice Arena is the largest arena in the comparable set at 110,000 square feet. Park City Ice Arena has the smallest square footage of any indoor arena in the comparable set, at 45,854 square feet, which is 8,000 less square feet than Salt Lake County Ice Center (also a one-sheet indoor facility).
- The three largest arenas in terms of seating capacity (between 1,700 and 2,300 seats) are Peaks Ice Arena, Centre Ice Arena, and Sun Prairie Ice Center, all of which are capable of hosting club hockey teams, larger regional tournaments, and/or NHL training camps. Park City Ice Arena currently has approximately 500 seats.
- With the exception of Park City Ice Arena (4 locker rooms) and Casco Bay Arena (no locker rooms), all of the comparable arenas feature between 7 and 18 locker rooms.

IV. STAKEHOLDER & USER FEEDBACK

On August 5th, Victus Advisors and Elliott Workgroup held initial meetings at Park City Ice Arena with:

- Park City Ice Arena Staff
- Park City Municipal Corporation
- Snyderville Basin Recreation District
- Utah Olympic Legacy Foundation

On August 25th, Victus Advisors conducted a group meeting at Park City Ice Arena with arena user groups:

- Park City Curling Club
- Park City Speed Skating Club
- Sled Hockey (NAC)
- Park City High School Hockey
- Park City Predators Women's Hockey
- Park City Ice Miners
- Figure Skating Club of Park City

Throughout August, Victus Advisors also conducted additional telephone interviews and one-on-meetings with:

- Park City Ice Arena Staff
- Basin Recreation
- Utah Olympic Legacy Foundation
- Rocky Mountain Hockey Schools
- Park City Hockey Invitational
- 3 Brothers Hockey Camp
- Utah High School Hockey
- Park City Skating Academy
- USA Hockey
- Luc Robitaille (L.A. Kings, Celebrity Shootout)

Key findings from the stakeholder and user feedback gathered by Victus Advisors include:

- Park City Ice Arena staff believes that the following priorities would meet the current minimum needs of the community:
 - Second sheet of ice
 - Front desk better located to welcome customers and collect fees
 - Increased storage (for both arena and user equipment)
 - Additional locker rooms (with shower upgrades)
 - Enhanced off-ice training space to accommodate ballet and strength/conditioning programs
 - Upgraded and separate arena lobby and guest gathering areas
 - Larger work space for employees
 - Enhanced sound system
 - Dedicated space for concessions operations
 - Enhanced and more secure retail space
- Staff also believes that the Ice Arena is lacking in its ability to maintain heavy year-round usage on a daily basis because there would be a significant impact to the current event/usage schedule if any systems were to fail. With the addition of a second ice sheet, staff feels that new equipment and systems would significantly enhance the efficiency of the facility, and that backup equipment/systems should be put in place to ensure that the facility could continue to operate on a daily basis in the case of system failures.

- Current Ice Arena users were generally skeptical about the concept of an outdoor ice sheet. Their concerns included extreme cold temperatures in the winter, potential wind and/or dust issues, and potential difficulties with operating outdoor ice during the summer months.
- Only hockey representatives indicated an interest in utilizing an outdoor ice sheet in Park City, since they currently rent ice time in Salt Lake City due to a lack of availability at the Park City Ice Arena, and they would prefer to use any form of ice in Park City (even outdoor).
- Most users felt that an outdoor rink would limit the ability to attract local/regional tournaments, let alone national events, that require two indoor ice sheets. Most users indicated that the ability to host tournaments and larger events would be a significant benefit to their members/athletes, so that they do not always have to travel in order to compete against the top regional competition.
- Users expressed consensus regarding desire for an enclosed 2nd floor viewing and concessions area in between the two sheets of ice. In general, they all felt that a dedicated concessions space would be a big plus.
- Users felt strongly that an additional ice sheet should be directly connected to the arena, so that users/attendees would not have to leave the arena to access the other sheet.
- Many users expressed confusion regarding the current arena entrance/lobby area. The concrete stairs on the outside of the building are rarely used, and users/attendees/staff all tend to crowd into the downstairs lobby/common area just inside the entrance. Most users felt that it would be great to have a larger, dedicated entrance/check-in area (with more of a plaza feel outside), and then a distinct separation in traffic flow from the entrance space to: a) office/administrative/rentals area, b) second floor viewing/concessions area, and c) athlete locker room areas.
- Both hockey and figure skating requested an off-ice training area with multi-purpose athletic/dance flooring (approximately 3,000 square feet would suffice).
- Most user groups like the current locker rooms but wanted significantly more of them. They also indicated the need for large, dedicated locker rooms for girls and women, as well as more overnight and long-term locker space for individuals, plus storage for team equipment.
- Several Park City-based user groups indicated that their current programs, enrollment, and events are capped because of the lack of available ice time at Park City Ice Arena.
- Basin Recreation indicated that their goal is to increase usage and satisfaction for local residents, and they also indicated their concern that any other use of the Ice Arena (regional or national) should ultimately benefit the residents that Basin Recreation serves.
- Utah Olympic Legacy Foundation believes that an expanded Ice Arena should not currently be built to Olympic specification, but rather designed with the flexibility to eventually increase the capacity to become an Olympic venue. For example, Peaks Ice Arena installed temporary seating to meet Olympic requirements and then converted that temporary seating space for indoor field space thereafter.

V. PRELIMINARY SITE CONCEPTS

BUILDING PROGRAM RECOMMENDATIONS

Based upon the research and analysis conducted by Victus Advisors for this study, we estimate that demand exists in the Park City market for the following:

- **Two-Sheet Indoor Ice Arena :**
 - Two Sheets of Ice - One Olympic, One NHL (with adjustable peg system)
 - Redesigned entry plaza and check-in area
 - Separate traffic flow from entry/check-in area into: a) administrative space, b) spectator/viewing space, and c) athlete/locker space
 - 2nd Floor viewing area between the two ice sheets with concessions options
 - 12 locker rooms (8 general use, 2 dedicated women, 2 referees/coaches)
 - Increased storage of all kinds (arena equipment, team equipment, personal lockers)
 - Off-ice training and dance space (approximately 3,000 sq. ft.)
- **Expandability to Olympic-Caliber Venue:**
 - The Ice Arena should be designed to be expandable should Park City host another Winter Olympics, with potential expansion plans and costs identified now for inclusion in the bid.
 - Expanded space for temporary seating for the Winter Olympics (to meet the 6,000 seat requirement for Hockey 2) could be re-purposed afterwards as indoor turf (similar to Peaks Ice Arena).

SITE CONCEPTS

Victus Advisors engaged Elliott Workgroup, the architect-of-record for the original design and construction of Park City Ice Arena, to complete a preliminary site analysis and conceptual site plans for potential expansion. Based upon project expectations established by the City and findings from Victus Advisors' market research phases, Elliott Workgroup was tasked with studying three (3) general expansion options:

- Option 1 - Addition of an outdoor ice sheet
- Option 2 - Addition of an indoor ice sheet on the current property
- Option 3 - Addition of an indoor ice sheet, or construction of a new two-sheet arena, on adjacent property

In addition, Elliott Workgroup was also tasked with considering potential future expansion of Options 2 and 3 to accommodate the Winter Olympics. As such, Elliott Workgroup developed two to three variations for each of the three potential options.

The remainder of this section shows the primary options developed by Elliott Workgroup and determined by Victus Advisors to be the most likely options for current Ice Arena expansion. These primary options are identified as Option 1A, Option 2B, and Option 3B. Please note, the excluded variations are shown for review in Victus Advisors' full report.

OPTION 1A - OUTDOOR SHEET ON CURRENT SITE



Source: Elliott Workgroup

PROS: Option 1 would be the least time consuming and least expensive expansion option relative to Options 2 and 3. Option 1 would provide immediate benefits to local hockey leagues that would be interested in utilizing outdoor ice time for increased practice and league time.

CONS: It is not likely that the addition of an outdoor ice sheet would fully satisfy the current market demand for additional ice time in Park City, because:

- Use of an outdoor ice sheet would likely be seasonal (approximately October to April), and there is currently unmet year-round demand for use of the Ice Arena.
- Current user groups other than hockey (figure skating, curling, etc.) indicated that they did not have interest in utilizing an outdoor ice sheet.
- An outdoor ice sheet could not accommodate existing local/regional tournament demand, let alone national tournaments.

Additionally, an outdoor sheet would not meet the required standards for the Winter Olympics. Option 1A would also require relocation of the existing soccer field.

OPTION 2B - INDOOR, 1,500-SEAT ICE SHEET ON CURRENT SITE



Source: Elliott Workgroup

PROS: A second indoor ice sheet would provide more benefit to the local community than outdoor ice by providing year-round opportunities for all uses (hockey, figure skating, curling, etc.). An additional, attached, indoor ice sheet could also drive incremental economic benefit by attracting more regional/national tournaments to Park City that require two indoor sheets. Option 2B (with 1,500 seats) would best meet current local demand for games & tournaments. In addition, Option 2B would also accommodate expanded space between the two indoor ice sheets for enhanced user amenities (more locker rooms, off-ice training space), spectator amenities (2nd-floor viewing area with basic concessions), and administrative space (re-arranged traffic flow, increased office space). Option 2B could be developed initially with the option to expand in the future for the Olympics (with seating expansion space re-purposed as indoor turf fields after).

CONS: An expansion of an ice rink is allowed on Parcel B subject to the deed restrictions (See Appendix F for a map outlining the Quinn's Deed Restriction). It should also be noted that Option 2 would displace the existing soccer field.

OPTION 3B - NEW 2-SHEET ARENA ON ADJACENT SITE



Source: Elliott Workgroup

PROS: In this 3rd option, the current Ice Arena could be re-purposed as an indoor fieldhouse at an approximate conversion cost of \$527,000, as estimated by Elliott Workgroup. A new Ice Arena developed on the adjacent property to the north of the current site also would not be subject to deed restrictions. Furthermore, a new two-sheet Ice Arena could be built to the level of quality that the City would likely require today. The original Ice Arena was built with tilt-up concrete, insulation was not installed originally, the roof was not designed to accommodate solar panels, and the mechanical systems are the lowest quality that met the original service requirements. Finally, Option 3B could also be expanded in the future to accommodate the Winter Olympics.

CONS: Option 3B (a new two-sheet facility with 2,500 seating capacity, expandable for the Winter Olympics) would likely be among the most expensive development options.

PRELIMINARY COST ESTIMATES

Elliott Workgroup (with input from Construction Control Corporation) developed the following construction cost estimates for each option and variation. The three most likely options, as discussed above, are highlighted in green. Please note, Elliott Workgroup provided not only the estimated building costs, but also the estimated site, civil, utility and soft costs that could be associated with the project as well.

Option	Description	Estimated Building Costs	Estimated Civil/Utility Costs	Estimated Soft Costs	Total Project Cost
1A	Outdoor - Current Site	\$3,596,212	\$139,200	\$711,677	\$4,447,089
1B	Outdoor - Adjacent Site	\$4,450,082	\$220,400	\$836,509	\$5,506,991
2A	Indoor - 500 Seats - Current Site	\$17,081,763	\$220,400	\$2,522,839	\$19,825,002
2B	Indoor - 1,500 Seats - Current Site	\$19,514,935	\$220,400	\$2,847,667	\$22,583,002
2C	Olympic Caliber - Current Site	\$29,573,422	\$220,400	\$4,190,475	\$33,984,297
3A	Indoor - 2,500 Seats - Adjacent Site	\$21,949,213	\$220,400	\$3,172,643	\$25,342,256
3B	New 2-Sheet Arena - Adjacent Site	\$29,874,481	\$220,400	\$4,230,667	\$34,325,548
3C	Olympic Caliber - Adjacent Site	\$38,994,090	\$220,400	\$5,448,134	\$44,662,624

Source: Elliott Workgroup

As shown above, it is estimated that Option 1A, addition of a new outdoor ice sheet on the current site, would have a building cost of \$3.6 million and a total project cost of approximately \$4.5 million. This option would be the most affordable option for adding an additional ice sheet, but it would only meet a portion of the existing demand in Park City for additional ice time.

Option 2B, renovation and expansion of the current ice arena to accommodate an additional indoor ice sheet with 1,500 seats, could cost approximately \$19.5 million in building costs and \$22.6 million in total project costs. Please note, this building cost estimate includes significant improvements to the current Ice Arena structure that would be necessary to support the expansion, including roof replacement, wide-span support structures, and increased support and administrative spaces, as well as expanded parking. It should also be noted that option 2A includes necessary structural/support improvements to the existing Ice Arena as well, however the additional seating capacity would be smaller (500 instead of 1,500), resulting in a lower estimated building cost of \$17.1 million and total project cost of approximately \$19.8 million.

As an additional point of comparison for Options 2A and 2B, the Park City MARC renovation and expansion was completed in 2011 for an estimated \$10.5 million in building costs (Source: Park Record). In 2015 construction dollars, renovation of that 85,000 square foot facility would have cost approximately \$12.4 million (source: Turner Building Cost Index). According to Elliott Workgroup, Options 2A and 2B would be expected to have total square footage ranging from 100,000 to 113,000 square feet.

Option 3B could cost upwards of \$29.8 million in building costs and \$34.3 million in total project costs to complete a new two-sheet, state-of-the-art, ice arena on the adjacent site.

VI. OPERATING PROJECTIONS

Victus Advisors has developed operating projections for Options 1A, 2B, and 3B. Options 1B, 2A, and 3A were excluded as they were deemed to be inferior variations due to expected operational deficiencies and/or unmet market demand. Options 2C and 3C are assumed to be potential future expansion options if Park City hosts another Winter Olympics in 2026 or 2030.

Key assumptions utilized when projecting operations for Option 1A include:

- A new outdoor rink would only be used seasonally (approximately October to April) and primarily for hockey.
- No full-time staff would be added, only additional part-time staff.
- Overall annual usage hours and unique visits would increase by approximately 30%, with no incremental tournament activity.
- There would be no enhancement of available on-site food/beverage options.

Key assumptions utilized for projecting operations of Option 2B include:

- A new indoor rink would be attached to the existing Ice Arena and utilized year-round by all user groups.
- Four (4) current part-time positions would be converted to full-time, plus additional part-time staff would be added.
- Overall annual usage hours and unique visits would increase by at least 75%, plus at least five (5) new tournaments would be held annually.
- New in-house concessions stand would sell light snacks and beverages (coffee, juice, sports drinks, granola bars, etc.).

Key assumptions utilized for projecting operations of Option 3B include:

- A new two-sheet Ice Arena would be utilized year-round by all user groups.
- Four (4) current part-time positions would be converted to full-time, plus additional part-time staff would be added.
- Overall annual usage hours and unique visits would increase by at least 80%, plus at least ten (10) new tournaments would be held annually.
- New 3rd-party-operated, full-service restaurant/café would be operated on-site.

Based in part on the key assumptions identified above, Victus Advisors estimated the operation projections for Options 1A, 2B, and 3B, as shown on the next page:

OPERATING ESTIMATES FOR EXPANDED PARK CITY ICE ARENA

Revenues	BASE YEAR	Option 1A	Option 2B	Option 3B
	2015			
Ice Rental	\$267,526	\$ 347,893	\$ 500,807	\$ 534,773
Leagues	164,047	213,262	287,083	295,285
Classes, Freestyle & Off-Ice Programs	139,780	181,712	244,613	251,602
Public Skate & Drop-In Programs	109,485	142,341	191,613	197,087
Retail Sales	31,223	40,590	56,201	60,611
Advertising & Other Revenues	32,900	42,771	59,221	63,868
Skate Services	11,959	15,547	20,929	21,527
Food & Beverage (Net) ⁽¹⁾	-	-	75,549	153,937
Total Revenues	\$756,922	\$984,115	\$1,436,015	\$1,578,690
Expenses				
Full-Time Salaries & Benefits	\$354,415	\$ 354,415	\$ 585,640	\$ 585,640
Part-Time Wages & Benefits	175,546	252,642	196,941	211,319
General & Administrative	171,407	263,051	427,032	454,965
Utilities	152,780	234,465	380,626	405,523
Capital Expenditures ⁽²⁾	78	1,800	9,800	14,900
Total Expenses	\$854,227	\$1,106,373	\$1,600,039	\$1,672,347
Net Operating Deficit	(\$97,306)	(\$122,258)	(\$164,024)	(\$93,657)
Cost Recovery	89%	89%	90%	94%

(1) Net income to arena after COGS. Option 2 includes in-house sales of light snacks/beverages. Option 3 includes full-service restaurant/ bar.

(2) For purposes of budgeting, it has been assumed that annual capital expenditures would average approximately 0.05% of building cost.

Note: All Options represent a stabilized year of operations in 2015 dollars. No assumptions were made for increased rental rates or admissions prices.

As shown above, it is estimated that Option 1A would generate approximately \$1.1 million in annual expenses with 89% cost recovery, Option 2B would generate more than \$1.6 million in annual expenses with 90% cost recovery, and Option 3B would generate approximately \$1.7 million in annual expenses with 94% cost recovery. Across all three options, net operating deficits are estimated to range from approximately \$94,000 to \$164,000 per year.

VII. FUNDING OPTIONS ANALYSIS

The following section is based upon Victus Advisors' review of funding methods that have been used to develop new, expanded, or renovated ice arenas around the country; our discussions with project stakeholders and City finance staff; and our assessment of the methods most likely to be utilized for a publicly owned and operated ice facility in Park City.

Please note: this analysis assumes that Park City Ice Arena would continue to be operated by Park City Municipal Corporation. The Ice Arena and the land that it is located on have been publicly developed, maintained, and operated, and based upon input from project stakeholders, the current public ownership and operating model is expected to continue in the future.

As such, this section includes an overview of the following sources, as well as Victus Advisors' opinion regarding the potential likelihood of each source being utilized successfully for Park City Ice Arena expansion:

- **Private Funding:**
 - Corporate Naming Rights
 - Private Naming/Donations
- **Public Funding:**
 - Basin Recreation
 - Park City Municipal Corporation

CORPORATE NAMING RIGHTS

The value of corporate naming rights for a sports facility is typically dependent on numerous factors, including but not limited to:

- Annual facility attendance
- Marketing/advertising reach via TV, radio, online, social media
- Demographic and socioeconomic characteristics of attendees and consumers
- Depth and breadth of the corporate base within the local market
- Brand value and prestige associated with the property

Based on a review of publicly-owned ice arenas nationwide, corporate naming rights fees have typically ranged from \$25,000 to \$100,000 per year, with terms typically ranging from 3 to 10 years. Examples of recent naming deals include:

- Frontier Ice Arena - Coeur D'Alene, Idaho
- Comcast Community Ice Arena - Everett, Washington
- Hardee's Ice Arena - Chesterfield, Missouri
- Dort Federal Credit Union Arena - Flint, Michigan
- Cornerstone CFCU Arena - Lockport, New York
- Northwoods Credit Union Arena - Cloquet, Minnesota

There are several key factors for the City to consider regarding corporate naming opportunities:

- The Park City Ice Arena currently generates less than \$33,000 per year in net sponsorship/advertising revenue and does not employ full-time staff that is qualified to prospect and sell corporate naming rights.
- Commissions paid to a 3rd-party naming rights sales expert could reduce net proceeds by as much as 10-15%.
- Park City has a relatively small corporate/commercial base, however there could be potential in engaging the nearby Salt Lake City corporate market.

- Most corporate naming rights buyers prefer to pay in annual installments over the length of the deal. Therefore, corporate naming is often applied towards the ongoing operations of a public facility, rather than capitalizing the full amount for purposes of project funding (unless revenue bonds are issued).
- Philosophically, some communities prefer not to sell naming rights of public amenities to private/commercial buyers.

PRIVATE NAMING & DONATIONS

Certain communities prefer to offer naming rights of public amenities to private foundations or individual donors. Unlike corporate naming, a private naming gift is often given as a lump sum that can be applied towards upfront capital costs.

These types of large private donations are most often associated with an arena that is either operated by a non-profit entity, or whose operations are supported by a specific non-profit foundation. That said, it should be noted that “charitable contributions to governmental units are tax-deductible under section 170(c)(1) of the Internal Revenue Code if made for a public purpose.” (*source: irs.gov*)

Private donation campaigns are often conducted in conjunction with community-led plans to construct a new or renovated/expanded ice arena. Often the naming rights are granted to the largest donation, which is typically announced as the lead gift to the campaign. In some cases, the lead/naming gift will be structured as a “matching gift” that is paid once hits the campaign reaches a pre-determined goal.

As a current example, in Hailey, Idaho, a non-profit group recently raised over \$5.5M for a new indoor ice arena, including more than \$4M from two family foundations, a \$500,000 matching gift from the Eccles family, and other local/community donations.

BASIN RECREATION

Snyderville Basin Recreation District was formed by Summit County in 1993 and is supported by a property tax within the District that is levied specifically to build and maintain open space, trails, and recreation facilities in the district.

In November 2014, Snyderville Basin residents approved a \$25 million dollar bond, supported by a property tax increase, for new open space, trails, and recreation facilities. \$2.5 million of the bond proceeds were to be set aside for addition of a second ice sheet at Park City Ice Arena. The bonds were sold in February 2015, and the bond proceeds were made available to Basin Recreation as of March 11, 2015.

As noted previously in this report, Basin Recreation’s mission is to increase recreational usage and satisfaction for residents of the Snyderville Basin, and therefore they intend for their \$2.5 million contribution to be dedicated to adding an additional ice sheet that will be utilized for recreational purposes by residents of the Snyderville Basin Recreation District whose property taxes supported the \$25 million bond issue.

PARK CITY MUNICIPAL CORPORATION

The City's contribution to the original construction of Park City Ice Arena was funded by General Obligation (G.O.) bonds. For other recent Park City sports and recreation projects, the PC MARC was funded by cash from the City's General Fund, and Quinn's Junction Sports Complex was funded by a portion of Sales Tax Revenue Bonds and cash from Impact Fees collected from private developers.

Based upon interviews with Park City financial staff, *if City Council wishes to expand the current ice facility*, it is most likely that the Park City Municipal Corporation would issue G.O. bonds to fund expansion of the Park City Ice Arena. There are three primary benefits to this approach:

- 1) It puts the expansion decision in the hands of the voters;
- 2) It has no negative impact on other capital projects; and
- 3) With Park City's strong bond rating, the interest rate on these bonds is expected to be quite low. City staff estimates that current interest rates on new 15-year G.O. bonds issued by the City would carry an interest rate of approximately 2.0-2.2%.

In order to be added to the November 2016 ballot, the measure must be approved by Council by September 2016. If the bonds are approved in the General Election, it typically takes the City approximately three (3) months to issue the debt and receive the proceeds. According to this timeline, it is assumed that G.O. bond proceeds could be available for the Ice Arena expansion project by March 2017.

Revenue bonds backed by arena revenues have not been considered as a realistic funding option for this project, as the Ice Arena currently operates at an annual deficit, and the public is likely to view other bondable revenue options such as user fees or parking fees as akin to a price increase.

According to Park City finance staff, the City has "quite a bit of room" before it would hit the cap on G.O. debt. The current City policy states that direct debt will not exceed 2% of assessed valuation. According to City staff, the City's current assessed valuation is \$7,469,131,993 which would set the 2% cap at \$149,382,640. The City's current direct GO debt is \$29,298,159. If sales revenue debt is also included, total GO and Sales revenue direct debt is \$54,475,154. Based upon these figures, Victus Advisors estimated the City's current remaining debt capacity, as shown on the next page:

ESTIMATED PARK CITY MUNICIPAL CORP. DEBT CAPACITY

Current Assessed Valuation:	\$7,469,131,993
Cap on Direct Debt (2% of Assessed Valuation):	\$149,382,640
Less: Current General Obligation Direct Debt:	(\$29,298,159)
<u>Remaining Debt Capacity (after G.O. Debt):</u>	<u>\$120,084,481</u>
Less: Current Sales Tax Direct Debt:	(\$25,176,995)
<u>Remaining Debt Capacity (after G.O. & Sales Tax Debt):</u>	<u>\$94,907,486</u>

As shown above, it is estimated that Park City has at least \$94.9 million in remaining debt capacity before it reaches the 2% cap on direct debt.

FUNDING SUMMARY

	Option 1A: Addition of Outdoor Ice	Option 2B: Addition of Indoor Ice	Option 3B: New 2-Sheet Ice Arena*
Estimated Project Cost:	\$4,447,089	\$22,583,002	\$34,325,548
Less: Basin Recreation Contribution:	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Remaining Funds via Park City G.O. Bonds:	\$1,947,089	\$20,083,002	\$31,825,548

**Note: Does not include potential costs of converting existing Ice Arena to indoor fieldhouse.*

It is assumed that the most likely combination of funding sources for expansion of the Park City Ice Arena includes a \$2.5 million contribution from Basin Recreation, with the remaining project funds being provided via a General Obligation bond issue by Park City Municipal Corporation. This funding model for expansion options 1A, 2B, and 3B is shown below:

FUTURE OLYMPIC EXPANSION

Although potential funding sources have not yet been considered for an additional future expansion of the Park City Ice Arena to also accommodate the Winter Olympics, the estimated incremental costs of that additional expansion are shown below (in 2015 dollars):

- Estimated Additional Cost of Converting 2B to 2C for Winter Olympics: \$11,401,295
- Estimated Additional Cost of Converting 3B to 3C for Winter Olympics: \$10,337,076

It is assumed that potential funding sources for these additional costs would be addressed as a component of any future Winter Olympic bid.

This concludes the Executive Summary written by Victus Advisors.

Department Review:

Jason Glidden (PCMC, Economic Development), Ken Fisher (PCMC, Recreation Manager), Colin Hilton (President and CEO- Utah Olympic Legacy Foundation), Rena Jordan (Director of Recreation, Snyderville Basin Recreation District), Legal, City Manager.

Next Steps:

Facilities and Funding Discussions with Basin Recreation: Where the Victus Advisors study finds that 58% of the ice facility users are from the 84098 zip code and only 16% are from 84098, staff is planning to have a further discussion with Basin Recreation on two topics:

1. ***Regional facilities:*** Where the City and Basin Recreation have had an excellent relationship and have cooperated on facilities within Park City and the Snyderville Basin, staff would like to present Council with more detailed information on Basin Recreation's plans for facilities that may include an aquatics center as well as additional indoor and outdoor field space. Staff recommends that City Council use this information as an input into the funding discussion. *For example*, if Basin Recreation plans on building, within

the next two years and without a financial contribution from Park City Municipal, an aquatics facility in the greater Park City area to which Park City residents will have the same access as Basin residents, the City Council may be willing to forgo a request for Basin Recreation to contribute additional funding to a second sheet of ice.

2. *Funding:* As part of the facilities discussion, staff plans on having a more detailed discussion with Basin Recreation regarding their funding participation for capital and possibly even operating expenses. Where more than half of the current users are Snyderville Basin residents, this seems like a reasonable conversation in which to engage.

Further discussions with Utah Olympic Legacy Foundation: Staff is planning to have additional discussions with Colin Hilton to understand how an expanded venue might be utilized in a future Olympics and if any cost recovery could be available if a future expanded ice facility were to be utilized for Olympic trainings and/or events.

Recreation Master Plan: Council recently approved a contract with Landmark Design to complete a Recreation Facilities Master Plan. Upon completion of the Recreation Master Plan, City Council will have a complete picture of the available land in the City and the priority for various needed facilities.

Land Use Restrictions: The Current facility can be expanded on Parcel B so long as it meets the deed restrictions.

Significant Impacts:

	World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
Which Desired Outcomes might the Recommended Action Impact?	+ Accessible and world-class recreational facilities, parks and programs + Balance between tourism and local quality of life + Well-utilized regional public transit + Varied and extensive event offerings + Accessibility during peak seasonal times	- Abundant preserved and publicly-accessible open space - Reduced municipal, business and community carbon footprints	+ Cluster development while preserving open space + Community gathering spaces and places + Entire population utilizes community amenities	+ Well-maintained assets and infrastructure + Fiscally and legally sound
Assessment of Overall Impact on Council Priority (Quality of Life Impact)	Very Positive 	Negative 	Positive 	Neutral 
Comments:				

Funding Source:

Funding for the Conceptual Design Drawings was equally provided by the Park City Ice Arena, Snyderville Basin Special Recreation District and the Utah Olympic Legacy Foundation. The Interlocal Agreement between the Basin and PCIA for the operation and funding of the Ice Arena, originally had funds contributed to an "Expansion Fund." The final \$10k from this fund was spent for this study as well as \$10k from PCIA's capital fund. A \$10k contribution came from the Utah Olympic Legacy Foundation, to fund the aspect of the study which included an option for expansion that could accommodate a potential future Olympic bid.

Impact on City Council's Energy Critical Priority:

Any of the proposed options for a second ice sheet, including a new outdoor arena, would have a negative impact on our municipal carbon footprint. This negative impact could be minimized by using the roof areas of the new sheet(s) for solar panels as well as building the new facility to LEED or other green building standards. It is important to note that the cost of solar panels or building to a LEED standard has not been included in the cost estimates provided in this report.

Comment from the City Manager: It is important to note that the Ice staff has been, historically, the department that has most aggressively tackled their energy use. This

has been done of their own volition and in coordination with the Environmental Sustainability Department.

Recommendation:

This report is an informational update on the work performed by Victus Advisors, exploring possible expansion options for the Ice Arena. While staff does not yet have a formal recommendation, City Council may wish to identify additional work or questions to be answered prior to staff coming to City Council with a formal recommendation.

Appendices

Appendix A- Quinn's Deed Restrictions

Appendix B- Utilization & Participation Charts

Appendix C- Mountain Recreation Strategic Action Plan

Appendix D- Scope of Project from RFP for Conceptual Design

Appendix E- Victus Advisors- Final Report, Conceptual Design Drawings

Appendix F- Map of Quinn's Deed Restriction

00482782 Bk01060 Pg00764-00771
7-888
ALAN SPRIGGS, SUMMIT COUNTY RECORDER
1997 JUL 17 08:41 AM FEE \$.00 BY DMG
REQUEST: PARK CITY MUNICIPAL CORP

WHEN RECORDED PLEASE RETURN TO.

Office of City Manager
Park City Municipal Corporation
P.O. Box 1480
445 Marsac Avenue
Park City, Utah 84060-1480

Fee Exempt per Utah Code
Annotated 1953 21-7-2

00476111 Bk01037 Pg00133-00139
H-10 CWO
ALAN SPRIGGS, SUMMIT COUNTY RECORDER
1997 APR 07 09:30 AM FEE \$.00 BY DMG
REQUEST: PARK CITY MUNICIPAL CORP

SPECIAL WARRANTY DEED
(Containing a Possibility of Reverter)

Florence J. Gillmor, a single woman, Grantor, of Salt Lake City, Salt Lake County, State of Utah, hereby conveys and warrants, against all claiming by, through or under her, to Park City Municipal Corporation, of P.O. Box 1480, 445 Marsac Avenue, Park City, Utah 84060-1480, Grantee, the following described tract of land (herein referred to as "Parcel A") located in Summit County, State of Utah, awarded to Grantor in that certain Judgment and Decree of Partition in Civil No. 223998, in the Third District Court of the Third Judicial District in and for Salt Lake County, dated February 14, 1981, and recorded with Entry No. 3837774, in Book 5487, beginning on page 125 and continuing through 166 in the office of the Salt Lake County Recorder:

That certain tract of land more particularly described in Exhibit "A" attached hereto and incorporated by this reference;

EXCEPTING THEREFROM all water, water rights or water stock, if any, relating to Parcel A;

SUBJECT TO AND TOGETHER WITH all easements, restrictions, rights of way and other matters of record or enforceable at law;

TO HAVE AND TO HOLD the above-described Parcel A herein granted unto Grantee, its successors and assigns, for as long as Parcel A and Parcel B (as hereinafter defined) are both used for one or more of the following uses (all of which uses shall be referred to herein as the "Acceptable Uses"):

Recreation. To provide for limited recreational uses for the public, such as walking, biking, cross country skiing, horseback riding and other such activities as are consistent with the preservation and protection in perpetuity of the natural open space and conservation values (collectively the "Natural Values") of Parcel A; provided however, no portion of Parcel A shall be used for: (i) golfing; (ii) hunting, trapping, fishing or other taking of animal life, except in accordance with generally accepted conservation practices to control disease or conduct herd management; (iii) igniting or maintaining open fires; or (iv) camping, lodging, housing or other overnight use or occupation (except

that overnight camping in tents or open-air, but not in motor homes or other structures or vehicles, shall be allowed); and/or

Agriculture. To continue the existing agricultural uses in accordance with sound, generally accepted agricultural practices; and/or

Public Access. To design, develop, construct, maintain, renovate, expand or replace rights-of-way, easements, and pathways for walking, biking, cross-country skiing and horseback riding on, across or through Parcel A; provided however, except for parking (i) incidental to the acceptable uses described in this deed, or (ii) in connection with the 2002 Winter Olympics, no portion of Parcel A shall be used as a parking area or by automobiles, trucks, vans, all-terrain vehicles, snowmobiles, motorcycles or other motor vehicles and motorized transportation equipment, except (a) as necessary to control, prevent or mitigate hazards, fire or significant injury to Parcel A, (b) as incidental to acceptable uses described herein, including without limitation maintenance required of the acceptable uses described herein, or (c) as expressly allowed elsewhere in this deed. Any violation of the foregoing use restrictions that is a result of the unauthorized use of Parcel A by third parties shall not be grounds for alleging a breach by Grantee of the provisions of this deed, provided Grantee makes reasonable efforts to prevent and prohibit any such unauthorized use; and/or

Education. To promote and provide education to the public, and various educational groups or other segments of the public, especially in the areas of nature and science, and to promote and provide for scenic enjoyment, gathering and special community events and activities for the public or various segments of the public, including in connection with and incidental to the foregoing the right to construct physical facilities, buildings and improvements and related roads and parking lots; provided, however, that the foregoing shall not allow for the construction or building of a facility or building that is or would generally be considered a school house or school building, whether for a public or private school, for the conducting and carrying on of a regular or typical, full time school program, such as an elementary school, as opposed to a science center or other type of educational facility that is used by many different schools or educational bodies incidental or supplemental to their full school or educational programs based or located elsewhere, and not as their primary residence; and/or

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Resource Protection. To preserve and protect in perpetuity the Natural Values of Parcel A, including without limitation the re-vegetation and restoration of Parcel A with the planting and cultivating of plants and trees native or otherwise suited to the property; and/or

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Limited Additional Recreational Uses. To construct, develop, operate and maintain activities and facilities open or available to the public, or segments

thereof, that would generally be considered recreational or athletic, including by way of illustration and not limitation, ice skating rinks and sheets, swimming pools, baseball, softball, football and soccer fields, parks, playgrounds, and similar uses (but not including amusement parks, carnivals and similar recreational activities involving significant development, machinery and mechanical devices), and buildings, structures, recreation centers, utilities, concession stands, incidental shops or stores carrying primarily articles related to such activities, parking lots, restroom facilities, and other improvements incidental to or required or typically found in connection with such recreational or athletic activities; provided, however, that all of the rights and uses granted in this section entitled "Limited Additional Recreational Uses" shall only pertain to and shall only be allowed on the following real property (which property is not a part of Parcel A):

- NW ¼ NW ¼ of Section 2, Township 2 South, Range 4 East
- NE ¼ NE ¼ of Section 3, Township 2 South, Range 4 East
- That portion of the NE ¼ NW ¼ of Section 2, Township 2 South, Range 4 East, lying west of State Highway 248; and/or

Caretaker Facility. To construct, develop and maintain on the Property one house, building or other facility, not to exceed 3,000 square feet in size, for use only as a caretaker and maintenance facility in which (i) a caretaker or caretakers may live for the purpose of providing maintenance, security and other services incidental to the protection, management, maintenance and preservation of the Property, and (ii) storage, maintenance and other upkeep functions related to the Property may be conducted or carried on.

Except as specifically and expressly allowed by the foregoing provisions, the following are specifically stated and declared to not be acceptable uses of or on Parcel A:

- a. the legal or de facto subdivision of Parcel A for any purpose; provided however, that (i) the lease of all or a portion of Parcel A for an Acceptable Use, or (ii) the transfer of all or a portion of Parcel A to any dependent entity of Grantee, shall not be deemed a violation of this paragraph a;
- b. the granting or conveying of easements or rights-of-way over, across or through Parcel A to adjacent parcels;
- c. any industrial or commercial use of or activity on Parcel A;
- d. the placement or construction of any residential or commercial buildings, structures, or other improvements other than those incidental to the acceptable uses described above;

- e. the dumping or other disposal of wastes, refuse, and debris;
- f. the placement of any signs or billboards on Parcel A, except that signs, whose placement, number, and design do not significantly diminish the open space character of Parcel A may be displayed to state the name and address of Parcel A, to give directions or other information in connection with walkways, bike paths or other paths or thoroughfares on Parcel A, to advertise a permitted on-site activity, and to post Parcel A to control unauthorized entry or use;
- g. the exploration for, or development, excavation, extraction or removal of, minerals, hydrocarbons, sand, gravel or rock, by any method;
- h. any use or activity that causes or is likely to cause significant soil degradation or erosion or significant pollution of any surface or subsurface waters; and
- i. the above-ground installation of new utility systems or the above-ground extensions of existing utility systems, including, without limitation, water, sewer, power, fuel, and communication lines and related facilities.

Pursuant to that certain Special Warranty Deed dated December __, 1996, Grantor conveyed to Grantee a parcel of land (herein "Parcel A") contiguous to Parcel B and referred to therein as Parcel A, which conveyance of Parcel A from Grantor to Grantee was made subject to the identical Acceptable Uses defined in this deed. (Parcel B and Parcel A are referred to herein collectively as the "Property.")

In the event the Property, or any portion thereof, shall cease being used for the Acceptable Uses, or any one or more of the same, for whatever reason or reasons whatsoever, including without limitation by reason of condemnation by Grantee or any dependent entity of Grantee, for a period of six months after Grantor gives written notice to Grantee of a "Final Determination of Nonacceptable Use," as hereinafter defined, then and in such event all of Parcel A shall automatically revert to Grantor, her successors and assigns; provided however, that neither a forbearance by Grantor to notify Grantee of a failure to use the Property for Acceptable Uses nor a failure by Grantor to give Grantee a notice of a Final Determination of Nonacceptable Use, shall be deemed or construed to be a waiver by Grantor of any of Grantor's rights under this deed. Grantor intends by the language previously set forth in this deed to create a fee simple determinable in Grantee, with Grantor retaining a possibility of reverter, so that fee simple title to Parcel A will be held and owned by Grantee, its successors and assigns, for as long as the Property, and each and every portion thereof, is used for the Acceptable Uses, or any one or more of the same, but in the event the Property or any portion or part thereof ceases being used for the Acceptable Uses, or any one or more of the same, for a period of six months after Grantor

gives Grantee notice of a Final Determination of Nonacceptable Use, it is intended by Grantor that all right, title and interest of Grantee, its successors and assigns, be automatically forfeited and that Parcel A immediately revert to and vest in Grantor, her successors and assigns, without any further action being required by Grantor, her successors and assigns. Further, it is intended by the preceding language that such automatic reverter will occur (after the required notice of a Final Determination of Nonacceptable Use) as to all of Parcel A if any portion or part of the Property is not used for one or more of the Acceptable Uses, regardless of the fact that the remaining portions of the Property are being used for Acceptable Uses.

A "Final Determination of Nonacceptable Use" shall be arrived at and determined in the following manner. At such time as Grantor, her successors and assigns, determines that any portion of the Property is not being used for an Acceptable Use, Grantor shall give notice of such event to Grantee ("Grantor's First Notice"). Within 60 days of actual receipt of Grantor's First Notice, Grantee shall give a written response ("Grantee's Response") to Grantor indicating either (a) that Grantee agrees with Grantor that an Acceptable Use is not occurring on a portion of the Property and that Grantee will cure such violation, or (b) that Grantee disagrees with Grantor's assertion that the use is not an Acceptable Use and the reasons why Grantee deems the use to be an Acceptable Use. In the event Grantee's Response acknowledges that a non-Acceptable Use is occurring, or in the event Grantee does not respond within 60 days of receipt of Grantor's First Notice, then for purposes of this deed a Final Determination of Nonacceptable Use shall be deemed to have been made on the date that is 60 days after receipt by Grantee of Grantor's First Notice. In the event Grantee gives Grantee's Response within the 60 day period allowed for such and asserts that the contested use is an Acceptable Use, then within 60 days after receipt of Grantee's Response Grantor shall either (y) accept the contested use as an Acceptable Use, or (z) give written notice to Grantee ("Grantor's Second Notice") that notwithstanding Grantee's assertion to the contrary, Grantor continues to consider the contested use as not being an Acceptable Use. Grantee shall, within 60 days after receipt of Grantor's Second Notice, either:

(i) respond to Grantor in writing that it agrees that the use is not an Acceptable Use and that it intends to remedy the same. If Grantee proceeds in this manner, or if Grantee fails to act within the 60 days allowed, then the date that is 60 days after receipt of Grantor's Second Notice shall be deemed to be the date on which a Final Determination of Nonacceptable Use has been made; or

(ii) commence litigation in the Third Judicial District Court for Summit County or other appropriate successor court seeking a judicial determination of whether or not an Acceptable Use under the terms of this deed is occurring on all of the Property. Grantee shall have the burden in any such litigation of proving that any contested use on the Property is an Acceptable Use. The date on which a final judgment is entered by the court, after all appeal rights have been exhausted, stating that a contested use is not an Acceptable Use, shall be the date of a Final Determination of Nonacceptable Use for purposes of this deed.

Grantee, as provided earlier in this deed, is taking ownership of Parcel A subject to all existing easements, restrictions, rights of way and other matters of record or enforceable at law. Grantor acknowledges and agrees that any use of the Property that is not an Authorized Use but which use arises from prescriptive or other rights existing or arising, or based on facts existing or arising, prior to the date of this deed, and not having their basis or origin in acts or authorizations of Grantee, its successors and assigns, occurring or arising after the date of this deed, shall not give rise to the right of reverter described in this deed notwithstanding the fact that the resulting use may be a use that is not an Authorized Use hereunder; provided that Grantee makes reasonable efforts to contest, stop and terminate any such asserted right that is not an Authorized Use if a reasonable legal basis exists for so contesting the asserted or claimed right.

Grantor or Grantor's agents may enter upon Parcel A at reasonable times in order to monitor and confirm Grantee's compliance with the covenants and restrictions in this deed, provided that Grantor shall not unreasonably interfere with Grantee's use of Parcel A, and the public's use and quiet enjoyment of Parcel A. Nothing in this deed shall be construed to entitle Grantor to bring any action against Grantee for any injury to or change in Parcel A, or for violation or breach of the covenants and restrictions in this deed resulting from acts of God, including without limitation but by way of example, fire, flood, storm and earth movement, or from any prudent action taken by Grantee under emergency conditions to prevent, abate or mitigate significant injury to Parcel A resulting from such acts of God.

All of the rights and interests in Parcel A reserved by Grantor in this deed, including without limitation the possibility of reverter, shall be freely assignable by Grantor and any such assignee shall, after any such assignment, have all of the rights and interests assigned as if such assignee were the original grantor hereunder.

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WITNESS the hand of Grantor this 3rd day of January, 1997.

Florence J. Gillmor
FLORENCE J. GILLMOR

STATE OF UTAH)
COUNTY OF Salt Lake) : ss.

The foregoing instrument was acknowledged before me this 3rd day of January, 1997 by Florence J. Gillmor.

David R. Bird
Notary Public
Residing at: Sandy, Utah

My Commission Expires:



00476111 Bk01037 Pg00139

00482782 Bk01060 Pg00770

EXHIBIT "A"

Parcel A

Beginning at a point on the south line of section 28, T1S, R4E, SLB&M 1023.00 feet east of the southwest corner of said section 28, thence north 2083.86 feet, thence east 4257.00 feet more or less to the east line of said section 28, thence south along the section line 2083.86 feet more or less to the southeast corner of said section 28, thence west along the section line 4257.00 feet more or less to point of beginning. Also the north 265 feet of the northwest quarter of the southwest quarter, and the west half of the northwest quarter, and the west 980 feet of the northeast quarter of the northwest quarter, of section 34, T1S, R4E, SLB&M;

Contains 294 acres more or less.

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Appendix B: Summary of cost recovery and subsidy from 2007- 2015.
Does not include capital expenditures

Fiscal Year	Revenue	Expense	Cost Recovery	Subsidy
2007	\$406K	\$632	65%	\$224K
2008	\$404K	\$765K	53%	\$361K
2009	\$457K	\$809K	56%	\$352K
2010	\$449K	\$690K	65%	\$240K
2011	\$575K	\$779K	74%	\$203K
2012	\$669K	\$826K	81%	\$157K
2013	\$635K	\$849K	75%	\$213K
2014	\$868K	\$786K	90%	\$83K*
2015	\$757k	\$854k	88.6%	\$97k

*In 2014, \$22k from Capital was used to fund operating expenditures as per the agreement with Basin Recreation.

Growth in participation and hours of ice scheduled.

Ice Use	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Hours Scheduled/ Total Available Hours (18 hours/day beginning '14)	1071/ 3000	3280/ 3360	3754/ 4812	4552/ 5619	4727/ 6158	5351/ 5880	5927/ 6153	5969/ 6153	5945/ 6534*	6031 /6534*
Percentage of Total Available Hours Used	36%	97%	78%	81%	80%	91%	91%	97%	91%*	92%*
Total Participant Hours (Only Arena Run Programs)	N/A	N/A	N/A	6490	16,000	17,500	18,900	20,400	22,300	24,884

*Calculation based on an 18 hour day, 6:00 am to midnight beginning in FY 2014.

Softball/Baseball Fields - Outdoor	2	2	2	0	2	0	0	3	1	1	1	0	1	1	0	2	18	9	8 softball 1 baseball
Basketball Courts - Outdoor	2	1	1	0	3	0	0	3	1	0	0	0	2	1	0	3	17	5	
Skate Park - Outdoor	2	1	1	0	0	0	1	3	1	1	1	0	2	1	0	2	17	2	Doesn't specify indoor or outdoor
Squash or Racquetball Courts - Indoor	3	1	1	0	0	0	1	0	3	0	0	3	2	1	0	2	17	n/a	Not analyzed
Volleyball - Outdoor/Sand	2	1	1	0	1	0	1	0	2	0	1	1	1	1	0	3	16	8	
Paddleball - Outdoor	2	0	0	0	0	0	1	0	3	0	0	3	3	1	0	3	16	n/a	Not analyzed
Skate Park - Indoor	3	1	1	0	0	0	1	0	1	0	1	3	1	0	0	2	15	2	Doesn't specify indoor or outdoor
Ice Rink - Outdoor	0	1	1	1	0	0	1	0	3	1	1	0	1	1	0	2	14	2	Doesn't specify indoor or outdoor

Others Identified by Steering Committee or by Public during input sessions	Bike Park - Finish Trailside Bike Park																				
	Centralized Sports Complex at Quinn's/Richardson Flats																				
	Full Service Fitness/Rec Center																				
	Indoor Multi-Use Space/Special Events Center																				
	Kite board area																				
	Outdoor Exercise Facilities (Vita Course)																				
	Outdoor Shooting Facility (Trap, Skeet, and Possibly Rifle)																				
	Platform Tennis - Indoor																				
	Skating Treadmill																				
	Solar Wave - Indoor																				
	Special event/community multi-use support facility																				
	Velodrome (Indoor Cycling Track)																				
	Voice control designated trail areas (dogs on trails)																				
	Women Only Fitness areas																				

Here are the latest iterations of the matrix and the revised criteria based on our last committee meeting. Please note that we eliminated the criteria 'available privately.' The facility quantities recommended in the Demand Study have been relocated to the end of the matrix to help with clarity. We decided to have the 'Demand Study Results' as it's own criteria and the 'Survey Results' as a separate criteria as well, so that it's easier to accomplish the weighting of the survey a little more as was requested in the last committee meeting. There are a few different versions. The base version, which is just the previous matrix with the above changes; a version with the survey results weighted by 2; and a third version with the survey results weighted 2 using a point system of 0, 3, 6, and 9 for scores instead of the 0, 1, 2, and 3. The attached criteria have been updated to explain our reasoning behind the scoring for each of the evaluation criteria.

BASE PRIORITIES (PCMC) - WEIGHTED (SURVEY DOUBLED) AND SORTED BY SCORE																					
FACILITY	EVALUATION CRITERIA																				
	Seasons served	Potential partnering/co-location opportunity	Potential partnering/funding opportunity	Potential partnering/private entities	Demand Study Results	Survey Results	Multiple uses - local/recreational	Multiple uses - national/international/elite	Land availability - city/basin/school district owned	Improvements/expansion planned/committed	Potential economic benefit	Enhances tourism	Available elsewhere in the region	Funding ability	Operations and maintenance requirements	Flexibility	Cost	TOTAL SCORE	Total Needs Now (2011 Demand Study)	Notes from Demand Study	
	Ice Rink - Indoor	3	3	3	2	3	4	3	3	3	2	3	2	0	1	0	2	1	38		2
	Aquatic Center - Indoor General Use	3	3	3	0	3	6	3	3	3	2	3	2	0	1	0	2	1	38		2
	Multi-Purpose Fields - Indoor	3	2	2	2	3	2	3	3	2	3	2	0	1	1	1	3	1	36		2
	Fitness facilities - Cardio, Weights, Group Fitness, Track, etc.)	3	2	2	0	3	6	3	2	3	3	1	1	0	2	0	3	1	35		4
	Trails - Mountain Biking/Hiking/Winter Recreation	3	1	1	0	1	1	3	3	3	3	3	3	0	3	2	2	3	35		n/a
	Multi-Purpose Fields - Outdoor	2	2	2	0	3	2	3	2	3	2	3	2	0	2	1	3	2	34		25
	Aquatic Center - Outdoor General use	0	3	3	1	1	6	3	3	3	1	3	2	0	1	0	2	1	33		2
	Courts/Gymnasium) - Indoor	3	2	2	1	3	0	3	2	3	2	2	1	0	2	1	3	2	32		6
	Trails and Trailheads - Soft Urban	3	1	1	1	1	0	3	2	3	3	2	2	0	3	2	2	3	32		n/a
	Soft Trails to Hard Surface	3	1	1	3	2	2	2	1	3	3	1	1	0	3	2	1	3	32		n/a
	Golf Training Center	2	3	3	2	2	6	1	0	2	0	2	2	3	0	0	2	1	31		2
	Golf Course - with Winter Nordic Use	3	3	3	2	1	6	3	1	1	0	3	3	0	1	0	1	0	31		n/a
	Tennis Courts - Indoor	3	2	2	0	3	2	1	1	3	2	2	2	0	2	1	2	2	30		9
	Dog Park/Off-Leash Areas	3	1	1	0	2	6	0	0	3	3	0	1	0	3	3	0	3	29		2
	Equestrian Facilities - Multi-Use	2	3	3	2	2	0	1	1	2	0	2	2	3	1	0	2	1	27		n/a
	Trails and Trailheads - Hard Surface	3	1	1	0	2	0	2	0	3	3	0	1	0	3	2	1	3	25		n/a
	Pickleball - Outdoor	2	1	1	2	0	2	0	1	2	0	1	1	3	3	2	0	3	24		n/a
	Climbing Wall/Area - Indoor	3	1	1	1	2	4	0	0	2	1	1	1	2	2	0	0	1	22		4
	Tennis Courts - Outdoor	2	1	1	0	2	0	2	0	3	2	1	1	0	3	1	0	3	22		13
Squash or Racquetball Courts - Indoor	3	1	1	0	0	4	1	0	3	0	0	0	3	2	1	0	2	21	n/a		
Bike Park - Outdoor	2	1	1	0	0	0	0	0	3	2	2	2	0	3	1	0	3	20	2		
Pavilions	2	1	1	0	2	0	1	0	3	1	0	0	0	3	1	1	3	19	17		
Playgrounds - Outdoor	2	1	1	0	2	2	1	0	3	1	0	0	0	2	1	0	3	19	10		

Softball/Baseball Fields - Outdoor	2	2	2	0	2	0	0	0	3	1	1	1	0	1	1	0	2	18	9	8 softball 1 baseball
Ice Rink - Outdoor	0	1	1	1	0	4	1	0	3	1	1	1	0	1	1	0	2	18	2	Doesn't specify indoor or outdoor
Basketball Courts - Outdoor	2	1	1	0	3	0	0	0	3	1	0	0	0	2	1	0	3	17	5	
Skate Park - Outdoor	2	1	1	0	0	0	1	1	3	1	1	1	0	2	1	0	2	17	2	Doesn't specify indoor or outdoor
Volleyball - Outdoor/Sand	2	1	1	0	1	0	1	0	2	0	1	1	1	1	1	0	3	16	8	
Playgrounds - Indoor	3	1	1	0	2	0	1	0	3	1	0	0	0	2	0	0	2	16	n/a	Not analyzed
Paddleball - Outdoor	2	0	0	0	0	0	1	0	3	0	0	0	3	3	1	0	3	16	n/a	Not analyzed
Skate Park - Indoor	3	1	1	0	0	0	1	0	1	0	1	1	3	1	0	0	2	15	2	Doesn't specify indoor or outdoor

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	Voice control designated trail areas (dogs on trails)																				
	Women Only Fitness areas																				

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Softball/Baseball Fields - Outdoor	2	2	2	0	2	0	0	0	3	1	1	1	0	1	1	0	2	18	9	8 softball 1 baseball
Basketball Courts - Outdoor	2	1	1	0	3	0	0	0	3	1	0	0	0	2	1	0	3	17	5	
Skate Park - Outdoor	2	1	1	0	0	0	1	1	3	1	1	1	0	2	1	0	2	17	2	Doesn't specify indoor or outdoor
Squash or Racquetball Courts - Indoor	3	1	1	0	0	0	1	0	3	0	0	0	3	2	1	0	2	17	n/a	Not analyzed
Volleyball - Outdoor/Sand	2	1	1	0	1	0	1	0	2	0	1	1	1	1	1	0	3	16	8	
Paddleball - Outdoor	2	0	0	0	0	0	1	0	3	0	0	0	3	3	1	0	3	16	n/a	Not analyzed
Skate Park - Indoor	3	1	1	0	0	0	1	0	1	0	1	1	3	1	0	0	2	15	2	Doesn't specify indoor or outdoor
Ice Rink - Outdoor	0	1	1	1	0	0	1	0	3	1	1	1	0	1	1	0	2	14	2	Doesn't specify indoor or outdoor

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Here are the latest iterations of the matrix and the revised criteria based on our last committee meeting. Please note that we eliminated the criteria 'available privately.' The

Appendix D- Scope of Project from RFP for Conceptual Design Drawings

Scope of Project requested in the RFP for Conceptual Design Drawings awarded to Victus Advisors.

The Ice Arena is part of a larger athletic complex that includes a year-round outdoor synthetic field and three (3) multipurpose grass fields. The complex is adjacent to 2,100 acres of open space and trails and the City hosts multiple large scale and community based events at this location.

Today, the Park City Ice Arena is at 94% capacity between the hours of 6:00 am and midnight. The Arena hosts figure skating, hockey, speed skating, curling and sled hockey and are home to nine user groups, 64 adult hockey teams (total teams per year), year round Skating and Hockey Academies, multiple camps and clinics, tournaments, special events and public programming. The City is interested in developing a range of possible expansion options that include various levels of service/amenities.

In an effort to gain more concrete cost numbers for each expansion option, the City is pursuing a professional service contract with a design firm to create three (3) expansion conceptual plans. The proposal would include plans for the following three options:

1. Outdoor local/community rink,
2. Indoor Community/regional rink, and
3. Olympic venue rink.

Examples of each are included as Exhibit A.

Provide the following information on three options for expansion of a second sheet of ice to be located at Quinn's Junction:

COST: Provide estimated construction costs and annual operational and maintenance costs associated with each option. The estimate should include all necessary parking.

LOCATION: Provide two design concepts per each Option (outdoor, indoor regional, and Olympic) at two different sites. The first location would be an expansion to the current Ice Arena site, and the second being new stand-alone facility on the City-owned property adjacent to the current facility behind the US Ski Team's Center of Excellence. Each of the six total options should include list of pros and cons associated with each.

AMENITIES: Provide a list of possible amenities associated with each option. This could include; number of permanent seating and/or temporary seating (Olympic venue), flexible use space, food and beverage service, storage, off- ice training space, office and operational space.

FUNDING OPTIONS: Provide a list of possible funding options that are available for the construction of the facility. The list should include variety of public and private funding options along with the process and timeline for obtaining each funding option.



DRAFT

Final Report: Feasibility Study for Park City Ice Arena Expansion

NOVEMBER 23, 2015 // DRAFT



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Note: This report relies on a variety of information and assumptions to develop market demand and operating projections. Sources of information and assumptions include, but may not be limited to, information provided by Park City Municipal Corp. and other project stakeholders, input and opinions provided by relevant third parties, Victus Advisors' industry experience and previous studies, and publicly available data from various industry sources. Any such information collected by Victus Advisors has not been audited or verified and has been assumed to be correct. There will be differences between actual events and the projections contained herein, and we express no assurances of any kind related to any projected information. Differences between projections and actual events may be material.

1. INTRODUCTION

PROJECT BACKGROUND



Victus Advisors was engaged by Park City in July 2015 to conduct an objective and research-based study of the potential market demand and financial feasibility of expanding Park City Ice Arena to include a second ice sheet.



In addition, Victus engaged **Elliott Workgroup** to develop site analysis and expansion concepts, and **Construction Control Corp.** to assist Elliott Workgroup with cost estimates for each concept.



Our consulting team's study goals include:

- **Phases 1 & 2** - Victus Advisors conducted research to understand the market demand for an expanded arena and recommended initial building program options.
- **Phases 3 & 4** - Victus Advisors estimated the financial operations and funding potential for the various expansion options, while Elliott Workgroup developed initial site plans & design concepts as well as estimated potential costs with the assistance of Construction Control.



OUR APPROACH

PHASES

1. MARKET DEMAND ANALYSIS

↓

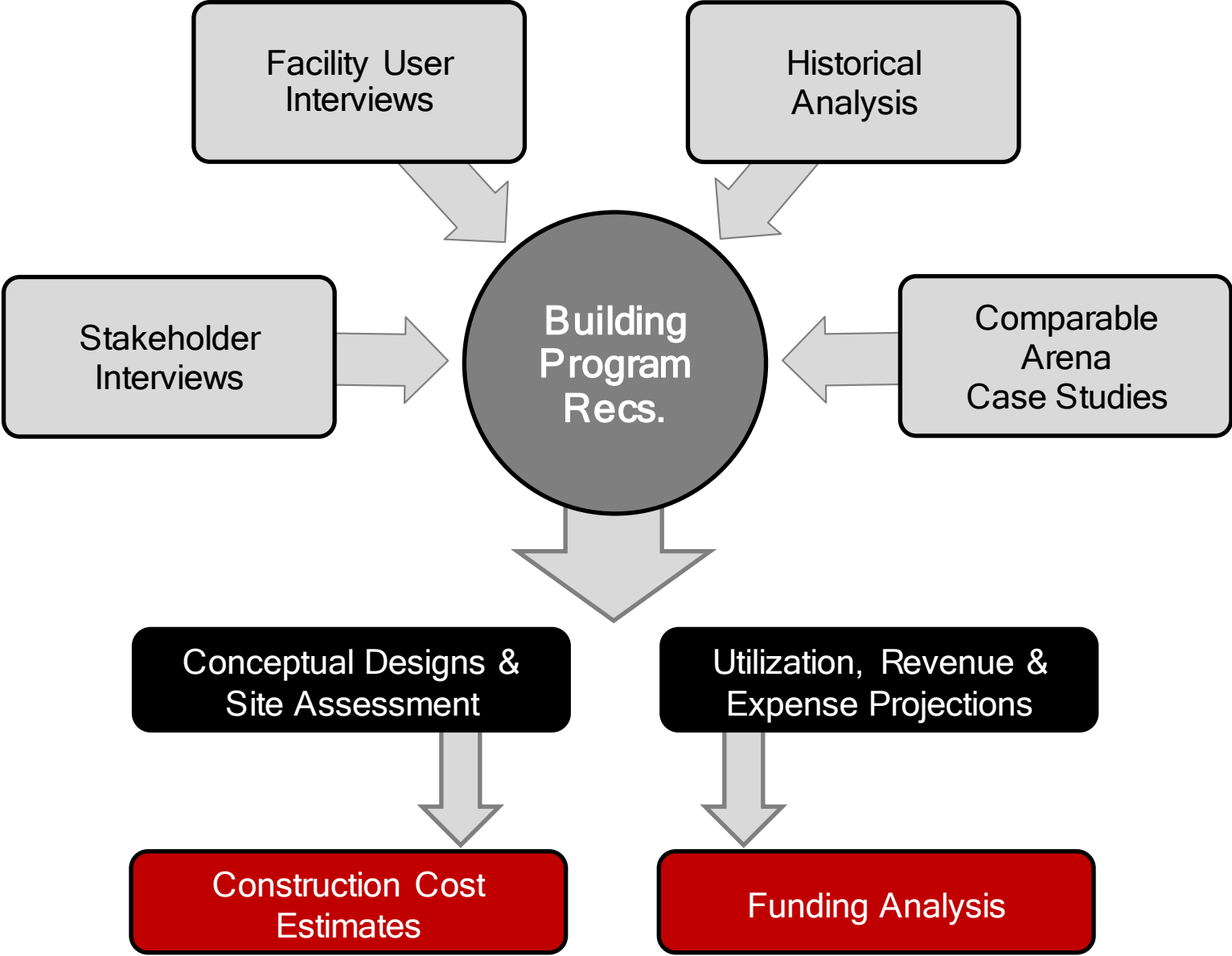
2. DEMAND ESTIMATES

↓

3. SITE & CONCEPT

↓

4. FINANCIAL & FUNDING



2. HISTORICAL ANALYSIS

PARK CITY ICE ARENA FACILITY OVERVIEW

The Ice Arena:

- Opened in 2006; Footprint: 45,854 gross square feet
- Construction Cost: \$5 Million
- Funding: 100% Public (60% Park City Municipal Corporation, 40% Snyderville Basin Special Recreation District)
- Owner & Operator: Park City Municipal Corporation
- Spectator Seating Capacity: Between 350 and 500



Annual Operations:

- Approximately 92% utilization of available daily ice hours
- Primary event/user types include:
 - Adult, high school and youth hockey clubs
 - Figure skating academy
 - Curling
 - Sled hockey
 - Speed skating club
 - Open skate
 - Dance classes

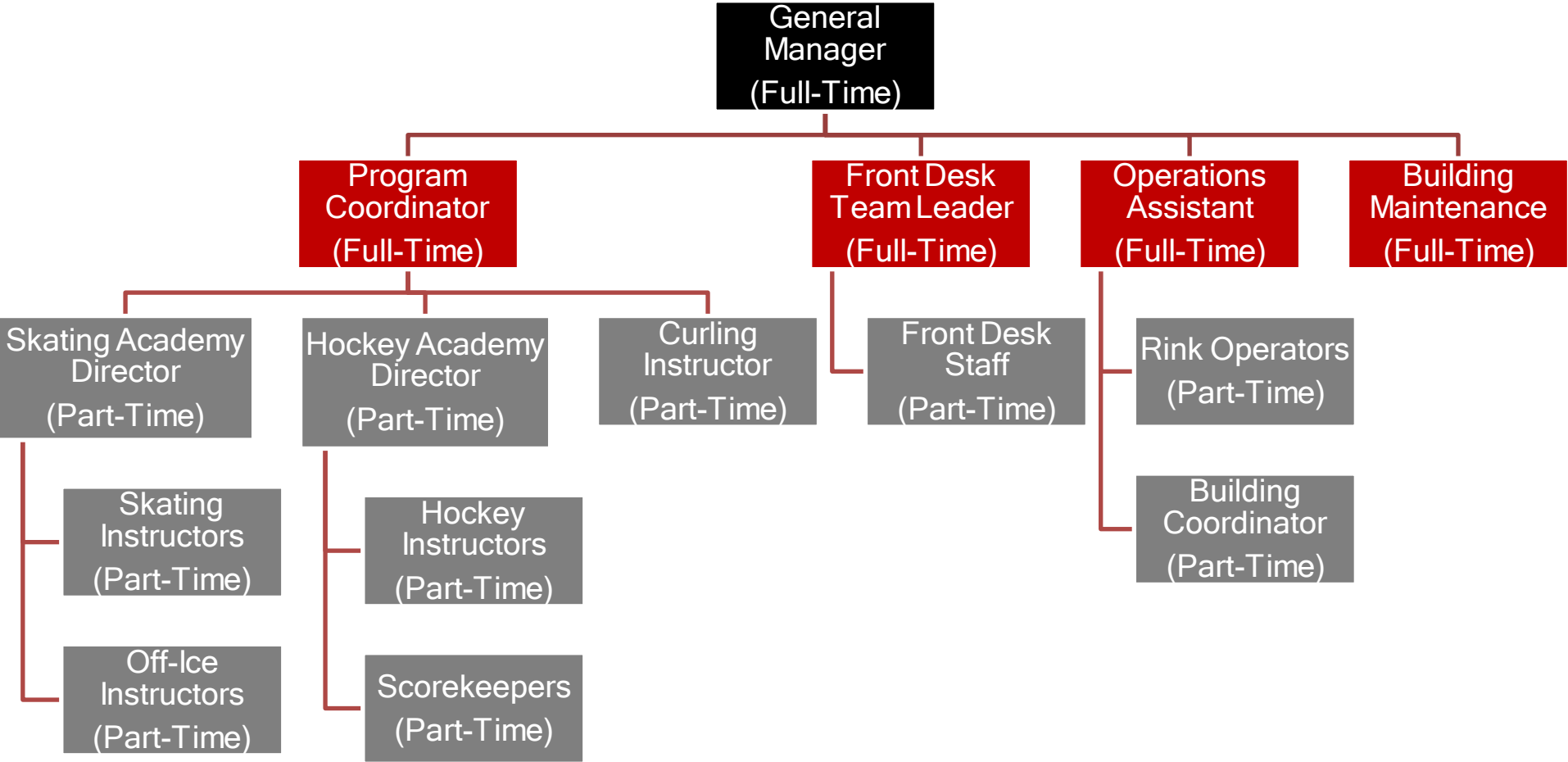


Additional Features:

- 4 locker rooms and 2 supplemental rooms
- 1 party room that can be divided into 2 smaller rooms



PARK CITY ICE ARENA ORGANIZATIONAL CHART

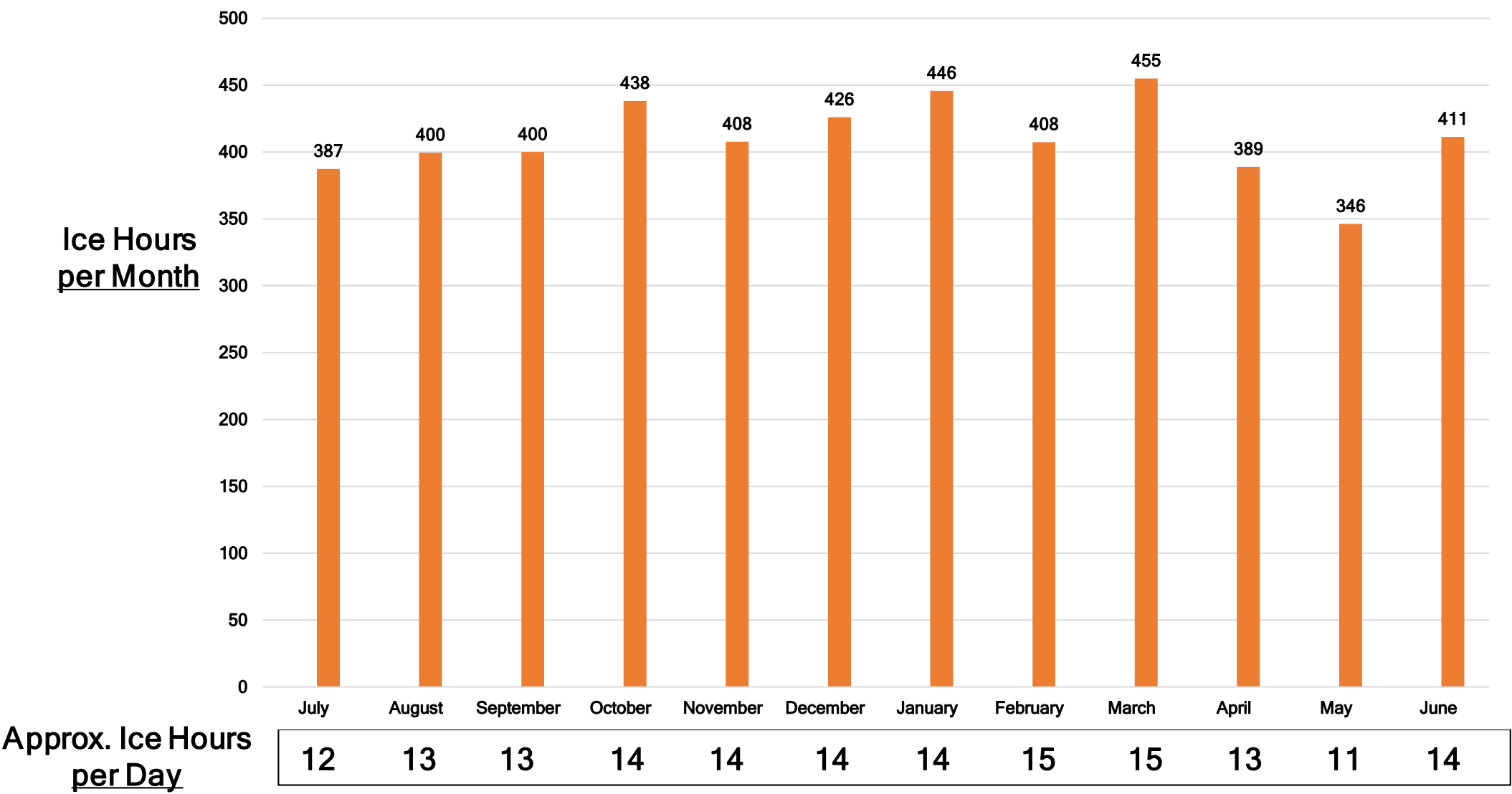


PARK CITY ICE ARENA REVENUES & EXPENSES

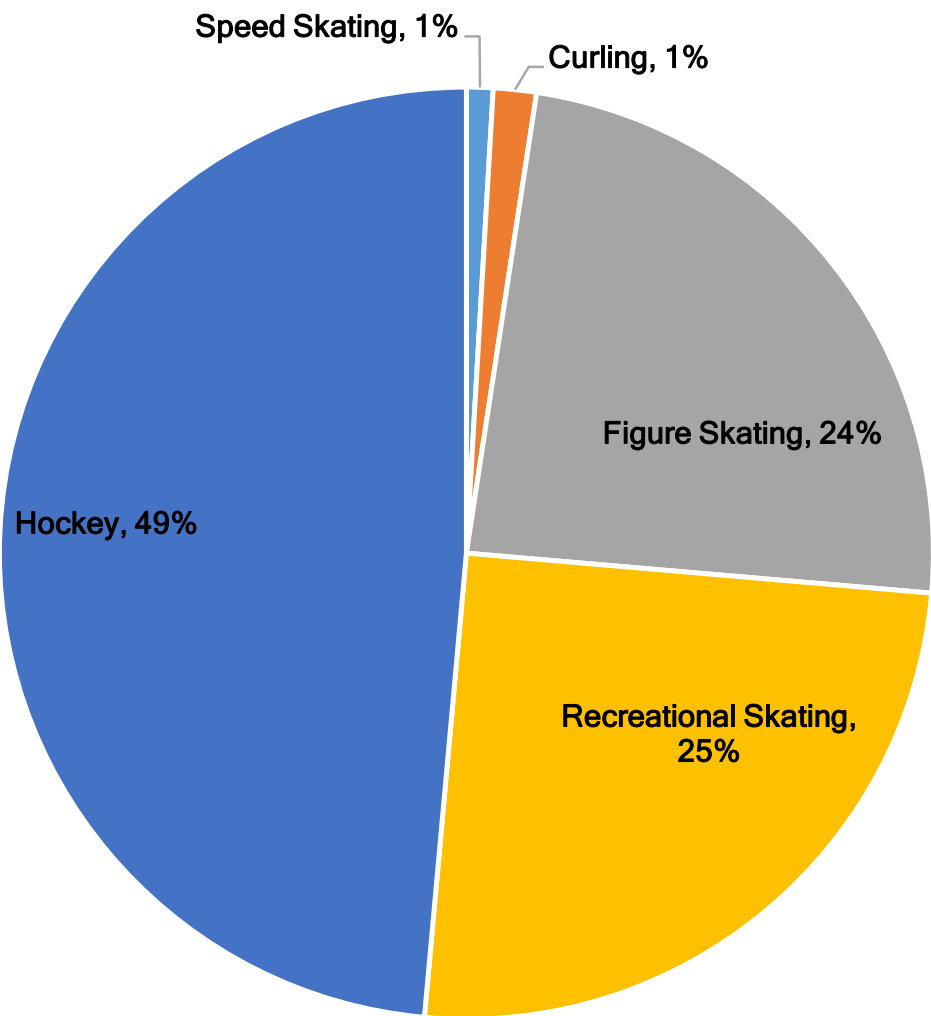
Revenues	Fiscal Year			3-Year Average	
	2013	2014	2015	Total	%
Ice Rental	\$212,161	\$268,879	\$267,526	\$249,522	34%
Leagues	139,901	175,504	164,047	159,817	22%
On-Ice Classes, Freestyle & Off-Ice Programs	114,235	160,595	139,780	138,203	19%
Public Skate & Drop-In Programs	115,641	109,277	109,485	111,467	15%
Retail Sales	38,661	21,535	31,223	30,473	4%
Advertising & Other Revenues	4,131	36,410	32,900	24,480	3%
Skate Services	10,752	13,564	11,959	12,092	2%
<i>Total Revenues</i>	\$635,481	\$785,764	\$756,922	\$726,056	100%
Expenses					
Full-Time Salaries & Benefits	\$418,530	\$396,974	\$354,415	\$389,973	45%
Part-Time Wages & Benefits	166,603	160,227	175,546	167,459	20%
General & Administrative	132,116	167,034	171,407	156,852	18%
Utilities	124,173	142,576	152,780	139,843	16%
Capital Expenditures	7,439	1,903	78	3,140	0%
<i>Total Expenses</i>	\$848,861	\$868,713	\$854,227	\$857,267	100%
Net Operating Deficit	\$(213,379.55)	\$(82,949.31)	\$(97,305.65)	\$ (131,211.50)	
Cost Recovery	75%	90%	89%	85%	



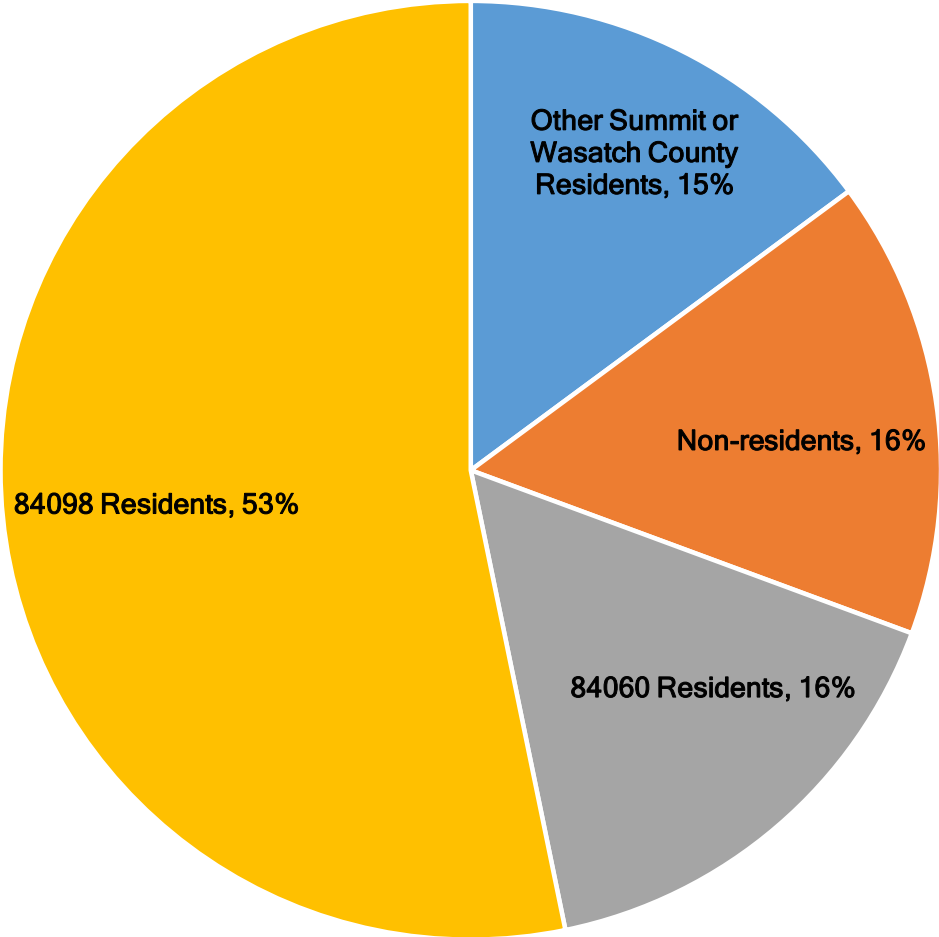
USAGE ANALYSIS FY2015 ICE HOURS SEASONALITY



USAGE ANALYSIS FY2015 ICE HOURS BY SPORT



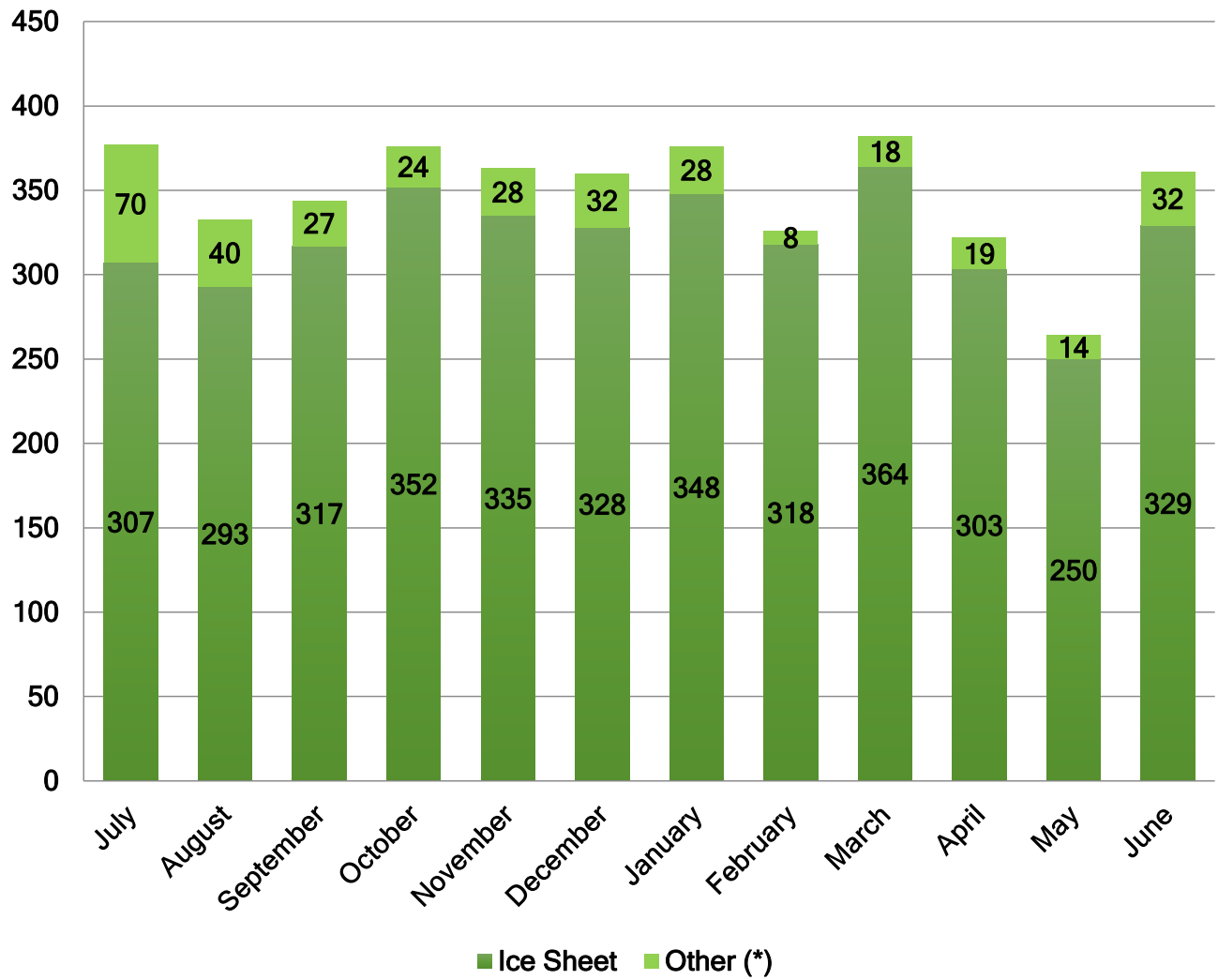
USAGE ANALYSIS **FY2015 RESIDENT USAGE**



Note: Based on 1,426 regular users that have a valid ZIP code registered in the Ice Arena's system.

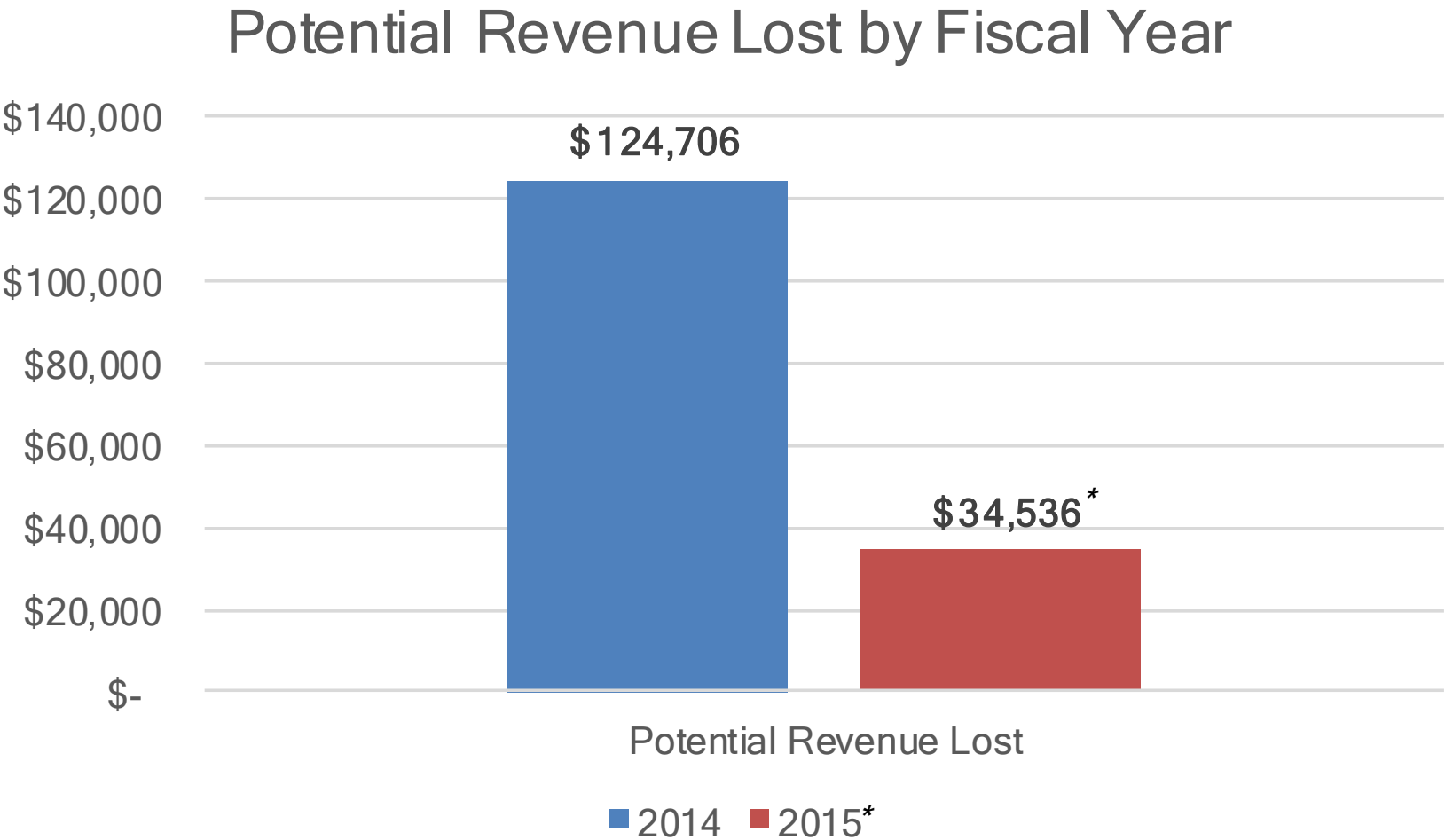
USAGE ANALYSIS FY2015 RENTAL SEASONALITY

Rentals**
per Month



* 'Other' includes events held in party rooms, lobby, and upstairs auxiliary room
** 'Rentals' represent individual continuous-use sessions, typically ranging from 1-2 hours per rental

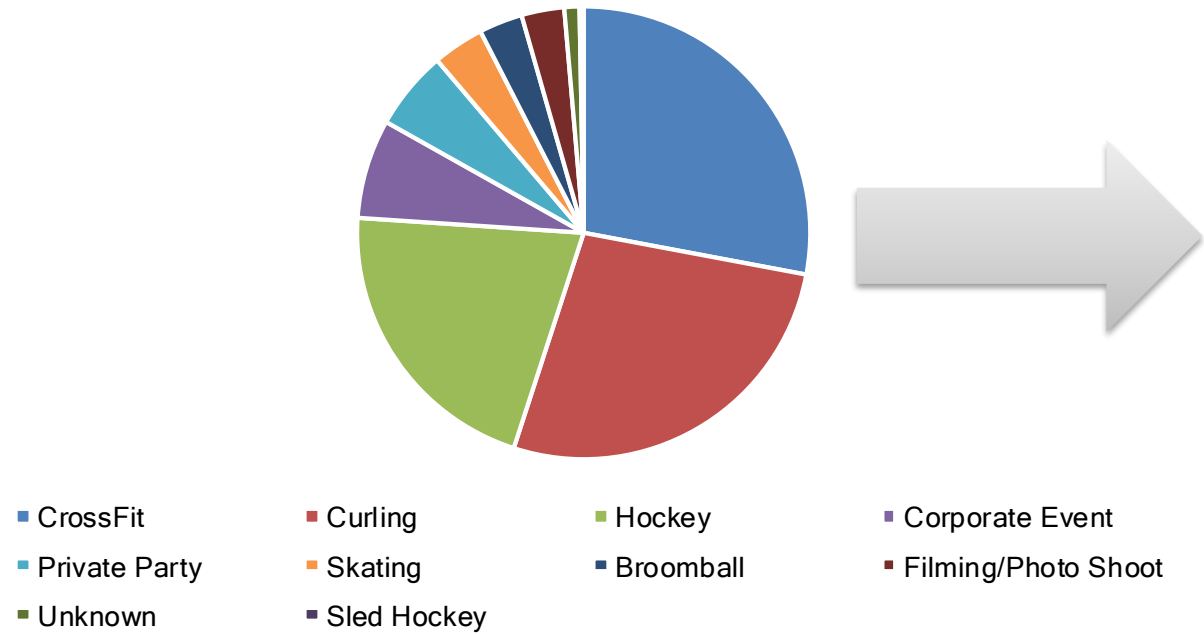
LOST BUSINESS RECENT LOST BUSINESS TRACKING



** Note: Represents partial year data. Ice Arena staff stopped formally tracking lost business during FY2015.*

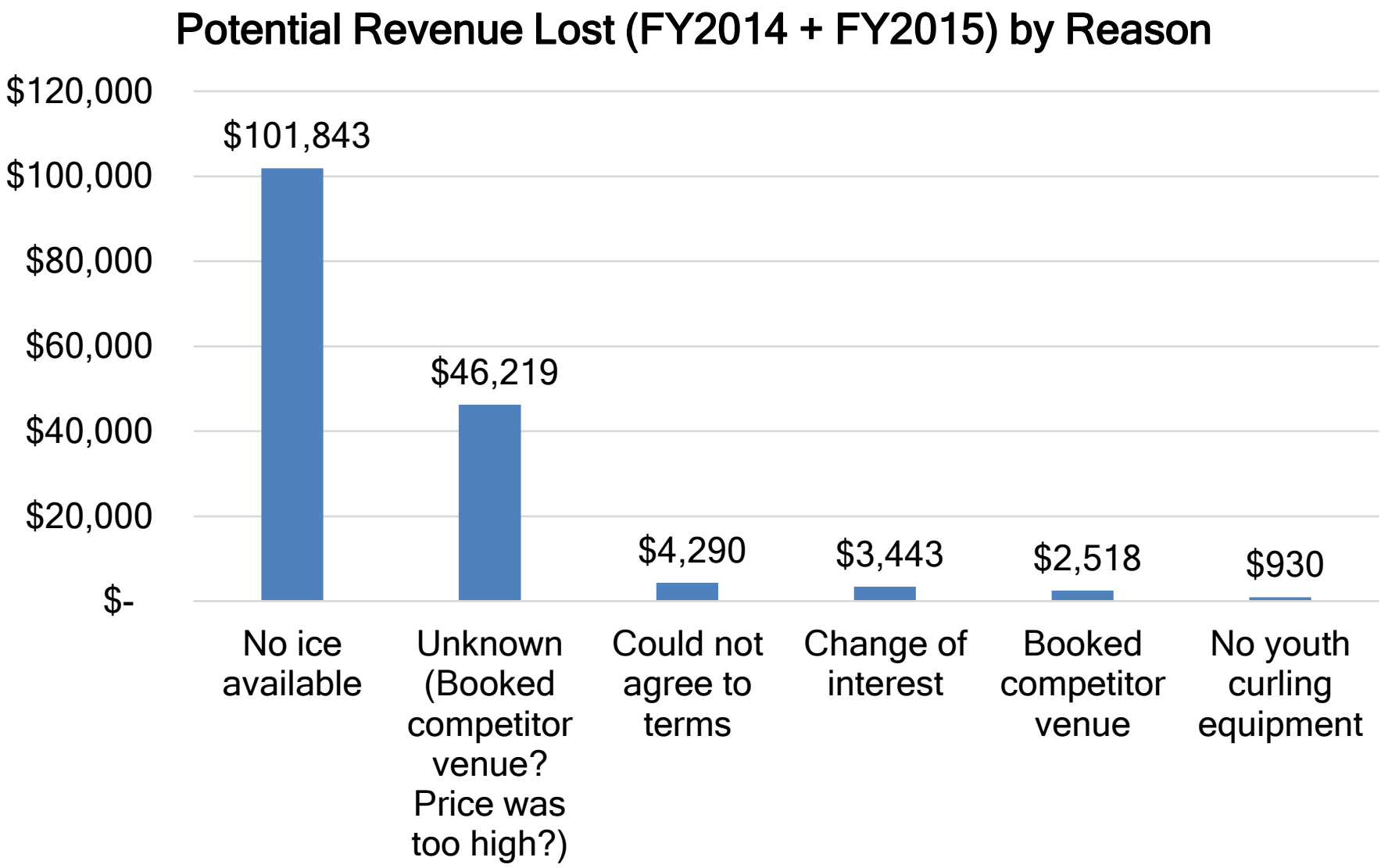
LOST BUSINESS BY EVENT TYPE

Potential Revenue Lost (FY2014 + FY2015)



Event Type	Potential Revenue Lost
CrossFit	\$ 44,520
Curling	\$ 43,057
Hockey	\$ 33,537
Corporate Event	\$ 11,288
Private Party	\$ 9,005
Skating	\$ 5,841
Broomball	\$ 4,950
Filming/Photo Shoot	\$ 4,855
Unknown	\$ 1,723
Sled Hockey	\$ 468
TOTAL:	\$ 159,242

LOST BUSINESS BY REASON



3. COMPARABLE FACILITY CASE STUDIES

STEPHEN C. WEST ICE ARENA **BRECKENRIDGE, CO**

- Indoor rink opened in 2000, outdoor rink was built in 1996
- Footprint: 57,000 ft² (combined facility)
- Cost: Outdoor rink \$1.5M*, Indoor rink \$6.2M
- Funding: 100% Public for both (Outdoor - general fund, Indoor - bond issue)
- Owned & Operated by: Town of Breckenridge
- 2 NHL-size rinks; Seating Capacity: 500 for indoor rink



Year Round Event Mix:

- Home to Breckenridge Bucks (Rocky Mountain JR Hockey League)
- Men's and women's adult hockey leagues
- Public ice skating
- Curling league
- Figure skating classes
- Hockey tournaments (for both men and women)
- Winter Ice Show (twice a year)
- Hockey clinics and lessons



Additional Facility Notes:

- 9 Locker rooms (4 with showers), Pro Shop, & Meeting rooms
- * *Large group of users/residents has requested enclosing the outdoor rink and adding off-ice training/team performance space. The City is currently planning to allocate up to \$1M for this project.*



CASCO BAY ARENA FALMOUTH, ME

- Expected to open in mid-October 2015
- Footprint: 29,900 ft²
- Cost: \$2 Million
- Owner: Casco Bay Ice Arena, Inc.
- Operator: Family Ice Center
- Funding: 100% private (via capital campaign and bank loans)
- NHL-size rink



Event Mix:

- Pavilion-style outdoor rink is unconditioned and only open for ice activity from October through March
- Built to add ice time for youth hockey teams during the peak season
- In a compromise with existing, local ice facilities, the arena will not be accessible for:
 - Public skating sessions
 - Skate rentals
 - Figure skating
 - Skate sharpening services
 - Ice rentals for adult hockey programs
- During the warmer months, artificial turf will be laid down for Lacrosse and other sports teams



SUN PRAIRIE ICE ARENA **SUN PRAIRIE, WI**

- Opened in 2014, approx. 30-min from downtown Madison
- Footprint: 91,000 ft²
- Cost: \$7.1 Million
- Owned & Operated by: Sun Prairie Ice Inc.
- Funding: 100% Private (via Sun Prairie Youth Hockey Association's \$3.5 million capital campaign & other community based donations)
- 2 National Hockey League-sized rinks
- Seating Capacities: Cardinal Rink 1,100; Tubbs Rink 600



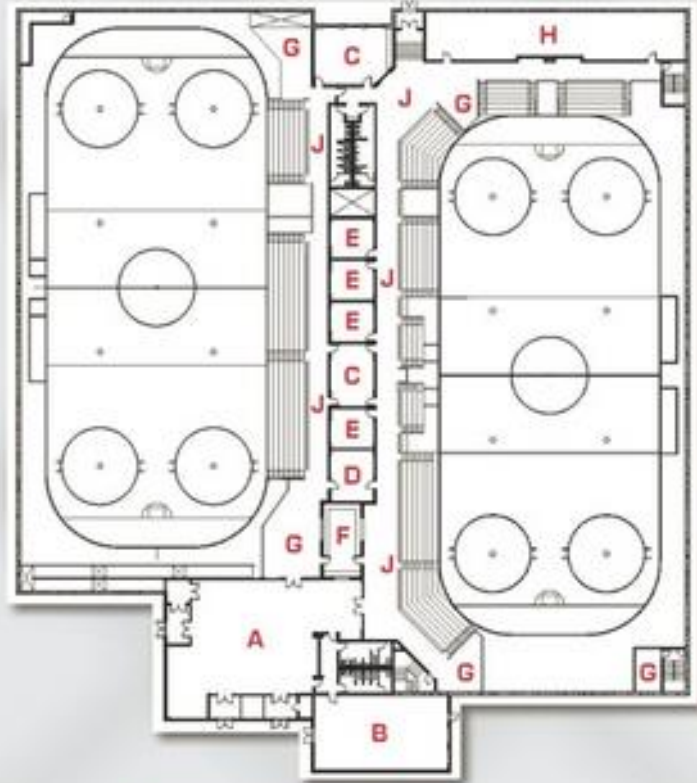
Year-Round Event Mix:

- Home to Sun Prairie Rage Women's Hockey Club (Women's Central Hockey League)
 - 3 teams, based on experience (Rage Blue, Rage Grey, Rage Green), average 8 home games each per season
- Old Buzzard Hockey League (Adult Recreation)
- Academies (skating, hockey)
- Youth hockey leagues
- Figure skating
- Open skate



SUN PRAIRIE ICE ARENA SUN PRAIRE, WI (CONT.)

ENTRY LEVEL FLOOR PLAN



- | | |
|-------------------|-----------------------|
| A - Main Lobby | F - Concession Stand |
| B - Retail Space | G - Viewing Platforms |
| C - Meeting Rooms | H - Equipment Room |
| D - Family Lounge | J - Elevated Walkways |
| E - Offices | |

ICE LEVEL FLOOR PLAN



- | | | |
|--------------------------|-------------------------|------------------------|
| A - Lower Lobby | G - Z-Team Lounge | N - Coaches Room |
| B - NHL-Size Rink | H - Open Locker Room | O - Referee Room |
| C - NHL-Size Rink | J - Shooting Cages | P - Concession Stand |
| D - Mechanical Room | K - Synthetic Ice Sheet | Q - Changing Room |
| E - Zamboni Garage | L - Locker Rooms | R - Player Access Ramp |
| F - Varsity Locker Rooms | M - Skate Rental | |

Additional Facility Notes:

- 14 Locker rooms
- Concession stands
- Restaurant open all day to arena visitors and general public
- Dance studio
- Meeting & party rooms for rent



CENTRE ICE ARENA TRAVERSE CITY, MI

- Opened in 1996
- Footprint: 95,000 ft²
- Cost: \$5.8 Million
- Funding: Public-private mix (82% via county bonds, 18% private donations)
- Owned and operated by: Involved Citizen's Enterprises (I.C.E)
- 2 NHL-size rinks



Event Mix:

- Annual training camp for NHL's Detroit Red Wings since 1997
- NHL Prospect Tournament will be held in 2015
 - Currently 8 NHL clubs are participating
- Adult & youth hockey tournaments
- High school hockey
- Figure skating
- Open skate



Additional Facility Notes:

- 18 locker rooms
- Pro shop
- Concession stand
- Meeting rooms
- Fitness club

SALT LAKE COUNTY ICE CENTER MURRAY, UT

- Opened in 1999
- Footprint: 52,000 ft²
- Cost: \$6.8 Million
- Owner: Salt Lake County
- Operator: Salt Lake County Parks and Recreation
- Funding: 100% Public via Zoo, Arts, and Parks Tax (Passed in 1996 to increase sales tax)
- 1 Olympic-sized ice sheet (utilized as a practice venue during the 2002 Olympic Winter Games)
- Capacity: 500



Event Mix:

- Home to Salt Lake City Moose of Western States Hockey League
- Adult hockey leagues
- Hockey camps/tournaments
- Figure skating
- Open skate
- Youth hockey leagues



Additional Facility Notes:

- 7 locker rooms (4 large, 3 small)
- Pro shop
- Party room
- Concessions area

PEAKS ICE ARENA **PROVO, UT**

- Opened in 1998
- Footprint: 110,000 ft²
- Cost: \$12.4 Million
- Owner: Provo/Utah County Ice Sheet Authority
- Operator: Provo Parks and Recreation Department
- 2 Olympic-sized ice sheets & 2 indoor turf fields
- Capacity: North Rink seats 2,300*
 - * Expanded to 8,400 seats for 2002 Winter Olympics
- Funding: Public/Private Partnership (50% SLOC, 40% City/County via bond issue, 10% Seven Peaks Management)



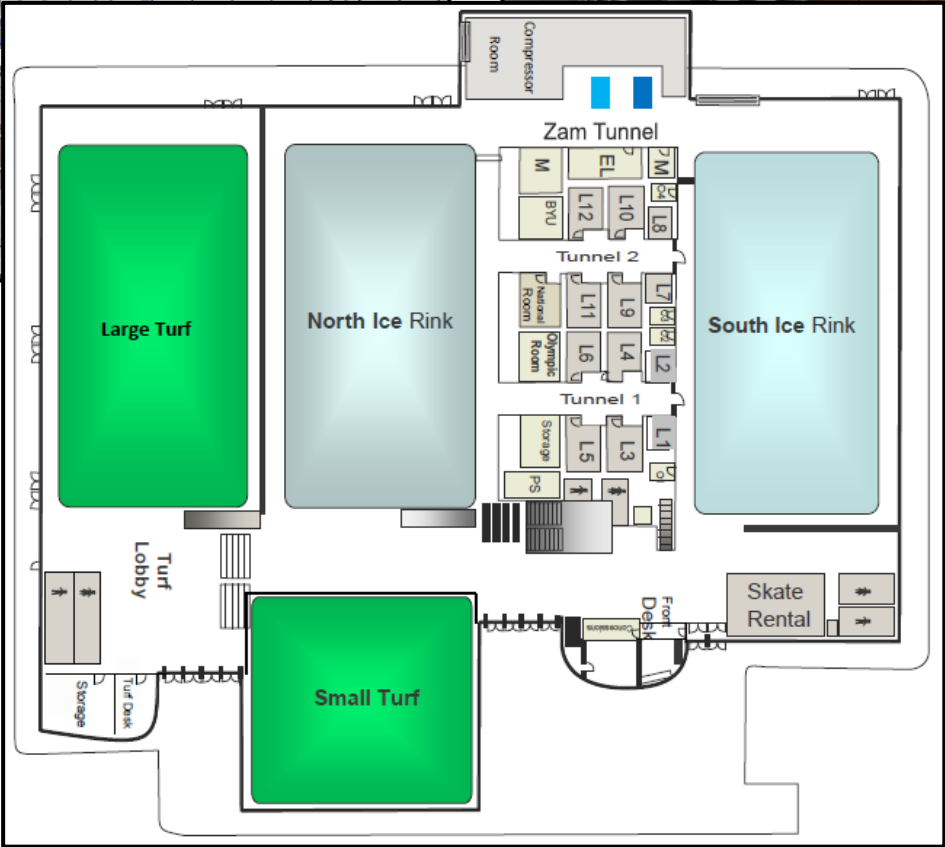
Year Round Event Mix:

- Home to BYU Hockey Club (American Collegiate Hockey Association)
- Peaks Adult Hockey League (3 divisions with leagues played year round)
- Academies (skating, hockey)
- Youth Hockey League (Polar Bears, ages 6-14)
- Figure skating (including open skate)
- Youth Indoor Soccer League

Additional Facility Notes:

- 12 Locker rooms, meeting & party rooms available to rent
- 1 Concession stand

PEAKS ICE ARENA **PROVO, UT (CONT.)**



COMPARATIVE FACILITIES SUMMARY

Arena/Ice Center	City, State	Year Open	Sheet 1 Size	Sheet 2 Size	Cost (\$M)	Est. Project Cost in \$2015 (1)	Square Footage	Est. Cost per SqFt in \$2015 (1)	Total Locker Rooms	Seat Capacity
Peaks Ice Arena	Provo, UT	1998	Olympic	Olympic	\$12.4 (2)	\$21.7	110,000	\$197.1	12	2,300
Stephen C. West Ice Arena	Breckenridge, CO	2000	NHL (Indoor)	NHL (Outdoor)	\$7.7	\$12.1	57,000	\$211.6	9	500
Salt Lake County Ice Center	Murray, UT	1999	Olympic	N/A	\$6.8	\$11.5	52,000	\$220.2	7	500
Centre Ice Arena	Traverse City, MI	1996	NHL	NHL	\$5.8	\$11.0	95,000	\$116.1	18	1,800
Sun Prairie Ice Center	Sun Prairie, WI	2014	NHL	NHL	\$7.1	\$7.6	91,000	\$83.0	14	1,700
Park City Ice Arena	Park City, UT	2006	Olympic	N/A	\$5.0	\$6.1	45,854	\$132.0	4	500
Casco Bay Arena	Falmouth, ME	2015	NHL (Outdoor) (3)	N/A	\$2.0	\$2.0	29,900	\$66.9	-	-
Median		2000			\$6.8	\$11.0	57,000	\$132.0	11	1,100
Average		2004			\$6.7	\$10.3	68,679	\$146.7	11	1,217

Note: Sorted by Estimated Project Cost in \$2015. Ice sheets assumed to be indoor unless otherwise noted.

(1) Adjusted according to the Turner Building Cost Index (1996 to 2015).

(2) Project Cost for Peaks Ice Arena does not include parking, as adjacent parking lots already existed.

(3) Casco Bay Arena will be a seasonal outdoor rink with an open-air roof. Support facilities are minimal, as the arena will not be utilized for public skating, figure skating, or adult hockey.

Source: Victus Research



4. STAKEHOLDER & USER FEEDBACK

INTERVIEW SUMMARY

On August 5th, Victus Advisors & Elliott Workgroup held initial meetings at Park City Ice Arena with:

- Park City Ice Arena
- Park City Municipal Corporation
- Snyderville Basin Recreation District
- Utah Olympic Legacy Foundation

On August 25th, Victus Advisors conducted a focus group at Park City Ice Arena with arena user groups:

- Park City Curling Club
- Park City Speed Skating Club
- Sled Hockey (NAC)
- Park City High School Hockey
- Park City Predators Women's Hockey
- Park City Ice Miners
- Figure Skating Club of Park City

Throughout August, Victus Advisors also conducted additional telephone interviews & one-on-meetings with:

- Park City Ice Arena Staff
- Basin Recreation
- Utah Olympic Legacy Foundation
- Rocky Mountain Hockey Schools
- Park City Hockey Invitational
- 3 Brothers Hockey Camp
- Utah High School Hockey
- Park City Skating Academy
- USA Hockey
- Luc Robitaille (L.A. Kings, Celebrity Shootout)

STAFF FEEDBACK KEY FINDINGS

The following list summarize Park City Ice Arena Staff's assessment of the primary community needs for a renovated and/or expanded Ice Arena. This list reflects the top priorities that would meet the minimum needs to the community according to the Staff.

- Second sheet of ice
- Front desk better located to welcome customers and collect fees
- Increased Storage (for both arena and user equipment)
- Additional Locker Rooms (with shower upgrades)
- Enhanced off-ice training space to accommodate ballet and for strength/conditioning program
- Enhanced lobby/guest area - upgraded seating/patron space
- Larger work space for employees
- Enhanced sound system
- Dedicated/improved space for concessions operation
- Enhanced and more secure retail space



USER FOCUS GROUP **KEY FINDINGS**

Based on the focus group meeting that Victus Advisors conducted with Ice Arena users, we have developed the following summary of key findings:

- Users were **generally skeptical about the concept of an outdoor ice sheet**. Their primary concerns included extreme cold temperatures in the winter, potential wind and/or dust issues, and potential difficulties with operating outdoor ice during the summer months.
- **Only hockey representatives indicated an interest in utilizing an outdoor ice sheet**, as they are currently renting ice time in Salt Lake City due to a lack of availability at the Park City Ice Arena, and they would prefer to use any form of ice in Park City (even outdoor).
- Most users felt that an **outdoor rink would limit the ability to attract regional tournaments and/or national events that require two indoor ice sheets**. Most users indicated that the **ability to host tournaments and larger events would be a significant benefit to their members/athletes**, so that they do not always have to travel in order to compete against the top regional competition.
- Users expressed consensus regarding desire for an **enclosed 2nd floor viewing and concessions area** in between the two sheets of ice. In general, they all felt that a dedicated concessions space would be a big plus.
- Users felt strongly that an **additional ice sheet should be directly connected to the arena**, so that users/attendees would not have to leave the arena to access the other sheet.



USER FOCUS GROUP **KEY FINDINGS** (CONT.)

Based on the focus group meeting that Victus Advisors conducted with Ice Arena users, we have developed the following summary of key findings:

- Many users expressed confusion regarding the current arena entrance/lobby area. The concrete stairs on the outside of the building are rarely used, and users/attendees/staff all tend to crowd into the downstairs entrance/lobby/common area. Most users felt that it would be great to have a **larger, dedicated entrance/check-in area** (with more of a **plaza feel outside**), and then a distinct **separation in traffic flow from the entrance** space to: a) office/administrative/rentals area, b) second floor viewing/concessions area, and c) athlete locker room areas.
- Both hockey and figure skating requested some sort of **off-ice training area** with multi-purpose athletic/dance flooring (approximately 2,000 to 3,000 square feet would suffice).
- Most user groups like the current locker rooms but wanted **significantly more locker rooms**. They also indicated the need for large, dedicated locker rooms for girls/women, as well as more **overnight/long-term locker space** for individuals, as well as **storage for team equipment**.



INTERVIEW SUMMARY **KEY FINDINGS**

Snyderville Basin Recreation District: Victus Advisors met with Rena Jordan, District Director, and Brian Hanton, Parks & Recreation Manager. Their thoughts are summarized below.

- The \$2.5 million in project funding from Basin Recreation was allocated from its 2014 Bond due to research findings from **three studies/plans completed within the past five years:**
 - Mountain Recreation Strategic Action Plan (2013)
 - An additional ice sheet was considered among the 3 top priorities for improvement.
 - Community Interest & Opinion Survey (2012)
 - An additional ice sheet was considered an important priority.
 - Recreation Facility Demand Study (2011)
 - Based on comparable data, as well as usage levels at the time, the study concluded that there is a demand for another ice sheet.
- Basin Recreation feels that their \$2.5 million contribution should be dedicated to adding an **additional ice sheet for recreational use by residents.**
- Basin Recreation's goal is to increase usage and satisfaction for all local residents, and they indicated their concern that any other considered use of the Ice Arena (such as enhanced expansion for regional or national events) may be beyond the investment for which Basin Recreation would be able to dedicate its tax assessment funding.

INTERVIEW SUMMARY **KEY FINDINGS (CONT.)**

Utah Olympic Legacy Foundation: Colin Hilton is the President & CEO of the Utah Olympic Foundation. He leads the foundation's efforts in maximizing the use of former Olympic venues in Utah as well as promoting the state for future international events. He believes that Utah potentially could have a **great case to host the Winter Olympics again in 2026**. Although the Ice Arena should not necessarily be currently expanded to accommodate Olympic activity, Colin believes the expanded building should be designed with the **flexibility to increase the capacity to become a venue for an Olympic bid**. He feels, that the Arena could potentially replicate what Peaks Ice Arena accomplished with by installing **temporary seating to meet minimum Olympic requirements** and then using that temporary seating space for indoor field space thereafter.

Park City Ice Arena Facility Operations: Victus recently met with Chanz Skeffington who oversees the facility operations at the Arena. From an operational standpoint, he believes the Ice Arena is lacking in its ability to maintain heavy usage on a daily basis year-round because there would be a **significant impact to the current event/usage schedule if any systems were to fail**. With the addition of a second ice sheet, he feels that new equipment and systems would significantly enhance the efficiency of the facility, and that backup equipment/systems should be put in place to ensure that the facility could continue to operate on a daily basis in the case of system failures. Among his other main concerns with the current facility were **lack of storage**, the outside location for some key equipment (**one generator is exposed to weather**), and lack of **space for Zambonis**.

INTERVIEW SUMMARY **KEY FINDINGS (CONT.)**

3 Brothers Hockey Academy: 3 Brothers holds youth hockey camps and clinics throughout the region for youth ages 5-18. They feel there is **not enough ice time** and have had to **turn away potential participants** in the Spring and Summer months. Last year, they were only able to hold girls camp at the Arena, and took the boys to a facility in Salt Lake City. If an additional ice sheet were built, they would “1,000%” **host more camps and clinics at the Ice Arena**. They also requested a **restaurant or bar overlooking the ice sheet(s)** and a **better sound system**.

Park City Skating Academy: Erika Roberts is the director of Park City Skating Academy which hosts annual figure skating camps, clinics and private lessons at the Ice Arena. There is **not enough ice time**, which prevents both increased local activity as well as inviting more local and regional coaches to participate in events. She also feels the Academy would benefit from more **off-ice training/classroom space**, **more storage room** for equipment so it won't be shared with other groups, and **more locker rooms**. Regarding the off-ice space, she would like to have sponge flooring to help the skaters train better. Lastly she feels the Arena needs a **better sound system**.

Rocky Mountain Hockey School (RMHS): Bryan Smith is the president of RMHS. The school holds one 5-day event per year. As a result, Bryan does not envision activity increasing if an additional ice sheet were built. He would like to see **more locker rooms**, since his group has to juggle around locker rooms throughout the week which becomes a burden for participants and staff. Bryan would also like to have a **dedicated room for event staff** to use for the week.

INTERVIEW SUMMARY **KEY FINDINGS (CONT.)**

Utah High School Hockey: Shannon Woodhall is the president of Utah High School Hockey. Select schools have 2 games a week from September to February, and 2 or more practices per week. She would welcome an **additional ice sheet**, as they do not have enough ice time and would like to have back-to-back games with a second ice sheet. Shannon recommends **new viewing options** be located around the rink in addition to the current bleachers. She also thinks the netting prevents good views, and makes it difficult to take photos. Lastly, she would appreciate if the Arena had a more standard scoreboard and **new scoreboard** similar to other rinks they have utilized.

USA Hockey: The national governing body of hockey is based out of Colorado Springs, and operates several youth and junior tournaments throughout the United States. Kevin McLaughlin oversees USA Hockey's youth national championships and player development camps. He does not recall using the Park City Ice Arena in recent years, but they have gone to the Ogden Ice Sheet and the Olympic Oval in Kearns. In his estimation, the current seating capacity is fine for any event he would consider bringing to the Arena. He would **"absolutely" use the Ice Arena if an additional ice sheet were built**, citing the desire to look for more venues out west. USA Hockey's needs from a facility standpoint would be: **high speed internet, scoreboards, NHL-size rink at minimum, a scorer's box, and 5 locker rooms per ice sheet** (including referee locker room per ice sheet).

Park City Miners: Aaron Dufford, Director of Hockey, holds 2 youth tournaments per year, in addition to other camps and regular season games. They typically purchase 23 hours of ice per week from September through April. The program is capped in terms of growth because there is **not enough ice time at the Ice Arena**. Lastly, he would like a **dedicated locker room for coaches**.



INTERVIEW SUMMARY **KEY FINDINGS (CONT.)**

Luc Robitaille: Luc is a Park City homeowner and President of the NHL Los Angeles Kings

Luc oversees the annual Luc Robitaille Celebrity Shoot Out, a charity hockey exhibition match that involves former NHL players and actors, musicians and other celebrities during the Sundance Film Festival. In regards to the current state of the Arena, Luc had no major concerns or issues that affected his event. He did indicate the netting was a drawback because it can get in the way of photographers and fans. Luc is unsure if he will do the event in 2016, citing the personal time commitment necessary to secure sponsors and other logistical issues.

In regards to an expansion of the Arena, Luc is very intrigued by the idea. Luc is interested in **bringing two types of events to the Arena if the right physical conditions were in place**, namely the Kings' annual pre-season training camp, and a NHL rookie tournament:

- **Kings Training Camp:** Currently held in Los Angeles, this camp runs about 2 weeks in late summer. Luc stated that the team would only need exclusivity of both ice sheets during the day. He indicated that at least one ice sheet would need to be NHL-sized, and he recommended that there be "big box showers" with several shower heads.
- **NHL Rookie Tournament:** Similar to a current tournament held in Traverse City, Michigan, this tournament could involve anywhere between 4 to 6 NHL clubs over a 5 day period. Again, at least one ice sheet would have to be NHL-sized.



OTHER INPUTS OLYMPIC HOCKEY & CURLING

EVENT SPECIFICATIONS	HOCKEY 2	CURLING
Seating Capacity	6,000	3,500
Rink/Sheet Dimensions	30m x 60m	30 x 60M (Rink) 46m x 5m (Curling Sheet)
Additional practice rink/sheet required	Yes	No
Locker Rooms	1 for each team with sufficient space for 25 team officials and players and their equipment, equipped with benches, toilets, and showers.	2 dressing rooms for same sex competitions, 4 locker rooms for mixed sex competitions. Number of toilets proportionate to number of participants. 1 athletes lounge near locker rooms. 1 medical area close to locker rooms.
Referee's Locker Room	1 room equipped with chairs or benches, toilet, and shower	1 dressing
Benches	Each team bench should accomodate 16 players and 6 team officials. 2 penalty benches that can accommodate a minimum of 5 players each. 2 goal Judges' benches. 1 scorekeeper's bench.	2 tiers (1 for media, 1 for team & event officials), constructed at "home end" of the ice surface. 1 bench for coaches with seating for up to 6 people per curling sheet with direct access to ice. 1 timer's bench/area per curling sheet, generally above other benches. 1 statistician bench/area near timers or media benches.
Audio/Visual	Broadband internet and ability to live stream the event.	Broadband internet

Sources: International Ice Hockey Federation and World Curling Federation



5. PRELIMINARY SITE CONCEPTS



BUILDING PROGRAM DEMAND ASSESSMENT

Based upon all the research and analysis conducted by Victus Advisors for this study, we estimate that demand exists in the Park City market for the following:

- **Two-Sheet Indoor Ice Arena :**
 - Two Sheets of Ice - One Olympic, One NHL (adjustable)
 - Redesigned plaza/entry/check-in area
 - Separate traffic flow from entry/check-in into a) administrative space, b) fan/viewing space, and c) athlete/locker space
 - 2nd Floor Viewing Area between the two ice sheets with Concessions
 - 10-12 locker rooms (8 general use, 2 dedicated women, 2 referees/coaches)
 - Increased storage of all kinds (arena equipment, team equipment, personal lockers)
 - Off-ice training and dance space (approx. 3,000 sq. ft.)
- **Expandability to Olympic-Caliber Venue:**
 - Ice Arena could be designed to be expandable should Park City host another Winter Olympics, with potential expansion plans/costs identified now for inclusion in the bid
 - Expanded space for temporary seating (6,000 seats for Hockey 2) for the Winter Olympics could be re-purposed afterwards as indoor turf (similar to Peaks Ice Arena)

SITE CONCEPTS ELLIOTT WORKGROUP

- Victus Advisors engaged Elliott Workgroup, the architect-of-record for the original design and construction of Park City Ice Arena, to complete a preliminary site analysis and conceptual site plans for potential expansion.
- Based upon initial project expectations established by the City, Elliott Workgroup was tasked with studying three (3) general expansion options:
 - Option 1 - Addition of an outdoor ice sheet
 - Option 2 - Addition of an indoor ice sheet on the current site
 - Option 3 - Addition of an indoor ice sheet, or construction of a new two-sheet arena, on adjacent site
- In addition, Elliott Workgroup was also tasked with considering potential future expansion of Options 2 & 3 to accommodate the Winter Olympics.
- The remainder of the section shows each of Elliott Workgroup's various preliminary site concepts for the three options above, input from Victus Advisors regarding the pros/cons associated with each option, and preliminary construction cost estimates for each option.

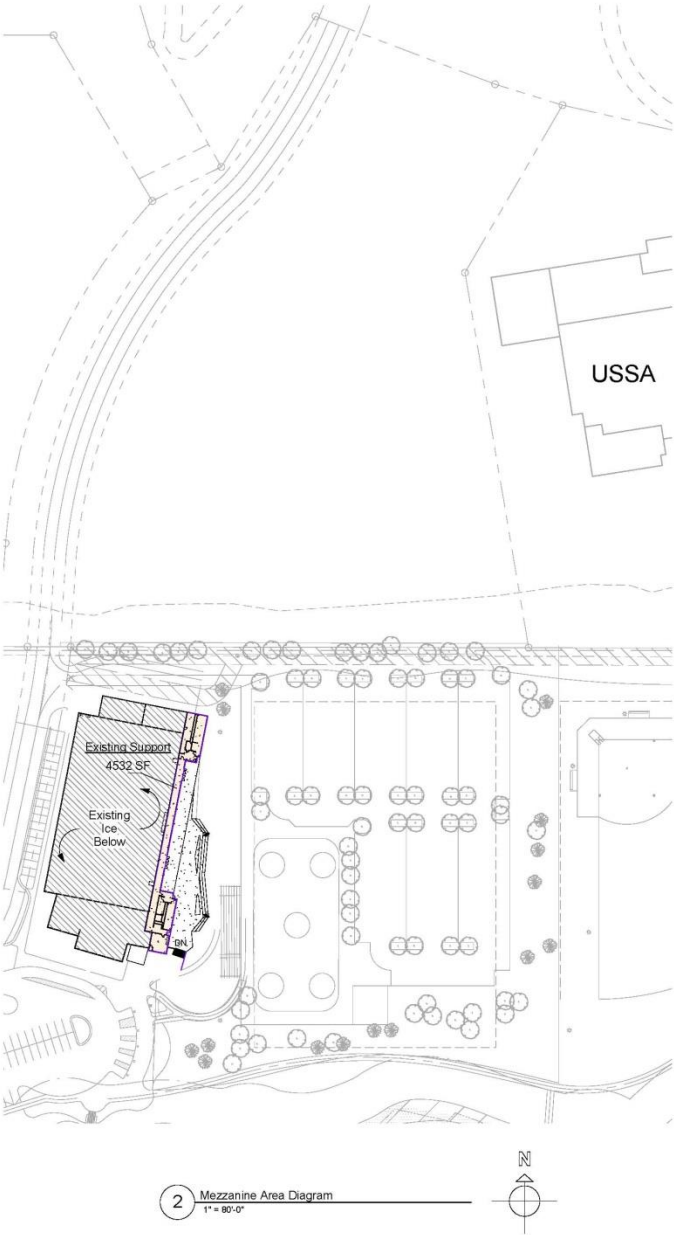
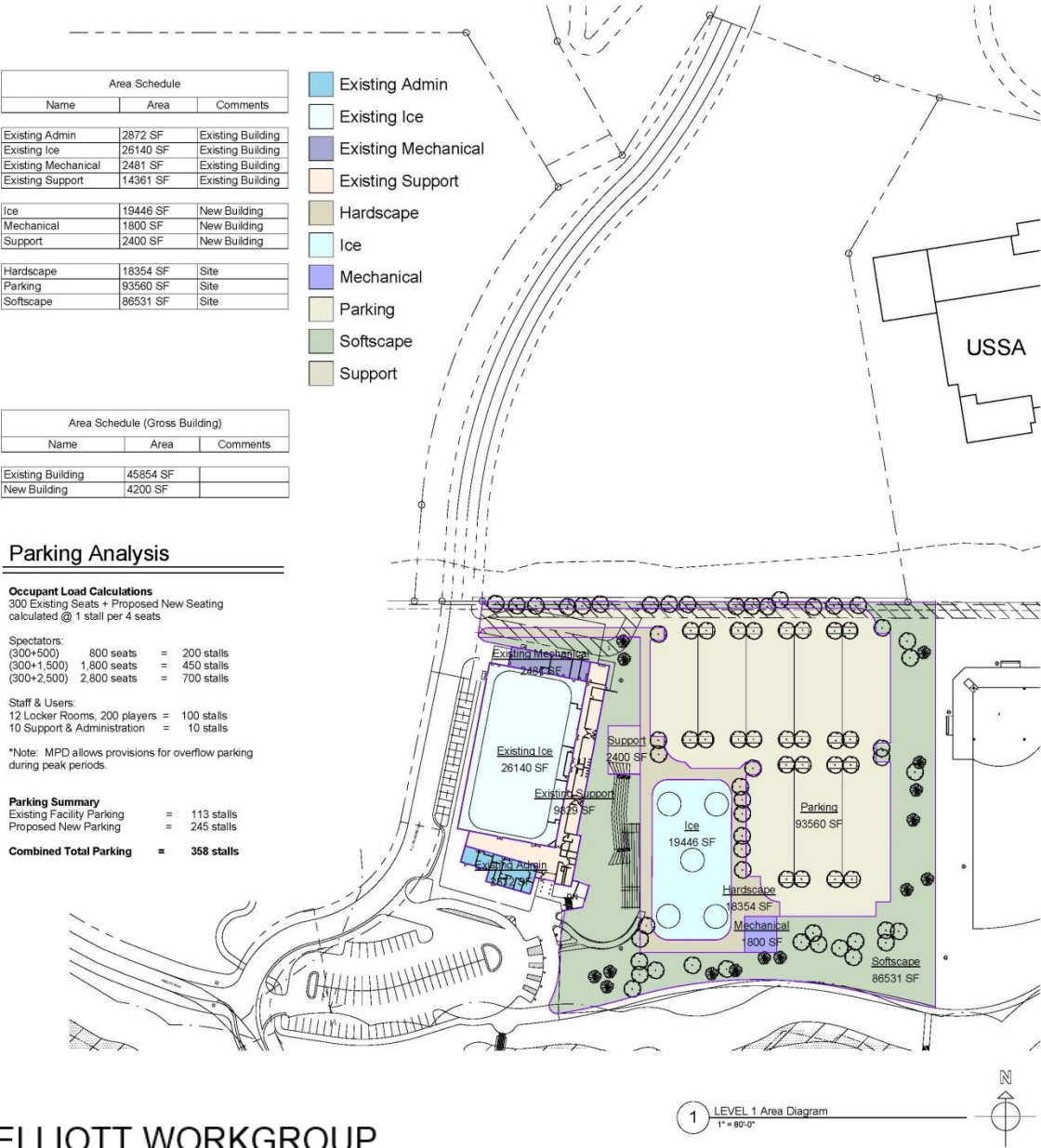


ELLIOTT WORKGROUP



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OPTION 1A OUTDOOR ICE SHEET ON CURRENT SITE



OPTION 1B OUTDOOR ICE SHEET ON ADJACENT SITE

Area Schedule		
Name	Area	Comments
Existing Admin	2872 SF	Existing Building
Existing Ice	26140 SF	Existing Building
Existing Mechanical	2481 SF	Existing Building
Existing Support	14361 SF	Existing Building

Ice	19451 SF	New Building
Mechanical	3056 SF	New Building
Support	2736 SF	New Building

Hardscape	37545 SF	Site
Parking	147581 SF	Site
Softscape	53530 SF	Site

- Existing Admin
- Existing Ice
- Existing Mechanical
- Existing Support
- Hardscape
- Ice
- Mechanical
- Parking
- Softscape
- Support

Area Schedule (Gross Building)		
Name	Area	Comments
Existing Building	45854 SF	
New Building	5096 SF	

Parking Analysis

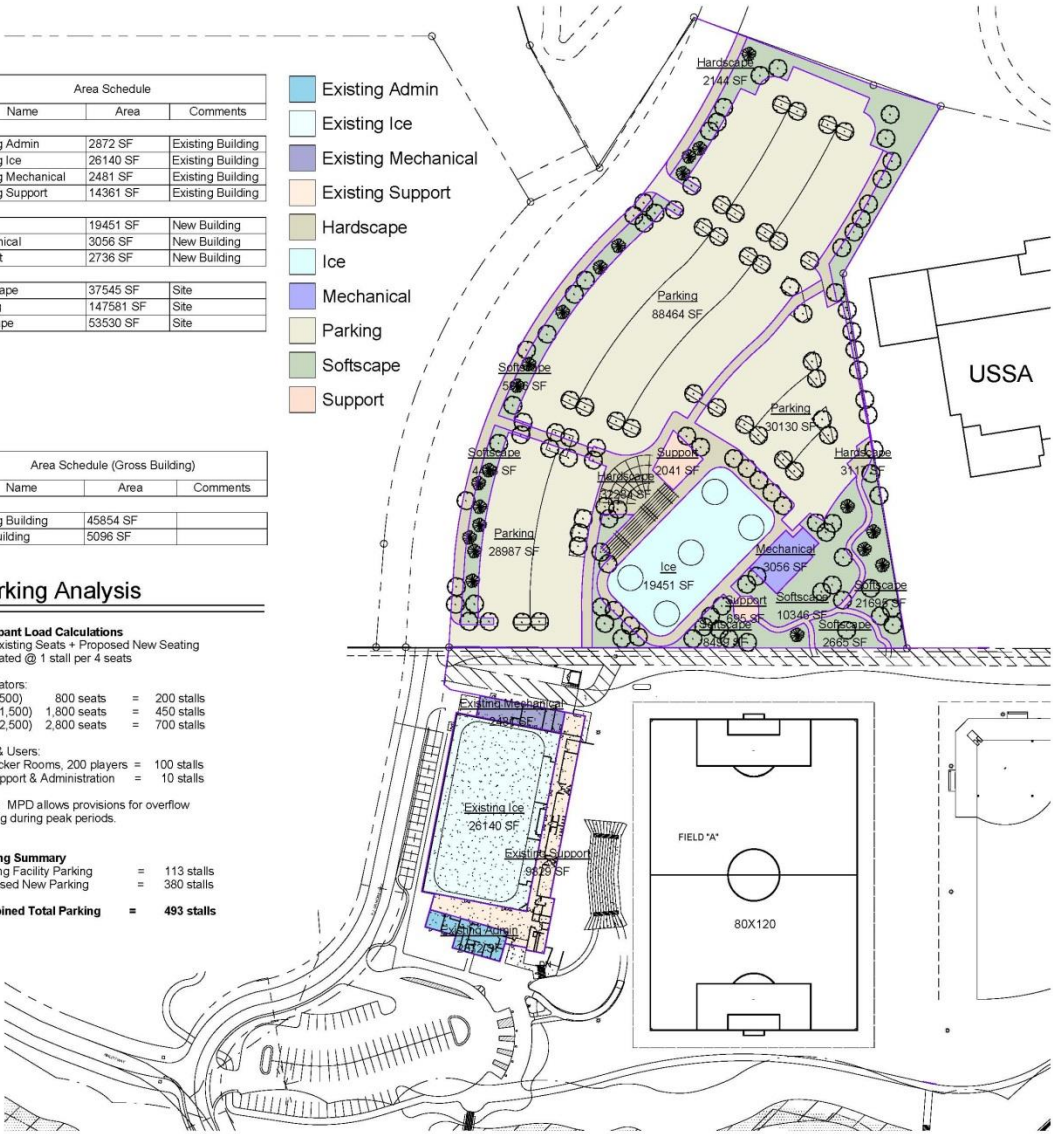
Occupant Load Calculations
300 Existing Seats + Proposed New Seating
calculated @ 1 stall per 4 seats

Spectators:
(300+500) 800 seats = 200 stalls
(300+1,500) 1,800 seats = 450 stalls
(300+2,500) 2,800 seats = 700 stalls

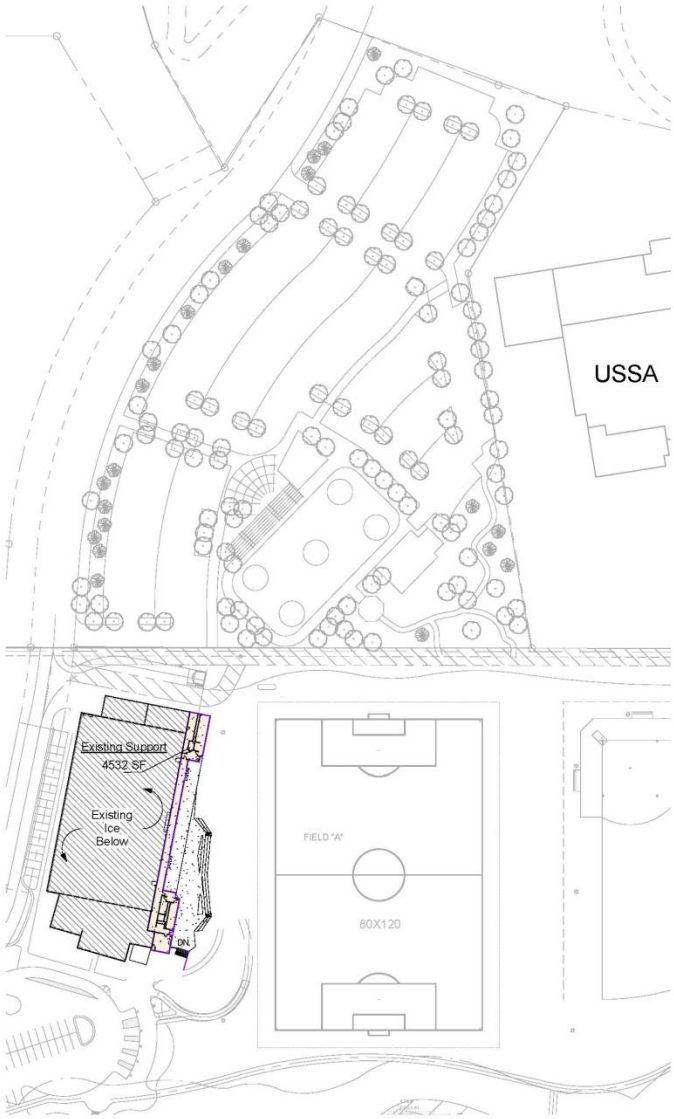
Staff & Users:
12 Locker Rooms, 200 players = 100 stalls
10 Support & Administration = 10 stalls

*Note: MPD allows provisions for overflow parking during peak periods.

Parking Summary
Existing Facility Parking = 113 stalls
Proposed New Parking = 380 stalls
Combined Total Parking = 493 stalls



1 LEVEL 1 Area Diagram
1" = 80'-0"



2 Mezzanine Area Diagram
1" = 80'-0"

OPTION 1 PROS & CONS

- PROS:

- Option 1 would be the least time consuming and least expensive expansion option.
- Option 1 would provide immediate benefits to local hockey leagues that would be interested in utilizing outdoor ice time for increased practice/game time.
- Option 1A is likely to be more operationally efficient than 1B, due to more convenient location relevant to existing locker room and administrative support spaces.

- CONS:

- It is not likely that the addition of an outdoor ice sheet would satisfy the current market demand for expanded ice in Park City, because:
 - Use of an outdoor ice sheet would likely be seasonal (approx. October to April), and there is currently year-round demand for use of the Ice Arena.
 - Current user groups other than hockey (figure skating, curling, etc.) indicated that they did not have interest in utilizing an outdoor ice sheet.
 - An outdoor ice sheet could not accommodate existing tournament demand.
- An outdoor sheet would not meet the required standards for the Winter Olympics.
- Option 1A would require relocation of the existing soccer field.



OPTION 2A INDOOR 500-SEAT ICE SHEET ON CURRENT SITE

Area Schedule		
Name	Area	Comments
Existing Admin	2867 SF	Existing Building
Existing Ice	26173 SF	Existing Building
Existing Mechanical	2474 SF	Existing Building
Existing Support	14314 SF	Existing Building

Admin	4942 SF	New Building
Concessions	2870 SF	New Building
Ice	23371 SF	New Building
Lockers	4000 SF	New Building
Mechanical	2857 SF	New Building
Storage	3000 SF	New Building
Support	11310 SF	New Building
Training	4929 SF	New Building

Hardscape	31678 SF	Site
Parking	196911 SF	Site
Softscape	192112 SF	Site

Area Schedule (Gross Building)		
Name	Area	Comments
Existing Building	45854 SF	
New Building	54325 SF	

Parking Analysis

Occupant Load Calculations

300 Existing Seats + Proposed New Seating
calculated @ 1 stall per 4 seats

300+500	800 seats	= 200 stalls
300+1,500	1,800 seats	= 450 stalls
300+2,500	2,800 seats	= 700 stalls

Staff & Users:

12 Locker Rooms, 200 players	= 100 stalls
10 Support & Administration	= 10 stalls

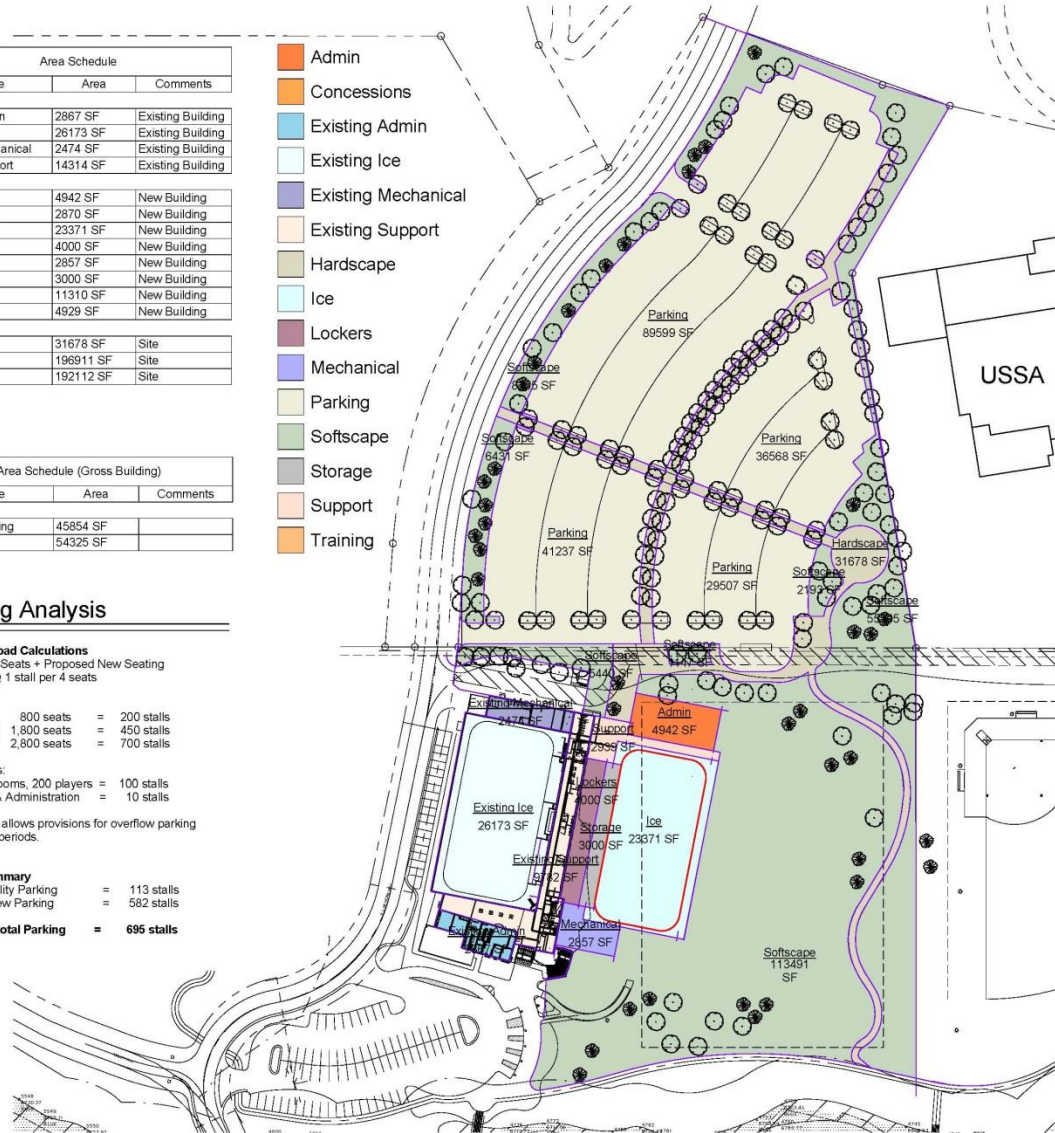
*Note: MPD allows provisions for overflow parking during peak periods.

Parking Summary

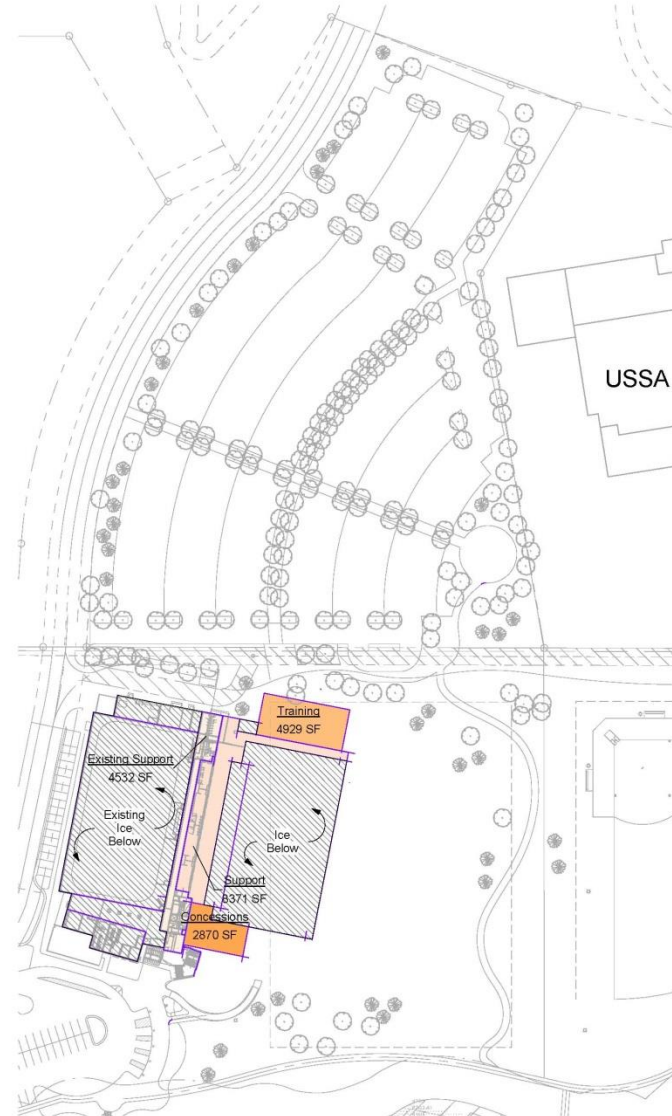
Existing Facility Parking	= 113 stalls
Proposed New Parking	= 582 stalls

Combined Total Parking = 695 stalls

- Admin
- Concessions
- Existing Admin
- Existing Ice
- Existing Mechanical
- Existing Support
- Hardscape
- Ice
- Lockers
- Mechanical
- Parking
- Softscape
- Storage
- Support
- Training



1 LEVEL 1 Area Diagram
1" = 80'-0"



2 Mezzanine Area Diagram
1" = 80'-0"

OPTION 2B INDOOR 1,500-SEAT ICE SHEET ON CURRENT SITE

Area Schedule		
Name	Area	Comments
Existing Admin	2885 SF	Existing Building
Existing Ice	26173 SF	Existing Building
Existing Mechanical	2474 SF	Existing Building
Existing Support	14313 SF	Existing Building

Admin	4942 SF	New Building
Concessions	3381 SF	New Building
Ice	23371 SF	New Building
Lockers	6752 SF	New Building
Mechanical	3370 SF	New Building
Storage	6022 SF	New Building
Support	14103 SF	New Building
Training	4942 SF	New Building
Turf	0 SF	New Building

Hardscape	30845 SF	Site
Parking	196913 SF	Site
Softscape	185123 SF	Site

Area Schedule (Gross Building)		
Name	Area	Comments
Existing Building	45840 SF	
New Building	66971 SF	

Parking Analysis

Occupant Load Calculations

300 Existing Seats + Proposed New Seating
calculated @ 1 stall per 4 seats

Spectators:		
(300+500)	800 seats	= 200 stalls
(300+1,500)	1,800 seats	= 450 stalls
(300+2,500)	2,800 seats	= 700 stalls

Staff & Users:

12 Locker Rooms, 200 players	= 100 stalls
10 Support & Administration	= 10 stalls

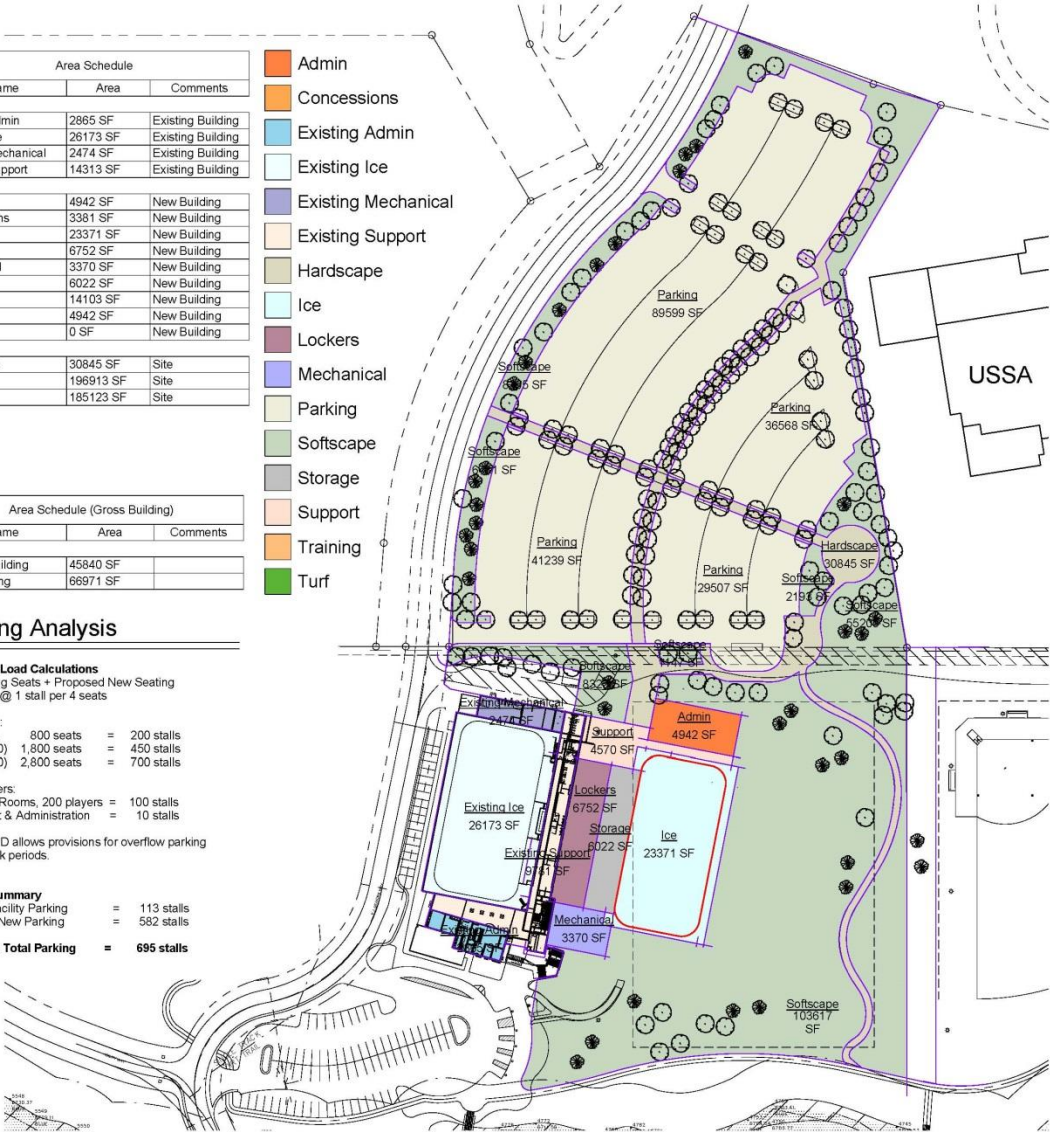
*Note: MPD allows provisions for overflow parking during peak periods.

Parking Summary

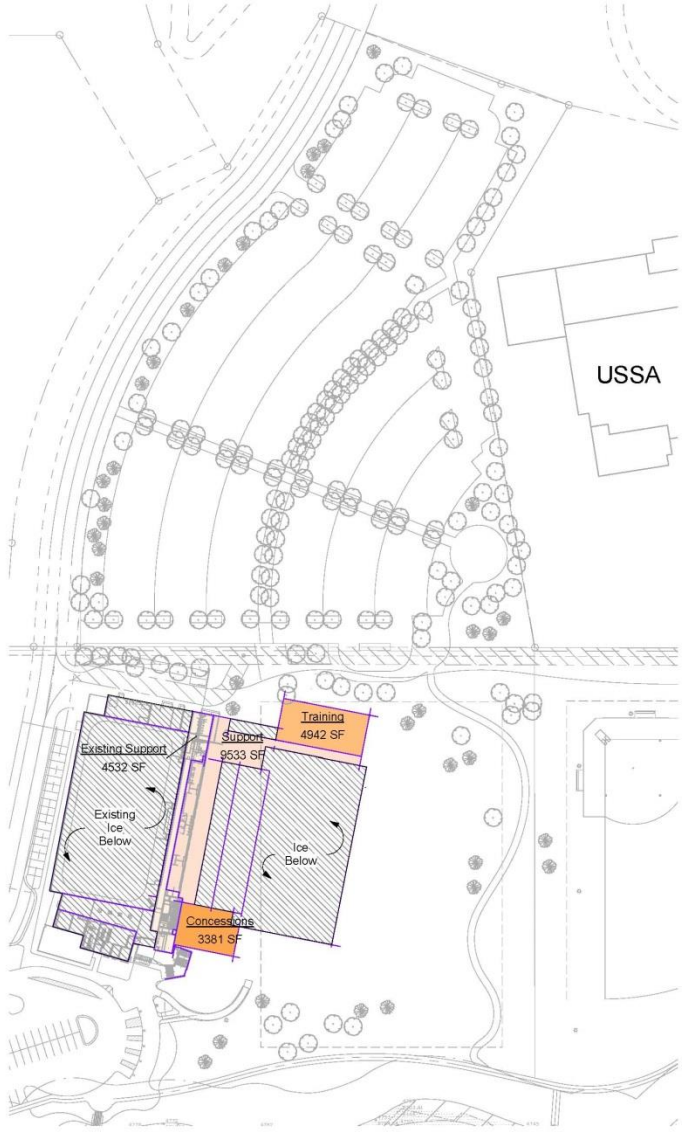
Existing Facility Parking	= 113 stalls
Proposed New Parking	= 582 stalls

Combined Total Parking = 695 stalls

- Admin
- Concessions
- Existing Admin
- Existing Ice
- Existing Mechanical
- Existing Support
- Hardscape
- Ice
- Lockers
- Mechanical
- Parking
- Softscape
- Storage
- Support
- Training
- Turf



1 LEVEL 1 Area Diagram
1" = 80'-0"



2 Mezzanine Area Diagram
1" = 80'-0"

OPTION 2C INDOOR 1,500-SEAT ICE ON CURRENT SITE (EXPANDABLE)

Area Schedule		
Name	Area	Comments
Existing Admin	2874 SF	Existing Building
Existing Ice	26174 SF	Existing Building
Existing Mechanical	2474 SF	Existing Building
Existing Support	14340 SF	Existing Building

Admin	4942 SF	New Building
Concessions	4884 SF	New Building
Ice	23330 SF	New Building
Lockers	11719 SF	New Building
Mechanical	4878 SF	New Building
Storage	6022 SF	New Building
Support	19092 SF	New Building
Training	4942 SF	New Building
Turf	27124 SF	New Building

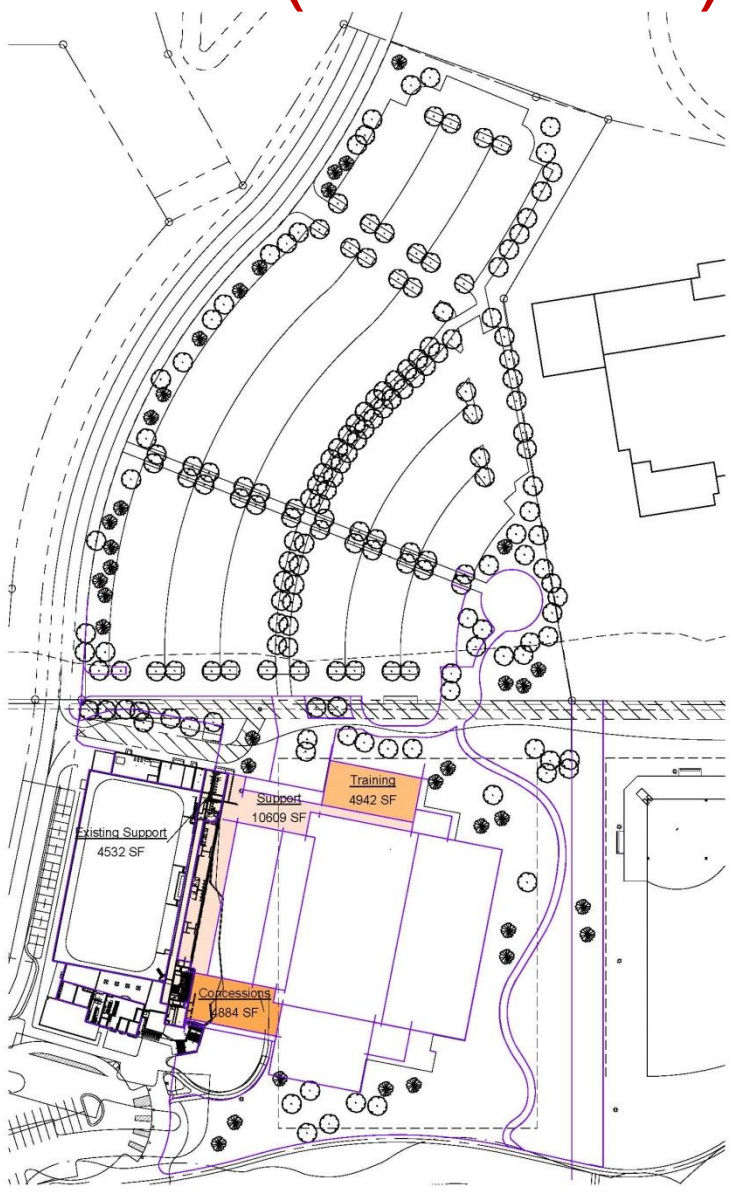
Hardscape	32842 SF	Site
Parking	196913 SF	Site
Softscape	138872 SF	Site

Area Schedule (Gross Building)		
Name	Area	Comments
Existing Building	45854 SF	
New Building	108279 SF	

- Admin
- Concessions
- Existing Admin
- Existing Ice
- Existing Mechanical
- Existing Support
- Hardscape
- Ice
- Lockers
- Mechanical
- Parking
- Softscape
- Storage
- Support
- Training
- Turf



1 LEVEL 1 Area Diagram
1" = 80'-0"



2 Mezzanine Area Diagram
1" = 80'-0"

OPTION 2 PROS & CONS

- PROS:

- Indoor ice sheet would provide more benefit to local community than outdoor ice by providing year-round ice opportunities for all uses (hockey, figure skating, curling, etc.).
- An additional, attached, indoor ice sheet could also drive incremental economic benefit by attracting more regional/national tournaments to Park City that require two indoor sheets.
- Option 2B (1,500 seats) would best meet current local demand for games & tournaments.
- In Option 2B, expanded space between the two indoor ice sheets could be utilized to enhance the user amenities (more locker rooms, off-ice training space), spectator amenities (2nd-floor viewing area with basic concessions), and administrative space (re-arranged traffic flow, increased office space).
- Option 2B could be developed initially and expanded to 2C in the future for the Olympics (with seating expansion space re-purposed as indoor turf fields after).

- CONS:

- Deed restrictions on the current site may require approval from the original property owners to construct any new buildings on the site. It is recommended that this issue should be investigated by City legal staff prior to proceeding with any plans for Option 2.
- Option 2 would displace the existing soccer field.
- The smaller footprint of Option 2A would not allow for expansion of locker rooms and administrative space to properly support a second indoor ice sheet.
- Option 2A would be difficult to expand to required Winter Olympic capacities.



OPTION 3A 2,500-SEAT INDOOR ICE SHEET ON ADJACENT SITE

Area Schedule		
Name	Area	Comments
Existing Admin	2865 SF	Existing Building
Existing Ice	26184 SF	Existing Building
Existing Mechanical	2475 SF	Existing Building
Existing Support	14313 SF	Existing Building

Admin	4068 SF	New Building
Concessions	4777 SF	New Building
Ice	23371 SF	New Building
Lockers	10644 SF	New Building
Mechanical	2525 SF	New Building
Storage	6022 SF	New Building
Support	20297 SF	New Building
Training	4068 SF	New Building

Hardscape	23524 SF	Site
Parking	261914 SF	Site
Softscape	135996 SF	Site

Area Schedule (Gross Building)		
Name	Area	Comments
Existing Building	45854 SF	
New Building	75778 SF	

Parking Analysis

Occupant Load Calculations
300 Existing Seats + Proposed New Seating
calculated @ 1 stall per 4 seats

Spectators:
(300+500) 800 seats = 200 stalls
(300+1,500) 1,800 seats = 450 stalls
(300+2,500) 2,800 seats = 700 stalls

Staff & Users:
12 Locker Rooms, 200 players = 100 stalls
10 Support & Administration = 10 stalls

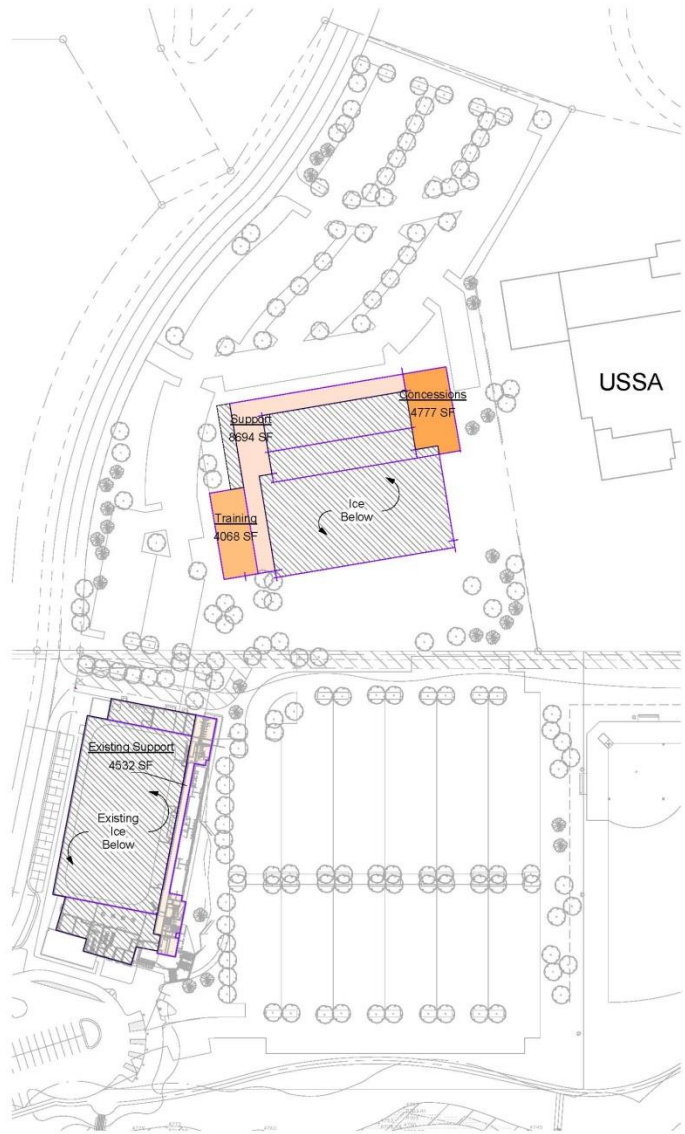
*Note: MPD allows provisions for overflow parking during peak periods.

Parking Summary
Existing Facility Parking = 113 stalls
Proposed New Parking = 737 stalls
Combined Total Parking = 850 stalls

- Admin
- Concessions
- Existing Admin
- Existing Ice
- Existing Mechanical
- Existing Support
- Hardscape
- Ice
- Lockers
- Mechanical
- Parking
- Softscape
- Storage
- Support
- Training



1 LEVEL 1 Area Diagram
1" = 80'-0"



2 Mezzanine Area Diagram
1" = 80'-0"

OPTION 3B NEW 2-SHEET ARENA ON ADJACENT SITE

Area Schedule		
Name	Area	Comments
Existing Admin	2865 SF	Existing Building
Existing Ice	26184 SF	Existing Building
Existing Mechanical	2475 SF	Existing Building
Existing Support	14313 SF	Existing Building

Admin	6486 SF	New Building
Concessions	6363 SF	New Building
Ice	46651 SF	New Building
Lockers	14849 SF	New Building
Mechanical	2932 SF	New Building
Storage	8753 SF	New Building
Support	30140 SF	New Building
Training	4068 SF	New Building

Hardscape	32787 SF	Site
Parking	227051 SF	Site
Softscape	124851 SF	Site

Area Schedule (Gross Building)		
Name	Area	Comments
Existing Building	45854 SF	
New Building	120250 SF	

Parking Analysis

Occupant Load Calculations
300 Existing Seats + Proposed New Seating
calculated @ 1 stall per 4 seats

Spectators:
(300+500) 800 seats = 200 stalls
(300+1,500) 1,800 seats = 450 stalls
(300+2,500) 2,800 seats = 700 stalls

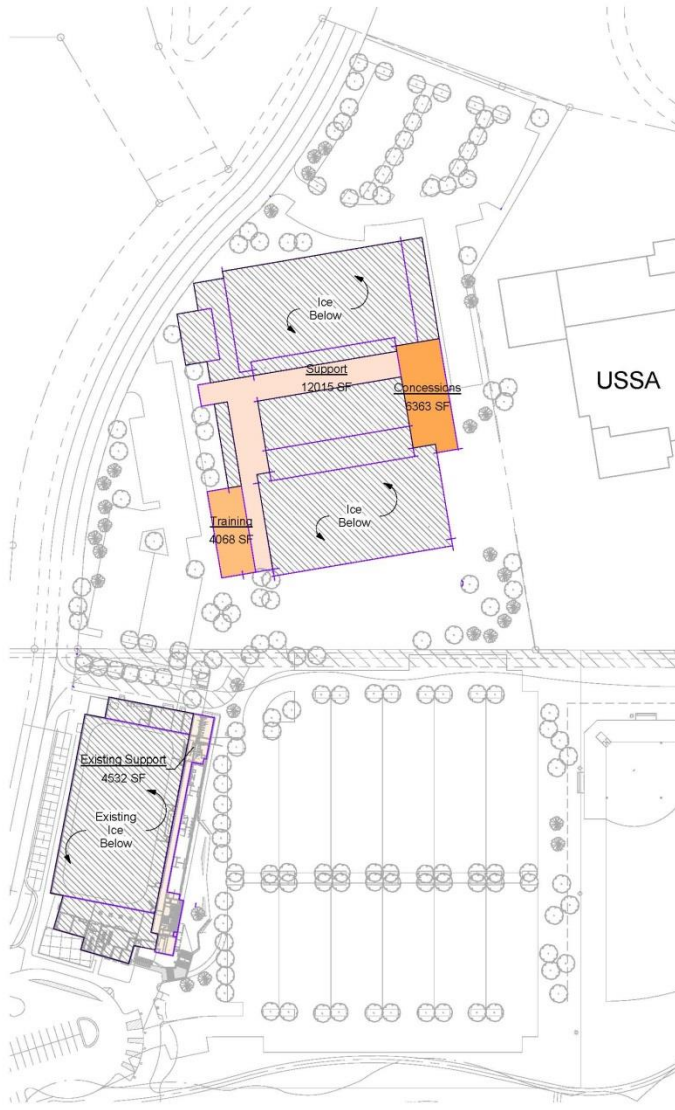
Staff & Users:
12 Locker Rooms, 200 players = 100 stalls
10 Support & Administration = 10 stalls

*Note: MPD allows provisions for overflow parking during peak periods.

Parking Summary
Existing Facility Parking = 113 stalls
Proposed New Parking = 619 stalls
Combined Total Parking = 732 stalls



1 LEVEL 1 Area Diagram
1" = 80'-0"



2 Mezzanine Area Diagram
1" = 80'-0"

OPTION 3C NEW 2-SHEET ARENA ON ADJACENT SITE (EXPANDABLE)

Area Schedule		
Name	Area	Comments
Existing Admin	2865 SF	Existing Building
Existing Ice	26184 SF	Existing Building
Existing Mechanical	2475 SF	Existing Building
Existing Support	14313 SF	Existing Building

Admin	6486 SF	New Building
Concessions	6363 SF	New Building
Ice	46651 SF	New Building
Lockers	14849 SF	New Building
Mechanical	2932 SF	New Building
Storage	8753 SF	New Building
Support	32547 SF	New Building
Training	4068 SF	New Building
Turf	26871 SF	New Building

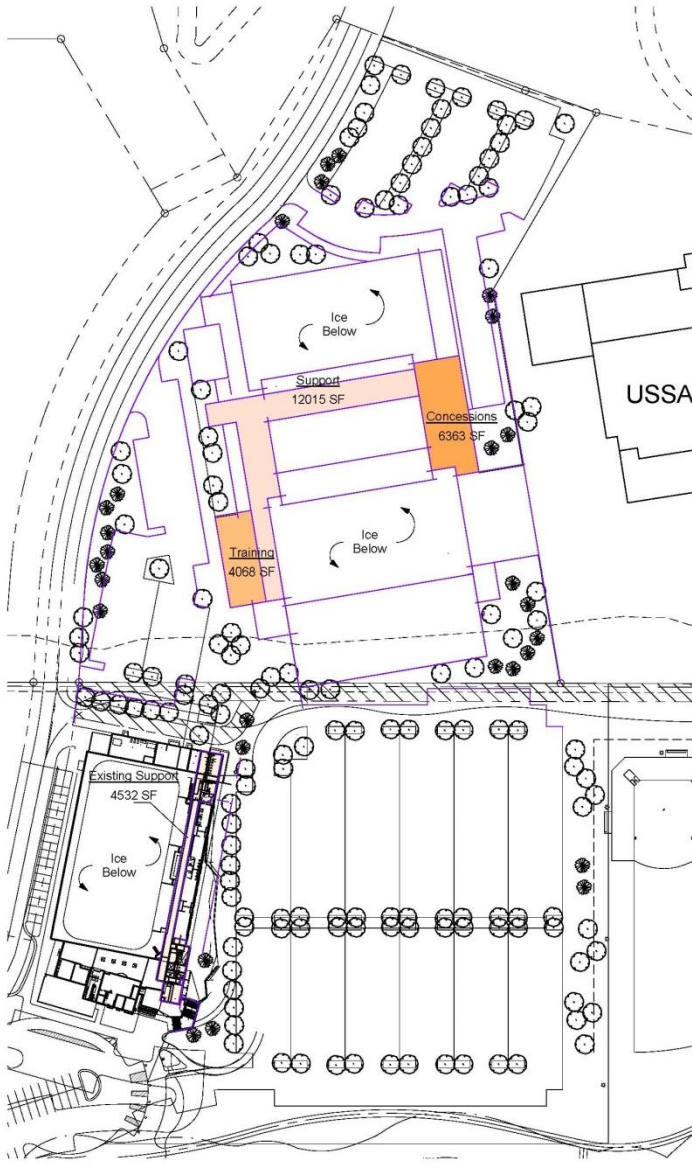
Hardscape	35211 SF	Site
Parking	227051 SF	Site
Softscape	93130 SF	Site

Area Schedule (Gross Building)		
Name	Area	Comments
Existing Building	45854 SF	
New Building	149538 SF	

- Admin
- Concessions
- Existing Admin
- Existing Ice
- Existing Mechanical
- Existing Support
- Hardscape
- Ice
- Lockers
- Mechanical
- Parking
- Softscape
- Storage
- Support
- Training
- Turf



1 LEVEL 1 Area Diagram
1" = 80'-0"



2 Mezzanine Area Diagram
1" = 80'-0"

OPTION 3 PROS & CONS

- PROS:

- In Options 3B and 3C, the current Ice Arena could be re-purposed as an indoor fieldhouse at an approximate conversion cost of \$527,000, as estimated by Elliott Workgroup.
- A new Ice Arena on adjacent property would not be subject to deed restrictions.
- A new Ice Arena could be built to the level of quality that the City would likely require today. The original Ice Arena was built with tilt-up concrete, insulation was not installed originally, the roof was not designed to accommodate solar panels, and the mechanical systems are the lowest quality that met the original service requirements.
- Option 3B could be expanded in the future to accommodate the Winter Olympics.

- CONS:

- Option 3A would be very difficult to operate effectively, with two separate buildings to staff and manage.
- Options 3B and 3C (new two-sheet facility with 2,500 seat capacity, expandable for the Winter Olympics) are likely to be the most expensive development options.



ELLIOTT WORKGROUP

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COST ANALYSIS PRELIMINARY ESTIMATES

Elliott Workgroup (with input from Construction Control Corp.) developed the following construction cost estimates for each option, including not just estimated building costs, but also the estimated site, civil, utility and soft costs that could be associated with the project as well:

Option	Description	Estimated Building Costs	Estimated Civil/Utility Costs	Estimated Soft Costs	Total Project Cost
1A	Outdoor - Current Site	\$3,596,212	\$139,200	\$711,677	\$4,447,089
1B	Outdoor - Adjacent Site	\$4,450,082	\$220,400	\$836,509	\$5,506,991
2A	Indoor - 500 Seats - Current Site *	\$17,081,763	\$220,400	\$2,522,839	\$19,825,002
2B	Indoor - 1,500 Seats - Current Site *	\$19,514,935	\$220,400	\$2,847,667	\$22,583,002
2C	Olympic Caliber - Current Site	\$29,573,422	\$220,400	\$4,190,475	\$33,984,297
3A	Indoor - 2,500 Seats - Adjacent Site	\$21,949,213	\$220,400	\$3,172,643	\$25,342,256
3B	New 2-Sheet Arena - Adjacent Site	\$29,874,481	\$220,400	\$4,230,667	\$34,325,548
3C	Olympic Caliber - Adjacent Site	\$38,994,090	\$220,400	\$5,448,134	\$44,662,624

1A, 2B & 3B:
Identified as
Primary
Options for
Ice Arena
Expansion

Source: Elliott Workgroup, Construction Control Corporation

*Note: Options 2A and 2B also include the cost of significant improvements to the current Ice Arena structure that would be necessary to support the expansion, including roof replacement, wide-span support structures, and increased support and administrative spaces, as well as expanded parking.



COST ANALYSIS COST PER S.F. COMPARISON

In order to put the cost estimates for an expanded or new Park City Ice Arena with two indoor sheets into context, Victus Advisors compared per-square foot estimates for Options 2A (expansion/ 2 sheets / 500 seats), 2B (expansion / 2 sheets / 1,500 seats), and 3B (new / 2 sheets / 2,500 seats) to other comparable ice arena projects developed in Utah and Colorado:

Arena/Ice Center	City, State	Year Open	Project Cost (\$M)	Est. Project Cost in (1) 2015 (\$M)	Square Footage	Est. Cost per S.F. in (1) 2015 (\$M)
Salt Lake County Ice Center	Murray, UT	1999	\$6.8	\$11.5	52,000	\$220.24
Stephen C. West Ice Arena	Breckenridge, CO	2000	\$7.7	\$12.4	57,000	\$217.96
Park City Ice Arena - OPTION 3B	Park City, UT	n/a	n/a	\$34.3	166,104	\$206.65
Park City Ice Arena - OPTION 2B	Park City, UT	n/a	n/a	\$22.6	112,811	\$200.18
Park City Ice Arena - OPTION 2A	Park City, UT	n/a	n/a	\$19.8	100,179	\$197.90
Peaks Ice Arena	Provo, UT	1998	\$12.4 (2)	\$21.7 (2)	110,000	\$197.12
Park City Ice Arena - ORIGINAL	Park City, UT	2006	\$5.0	\$6.1	45,854	\$132.01
Median		2000	\$7.3	\$19.8	100,179	\$199.04
Average		2001	\$8.0	\$18.3	91,993	\$191.97

Note: Sorted by Estimated Cost per Square Foot in \$2015.

(1) Adjusted according to the Turner Building Cost Index (1996 to 2015).

(2) Project Cost for Peaks Ice Arena does not include parking, as adjacent parking lots already existed when the arena was built.

Source: Comparable facility data compiled by Victus Advisors. Estimated costs & square footage for P.C. Ice Arena options developed by Elliott Workgroup.

6. OPERATING PROJECTIONS

OPERATING PROJECTIONS **KEY ASSUMPTIONS**

- Victus Advisors has developed operating projections for Options 1A, 2B, and 3B. Regarding the excluded options, it should be noted that:
 - It is not expected that financial projections for Option 1B would be materially different from Option 1A.
 - Option 2A is assumed to be operationally inefficient and have insufficient seating to meet current local demand for event/tournament capacity.
 - Option 3A is assumed to be operationally inefficient.
 - Options 2C and 3C are assumed to be future expansion options if Park City hosts another Winter Olympics in 2026 or 2030.
- Key Assumptions for Option 1A - *outdoor ice sheet on current site*:
 - A new outdoor rink would only be used seasonally (approximately October to April) and primarily for hockey.
 - No full-time staff would be added, only additional part-time staff.
 - Overall annual usage hours and unique visits would increase by approximately 30%, with no incremental tournament activity.
 - There would be no enhancement of available on-site food/beverage options.



OPERATING PROJECTIONS KEY ASSUMPTIONS (CONT.)

- Key Assumptions for Option 2B - *1,500-seat indoor ice sheet on current site*:
 - A new indoor rink would be attached to the existing Ice Arena and utilized year-round by all user groups.
 - Four (4) current part-time positions would be converted to full-time, plus additional part-time staff would be added.
 - Overall annual usage hours and unique visits would increase by at least 75%, plus at least five (5) new tournaments would be held annually.
 - New in-house concessions stand would sell light snacks and beverages (coffee, juice, sports drinks, granola bars, etc.).
- Key Assumptions for Option 3B - *new two-sheet ice arena on adjacent site*:
 - A new two-sheet Ice Arena would be utilized year-round by all user groups.
 - Four (4) current part-time positions would be converted to full-time, plus additional part-time staff would be added.
 - Overall annual usage hours and unique visits would increase by at least 80%, plus at least ten (10) new tournaments would be held annually.
 - New 3rd-party-operated, full-service restaurant/café would be operated on-site.



OPERATING PROJECTIONS **PARK CITY ICE ARENA**

Revenues	BASE YEAR	Option 1A	Option 2B	Option 3B
	2015			
Ice Rental	\$267,526	\$ 347,893	\$ 500,807	\$ 534,773
Leagues	164,047	213,262	287,083	295,285
Classes, Freestyle & Off-Ice Programs	139,780	181,712	244,613	251,602
Public Skate & Drop-In Programs	109,485	142,341	191,613	197,087
Retail Sales	31,223	40,590	56,201	60,611
Advertising & Other Revenues	32,900	42,771	59,221	63,868
Skate Services	11,959	15,547	20,929	21,527
Food & Beverage (Net) ⁽¹⁾	-	-	75,549	153,937
<i>Total Revenues</i>	\$756,922	\$984,115	\$1,436,015	\$1,578,690
Expenses				
Full-Time Salaries & Benefits	\$354,415	\$ 354,415	\$ 585,640	\$ 585,640
Part-Time Wages & Benefits	175,546	252,642	196,941	211,319
General & Administrative	171,407	263,051	427,032	454,965
Utilities	152,780	234,465	380,626	405,523
Capital Expenditures ⁽²⁾	78	1,800	9,800	14,900
<i>Total Expenses</i>	\$854,227	\$1,106,373	\$1,600,039	\$1,672,347
Net Operating Deficit	(\$97,306)	(\$122,258)	(\$164,024)	(\$93,657)
Cost Recovery	89%	89%	90%	94%

(1) Net income to arena after COGS. Option 2 includes in-house sales of light snacks/ beverages. Option 3 includes full-service restaurant/ bar.

(2) For purposes of budgeting, it has been assumed that annual capital expenditures would average approximately 0.05% of building cost.

Note: All Options represent a stabilized year of operations in 2015 dollars. No assumptions were made for increased rental rates or admissions prices.



7. FUNDING OPTIONS ANALYSIS

FUNDING OPTIONS ANALYSIS OVERVIEW

The following section is based upon Victus Advisors' review of funding methods that have been used to develop new, expanded, or renovated ice arenas around the country; our discussions with project stakeholders and City finance staff; and our assessment of the methods most likely to be utilized for a publicly owned and operated ice facility in Park City.

Note: this analysis assumes that Park City Ice Arena would continue to be operated by Park City Municipal Corporation. The Ice Arena and the land that it is located on have been publicly developed, maintained, and operated, and based upon input from project stakeholders, the current public ownership and operating model is expected to continue in the future.

As such, this section includes an overview of the following sources, as well as Victus Advisors' opinion regarding the potential likelihood of each source being utilized successfully for Park City Ice Arena expansion:

- **Private Funding:**
 - Corporate Naming Rights
 - Private Naming/Donations
- **Public Funding:**
 - Basin Recreation
 - Park City Municipal Corporation

PRIVATE OPTIONS CORPORATE NAMING RIGHTS

- The value of corporate naming rights for a sports facility is typically dependent on numerous factors, including but not limited to:
 - Annual facility attendance
 - Marketing/advertising reach via TV, radio, online, social media
 - Demographic/socioeconomic characteristics of attendees and consumers
 - Depth and breadth of the corporate base within the local market
 - Brand value/prestige associated with the property
- Based on a review of publicly-owned ice arenas nationwide, corporate naming rights fees have typically ranged from \$25,000 to \$100,000 per year, with terms typically ranging from 3 to 10 years. Examples of recent naming deals include:
 - Frontier Ice Arena - Coeur D'Alene, Idaho
 - Comcast Community Ice Arena - Everett, Washington
 - Hardee's Ice Arena - Chesterfield, Missouri
 - Dort Federal Credit Union Arena - Flint, Michigan
 - Cornerstone CFCU Arena - Lockport, New York
 - Northwoods Credit Union Arena - Cloquet, Minnesota

PRIVATE OPTIONS CORPORATE NAMING (CONT.)

There are several key factors for the City to consider regarding corporate naming opportunities:

- The Park City Ice Arena currently generates less than \$33,000 per year in net sponsorship/advertising revenue and does not employ full-time staff that is qualified to prospect and sell corporate naming rights.
- Commissions paid to a 3rd-party naming rights sales expert could reduce net proceeds by as much as 10-15%.
- Park City has a relatively small corporate/commercial base, however there could be potential in engaging the nearby Salt Lake City corporate market.
- Most corporate naming rights buyers prefer to pay in annual installments over the length of the deal. Therefore, corporate naming is often applied towards the ongoing operations of a public facility, rather than capitalizing the full amount for purposes of project funding (unless revenue bonds are issued).
- Philosophically, some communities prefer not to sell naming rights of public amenities to private/commercial buyers.

PRIVATE OPTIONS PRIVATE NAMING/DONATIONS

- Certain communities prefer to offer naming rights of public amenities to private foundations or individual donors. Unlike corporate naming, a private naming gift is often given as a lump sum that can be applied towards upfront capital costs.
- These types of large private donations are most often associated with an arena that is either operated by a non-profit entity, or whose operations are supported by a specific non-profit foundation. That said, it should be noted that “charitable contributions to governmental units are tax-deductible under section 170(c)(1) of the Internal Revenue Code if made for a public purpose” (*source: irs.gov*).
- Private donation campaigns are often conducted in conjunction with community-led plans to construct a new or renovated/expanded ice arena. Often the naming rights are granted to the largest donation, which is typically announced as the lead gift to the campaign. In some cases, the lead/naming gift will be structured as a “matching gift” that is paid once hits the campaign reaches a pre-determined goal.
- As a current example, in Hailey, Idaho, a non-profit group recently raised over \$5.5M for a new indoor ice arena, including more than \$4M from two family foundations, a \$500,000 matching gift from the Eccles family, and other local/community donations.



PUBLIC OPTIONS **BASIN RECREATION**

- Snyderville Basin Recreation District was formed by Summit County in 1993 and is supported by a property tax within the District that is levied specifically to build and maintain open space, trails, and recreation facilities in the District.
- In November 2014, Snyderville Basin residents approved a \$25 million dollar bond, supported by a property tax increase, for new open space, trails, and recreation facilities. \$2.5 million of the bond proceeds is allocated for the addition of a second ice sheet at Park City Ice Arena.
- The entire \$25 million in bonds were sold in February 2015, and the proceeds have been available to Basin Recreation as of March 11, 2015.
- As noted previously in this report, Basin Recreation's mission is to provide recreational amenities for residents of the Snyderville Basin, and therefore they committed a \$2.5 million contribution to be used to add an additional ice sheet that can be utilized for recreational purposes by Snyderville Basin Recreation District constituents whose property taxes supported the \$25 million bond issue.



PUBLIC OPTIONS **PARK CITY MUNICIPAL CORPORATION**

- The City's contribution to the original construction of Park City Ice Arena was funded by General Obligation (G.O.) bonds. For other recent Park City sports and recreation projects, the PC MARC was funded by cash from the City's General Fund, and Quinn's Junction Sports Complex was funded by a portion of Sales Tax Revenue Bonds and cash from Impact Fees collected from private developers.
- Based upon interviews with Park City financial staff, if City Council wishes to expand the current Ice Arena it is most likely that the Park City Municipal Corporation would issue G.O. bonds to fund the expansion. There are three (3) primary benefits to this approach:
 1. It puts the expansion in the hands of the voters, as G.O. bonds must be approved by the voters;
 2. It has no negative impact on other capital projects, as the bond funds would be dedicated expressly for this project; and,
 3. With Park City's strong bond rating and the recent low interest rate environment for municipal debt, City staff estimates that current interest rates on new 15-year G.O. bonds issued by the City would carry an interest rate of approximately 2.0-2.2%.

PUBLIC OPTIONS PARK CITY MUNICIPAL CORP. (CONT.)

TIMELINE:

- In order to be added to the November 2016 ballot, the measure must be approved by Council by September 2016.
- If the bonds are approved in the General Election, it typically takes the City approximately three (3) months to issue the debt and receive the proceeds.
- According to this timeline, it is assumed that G.O. bond proceeds could be available for the Ice Arena expansion project by March 2017.

REVENUE BONDS:

- Revenue bonds backed by incremental future arena revenues have not been considered for this project, as the Ice Arena currently operates at an annual deficit, and the public is likely to view other bondable revenue options (such as increased user fees or addition of parking fees) as a price increase.



PUBLIC OPTIONS **PARK CITY MUNICIPAL CORP. (CONT.)**

DEBT CAPACITY:

- According to City staff, the City has “quite a bit of room” before it would hit the cap on G.O. debt. The current City policy states that direct debt will not exceed 2% of assessed valuation.
- According to City staff, the City’s current assessed valuation is \$7,469,131,993 which would set the 2% cap at \$149,382,640. The City’s current direct GO debt is \$29,298,159. If sales revenue debt is also included, total GO and Sales revenue direct debt is \$54,475,154. Based upon these figures, Victus Advisors estimated the City’s current remaining debt capacity below:

ESTIMATED PARK CITY MUNICIPAL CORPORATION DEBT CAPACITY

Current Assessed Valuation:	\$7,469,131,993
Cap on Direct Debt (2% of Assessed Valuation):	\$149,382,640
Less: Current General Obligation Direct Debt:	(\$29,298,159)
Remaining Debt Capacity (after G.O. Debt):	\$120,084,481
Less: Current Sales Tax Direct Debt:	(\$25,176,995)
Remaining Debt Capacity (after G.O. & Sales Tax Debt):	\$94,907,486

FUNDING OPTIONS ANALYSIS SUMMARY

It is assumed that the most likely combination of funding sources for expansion of the Park City Ice Arena includes a \$2.5 million contribution from Basin Recreation, with the remaining project funds being provided via a General Obligation bond issue by Park City Municipal Corporation. This funding model for expansion options 1A, 2B, and 3B is shown below:

	Option 1A: Addition of Outdoor Ice	Option 2B: Addition of Indoor Ice	Option 3B: New 2-Sheet Ice Arena*
Estimated Project Cost:	\$4,447,089	\$22,583,002	\$34,325,548
Less: Basin Recreation Contribution:	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Remaining Funds via Park City G.O. Bonds:	\$1,947,089	\$20,083,002	\$31,825,548

**Note: Does not include potential costs of converting existing Ice Arena to indoor fieldhouse.*



FUTURE OLYMPIC EXPANSION **COST ESTIMATES**

Although potential funding sources have not yet been considered for an additional future expansion of the Park City Ice Arena to also accommodate the Winter Olympics, the estimated incremental costs of that additional expansion are shown below *(in 2015 dollars, based on preliminary cost estimates shown on page 52 of this report)*:

- **Estimated Additional Cost of Converting 2B to 2C for Winter Olympics:**
 - **\$11,401,295**
- **Estimated Additional Cost of Converting 3B to 3C for Winter Olympics:**
 - **\$10,337,076**

It is assumed that potential funding sources for these additional costs would be addressed as a component of any future Winter Olympic bid.





VICTUS ADVISORS LLC

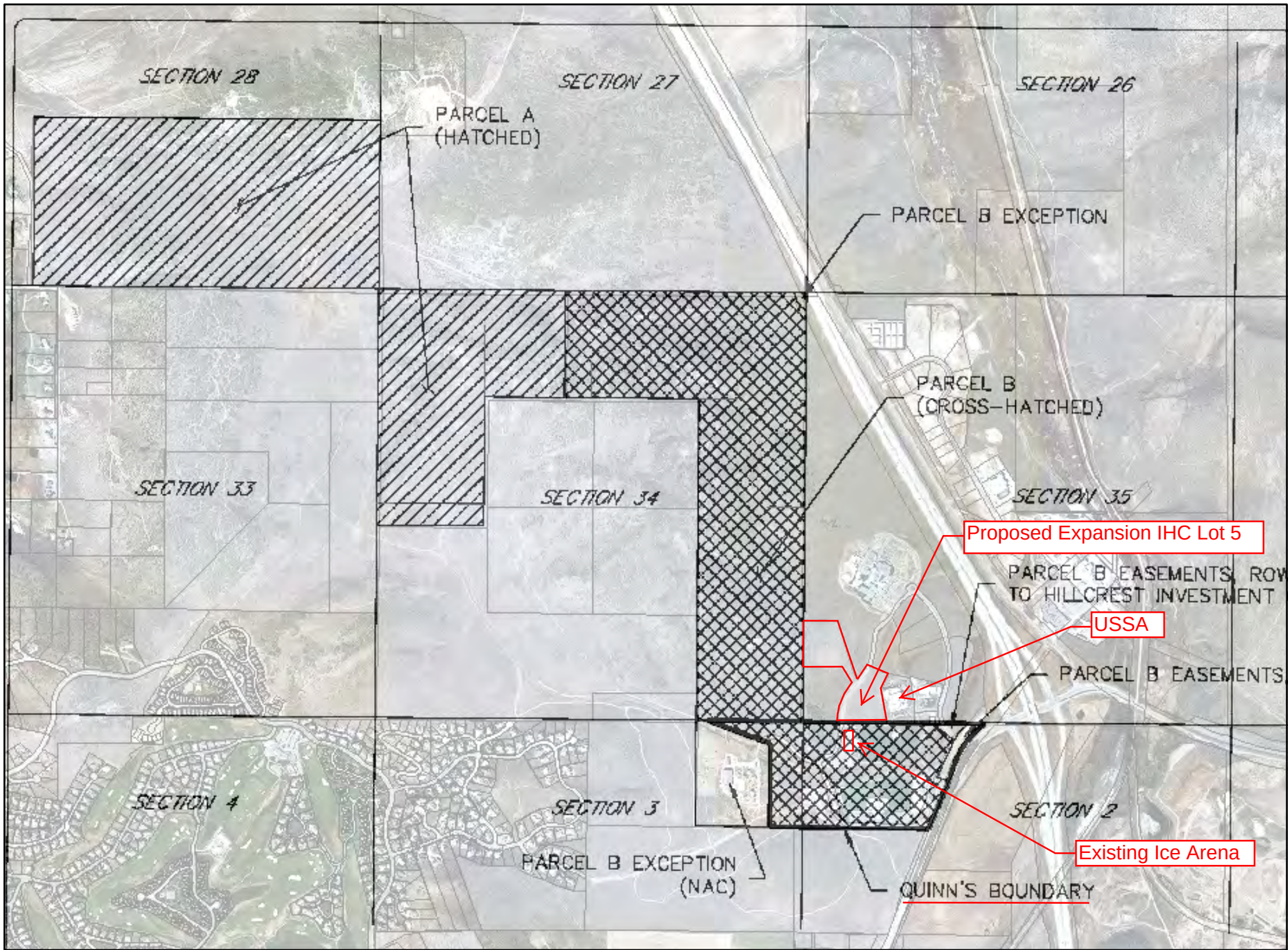
1389 Center Drive #200

Park City, Utah 84098

(435) 604-0874

www.victusadvisors.com







DATE: December 10, 2015

TO HONORABLE MAYOR AND COUNCIL

This report outlines the regional collaboration activities and highlights key program enhancements including new outreach platforms and training. Staff is requesting Council discussion on two questions:

1. Staff has been and is continuing to develop a regional collaboration program. What additional information would you like to have presented to you at the next bi-annual update?
2. Are there activities or topics for which Council would like staff to develop more formal collaboration strategies?

Respectfully:

Matt Dias, Asst City Manager

City Council Staff Report



Subject: Regional Collaboration Update
Author: Ann Ober
Department: Executive/Sustainability
Date: December 10, 2015
Type of Item: Work Session

Summary Recommendations:

Provide Council with an understanding for how regional collaboration is currently executed in the City and receive input from Council towards that process.

Executive Summary:

This report outlines the regional collaboration activities and highlights key program enhancements including new outreach platforms and training. Staff is requesting Council discussion on two questions:

1. Staff has been and is continuing to develop a regional collaboration program. What additional information would you like to have presented to you at the next bi-annual update?
2. Are there activities or topics for which Council would like staff to develop more formal collaboration strategies?

Background:

Regional collaboration is a high priority, as defined by the City Council. During Council's priority setting discussion, there was a dialogue that this goal and the associated relationships ebb and flow throughout the years, but overall, it was a focus that Council wanted to continue to work on.

Over the past ten months, the City has had a significant number of conversations about the growth facing our region. With each passing year, we become more dependent on and impacted by our neighbors. Further, our continued economic growth is fueling a great deal of these impacts both internally and externally to the City's boundaries. To achieve the kind of future we want as residents, community members and visitors it is essential that we continue to work together as a region.

Analysis:

City Council has expressed interest in having staff and Council meet to build relationships across our boundaries. Currently, these relationships are disbursed throughout Council liaison responsibilities and staff interactions (both formal and informal), as well as occasional joint meetings of Boards & Commissions, such as Joint Meetings between the Park City Planning Commission and the Snyderville Basin Planning Commission. It is important to note that meetings between Summit County and Park City staff happen on a daily basis and range from transportation to events to economic development and regional planning. However, there are also a limited

number of targeted regional efforts by which all of Council and some staff are involved. This report outlines both.

Summary of Formal Regional Collaboration Activities February-October 2015

Ongoing Regional Collaboration Activities

Joint Managers Meeting / Joint Staff Meeting

The City Manager meets with the City and County managers of Wasatch County, Heber City and Summit County a quarterly basis. These meetings are often specific to Land Use, Transportation and Affordable Housing issues. Every other meeting, staff from Executive/Sustainability, Transportation and Planning participate.

Soils Intergovernmental Task Force – In May, Mayor Thomas and Councilmember Simpson, as well as Diane Foster, Ann Ober, Mark Harrington, Jim Blankenau and Tom Daley began meeting with Summit County to discuss long term solutions to our impacted soils issues. Specifically, the team has met to build trust and discuss ways we can work together to solve the long standing issue of where to take impacted soils.

Monthly Intergovernmental Affairs Meeting – Beginning in April, Diane Foster and Ann Ober have been meeting monthly with Tom Fisher and Anita Lewis to review all major intergovernmental items between the two entities. These meetings typically last for one to two hours and rotate between Richins, Marsac and the Quinns Health Department facility. Agenda items have included Joint Council meeting development, School District issues, soil remediation, open space opportunities, and a myriad of other timely and relevant issues. These meetings have built trust and continue to provide a space for coordination and collaboration.

Joint Council Meals & Meetings

This past July and this coming December, the Summit County and Park City Councils have and will dine together. These meals have allowed the various participants to socialize and build trust outside of difficult conversations.

On a periodic basis, when the need arises, the Park City Council and the Summit County Council meet. It is likely a Joint Meeting between the two Councils will be scheduled in the first quarter of 2016. Topics will likely include the City Councils three critical priorities, which are also goals of the County Council.

School District Task Force

On September 15, 2015, the School District convened a School District Task Force to discuss partnership opportunities at the newly redesigned Kearns and Ecker Campuses. These are a follow-up to staff participating over the past six months on the School District Master Planning team. Most recently a staff sub-committee has been formed to prepare partnership opportunities for Council input.

Summit County Council of Governments

The Mayor represents the City at the Summit County Council of Governments. These meetings take place on a quarterly basis or as needed.

Mountain Accord

Phase II of the Mountain Accord process is beginning. Staff participation has greatly diminished in the overall Mountain Accord work, though Alfred Knotts has taken a leadership role in the I-80 Corridor Alternative Analysis, while Ann Ober continues to provide general support to the process. The I-80 study is expected to kick-off in the new year.

Joint Transit Advisory Board

Park City and Summit County have established a joint Transit Advisory Board. The group meets to prepare an updated transit plan for inclusions in the Statewide Transportation Improvement Plan and to discuss the service rate fees and develop a draft budget and service plan for the next calendar year. The group routinely meets monthly.

Liaison Opportunities

Park City Council and staff also hold a role in various regional groups and associations. We continue to participate in the following:

- MOUNTAINLANDS COMMUNITY HOUSING TRUST
- PARK CITY SUMMIT COUNTY ARTS COUNCIL
- JOINT CITY/COUNTY ECONOMIC TASK FORCE
- SUMMIT COUNTY BOARD OF HEALTH
- SUMMIT MOSQUITO ABATEMENT DISTRICT
- SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
- UTAH LEAGUE OF CITIES AND TOWNS (ULCT)
- WESTERN SUMMIT COUNTY PROJECT (WSCP) (regional water project created by Weber Basin Water Conservancy District; Summit County; Mountain Regional Water Service District; Summit Water Distribution Company; Snyderville Basin Water Reclamation District; and the Park City Water Service District).

Mountainland Association of Governments

Park City is an active participant with Mountainland Association of Governments. This organizations “serv[es] counties, communities and citizens in Summit, Utah, and Wasatch counties in Utah by providing community and business development, regional planning, and senior resources and services.” Meetings are held on Thursday afternoons and evenings. Staff and Council Members attend on an “as available” basis.

Regional Economic Development

Jonathan Weidenhamer and Matt Abbott meet monthly at Pando labs for a regional Economic Development meeting. We typically have a guest topic or speaker, but regular attendance includes: Summit County Economic Development Director, Jeff

Jones; Jon Beutler from the Summit County Business Resource Center and Ted McAleer, the Exec. Director of the Park City Project/Pando Labs.

Additionally, through a GOED (Governor's Office of Economic Development) grant to Summit County, Jeff Jones is implementing the BEAR program (Business Expansion & Retention Program) throughout the County. As part of our support, Council Liaisons Council Members Beerman and Henne are committed quarterly to touring a few businesses and meeting with a steering committee with the goal of delivering a coordinated and proactive delivery system of BEAR, and to fill gaps between the services and programs that are available and the knowledge of the services by the existing business community.

Basin Open Space Advisory Committee/Citizens Open Space Advisory Committee

Heinrich Deters hosts and participates in monthly meetings with respective public advisory committee members (appointed by the government. bodies) and stakeholders for open space acquisitions. (County/City/Basin)

Trails Ad Hoc Meetings

Heinrich Deters participates in meetings quarterly or as needed to discuss trails and trails related items on a regional scale. (City, Basin, Wasatch County, Mountain Trails Foundation, Wasatch Trails Alliance)

UDOT Monthly Meetings

The transportation and trails teams meet with UDOT monthly to discuss Transportation related items specific to UDOT and coordination between communities (UDOT, County/City).

Significant Impacts:

World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
+ Well-utilized regional public transit			+ Streamlined and flexible operating processes
Positive ↑	Neutral ↔	Neutral ↔	Positive ↑

Department Review: This report was reviewed by Sustainability, Transportation Planning, Water, the City Attorney and the City Manager.

Recommendation: Staff recommends that the Council discuss the recent regional collaboration activities and proposed activities for the next year.



MANAGER'S REPORT – 12/10/2015

Submitted by: Ann Ober
Subject: I-80 Corridor Study - Mountain Accord

The Accord, signed on July 13, 2015, outlines next steps for the Mountain Accord. Included in those steps was an Alternatives Analysis for Parley's Canyon. To achieve the outlined goals, staff at Summit County, Utah Department of Transportation, Utah Transit Authority, Salt Lake County, Salt Lake City, Wasatch Front Regional Council, Mountain Accord, and Ski Utah formed a team to develop the project. Since the execution of the Agreement, several Task Force meetings have been held and attended by members of the Task Force, as outlined in Section 3.12.4. As a result of the Task Force meetings, consensus was obtained on Summit County (County) taking the lead on contract management of professional services for yet to be defined (SOW) while Summit County and Park City would act as Co-Project Managers in overseeing execution of the SOW. Currently a Task Force meeting is scheduled for December 14, 2015 where members will participate in a facilitated exercise to evaluate the pros and cons of expanding the I-80 Corridor Study SOW.

Respectfully:

Ann Ober, Community Relations



MANAGER'S REPORT – December 3, 2015

Submitted by: Ann Ober, Executive/Sustainability and Alfred Knotts,
Community Development
Subject: I-80 Corridor Study - Mountain Accord Update

On June 18, 2015, The City Council voted to approve the Mountain Accord - Phase II Interlocal Program and Funding Agreement ("Agreement") which was fully executed and made effective on July 13, 2015. Phase II of the Mountain Accord outlines the next steps the signatories agree to undertakings related to environmental monitoring and restoration, land use, including land exchanges, governance, funding, public engagement, and transportation. In regards to transportation, and pertinent to this Report, is Section 3.12 which states the following:

3.12. PARLEY'S CORRIDOR (I-80)

- 3.12.1. With the goal of connecting economic centers and recreational nodes within the Wasatch Front and Back, the signers of this Accord agree to support an Alternatives Analysis to evaluate connections between the Salt Lake Valley and the greater Park City area. The Alternatives Analysis will consider modes, corridors and termini between Salt Lake City and Salt Lake County and the greater Park City area.
- 3.12.2. The intent of the Alternatives Analysis is to obtain concurrence on a Locally Preferred Alternative that more specifically addresses short- and long-term mobility needs on regional travel corridors, which may include, but are not limited to, I-80, SR-224, SR-248, US-40, Foothill Boulevard, 3300 South, and I-215. It will also consider multi-modal bicycle and pedestrian connections, including regional trails. Upon adoption of a Locally Preferred Alternative by the affected jurisdictions, and if a federal action is identified, the signers of this Accord support initiating the NEPA environmental review process for proposed operational and infrastructure improvements with a subsequent goal of obtaining approval of a project that is consistent with Mountain Accord's vision and goals.
- 3.12.3. The Alternatives Analysis effort will include a review of wildlife corridors identified by the Environmental Dashboard or other related efforts and will consider opportunities to integrate safe passage of wildlife and other environmental mitigation into final recommendations.
- 3.12.4. A taskforce with representatives from Salt Lake City, Salt Lake County, Park City, Summit County, Utah Department of Transportation, Wasatch Front Regional Council, Utah Transit Authority, and potentially others will undertake this effort.

Since the execution of the Agreement, several Task Force meetings have been held and attended by members of the Task Force, as outlined in Section 3.12.4. The objective of these meetings was to obtain agreement on roles related to contract and project management as well as develop a preliminary Scope of Work (SOW) for issuance of a Request for Proposal (RFP). As a result of the Task Force meetings, consensus was obtained on Summit County (County) taking the lead on contract management of professional services for yet to be defined (SOW) while Summit County and Park City would act as Co-Project Managers in overseeing execution of the SOW.

Upon reaching consensus on the administrative and management roles, that Task Force then shifted their focus on the development of the SOW consistent with Section 3.12 of the Agreement. As part of these discussions, a few members of the Task Force expressed their desire to expand the SOW more in line with what is typically analyzed as part of a broader corridor management plan as opposed to strictly an Alternatives Analysis (AA) as cited in Section 3.12. While a corridor management plan is an effective approach to planning capital and service improvements within a corridor, both City and County staffs have concerns that this will adversely impact the preliminary budget and baseline schedule that have been developed for the Project which were developed based on a Level of Effort associated with an AA.

Currently a Task Force meeting is scheduled for December 14, 2015 where members will participate in a facilitated exercise to evaluate the pros and cons of expanding the I-80 Corridor Study SOW. The intended outcome of this meeting is to obtain consensus amongst the Task Force on a project approach and associated SOW. Should the Task Force wish to proceed with an approach that deviates from Section 3.12 of the Agreement, an amendment to the agreement and/or concurrence from the Mountain Accord Executive Committee may be required. In January, staff will report back to the Council in January on the outcome of the December 14, 2015 meeting. This report will include next steps in the Project Development Process and plans for a request to the Executive Committee for the \$400,000 currently allocated to this planning effort.



MANAGER'S REPORT – 12/10/2015

Submitted by: Adriane Juarez
Subject: Park City Library Renovation Featured in Library Journal's Year in Architecture 2015

The November 15, 2015 edition of Library Journal featured an article called, "Year in Architecture 2015: "Sit Right Down", which included the Park City Library renovation. Library Journal is the most trusted and respected publication for the Library community. It is an honor to make it into the annual Architectural Issue.

Respectfully:

Adriane Juarez, Library Director

City Council Manager's Report



Subject: Park City Library Renovation Featured in
Library Journal's Year in Architecture 2015
Author: Adriane Herrick Juarez
Department: Library
Date: December 10, 2015
Type of Item: Manager's Report

The November 15, 2015 edition of *Library Journal* featured an article called, "Year in Architecture 2015:...Sit Right Down", which included the Park City Library Renovation. *Library Journal* is the most trusted and respected publication for the library community. It is a prestigious honor to make it into the annual architectural issue.

An electronic version of where our library is featured can be found at:

<http://lj.libraryjournal.com/2015/11/buildings/year-in-architecture-2015-sit-right-down/>

The main article is at: <http://lj.libraryjournal.com/2015/11/buildings/year-in-architecture-2015-working-in-harmony/>

Year in Architecture 2015: ...Sit Right Down



The **Park City Library**, UT, remodeled its main branch to the tune of \$9.2 million, which includes living room–style reading areas, a new entrance, and a second-floor outdoor patio. It's now an entirely "greened" historic building. **CREDITS:** Blalock and Partners, architect; Henriksen Butler Design Group, photo.

Adriane Herrick Juarez and the Library Leadership Team submitted an application to be included in the journal's architectural issue in September 2015 and were pleased to learn it was accepted.



DATE: December 10, 2015

TO HONORABLE MAYOR AND COUNCIL

The Comprehensive Annual Financial Report (CAFR) is the major document used to communicate the City's financial condition. State law requires Park City to follow the Uniform Fiscal Procedures Act for Utah Cities, UCA § 10-6-101 et seq., which requires an independent audit of the City's finances annually. The audit is performed by certified public accountants (Piercy, Bowler, Taylor & Kern). The Council must accept the audit within 180 days of the end of the fiscal year. After acceptance, a copy is filed with the State Auditor and the City Recorder as a public document.

Respectfully:

Matt Dias, Asst City Manager

City Council Staff Report



Subject: FY 2015 Audit Report
Authors: Rebecca Gillis, Accounting Manager
Date: December 10, 2015
Type of Item: Administrative

Summary Recommendations:

City Council should review the Comprehensive Annual Financial Report and formally accept the Audit for the Fiscal Year ended June 30, 2015.

Executive Summary:

The Comprehensive Annual Financial Report (CAFR) is the major document used to communicate the City's financial condition. State law requires Park City to follow the Uniform Fiscal Procedures Act for Utah Cities, UCA § 10-6-101 et seq., which requires an independent audit of the City's finances annually. The audit is performed by certified public accountants (Piercy, Bowler, Taylor & Kern). The Council must accept the audit within 180 days of the end of the fiscal year. After acceptance, a copy is filed with the State Auditor and the City Recorder as a public document.

Acronyms:

CAFR: Comprehensive Annual Financial Report
MD&A: Management's Discussion and Analysis

Background:

State law requires Park City to follow the Uniform Fiscal Procedures Act for Utah Cities, UCA § 10-6-101 et seq., which requires an independent audit of the City's finances annually. The audit is performed by certified public accountants (Piercy, Bowler, Taylor & Kern). The Council must accept the audit within 180 days of the end of the fiscal year. After acceptance, a copy is filed with the State Auditor and the City Recorder as a public document.

The CAFR includes all funds of the City and is presented in four sections: Introductory, Financial, Statistical, and Single Audit, Internal Control and Compliance Reports.

The Introductory Section contains a letter of transmittal, a directory of principal officials and an organizational chart of the City. The Financial Section contains management's discussion and analysis (MD&A), the basic financial statements, notes to the financial statements, required supplementary information, individual fund statements for which data are not provided separately within the basic financial statements, as well as the independent auditor's report on these financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The Single Audit, Internal Control and Compliance Reports include the independent auditors' reports on

internal control and compliance as required by *Government Auditing Standards*, Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and state compliance as required by the *State of Utah Legal Compliance Audit Guide*.

The CAFR is the major document used to communicate the City's financial condition. It is distributed to various bond-rating agencies, investors in City debt and the State Auditor for use in evaluating City finances. The first two basic financial statements, the Statement of Net Position (pages 23-24) and the Statement of Activities (pages 25-26), present information on a government-wide, full-accrual accounting basis which reflect the overall financial position of the City and its various funds, not just the amounts available for budgetary purposes. Fiscal operations in the government-wide statements are organized into two major activities: governmental and business-type.

Fund information is also presented for major funds individually and nonmajor funds combined in a single column in the basic financial statement (pages 29-41). Because the focus is so different between fund statements and government-wide statements, a reconciliation between the two types of statements is necessary to understand how the numbers differ. Such reconciliations are provided on pages 30 and 32. Comparisons of "budget-to-actual" results for the General Fund are presented on page 33.

Staff suggests attention be focused on the MD&A (pages 4-21) and the notes to the basic financial statements (pages 43-84). The notes to the basic financial statements in the Financial Section provide required detailed disclosures and a description of the financial statements.

The Statement of Net Position (pages 23-24) may serve as a useful indicator of a government's financial position. The City had positive net position of \$287.8 million at fiscal year end. The largest portion of net position, \$220.4 million, represents the net investment in capital assets. Restricted net position of \$18.0 million is resources that are subject to external restrictions on how they may be used. The remaining \$49.4 million in net position are unrestricted and may be used to meet the City's ongoing obligations. Again, this is an overall financial position indicator and is not the amount of current resources available for budgetary purposes.

Looking at results on a fund basis (page 29), the City's governmental funds reported combined ending fund balance of \$51.9 million, an increase of \$4.4 million compared to the beginning of year fund balance amount.

Utah State code establishes a 5.0 percent minimum (\$1,492,040) and a 25.0 percent maximum (\$7,460,199) limit to the amount that may be accumulated as the fund balance in the General Fund. As of June 30, 2015 the unassigned fund balance of the General Fund was \$6,836,193 and was \$624,006 below the 25.0 percent limit. The unassigned fund balance increased by \$165,477 in fiscal year 2015.

General Obligation Bonds - Audit of Bond Expenditures

Resolution No.16-98, *Resolution to Appoint a Citizens Committee to Advise the City Council on Community Priorities for Open Space Acquisition, Methods to Permanently Preserve Open Space, and to Account for Expenditure of Open Space Bond Proceeds should Voters Approve a General Obligation Bond to Preserve Open Space*, requires the City to annually audit bond expenditures and report the results of such audit to the public.

Single Audit Report

As a recipient of federal and state funds, the City is responsible for ensuring that an adequate internal control structure is in place in order to maintain compliance with applicable laws and regulations related to the purpose of the funds.

As a part of the City's single audit, tests were made to determine the adequacy of the internal control structure, including that portion of the structure related to federal financial assistance programs, as well as to determine that the City complied with all applicable laws and regulations. The results of the City's single audit for fiscal year 2014-2015 indicated no instances of material weaknesses in the internal control structure or violation of applicable laws and regulations.

Comments from the City's Audit Firm of Piercy, Bowler Taylor & Kern

The auditors identified no areas involving material weakness in the operations or internal control structure of the City.

Significant Impacts:

	World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
Which Desired Outcomes might the Recommended Action Impact?				+ Fiscally and legally sound
Assessment of Overall Impact on Council Priority (Quality of Life Impact)	Neutral	Neutral	Neutral	Very Positive 
Comments: State law requires Park City to follow the Uniform Fiscal Procedures Act for Utah Cities, UCA § 10-6-101 et seq., which requires an independent audit of the City's finances annually.				

Department Review: Executive, Finance, and Legal Departments have reviewed this report.

Alternatives:**A. Approve:**

Council could review the Comprehensive Annual Financial Report and formally accept the audit for the Fiscal Year ended June 30, 2015. The audit must be approved and accepted by Council by December 31, 2015 to ensure Park City Municipal is compliant under Utah State Law.

B. Deny:

Council could deny the acceptance of the audit. Denying the audit would make the City non-compliant under Utah State Law.

C. Modify:

Council could modify the acceptance of the audit. The audit must be approved and accepted by Council by December 31, 2015. Failure to approve the audit would make the City non-compliant under Utah State Law.

D. Continue the Item:

Council could continue the acceptance of the audit. The audit must be approved and accepted by Council by December 31, 2015. Failure to approve the audit would make the City non-compliant under Utah State Law.

E. Do Nothing:

Staff does not recommend this alternative. The audit must be approved and accepted by Council by December 31, 2015. Failure to approve the audit would make the City non-compliant under Utah State Law.

Consequences of Not Taking Recommended Action: The audit must be approved and accepted by Council by December 31, 2015. Failure to approve the audit would make Park City Municipal non-compliant under Utah State Law.

Staff Recommendations:

City Council should formally accept the Audit for the Fiscal Year ending June 30, 2015.

Appendices:

Exhibit A: Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015

Comprehensive Annual Financial Report



**Park City Municipal Corporation, Utah
Fiscal Year Ended June 30, 2015**

PARK CITY MUNICIPAL CORPORATION, UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**(Including Single Audit, Internal Control and Compliance Reports
and Supplementary Information)
for fiscal year ended June 30, 2015**

**Prepared by:
Finance Department**

**Lori W. Collett
Finance Manager**

**Rebecca Gillis
Accounting Manager**

**Marina Smith
Accountant**

PARK CITY MUNICIPAL CORPORATION, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2015

C O N T E N T S

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INTRODUCTORY SECTION



Finance

December 10, 2015

To the Honorable City Council, Honorable Mayor and Citizens of Park City, Utah:

These financial statements have been prepared by the Park City Municipal Corporation Finance Department in accordance with accounting principles generally accepted in the United States (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). Utah State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

The City's management is responsible for the accuracy of the report, as well as the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the report is complete and accurate in all material respects. In order to have a basis to rely on for management to make these representations, the City maintains a comprehensive system of internal controls designed to provide reasonable, but not absolute, assurance against loss of assets or material misstatement in the financial statements. This level of assurance is an inherent limitation in a system of internal controls because they should be cost-effective, i.e. the cost of such controls should not exceed the related benefit.

The basic financial statements contained in this report have been audited by Piercy Bowler Taylor & Kern, a firm of licensed certified public accountants. The objective of this type of audit is for the independent auditors to render an opinion, with reasonable assurance, as to whether the basic financial statements of Park City Municipal Corporation, the "City", for the fiscal year ended June 30, 2015, are fairly presented and free of any material misstatement. Audit procedures included: extensive testing and analysis of transactions, balances and systems. The unmodified ("clean") opinion on the basic financial statements signed by Piercy Bowler Taylor & Kern is located at the beginning of the financial section.

Additionally, Piercy Bowler Taylor & Kern audited the compliance requirements of the City's federal and state grant programs for the year ended June 30, 2015, as part of the federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on fair presentation of the basic financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis* (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of Park City Municipal Corporation, Utah

Park City Municipal Corporation is governed by an elected mayor and five-member council. The City was chartered March 15, 1884, under the provisions of the Utah Territorial Government and the City operates under a council-manager form of government. Policy-making and legislative authority are vested in the governing council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City's manager and attorney. The City's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council and mayor are elected on a non-partisan basis. Council members and the mayor serve four-year staggered terms. Elections are held every odd number year.

The City provides many municipal services including police, parks, recreation, library, water, public improvements, streets, planning, zoning, golf course, transportation and parking, and administrative services. This report includes the financial statements of the funds required to report on those activities, organizations and functions which are related to the City and are controlled by or financially accountable to the City Council. The Park City Municipal Building Authority, the Park City Redevelopment Agency and the Park City Housing Authority are chartered under Utah law as separate governmental entities. However, this report includes the financial statements of these entities, since the City Council is the appointed board for all three agencies, they are financially accountable to the City, and management (below the level of the elected officials) of the City have operational responsibility for the activities of these entities.

The State of Utah, Summit County, Wasatch County, Park City School District, Park City Fire Protection District, Snyderville Basin Special Recreation District and Snyderville Basin Water Reclamation District are overlapping governments that provide services to City residents; however, they are separately controlled, and they are not financially accountable to the City; therefore, they are not included in this report.

Budgetary Control

The City Council is required to adopt a final budget by no later than June 22 of the fiscal year. This annual budget serves as the foundation of the City's financial planning and control. Budgets are prepared for all governmental fund types including the general fund, capital improvements funds and debt service funds. The City Council approves all City budgets at the department level (general government, public safety, public works and recreation and library). Budgetary control is maintained at the department level where expenditures may not legally exceed appropriations. Department heads may make transfers within a department. The City Council may amend the budget by ordinance during the budget year, but must hold a public hearing to increase a governmental fund's budget before it can pass the ordinance.

Local Economy

Park City is located in Summit County, Utah, in the heart of the Wasatch Mountains, 30 miles east of Salt Lake City and 40 minutes by freeway from the Salt Lake International Airport. In 1869, silver bearing quartz was discovered in the area, of what is now Park City, and a silver mining boom began. From the 1930's through the 1950's, the mining boom subsided due to the decline of silver prices, and Park City came very close to becoming a historic ghost town. During that time, the residents began to consider an alternative to mining, and began developing Park City into a resort town. Park City is one of the western United States premier multi-season resort communities with an area of twenty square miles and a permanent resident population of approximately 8,058.

World renowned skiing is the center of activity being complemented throughout the year with major activities and events, such as the Sundance Film Festival, Kimball Arts Festival, concerts, sporting events, along with a variety of other winter and summer related activities.

Tourism is the major industry in Park City, with skiing, lodging facilities and restaurants contributing significantly to the local economy. Park City is the home of two major ski resorts (Park City Mountain Resort and Deer Valley Resort) with a third area (The Canyons Resort) located only one mile north of the City limits. Vail Resorts acquired the Canyons Resort in 2013 and the Park City Mountain Resort in September of 2014. Vail's goal is to link these two resorts during the 2015–2016 season, creating the largest skiing resort in the United States with over 7,300 acres of skiable terrain.

In 2002, Salt Lake City hosted the 2002 Winter Olympic Games with two athletic venues in Park City and another just north of the City limits. Deer Valley Resort hosted the slalom, aerial, and mogul competitions; Park City Mountain Resort hosted the giant slalom, snowboarding slalom and snowboarding halfpipe; and the Utah Winter Sports Park (Summit County) hosted ski jumping, luge and bobsled events.

Deer Valley Resort hosted the 2015 Freestyle Ski World Cup event for the ninth year in a row in February 2015. Deer Valley Resort took second place as the best western resort in North America in *Ski Magazine's* resort review of 2015's Top-Ranked Western Ski Resorts. Deer Valley ranked first for five consecutive years between 2007 and 2011. It also marks fifteen consecutive years that Deer Valley has finished in the top three. The Park City Mountain Resort

is located in the heart of Park City and hosted the U.S. Grand Prix for slopestyle and halfpipe prior to the 2014 Sochi Winter Olympic Games. The resort was ranked number seven, overall. The Canyons Resort, placed fourteenth, which made the fourth year in a row that all three of Park City's resorts have finished in the top fifteen.

Major employer-types in the City include accommodation and food service, arts/entertainment and recreation, retail trade, real estate, technical services and government. Unemployment data was unavailable for Park City; however, the current Summit County unemployment rate is estimated at 3.2 percent. The current State of Utah rate is 3.7 percent and the national rate is 5.1 percent.

Economic Trends

Growth has accelerated in the last decade and *Outside Magazine* named Park City the "Best Town in America" in 2013. Park City has seen some strong growth over the past years in the ski industry. Encouraging tourism and the ski industry are objectives for Park City as well as for the State of Utah. With its close proximity to Salt Lake City and Salt Lake International Airport, Park City is a major contributor to these goals. Figures show last ski season was the second worst in the last ten years. Total statewide skier days were 3,946,762, down 4.9 percent from the 2013-2014 season. Skier days were down nationally from 56.5 million to 53.6 million, a 5.0 percent decrease from the previous season. The Utah drop in skier days is being blamed partially on the State's snowfall, which was only 41.0 percent of normal. (It is important to note that both Deer Valley Resort and Park City Mountain Resort have made significant investments in snowmaking that resulted in a great ski experience this past winter.) To put this in context, Utah's record was 4,249,190 set during the 2006-2007 season, prior to the recession. With the local economy dependent on tourism and skiing, employment in Park City tends to decline in the spring and summer months. The City has been mitigating this by diversifying recreational activities in the "off-season". This year the City hosted the Triple Crown Girls Fast Pitch Softball World Series for the thirteenth year. This event draws teams from California, Arizona, Colorado, Oklahoma, Idaho, Utah and Texas and each year is bigger and better than the last. Other events include Park City Marathon Road Race, Intermountain Cup Mountain Bike Races and the Endurance 100 Mountain Bike Race. Park City was the first city to qualify as a Gold Level Ride Center by the International Mountain Bicycling Association.

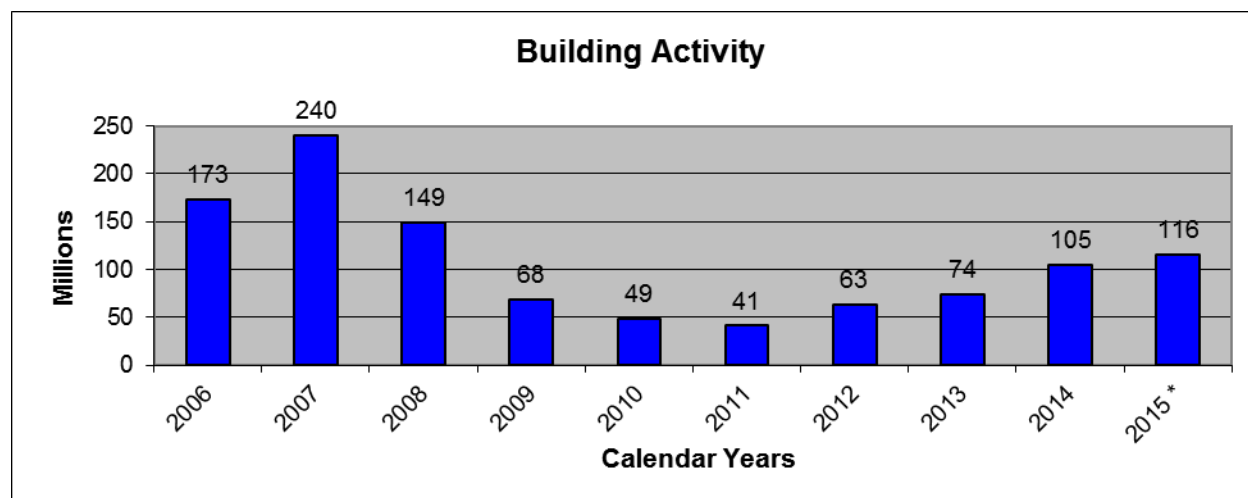
The service population is much larger due to the number of secondary homeowners and visitors within Park City. The City has approximately 131 restaurants, 164 shops, 23 private art centers and a community-sponsored art center. Many of Park City's restaurants are award winning and among the finest in the inter-mountain west. The Chamber of Commerce estimates that the community has a nightly capacity for 28,275 guests. In the last ten years nightly capacity has increased by 1.8 percent. Please see Schedule 24 on page 132 of the Statistical Section of this report.

The Sundance Film Festival made its 34th annual appearance in Park City in January 2015. A recent study by the University of Utah's Bureau of Economic and Business Research reveals the 2015 festival generated an overall economic impact of \$83.4 million for the State of Utah, down slightly from 2014, and close to the record of \$92.2 million reported after the 2009 festival.

Sundance and Park City Municipal Corporation have formally agreed that Park City will remain festival headquarters through the 2026 film festival and, importantly, Sundance agreed to schedule future film festivals, beginning in 2015, to avoid overlapping with the Martin Luther King holiday, a popular ski weekend. This change is estimated to generate at least \$4.2 million in additional economic activity for the greater Park City area. The festival presents high quality, independent films. Nationally known actors, directors, writers and other members of the film industry conduct and attend workshops, classes, seminars, dinners and premiers that are open to the public. The cultural event attracted over 46,107 attendees this year, up slightly from the 2014 attendance of 45,352 with an estimated 67.0 percent coming from out of state.

The Kimball Arts Center sponsored its 45th annual three-day Park City Arts Festival in August 2014. The Park City Arts Festival is Utah's oldest and the longest running arts festival in the West. In the last decade, this event has grown substantially and this year attracted an estimated 57,500 visitors. This was a decrease of 1.7 percent over the previous year. The festival featured 215 of North America's top artists. This is one of the most attended annual events in Utah and includes an art auction and gala, and a 5K run for the arts.

Closely connected to the tourist and ski industries in Park City is the real estate industry. During the past ten years, building activity within the City has fluctuated from a low of \$40.9 million in 2011, because of the recession, to a high of \$239.7 million in 2007. Building activity over the last decade has averaged \$107.8 million per year. In the first nine months of calendar year 2015, approximately 35.2 percent of the \$116.4 million in building activity has been in residential construction and 15.6 percent in commercial construction. The remaining 49.2 percent consists of remodeling, expanding and miscellaneous construction. The residential construction total valuation of approximately \$41.0 million consisted of both single and multi-family homes. Easy access to Salt Lake City has intensified the role for Park City as a bedroom community. This role and the current economy have shifted emphasis to the construction of residential homes.



* Notes: The 2015 number is from January 2015 through September 2015 only.
For activity by fiscal year, please see Schedule 26 of the Statistical Section.

According to the latest statistics by the Park City Board of Realtors, residential lots sold in Park City range from an average of \$356,500 in the Prospector area to an average of \$3,795,250 for lots in Empire Canyon. Condominiums range in average sales price from \$231,736 to \$3,421,239, depending upon location. Depending upon the area, single-family homes range from an average sales price of \$768,100 to \$7,625,833. Overall, year over prior year sales, the volume of single-family homes sold was down 1.0 percent, but the median sales price increased by 15.0 percent, over 2014. In contrast, condominium sales showed a volume increase of 2.0 percent, and the median sales price was down 6.0 percent.

Long-term Financial Planning

Health Insurance Costs - In recent years, the cost of Park City's health insurance has risen dramatically between 8.0 and 22.0 percent per year. Historically, the City picked up almost the entirety of these increases. Three years ago the City increased the premiums paid by employees by \$50.00 per month. The double digit percentage increases, were alarming and indicated a need for change in the way the City was handling health insurance. The City's Human Resource department implemented a "Wellness Program". The purpose of this program is to encourage employees to exercise, seek annual exams, to educate and incentivize healthy behavior. The program has already had a positive impact on the City's health premiums. The hope continues to be that employees will become more aware of and accountable for medical expenses, which will result in fewer claims and lower premiums.

Pay Plan - Every two years Park City compares its employee compensation data with approximately 30 communities from Utah and Colorado. A committee is selected to compare job descriptions and wages of other municipalities with similar positions in Park City. The City Manager chooses the metrics that determine how salaries should be set and defines a threshold at which positions should be reclassified. The Pay Plan Committee reviews the collected data and makes recommendations for upgrade or reclassification of job positions to the City Manager.

The Pay Plan Committee has two major objectives, to determine where internal equity positions should fit in the Pay Plan and to review the recommendations of the committee and make necessary changes.

It is critical that the City's compensation package is adjusted, if appropriate. The Park City economy has had a strong recovery, which is also happening across communities in Utah and Colorado. Pay Plan adjustments have been modest the last several years as compared to the strength of Park City's economic recovery. This has made it difficult for the City to compete with the public and private sector in recruiting and retention. Recruiting has become so difficult that it has significantly threatened levels of service in critical areas such as building inspection and transit. In lieu of not performing these services, pay adjustments were necessary for these positions in the last City budget cycle. Staff has recommended changes in our pay philosophy as a response to these challenges, which will go into effect in the upcoming pay plan process. For the City to maintain high quality staffing, it is important for the Pay Plan to provide competitive employee compensation. The Pay Plan also dictates how employees move from one working level to another, eligibility for a performance bonus, and professional development within positions.

Relevant Financial Policies

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

A project is designated in the five-year capital plan to which annual contributions are made from the General Fund for asset management. The amount to be contributed is based on a 10-year plan, which outlines the anticipated replacement and repair needs for each of the City's major assets. A project manager, that is appointed by the City Manager, has the responsibility of monitoring the progress of the fund, assuring a sufficient balance for the fund, controlling expenditures out of the fund, managing scheduled projects and associated contracts, making necessary budget requests, and updating the 10-year plan.

Major Initiatives

Solar Installation – Park City Municipal Athletic Recreation Center (MARC)

There are four goals that the City Council has set, which all City programs are tied to. One of these is to reduce the municipal carbon footprint, which includes conservation efforts for new and rehabilitated buildings.

Like all the City's properties, the MARC has been assessed for renewable energy potential. The MARC has the potential to triple the amount of City-owned solar capacity. This was the last property with major solar potential and the project is estimated to cost \$0.4 million after rebates. A 208kW solar photovoltaic (PV) system on the MARC is projected to decrease the MARC's annual energy costs, resulting in an average annual savings of approximately \$15,000, or about 14.0 percent of the MARC's total electricity expense. This 755 panel system will be the largest and the most visible renewable energy project in the City. In April 2015 preparations began for the (PV) installation. The project's estimated completion date is August 2015.

Update on Major Projects

Water Projects - Water quality and delivery continue to be a top priority for Park City. With the rate of development that has occurred over the past few years, future water needs have been identified and the cost of these improvements is being fairly distributed between users and new development. Capital spending in the Water Fund is reflective of the City's continuing commitment to secure Park City's water needs through improvements to the City's water infrastructure. The Water Fund Financial Model is reviewed and updated annually to assess the long-range operating and capital needs of the Water Fund to determine future water rate increases and bonding needs.

Library Renovation and Expansion – This work started in April of 2014 and the grand opening was on June 12, 2015. The construction budget was \$6.8 million, with a total budget of

\$9.3 million and was completed within budget. This 21st century facility is housed in a beautiful historic building and provides a myriad of community services, including a digital media lab, new children's area complete with a lighted mountain, computers, recording room, meeting and study rooms, along with a lobby for the Santy Auditorium and a coffee shop. Construction renovations included: interior renovation and expansion of the library into all of floors one and two; interior renovation of the third floor for flexible community space, Park City Cooperative Preschool and Park City Film Series; an added, single-story entry sequence to the library at the north façade; a two story addition at the northwest corner providing added function, flexibility and consolidation of services; and modifications of the 1992 addition to expose the original historic structure on the south, west and north facades.

Walkability Projects – On May 22, 2008, City Council approved a recommended list of thirty-six walking and biking capital projects that would be funded through the issuance of \$15.0 million General Obligation Walkability Bonds. As of June 30, 2015, approximately \$9.1 million has been utilized to fund twenty-seven completed projects and nine under construction or planned projects. Completed projects include Bonanza and Comstock underpasses, Little Kate and Comstock sidewalks, the Holiday Ranch Loop Pathway, traffic calming improvements in the Prospector area, improvements to McLeod Creek and Farm Trails, and miscellaneous bicycle shoulders, crosswalks and associated signage.

One of the largest projects is currently under construction, the Dan's to Jan's project. This project involves two phases. Phase one is the west side pathway along Park Avenue. This project had been on hold, but is now moving forward. When phase one is completed phase two will begin, the east side pathway and underpass project.

Prospector Avenue Reconstruction - Park City is slated to receive \$1.0 million in Small Urban Fund Grant money. These funds require a 7.0 percent match and also have strict restrictions on how they are used. Elements of the project include updated storm drains, sidewalks, bus pullouts, additional lighting, resurfacing of the road, bike lanes and landscaping. This project is scheduled for fiscal year 2016.

Deer Valley Drive - The Deer Valley Drive Reconstruction project includes the reconstruction of Deer Valley Drive including water infrastructure as well as walkable, functional and aesthetic improvements to the street. The project was divided into two phases. The first phase was completed in December of 2013, this included replacement of the existing collapsed storm drain, replacement of the gas line (work and design were performed by Questar Gas), replacement of the existing distribution water line, pedestrian modifications at the round-about, left turn lane at the intersection of Deer Valley Drive and Deer Valley Drive North, bus pullouts, pedestrian lighting (from the round-about to Sunnyside Drive) update of signage and road resurfacing.

The second phase of the Deer Valley Drive Reconstruction project will include additional pedestrian lighting, crosswalks, bus shelters, bus stop amenities, cleaning of the creek, landscaping improvements along the corridor, a new entry feature near the intersection of Deer Valley Drive and Deer Valley Drive north, and improved sidewalks.

Awards and Acknowledgements

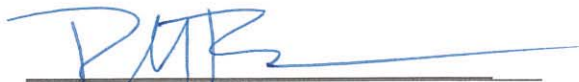
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Park City Municipal Corporation for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last twenty-seven consecutive years, fiscal years 1987-2014. We believe that our current Comprehensive Annual Financial Report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Park City Municipal Corporation also received the Distinguished Budget Presentation Award from the GFOA for the City's adopted budget for the biennium period beginning July 1, 2009. The City has won this award for fiscal years 1992 and 1993 and the biennium periods beginning 1993, 1997, 1999, 2001, 2003, 2005, 2007, 2009, 2011, 2013 and most recently 2015. In order to qualify for the award program, the City's budget document was judged proficient in several categories including policy documentation, financial planning and organization.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the staff of the Finance and Accounting Department. We would like to express our appreciation to Piercy Bowler Taylor & Kern, certified public accountants, for their professional service and assistance. We would also like to thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,


Diane Foster - City Manager


Lori W. Collett - Finance Manager

PARK CITY MUNICIPAL CORPORATION, UTAH

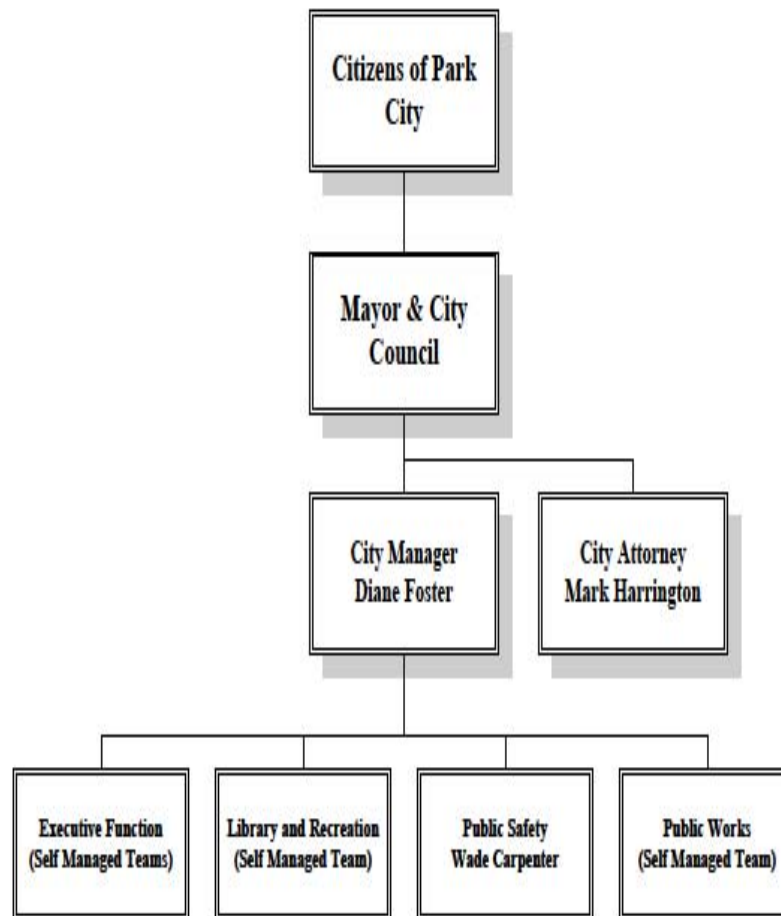
Park City Municipal Building
445 Marsac Avenue
Park City, Utah 84060

MAYOR AND CITY COUNCIL AS OF JUNE 30, 2015

Name	Term Expires
Mayor	
Jack Thomas 445 Marsac Avenue Park City, Utah 84060	January 2018
Councilors	
Cindy Matsumoto PO Box 4647 2816 Silver Cloud Drive Park City, Utah 84060	January 2018
Tim Henney PO Box 3927 Park City, Utah 84060	January 2018
Dick Peek 750 River Birch Court Park City, Utah 84060	January 2016
Andy Beerman PO Box 1570 310 Park Avenue Park City, Utah 84060	January 2016
Liza Simpson PO Box 1468 510 Main Street Apt B Park City, Utah 84060	January 2016

Diane Foster, City Manager
Mark Harrington, City Attorney
Lori W. Collett, Finance Manager

PARK CITY MUNICIPAL CORPORATION, UTAH



The above organizational structure also accurately depicts the Park City Redevelopment Agency and the Park City Municipal Building Authority structure.



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Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Members of the City Council
Park City Municipal Corporation, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park City Municipal Corporation (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

An audit performed in accordance with applicable professional standards is a process designed to obtain reasonable assurance about whether the City's basic financial statements are free from material misstatement. This process involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the basic financial statements to enable the design of audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. The audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the basic financial statements.

Management's Responsibility for the Financial Statements. Management is responsible for the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility. Our responsibility is to express an opinion on the basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison information for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, proportionate share of the collective net pension liability information and proportionate share of statutorily required pension contribution information on pages 4 21 and 86 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information. Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards. In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Salt Lake City, Utah
December 10, 2015

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2015

The following narrative is presented to facilitate a better understanding of the City's financial position and results of operations for the year ended June 30, 2015. When read in conjunction with the letter of transmittal and the notes to the financial statements, the financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The City's government-wide net position (the amount by which assets and deferred outflows exceed liabilities and deferred inflows) as of June 30, 2015, was \$287,825,927. Of this amount, \$49,425,877 (unrestricted net position) is available to meet ongoing financial obligations.
- The City's government-wide net position increased by \$14,850,785. Of this amount, business-type activities increased by \$5,699,289, a rise of 6.7 percent, and the governmental activities increased by \$9,151,496 a rise of 4.9 percent when compared to last fiscal year.
- The City's governmental funds reported a combined ending fund balance of \$51,870,430 an increase of \$4,386,656 (9.2 percent) compared to the beginning of this year's fund balance amount. The increase in fund balance in comparison to last fiscal year is attributable to an increase in unassigned fund balance for the general fund and an increase to the restricted fund balance for capital projects. Of the combined total fund balance, \$6,836,193 is available for spending at the discretion of the City (unassigned fund balance).
- The General Fund is the primary operating fund of the City. The unassigned fund balance of the General Fund at June 30, 2015, totaled \$6,836,193 and is 26.4 percent of the General Fund total revenues for the year and 13.2 percent of total governmental fund balance.
- The City's total debt had a net increase of \$6,208,467 during fiscal year 2015. This represents a 7.0 percent increase over the prior year, which is attributable to the effect of the normal reduction in principal balances from required debt service payments, refunding of the Series 2005A Sales Tax Revenue Bonds and the Series 2004 General Obligation Bonds. The decrease is offset by the issuance of \$3,385,000 in Series 2014 General Obligation Refunding Bonds, \$6,725,000 in Series 2014A Sales Tax Revenue and Refunding Bonds, \$5,375,000 in Series 2014B Sales Tax Revenue Bonds, and \$11,600,000 in Series 2015 Sales Tax Revenue Bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report includes four parts: 1) the independent auditors' report on financial statements and supplementary information; 2) this segment, management's

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

discussion and analysis; 3) the basic financial statements; and 4) supplementary information. Within the basic financial statements are two distinct types of financial statements, 1) the government-wide financial statements, and 2) the fund financial statements. The notes to the financial statements are also an integral part of the basic financial statements. The City's basic financial statements are presented in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended.

Immediately following the notes to the financial statements, the supplementary information includes balance sheets and income statements for nonmajor governmental funds, internal service funds, as well as other budgetary information.

Government-wide Financial Statements: The government-wide financial statements provide a view of City finances as a whole, similar to a private-sector business. These statements include the Statement of Net Position and the Statement of Activities.

The **Statement of Net Position** includes all of the City's assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as net position. Net position (and the related change in net position from year to year) is probably the most important financial measurement to enable understanding of the financial position of the City, and whether financial position improves or deteriorates each year. To assess the overall health of the City, additional non-financial factors such as changes in the property tax base, the condition of the City's infrastructure, etc. should be considered.

The **Statement of Activities** shows how the City's net position changed as a result of its operations during the most recent fiscal year. To understand the basis of how these numbers are determined, it is important to note that changes in net position are reported whenever an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (the accrual basis of accounting). For example, most revenues are reported when the revenues are legally due, even though they may not be collected for some time after that date; and an obligation to pay a supplier is reported as an expense when the goods or services are received, even though the bill may not be paid until sometime later.

There are two distinct types of activities reflected in the government-wide statements, i.e. governmental activities, and business-type activities. Governmental activities are those supported primarily by taxes and intergovernmental revenues, while business-type activities are those in which all costs (or at least a significant portion of costs) are intended to be recovered through user fees and charges. The governmental activities for the City include General Government (Council, Mayor, City Attorney, Human Resources, Technical Services, Budget, Debt and Grants, Building, Economy, Community, Environment, Planning, Engineering, Finance, Quinns Recreation Complex and Non-departmental); Public Safety (Police and Communications Center); Public Works (Streets, Snow Removal, Parks, Building Maintenance); Library and Recreation. The business-type activities include Water, Transportation and Parking, and Golf.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

The Park City Municipal Building Authority, the Park City Redevelopment Agency and the Park City Housing Authority are chartered under Utah law as separate governmental entities. However, the government-wide financial statements include the financial statements of these entities, since the City Council is the appointed board for all three agencies, and these entities are financially accountable to the City. The government-wide financial statements can be found on pages 23-26 of this report.

Fund Financial Statements: The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based on the purposes for which the funds are to be spent as well as by how the activities are to be controlled. The three broad categories of funds are: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – At the fund level, the focus is on changes in short-term spendable resources and the balance available to spend, rather than the long-term focus used for determining government-wide numbers. Because the focus is so different between fund statements and government-wide statements, reconciliation, between the two types of statements is necessary to understand how the numbers differ. Such reconciliations are provided for the reader on pages 30 and 32. The City has four governmental type funds. These are the general fund, special revenue funds, the debt service funds and the capital projects funds. Five of these are considered major funds: General Fund, Sales Tax Revenue and Refunding Debt Service Fund, Park City General Obligation Debt Service Fund, Capital Projects Improvement Fund and Lower Park Avenue Redevelopment Agency Capital Projects Improvement Fund. The basic governmental fund financial statements can be found on pages 29-33 of this report. A summary of other funds (nonmajor funds) is combined into one “Other Governmental Funds” column. The composition of the nonmajor funds is shown in combining statements later in the report in the supplementary information section on pages 91-101.

- The **General Fund** is used to account for all financial resources of the City that are not accounted for by a separate specialized fund. More specifically, the general fund is used to account for ordinary operations such as collection of tax revenues and general government expenditures. The City adopts an annual appropriated budget for the general fund. On page 33, a budgetary comparison statement has been provided for the general fund to demonstrate budgetary compliance.
- **Special Revenue Funds** are used to account for specific revenue sources that are restricted to expenditures for specific purposes.
- **Debt Service Funds** are used to account for the accumulation of resources for the payment of general obligation bonds, special assessment bonds and sales tax

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

revenue and refunding bonds. Therefore, this fund is set up to accumulate the resources used to pay both the interest and principal on bond debt.

- **Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital improvements. These funds do not account for capital improvements financed by the proprietary funds.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The City uses both enterprise funds and internal service funds. The basic proprietary fund financial statements can be found on pages 35-39 of this report.

- **Enterprise Funds** are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City currently operates enterprise funds for the City-owned water system, public transportation system (bus and trolley system), paid parking system and golf course.
- **Internal Service Funds** are used to account for the central financing of goods or services provided to various departments of the City or other governments on a cost-reimbursement basis. The City currently has two internal service funds. The Fleet Services Fund provides vehicle storage, repair and maintenance. The Self-Insurance Fund was established to allow the City to supplement its regular insurance coverage. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The combining statements for internal service funds can be found on pages 103-105 of this report.

Fiduciary Funds are used for assets the City receives wherein the City has temporary custody. Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The basic fiduciary fund financial statement can be found on page 41 of this report.

Notes to the financial statements contain additional information important to a complete understanding of the information contained in the government-wide and fund financial statements. Notes to the financial statements are located after the basic financial statements as listed in the table of contents.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position – The following table presents summary information from the Statement of Net Position for the years ended June 30, 2015 and 2014.

Park City Municipal Corporation Comparative Summary of Net Position (in millions of dollars)							
	Governmental Activities		Business-Type Activities		Total		Total % Change
	<u>2015</u>	<u>2014*</u>	<u>2015</u>	<u>2014*</u>	<u>2015</u>	<u>2014*</u>	
Current and other assets	\$ 76.8	\$ 72.9	\$ 40.6	\$ 39.0	\$ 117.4	\$ 111.9	4.9%
Capital assets	203.5	187.0	98.4	98.7	301.9	285.7	5.7%
Total assets	<u>280.3</u>	<u>259.9</u>	<u>139.0</u>	<u>137.7</u>	<u>419.3</u>	<u>397.6</u>	<u>5.5%</u>
Total deferred outflows of resources	1.2	0.9	0.4	0.3	1.6	1.2	33.3%
Long-term debt	54.5	44.1	47.1	48.5	101.6	92.6	9.7%
Other liabilities	10.6	10.9	1.8	4.9	12.4	15.8	-21.5%
Total liabilities	<u>65.1</u>	<u>55.0</u>	<u>48.9</u>	<u>53.4</u>	<u>114.0</u>	<u>108.4</u>	<u>5.2%</u>
Total deferred inflows of resources	18.9	17.4	0.2	-	19.1	17.4	9.8%
Net position							
Net investment in capital assets	159.3	150.1	61.1	58.9	220.4	209.0	5.5%
Restricted	12.9	6.9	5.1	5.1	18.0	12.0	50.0%
Unrestricted	25.3	31.4	24.1	20.6	49.4	52.0	-5.0%
Total net position	<u>\$ 197.5</u>	<u>\$ 188.4</u>	<u>\$ 90.3</u>	<u>\$ 84.6</u>	<u>\$ 287.8</u>	<u>\$ 273.0</u>	<u>5.4%</u>

* Restatement of Fiscal Year 2014 is the result of the City implementing GASB Statement No. 68. In accordance with the Statement the City reported the net pension liabilities and deferred inflows of resources and deferred outflows of resources for each of its qualified pension plans. The implementation is discussed in more detail in footnote A.7.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2015, the City's assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$287.8 million (net position), compared to \$273.0 million at June 30, 2014. This would indicate an improved financial position in comparison to last fiscal year. Approximately 76.6 percent at June 30, 2015, and 76.5 percent at June 30, 2014, of these amounts are represented by the investment in capital assets, less debt still outstanding relating to acquisition of those assets (see subsections explaining capital assets and debt below). Due to the nature of these assets (long-term assets which are not readily convertible to liquid assets) they are not considered to be available for spending or appropriation. Although the City's investment in capital assets is reported net of related debt, it should be understood that the repayment of this debt

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

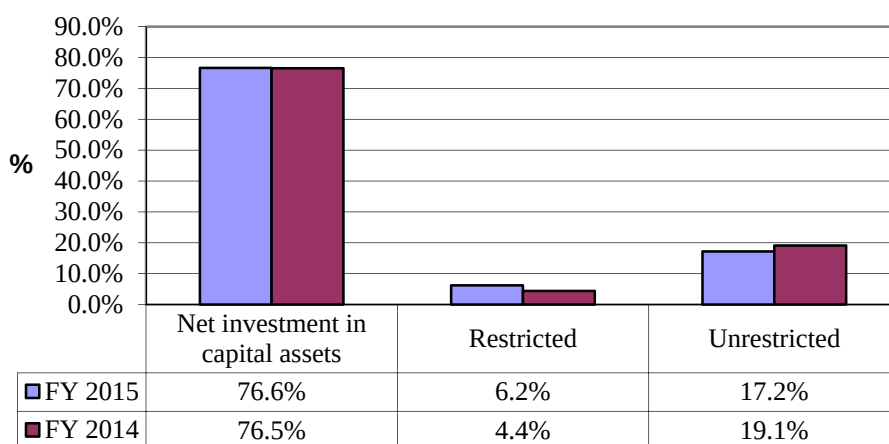
does not come from the capital assets themselves, but comes from other resources. The increase in the City's net investment in capital assets of \$11.4 million was due to the net of routine acquisition of capital assets, repayments of the related debt and depreciation expense.

Restricted net position of \$18.0 million at June 30, 2015, and \$12.0 million at June 30, 2014 represents resources that are subject to external restrictions on how they may be used. The increase in restricted net position of \$6.0 million reflects the net increase in restricted net position due to the drawdown of cash with the fiscal agent. The debt service net increase of \$6.0 million was due to the refunding of the Series 2004 General Obligation Bonds and Series 2005A Sales Tax Revenue and Refunding Bonds and the issuance of the 2014 General Obligation Revenue and Refunding Bonds, 2014A Sales Tax Revenue and Refunding Bonds and 2014B and 2015 Sales Tax Revenue Bonds. The 2014B and 2015 Sales Tax bond proceeds are restricted to the acquisition of open space and financing of certain improvements.

The other sub-classification of net position is unrestricted. The balance of approximately \$49.4 million at June 30, 2015, which is unrestricted, denotes that this amount may be used to meet general, on-going financial obligations without constraints established by debt covenants or other legal requirements. Unrestricted net position decreased \$2.6 million from last fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

The following graph depicts the percentage of restricted and unrestricted net position as discussed above.

Park City Municipal Corporation
Net Position Percentage
June 30, 2015 and 2014



PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

Changes in Net Position - As taken from the Statement of Activities, the following table depicts the changes in net position for fiscal years 2015 and 2014.

Park City Municipal Corporation
Summary of Changes in Net Position
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Total % Change
	<u>2015</u>	<u>2014*</u>	<u>2015</u>	<u>2014*</u>	<u>2015</u>	<u>2014*</u>	
Revenues							
Program Revenues							
Charges for services	\$ 6.2	\$ 5.4	\$ 19.5	\$ 18.1	\$ 25.7	\$ 23.5	9.4%
Operating grants and contributions	0.1	0.2	1.6	1.6	1.7	1.8	-5.6%
Capital grants and contributions	2.5	1.8	4.2	3.3	6.7	5.1	31.4%
General Revenues							
Property Tax	18.1	17.9	-	-	18.1	17.9	1.1%
Other Taxes	17.9	16.7	4.4	4.0	22.3	20.7	7.7%
Investment earnings	0.2	0.3	0.4	0.4	0.6	0.7	-14.3%
Other	1.5	1.6	(0.2)	0.5	1.3	2.1	-38.1%
Total revenues	<u>46.5</u>	<u>43.9</u>	<u>29.9</u>	<u>27.9</u>	<u>76.4</u>	<u>71.8</u>	<u>6.4%</u>
Expenses							
General government	19.2	18.0	-	-	19.2	18.0	6.7%
Public safety	5.3	5.0	-	-	5.3	5.0	6.0%
Public works	7.0	7.0	-	-	7.0	7.0	0.0%
Library and recreation	4.6	4.4	-	-	4.6	4.4	4.5%
Interest on long-term debt	1.3	1.6	-	-	1.3	1.6	-18.8%
Water	-	-	11.9	11.6	11.9	11.6	2.6%
Transportation and parking	-	-	10.8	10.4	10.8	10.4	3.8%
Golf course	-	-	1.5	1.4	1.5	1.4	7.1%
Total expenses	<u>37.4</u>	<u>36.0</u>	<u>24.2</u>	<u>23.4</u>	<u>61.6</u>	<u>59.4</u>	<u>3.7%</u>
Change in net position	9.1	7.9	5.7	4.5	14.8	12.4	19.4%
Net position beginning	188.4	185.8	84.6	81.8	273.0	267.6	2.0%
Adjustment to beginning net position*	-	(5.3)	-	(1.7)	-	(7.0)	0.0%
Net position ending	<u>\$ 197.5</u>	<u>\$ 188.4</u>	<u>\$ 90.3</u>	<u>\$ 84.6</u>	<u>\$ 287.8</u>	<u>\$ 273.0</u>	<u>5.4%</u>

* The restatement of the beginning net position in Fiscal Year 2014 is the result of the City implementing GASB Statement No. 68. The implementation is discussed in footnote A.7.

Net position increased from governmental activities in fiscal year 2015 approximately \$9.1 million and increased \$2.6 million in fiscal year 2014. The increase is primarily due to the restatement of fiscal year 2014 net position to include the pension liability along with increased charges for services and taxes. Expenses for governmental activities increased \$1.4 million. The reasons for this increase are discussed in the following section for governmental activities.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

Net position increased \$5.7 million in fiscal year 2015 and increased \$2.8 million in 2014 for business-type activities. The revenues for business-type activities increased in charges for services due to the increase in water service rates of 12.0 percent on July 1, 2014. Operating grants and contributions decreased in the Transportation and Parking Fund and capital grants and contributions increased in the Water Fund.

Revenues – For the year ended June 30, 2015, the City's government-wide total revenues are approximately \$76.4 million as compared to the prior year total revenues of \$71.8 million. Key elements of this change were as follows:

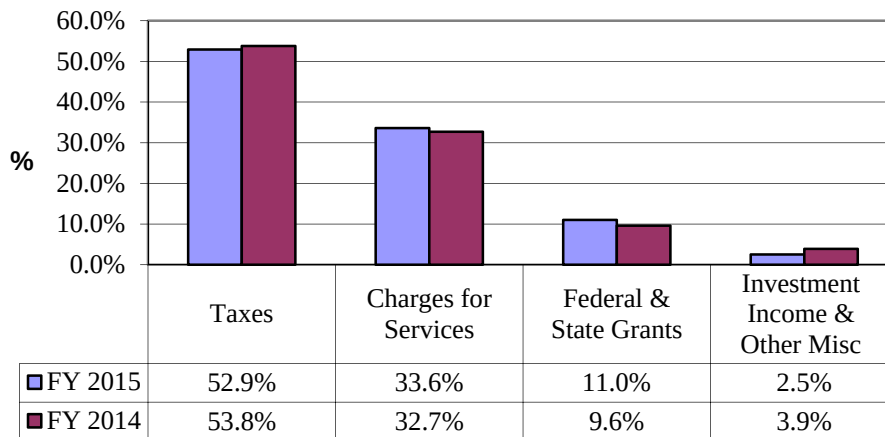
- Of the City's total revenues, approximately 52.9 percent in fiscal year 2015 and 53.8 percent in fiscal year 2014 resulted from taxes, of which the majority was from general sales and use taxes and resort taxes as shown in the following table:

	Tax Revenues		Total % Change
	2015	2014	
Property tax, levied for general purposes	\$ 12.8	\$ 12.8	0.00%
Property tax, levied for debt service	5.3	5.1	3.92%
General sales and use tax	9.1	8.4	8.33%
Franchise tax	3.1	3.2	-3.13%
Resort tax	10.1	9.1	10.99%
Total	<u>\$ 40.4</u>	<u>\$ 38.6</u>	<u>4.66%</u>

- Charges for services increased in fiscal year 2015 approximately \$2.2 million and increased from 32.7 percent of total revenues in fiscal year 2014 to 33.6 percent in fiscal year 2015. The \$2.2 million increase is due to a combination of increased building permit fees and water service fees.
- Operating and capital contributions and grants increased to 11.0 percent of total revenues in fiscal year 2015 as compared to 9.6 percent in fiscal year 2014. This was a result of an increase in capital grants in the business type activities and governmental activities.
- Investment and other income, which is a combination of interest earnings and changes in the fair value of investments, and other miscellaneous income sources decreased to 2.5 percent of total revenues in fiscal year 2015 from 3.9 percent in fiscal year 2014. Other income decreased \$0.8 million due to a one-time large contribution during fiscal year 2014 combined with a required non-cash interfund transfer from the General Fund to the Water Fund for estimated water usage by City facilities during the fiscal year.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

Government-Wide Revenues by Source
June 30, 2015 and 2014



Expenses - The City's government-wide total expenses cover a range of services. For the year ended June 30, 2015, the City's total expenses are \$61.6 million compared to the prior year of \$59.4 million. Of the \$2.2 million increase, general government expenses increased \$1.2 million, public safety increased \$0.3 million, library and recreation increased \$0.2 million and interest on long-term debt decreased \$0.3 million. Business-type activities increased \$0.8 million.

Governmental Activities:

Revenue Highlights:

- Taxes comprise the largest source of revenue for the City's governmental activities: Approximately \$36.0 million or 77.4 percent in fiscal year 2015 and \$34.6 million or 78.8 percent in fiscal year 2014 of total revenues from governmental activities. The \$1.4 million increase is the combination of the increased receipts of sales, resort and property taxes. Of total taxes, real property taxes are approximately \$18.1 million (50.3 percent) in fiscal year 2015 and \$17.9 million (51.7 percent) in fiscal year 2014.
- Charges for services increased to \$6.2 million or 13.4 percent of total revenues in fiscal year 2015 from \$5.4 million or 12.3 percent of total revenues in fiscal year 2014. The increase in 2015 was a result of collecting more building and permit fees.
- Grant and contribution revenue represents approximately \$2.6 million or 5.4 percent in fiscal year 2015 and \$2.0 million or 4.7 percent in fiscal year 2014 of total revenues. The \$0.6 million increase was the result of an increase in capital grants and contributions of \$0.7 million and a decrease of \$0.1 million in operating grants and contributions. The \$0.7 million increase in capital grants was from an increase of \$1.0 million in the State award from the Utah Governor's Office of Economic Development for Main Street improvements along with a decrease of \$0.3 million in Recreation, Arts, and Park Tax Grant.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

Expense Highlights:

- General government expenses of \$19.2 million in fiscal year 2015 and \$18.0 million in fiscal year 2014 represented 51.3 percent in fiscal year 2015 and 50.0 percent in fiscal year 2014 of total expenses from governmental activities. General government includes City Council, Mayor, City Attorney, Human Resources, Technical and Customer Services, Budget, Debt and Grants, Building, Economy, Community and Environment, Planning, Engineering, Finance, Quinns Recreation Complex, Lower Park Avenue Redevelopment Agency, Main Street Redevelopment Agency, and Non-departmental.
- Public Works, accounted for approximately \$7.0 million or 18.7 percent in fiscal year 2015 and \$7.0 million or 19.6 percent in fiscal year 2014 of total expenses.
- Public Safety expenses were \$5.3 million or 14.2 percent in fiscal year 2015 and \$5.0 million or 14.0 percent in fiscal year 2014. The increase was primarily due to increases in salaries and benefits along with increases in uniforms and training.
- Library and Recreation expenses were \$4.6 million or 12.4 percent in fiscal year 2015 and \$4.4 million or 12.2 percent in fiscal year 2014. The \$0.2 million increase is the result of increased use of part-time staff and outside consulting services.

As a result, total net expenses that were funded by general revenues were \$28.6 million. Tax revenues of \$36.0 million were sufficient to fund net expenses in fiscal year 2015.

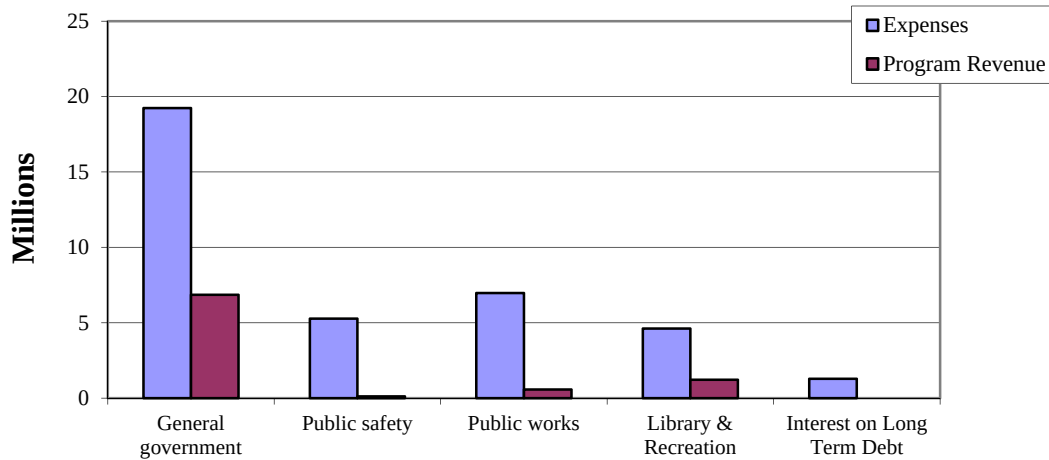
The following presents the costs and net costs (total cost less fees generated by the activities and intergovernmental aid) of the City's programs:

Park City Municipal Corporation
Costs of Governmental Activities
(in millions of dollars)

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>		<u>Total % Change</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
General government	\$ 19.2	\$ 18.0	\$ 12.4	\$ 12.5	-0.8%
Public safety	5.3	5.0	5.1	4.9	4.1%
Public works	7.0	7.0	6.4	6.5	-1.5%
Library and recreation	4.6	4.4	3.4	3.1	9.7%
Interest on long term debt	1.3	1.6	1.3	1.5	-13.3%
Total	<u>\$ 37.4</u>	<u>\$ 36.0</u>	<u>\$ 28.6</u>	<u>\$ 28.5</u>	<u>0.4%</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

Expense and Program Revenue-Governmental Activities*
Fiscal Year 2015



*Based on Government-Wide Financial Statements. See page 25

Business-type Activities:

The City's business-type activities increased net position by \$5.7 million. Key elements of this increase were as follows:

Revenue Highlights:

- Charges for services for business-type activities increased approximately \$1.4 million in fiscal year 2015 primarily due to increased water service fees resulting from a 12.0 percent increase in water rates on July 1, 2014.
- Operating and capital grants and contributions increased approximately \$0.9 million from fiscal year 2014 to fiscal year 2015. The \$1.2 million decrease in the Transportation and Parking Fund was due to decreased capital grants from the federal government. The \$2.1 million increase in the Water Fund was due to increased water impact fee collection and increased grant funding from the Environmental Protection Agency.
- Combined general sales and use tax and transit resort tax increased approximately \$0.4 million from fiscal year 2014 to fiscal year 2015. In fiscal year 2015, an increase in visitors to Park City increased sales and resort tax.

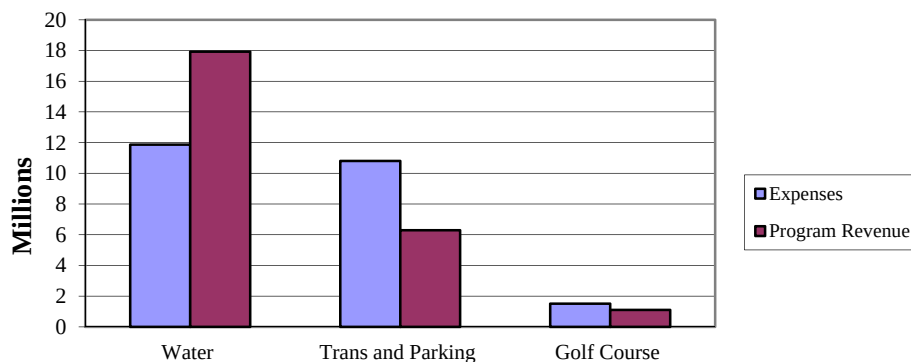
Expense Highlights:

- Salaries and benefits increased by \$0.5 million in 2015. The Water Fund accounted for \$0.2 million of the increase. The \$0.3 million increase in the Transportation and Parking Fund was due to an increase in the number of full-time benefitted positions that were previously filled by part-time and seasonal staff.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

- Supplies, maintenance and services decreased by \$0.3 million in fiscal year 2015. The \$0.3 million decrease in the Water Fund was due to a reduction in the use of outside professional consultants and meter supplies.
- Energy and utilities increased by \$0.2 million in fiscal year 2015. This is a result of increased electricity cost at the water pumping stations and increased fuel costs in the Transportation Fund.

Business Type Funds - Program Revenues and Expenses*



*See Page 25

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources available for appropriation. Such information is useful in assessing the City's financing requirements. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. GASB Statement No. 54 requires that the fund balances be classified into categories based upon the type of restrictions imposed on the use of funds. The City classified fund balances into the following five categories: nonspendable, restricted, committed, assigned and unassigned. In particular, unassigned fund balance is a useful measure of the City's net resources available for spending at the end of the fiscal year. More detailed information about GASB Statement No. 54 is presented in Note A, Section 5, on page 49.

As of June 30, 2015, the aggregate fund balance of the City's governmental funds was \$51.8 million, an increase of \$4.4 million in comparison with the fiscal year ended June 30, 2014. In fiscal year 2015, approximately \$6.8 million or 13.2 percent of this amount is in unassigned fund balance. Unassigned fund balance category is available for appropriation by the City Council at their discretion.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

Restricted fund balance has externally enforceable limitations on use and is not available for new spending. Restricted fund balance is approximately \$12.9 million in fiscal year 2015 and \$6.9 million in fiscal year 2014. Restricted capital improvement funds will be used to pay for several large dollar construction projects in future fiscal years.

The remainder of the fund balance of \$32.1 million is committed. Of the \$32.1 million committed fund balance, \$29.9 million is committed to capital projects and \$2.2 million is committed to debt service. In fiscal year 2014 committed fund balance was approximately \$33.9 million and \$32.3 million was committed to capital projects and \$1.6 million to debt service.

The General Fund is the principal operating fund of the City. Utah State code establishes a 5.0 percent minimum (\$1,492,040) and a 25.0 percent maximum (\$7,460,199) limit to the amount that may be accumulated as the fund balance in the General Fund. As of June 30, 2015 the unassigned fund balance of the General Fund was \$6,836,193 and was \$624,006 below the 25.0 percent limit. The unassigned fund balance increased by \$165,477 in 2015. The unassigned fund balance in fiscal year 2014 increased \$1,155,589.

As of June 30, 2015, the restricted fund balance in the Capital Improvements Fund was \$7.4 million and the committed fund balance was \$25.7 million. In fiscal year 2014 the restricted fund balance was \$6.9 million and the committed fund balance was \$20.4 million. The \$0.5 million increase in restricted fund balance is due to unspent impact fees. The \$5.3 million increase in committed fund balances resulted from decreased capital outlay spending.

As of June 30, 2015, the committed fund balance in the Lower Park Avenue Redevelopment Agency Capital Projects Fund was \$0.6 million. In fiscal year 2014 the committed fund balance was \$8.2 million. The \$7.6 million decrease in committed fund balance resulted from capital outlay spending.

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

Net position of the City's enterprise funds totaled approximately \$90.4 million at June 30, 2015, as compared to \$84.6 million at the end of fiscal year 2014. Net position at the end of fiscal year 2015 and 2014 for each of these funds were:

Park City Municipal Corporation
Proprietary Funds

<u>Fund</u>	<u>Amount</u>		<u>Change</u>
	<u>2015</u>	<u>2014*</u>	
Water	\$ 48,837,503	\$ 42,974,995	\$ 5,862,508
Transportation and parking	38,317,104	38,334,207	(17,103)
Golf course	3,259,638	3,308,266	(48,628)
Total	<u>\$ 90,414,245</u>	<u>\$ 84,617,468</u>	<u>\$ 5,796,777</u>

*Restated

The net increase in net position from the prior year was \$5.8 million as compared to an increase of \$2.9 million in fiscal year 2014. Operating revenues increased \$1.4 million as compared to an increase of \$0.9 million in fiscal year 2014. The Water Fund operating revenues increased \$1.0 million. As noted earlier in the discussion of business-type activities, increased water fees resulted from a rate increase of 12.0 percent effective July 1, 2014. The Transportation Fund operating revenues increased \$0.4 million compared to fiscal year 2014. The increase is attributable to increases in parking meter revenue, regional transit, and business licenses. The Golf Fund operating revenues remained the same at \$1.4 million.

Transportation and Parking Fund net investment in capital assets decreased by \$1.5 million in fiscal year 2015 primarily due to routine acquisition and disposition of capital assets net of depreciation expense. Unrestricted net position increased \$1.5 million.

Water Fund net investment in capital assets increased by \$3.9 million, restricted net position remained the same and unrestricted net position increased by \$2.0 million resulting in a net increase of total net position of \$5.9 million. The increase in net investment in capital assets was due to the net of acquisition of capital assets, repayment of related debt, and depreciation expense.

Golf Fund net investment in capital assets decreased \$0.2 million due to depreciation expense. Unrestricted net position increased \$0.2 million due to increased play.

GENERAL FUND BUDGETARY HIGHLIGHTS

Park City budgets for full-time regular positions at the maximum wage each position could earn for a full 40 hours per week for 52 weeks. However, due to vacant positions and some employees being paid below the maximum allowed for a position, at any given time during the year, the City spends approximately 7.0 percent less than is budgeted for personnel. This is referred to as the vacancy factor. The majority of the adjustments in the budget this fiscal year were due to the vacancy factor.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

Differences between the original budget and the final amended budget for expenditures of \$1.0 million (net increase) can be briefly summarized as follows:

- \$1.5 million increase in appropriations for general government due to required transfer of estimated water usage and vacancy factor allocations.
- \$0.5 million combined decrease in public safety, public works, and library and recreation department budgets due to vacancy factor allocations.

Total actual expenditures came in \$0.9 million below the final budget. All departments kept within their legal spending authority. The differences between actual and the final budget can be briefly summarized as follows:

- The final budget was \$0.7 million more than the actual expenditures in general government. This variance is attributable to spending coming in under budget in outside professional services and health benefits.
- The final budget in public safety was approximately equal to the actual expenditures.
- The final budget was \$0.2 million more than actual expenditures in public works. This variance is attributable to spending coming in under budget in health benefits and utilities.
- The final budget was approximately equal to actual expenditures in library and recreation.

Actual revenues of \$25.9 million were \$1.1 million less than the budgeted revenues of \$27.0 million. See Note L-Budget Reconciliation on page 80 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The City's investment in capital assets for its governmental and business-type activities totaled \$301.9 million (net of \$169.2 million accumulated depreciation) at June 30, 2015, as compared to \$285.7 million (net of \$159.7 million accumulated depreciation) at June 30, 2014. This investment in capital assets includes land and water rights, buildings, improvements other than buildings, vehicles and equipment, art, intangibles, infrastructure and construction in progress.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

Major capital asset additions during the year ended June 30, 2015 included:

Governmental Activities:

- \$8.9 million Library renovation
- \$6.1 million Clark Ranch land
- \$1.8 million Historic Main Street improvements

Business-type Activities:

- \$2.5 million Spiro Water Treatment Plant pipeline
- \$1.3 million Wyatt Earp Way waterline

Park City Municipal Corporation
Capital Assets
(net of accumulated depreciation, in millions of dollars)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total % Change</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
Land and water rights	\$ 109.8	\$ 101.6	\$ 20.3	\$ 20.3	\$ 130.1	\$ 121.9	6.7%
Infrastructure	108.4	107.3	-	-	108.4	107.3	1.0%
Buildings	43.0	37.1	17.3	17.3	60.3	54.4	10.8%
Art	0.6	0.6	0.1	0.1	0.7	0.7	0.0%
Improvements other than buildings	36.7	35.3	81.1	78.8	117.8	114.1	3.2%
Vehicles and equipment	12.5	10.3	22.2	22.1	34.7	32.4	7.1%
Construction in progress	6.0	3.5	7.1	5.3	13.1	8.8	48.9%
Intangibles	5.9	5.7	0.1	0.1	6.0	5.8	3.4%
Accumulated depreciation	(119.4)	(114.4)	(49.8)	(45.3)	(169.2)	(159.7)	5.9%
Total Assets	<u>\$ 203.5</u>	<u>\$ 187.0</u>	<u>\$ 98.4</u>	<u>\$ 98.7</u>	<u>\$ 301.9</u>	<u>\$ 285.7</u>	<u>5.7%</u>

Additional information on the City's capital assets can be found in Note D-Capital Assets on pages 57-58 of this report.

Long-term Debt: At June 30, 2015, the City had \$98.9 million in bonds and contracts payable, an increase of 7.9 percent from fiscal year 2014. Of this amount \$29.3 million is considered to be general obligation debt and backed by the full faith and credit of the City. Debt that is secured solely by specific revenue sources is \$69.6 million.

The City's general obligation bonds Series 2013A and 2013B are rated Aa1 by Moody's, AA+ by Standard and Poor's and AA+ by Fitch. Standard and Poor's has assigned a rating of "AA-" to the most recent Series 2015 Sales Tax Revenue Bonds. The City's 2013 and 2014 Water Revenue Bonds are rated Aa2 by Moody's and AA by Standard and Poor's. The City's long-term obligations for the fiscal years 2015 and 2014 were as follows:

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015

Park City Municipal Corporation
Debt Outstanding
(in millions of dollars)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		Total % Change
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
Contracts payable	\$ 0.1	\$ 2.7	\$ -	\$ -	\$ 0.1	\$ 2.7	-96.3%
General obligation bonds	29.3	33.0	-	-	29.3	33.0	-11.2%
Revenue bonds	24.3	7.8	45.2	48.2	69.5	56.0	24.1%
Total debt	<u>\$ 53.7</u>	<u>\$ 43.5</u>	<u>\$ 45.2</u>	<u>\$ 48.2</u>	<u>\$ 98.9</u>	<u>\$ 91.7</u>	<u>7.9%</u>

The State of Utah mandates a general obligation debt limit to 4.0 percent of total assessed value of \$7,342,473,351. The current limitation for the City is \$293,698,934, which is significantly in excess of the City's outstanding general obligation debt. The City's net debt subject to this limitation was \$29,298,159 or 0.4 percent of total assessed value leaving the amount available for future indebtedness at \$264,400,775. See Schedule 17 on page 126 of this report.

More detailed information about the City's long-term liabilities is presented in Note E-Long-term Obligations on pages 59-72 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate for Summit County (of which Park City is the largest city) was 3.2 percent compared with the State unemployment rate of 3.7 percent, and a national rate of 5.1 percent. This compares with a rate of 3.1 percent for Summit County in 2014. (Sources: Utah Dept. of Workforce Services and Bureau of Labor Statistics)
- The fiscal year 2016 City budget does not include a property tax increase. The City Council recently adopted the certified tax rate for the General Fund. In accordance with Utah Statutes, the certified tax rate is intended to generate the same amount of property tax revenue as was received the prior year plus revenue for "new growth" occurring in the City. All other revenue sources have been estimated on a conservative basis using a multi-year trend analysis and assuming no significant changes in the local economy. The City's approach to budgeting includes preparation of a five-year capital plan. The long-term nature of the City's financial planning system allows decision makers to better understand the true effect of policy decisions. One of the most powerful aspects of the multi-year financial planning is its capability to recognize trends over time and begin at an early point to consider the necessary steps to alter the long-term forecasted position of the City.
- The rates and fees for most services remained constant for fiscal year 2016 compared with the fiscal year just ended except a new water pumping surcharge fee

**PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2015**

of \$0.00 - \$2.25/kgal, depending on elevation, was added in the Water Fund effective July 1, 2015. The City anticipates rate increases each year over the next several years in order to provide adequate working capital necessary to maintain the water system, pay debt service and comply with the rate-covenant contained in the City's water revenue bond issue.

Contacting City Management

This financial report is designed to give its readers a general overview of the City's finances. Questions regarding any information contained in this report or requests for additional financial information should be addressed to Park City Municipal Corporation, Finance and Accounting Department at P.O. Box 1480, Park City, Utah 84060-1480.

BASIC FINANCIAL STATEMENTS

Park City Municipal Corporation, Utah
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
Assets			
Cash, cash equivalents and investments	\$ 42,528,873	\$ 32,379,787	\$ 74,908,660
Restricted cash and cash equivalents, fiscal agent	5,449,253	5,104,841	10,554,094
Restricted cash, cash equivalents and investments, other	7,418,529	-	7,418,529
Receivables:			
Taxes	20,218,244	412,959	20,631,203
Accounts	237,726	1,928,512	2,166,238
Notes	320,284	-	320,284
Internal balances	161,137	(161,137)	-
Inventories	480,265	447,713	927,978
Prepays	-	515,520	515,520
Capital assets not being depreciated:			
Land and water rights	109,764,201	20,270,189	130,034,390
Construction in progress	5,971,118	7,047,575	13,018,693
Art	601,356	109,214	710,570
Capital assets (net of accumulated depreciation):			
Buildings	31,827,283	11,843,335	43,670,618
Improvements other than buildings	19,225,657	48,387,756	67,613,413
Vehicles and equipment	5,455,188	10,668,648	16,123,836
Infrastructure	25,053,552	-	25,053,552
Intangibles	5,629,225	62,642	5,691,867
Net pension asset	18,486	4,352	22,838
Total assets	<u>280,360,377</u>	<u>139,021,906</u>	<u>419,382,283</u>
Deferred outflows of resources			
Deferred charge on refunding	-	15,227	15,227
Deferred outflows of resources related to pensions	1,182,201	415,797	1,597,998
Total deferred outflows of resources	<u>\$ 1,182,201</u>	<u>\$ 431,024</u>	<u>\$ 1,613,225</u>

The notes to the financial statements are an integral part of this statement.

Park City Municipal Corporation, Utah
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 3,419,022	\$ 1,394,638	\$ 4,813,660
Accrued liabilities	2,327,111	380,549	2,707,660
Long-term debt due within one year:			
Compensated absences	275,786	116,193	391,979
Contract payable	93,024	-	93,024
General obligation bonds	3,215,000	-	3,215,000
Revenue bonds	1,810,000	2,880,000	4,690,000
Long-term debt due in more than one year:			
Compensated absences	473,319	143,567	616,886
General obligation bonds	26,083,159	-	26,083,159
Revenue bonds	22,524,866	42,304,477	64,829,343
Net pension liability	4,880,029	1,716,227	6,596,256
Total liabilities	<u>65,101,316</u>	<u>48,935,651</u>	<u>114,036,967</u>
Deferred inflows of resources			
Property taxes	17,553,354	-	17,553,354
Deferred gain on refunding	529,450	-	529,450
Deferred inflows of resources related to pensions	812,531	237,279	1,049,810
Total deferred inflows of resources	<u>18,895,335</u>	<u>237,279</u>	<u>19,132,614</u>
Net Position			
Net investment in capital assets	159,315,342	61,064,884	220,380,226
Restricted for:			
Debt service	88,037	5,104,841	5,192,878
Capital projects	12,779,745	-	12,779,745
Other	47,201	-	47,201
Unrestricted	25,315,602	24,110,275	49,425,877
Total net position	<u><u>\$ 197,545,927</u></u>	<u><u>\$ 90,280,000</u></u>	<u><u>\$ 287,825,927</u></u>

The notes to the financial statements are an integral part of this statement.

Park City Municipal Corporation, Utah
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 19,233,343	\$ 4,718,626	\$ 3,047	\$ 2,131,024	\$ (12,380,646)
Public safety	5,270,197	-	106,775	5,000	(5,158,422)
Public works	6,967,243	224,820	-	343,215	(6,399,208)
Library and recreation	4,618,338	1,210,362	12,044	-	(3,395,932)
Interest on long-term debt	1,285,952	-	-	-	(1,285,952)
Total governmental activities	37,375,073	6,153,808	121,866	2,479,239	(28,620,160)
Business-type activities:					
Water	11,870,125	14,176,728	-	3,749,226	6,055,829
Transportation and parking	10,804,211	4,255,752	1,602,990	436,972	(4,508,497)
Golf course	1,512,330	1,105,882	-	-	(406,448)
Total business-type activities	24,186,666	19,538,362	1,602,990	4,186,198	1,140,884
Total primary government	\$ 61,561,739	\$ 25,692,170	\$ 1,724,856	\$ 6,665,437	\$ (27,479,276)

The notes to the financial statements are an integral part of this statement.

Park City Municipal Corporation, Utah
Statement of Activities
For the Year Ended June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	\$ (28,620,160)	\$ 1,140,884	\$ (27,479,276)
General revenues:			
Property tax, levied for general purposes	12,809,892	-	12,809,892
Property tax, levied for debt service	5,321,592	-	5,321,592
General sales and use tax	4,731,904	4,398,879	9,130,783
Franchise tax	3,061,207	-	3,061,207
Resort tax	10,066,040	-	10,066,040
Investment earnings	261,735	367,709	629,444
Miscellaneous	804,286	506,817	1,311,103
Transfers	715,000	(715,000)	-
Total general revenues	<u>37,771,656</u>	<u>4,558,405</u>	<u>42,330,061</u>
Change in net position	<u>9,151,496</u>	<u>5,699,289</u>	<u>14,850,785</u>
Net position—beginning, as previously reported	193,666,214	86,277,732	279,943,946
Adjustment	<u>(5,271,783)</u>	<u>(1,697,021)</u>	<u>(6,968,804)</u>
Net position—beginning, as adjusted	<u>188,394,431</u>	<u>84,580,711</u>	<u>272,975,142</u>
Net position—end of year	<u>\$ 197,545,927</u>	<u>\$ 90,280,000</u>	<u>\$ 287,825,927</u>

The notes to the financial statements are an integral part of this statement.

Park City Municipal Corporation



GOVERNMENTAL FUNDS

FINANCIAL STATEMENTS

Major Funds

General Fund - Accounts for all activities not accounted for by other funds of the City. The General Fund accounts for the normal recurring activities of the City, (*i.e.*, police, public works, library, recreation, general government, *etc.*). The principal sources of revenue for this fund are property taxes, sales and use taxes and franchise taxes.

Debt Service - Sales Tax Revenue and Refunding Bonds Fund - Accounts for the accumulation of money for the repayment of the 2010, 2014A and B and 2015 Sales Tax Revenue and Refunding Bonds.

Debt Service - Park City General Obligation Fund - Accounts for the accumulation of money for the repayment of the 2008, 2009, 2010, 2013 and 2014 General Obligation Bonds. The principal source of revenue is property tax.

Capital Projects - Capital Improvements Fund - Accounts for the acquisition or construction of major capital projects not accounted for in the proprietary funds. The Capital Improvements Fund is used to account for capital projects of the City's general government.

Capital Projects - Lower Park Avenue Redevelopment Agency Fund - Accounts for the acquisition or construction of capital projects in the Lower Park Avenue Redevelopment area.

Park City Municipal Corporation, Utah
Balance Sheet
Governmental Funds
June 30, 2015

	General	Debt Service -Sales Tax Revenue and Refunding	Debt Service - Park City General Obligation	Capital Projects - Capital Improvements Fund	Capital Projects - Lower Park Avenue Redevelop- ment Agency	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash, cash equivalents and investments	\$ 6,791,627	\$ 1,078,694	\$ 964,344	\$ 26,446,981	\$ 1,563,714	\$ 3,836,588	\$ 40,681,948
Restricted cash, cash equivalents and investments, fiscal agent	-	5,449,073	180	-	-	-	5,449,253
Restricted cash, cash equivalents and investments, other	-	-	-	7,418,529	-	-	7,418,529
Receivables							
Taxes	11,052,516	-	4,291,436	416,979	-	3,698,402	19,459,333
Accounts	22,341	-	-	121,442	594	164	144,541
Notes	10,000	-	-	310,284	-	-	320,284
Interfund loan	-	-	-	26,892	-	-	26,892
Other assets	39,941	-	-	-	-	-	39,941
Total assets	<u>\$ 17,916,425</u>	<u>\$ 6,527,767</u>	<u>\$ 5,255,960</u>	<u>\$ 34,741,107</u>	<u>\$ 1,564,308</u>	<u>\$ 7,535,154</u>	<u>\$ 73,540,721</u>
Liabilities							
Accounts payable	\$ 728,737	\$ -	\$ 500	\$ 1,304,913	\$ 1,001,778	\$ 17,856	\$ 3,053,784
Accrued liabilities	715,977	-	-	-	-	-	715,977
Total liabilities	<u>1,444,714</u>	<u>-</u>	<u>500</u>	<u>1,304,913</u>	<u>1,001,778</u>	<u>17,856</u>	<u>3,769,761</u>
Deferred inflows of resources							
Unavailable revenue-property tax	9,578,317	-	4,291,436	-	-	3,683,601	17,553,354
Unavailable revenue-notes	10,000	-	-	337,176	-	-	347,176
Total deferred inflows of resources	<u>9,588,317</u>	<u>-</u>	<u>4,291,436</u>	<u>337,176</u>	<u>-</u>	<u>3,683,601</u>	<u>17,900,530</u>
Fund Balances							
Restricted:							
Capital projects	-	5,361,216	-	7,418,529	-	-	12,779,745
Debt service	-	87,857	180	-	-	-	88,037
Drug and tobacco enforcement	47,201	-	-	-	-	-	47,201
Committed:							
Capital projects funds	-	-	-	25,680,489	562,530	3,639,721	29,882,740
Debt service funds	-	1,078,694	963,844	-	-	193,976	2,236,514
Unassigned	6,836,193	-	-	-	-	-	6,836,193
Total fund balances	<u>6,883,394</u>	<u>6,527,767</u>	<u>964,024</u>	<u>33,099,018</u>	<u>562,530</u>	<u>3,833,697</u>	<u>51,870,430</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,916,425</u>	<u>\$ 6,527,767</u>	<u>\$ 5,255,960</u>	<u>\$ 34,741,107</u>	<u>\$ 1,564,308</u>	<u>\$ 7,535,154</u>	<u>\$ 73,540,721</u>

The notes to the financial statements are an integral part of this statement.

Park City Municipal Corporation, Utah
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2015

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 51,870,430**

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. 203,527,580

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Taxes receivable	758,911	
Interest receivable	19,251	
Net pension asset	18,132	796,294

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position. 1,818,998

Certain items not accounted for as unavailable under accrual accounting. 347,176

Pollution remediation liability not reported in the funds. (1,384,500)

Long-term liabilities, including bonds payable and net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year-end consist of:

Compensated absences	(693,433)	
Revenue bonds	(23,115,000)	
General obligation bonds	(28,850,000)	
Contracts payable	(93,024)	
Deferred bond premiums and discounts	(1,668,025)	
Deferred gain on debt refunding	(529,450)	
Accrued interest on the bonds	(192,010)	
Net pension liability	(4,645,850)	(59,786,792)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	1,130,772	
Deferred inflows of resources related to pensions	(774,031)	356,741

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 197,545,927**

The notes to the financial statements are an integral part of this statement.

Park City Municipal Corporation, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General	Debt Service - Sales Tax Revenue and Refunding	Debt Service - Park City General Obligation	Capital Improvements Fund	Lower Park Avenue Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes and special assessments	\$ 19,738,574	\$ -	\$ 5,321,592	\$ 7,389,182	\$ -	\$ 820,031	\$ 33,269,379
Licenses and permits	3,025,886	-	-	-	-	-	3,025,886
Intergovernmental	111,775	-	-	2,489,330	-	2,745,318	5,346,423
Charges for services	2,071,230	-	-	-	-	-	2,071,230
Fines and forfeitures	14,206	-	-	-	-	-	14,206
Investment income	67,526	4,669	252	187,409	(8,451)	10,330	261,735
Impact fees	-	-	-	817,666	-	-	817,666
Rental and other miscellaneous	910,904	-	65,705	1,882,713	-	13,857	2,873,179
Total revenues	25,940,101	4,669	5,387,549	12,766,300	(8,451)	3,589,536	47,679,704
Expenditures							
Current							
General government	13,653,938	-	-	-	-	-	13,653,938
Public safety	4,953,544	-	-	-	-	-	4,953,544
Public works	4,718,959	-	-	-	-	-	4,718,959
Library and recreation	3,495,302	-	-	-	-	-	3,495,302
Capital outlay	-	-	-	16,130,464	9,397,780	1,086,017	26,614,261
Economic development	-	-	-	-	-	405,435	405,435
Debt service							
Principal	-	8,350,000	7,150,000	2,586,533	-	-	18,086,533
Interest	-	383,012	1,132,350	13,467	-	-	1,528,829
Bond issuance costs	-	429,373	74,606	-	-	-	503,979
Total expenditures	26,821,743	9,162,385	8,356,956	18,730,464	9,397,780	1,491,452	73,960,780
Excess (deficiency) of revenues over (under) expenditures	(881,642)	(9,157,716)	(2,969,407)	(5,964,164)	(9,406,231)	2,098,084	(26,281,076)
Other financing sources (uses)							
Debt issuance	-	16,975,000	-	-	-	-	16,975,000
Refunding bonds issued	-	6,725,000	3,385,000	-	-	-	10,110,000
Premium on debt issuance	-	773,546	-	-	-	-	773,546
Premium on refunding bonds	-	518,996	154,845	-	-	-	673,841
Sale of capital assets	-	-	-	-	-	23,811	23,811
Transfers in	2,166,534	1,597,045	-	12,069,371	2,070,548	1,825,247	19,728,745
Transfers out	(1,118,616)	(12,069,371)	-	(251,079)	(326,938)	(3,851,207)	(17,617,211)
Total other financing sources (uses)	1,047,918	14,520,216	3,539,845	11,818,292	1,743,610	(2,002,149)	30,667,732
Change in fund balances	166,276	5,362,500	570,438	5,854,128	(7,662,621)	95,935	4,386,656
Fund balances - beginning	6,717,118	1,165,267	393,586	27,244,890	8,225,151	3,737,762	47,483,774
Fund balances - ending	\$ 6,883,394	\$ 6,527,767	\$ 964,024	\$ 33,099,018	\$ 562,530	\$ 3,833,697	\$ 51,870,430

The notes to the financial statements are an integral part of this statement

Park City Municipal Corporation, Utah
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

Change in fund balances—total governmental funds **\$ 4,386,656**

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	22,805,130	
Depreciation expense	<u>(6,005,109)</u>	16,800,021

In the statement of activities, only the gain or (loss) on the sale of capital assets is reported, whereas in the governmental funds, proceeds from sales increase financial resources. (351,247)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Taxes receivable	(2,681)	
Interest receivable	(1,348)	
Unavailable revenue	<u>(1,293,446)</u>	(1,297,475)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Premiums and discounts associated with the issuance of debt are reported as other financing sources (uses) in the governmental funds, but in the statement of activities they are deferred and amortized throughout the period during which the related debt is outstanding. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position.

Issuance of long-term debt	(27,085,000)	
Principal repayments on long-term debt	18,086,533	
Capitalization of premiums and discounts	(1,447,387)	
Amortization of bond premiums and discounts	234,046	
Capitalization of deferred inflows-gain on debt refunding	<u>(560,000)</u>	(10,771,808)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (75,528)

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	2,104,465	
Actuarial calculated pension expense	<u>(1,321,944)</u>	782,521

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. Internal service fund net loss of (\$419,133) less amount allocated to business-type activities of \$134,245 and reversal of prior year allocation of \$36,756. (321,644)

Change in net position of governmental activities **\$ 9,151,496**

The notes to the financial statements are an integral part of this statement.

Park City Municipal Corporation, Utah
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Taxes				
General property tax	\$ 9,520,000	\$ 9,520,000	\$ 8,578,125	\$ (941,875)
Delinquent taxes	565,000	565,000	690,480	125,480
General sales and use taxes	4,229,802	4,229,802	4,731,904	502,102
Franchise taxes	3,277,000	3,439,000	3,061,207	(377,793)
Resort taxes	3,017,844	3,017,844	2,676,858	(340,986)
Licenses and permits				
Business licenses	432,000	432,000	412,605	(19,395)
Building permits	949,000	1,602,000	1,572,515	(29,485)
Plan application fees	152,000	244,000	157,925	(86,075)
Building fees	434,000	748,000	845,976	97,976
Other	42,000	42,000	36,865	(5,135)
Intergovernmental				
Federal contribution	60,000	60,000	44,557	(15,443)
State liquor allotment	62,000	62,000	60,615	(1,385)
State contributions	10,000	11,000	6,603	(4,397)
County contributions	10,000	-	-	-
Charges for services				
Recreational service fees	2,074,500	2,041,000	1,933,402	(107,598)
Reimbursable services	92,000	76,000	99,640	23,640
Cemetery fees and plot sales	25,000	25,000	35,590	10,590
Miscellaneous services	1,000	1,000	2,598	1,598
Fines and forfeitures	27,000	30,000	14,206	(15,794)
Miscellaneous	816,000	816,000	910,904	94,904
Investment income	79,000	79,000	67,526	(11,474)
Total revenues	<u>25,875,146</u>	<u>27,040,646</u>	<u>25,940,101</u>	<u>(1,100,545)</u>
Expenditures:				
General government	12,888,587	14,341,053	13,653,938	687,115
Public safety	5,179,399	5,008,481	4,953,544	54,937
Public works	5,051,608	4,900,791	4,718,959	181,832
Library and recreation	3,657,356	3,498,726	3,495,302	3,424
Total expenditures	<u>26,776,950</u>	<u>27,749,051</u>	<u>26,821,743</u>	<u>927,308</u>
(Deficiency) of revenues				
(under) expenditures	<u>(901,804)</u>	<u>(708,405)</u>	<u>(881,642)</u>	<u>(173,237)</u>
Other financing sources (uses)				
Transfers in	1,451,534	2,166,534	2,166,534	-
Transfers out	<u>(1,130,247)</u>	<u>(1,118,616)</u>	<u>(1,118,616)</u>	<u>-</u>
Total other financing sources	<u>321,287</u>	<u>1,047,918</u>	<u>1,047,918</u>	<u>-</u>
Change in fund balance	(580,517)	339,513	166,276	(173,237)
Fund balance - beginning	<u>6,576,854</u>	<u>6,631,526</u>	<u>6,717,118</u>	<u>85,592</u>
Fund balance - ending	<u><u>\$ 5,996,337</u></u>	<u><u>\$ 6,971,039</u></u>	<u><u>\$ 6,883,394</u></u>	<u><u>\$ (87,645)</u></u>

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUNDS

Major Funds

Water Fund - Accounts for the operations of the City's water utility.

Transportation and Parking Fund - Accounts for the operations of the City's public transportation (bus and trolley) system and paid parking system.

Golf Course Fund - Accounts for the operations of the City's golf course.

Park City Municipal Corporation, Utah
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	Water Fund	Transportation and Parking Fund	Golf Course Fund	Total Enterprise Funds	
Assets					
Current assets:					
Cash, cash equivalents and investments	\$ 11,976,787	\$ 19,891,189	\$ 511,811	\$ 32,379,787	\$ 1,846,925
Restricted cash and cash equivalents, fiscal agent	5,104,841	-	-	5,104,841	-
Taxes receivable	-	412,959	-	412,959	-
Accounts receivable	1,448,147	480,106	259	1,928,512	62,584
Inventories	342,130	21,563	84,020	447,713	440,324
Prepays	515,520	-	-	515,520	-
Total current assets	<u>19,387,425</u>	<u>20,805,817</u>	<u>596,090</u>	<u>40,789,332</u>	<u>2,349,833</u>
Noncurrent assets:					
Capital assets:					
Land and water rights	17,693,589	1,748,149	828,451	20,270,189	-
Buildings	480,000	15,185,263	1,671,486	17,336,749	-
Improvements other than buildings	75,303,845	4,072,699	1,728,630	81,105,174	-
Art	-	109,214	-	109,214	-
Vehicles and equipment	8,420,914	12,274,676	1,545,201	22,240,791	47,450
Construction in progress	7,047,575	-	-	7,047,575	-
Intangible	27,810	58,645	-	86,455	-
Accumulated depreciation and amortization	<u>(32,436,113)</u>	<u>(14,556,423)</u>	<u>(2,814,252)</u>	<u>(49,806,788)</u>	<u>(47,450)</u>
Total capital assets (net of accumulated depreciation and amortization)	<u>76,537,620</u>	<u>18,892,223</u>	<u>2,959,516</u>	<u>98,389,359</u>	<u>-</u>
Net pension asset	<u>1,436</u>	<u>2,715</u>	<u>201</u>	<u>4,352</u>	<u>354</u>
Total assets	<u>95,926,481</u>	<u>39,700,755</u>	<u>3,555,807</u>	<u>139,183,043</u>	<u>2,350,187</u>
Deferred outflows of resources					
Deferred charge on refunding	15,227	-	-	15,227	-
Deferred outflows of resources related to pensions	174,727	218,292	22,778	415,797	51,429
Total deferred outflows of resources	<u>189,954</u>	<u>218,292</u>	<u>22,778</u>	<u>431,024</u>	<u>51,429</u>
Liabilities					
Current liabilities:					
Accounts payable	958,031	357,967	78,640	1,394,638	365,238
Accrued liabilities	194,663	120,237	65,649	380,549	23,274
Current portion of long-term debt					
Interfund loan	-	-	26,892	26,892	-
Compensated absences	40,310	69,207	6,676	116,193	8,927
Revenue bonds	2,880,000	-	-	2,880,000	-
Total current liabilities	<u>4,073,004</u>	<u>547,411</u>	<u>177,857</u>	<u>4,798,272</u>	<u>397,439</u>
Noncurrent liabilities:					
Compensated absences	52,676	70,675	20,216	143,567	46,745
Revenue bonds	42,304,477	-	-	42,304,477	-
Net pension liability	744,362	868,775	103,090	1,716,227	234,179
Total noncurrent liabilities	<u>43,101,515</u>	<u>939,450</u>	<u>123,306</u>	<u>44,164,271</u>	<u>280,924</u>
Total liabilities	<u>47,174,519</u>	<u>1,486,861</u>	<u>301,163</u>	<u>48,962,543</u>	<u>678,363</u>
Deferred inflows of resources					
Deferred inflows of resources related to pensions	104,413	115,082	17,784	237,279	38,500
Total deferred inflows of resources	<u>104,413</u>	<u>115,082</u>	<u>17,784</u>	<u>237,279</u>	<u>38,500</u>
Net Position					
Net investment in capital assets	39,213,145	18,892,223	2,959,516	61,064,884	-
Restricted for debt service	5,104,841	-	-	5,104,841	-
Unrestricted	4,519,517	19,424,881	300,122	24,244,520	1,684,753
Total net position	<u>\$ 48,837,503</u>	<u>\$ 38,317,104</u>	<u>\$ 3,259,638</u>	<u>\$ 90,414,245</u>	<u>\$ 1,684,753</u>

The notes to the financial statements are an integral part of this statement.

Park City Municipal Corporation, Utah
Reconciliation of the Statement of Net Position of the Proprietary Funds
to the Statement of Net Position
June 30, 2015

TOTAL NET POSITION - PROPRIETARY FUNDS	\$ 90,414,245
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Amounts reported for business-type activities in the statement of net position are different because:

Certain internal service fund assets and liabilities are included with business-type activities.	(134,245)
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Total net position - business-type activities	\$ 90,280,000
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The notes to the financial statements are an integral part of this statement.

Park City Municipal Corporation, Utah
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	Water Fund	Transportation and Parking Fund	Golf Course Fund	Total Enterprise Funds	
Operating revenues					
Charges for services	\$ 14,176,728	\$ 4,255,752	\$ 1,105,882	\$ 19,538,362	\$ 3,449,927
Miscellaneous	-	-	341,712	341,712	-
Total operating revenues	14,176,728	4,255,752	1,447,594	19,880,074	3,449,927
Operating expenses					
Salaries and benefits	2,275,350	4,746,654	727,967	7,749,971	802,914
Supplies, maintenance and services	3,584,164	2,720,925	386,022	6,691,111	2,071,613
Energy and utilities	990,923	1,163,232	52,996	2,207,151	994,533
Depreciation and amortization	2,814,847	1,525,786	255,238	4,595,871	-
Total operating expenses	9,665,284	10,156,597	1,422,223	21,244,104	3,869,060
Operating income (loss)	4,511,444	(5,900,845)	25,371	(1,364,030)	(419,133)
Nonoperating revenues (expenses)					
Intergovernmental	-	1,630,990	-	1,630,990	-
Transit and resort sales tax	-	4,398,879	-	4,398,879	-
Investment income	278,565	85,904	3,240	367,709	-
Interest expense	(1,464,867)	-	(692)	(1,465,559)	-
Miscellaneous	165,105	-	-	165,105	-
Gain on sale of capital assets	11,575	3,420	2,025	17,020	-
Total nonoperating revenues (expenses)	(1,009,622)	6,119,193	4,573	5,114,144	-
Income (loss) before contributions and transfers	3,501,822	218,348	29,944	3,750,114	(419,133)
Capital contributions	3,749,226	408,972	-	4,158,198	-
Transfers in	-	-	25,000	25,000	-
Transfers out	(1,388,540)	(644,423)	(103,571)	(2,136,534)	-
Change in net position	5,862,508	(17,103)	(48,627)	5,796,778	(419,133)
Net position - beginning, as previously reported	43,660,945	39,246,772	3,406,771	86,314,488	2,322,171
Adjustment	(685,950)	(912,565)	(98,506)	(1,697,021)	(218,285)
Net position - beginning, as adjusted	42,974,995	38,334,207	3,308,265	84,617,467	2,103,886
Net position - ending	<u>\$ 48,837,503</u>	<u>\$ 38,317,104</u>	<u>\$ 3,259,638</u>	<u>\$ 90,414,245</u>	<u>\$ 1,684,753</u>

The notes to the financial statements are an integral part of this statement.

Park City Municipal Corporation, Utah
Reconciliation of the Statement of Revenues, Expenses and Changes in Net Position
to the Statement of Activities
Proprietary Funds
For the Year Ended June 30, 2015

CHANGE IN NET POSITION - PROPRIETARY FUNDS	\$ 5,796,778
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Amounts reported for business-type activities in the statement of activities are different because:

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds.	
Internal service fund net loss of (\$419,133) plus amount allocated to governmental activities of \$284,888 and reversal of prior year allocation of \$36,756.	(97,489)

Change in net position of business-type activities	<u>\$ 5,699,289</u>
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The notes to the financial statements are an integral part of this statement.

Park City Municipal Corporation, Utah
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	Water Fund	Transportation and Parking Fund	Golf Course Fund	Total Enterprise Funds	
Cash flows from operating activities					
Receipts from customers	\$ 14,462,634	\$ 4,210,414	\$ 1,447,376	\$ 20,120,424	\$ 3,461,839
Payments to suppliers	(5,286,932)	(4,182,266)	(423,934)	(9,893,132)	(2,779,447)
Payments to employees	(2,263,576)	(4,862,491)	(721,783)	(7,847,850)	(782,933)
Net cash provided by (used in) operating activities	<u>6,912,126</u>	<u>(4,834,343)</u>	<u>301,659</u>	<u>2,379,442</u>	<u>(100,541)</u>
Cash flows from noncapital financing activities					
Transfers from other funds	-	-	25,000	25,000	-
Transfers to other funds	(673,540)	(644,423)	(103,571)	(1,421,534)	-
Transit and resort sales tax	-	4,377,515	-	4,377,515	-
Intergovernmental operating grants	-	1,602,990	-	1,602,990	-
Net cash provided by (used in) noncapital financing activities	<u>(673,540)</u>	<u>5,336,082</u>	<u>(78,571)</u>	<u>4,583,971</u>	<u>-</u>
Cash flows from capital and related financing activities					
Impact fees, contributions and grants	3,441,150	279,857	-	3,721,007	-
Acquisition and construction of capital assets	(4,200,398)	(56,396)	(36,767)	(4,293,561)	-
Principal paid on capital debt and interfund loan	(2,790,000)	-	(35,389)	(2,825,389)	-
Interest paid on capital debt and interfund loan	(1,720,478)	-	(691)	(1,721,169)	-
Proceeds from sales of capital assets	11,575	3,420	2,025	17,020	-
Federal subsidy on capital debt	165,105	-	-	165,105	-
Net cash provided by (used in) capital and related financing activities	<u>(5,093,046)</u>	<u>226,881</u>	<u>(70,822)</u>	<u>(4,936,987)</u>	<u>-</u>
Cash flows from investing activities					
Interest received on investments	86,340	87,596	3,254	177,190	-
Net cash provided by investing activities	<u>86,340</u>	<u>87,596</u>	<u>3,254</u>	<u>177,190</u>	<u>-</u>
Net increase (decrease) in cash, cash equivalents	<u>1,231,880</u>	<u>816,216</u>	<u>155,520</u>	<u>2,203,616</u>	<u>(100,541)</u>
Balances—beginning of the year	<u>15,849,748</u>	<u>19,074,973</u>	<u>356,291</u>	<u>35,281,012</u>	<u>1,947,466</u>
Balances—end of the year	<u>\$ 17,081,628</u>	<u>\$ 19,891,189</u>	<u>\$ 511,811</u>	<u>\$ 37,484,628</u>	<u>\$ 1,846,925</u>
Reconciliation to statement of net assets:					
Cash, cash equivalents	\$ 11,976,787	\$ 19,891,189	\$ 511,811	\$ 32,379,787	\$ 1,846,925
Cash, cash equivalents held by fiscal agent	5,104,841	-	-	5,104,841	-
Total cash, cash equivalents	<u>\$ 17,081,628</u>	<u>\$ 19,891,189</u>	<u>\$ 511,811</u>	<u>\$ 37,484,628</u>	<u>\$ 1,846,925</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 4,511,444	\$ (5,900,845)	\$ 25,371	\$ (1,364,030)	\$ (419,133)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization expense	2,814,847	1,525,786	255,238	4,595,871	-
Non-cash water interfund transfer to general fund	(715,000)	-	-	(715,000)	-
Change in assets and liabilities:					
Receivables, net	1,000,906	(45,338)	(218)	955,350	11,912
Inventories	31,890	-	(14,325)	17,565	46,011
Accounts and other payables	(758,900)	(302,675)	13,346	(1,048,229)	240,688
Accrued expenses	26,939	(111,271)	22,247	(62,085)	19,981
Net cash provided by (used in) operating activities	<u>\$ 6,912,126</u>	<u>\$ (4,834,343)</u>	<u>\$ 301,659</u>	<u>\$ 2,379,442</u>	<u>\$ (100,541)</u>

Noncash investing, capital and financing activities:

Included in investment income is an increase of \$142,361 in fair value for the year ended June 30, 2015.

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUND

The Park City Agency Fund is used to hold deposits and performance bonds.

Park City Municipal Corporation, Utah
Statement of Fiduciary Net Position
June 30, 2015

	PARK CITY AGENCY FUND
ASSETS	
Cash, cash equivalents and investments	\$ 2,149,817
Total assets	\$ 2,149,817
LIABILITIES	
Deposits payable	\$ 2,149,817
Total liabilities	\$ 2,149,817

The notes to the financial statements are an integral part of this statement.

**NOTES
TO THE
FINANCIAL
STATEMENTS**

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statement follows.

1. General Information

The Park City Municipal Corporation (the City) is a municipal corporation governed by an elected mayor and five-member Council. The City was chartered March 15, 1884, under the provisions of the Utah Territorial Government and the City operates under a Council-Manager form of government. The City provides the following services as authorized in its charter: public safety (police), highways and streets, cultural and recreational, library, public improvements, planning and zoning, public transportation, water, golf and general administrative services.

2. Reporting Entity

These financial statements include the City and its component units. The City has considered all potential component units for which it is financially accountable. The criteria to be considered in determining financial accountability have been set forth in the Governmental Accounting Standards Board's (GASB) Statement No. 61. These criteria include (1) substantively the same governing body, (2) the primary government and the component unit have a financial benefit or burden relationship, or (3) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit.

Blended component units, although legally separate entities are so intertwined with the City that they are, in substance, the same as the City. They have the same governing board and provide services almost entirely to the City. They are reported as funds of the City. These are organizations for which the City is financially accountable, and the relationship with the City is significant enough that exclusions would possibly lead to misleading or incomplete financial statements.

Included in this report are the following blended component units:

The Park City Redevelopment Agency (RDA) was legally created by City ordinance pursuant to the Utah Limited Purpose Local Government Entities-Community Development and Renewal Agencies Act. The City Council is designated as the governing body of the RDA. The City has accountability for all fiscal and operating activities of the RDA. The RDA currently has two special revenue funds and two capital projects funds.

The Park City Municipal Building Authority (MBA) is comprised of the same individuals as the City Council and was created to provide a mechanism for financing City facilities. The MBA acquires and/or builds facilities by borrowing money secured by a lease agreement between the City and the Authority. The MBA currently has a capital projects fund. The bond issuance authorizations are approved by the City Council and the legal liability for those bonds remains with the City.

The Park City Housing Authority (HA) is comprised of the same individuals as the City Council and was created to accumulate funds for construction of affordable housing within the City.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

3. Government-wide and Fund Financial Statements

The government-wide financial statements (*i.e.*, the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Certain eliminations have been made as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34 for interfund activities. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, internal service fund transactions have been eliminated except interfund services provided and used by business-type activities, which are not eliminated.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

4. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Amounts received or recognized as a receivable at fiscal yearend are included in the financial statements as taxes receivable and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are recognized as revenues in the year for which they are levied. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It is used to account for all financial resources of the City not accounted for by a separate, specialized fund.

The Sales Tax Revenue and Refunding Bonds Debt Service Fund and the General Obligation Debt Service Fund are used to account for the accumulation of resources for the payment of sales tax revenue bonded debt and general obligation debt.

The Capital Improvements Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, the Redevelopment Agencies or Municipal Building Authority). The Lower Park Avenue Redevelopment Agency Capital Projects Fund accounts for the acquisition or construction of major capital facilities in the Lower Park Avenue Redevelopment area.

The City reports the following major enterprise funds:

The Water Fund operates the water distribution system for residents of the City.

The Transportation and Parking fund accounts for the operations of the City's public transportation (bus and trolley) system and paid parking system.

The Golf Fund accounts for the operations of the City's golf course.

Additionally, the City reports the following fund types:

Special Revenue Funds are used to account for specific revenue sources that are restricted to expenditures for specific purposes. The City currently has the Lower Park Avenue Redevelopment Agency and the Main Street Redevelopment Agency special revenue funds. These funds account for redevelopment activities that are supported by property tax increment.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Internal Service Funds are used to account for the central financing of goods or services provided to various departments of the City or other governments on a cost-reimbursement basis. The City currently has two internal service funds. The fleet services fund provides vehicle storage, repair and maintenance. The self-insurance fund was established to allow the City to supplement its regular insurance coverage as further explained in Note K – Risk Management on page 79 of this report.

Agency Funds are used to account for the assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City currently has one agency fund. The Park City Agency Fund is used to hold deposits and performance bonds.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

5. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash, Cash Equivalents and Investments - Cash and investment management in the City is administered by the City Treasurer in accordance with the Utah Money Management Act, Section 51-7 of the Utah Code (see Note B on pages 52-55 of this report). The City complies with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The statement requires certain investments to be reported at fair value and the change in fair value to be included in revenues or expenses. The City's policy is to report all investments at fair value. The City's investment in the State Treasurer's Pool has a fair value approximately equal to the value of the pool shares. This pool is administered by the State of Utah and is regulated by the Money Management Council under provisions of the Utah State Money Management Act.

Capital Assets - Capital assets, which include property, plant, and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government included all assets with acquisition dates as far back as June 30, 1980. Most of the City's infrastructure assets were valued at historical cost (when available) or estimated historical cost through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Donated capital assets are recorded at estimated fair value at the date of donation. Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on specific circumstances. Water revenue bonds have been issued to finance specific water system improvements. The total capitalized interest expense on the bonds this fiscal year was \$188,209. The total interest income foregone was \$4,755. The net amount of \$192,964 was included as part of and thereby increased the cost of capital assets under construction in connection with construction of water system improvements.

Art represents a collection of the City and is therefore not depreciated. Property, plant, equipment and intangible assets of the primary government are depreciated or amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-40
Public domain infrastructure	50
System infrastructure	30
Vehicles, equipment and intangibles	5-20

Inventories and prepaid items - Inventories of supplies for the proprietary fund types consist principally of items used in repairing and maintaining the water distribution system and transportation equipment. Supplies inventories are valued at cost using the weighted average method. Inventory held for retail sale in the Golf Fund is valued at lower-of-cost or market using the first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Long-term Obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts and gains and losses on bond refunding, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Gains and losses on bond refunding are reported as deferred inflows and outflows. Bond issuance costs are expensed in the period in which they are incurred. The unamortized bond premiums/discounts at June 30, 2015 for governmental activities were \$1,668,025 and \$1,759,477 for business-type activities and proprietary funds. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Compensated Absences - Accumulated unpaid vacation is accrued based on the years of service of each employee. Vacation is accumulated on a monthly basis and is fully vested when earned. The maximum amount of accumulated accrued vacation hours is determined by the length of service of each employee according to the following schedule:

0 to 5 years	192 hours
5 to 10 years	240 hours
10 plus years	288 hours

Accumulated vacation cannot exceed these limits at the end of any calendar year and any vacation in excess of this amount is forfeited. At retirement, death, or termination in good standing, all unpaid vacation that has been accrued, up to the above limits, is paid. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service.

Deferred Outflows of Resources or Deferred Inflows of Resources – In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports the deferred charge on refunding in the government-wide statement of net position and the proprietary fund statement of net position. The deferred charge on refunding resulted from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the government-wide statement of net position and the proprietary fund statement of net position report deferred outflows of resources related to pensions.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has items which qualify for reporting in this category. The governmental funds report unavailable revenue from property taxes and notes receivable. The government-wide statement of net position reports deferred inflows from property taxes, pension related items and deferred gain on refunding of debt. The property taxes are reported as a deferred inflow of resources since they are recognized as receivables before the period for which the taxes are levied. The deferred gain on refunding resulted from the difference in the carrying value of the refunded debt and its reacquisition price. The proprietary fund statement of net position reports items related to pensions.

Net Position Flow Assumption – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund Balance – Fund balances presented in the governmental fund financial statements represent the difference between assets and liabilities. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. GASB Statement No. 54 requires that the fund balances be classified into categories based upon the type of restrictions imposed on the use of funds. The City evaluated each of its funds at June 30, 2015 and classified fund balances into the following five categories:

Nonspendable - Amounts that cannot be spent because they are (1) not in spendable form, such as prepaid items, inventories and long-term receivables for which the payment of proceeds are not restricted or committed with respect to the nature of the specific expenditures of that fund or (2) legally or contractually required to be maintained intact.

Restricted - Amounts that are restricted by external parties such as creditors or imposed by grants, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The City has legislative restrictions on amounts collected and reported in the City's various governmental funds. As a result, these restrictions have been classified as restricted for capital projects, debt service and drug and tobacco enforcement.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (ordinance) of the entity's "highest level of decision-making authority", which the City considers to be the Park City Municipal City Council. Commitments may be changed by the government by taking the same action that imposed the constraint initially.

Assigned - Amounts that have been allocated by action of the Park City Municipal City Council through a resolution in which the City's intent is to use the funds for a specific purpose, but that do not meet the criteria to be classified as restricted or committed.

Unassigned - Amounts that constitute the residual balances that have no restrictions placed upon them. If restrictions exceed available resources only deficit amounts are reported in the unassigned category. The general fund is the only fund that reports a positive unassigned balance.

The City reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available. The City reduces committed amounts first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The City does not have a minimum fund balance policy. *Utah Code* 10-6-116(4) requires that a minimum fund balance of 5.0 percent of total revenues be maintained in the general fund.

Restricted Assets - Certain proceeds of the City's Water Revenue and Refunding Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the proprietary funds' statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "reserve fund" account with a balance at June 30, 2015 of \$5,104,841 is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Proceeds of the City's 2004 and 2013A Series General Obligation Bonds in the amount of \$6,171,430 are classified as restricted assets as well as impact fees of \$1,051,845 and B and C road funds of \$195,254. Bond proceeds are restricted to acquiring and preserving undeveloped park and recreational land and to acquire, construct, improve and modify pathways, roads and related improvements for use by pedestrians and cyclists. The "reserve fund" account with a balance at June 30, 2015 of \$180 is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account.

Proceeds of the City's 2015 Sales Tax Revenue Bonds are classified as restricted assets on the governmental funds balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "construction fund" account with a balance at June 30, 2015 of \$5,361,216 is used to report those proceeds of revenue bond issuances that are restricted for the purpose of financing the cost associated with improvements and acquisition of open space. The "reserve fund" account with a balance at June 30, 2015 of \$87,857 is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account.

Water development fees are charged to new customers to pay for the cost of increasing the capacity of the water system to meet the additional demand created by the connection of new customers. The use of water development fees is legally restricted.

6. Budgets

State law requires the City Council to prepare and adopt budgets for all governmental and proprietary funds. The City Manager submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the proposed sources of revenues. Between May 1 and June 15, the City Council reviews and adjusts the City Manager's proposed budget. On or before June 15, a public hearing is held and the budget is legally adopted through passage of an ordinance. Budgets are adopted below individual department levels, but control of budget appropriations is exercised, under state law, at the department level (General Government, Public Safety, Public Works and Library and Recreation).

After the budget is adopted, transfers of any unexpended appropriation amount between line items within a major category are to be initiated and approved by each respective department. Transfers between major categories and between programs within the same department and fund are to be initiated by the respective departments and approved by the City Manager. Transfers between capital improvement projects within the same fund are to be initiated by the individual designated as responsible for the project and approved by the City Manager. Transfers that will result in a total change in the appropriation for a project of more than 20 percent or if a project would be eliminated by the transfer must be approved by the City Council. The City Council may reduce or increase the budget of any fund by ordinance during the budget year. The City Council must hold a public hearing to increase a fund's budget before it can pass the ordinance. Utah State law prohibits the appropriation of unassigned general fund balance until it exceeds the sum of five percent of the budgeted general fund revenues. Until unassigned fund balance is greater than the above amount, it cannot be budgeted but is used to provide working capital until tax revenue is received, meet emergency expenditures and cover unanticipated deficits.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

When the unassigned fund balance is greater than 25 percent of expected revenues, the excess must be appropriated to capital projects determined to be in the best long-term interest of the City. During the year, the General Fund budget was increased by \$972,101 under the guidelines described above. The supplemental appropriation was for estimated water usage by the general government.

Budgets are prepared on the modified accrual basis of accounting according to accounting principles generally accepted in the United States (GAAP) for governmental funds. Budgets are not prepared for the agency fund since this fund is comprised only of deposits and performance bonds held by the City. Encumbrance accounting is used by the City.

Each year the capital projects fund adjusted budget is comprised of new appropriations from the current year and unexpended appropriations from the prior year, since unexpended capital projects appropriations do not automatically lapse at yearend. Major capital project fund budgets included \$26,243,019 and non-major capital project fund budgets included \$3,639,721 for a total of \$29,882,740 of prior-year unexpended capital projects appropriations. The adjusted capital projects fund budget represents the amount available for expenditures in the current year. Future projects and appropriations that are to come from funds available in future years are not reflected in the current year budget.

7. Implementation of New GASB Pronouncements

In June 2012 the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The City implemented GASB Statement No. 68 in fiscal year 2015. This Statement requires the City to recognize a liability and asset for the City's proportionate share of the collective net pension liability, net pension asset, collective pension expense and collective deferred outflows of resources and deferred inflows of resources. The adoption of Statement No. 68 has no impact on the City's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the City's fiscal year 2014 government-wide and proprietary fund financial statements to reflect the reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources and the recognition of pension expense in accordance with the provisions of the Statement. Refer to Note F for more information regarding the City's pensions.

In January 2013 the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement provides guidance on accounting and reporting for state and local government mergers, acquisitions and transfers or disposals of operations. This Statement has no effect on the City's financial statements.

In April 2013 the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement provides guidance on accounting and reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement has no effect on the City's financial statements.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

In November 2013 the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. This amendment to GASB Statement No. 68 was included in the Statement No. 68 implementation.

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Each fund type's portion of this pool is displayed on the basic financial statements as "cash, cash equivalents and investments". Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund. The following is a summary of cash, cash equivalents and investments at June 30, 2015:

	Government-Wide Statement of Net Position			Fund Financials	
	Governmental Activities	Business-Type Activities	Total	Fiduciary Fund Statement of Net Position	Total
Held by city-unrestricted	\$ 42,528,873	\$ 32,379,787	\$ 74,908,660	\$ 2,149,817	\$ 77,058,477
Held by city-restricted	7,418,529	-	7,418,529	-	7,418,529
Total held by city	<u>\$ 49,947,402</u>	<u>\$ 32,379,787</u>	<u>\$ 82,327,189</u>	<u>\$ 2,149,817</u>	<u>\$ 84,477,006</u>
Held by fiscal agent	<u>\$ 5,449,253</u>	<u>\$ 5,104,841</u>	<u>\$ 10,554,094</u>	<u>\$ -</u>	<u>\$ 10,554,094</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

As of June 30, 2015, the City had the following deposits and investments, including \$2,149,817 held in an agency capacity for others:

Held by city:

Investment Type	Fair Value	Investments maturities	
		1 year or less	1-5 years
Debt securities			
Federal National Mortgage Association	\$ 450,945	\$ -	\$ 450,945
Federal Home Loan Mortgage Corporation	2,647,576	-	2,647,576
Federal Home Loan Bank	651,702	-	651,702
Corporate Bonds	487,215	437,465	49,750
	<u>4,237,438</u>	<u>\$ 437,465</u>	<u>\$ 3,799,973</u>
Other investments			
State treasurer's investment pool	78,479,155	<u>\$ 78,479,155</u>	
Total investments	<u>82,716,593</u>		

Deposits	
Cash deposits checking-net of outstanding checks	1,037,058
Cash deposits money market/savings	716,735
Cash on hand	6,620
Total deposits	<u>1,760,413</u>
Total cash, cash equivalents and investments held by city	<u>84,477,006</u>

Held by fiscal agent:

State treasurer's investment pool	<u>10,554,094</u>
Total cash, cash equivalents and investments	<u>\$ 95,031,100</u>

Deposits – State law requires that City deposits be with a “qualified depository” as defined by the Utah Money Management Act (UMMA). “Qualified depository” includes any depository institution that has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and deposits are: (1) Uncollateralized, (2) Collateralized with securities held by the pledging financial institution, or (3) Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor government's name. As of June 30, 2015, the City's deposits had a carrying value of \$1,037,058 and a bank balance of \$2,517,425. Of the above bank balance, \$250,000 was covered by federal depository insurance. The City does not have a deposit policy for custodial credit risk. However, Utah State Law does not require deposits to be insured or collateralized.

Investments –The City's investment policies are also governed by the UMMA. Public treasurers may use investment advisers to conduct investment transactions on behalf of public treasurers as permitted by statute, Rules of the Money Management Council and local ordinance or policy. Investment advisers must be certified by the Director of the Utah State Division of Securities of the Department of Commerce (the "Director") and meet the requirements of the Utah Money Management Act (Rule 15 of the State Money Management Council). The UMMA mandates that investment transactions be conducted only through qualified depositories, certified dealers or directly with issuers of the investment securities. Broker/dealers and agents who desire to become certified dealers must be certified by the Director and meet the requirements of the Utah Money Management Act. (Rule 16 of the State Money Management Council). The Utah Money Management Council issues a quarterly list of certified investment advisers, certified dealers and qualified depositories authorized by state statute to conduct transactions with public treasurers. All securities purchased through a certified investment adviser or certified dealer are required to be delivered to the custody of the City Treasurer or to the City's safekeeping bank or trust company.

Custodial Credit Risk for an investment is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either: (1) The counterparty or (2) The counterparty's trust department or agent but not in the government's name. For investments in U.S. government agencies and corporate bonds with combined fair value of \$4,237,438 at June 30, 2015, the City uses a qualified depository bank for safekeeping securities for the purpose of settling investment transactions, safekeeping, and collecting those investments. These investments are held by the investment's counterparty, not in the name of the City but are supported by a safekeeping receipt issued by the City's bank. The City does not have an investment policy for custodial credit risk.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy limits the term of investments to a maximum maturity that shall not exceed five years in order to manage its exposure to fair value losses arising from increasing interest rates. The investment policy also specifies that the City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy, in compliance with the UMMA limits investments to the following: (1) Negotiable or nonnegotiable deposits of qualified depositories (see definition of qualified depository under "deposits" above). (2) Repurchase agreements with qualified depositories or primary reporting dealers only if these securities are delivered to the custody of the City Treasurer or the City's safekeeping bank or are conducted with a qualified depository. (3) Commercial paper which is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Service or Standard and Poor's, Inc. (4) Obligations of the United States Treasury, including Treasury Bills, Treasury Notes, and United States Treasury Bonds. (5) Obligations other than mortgage pools and other mortgage derivative products issued by or fully guaranteed as to principal and interest by the following agencies of the United States in which a market is made by a primary reporting government securities dealer: Federal Farm Credit Banks, Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Agriculture Mortgage Corporation, and the Tennessee Valley Authority. (6) The Utah State Treasurer's Investment Pool. (7) Publicly traded fixed rate corporate obligations rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations one of which must be Moody's or Standard and Poor's. (8) Tax anticipation and general obligation bonds of the state or a county, an incorporated city or town, a school district or other political subdivision of the State of Utah.

The City's rated debt investments as of June 30, 2015, are shown in the table below using Standard and Poor's rating scale:

	Value	AAA	A
<u>Primary government:</u>			
Debt securities			
Federal National Mortgage Association	\$ 450,945	\$ 450,945	\$ -
Federal Home Loan Mortgage Corporation	2,647,576	2,647,576	-
Federal Home Loan Bank	651,702	651,702	-
Corporate Bonds	487,215	-	487,215

The Utah State Treasurer's Investment Pool is not rated. The fair value of the position of the Utah State Treasurer's Investment Pool is approximately equal to the value of the pool shares. All investments of the Utah State Treasurer's Investment Pool must comply with the UMMA and Rules of the State Money Management Council. The Pool invests primarily in money market securities including time certificates of deposit and top-rated domestic commercial paper. No more than 5.0 percent of the pool may be invested with a single issuer. Investment activity of the State Treasurer is reviewed periodically by the Utah Money Management Council and is audited by the Utah State Auditor. Pool deposits are not insured or otherwise guaranteed by the State of Utah.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy authorizes investments to be made in accordance with the UMMA and further specifies that with the exception of U.S. Treasury securities and authorized pools, no more than 50 percent of the City's total investment portfolio will be invested in a single security type. None of the City's investments exceed this limit.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE C – NOTES RECEIVABLE

Notes receivable of the governmental fund types at June 30, 2015 include various sale of assets, affordable housing and employee mortgage assistance loans with interest rates ranging from 0% to 5.0%. The following is a schedule of future principal and interest payments required under the terms of the notes receivable as of June 30, 2015:

<u>Fiscal year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 251,047	\$ 3,422	\$ 254,469
2017	5,345	3,093	8,438
2018	6,622	2,749	9,371
2019	7,092	2,504	9,596
2020	7,721	2,172	9,893
2021 - 2030	42,457	5,264	47,721
Total	<u>\$ 320,284</u>	<u>\$ 19,204</u>	<u>\$ 339,488</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Governmental activities:				
Capital assets, not being depreciated:				
Land and water rights	\$ 101,650,047	\$ 8,114,154	\$ -	\$ 109,764,201
Construction in progress	3,473,839	3,406,181	(908,902)	5,971,118
Art	601,356	-	-	601,356
Total capital assets, not being depreciated	<u>105,725,242</u>	<u>11,520,335</u>	<u>(908,902)</u>	<u>116,336,675</u>
Capital assets, being depreciated:				
Buildings	37,083,366	5,955,038	-	43,038,404
Improvements other than building	35,370,377	2,006,610	(692,614)	36,684,373
Vehicles and equipment	10,288,312	2,913,171	(679,178)	12,522,305
Infrastructure	107,360,090	1,085,878	-	108,445,968
Intangibles	5,696,018	233,000	-	5,929,018
Total capital assets, being depreciated	<u>195,798,163</u>	<u>12,193,697</u>	<u>(1,371,792)</u>	<u>206,620,068</u>
Less accumulated depreciation for:				
Buildings	(10,038,816)	(1,172,305)	-	(11,211,121)
Improvements other than building	(16,804,780)	(1,134,342)	480,406	(17,458,716)
Vehicles and equipment	(6,759,765)	(847,491)	540,139	(7,067,117)
Infrastructure	(80,577,494)	(2,814,922)	-	(83,392,416)
Intangibles	(263,744)	(36,049)	-	(299,793)
Total accumulated depreciation	<u>(114,444,599)</u>	<u>(6,005,109)</u>	<u>1,020,545</u>	<u>(119,429,163)</u>
Total capital assets, being depreciated, net	<u>81,353,564</u>	<u>6,188,588</u>	<u>(351,247)</u>	<u>87,190,905</u>
Governmental activities capital assets, net	<u>\$ 187,078,806</u>	<u>\$ 17,708,923</u>	<u>\$ (1,260,149)</u>	<u>\$ 203,527,580</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land and water rights	\$ 20,270,189	\$ -	\$ -	\$ 20,270,189
Construction in progress	5,317,239	3,004,064	(1,273,728)	7,047,575
Art	109,214	-	-	109,214
Total capital assets, not being depreciated	<u>25,696,642</u>	<u>3,004,064</u>	<u>(1,273,728)</u>	<u>27,426,978</u>
Capital assets, being depreciated:				
Buildings	17,336,749	-	-	17,336,749
Improvements other than building	78,797,741	2,307,433	-	81,105,174
Vehicles and equipment	22,064,575	276,693	(100,477)	22,240,791
Intangibles	86,455	-	-	86,455
Total capital assets, being depreciated	<u>118,285,520</u>	<u>2,584,126</u>	<u>(100,477)</u>	<u>120,769,169</u>
Less accumulated depreciation for:				
Buildings	(4,980,858)	(512,556)	-	(5,493,414)
Improvements other than building	(30,309,332)	(2,408,086)	-	(32,717,418)
Vehicles and equipment	(10,007,308)	(1,663,206)	98,371	(11,572,143)
Intangibles	(11,790)	(12,023)	-	(23,813)
Total accumulated depreciation	<u>(45,309,288)</u>	<u>(4,595,871)</u>	<u>98,371</u>	<u>(49,806,788)</u>
Total capital assets, being depreciated, net	<u>72,976,232</u>	<u>(2,011,745)</u>	<u>(2,106)</u>	<u>70,962,381</u>
Business-type activities capital assets, net	<u>\$ 98,672,874</u>	<u>\$ 992,319</u>	<u>\$ (1,275,834)</u>	<u>\$ 98,389,359</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE D – CAPITAL ASSETS, Continued

Depreciation expense was charged to functions for the year ended June 30, 2015 as follows:

Governmental activities:

General government	\$ 2,308,017
Public safety	322,009
Public works	2,264,408
Library and recreation	1,110,675
Total governmental activities depreciation expense	<u>\$ 6,005,109</u>

Business-type activities:

Water	\$ 2,814,847
Transportation and parking	1,525,786
Golf course	255,238
Total business-type activities depreciation expense	<u>\$ 4,595,871</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2015:

	Beginning Balance July 1, 2014	Additions	Reductions	Amortization	Ending Balance June 30, 2015	Due Within One Year
Governmental activities:						
Contracts payable	\$ 2,679,557	\$ -	\$ (2,586,533)	\$ -	\$ 93,024	\$ 93,024
General obligation bonds:						
2004 series-principal	3,540,000	-	(3,540,000)	-	-	-
2004 series-premium	38,173	-	(38,173)	-	-	-
2008 series-principal	7,220,000	-	(605,000)	-	6,615,000	625,000
2008 series-premium/discount	37,504	-	-	(3,810)	33,694	-
2009 series-principal	8,450,000	-	(730,000)	-	7,720,000	750,000
2009 series-premium/discount	123,679	-	-	(12,561)	111,118	-
2010A series-principal	515,000	-	(515,000)	-	-	-
2010A series-premium	10,037	-	-	(10,037)	-	-
2010B series-principal	4,570,000	-	(365,000)	-	4,205,000	370,000
2010B series-premium	64,832	-	-	(5,977)	58,855	-
2013A series-principal	6,765,000	-	(405,000)	-	6,360,000	415,000
2013A series-premium	87,477	-	-	(6,318)	81,159	-
2013B series-principal	1,555,000	-	(380,000)	-	1,175,000	385,000
2013B series-premium	41,668	-	-	(10,856)	30,812	-
2014 series-principal	-	3,385,000	(610,000)	-	2,775,000	670,000
2014 series-premium	-	154,845	-	(22,324)	132,521	-
Total general obligation bonds	33,018,370	3,539,845	(7,188,173)	(71,883)	29,298,159	3,215,000
Revenue bonds:						
Sales tax revenue bonds						
2005A series-principal	7,130,000	-	(7,130,000)	-	-	-
2005A series-premium	10,978	-	(10,978)	-	-	-
2010 refunding-principal	635,000	-	(315,000)	-	320,000	320,000
2010 refunding-premium	9,786	-	-	(6,689)	3,097	-
2014A refunding-principal	-	6,725,000	(905,000)	-	5,820,000	885,000
2014A refunding-premium	-	518,996	-	(61,380)	457,616	-
2014B series-principal	-	5,375,000	-	-	5,375,000	-
2014B series-premium	-	166,022	-	(8,993)	157,029	-
2015 series-principal	-	11,600,000	-	-	11,600,000	605,000
2015 series-premium	-	607,524	-	(5,400)	602,124	-
Total revenue bonds	7,785,764	24,992,542	(8,360,978)	(82,462)	24,334,866	1,810,000
Compensated absences	653,725	737,513	(642,133)	-	749,105	275,786
Total governmental activities	\$ 44,137,416	\$ 29,269,900	\$ (18,777,817)	\$ (154,345)	\$ 54,475,154	\$ 5,393,810

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS, Continued

	Beginning Balance July 1, 2014	Additions	Reductions	Amortization	Ending Balance June 30, 2015	Due Within One Year
Business-type activities:						
2009A water revenue	\$ 2,000,000	\$ -	\$ (125,000)	\$ -	\$ 1,875,000	\$ 125,000
2009B water revenue refunding	8,270,000	-	(1,525,000)	-	6,745,000	1,575,000
2009B water revenue-premium	759,434	-	-	(152,977)	606,457	-
2009C water revenue	10,135,000	-	-	-	10,135,000	-
2010 water revenue	9,610,000	-	(700,000)	-	8,910,000	725,000
2010 water revenue-premium	625,190	-	-	(59,705)	565,485	-
2012 water revenue	3,730,000	-	(230,000)	-	3,500,000	240,000
2012 water revenue-premium	269,876	-	-	(20,812)	249,064	-
2012B water revenue	5,525,000	-	-	-	5,525,000	-
2012B water revenue-premium	111,048	-	-	(8,245)	102,803	-
2013A&B water revenue	2,830,000	-	(210,000)	-	2,620,000	215,000
2013A&B water revenue-premium	33,559	-	-	(2,926)	30,633	-
2014 water revenue	4,115,000	-	-	-	4,115,000	-
2014 water revenue-premium	223,730	-	-	(18,695)	205,035	-
Total revenue bonds	48,237,837	-	(2,790,000)	(263,360)	45,184,477	2,880,000
Compensated absences	229,292	214,402	(183,934)	-	259,760	116,193
Total business-type activities	\$ 48,467,129	\$ 214,402	\$ (2,973,934)	\$ (263,360)	\$ 45,444,237	\$ 2,996,193

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. At yearend \$55,672 of internal service fund compensated absences are included in the above amounts. Also, for the governmental activities compensated absences are liquidated by the general fund.

The City has complied with all revenue bond covenants.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS, Continued

General Obligation Bonds

On December 22, 2008, the City issued General Obligation Bonds Series 2008 in the amount of \$10,000,000 plus a net premium/discount of \$58,537 pursuant to a bond election held on November 7, 2006. The proceeds of the bonds were used to acquire and forever preserve undeveloped park and recreational land. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

On June 16, 2009, the City issued General Obligation Bonds Series 2009 in the amount of \$13,500,000 plus a net premium/discount of \$186,966. A portion of the proceeds was used to refund \$1,695,000 of the City's General Obligation Bonds Series 1999, plus \$12,852 interest. Bond proceeds of approximately \$4.0 million were issued pursuant to a bond election held on November 7, 2006 to acquire and forever preserve undeveloped park and recreational land and approximately \$7.8 million were issued pursuant to a bond election held November 6, 2007 to acquire, construct, improve and modify pathways, roads and related improvements for use by pedestrians and cyclists. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

The debt service requirements for the bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2008 Dated Dec. 22, 2008 \$10,000,000 @ 3.375% to 4.50% per annum paid semi- annually (Nov. & May)		Series 2009 Dated June 16, 2009 \$13,500,000 @ 3.00% to 4.00% per annum paid semi- annually (Nov. & May)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2016	\$ 625,000	\$ 275,000	\$ 750,000	\$ 272,560
2017	645,000	250,000	775,000	250,060
2018	670,000	224,200	795,000	226,810
2019	695,000	197,400	820,000	200,576
2020	725,000	169,600	850,000	173,516
2021	760,000	140,600	880,000	143,340
2022	795,000	109,250	915,000	111,220
2023	830,000	75,462	950,000	76,450
2024	870,000	39,150	985,000	39,400
Total	6,615,000	1,480,662	7,720,000	1,493,932
Plus unamortized premium/discount	33,694	-	111,118	-
Total	<u>\$ 6,648,694</u>	<u>\$ 1,480,662</u>	<u>\$ 7,831,118</u>	<u>\$ 1,493,932</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS, Continued

General Obligation Bonds, Continued

On April 30, 2010, the City issued federally taxable General Obligation Bonds Series 2010B Build America Bonds with direct pay subsidy in the par amount of \$6,000,000, a premium of \$89,739 and issuance costs of \$109,974. Bond proceeds were issued pursuant to a bond election held on November 7, 2006 to acquire and forever preserve undeveloped park and recreational land. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

The debt service requirements for the bonds at June 30, 2015 were as follows:

	Series 2010B Dated April 30, 2010 \$6,000,000 @ 1.10% to 5.25% per annum paid semi- annually (Nov. & May)	
Fiscal Year Ending June 30,	PRINCIPAL	INTEREST
2016	\$ 370,000	\$ 191,380
2017	380,000	178,985
2018	390,000	164,735
2019	400,000	149,135
2020	410,000	131,335
2021	425,000	112,475
2022	435,000	92,287
2023	450,000	71,190
2024	465,000	48,915
2025	480,000	25,200
Total	4,205,000	1,165,637
Plus unamortized premium/discount	58,855	-
Total	\$ 4,263,855	\$ 1,165,637

On August 28, 2013, the City issued General Obligation Bonds Series 2013A in the par amount of \$7,170,000, a premium of \$92,774 and issuance costs of \$98,614. Pursuant to a special bond election held on November 6, 2007, the proceeds of the bonds were used to acquire, construct, improve and modify pathways, roads and related improvements for use by pedestrians and cyclists. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

On August 28, 2013, the City issued General Obligation Bonds Series 2013B in the par amount of \$1,930,000, a premium of \$50,769 and issuance costs of \$25,317. The proceeds of the bonds were used to currently refund \$1,930,000 principal of the City's General Obligation Bonds Series 2003, plus \$37,222 interest. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS, Continued

General Obligation Bonds, Continued

The debt service requirements for the bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2013A Dated August 28, 2013 \$7,170,000 @ 2.00% to 3.25% per annum paid semi- annually (Nov. & May)		Series 2013B Dated August 28, 2013 \$1,930,000 @ 2.00% per annum paid semi- annually (Nov. & May)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2016	\$ 415,000	\$ 163,613	\$ 385,000	\$ 23,500
2017	425,000	155,313	390,000	15,800
2018	430,000	146,813	400,000	8,000
2019	440,000	138,213	-	-
2020	455,000	129,413	-	-
2021	465,000	120,313	-	-
2022	480,000	109,850	-	-
2023	500,000	97,850	-	-
2024	515,000	84,100	-	-
2025	530,000	69,938	-	-
2026	550,000	54,036	-	-
2027	565,000	37,536	-	-
2028	590,000	19,174	-	-
Total	6,360,000	1,326,162	1,175,000	47,300
Plus unamortized premium/discount	81,159	-	30,812	-
Total	<u>\$ 6,441,159</u>	<u>\$ 1,326,162</u>	<u>\$ 1,205,812</u>	<u>\$ 47,300</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS, Continued

General Obligation Bonds, Continued

On November 6, 2014, the City issued General Obligation Bonds Series 2014 in the par amount of \$3,385,000, a premium of \$154,845 and issuance costs of \$74,606. The proceeds of the bonds plus \$149,007 of City funds were used to currently refund \$3,540,000 principal of the City's General Obligation Bonds Series 2004, plus \$74,025 interest. For government-wide reporting, the gain on refunding is reported as a deferred inflow of resources and amortized over the life of the bond. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund. The debt service requirements for the bonds at June 30, 2015 were as follows:

	Series 2014 Dated November 6, 2014 \$3,385,000 @ 2.00% to 4.00% per annum paid semi- annually (Nov. & May)	
Fiscal Year Ending June 30,	PRINCIPAL	INTEREST
2016	\$ 670,000	\$ 69,400
2017	685,000	56,000
2018	695,000	42,300
2019	725,000	14,500
Total	2,775,000	182,200
Plus unamortized premium	132,521	-
Total	\$ 2,907,521	\$ 182,200

Redevelopment Agency Capital Projects Funds and Bonds

The City maintains special revenue and capital project funds for the Main Street Redevelopment Agency and the Lower Park Avenue Redevelopment Agency. For the fiscal year ended June 30, 2015 the tax increment collected by the Main Street Redevelopment Agency was \$291,345 and the tax contributions from other governments were \$975,372. The tax increment collected by the Lower Park Avenue Redevelopment Agency was \$528,686 and the tax contributions from other governments were \$1,769,946. The tax increment paid to another taxing agency by the Main Street Redevelopment Agency and by the Lower Park Avenue Redevelopment Agency was \$310,086 and \$543,620, respectively.

During the fiscal year, the Main Street Redevelopment Agency expended \$30,000 in administrative costs. The Lower Park Avenue Redevelopment Agency expended \$9,397,780 for site improvements and \$95,349 for economic development.

Other Debt

On December 30, 1996, the City purchased open space property. The City executed a contract payable to the seller with interest at 7.50 percent per annum, payable \$100,000 per year on December 15. The debt service requirement for the contract payable at June 30, 2015 was:

Fiscal Year Ending June 30,	PRINCIPAL	INTEREST
2016	\$ 93,024	\$ 6,976

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS, Continued

Water Revenue Refunding Bonds

On September 29, 2009, the City issued the par amount of \$13,090,000 in Water Revenue and Refunding Bonds Series 2009B plus a premium of \$1,486,180. The premium was deferred and amortized over the life of the bond using the effective interest method. The bond proceeds were used to refund \$5,313,000 principal of outstanding Water Revenue Refunding Bonds Series 2002 plus interest of \$61,656. New money in the amount of \$8,567,659 was received to finance the construction of culinary water system improvements. The bonds bear interest at 3.0 percent to 5.0 percent paid semiannually. Repayments on the debt are made from the net revenues of the Water Fund.

The debt service requirements for the water refunding bonds at June 30, 2015 were as follows:

Fiscal Year Ending			
	June 30,	PRINCIPAL	INTEREST
	2016	\$ 1,575,000	\$ 321,500
	2017	1,640,000	258,500
	2018	1,720,000	176,500
	2019	1,810,000	90,500
	Total	6,745,000	847,000
Plus unamortized premium		606,457	-
Total		<u>\$ 7,351,457</u>	<u>\$ 847,000</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS, Continued

Water Revenue Refunding Bonds, Continued

On December 14, 2012, the City issued the par amount of \$5,525,000 in Water Revenue and Refunding Bonds Series 2012B plus a premium of \$123,766. The premium was deferred and amortized over the life of the bond using the effective interest method. The bond proceeds were used to refund \$390,000 principal of outstanding Water Revenue Bonds Series 2006 plus interest of \$5,650. New money in the amount of \$4,600,000 was received to finance the construction of culinary water system improvements. The bonds bear interest at 2.25 percent paid semiannually. The bonds incurred bond issuance costs of \$100,848, which were recognized as an expense in the period incurred. Repayments on the debt are made from the net revenues of the Water Fund.

On February 21, 2013, the City issued the par amount of \$3,045,000 in Water Revenue and Refunding Bonds Series 2013 A and B plus a premium of \$37,518. The premium was deferred and amortized over the life of the bond using the effective interest method. The bond proceeds were used to refund \$3,029,000 principal of outstanding Water Revenue Bonds Series 2006 plus interest of \$63,609. The bonds bear interest at 2.00 percent paid semiannually. The bonds incurred bond issue costs of \$74,516, which were recognized as an expense in the period incurred. Repayments on the debt are made from the net revenues of the Water Fund.

The debt service requirements for the water refunding bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	SERIES 2012B Dated December 14, 2012 \$5,525,000 @ 2.25%		SERIES 2013A Dated February 21, 2013 \$3,045,000 @ 2.00%	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2016	\$ -	\$ 124,313	\$ 215,000	\$ 50,250
2017	-	124,312	215,000	45,950
2018	-	124,313	225,000	41,550
2019	-	124,312	230,000	37,000
2020	-	124,313	235,000	32,350
2021	-	124,312	240,000	27,600
2022	-	124,313	245,000	22,750
2023	-	124,312	245,000	17,850
2024	-	124,313	250,000	12,900
2025	-	124,312	255,000	7,850
2026	-	124,313	265,000	2,650
2027	2,525,000	95,906	-	-
2028	3,000,000	33,750	-	-
Total	5,525,000	1,497,094	2,620,000	298,700
Plus unamortized premium	102,803	-	30,633	-
Total	<u>\$ 5,627,803</u>	<u>\$ 1,497,094</u>	<u>\$ 2,650,633</u>	<u>\$ 298,700</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS, Continued

Water Revenue Bonds

On July 14, 2009, the City issued the par amount of \$2,500,000 in Taxable Water Revenue Bonds Series 2009A to finance the construction of drinking water system improvements. The bonds bear no interest and the principal payment of \$125,000 is paid annually beginning July 15, 2010 and ending July 15, 2029. Repayments on the debt are made from the net revenues of the Water Fund. The outstanding balance at June 30, 2015 is \$1,875,000.

On September 29, 2009, the City issued the par amount of \$10,135,000 in Taxable Water Revenue Bonds Series 2009C Build America Bonds with issuer subsidy to finance the construction of culinary water system improvements. The bonds bear interest at 4.70 percent to 5.25 percent paid semiannually. Repayments on the debt are made from the net revenues of the Water Fund.

On February 10, 2010, the City issued the par amount of \$12,200,000 in Water Revenue Bonds Series 2010 plus a premium of \$886,911. The premium was deferred and amortized over the life of the bond on an effective interest basis. The proceeds were used to purchase water rights from Jordanelle Special Service District. The bonds bear interest at 2.0 percent to 5.0 percent paid semiannually. Repayments on the debt are made from the net revenues of the Water Fund.

The debt service requirements for these bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2009C Dated September 29, 2009 \$10,135,000 @ 4.70% to 5.25%		Series 2010 Dated February 10, 2010 \$12,200,000 @ 2.00% to 5.00%	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2016	\$ -	\$ 508,638	\$ 725,000	\$ 366,750
2017	-	508,638	755,000	337,150
2018	-	508,638	790,000	302,300
2019	-	508,637	825,000	261,925
2020	1,900,000	508,637	870,000	219,550
2021	1,960,000	419,337	910,000	179,600
2022	2,025,000	323,297	950,000	142,400
2023	2,090,000	221,035	1,000,000	103,400
2024	2,160,000	113,400	1,015,000	63,100
2025	-	-	1,070,000	21,400
Total	10,135,000	3,620,257	8,910,000	1,997,575
Plus unamortized premium	-	-	565,485	-
Total	<u>\$ 10,135,000</u>	<u>\$ 3,620,257</u>	<u>\$ 9,475,485</u>	<u>\$ 1,997,575</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS, Continued

Water Revenue Bonds, Continued

On May 31, 2012, the City issued the par amount of \$4,160,000 in Water Revenue Bonds Series 2012 plus a premium of \$313,211 to finance the construction of water system infrastructure. The premium was deferred and amortized over the life of the bond on an effective interest basis. The bonds bear interest at 2.00% to 4.00% paid semiannually. Repayments on the debt are made from net revenues of the Water Fund.

On June 25, 2014, the City issued the par amount of \$4,115,000 in Water Revenue Bonds Series 2014 plus a premium of \$223,986 to finance construction of water system infrastructure. The premium was deferred and amortized over the life of the bond on an effective interest basis. The bonds bear interest at 3.25% paid semiannually. The bonds incurred bond issue costs of \$93,218, which were recognized as an expense in the period incurred. Repayments on the debt are made from net revenues of the Water Fund.

The debt service requirements for these bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2012 Dated May 31, 2012 \$4,160,000 @ 2.00% to 4.00%		Series 2014 Dated June 25, 2014 \$4,115,000 @ 3.25%	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2016	\$ 240,000	\$ 103,550	\$ -	\$ 133,737
2017	245,000	98,750	-	133,737
2018	255,000	93,850	-	133,737
2019	265,000	86,200	-	133,737
2020	280,000	78,250	-	133,737
2021	290,000	69,850	-	133,738
2022	300,000	61,150	-	133,738
2023	310,000	52,150	-	133,738
2024	315,000	42,850	-	133,738
2025	325,000	33,400	2,350,000	133,738
2026	335,000	23,650	1,765,000	57,363
2027	340,000	13,600	-	-
Total	3,500,000	757,250	4,115,000	1,394,738
Plus unamortized premium	249,064	-	205,035	-
Total	<u>\$ 3,749,064</u>	<u>\$ 757,250</u>	<u>\$ 4,320,035</u>	<u>\$ 1,394,738</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS, Continued

Sales Tax Revenue and Refunding Bonds

On December 8, 2010, the City issued Sales Tax Revenue Refunding Bonds, Series 2010 in the amount of \$1,525,000 plus a premium of \$33,592. The proceeds from the Series 2010 Bonds were used to refund the Lower Park Avenue Redevelopment Agency Tax Increment Revenue Bonds, Series 1998.

On September 11, 2014, the City issued Sales Tax Revenue Refunding Bonds, Series 2014A in the amount of \$6,725,000 plus a premium of \$518,996. The proceeds from the Series 2014A Revenue Refunding Bonds plus \$67,358 of City funds were used to refund \$7,130,000 of the Sales Tax Revenue Bonds Series 2005A, plus \$71,574 interest. For government-wide reporting, the gain on refunding is reported as a deferred inflow of resources and amortized over the life of the bond.

On September 11, 2014, the City issued Sales Tax Revenue Bonds, Series 2014B in the amount of \$5,375,000 plus a premium of \$166,022. The proceeds from the sale of the Series 2014B Sales Tax Revenue Bonds were used for the purpose of financing the cost associated with improvements and acquisition of open space.

The debt service requirements for the bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2010, \$1,525,000 @ 2.25% -3.00% paid semiannually		Series 2014A, \$6,725,000 @ 2.00% -4.00% paid semiannually		Series 2014B, \$5,375,000 @3.00%-3.25% paid semiannually	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2016	\$ 320,000	\$ 4,000	\$ 885,000	\$ 202,650	\$ -	\$ 164,912
2017	-	-	910,000	176,100	-	164,912
2018	-	-	950,000	139,700	-	164,912
2019	-	-	985,000	101,700	-	164,912
2020	-	-	1,025,000	62,300	-	164,912
2021	-	-	1,065,000	21,300	-	164,912
2022	-	-	-	-	605,000	164,912
2023	-	-	-	-	625,000	146,763
2024	-	-	-	-	640,000	128,013
2025	-	-	-	-	660,000	108,813
2026	-	-	-	-	680,000	89,013
2027	-	-	-	-	700,000	68,613
2028	-	-	-	-	720,000	47,613
2029	-	-	-	-	745,000	24,213
Total	320,000	4,000	5,820,000	703,750	5,375,000	1,767,425
Plus unamortized premium	3,097	-	457,616	-	157,029	-
Total	<u>\$ 323,097</u>	<u>\$ 4,000</u>	<u>\$ 6,277,616</u>	<u>\$ 703,750</u>	<u>\$ 5,532,029</u>	<u>\$ 1,767,425</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS, Continued

Sales Tax Revenue and Refunding Bonds, Continued

On May 12, 2015, the City issued Sales Tax Revenue Bonds, Series 2015 in the amount of \$11,600,000 plus a premium of \$607,524. The proceeds from the sale of the bonds were used for the purpose of financing the cost associated with improvements and acquisition of open space.

The debt service requirements for the bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2015, \$11,600,000 @ 2.00% - 4.00% paid semiannually	
	PRINCIPAL	INTEREST
2016	\$ 605,000	\$ 405,472
2017	640,000	359,325
2018	655,000	346,525
2019	665,000	333,425
2020	680,000	320,125
2021	710,000	292,925
2022	735,000	264,525
2023	765,000	235,125
2024	795,000	204,525
2025	820,000	180,675
2026	845,000	156,075
2027	880,000	122,275
2028	905,000	95,875
2029	930,000	68,725
2030	970,000	31,525
Total	11,600,000	3,417,122
Plus unamortized premium	602,124	-
Total	<u>\$ 12,202,124</u>	<u>\$ 3,417,122</u>

The Series 2010, 2014A, 2014B and 2015 Bonds are special limited obligations of the City, payable solely from and secured solely by a pledge of revenues from (1) 100 percent of the revenues received by the City from the local sales and use tax levied by the City pursuant to the Utah Local Sales and Use Tax Act, Title 59, Chapter 12, Part 2, Utah Code and (2) 100 percent of the revenues received by the City from the resort communities tax levied by the City pursuant to Title 59, Chapter 12, Part 4 of the Utah Code. The bonds do not constitute a pledge of the ad valorem taxing power or the full faith and credit of the City. More detailed information about pledged-revenue coverage is presented in Schedule 18 on page 127 of this report.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS, Continued

The annual debt service requirements for all long-term debt outstanding as of June 30, 2015 by activity are as follows:

Year ending June 30,	Governmental Activities			Business-Type Activities
	Contracts Payable	General Obligation Bonds	Revenue Bonds	
Principal				
2016	\$ 93,024	\$ 3,215,000	\$ 1,810,000	\$ 2,880,000
2017	-	3,300,000	1,550,000	2,980,000
2018	-	3,380,000	1,605,000	3,115,000
2019	-	3,080,000	1,650,000	3,255,000
2020	-	2,440,000	1,705,000	3,410,000
2021-2025	-	11,730,000	7,420,000	18,930,000
2026-2030	-	1,705,000	7,375,000	8,855,000
Total	93,024	28,850,000	23,115,000	43,425,000
Plus unamortized premium/discount	-	448,159	1,219,866	1,759,477
Total	<u>\$ 93,024</u>	<u>\$ 29,298,159</u>	<u>\$ 24,334,866</u>	<u>\$ 45,184,477</u>
Interest				
2016	\$ 6,976	\$ 995,453	\$ 777,034	\$ 1,608,738
2017	-	906,158	700,337	1,507,037
2018	-	812,858	651,137	1,380,888
2019	-	699,824	600,037	1,242,311
2020	-	603,864	547,337	1,096,837
2021-2025	-	1,566,990	1,912,488	3,225,571
2026-2030	-	110,746	703,927	351,232
Total	<u>\$ 6,976</u>	<u>\$ 5,695,893</u>	<u>\$ 5,892,297</u>	<u>\$ 10,412,614</u>

Defeasance of debt

On September 11, 2014, the City issued \$6,725,000 in Sales Tax Revenue and Refunding Bonds Series 2014A with an average interest rate of 3.30 percent. The bond proceeds were used for a current refunding of \$7,130,000 of outstanding 2005A Sales Tax Bonds with an average interest rate of 4.00 percent. An aggregate amount of \$7,311,355 (representing \$6,725,000 of proceeds together with a premium of \$518,997 and \$67,358 of City funds) currently refunded the Sales Tax Revenue Bonds Series 2005A. In addition, the City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) to the City of approximately \$631,904. The refunding also decreased the City's total debt service payments over the next seven years by approximately \$653,774. For government-wide reporting the reacquisition price of the Series 2014A bonds was less than the net carrying amount of the 2005A Series bonds resulting in a gain on refunding of \$405,000. The gain on refunding was recorded as a deferred inflow of resources and amortized over the seven year life of the debt.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE E – LONG-TERM OBLIGATIONS, Continued

Defeasance of debt, Continued

On November 6, 2014, the City issued \$3,385,000 in General Obligation Bonds Series 2014 with an average interest rate of 2.50 percent. The bond proceeds were used for a current refunding of \$3,540,000 of outstanding General Obligation Bonds Series 2004 with an average interest rate of 4.20 percent. An aggregate amount of \$3,688,852 (representing \$3,385,000 of proceeds together with a premium of \$154,845 and \$149,007 of City funds) currently refunded the General Obligation Bonds Series 2004. In addition, the City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) to the City of approximately \$225,492. The refunding also decreased the City's total debt service payments over the next five years by approximately \$231,472. For government-wide reporting the reacquisition price of the Series 2014 bonds was less than the net carrying amount of the 2004 Series bonds resulting in a gain on refunding of \$155,000. The gain on refunding was recorded as a deferred inflow of resources and amortized over the five year life of the debt.

NOTE F – RETIREMENT PLANS

General Information about the Pension Plans

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems (Systems). The Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System); Public Employees Contributory Retirement System (Contributory System); are multiple employer, cost sharing, public employees, retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are multiple employer, cost sharing, public employees, retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Systems are members of the Tier 2 Retirement System.

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. The Systems are a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. The Systems issue a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE F – RETIREMENT PLANS, Continued

Benefits provided: The Systems provide retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final average salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4.0%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.0% per year July 1975 to present	Up to 4.0%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	2.5% to 4.0% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* with actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Systems' Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
11-Local Governmental Division Tier 1	N/A	6.000%	14.460%
111 – Local Governmental Division Tier 2	N/A	N/A	14.830%
Noncontributory System			
15 – Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
23 – Other Division A Contributory Tier 1	N/A	12.290%	22.750%
43 – Other Division A Noncontributory Tier 1	N/A	N/A	34.040%
122 – Other Division A Contributory Tier 2	N/A	N/A	22.550%

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE F – RETIREMENT PLANS, Continued

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The City reported a net pension asset of \$22,838 and a net pension liability of \$6,596,256:

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	1.1057757%	-0-	4,801,538
Contributory System	1.7202131%	-0-	496,184
Public Safety System	1.0325635%	-0-	1,298,534
Tier 2 Public Employees System	0.4811751%	14,582	-0-
Tier 2 Public Safety and Firefighter System	0.5580685%	8,256	-0-
Total Net Pension Asset / Liability		<u>\$22,838</u>	<u>\$6,596,256</u>

The net pension asset and liability were measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended June 30, 2015 the City recognized pension expense of \$1,846,451. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 269	\$ 373,410
Changes in assumptions	-0-	676,400
Net difference between projected and actual earnings on pension plan investments	164,781	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	-0-	-0-
Contributions subsequent to the measurement date	1,432,948	-0-
Total	<u>\$ 1,597,998</u>	<u>\$ 1,049,810</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE F – RETIREMENT PLANS, Continued

\$1,432,948 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to its fiscal yearend, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2015	\$ (288,917)
2016	(228,246)
2017	(203,465)
2018	(147,884)
2019	(2,574)
Thereafter	(13,674)

Actuarial assumptions: The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% - 10.50%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below.

Retired Member Mortality

Class of Member
Educators
Men EDUM (90%)
Women EDUF (100%)
Public Safety and Firefighters
Men RP 2000mWC (100%)
Women EDUF (120%)
Local Government, Public Employees
Men RP 2000mWC (100%)
Women EDUF (120%)
EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage
EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage
RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE F – RETIREMENT PLANS, Continued

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 through December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Expected Return Arithmetic Basis			
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
			Inflation
			2.75%
			Expected arithmetic nominal return
			7.98%

The 7.50 percent assumed investment rate of return is comprised of an inflation rate of 2.75 percent, a real return of 4.75 percent that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Systems' Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE F – RETIREMENT PLANS, Continued

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50 percent) or 1-percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of Net pension (asset) / liability	\$16,336,052	\$6,573,418	\$ (1,515,672)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Systems' financial report.

NOTE G - DEFINED CONTRIBUTION PLANS

Section 401(a) defined contribution money purchase plan

The City sponsors a defined contribution plan under Internal Revenue Code Section 401(a) for all full-time City employees not covered by the Public Safety Retirement System for employers with Social Security coverage.

The ICMA Retirement Corporation (ICMA) administers this plan. The City's total payroll in the fiscal year ended June 30, 2015 was \$19,275,706. Of that amount, \$8,027,652 was eligible to participate in this plan. The City participated at a rate of 0.50 percent, under City resolution for the year ended June 30, 2015 for employees covered by the State Contributory System retirement plan, 0.50 percent for employees covered by the State Noncontributory System retirement plan, and 18.47 percent under State Statue for a limited number of employees that are exempt from the State plan. During the year ended June 30, 2015 contributions totaling \$112,018 or 1.40 percent of covered payroll were made by the City. Employer contributions are fully vested in one year. All contributions were made by the due dates. The 401(a) defined contribution monies are not available to the City or its general creditors. Therefore, no assets or liabilities of the 401(a) defined contribution plan are reflected in the City's financial statements.

Section 457 deferred compensation plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. The City's total payroll in the fiscal year ended June 30, 2015 was \$19,275,706. The City's covered payroll eligible for this plan totaled \$14,574,165 for the year ended June 30, 2015. The City participates in employer benefits of \$100 per month for those employees who have chosen single health insurance coverage and match the employees' voluntary contribution amount at fifty cents on the dollar to a maximum contribution of \$900. Contributions totaling \$272,870 or 1.87 percent of covered payroll were made by the City and voluntary contributions totaling \$797,056 or 5.47 percent of covered payroll were made by employees. All contributions were made by the due dates.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE G - DEFINED CONTRIBUTION PLANS, Continued

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of participants and their beneficiaries, except that expenses and taxes may be paid from the Trust. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair value of the deferred account for each participant. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Investments are managed by the plan's administrator under one of seven investment options, or a combination thereof. The choice of the investment option(s) is made by the participants. All of the assets and income of the 457 Plan are held in investment fund trusts by ICMA for the exclusive benefit of the participants or their beneficiaries rather than as assets of the employer. As ICMA is the fiduciary of these assets, the City is no longer required to report the assets.

Loans or notes between the City and the defined contribution plans - There are no securities, loans or notes of the City included in the plans' assets.

NOTE H - COMMITMENTS AND CONTINGENCIES

There are several pending lawsuits in which the City is involved. The City Attorney estimates the potential claims against the City resulting from such litigation not covered by insurance would not materially affect the financial position of the City.

Commitments for major construction and capital improvements projects at June 30, 2015 are as follows:

Capital Projects Funds	\$2,062,253
Enterprise Funds	\$3,905,831

NOTE I- INTERGOVERNMENTAL REVENUES

Intergovernmental revenues were received by governmental fund types for the year ended June 30, 2015. They consist of the following:

State of Utah Class "C" road allotments	\$ 343,215
State contributions	2,109,242
County contributions	546,938
Federal contributions	48,648
Fire District	367,323
School District	1,931,057
Total	<u>\$ 5,346,423</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE J – INTERFUND LOANS

Due to cash flow needs of the Golf Fund to purchase new golf carts, \$140,000 was advanced from the Capital Improvements Fund on April 1, 2012. The advance bears interest at 1.5 percent paid monthly for forty-eight months. The annual repayment requirement for the advance at June 30, 2015 was as follows:

Fiscal Year Ending June 30,	PRINCIPAL	INTEREST
<u>2016</u>	<u>26,892</u>	<u>168</u>

NOTE K – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1989, the City established a Self Insurance Fund (an internal service fund) to account for and finance its uninsured risk of loss. Under this program, the Self Insurance Fund provides coverage for up to a maximum of \$250,000 per occurrence for general liability, automobile and errors and omissions. The City purchases commercial insurance for claims in excess of coverage provided by the Self Insurance Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Liabilities are recorded for any claim or judgment when information available prior to issuance of the financial statements indicates it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Unpaid claims as of June 30, 2013	\$ -
Incurred claims	93,821
Claim payments	<u>93,821</u>
Unpaid claims as of June 30, 2014	-
Incurred claims	88,998
Claim payments	<u>71,368</u>
Unpaid claims as of June 30, 2015	<u><u>\$ 17,630</u></u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE L – BUDGET RECONCILIATION

A reconciliation of the original 2014-2015 budget, to the final legally adopted budget for all governmental fund types net of transfers approved in June 2015 is as follows:

	<u>Original Budget</u>		<u>Increase (Decrease)</u>		<u>Budget as Revised</u>
General Fund:					
Revenues	\$ 25,875,146	\$	1,165,500	\$	27,040,646
Expenditures	26,776,950		972,101		27,749,051
Special Revenue Funds:					
Revenues	\$ 2,192,000	\$	1,305,247	\$	3,497,247
Expenditures	72,513		448,940		521,453
Debt Service Funds:					
Revenues	\$ 4,820,867	\$	566,430	\$	5,387,297
Expenditures	6,402,126		11,137,974		17,540,100
Capital Projects Funds:					
Revenues	\$ 14,374,156	\$	2,630,936	\$	17,005,092
Expenditures	26,428,181		39,631,808		66,059,989

NOTE M – INTERFUND TRANSFERS

Fund Financial Statements

Transfers were made to and from several funds during the course of the year ended June 30, 2015. An interfund transfer is a legally authorized transfer between funds in which one fund is responsible for the initial receipt of funds and another fund is responsible for the actual disbursement. The General Fund transferred \$925,000 to the Equipment Replacement Capital Projects Fund for future replacement of rolling stock and computer equipment. Several funds transferred a total of \$1,597,045 to the Sales Tax Revenue Bond Debt Service Fund to support principal and interest payments on debt. The Sales Tax Revenue Bond Debt Service Fund transferred \$12,069,371 of net bond proceeds to the Capital Improvements Fund for construction project costs. Transfers to the General Fund were comprised of: \$30,000 received from the Main Street RDA Capital Projects Fund, \$673,540 from the Water Fund, \$644,423 from the Transportation and Parking Fund and \$103,571 from the Golf Fund for administrative expenses for the year ended June 30, 2015.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE M – INTERFUND TRANSFERS, Continued

Transfers into:									
							Business-Type Activities		
Major Funds									
General Fund	Capital Improvement Fund	Sales Tax Revenue & Refunding - DSF	Lower Park Avenue RDA - CIP	Nonmajor Funds			Golf Course Fund	Total	
<u>Transfers out from:</u>									
Governmental activities									
Major funds:									
General fund	\$ -	\$ -	\$ 168,616	\$ -	\$ 925,000		\$ 25,000	\$ 1,118,616	
Capital improvement fund	-	-	251,079	-	-		-	251,079	
RDA cip - park ave	-	-	326,938	-	-		-	326,938	
Sales tax rev & refund - DSF	-	12,069,371	-	-	-		-	12,069,371	
Nonmajor funds:									
Other funds	30,000	-	850,412	2,070,548	900,247		-	3,851,207	
Business-type activities									
Water fund	1,388,540	-	-	-	-		-	1,388,540	
Transportation and parking	644,423	-	-	-	-		-	644,423	
Golf course fund	103,571	-	-	-	-		-	103,571	
Total	\$ 2,166,534	\$ 12,069,371	\$ 1,597,045	\$ 2,070,548	\$ 1,825,247		\$ 25,000	\$ 19,753,745	

Government-Wide Financial Statements

Per GASB Statement No. 34, all interfund transfers within governmental activities and business-type activities are eliminated.

NOTE N - TAXES

Before June 15 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, state law requires the City to provide public notice to property owners and hold public hearings. All property taxes levied by the City are assessed and collected by Summit and Wasatch Counties. Property taxes are levied on January 1 on real property values assessed as of the same date. Taxes are due November 30 and delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15 of the following year, a lien is attached to the property and the amount of taxes and penalties bear interest from January 1 until paid.

If after five years delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

Sales and resort taxes are collected by the State Tax Commission and remitted to the City monthly. Franchise taxes are collected by the telephone, natural gas, electric utilities, cable television and sewer companies and remitted to the City periodically.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE O – UNAVAILABLE REVENUE

Fund Financial Statements

At June 30, 2015, the following unavailable revenues were recorded in the fund financial statements as deferred inflows of resources because the funds were not available to finance expenditures of the current period.

	General	Debt Service - Park City General Obligation	Capital Projects - Capital Improvement Fund	Other Governmental Funds	Total
Miscellaneous loans/receivable	\$ 10,000	\$ -	\$ 337,176	\$ -	\$ 347,176
Property tax levied-not yet collected	9,578,317	4,291,436	-	3,683,601	17,553,354
	<u>\$ 9,588,317</u>	<u>\$ 4,291,436</u>	<u>\$ 337,176</u>	<u>\$ 3,683,601</u>	<u>\$ 17,900,530</u>

NOTE P – CONDUIT DEBT

On May 29, 2015, the City issued \$18,885,000 of 2015 Industrial Revenue Refunding Bonds on behalf of the United States Ski and Snowboard Association (USSA), a nonprofit corporation. The bonds refunded \$18,695,000 of the 2007 Multi-Mode Variable Rate Revenue Bonds issued on December 18, 2007, on behalf of USSA. The bonds bear interest at a variable rate and mature June 1, 2040. The bonds were used to partially finance the construction of The USSA Center of Excellence, an athletic training and office facility located in Park City. The bonds are secured by a pledge of revenues under the Bond Indenture. Neither the City's General Fund nor the full faith and credit of the City are pledged for the payment of principal or interest on the bonds. Since the bonds do not constitute a debt of the City, they are not reported in the accompanying financial statements. The principal balance of outstanding bonds was \$18,885,000 at June 30, 2015.

NOTE Q – POLLUTION REMEDIATION

GAAP addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. GASB 49 identifies the obligating events, which require the City to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.

On December 30, 2008, Park City Municipal Corporation and Summit County purchased as tenants in common approximately 107 acres of land that are outside the City limits. Prior to the purchase, soil testing was conducted on the property and it was found that a portion of the parcel is contaminated by lead and other contaminants due to prior upstream mining activity by others and needs remediation. The City, Summit County, and the two sellers of the land agreed in writing to each contribute the lesser of (a) twenty-five percent (25%) of the remediation costs incurred; or (b) \$200,000. The City's Environmental Coordinator estimates that the cost to remediate the parcel would be approximately \$450,000. The City's twenty-five percent (25%) share would be approximately \$112,500. The estimate of \$450,000 is measured at current value using the expected cash flow technique, which measures the liability as the sum of probability-weighted amounts in a range of possible estimated amounts. This technique uses all expectations about possible cash flows. The pollution remediation obligation is an estimate subject to changes resulting from price increases

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE Q – POLLUTION REMEDIATION, Continued

or reductions, technology, or changes in applicable laws and regulations. The City's legal obligation to share in this cleanup is an obligating event pursuant to GASB 49. Pollution remediation outlays should be capitalized in the government-wide and proprietary fund statements when property is acquired with known or suspected pollution that was expected to be remediated because it is assumed that the property was acquired at a discount because of the remediation. The financial reporting impact and effect was the recognition of a liability and the capitalization of an asset for \$112,500. The City entered into a Voluntary Clean-up Agreement with the Utah Department of Environmental Quality (UDEQ) to develop a remediation work plan for this property.

The Environmental Protection Agency (USEPA) and UDEQ have been investigating and evaluating mine sites within the Park City area since the early 1980's. In 1988, pursuant to approval of USEPA, Park City Municipal Corporation enacted the Landscaping and Maintenance of Soil Cover Ordinance for lots within the City limits. In general, the landscaping and soil maintenance cover requirements mandated a 6-inch clean top soil cap in order to contain the underlying mine related material. The general objective of these measures was to isolate potentially contaminated material from the surface and minimize direct contact. On April 30, 2004, the City implemented an Environmental Management System (EMS) to further strengthen the Soils Ordinance Program on a long-term basis. The EMS Soils Ordinance Boundary contains pollution remediation obligations of Park City Municipal Corporation pursuant to this local ordinance, which is an obligating event pursuant to GASB 49. The City plans to conduct remediation of 48 acres of land in accordance with the Utah Department of Environmental Quality Clean-up Program. The estimated cost to remediate these 48 acres is \$1,272,000 and is a liability of the City. The estimate of \$1,272,000 is measured at current value using the expected cash flow technique, which measures the liability as the sum of probability-weighted amounts in a range of possible estimated amounts. This technique uses all expectations about possible cash flows. The pollution remediation obligation is an estimate subject to changes resulting from price increases or reductions, technology, or changes in applicable laws and regulations.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE R - RESTATEMENTS

Prior Period Adjustment

In fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which adjustments resulting from a restatement of beginning net position of the Water Fund, Golf Fund, Transportation and Parking Fund, Fleet Fund and entity-wide level for governmental activities and business-type activities are as follows:

	<u>Net Position</u>	<u>Adjustment</u>	<u>Net Position Restated</u>
Government-wide:			
Governmental activities	\$ 193,666,214	\$ (5,271,783)	\$ 188,394,431
Business-type activities	86,277,732	(1,697,021)	84,580,711
Proprietary funds:			
Water	43,660,945	(685,950)	42,974,995
Transportation and parking	39,246,772	(912,565)	38,334,207
Golf	3,406,771	(98,506)	3,308,265
Fleet	2,322,171	(218,285)	2,103,886

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Required Supplementary Information
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Park City Municipal Corporation, Utah
Utah Retirement Systems
December 31, 2014
Last 10 Fiscal Years *

	Noncontributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)	1.1057757%	1.7202131%	1.0325635%	0.4811751%	0.5580685%
Proportionate share of the net pension liability (asset)	\$ 4,801,538	\$ 496,184	\$ 1,298,534	\$ (14,582)	\$ (8,256)
Covered employee payroll	\$ 8,969,083	\$ 921,380	\$ 1,628,847	\$ 2,361,287	\$ 230,513
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	53.5%	53.9%	79.7%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	94.0%	90.5%	103.5%	120.5%

* Table represents data available since implementation of GASB Statement 68 and will increase to ten years over time. Amounts presented were determined as of calendar year January 1 - December 31.

Schedule of Required Supplementary Information
SCHEDULE OF CONTRIBUTIONS
Park City Municipal Corporation, Utah
Utah Retirement Systems
December 31, 2014
Last 10 Fiscal Years *

	Noncontributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Contractually required contribution	\$ 1,737,970	\$ 127,643	\$ 508,594	\$ 198,520	\$ 25,146
Contributions in relation to the contractually required contribution	\$ (1,737,970)	\$ (127,643)	\$ (508,594)	\$ (198,520)	\$ (25,146)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered employee payroll	\$ 8,969,083	\$ 921,380	\$ 1,628,847	\$ 2,361,287	\$ 230,513
Contributions as a percentage of covered-employee payroll **	19.4%	13.9%	31.2%	8.4%	10.9%

* Table represents data available since implementation of GASB Statement 68 and will increase to ten years over time. Amounts presented were determined as of calendar year January 1 - December 31.

** Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

Park City Municipal Corporation, Utah
Notes to Required Supplementary Information
For the year ended June 30, 2015

Note 1. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

For the year ended June 30, 2015, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated January 1, 2014.

The actuarial valuation report dated January 1, 2014, is the only valuation to date of the multiple-employer cost-sharing defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

Additional pension plan information can be found in Note F.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Lower Park Avenue Redevelopment Agency and Main Street Redevelopment Agency Special Revenue Funds – Special revenue funds are used to account for specific revenue sources that are restricted, committed or assigned to expenditures for particular purposes. These special revenue funds account for the agencies' redevelopment activities which are supported by property tax increment revenue.

Main Street Redevelopment Agency Capital Projects Fund - Accounts for capital projects in the Main Street Redevelopment area.

Municipal Building Authority - The Municipal Building Authority is a legally separate organization that is a mechanism for financing needed City facilities. The Authority acquires and/or builds facilities by borrowing money secured by a lease agreement between the City and the Authority.

Equipment Replacement Capital Projects Fund - Accounts for the accumulation of resources for the future replacement of fixed assets such as computers, vehicles and heavy equipment.

Park City Municipal Corporation, Utah
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds			Capital Projects Funds			
	Lower Park Ave. Redevelopment Agency	Main Street Redevelopment Agency	Total	Main Street Redevelopment Agency	Municipal Building Authority	Equipment Replacement CIP	Total Nonmajor Governmental
Assets							
Cash, cash equivalents and investments	\$ 132,112	\$ 49,613	\$ 181,725	\$ 1,346,528	\$ 460,931	\$ 1,847,404	\$ 3,836,588
Receivables							
Taxes	2,388,205	1,310,197	3,698,402	-	-	-	3,698,402
Accounts	15	49	64	66	34	-	164
Total assets	<u>\$ 2,520,332</u>	<u>\$ 1,359,859</u>	<u>\$ 3,880,191</u>	<u>\$ 1,346,594</u>	<u>\$ 460,965</u>	<u>\$ 1,847,404</u>	<u>\$ 7,535,154</u>
Liabilities, deferred inflows of resources and fund balances							
Accounts payable	\$ 2,614	\$ -	\$ 2,614	\$ -	\$ -	\$ 15,242	\$ 17,856
Deferred inflows of resources-property tax	<u>2,383,601</u>	<u>1,300,000</u>	<u>3,683,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,683,601</u>
Total liabilities and deferred inflows of resources	<u>2,386,215</u>	<u>1,300,000</u>	<u>3,686,215</u>	<u>-</u>	<u>-</u>	<u>15,242</u>	<u>3,701,457</u>
Fund Balances							
Committed:							
Capital projects	-	-	-	1,346,594	460,965	1,832,162	3,639,721
Economic development	<u>134,117</u>	<u>59,859</u>	<u>193,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>193,976</u>
Total fund balances	<u>134,117</u>	<u>59,859</u>	<u>193,976</u>	<u>1,346,594</u>	<u>460,965</u>	<u>1,832,162</u>	<u>3,833,697</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,520,332</u>	<u>\$ 1,359,859</u>	<u>\$ 3,880,191</u>	<u>\$ 1,346,594</u>	<u>\$ 460,965</u>	<u>\$ 1,847,404</u>	<u>\$ 7,535,154</u>

Park City Municipal Corporation, Utah
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds			Capital Projects Funds				
	Lower Park Ave. Redevelopment Agency	Main Street Redevelopment Agency	Total	Main Street Redevelopment Agency	Municipal Building Authority	Equipment Replacement CIP	Total	Total Nonmajor Governmental
Revenues								
Taxes and special assessments	\$ 528,686	\$ 291,345	\$ 820,031	\$ -	\$ -	\$ -	\$ -	\$ 820,031
Contribution from other governments	1,769,946	975,372	2,745,318	-	-	-	-	2,745,318
Investment income	1,382	3,475	4,857	3,682	1,791	-	5,473	10,330
Rental and other miscellaneous	-	-	-	13,857	-	-	13,857	13,857
Total revenues	2,300,014	1,270,192	3,570,206	17,539	1,791	-	19,330	3,589,536
Expenditures								
Capital outlay	-	-	-	-	66,575	1,019,442	1,086,017	1,086,017
Economic development	95,349	310,086	405,435	-	-	-	-	405,435
Total expenditures	95,349	310,086	405,435	-	66,575	1,019,442	1,086,017	1,491,452
Excess (deficiency) of revenues over (under) expenditures	2,204,665	960,106	3,164,771	17,539	(64,784)	(1,019,442)	(1,066,687)	2,098,084
Other financing sources (uses)								
Sale of capital assets	-	-	-	-	-	23,811	23,811	23,811
Transfers in	-	-	-	900,247	-	925,000	1,825,247	1,825,247
Transfers out	(2,070,548)	(900,247)	(2,970,795)	(880,412)	-	-	(880,412)	(3,851,207)
Total other financing sources (uses)	(2,070,548)	(900,247)	(2,970,795)	19,835	-	948,811	968,646	(2,002,149)
Net change in fund balances	134,117	59,859	193,976	37,374	(64,784)	(70,631)	(98,041)	95,935
Fund balances - beginning	-	-	-	1,309,220	525,749	1,902,793	3,737,762	3,737,762
Fund balances - ending	\$ 134,117	\$ 59,859	\$ 193,976	\$ 1,346,594	\$ 460,965	\$ 1,832,162	\$ 3,639,721	\$ 3,833,697

Park City Municipal Corporation, Utah
Sales Tax Revenue and Refunding Bonds Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Investment income	\$ -	\$ -	\$ 4,669	\$ 4,669
Expenditures				
Debt service				
Principal	1,250,000	8,350,000	8,350,000	-
Interest	319,613	391,106	383,012	8,094
Bond issuance costs	-	430,000	429,373	627
Total expenditures	1,569,613	9,171,106	9,162,385	8,721
Excess (deficiency) of revenues over (under) expenditures	(1,569,613)	(9,171,106)	(9,157,716)	13,390
Other financing sources				
Debt issuance	-	16,975,000	16,975,000	-
Refunding bonds issued	-	6,725,000	6,725,000	-
Premium on debt issuance	-	773,546	773,546	-
Premium on refunding bonds	-	518,996	518,996	-
Transfers in	1,561,551	1,597,045	1,597,045	-
Transfers out	-	(12,069,371)	(12,069,371)	-
Total other financing sources	1,561,551	14,520,216	14,520,216	-
Net change in fund balance	(8,062)	5,349,110	5,362,500	13,390
Fund balance - beginning	1,159,267	1,165,267	1,165,267	-
Fund balance - ending	<u>\$ 1,151,205</u>	<u>\$ 6,514,377</u>	<u>\$ 6,527,767</u>	<u>\$ 13,390</u>

Park City Municipal Corporation, Utah
General Obligation Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes				
General property tax	\$ 4,737,987	\$ 5,309,592	\$ 5,309,592	\$ -
Delinquent taxes	12,000	12,000	12,000	-
Investment income	-	-	252	252
Miscellaneous	70,880	65,705	65,705	-
Total revenues	<u>4,820,867</u>	<u>5,387,297</u>	<u>5,387,549</u>	<u>252</u>
Expenditures				
Debt service				
Principal	3,655,000	7,150,000	7,150,000	-
Interest	1,177,513	1,144,388	1,132,350	12,038
Bond issuance costs	-	74,606	74,606	-
Total expenditures	<u>4,832,513</u>	<u>8,368,994</u>	<u>8,356,956</u>	<u>12,038</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,646)</u>	<u>(2,981,697)</u>	<u>(2,969,407)</u>	<u>12,290</u>
Other financing sources				
Refunding bonds issued	-	3,385,000	3,385,000	-
Premium on refunding bonds	-	154,845	154,845	-
Total other financing sources	<u>-</u>	<u>3,539,845</u>	<u>3,539,845</u>	<u>-</u>
Net change in fund balance	(11,646)	558,148	570,438	12,290
Fund balance - beginning	<u>400,651</u>	<u>432,580</u>	<u>393,586</u>	<u>(38,994)</u>
Fund balance - ending	<u>\$ 389,005</u>	<u>\$ 990,728</u>	<u>\$ 964,024</u>	<u>\$ (26,704)</u>

Park City Municipal Corporation, Utah
Capital Improvements Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and special assessments	\$ 5,900,156	\$ 6,902,000	\$ 7,389,182	\$ 487,182
Intergovernmental	350,000	2,404,000	2,489,330	85,330
Investment income	-	-	187,409	187,409
Impact fees	370,000	630,000	817,666	187,666
Miscellaneous	6,500,000	7,066,092	1,882,713	(5,183,379)
Total revenues	<u>13,120,156</u>	<u>17,002,092</u>	<u>12,766,300</u>	<u>(4,235,792)</u>
Expenditures				
Capital outlay				
Land and building acquisition	5,500,000	11,227,003	8,652,912	2,574,091
Street and storm drain improvements	2,740,833	3,953,592	2,104,864	1,848,728
Building renovation and construction	557,709	2,426,889	546,208	1,880,681
Improvements other than building	4,448,095	31,935,373	7,224,282	24,711,091
City parks and cemetery improvements	100,000	458,121	8,627	449,494
Equipment	145,637	454,034	193,571	260,463
Total expenditures	<u>13,492,274</u>	<u>50,455,012</u>	<u>18,730,464</u>	<u>31,724,548</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(372,118)</u>	<u>(33,452,920)</u>	<u>(5,964,164)</u>	<u>27,488,756</u>
Other financing sources (uses)				
Transfers in	-	12,069,371	12,069,371	-
Transfers out	(134,366)	(251,079)	(251,079)	-
Total other financing sources (uses)	<u>(134,366)</u>	<u>11,818,292</u>	<u>11,818,292</u>	<u>-</u>
Net change in fund balance	(506,484)	(21,634,628)	5,854,128	27,488,756
Fund balance - beginning	<u>2,554,602</u>	<u>27,106,574</u>	<u>27,244,890</u>	<u>138,316</u>
Fund balance - ending	<u><u>\$ 2,048,118</u></u>	<u><u>\$ 5,471,946</u></u>	<u><u>\$ 33,099,018</u></u>	<u><u>\$ 27,627,072</u></u>

Park City Municipal Corporation, Utah
Lower Park Avenue Redevelopment Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Investment income	\$ -	\$ -	\$ (8,451)	\$ (8,451)
Expenditures				
Capital outlay				
Land and building acquisition	-	1,436,072	57,545	1,378,527
Street and storm drain improvements	-	39,845	-	39,845
Building renovation and construction	6,900,000	1,180,000	31,961	1,148,039
Improvements other than building	4,500,274	10,172,162	9,282,380	889,782
City parks and cemetery improvements	100,000	108,135	25,894	82,241
Total expenditures	11,500,274	12,936,214	9,397,780	3,538,434
Excess (deficiency) of revenues over (under) expenditures	(11,500,274)	(12,936,214)	(9,406,231)	3,529,983
Other financing sources (uses)				
Debt issuance	9,000,000	6,000,000	-	(6,000,000)
Sale of capital assets	2,750,000	-	-	-
Transfers in	2,090,000	2,070,548	2,070,548	-
Transfers out	(326,938)	(326,938)	(326,938)	-
Total other financing sources (uses)	13,513,062	7,743,610	1,743,610	(6,000,000)
Net change in fund balance	2,012,788	(5,192,604)	(7,662,621)	(2,470,017)
Fund balance - beginning	1,374,200	8,183,095	8,225,151	42,056
Fund balance - ending	<u>\$ 3,386,988</u>	<u>\$ 2,990,491</u>	<u>\$ 562,530</u>	<u>\$ (2,427,961)</u>

Park City Municipal Corporation, Utah
Lower Park Avenue Redevelopment Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues				
Taxes and special assessments	\$ 2,192,000	\$ 2,192,000	\$ 528,686	\$ (1,663,314)
Contribution from other governments	-	-	1,769,946	1,769,946
Investment income	-	-	1,382	1,382
Total revenues	<u>2,192,000</u>	<u>2,192,000</u>	<u>2,300,014</u>	<u>108,014</u>
Expenditures				
Economic development	<u>72,513</u>	<u>116,453</u>	<u>95,349</u>	<u>(21,104)</u>
Excess of revenues over expenditures	<u>2,119,487</u>	<u>2,075,547</u>	<u>2,204,665</u>	<u>86,910</u>
Other financing uses-transfers out	<u>(2,090,000)</u>	<u>(2,070,548)</u>	<u>(2,070,548)</u>	<u>-</u>
Net change in fund balances	29,487	4,999	134,117	86,910
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ 29,487</u>	<u>\$ 4,999</u>	<u>\$ 134,117</u>	<u>\$ 86,910</u>

Park City Municipal Corporation, Utah
Main Street Redevelopment Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues				
Taxes and special assessments	\$ -	\$ 338,707	\$ 291,345	\$ (47,362)
Contribution from other governments	-	966,540	975,372	8,832
Investment income	-	-	3,475	3,475
Total revenues	-	1,305,247	1,270,192	(35,055)
Expenditures				
Economic development	-	405,000	310,086	(94,914)
Excess (deficiency) of revenues over (under) expenditures	-	900,247	960,106	(129,969)
Other financing uses-transfers out	-	(900,247)	(900,247)	-
Net change in fund balances	-	-	59,859	(129,969)
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,859</u>	<u>\$ (129,969)</u>

Park City Municipal Corporation, Utah
Main Street Redevelopment Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
General property tax	\$ 1,251,000	\$ -	\$ -	\$ -
Investment income	-	-	3,682	3,682
Rental and other miscellaneous	-	-	13,857	13,857
Total revenues	<u>1,251,000</u>	<u>-</u>	<u>17,539</u>	<u>17,539</u>
Expenditures				
Capital outlay-improvements other than building	<u>495,633</u>	<u>122,603</u>	<u>-</u>	<u>122,603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>755,367</u>	<u>(122,603)</u>	<u>17,539</u>	<u>140,142</u>
Other financing sources (uses)				
Transfers in	-	900,247	900,247	-
Transfers out	<u>(950,000)</u>	<u>(880,412)</u>	<u>(880,412)</u>	<u>-</u>
Total other financing sources (uses)	<u>(950,000)</u>	<u>19,835</u>	<u>19,835</u>	<u>-</u>
Net change in fund balance	<u>(194,633)</u>	<u>(102,768)</u>	<u>37,374</u>	<u>140,142</u>
Fund balance - beginning	<u>944,306</u>	<u>1,302,719</u>	<u>1,309,220</u>	<u>6,501</u>
Fund balance - ending	<u><u>\$ 749,673</u></u>	<u><u>\$ 1,199,951</u></u>	<u><u>\$ 1,346,594</u></u>	<u><u>\$ 146,643</u></u>

Park City Municipal Corporation, Utah
Municipal Building Authority Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues				
Investment income	\$ 3,000	\$ 3,000	\$ 1,791	\$ (1,209)
Expenditures				
Capital outlay-improvements other than building	-	66,585	66,575	10
Excess (deficiency) of revenues over (under) expenditures	3,000	(63,585)	(64,784)	(1,199)
Net change in fund balance	3,000	(63,585)	(64,784)	(1,199)
Fund balance - beginning	458,457	523,127	525,749	2,622
Fund balance - ending	<u>\$ 461,457</u>	<u>\$ 459,542</u>	<u>\$ 460,965</u>	<u>\$ 1,423</u>

Park City Municipal Corporation, Utah
Equipment Replacement Capital Improvements Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Expenditures				
Capital outlay - equipment	\$ 940,000	\$ 2,479,575	\$ 1,019,442	\$ 1,460,133
Other financing sources				
Sale of capital assets	-	15,000	23,811	8,811
Transfers in	925,000	925,000	925,000	-
Total other financing sources	925,000	940,000	948,811	8,811
Net change in fund balance	(15,000)	(1,539,575)	(70,631)	1,468,944
Fund balance - beginning	359,663	1,902,793	1,902,793	-
Fund balance - ending	<u>\$ 344,663</u>	<u>\$ 363,218</u>	<u>\$ 1,832,162</u>	<u>\$ 1,468,944</u>

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing and operations of services provided to various City departments and other governments, on a cost-reimbursement basis. Included are:

Fleet Services Fund: Fleet Services Fund accounts for the cost of storage, repair and maintenance of City-owned vehicles.

Self-Insurance Fund: Self-Insurance Fund accounts for the establishment of a self-insurance program.

Park City Municipal Corporation, Utah
Combining Statement of Net Position
Internal Service Funds
For the Year Ended June 30, 2015

	<u>Fleet Services Fund</u>	<u>Self- Insurance Fund</u>	<u>Total</u>
Assets			
Current assets:			
Cash, cash equivalents and investments	\$ 975,253	\$ 871,672	\$ 1,846,925
Accounts receivable	62,584	-	62,584
Inventories	440,324	-	440,324
Total current assets	<u>1,478,161</u>	<u>871,672</u>	<u>2,349,833</u>
Capital assets			
Vehicles and equipment	47,450	-	47,450
Accumulated depreciation	<u>(47,450)</u>	<u>-</u>	<u>(47,450)</u>
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Net pension asset	<u>354</u>	<u>-</u>	<u>354</u>
Total assets	<u>1,478,515</u>	<u>871,672</u>	<u>2,350,187</u>
Deferred outflows of resources			
Deferred outflows of resources related to pensions	<u>51,429</u>	<u>-</u>	<u>51,429</u>
Total deferred outflows of resources	<u>51,429</u>	<u>-</u>	<u>51,429</u>
Liabilities			
Current liabilities:			
Accounts payable	101,013	264,225	365,238
Accrued liabilities	23,274	-	23,274
Compensated absences	<u>8,927</u>	<u>-</u>	<u>8,927</u>
Total current liabilities	<u>133,214</u>	<u>264,225</u>	<u>397,439</u>
Noncurrent liabilities:			
Compensated absences	46,745	-	46,745
Net pension liability	<u>234,179</u>	<u>-</u>	<u>234,179</u>
Total noncurrent liabilities	<u>280,924</u>	<u>-</u>	<u>280,924</u>
Total liabilities	<u>414,138</u>	<u>264,225</u>	<u>678,363</u>
Deferred inflows of resources			
Deferred inflows of resources related to pensions	<u>38,500</u>	<u>-</u>	<u>38,500</u>
Total deferred inflows of resources	<u>38,500</u>	<u>-</u>	<u>38,500</u>
Total net position-unrestricted	<u>\$ 1,077,306</u>	<u>\$ 607,447</u>	<u>\$ 1,684,753</u>

Park City Municipal Corporation, Utah
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2015

	Fleet Services Fund	Self- Insurance Fund	Total
Operating revenues-charges for services	<u>\$ 2,728,700</u>	<u>\$ 721,227</u>	<u>\$ 3,449,927</u>
Operating expenses			
Salaries and benefits	802,914	-	802,914
Supplies, maintenance and services	749,621	1,321,992	2,071,613
Energy and utilities	994,533	-	994,533
 Total operating expenses	 <u>2,547,068</u>	 <u>1,321,992</u>	 <u>3,869,060</u>
 Income (loss) from operations and change in net position	 <u>181,632</u>	 <u>(600,765)</u>	 <u>(419,133)</u>
 Net position - beginning, as previously reported	 1,113,959	 1,208,212	 2,322,171
Adjustment	<u>(218,285)</u>	<u>-</u>	<u>(218,285)</u>
Net position - beginning, as adjusted	895,674	1,208,212	2,103,886
 Net position - ending	 <u><u>\$ 1,077,306</u></u>	 <u><u>\$ 607,447</u></u>	 <u><u>\$ 1,684,753</u></u>

Park City Municipal Corporation, Utah
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

	Fleet Services Fund	Self- Insurance Fund	Total
Cash flows from operating activities			
Receipts from customers	\$ 2,740,227	\$ 721,612	\$ 3,461,839
Payments to suppliers	(1,702,936)	(1,076,511)	(2,779,447)
Payments to employees	(782,933)	-	(782,933)
Net cash provided by (used in) operating activities	<u>254,358</u>	<u>(354,899)</u>	<u>(100,541)</u>
Net increase (decrease) in cash, cash equivalents and investments	254,358	(354,899)	(100,541)
Balances—beginning of the year	<u>720,895</u>	<u>1,226,571</u>	<u>1,947,466</u>
Balances—end of the year	<u><u>\$ 975,253</u></u>	<u><u>\$ 871,672</u></u>	<u><u>\$ 1,846,925</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 181,632	\$ (600,765)	\$ (419,133)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Receivables, net	11,527	385	11,912
Inventories	46,011	-	46,011
Accounts and other payables	(4,793)	245,481	240,688
Accrued expenses	19,981	-	19,981
Net cash provided by (used in) operating activities	<u><u>\$ 254,358</u></u>	<u><u>\$ (354,899)</u></u>	<u><u>\$ (100,541)</u></u>

FIDUCIARY FUND

The Park City Agency Fund is used to hold deposits and performance bonds.

Park City Municipal Corporation, Utah
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
Park City Agency				
Assets				
Cash, cash equivalents and investments	\$ <u>2,049,616</u>	\$ <u>2,263,717</u>	\$ <u>(2,163,516)</u>	\$ <u>2,149,817</u>
Liabilities				
Deposits	\$ <u>2,049,616</u>	\$ <u>2,263,717</u>	\$ <u>(2,163,516)</u>	\$ <u>2,149,817</u>

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the City's overall financial health.

Contents	Page
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Schedule 1
Park City Municipal Corporation, Utah
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012 (1)	2013	2014 (1)	2015
Governmental activities										
Net investment in capital assets	\$ 84,556,119	\$ 89,314,177	\$ 94,499,292	\$ 104,268,572	\$ 126,232,311	\$ 133,919,927	\$ 136,071,293	\$ 142,887,371	\$ 150,053,024	\$ 159,315,342
Restricted	13,382,225	9,601,159	6,881,623	16,373,427	8,409,654	4,523,349	1,300,187	756,943	6,914,189	12,914,983
Unrestricted	45,952,484	58,692,064	64,231,443	46,530,239	40,053,884	39,298,940	43,625,788	42,124,211	31,427,218	25,315,602
Total governmental activities net position	<u>\$ 143,890,828</u>	<u>\$ 157,607,400</u>	<u>\$ 165,612,358</u>	<u>\$ 167,172,238</u>	<u>\$ 174,695,849</u>	<u>\$ 177,742,216</u>	<u>\$ 180,997,268</u>	<u>\$ 185,768,525</u>	<u>\$ 188,394,431</u>	<u>\$ 197,545,927</u>
Business-type activities										
Net investment in capital assets	\$ 33,886,798	\$ 34,285,569	\$ 33,742,422	\$ 36,546,622	\$ 45,544,573	\$ 51,237,710	\$ 56,867,717	\$ 57,738,180	\$ 58,889,312	\$ 61,064,884
Restricted	8,732,350	9,745,959	8,881,500	9,254,588	22,052,008	9,905,734	4,625,572	7,168,903	5,103,868	5,104,841
Unrestricted	5,208,267	10,525,780	16,473,348	17,152,620	234,871	11,465,665	18,103,004	16,869,063	20,587,531	24,110,275
Total business-type activities net position	<u>\$ 47,827,415</u>	<u>\$ 54,557,308</u>	<u>\$ 59,097,270</u>	<u>\$ 62,953,830</u>	<u>\$ 67,831,452</u>	<u>\$ 72,609,109</u>	<u>\$ 79,596,293</u>	<u>\$ 81,776,146</u>	<u>\$ 84,580,711</u>	<u>\$ 90,280,000</u>
Primary government										
Net investment in capital assets	\$ 118,442,917	\$ 123,599,746	\$ 128,241,714	\$ 140,815,194	\$ 171,776,884	\$ 185,157,637	\$ 192,939,010	\$ 200,625,551	\$ 208,942,336	\$ 220,380,226
Restricted	22,114,575	19,347,118	15,763,123	25,628,015	30,461,662	14,429,083	5,925,759	7,925,846	12,018,057	18,019,824
Unrestricted	51,160,751	69,217,844	80,704,791	63,682,859	40,288,755	50,764,605	61,728,792	58,993,274	52,014,749	49,425,877
Total primary government net position	<u>\$ 191,718,243</u>	<u>\$ 212,164,708</u>	<u>\$ 224,709,628</u>	<u>\$ 230,126,068</u>	<u>\$ 242,527,301</u>	<u>\$ 250,351,325</u>	<u>\$ 260,593,561</u>	<u>\$ 267,544,671</u>	<u>\$ 272,975,142</u>	<u>\$ 287,825,927</u>

Notes:
(1) Restated

Schedule 2
Park City Municipal Corporation, Utah
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012 (6)	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 9,793,758 (1)	\$ 9,104,598	\$ 13,410,484	\$ 15,340,741	\$ 15,424,562	\$ 13,876,694	\$ 16,418,511	\$ 15,410,428	\$ 17,971,342	\$ 19,233,343
Public safety	3,614,976	3,639,734	4,150,644	4,243,055	4,410,647	4,523,175	4,749,019	5,005,854	5,023,548	5,270,197
Public works	7,806,325	7,945,868	9,355,418	8,464,545	8,186,146	7,539,516	7,120,275	7,225,061	7,053,923	6,967,243
Library and recreation	2,569,725	2,858,010	3,181,083	3,234,338	3,252,784	3,146,783	3,707,452	4,194,025	4,408,912	4,618,338
Interest on long-term debt	1,864,527	1,742,611	1,615,426	1,767,188	2,213,998	2,039,807	1,812,222	1,588,388	1,552,101	1,285,952
Total governmental activities expenses	<u>25,649,311</u>	<u>25,290,821</u>	<u>31,713,055</u>	<u>33,049,867</u>	<u>33,488,137</u>	<u>31,125,975</u>	<u>33,807,479</u>	<u>33,423,756</u>	<u>36,009,826</u>	<u>37,375,073</u>
Business-type activities:										
Water	5,126,182	6,021,603	5,953,499	7,895,070	9,220,606	9,168,368	9,828,676	10,980,949	11,678,822	11,870,125
Transportation and parking	5,664,315	6,822,384	7,244,088	7,167,411	9,406,997	8,433,607	9,243,798	9,608,636	10,378,982	10,804,211
Golf course	1,197,417	1,609,662	1,236,033	1,280,080	1,182,865	1,291,645	1,394,404	1,415,478	1,441,498	1,512,330
Total business-type activities expenses	<u>11,987,914</u>	<u>14,453,649</u>	<u>14,433,620</u>	<u>16,342,561</u>	<u>19,810,468</u>	<u>18,893,620</u>	<u>20,466,878</u>	<u>22,005,063</u>	<u>23,499,302</u>	<u>24,186,666</u>
Total primary government expenses	<u>\$ 37,637,225</u>	<u>\$ 39,744,470</u>	<u>\$ 46,146,675</u>	<u>\$ 49,392,428</u>	<u>\$ 53,298,605</u>	<u>\$ 50,019,595</u>	<u>\$ 54,274,357</u>	<u>\$ 55,428,819</u>	<u>\$ 59,509,128</u>	<u>\$ 61,561,739</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 3,605,851	\$ 4,440,720	\$ 5,807,731	\$ 3,120,334	\$ 1,535,425	\$ 1,959,149	\$ 2,072,172	\$ 2,388,214	\$ 3,907,142	\$ 4,718,626
Public safety	4,625	2,290	1,350	1,695	2,550	2,700	6,593	12,313	100	-
Public works	54,660	50,515	209,828	249,405	201,643	219,843	222,708	246,390	190,022	224,820
Library and recreation	1,078,903	1,091,658	1,147,238	1,236,024	1,107,536	836,328	1,142,700	1,287,791	1,309,934	1,210,362
Operating grants and contributions	191,803	126,395	158,494	111,044	88,142	126,759	151,111	350,352	165,147	121,866
Capital grants and contributions	1,994,234	817,530	1,951,362	3,163,329	8,827,676	649,032	1,476,472	1,073,924	1,879,881	2,479,239
Total governmental activities program revenues	<u>6,930,076</u>	<u>6,529,108</u>	<u>9,276,003</u>	<u>7,881,831</u>	<u>11,762,972</u>	<u>3,793,811</u>	<u>5,071,756</u>	<u>5,358,984</u>	<u>7,452,226</u>	<u>8,754,913</u>
Business-type activities:										
Charges for services										
Water	5,314,807	6,002,411	5,814,397	7,233,359	7,370,380	8,416,666	9,915,490	12,242,653	13,171,473	14,176,728
Transportation and parking	2,535,187	2,840,910	3,280,270	3,421,979	3,842,616	3,495,838	3,487,939	3,977,883	3,895,008	4,255,752
Golf course	896,091	948,753	955,473	994,049	843,621	878,237	1,033,286	1,102,133	1,056,248	1,105,882
Operating grants and contributions	-	1,536,448	54,774	1,186,122	3,219,683	-	3,681,732	-	1,649,174	1,602,990
Capital grants and contributions	3,099,552	5,134,055	4,097,331	4,095,971	4,449,296	6,367,580	4,856,335	2,373,881	3,353,572	4,186,198
Total business-type activities program revenues	<u>11,845,637</u>	<u>16,462,577</u>	<u>14,202,245</u>	<u>16,931,480</u>	<u>19,725,596</u>	<u>19,158,321</u>	<u>22,974,782</u>	<u>19,696,550</u>	<u>23,125,475</u>	<u>25,327,550</u>
Total primary government program revenues	<u>\$ 18,775,713</u>	<u>\$ 22,991,685</u>	<u>\$ 23,478,248</u>	<u>\$ 24,813,311</u>	<u>\$ 31,488,568</u>	<u>\$ 22,952,132</u>	<u>\$ 28,046,538</u>	<u>\$ 25,055,534</u>	<u>\$ 30,577,701</u>	<u>\$ 34,082,463</u>
Net (expense)/revenue										
Governmental activities	\$ (18,719,235)	\$ (18,761,713)	\$ (22,437,052)	\$ (25,168,036)	\$ (21,725,165)	\$ (27,332,164)	\$ (28,735,723)	\$ (28,064,772)	\$ (28,557,600)	\$ (28,620,160)
Business-type activities	(142,277)	2,008,928	(231,375)	588,919	(84,872)	264,701	2,507,904	(2,308,513)	(373,827)	1,140,884
Total primary government net expense	<u>\$ (18,861,512)</u>	<u>\$ (16,752,785)</u>	<u>\$ (22,668,427)</u>	<u>\$ (24,579,117)</u>	<u>\$ (21,810,037)</u>	<u>\$ (27,067,463)</u>	<u>\$ (26,227,819)</u>	<u>\$ (30,373,285)</u>	<u>\$ (28,931,427)</u>	<u>\$ (27,479,276)</u>

		Fiscal Year									
		2006	2007	2008	2009	2010	2011	2012 (6)	2013	2014	2015
General Revenues and Other Changes in Net Position											
Governmental activities:											
Taxes											
Property tax, levied for general purposes	\$	10,235,875	\$ 10,504,429	\$ 11,051,669	\$ 11,003,476	\$ 11,921,879	\$ 12,442,798	\$ 13,797,851	\$ 13,587,385	\$ 12,772,297	\$ 12,809,892
Property tax, levied for debt service		2,211,909	2,211,909	2,211,909	2,211,909	4,009,000	4,570,315	4,580,904	4,577,873	5,082,714	5,321,592
General sales and use tax		4,268,697	4,352,388	4,047,348	3,881,142	3,990,274	3,966,554	4,125,435	4,187,472	4,347,534	4,731,904
Franchise tax		2,715,184	2,529,915	2,748,571	2,720,272	2,774,319	2,906,982	2,816,070	3,037,407	3,158,716	3,061,207
Resort tax		4,261,186	5,155,164	5,157,557	4,709,483	4,483,804	5,022,250	5,443,231	5,983,636	9,151,788	10,066,040
Investment earnings		2,976,800	3,968,351	3,669,971	1,646,364	753,587	399,928	283,191	258,657	348,090	261,735
Miscellaneous		1,275,609	983,013	793,279	874,055	1,124,367	1,022,968	944,093	1,203,599	1,594,150	804,286
Gain/Loss on sale of capital assets		1,051,678	3,079,451	761,706	(46,785)	-	215,705	-	-	-	-
Transfers		-	-	-	-	(1,132,821)	(168,969)	-	-	-	715,000
Total governmental activities		<u>28,996,938</u>	<u>32,784,620</u>	<u>30,442,010</u>	<u>26,999,916</u>	<u>27,924,409</u>	<u>30,378,531</u>	<u>31,990,775</u>	<u>32,836,029</u>	<u>36,455,289</u>	<u>37,771,656</u>
Business-type activities:											
General sales and use tax		2,871,465	3,469,575	3,550,538	2,436,838	3,127,767	3,503,440	3,798,125	3,868,264	4,019,133	4,398,879
Investments earnings		465,996	821,835	892,754	543,562	339,629	438,221	247,058	196,237	358,535	367,709
Miscellaneous		331,125	429,555	328,045	287,241	362,277	402,326	434,097	423,865	497,745	506,817
Transfers		-	-	-	-	1,132,821	168,969	-	-	-	(715,000)
Total business-type activities		<u>3,668,586</u>	<u>4,720,965</u>	<u>4,771,337</u>	<u>3,267,641</u>	<u>4,962,494</u>	<u>4,512,956</u>	<u>4,479,280</u>	<u>4,488,366</u>	<u>4,875,413</u>	<u>4,558,405</u>
Total primary government	\$	<u>32,665,524</u>	<u>37,505,585</u>	<u>35,213,347</u>	<u>30,267,557</u>	<u>32,886,903</u>	<u>34,891,487</u>	<u>36,470,055</u>	<u>37,324,395</u>	<u>41,330,702</u>	<u>42,330,061</u>
Change in Net Position											
Governmental activities	\$	10,277,703	\$ 14,022,907	\$ 8,004,958	(2) \$ 1,831,880	(3) \$ 6,199,244	(4) \$ 3,046,367	(5) \$ 3,255,052	\$ 4,771,257	\$ 7,897,689	(7) \$ 9,151,496
Adjustment to governmental activities net position		-	-	-	-	-	-	-	-	(5,271,783)	(8) -
Business-type activities		3,526,309	6,729,893	4,539,962	3,856,560	4,877,622	4,777,657	6,987,184	2,179,853	4,501,586	5,699,289
Adjustment to business-type activities net position		-	-	-	-	-	-	-	-	(1,697,021)	(8) -
Total primary government	\$	<u>13,804,012</u>	<u>20,752,800</u>	<u>12,544,920</u>	<u>5,688,440</u>	<u>11,076,866</u>	<u>7,824,024</u>	<u>10,242,236</u>	<u>6,951,110</u>	<u>5,430,471</u>	<u>14,850,785</u> (9)

Notes:

- (1) In February 2006, the City began operation of the Quinns Recreation Complex Ice Skating Arena. The expenses for operation of the arena are included in general government.
- (2) Decrease in governmental activities net position is due to increases in general government, public safety and public works expense.
- (3) Decrease in governmental activities net position is due to increases in payroll expenditures and the ice facility, which was open two more months in FY 2009 compared to FY 2008.
- (4) Increase in governmental activities net position is due to increases in capitalizable grants and contributions.
- (5) Decrease in governmental activities net position is due to decreases in capitalizable grants and contributions.
- (6) Restated.
- (7) Increase in governmental activities net position is due to increases in resort tax collected.
- (8) FY 2015 - Implemented GASB 68, Accounting and Financial Reporting for Pensions, required restatement of FY 2014.
- (9) Increase in total primary government net position is due to restatement of fiscal year 2014 for the implementation of GASB 68.

Schedule 3
Park City Municipal Corporation, Utah
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Unreserved, undesignated	\$ 3,120,657	\$ 4,614,015	\$ 3,672,132	\$ 3,747,296	\$ 3,894,972	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-	-	4,209,020	4,011,625	5,515,127	6,670,716	6,836,193
Restricted - Drug and tobacco enforcement	-	-	-	-	-	31,258	36,517	47,776	46,402	47,201
Total general fund	<u>\$ 3,120,657</u>	<u>\$ 4,614,015</u>	<u>\$ 3,672,132</u>	<u>\$ 3,747,296</u>	<u>\$ 3,894,972</u>	<u>\$ 4,240,278</u>	<u>\$ 4,048,142</u>	<u>\$ 5,562,903</u>	<u>\$ 6,717,118</u>	<u>\$ 6,883,394</u>
All other governmental funds										
Reserved										
Major capital projects funds-capital projects	\$ 3,615,314	\$ 3,512,677	\$ 1,506,103	\$ 11,384,726	\$ 6,608,983	\$ -	\$ -	\$ -	\$ -	\$ -
Major debt service funds-capital projects	8,015,584	4,247,676	4,022,666	4,104,881	1,115,930	-	-	-	-	-
Major debt service	5,548	46,755	222,246	204,089	3,880	-	-	-	-	-
Nonmajor debt service funds-capital projects	1,061,227	1,111,655	-	-	-	-	-	-	-	-
Nonmajor debt service funds-debt service	684,552	682,396	1,130,608	679,731	680,861	-	-	-	-	-
Unreserved, designated										
Major capital projects funds	37,188,250 (1)	42,039,728 (1)	46,763,396 (1)	40,220,685 (1)	26,618,929 (1)	-	-	-	-	-
Nonmajor capital projects funds	3,551,772	3,469,259	3,140,465	1,798,846	1,948,358	-	-	-	-	-
Major debt service funds	436,235	488,982	652,121	647,183	1,084,351	-	-	-	-	-
Nonmajor debt service funds	58,800	118,394	187,889	198,251	203,868	-	-	-	-	-
Unreserved, undesignated										
Major capital projects funds	9,748,106	7,725,190	8,950,857	5,250,664	6,496,859	-	-	-	-	-
Major debt service funds	(6,232,622)	(2,684,701)	(2,501,669)	(2,384,282)	-	-	-	-	-	-
Nonmajor capital projects funds	1,856,919	2,078,624	76,071	570,697	1,215,873	-	-	-	-	-
Nonmajor debt service funds	112,581	-	1,094,765	-	-	-	-	-	-	-
Restricted for:										
Capital projects	-	-	-	-	-	4,490,602 (2)	1,261,260	708,350	6,866,835	12,779,745
Debt service	-	-	-	-	-	1,489	2,410	817	952	88,037
Assigned:										
Capital projects funds	-	-	-	-	-	34,536,547	-	-	-	-
Debt service funds	-	-	-	-	-	1,537,118	-	-	-	-
Committed:										
Capital projects funds	-	-	-	-	-	-	31,635,190	31,470,751	32,340,968	29,882,740
Debt service funds	-	-	-	-	-	-	1,713,903	1,480,633	1,557,901	2,236,514
Total all other governmental funds	<u>\$ 60,102,266</u>	<u>\$ 62,836,635</u>	<u>\$ 65,245,518</u>	<u>\$ 62,675,471</u>	<u>\$ 45,977,892</u>	<u>\$ 40,565,756</u>	<u>\$ 34,612,763</u>	<u>\$ 33,660,551</u>	<u>\$ 40,766,656</u>	<u>\$ 44,987,036</u>

Notes:

(1) Designated fund balance includes a transfer from the general fund to the capital projects improvement fund per the City's budget, as follows:

FY 2006-transfer of \$6.5 million; FY 2007-transfer of \$5.6 million; FY 2008-transfer of \$4.8 million; FY 2009-transfer of \$2.8 million; FY 2010-transfer of \$1.6 million.

(2) FY 2011- Implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Schedule 4
Park City Municipal Corporation, Utah
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes and special assessments	\$ 23,715,701	\$ 24,781,947	\$ 25,235,186	\$ 24,523,906	\$ 27,038,657	\$ 28,939,586	\$ 30,705,261	\$ 31,399,695	\$ 34,486,284	\$ 33,269,379
Licenses and permits	2,250,004	2,686,965	3,286,754	1,702,201	808,055	1,067,438	1,166,721	1,446,142	2,611,576	3,025,886
Intergovernmental	933,555	843,925	1,310,951	601,868	690,912	775,791	627,433	1,404,276	1,818,822	5,346,423
Charges for services	1,375,512	1,603,390	1,640,952	1,785,328	1,705,148	1,526,455	1,910,119	2,017,593	2,194,197	2,071,230
Fines and forfeitures	28,622	26,981	44,855	43,825	40,562	28,833	29,404	35,342	21,648	14,206
Investment income	2,976,800	3,968,351	3,669,971	1,646,364	753,587	399,928	283,191	258,657	348,090	261,735
Impact fees	1,089,901	1,267,847	1,310,955	844,074	109,553	191,521	133,421	201,235	397,737	817,666
Rental and other miscellaneous	1,216,022	1,407,452	3,273,529	2,017,353	2,843,770	2,104,193	2,366,777	1,476,317	1,912,540	2,873,179
Total revenues	<u>33,586,117</u>	<u>36,586,858</u>	<u>39,773,153</u>	<u>33,164,919</u>	<u>33,990,244</u>	<u>35,033,745</u>	<u>37,222,327</u>	<u>38,239,257</u>	<u>43,790,894</u>	<u>47,679,704</u>
Expenditures										
General government	7,201,245	7,983,283	9,341,117	9,290,488	9,926,208	10,717,351	11,260,367	11,381,542	12,086,576	13,653,938
Public safety	3,509,959	3,565,474	3,986,114	3,929,574	4,118,458	4,266,143	4,498,776	4,687,516	4,684,672	4,953,544
Public works	4,021,580	4,098,548	5,426,957	4,464,352	4,366,909	4,422,633	4,718,003	4,835,958	4,643,828	4,718,959
Library and recreation	2,268,341	2,370,047	2,565,820	2,581,640	2,608,012	2,534,737	2,839,500	3,164,535	3,361,464	3,495,302
Debt Service										
Principal retirement	3,820,134	3,703,520	3,847,159	5,171,070	5,955,275	5,349,796	5,424,637	4,664,880	5,220,496	18,086,533
Interest	1,897,895	1,756,593	1,629,489	1,674,501	2,065,562	2,066,631	1,835,199	1,661,003	1,616,778	1,528,829
Bond issuance costs	-	-	43,417	261,213	137,262	51,663	-	-	123,931	503,979
Arbitrage rebate	-	-	-	-	31,874	-	-	-	-	-
Capital outlay	19,137,043	15,173,156	14,402,328	35,150,900	33,827,783	12,847,882	17,073,402	8,517,860	13,923,767	26,614,261
Economic development	-	-	-	-	-	-	-	-	-	405,435
Total expenditures	<u>41,856,197</u>	<u>38,650,621</u>	<u>41,242,401</u>	<u>62,523,738</u>	<u>63,037,343</u>	<u>42,256,836</u>	<u>47,649,884</u>	<u>38,913,294</u>	<u>45,661,512</u>	<u>73,960,780</u>
Revenues (under) expenditures	(8,270,080)	(2,063,763)	(1,469,248)	(29,358,819)	(29,047,099)	(7,223,091)	(10,427,557)	(674,037)	(1,870,618)	(26,281,076)
Other financing sources (uses)										
Debt issuance	-	-	779,793	24,477,505	6,092,683	-	-	-	7,170,000	16,975,000
Refunding bonds issued	-	-	-	1,695,000	2,025,000	1,525,000	-	-	1,930,000	10,110,000
Payment to refunded bondholders	-	-	-	(1,695,000)	-	(2,655,000)	-	-	(1,930,000)	-
Payment to refunded bond escrow agent	-	-	-	-	(2,055,334)	-	-	-	-	-
Premium on debt issuance	-	-	-	270,712	89,739	-	-	-	92,774	773,546
Premium on refunding bonds	-	-	-	-	59,922	33,592	-	-	50,769	673,841
Payment received on note	-	-	-	-	-	-	-	-	1,375,000	-
Discount on debt issuance	-	-	-	(25,209)	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	1,082,898	3,995,223	1,606,153	16,515	4,155,231	1,124,436	2,290,798	17,586	146,554	23,811
Transfers in	27,192,306	11,754,974	11,673,653	30,892,855	12,836,826	6,595,012	6,424,043	4,731,710	10,978,139	19,728,745
Transfers out	(25,063,308)	(9,458,707)	(11,123,351)	(28,768,442)	(10,706,871)	(4,466,779)	(4,432,413)	(3,512,710)	(9,682,298)	(17,617,211)
Total other financing sources	<u>3,211,896</u>	<u>6,291,490</u>	<u>2,936,248</u>	<u>26,863,936</u>	<u>12,497,196</u>	<u>2,156,261</u>	<u>4,282,428</u>	<u>1,236,586</u>	<u>10,130,938</u>	<u>30,667,732</u>
Net change in fund balances	<u>\$ (5,058,184)</u>	<u>\$ 4,227,727</u>	<u>\$ 1,467,000</u>	<u>\$ (2,494,883)</u>	<u>\$ (16,549,903)</u>	<u>\$ (5,066,830)</u>	<u>\$ (6,145,129)</u>	<u>\$ 562,549</u>	<u>\$ 8,260,320</u>	<u>\$ 4,386,656</u>
Debt Service as a percentage of noncapital expenditures	25%	21%	18%	21%	24%	23%	21%	19%	19%	40%

Schedule 5

Park City Municipal Corporation, Utah

General Government Tax Revenues by Source (1)

Last Ten Fiscal Years

(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales and Use Tax</u>	<u>Franchise Tax</u>	<u>Resort Tax</u>	<u>Total</u>
2006	\$ 8,942,736	\$ 4,268,697	\$ 2,715,184	\$ 4,261,186	\$ 20,187,803
2007	8,968,068	4,352,388	2,529,915	5,155,164	21,005,535
2008	9,353,405	4,047,348	2,748,571	5,157,557	21,306,881
2009	9,148,584	3,881,142	2,720,272	4,709,483	20,459,481
2010	11,750,185	3,990,274	2,774,319	4,483,804	22,998,582
2011	13,217,398	3,966,554	2,906,982	3,022,250	23,113,184
2012	14,545,369	4,125,435	2,816,070	3,643,231	25,130,105
2013	14,601,807	4,187,472	3,037,407	3,461,728	25,288,414
2014	14,361,738	4,347,534	3,158,716	2,966,879	24,834,867
2015	14,590,197	4,731,904	3,061,207	2,676,858	25,060,166

Change:					
2006-2015	63.2%	10.9%	12.7%	-37.2%	24.1%

Note: (1) Includes general fund and debt service fund.

Schedule 6
Park City Municipal Corporation, Utah
Assessed Value of Taxable Property Excluding Fee-In-Lieu
Summit and Wasatch Counties Combined (1)
Last Ten Calendar Years
(in thousands of dollars)

<u>Calendar Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Miscellaneous Property</u>	<u>Total Assessed Value</u>	<u>Total Estimated Actual Value of Taxable Property</u>	<u>Total Direct Tax Rate</u>
2005	\$ 4,738,920	\$ 387,993	\$ 324,801	\$ 5,451,714	\$ 6,157,397	0.002349 %
2006	5,310,584	403,302	346,877	6,060,763	6,959,883	0.001983
2007	6,595,402	488,894	372,113	7,456,409	8,472,956	0.001674
2008	7,875,426	516,851	401,060	8,793,337	9,962,881	0.001779
2009	6,026,603	543,548	351,478	6,921,629	8,028,606	0.002148
2010	5,501,360	552,927	344,217	6,398,504	7,261,898	0.002130
2011	5,858,428	781,086	457,203	7,096,717	7,941,327	0.002236
2012	5,821,784	770,866	417,491	7,010,141	7,826,836	0.002197
2013	5,937,313	678,855	401,319	7,017,488	7,835,845	0.002131
2014	6,274,164	679,149	389,160	7,342,473	8,215,313	0.002067

Source: Utah State Tax Commission, Property Tax Division

Note: (1) Starting in 2013 the City uses the Utah State Tax Commission as the source to obtain more accurate information, data was updated for all years shown for comparison.

Schedule 7
Park City Municipal Corporation, Utah
Assessed Value of Taxable Property Including Fee-In-Lieu
Summit and Wasatch Counties Combined (2)
Last Ten Calendar Years
(in thousands of dollars)

Calendar Year		Residential Property		Commercial Property		Miscellaneous Property		Fee-In-Lieu Value		Total Assessed Value
2005	\$	4,738,920	\$	387,993	\$	324,801	\$	14,881	\$	5,466,595
2006		5,310,584		403,302		346,877		13,666		6,074,429
2007		6,595,402		488,894		372,113		14,397		7,470,806
2008		7,875,426		516,851		401,060		13,943		8,807,280
2009		6,026,603		543,548		351,478		11,815		6,933,444
2010		5,501,360		552,927		344,217		13,509		6,412,013
2011		5,858,428		781,086		457,203		12,755	(1)	7,109,472
2012		5,821,784		770,866		417,491		13,179		7,023,320
2013		5,937,313		678,855		401,319		13,820		7,031,308
2014		6,274,164		679,149		389,160		14,560		7,357,033

Source: Utah State Tax Commission, Property Tax Division

Notes: (1) The State's method of calculating the Fee-In-Lieu was changed in 2011, previous years were recalculated using the old formula
(2) Starting in 2013 the City uses Utah State Tax Commission as the source to obtain more accurate information, data was updated for all years shown for comparison.

Schedule 8
Park City Municipal Corporation, Utah
Taxable Retail Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Apparel stores	\$ 18,177	\$ 24,620	\$ 27,266	\$ 23,627	\$ 19,710	\$ 21,833	\$ 25,919	\$ 24,069	\$ 22,927	\$ 25,777
Food stores	45,617	47,386	50,148	66,801	60,784	60,269	64,592	67,066	56,238	57,809
Sporting goods, hobby, book and music	-	-	-	33,633 (1)	29,779	35,891	40,163	38,638	40,609	40,524
Home furnishings and appliances	13,545	15,126	15,073	13,717	12,363	21,785	21,745	20,849	12,394	12,730
Building materials and farm tools	24,894	29,142	25,252	7,008	4,871	2,735	2,704	2,819	3,654	3,652
Miscellaneous retail stores	64,944	72,966	73,907	28,323	23,798	26,427	26,894	27,985	25,884	29,162
All other outlets	<u>1,031</u>	<u>1,477</u>	<u>1,628</u>	<u>11,156</u>	<u>6,953</u>	<u>3,698</u>	<u>3,484</u>	<u>3,674</u>	<u>4,452</u>	<u>4,329</u>
Total	\$ <u>168,208</u>	\$ <u>190,717</u>	\$ <u>193,274</u>	\$ <u>184,265</u>	\$ <u>158,258</u>	\$ <u>172,638</u>	\$ <u>185,501</u>	\$ <u>185,100</u>	\$ <u>166,158</u>	\$ <u>173,983</u>
City direct sales tax rate	2.25 %	2.25 %	2.25 %	2.40 %	2.40 %	2.40 %	2.40 %	2.90 %	2.90 %	2.90 %

Source: Utah State Tax Commission website: Taxable Sales by Major City

Note: (1) 2008 - Sporting goods, hobby, book and music, previously classified in Miscellaneous retail stores, became a significant amount and was separated into a new category.

Schedule 9
Park City Municipal Corporation, Utah
Direct and Overlapping Property Tax Rates
Last Ten Calendar Years

Calendar Year	City Direct Rates			Overlapping Rates						Total Levy for Park City Residents
	General Obligation			Summit County Levy	State Assessment/ Collecting	Weber Basin Water	Park City Fire	Park City School	Summit Co. Mosquito Abatement	
	Basic Rate	Debt Service	Total Direct							
Tax Rate (per \$1 of taxable value)										
2005	0.001748	0.000601	0.002349	0.001170	0.000321	0.000193	0.001132	0.005494	0.000050	0.010709
2006	0.001493	0.000490	0.001983	0.001009	0.000247	0.000178	0.000963	0.005212	0.000044	0.009636
2007	0.001288	0.000386	0.001674	0.000846	0.000213	0.000200	0.000811	0.004302	0.000038	0.008084
2008	0.001125	0.000654	0.001779	0.000753	0.000182	0.000181	0.000846	0.003895	0.000034	0.007670
2009	0.001327	0.000821	0.002148	0.000746	0.000202	0.000188	0.000849	0.004018	0.000034	0.008185
2010	0.001389	0.000741	0.002130	0.000895	0.000228	0.000207	0.001070	0.004360	0.000040	0.008930
2011	0.001383	0.000853	0.002236	0.000924	0.000241	0.000217	0.001161	0.004405	0.000040	0.009224
2012	0.001431	0.000766	0.002197	0.000943	0.000239	0.000215	0.000987	0.004924	0.000041	0.009546
2013	0.001385	0.000746	0.002131	0.000909	0.000226	0.000210	0.000950	0.004630	0.000040	0.009096
2014	0.001248	0.000819	0.002067	0.000826	0.000222	0.000199	0.000907	0.004770	0.000038	0.009029

Source: Summit County property tax notices.

Note: The City's basic property tax rate may be increased only by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

Schedule 10**Park City Municipal Corporation, Utah
Direct and Overlapping Sales Tax Rate
Last Ten Calendar Years**

Calendar Year	City Direct Rate	Summit County	State of Utah	Total
2006	2.25 %	0.35 %	4.75 %	7.35 %
2007	2.25	0.35	4.75	7.35
2008	2.40	0.35	4.65	7.40
2009	2.40	0.35	4.70	7.45
2010	2.40	0.35	4.70	7.45
2011	2.40	0.35	4.70	7.45
2012	2.40	0.35	4.70	7.45
2013	2.90 (1)	0.35	4.70	7.95
2014	2.90	0.35	4.70	7.95
2015	2.90	0.35	4.70	7.95

Source: Utah State Tax Commission

Note: (1) Includes 0.50 percent Additional Resort Communities Sales and Use Tax implemented in fiscal year 2013.

Schedule 11
Park City Municipal Corporation, Utah
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Talisker Empire Pass Hotel LLC (Montage)	\$ 285,499,000	1	3.48 %	\$ -	-	- %
Marriott Ownership Resorts	114,504,078	2	1.39	114,504,078	1	3.04
VR CPC Holdings Inc. (Vail Resorts)	33,505,743	3	0.41	-	-	-
Deer Valley Resort	30,892,906	4	0.38	48,244,936	2	1.28
United Park City Mines	28,098,000	5	0.34	12,167,280	6	0.32
Chateaux at Silver Lake	21,521,376	6	0.26	-	-	-
Silver Lake Development Corp.	19,540,360	7	0.24	-	-	-
Residences at the Chateaux	16,000,000	8	0.19	-	-	-
Wasatch Retreat LLC	14,780,000	9	0.18	-	-	-
Wintzer Wolfe Properties	14,120,394	10	0.17	-	-	-
Mountain Developments Inc.	-	-	-	16,312,707	3	0.43
Madanas Family	-	-	-	14,485,982	4	0.39
POWdr Development	-	-	-	14,247,158	5	0.38
Qwest	-	-	-	11,400,575	7	0.30
George Stefanis	-	-	-	10,630,322	8	0.28
Spring Canyon Associates	-	-	-	9,988,980	9	0.27
PacifiCorp	-	-	-	8,756,011	10	0.23
Totals	\$ <u>578,461,857</u>		<u>7.04</u> %	\$ <u>251,982,018</u>		<u>6.92</u> %

Source: Summit County Treasurer and Park City Finance Department

Schedule 12
Park City Municipal Corporation, Utah
City Tax Revenue Collected by County
Last Ten Calendar Years

Tax Year End 12/31	Collected Within the Year of the Levy				Total Collections to Date		
	Original Levy (1)	Adjusted Levy	Amount (2)	Percent of Adjusted Levy	Collections in Subsequent Years	Amount (2)	Percent of Net Levy
<u>Summit County</u>							
2005	\$ 8,578,808	\$ 8,578,808	\$ 8,572,693	99.93 %	\$ 6,115	\$ 8,578,808	100.00 %
2006	9,179,147	9,173,475	8,550,050	93.20	623,425	9,164,100	99.90
2007	9,666,856	9,648,962	8,946,941	92.72	702,021	9,639,419	99.90
2008	9,714,765	9,682,178	8,972,113	92.67	710,065	9,674,827	99.92
2009	12,401,579	12,194,585	11,379,638	93.32	814,947	12,182,628	99.90
2010	12,984,657	12,918,445	12,060,672	93.36	857,773	12,899,839	99.86
2011	12,750,981	14,170,463	13,579,302	95.83	591,161	14,147,531	99.84
2012	14,655,626	14,480,342	13,275,742	91.68	1,204,600 (3)	14,453,551	99.81
2013	14,236,860	14,213,872	13,637,854	95.95	576,018	14,121,172	99.35
2014	14,445,661	14,441,587	13,714,698	94.97	-	13,714,698	94.97
<u>Wasatch County</u>							
2005	\$ 210,386	\$ 210,712	\$ 210,712	100.00 %	\$ -	\$ 210,712	100.00 %
2006	199,350	190,368	190,368	100.00	-	190,368	100.00
2007	173,621	166,911	166,911	100.00	-	166,911	100.00
2008	193,390	157,195	157,195	100.00	-	157,195	100.00
2009	346,442	287,560	287,560	100.00	-	287,560	100.00
2010	723,334	711,980	711,980	100.00	-	711,980	100.00
2011	568,568	521,424	521,424	100.00	-	521,424	100.00
2012	586,238	583,467	583,467	100.00	-	583,467	100.00
2013	608,641	605,996	605,996	100.00	-	605,996	100.00
2014	611,098	611,098	611,098	100.00	-	611,098	100.00

Source: Summit and Wasatch County Annual Financial Reports.

- (1) Excludes redevelopment agencies valuation.
- (2) Total Collection amounts do not include any fee-in-lieu payments.
- (3) Increase was due to miscoding, by Summit County, of a large portion of Flagstaff Annexation, which was corrected in calendar year 2013, and property taxes paid.

Schedule 13
Park City Municipal Corporation, Utah
Property Tax Levies and Collections (1)
Last Ten Calendar Years

Calendar Year Ended December 31,	Taxes Levied for the Calendar Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Calendar Year of the Levy			Amount	Percentage of Levy
		Amount	Percentage of Levy			
2005	\$ 8,789,520	\$ 8,783,405	99.93 %	\$ 6,115	\$ 8,789,520	100.00 %
2006	9,363,843	8,740,418	93.34	623,425	9,354,468	99.90
2007	9,815,873	9,113,852	92.85	702,021	9,806,330	99.90
2008	9,839,373	9,129,308	92.78	710,065	9,832,022	99.93
2009	12,482,145	11,667,198	93.47	814,947	12,470,188	99.90
2010	13,630,425	12,772,652	93.71	857,773	13,611,819	99.86
2011	14,691,887	14,100,726	95.98	591,161	14,668,955	99.84
2012	15,063,809	13,859,209	92.00	1,204,600 (2)	15,037,018	99.82
2013	14,819,868	14,243,850	96.11	576,018	14,727,168	99.37
2014	15,052,685	14,325,796	95.17	-	14,325,796	95.17

Source: Summit and Wasatch County Annual Financial Reports, and Park City Finance Department.

Notes:

- (1) Includes general fund and debt service fund.
- (2) Increase was due to miscoding, by Summit County, of a large portion of Flagstaff Annexation, which was corrected in calendar year 2013, and property taxes paid.

Schedule 14
Park City Municipal Corporation, Utah
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-type Activities					
	General Obligation Bonds (1)		Redevelopment Bonds	Sales Tax Increment Bonds (1)	Municipal Building Authority	Contracts Payable	Water Bonds (1)		Capital Leases	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
2006	\$ 18,570,000		\$ 4,320,000	\$ 18,870,000	\$ -	\$ 686,409	\$ 11,375,000	(3)	\$ 58,400	\$ 53,879,809	3.31 %	6,680
2007	17,175,000		3,930,000	17,000,000	-	637,889	10,856,000		-	49,598,889	2.67	6,098
2008	15,720,000		3,525,000	15,065,000	779,793	585,730	10,162,000		-	45,837,523	2.38	5,708
2009	36,015,000	(4)	3,100,000	13,235,000	2,102,298	529,660	9,443,000		-	64,424,954	2.97	8,073
2010	39,375,000	(6)	2,655,000	11,835,000	844,981	469,385	41,236,000	(5)	-	96,415,366	4.17	11,869
2011	36,135,000		-	11,915,000	(7) 244,981	404,589	39,677,000		-	88,376,570	3.87	11,635
2012	33,168,627		-	10,167,292	-	334,933	44,367,488	(8)	-	88,038,340	3.52	11,665
2013	29,701,426		-	8,994,028	-	2,760,053	46,853,772	(9)	-	88,309,279	3.17	11,466
2014	33,018,370	(10)	-	7,785,764	-	2,679,557	48,237,837	(11)	-	91,721,528	3.20	11,650
2015	29,298,159	(12)	-	24,334,866	(13) -	93,024	45,184,477		-	98,910,526	3.21	12,275

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Presented net of original issuance discounts and premiums.

(2) See Schedule 20 for personal income and population data.

(3) The City issued Water Revenue Bonds Series 2006 for \$4.45 million in fiscal year 2006.

(4) The City issued GO Bonds Series 2008 for \$10 million and Series 2009 for \$13.5 million in fiscal year 2009.

(5) The City issued Water Revenue Bonds Series 2009 and 2010 for \$37.9 million in fiscal year 2010.

(6) The City issued GO Bonds Series 2010 for \$8.0 million in fiscal year 2010.

(7) The City issued Sales Tax Bonds Series 2010 for \$1.5 million in fiscal year 2011.

(8) The City issued Water Revenue Bonds Series 2012 for \$4.2 million in fiscal year 2012.

(9) The City issued Water Revenue Bonds Series 2012B, 2013A and 2013B for \$8.6 million in fiscal year 2013.

(10) The City issued GO Bonds Series 2013 for \$9.1 million in fiscal year 2014.

(11) The City issued Water Revenue Bonds Series 2014 for \$4.1 million in fiscal year 2014.

The City issued General Obligation Bonds Series 2014 for \$3.385 million in fiscal year 2015.

The City issued Sales Tax Bonds Series 2014A for \$6.725 million, Series 2014B for \$5.375 million, and Series 2015 for \$11.6 million in fiscal year 2015.

Schedule 15
Park City Municipal Corporation, Utah
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt					Percentage of Actual Property Value (2)	Per Capita (3)
	General Obligation Bonds (1)	Redevelopment Bonds	Sales Tax Increment Bonds (1)	Contracts Payable	Total		
2006	\$ 18,570,000	\$ 4,320,000	\$ 18,870,000	\$ 686,409	\$ 42,446,409	0.69 %	\$ 5,262
2007	17,175,000	3,930,000	17,000,000	637,889	38,742,889	0.56	4,764
2008	15,720,000	3,525,000	15,065,000	585,730	34,895,730	0.41	4,346
2009	36,015,000	3,100,000	13,235,000	529,660	52,879,660	0.53	6,627
2010	39,375,000	2,655,000	11,835,000	469,385	54,334,385	0.68	6,689
2011	36,135,000	-	11,915,000	404,589	48,454,589	0.67	6,379
2012	33,168,627	-	10,167,292	334,933	43,670,852	0.55	5,787
2013	29,701,426	-	8,994,028	2,760,053	41,455,507	0.53	5,382
2014	33,018,370	-	7,785,764	2,679,557	43,483,691	0.55	5,523
2015	29,298,159	-	24,334,866	93,024	53,726,049	0.65	6,667

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) Presented net of original issuance discounts and premiums.
- (2) See Schedule 6 for property value data.
- (3) See Schedule 20 for population and personal income data.

Schedule 16
Park City Municipal Corporation, Utah
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable to Park City (1)</u>	<u>Estimated Amount Applicable to Park City</u>
Debt repaid with property taxes			
Summit County	\$ 675,000	44.50 %	\$ 300,375
Park City School District	3,795,000	53.90	2,045,505
Weber Basin Water Conservancy District	20,075,074	14.63	2,936,983
Other debt			
Summit County	14,354,000	44.50	6,387,530
Weber Basin Water Conservancy District	103,006,000	14.63	15,069,778
Subtotal, overlapping debt			26,740,171
City direct debt			53,726,049
Total direct and overlapping			\$ <u>80,466,220</u>

Sources: Summit County Annual Financial Report and Utah State Tax Commission, Property Tax Division.

Notes:

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Park City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Schedule 17
Park City Municipal Corporation, Utah
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 150,448,648	\$ 179,762,069	\$ 220,910,526	\$ 271,346,097	\$ 242,939,444	\$ 273,828,091	\$ 266,103,174	\$ 269,015,017	\$ 280,699,514	\$ 293,698,934
Total net debt applicable to limit	<u>18,570,000</u>	<u>17,175,000</u>	<u>15,720,000</u>	<u>36,015,000</u>	<u>39,375,000</u>	<u>36,135,000</u>	<u>33,168,627</u>	<u>29,701,426</u>	<u>33,018,370</u>	<u>29,298,159</u>
Legal debt margin	<u>\$ 131,878,648</u>	<u>\$ 162,587,069</u>	<u>\$ 205,190,526</u>	<u>\$ 235,331,097</u>	<u>\$ 203,564,444</u>	<u>\$ 237,693,091</u>	<u>\$ 232,934,547</u>	<u>\$ 239,313,591</u>	<u>\$ 247,681,144</u>	<u>\$ 264,400,775</u>
Total net debt applicable to the limit as a percentage of debt limit	12.34%	9.55%	7.12%	13.27%	16.21%	13.20%	12.46%	11.04%	11.76%	9.98%

Legal Debt Margin Calculation for Fiscal Year 2015

Total assessed value	\$ <u>7,342,473,351</u>
Debt limit - 4.0% of total assessed value	\$ 293,698,934
Amount of debt applicable to debt limits:	
General Obligation Bonds 2008, 2009, 2010A, 2010B, 2013A, 2013B, and 2014	29,298,159
Less: Amount available for repayment of general obligation bonds	<u>-</u>
Total net debt applicable to limit	<u>29,298,159</u>
Legal debt margin	\$ <u>264,400,775</u>

Notes: Under Utah State Law, Park City 's outstanding general obligation debt should not exceed 4.0 percent of total assessed property value.
The general obligation debt subject to the limitation may be offset by resources set aside for the repayment of the principal that are externally restricted.

Schedule 18
Park City Municipal Corporation, Utah
Pledged-Revenue Coverage
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Sales Tax Increment Bonds</u>				
	<u>Sales Tax Increment</u>	<u>Debt Service</u>		<u>Coverage</u>	
		<u>Principal</u>	<u>Interest</u>		
2006	\$ 8,529,883	\$ 1,130,000	\$ 837,355	4.3	
2007	9,507,552	1,870,000	723,150	3.7	
2008	9,204,905	1,935,000	667,162	3.5	
2009	8,590,625	1,830,000	597,787	3.5	
2010	8,474,078	1,400,000	528,962	4.4	
2011	6,988,804	1,445,000	501,680	3.6	
2012	7,768,666	1,785,000	465,813	3.5	
2013	7,649,200	1,165,000	401,587	4.9	
2014	7,314,413	1,200,000	359,863	4.7	
2015	7,408,762	8,350,000	383,012	0.8	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See Schedule 19 for information on water revenue bond coverage.

Schedule 19
Park City Municipal Corporation, Utah
Water Fund Refunding and Revenue Bonds
Schedule of Net Revenues to Aggregate Debt Service
As of June 30, 2015

		Coverage Ratio	
		<u>Actual</u>	<u>Minimum</u>
Net revenues (change in net position)	\$ 5,862,508		
Add			
Excluded transfer to general fund	1,388,540		
Depreciation and amortization	2,814,847		
Bond interest expense	1,464,867		
Revenues pledged to debt	11,530,762	2.71	1.20

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009A Water Bonds-DEQ	\$ 125,000	\$ 2,500	\$ 127,500
2009B Water Revenue and Refunding Bonds	1,525,000	238,686	1,763,686
2009C Water Revenue Bonds	-	512,592	512,592
2010 Water Revenue Bonds	700,000	330,667	1,030,667
2012 Water Revenue Bonds	230,000	89,703	319,703
2012B Water Revenue and Refunding Bonds	-	118,623	118,623
2013 A and B Water Revenue and Refunding Bonds	210,000	54,305	264,305
2014 Water Revenue Bonds	-	117,791	117,791
	<u>\$ 2,790,000</u>	<u>\$ 1,464,867</u>	<u>\$ 4,254,867</u>

Less water development fees and capital contributions collected in fiscal year 2015

(3,749,226)

Net revenues less development fees and capital contributions

\$ 7,781,536 1.83 1.00

Year	Net Revenue (Loss)	Gross Revenues (Less Development Fees) Available for Debt Service	Total Debt Service	Coverage	Gross Revenue Available for Debt Service	Debt	Coverage
2006	\$ 2,096,796	\$ 2,457,076	\$ 789,905	3.11	\$ 4,188,674	\$ 789,905	5.30
2007	3,697,651	2,580,530	942,918	2.74	5,894,276	942,918	6.25
2008	1,775,543	3,071,985	1,101,246	2.79	4,476,691	1,101,246	4.07
2009	2,394,583	2,105,634	1,101,423	1.91	4,809,939	1,101,423	4.37
2010	(863,388)	1,544,407	849,263	1.82	2,159,954	849,263	2.54
2011	372,687	3,408,046	3,004,182	1.13	3,856,339	3,004,182	1.28
2012	928,730	4,262,970	3,000,782	1.42	4,765,325	3,000,782	1.59
2013	2,256,909	6,115,611	4,069,154	1.50	6,827,075	4,069,154	1.68
2014	3,644,383	6,603,287	4,124,483	1.60	8,314,345	4,124,483	2.02
2015	5,862,508	7,781,536	4,254,867	1.83	11,530,762	4,254,867	2.71

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Schedule 20
Park City Municipal Corporation, Utah
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (thousands of dollars)(1)	Per Capita Personal Income (1)	Median Age	School Enrollment	Unemployment Rate (1)
2006	8,066	\$ 1,626,716	\$ 47,933	32.7	4,411	4.0 %
2007	8,133	1,854,400	52,981	34.0	4,336	2.2
2008	8,030	1,927,700	60,411	33.3	4,443	3.5
2009	7,980	2,171,400	60,233	34.6	4,477	6.0
2010	8,123	2,311,000	63,832	35.5	4,563	7.1
2011	7,596	2,281,691	61,719	37.4	4,351	6.6
2012	7,547	2,503,395	68,524	35.7	4,400	6.0
2013	7,702	2,730,934	72,643	37.4	4,421	4.0
2014	7,873	2,944,020	77,468	34.9	4,630	3.1
2015	8,058	3,177,339	82,558	38.8	4,739	3.2

Notes: (1) Applies to Summit County.

Sources:

Utah Department of Workforce Services
Park City School District
Park City Chamber & Visitors Bureau
Summit County Annual Financial Reports

Schedule 21
Park City Municipal Corporation, Utah
Principal Employers
Current Year and Nine Years Ago

Employer		2015 (1)				2006 (2)			
		Yearly Maximum Employees	Yearly Minimum Employees	Rank	Percentage of Total City Employment(3)	Yearly Maximum Employees	Yearly Minimum Employees	Rank	Percentage of Total City Employment(3)
VR CPC Holdings Inc. (Vail Resorts)	(4)	2,844	1,026	1	22.28 %	950	70	2	6.33 %
Royal Street of Utah ET AL (Deer Valley Resort)		2,790	784	2	21.86	1,962	191	1	13.07
Park City School District		710	666	3	5.56	763	500	4	5.08
Stein Eriksen Lodge		541	529	4	4.24	499	250	6	3.32
Park City Municipal Corporation		541	464	5	4.24	827	668	3	5.51
IHC/Park City Surgical Center		499	250	6	3.91	-	-	-	-
Montage Hotels & Resorts, LLC		499	250	7	3.91	-	-	-	-
All Seasons Resorts		499	250	8	3.91	-	-	-	-
Hotel Park City		249	100	9	1.95	-	-	-	-
Resort Express, Inc.		249	100	10	1.95	-	-	-	-
U.S. Ski & Snow Board Association		249	100	11	1.95	-	-	-	-
Fresh Market (Albertson's)		249	100	12	1.95	249	100	8	1.66
Jan's Mountain Outfitters		249	100	13	1.95	250	100	7	1.67
Marriott Resorts		-	-	-	-	129	129	9	1.66
Premier Resorts of Utah		-	-	-	-	600	300	5	4.00
Dan's Foods		-	-	-	-	100	85	10	0.67
Total		9,670	4,519		79.65 %	6,329	2,393		40.64 %

Note: (1) Current numbers are from respective employers and Department of Workforce State of Utah.
(2) Prior Year Numbers are from Summit County and Department of Workforce State of Utah.
(3) Percentage is based on the maximum number of employees in the range.
(4) Information provided is Countywide.

Schedule 22
Park City Municipal Corporation, Utah
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Full-time Equivalent Employees									
General government										
Executive	3.0	3.0	4.0	3.5	4.5	4.5	5.1	5.5	5.1	4.0
Finance	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.7	6.7
Human resources	5.6	7.0	7.0	7.0	7.0	6.9	6.9	5.3	5.1	5.1
Budget, debt and grants	3.3	3.3	3.3	3.0	2.0	2.0	2.0	1.3	3.0	3.3
Planning	6.5	7.5	6.0	7.0	7.0	6.0	7.0	7.0	8.0	9.0
Building	14.8	14.8	15.8	15.8	15.8	14.8	13.0	13.0	13.0	15.0
Engineering	3.0	2.5	2.5	2.5	3.0	3.0	2.8	2.7	2.8	2.8
Legal	7.1	6.8	7.8	7.8	7.8	7.8	7.8	7.0	7.0	7.0
Sustainability	-	-	-	-	6.0	(1) 6.0	9.8	9.7	10.9	11.3
I.T.	-	-	-	-	-	9.8	(2) 9.8	10.8	9.5	9.5
Other	21.1	19.3	22.8	23.3	14.9	5.5	5.0	5.1	5.0	6.0
Public safety										
Police	32.1	32.6	34.8	34.8	35.2	34.9	34.0	33.9	34.6	34.0
Communication center	8.5	8.5	9.0	9.0	10.0	10.0	10.0	10.4	10.4	10.4
Other	1.4	1.4	1.2	1.2	1.4	1.5	1.5	1.5	1.5	1.5
Public works										
Transit	55.4	62.5	63.5	73.8	76.3	81.8	82.5	82.9	80.8	77.2
Fleet services	8.8	8.8	8.8	8.5	8.0	8.0	8.0	8.0	8.0	9.4
Parking	-	-	-	-	-	-	-	-	7.8	(3) 8.0
Street maintenance	16.0	15.8	15.8	15.6	16.7	17.5	17.5	17.5	17.4	17.3
Parks and cemetery	19.9	18.1	18.8	18.8	17.2	17.3	18.8	18.2	18.2	18.6
Administration	2.5	2.5	2.5	2.5	2.5	-	-	-	-	-
Other	11.7	16.2	11.1	10.9	10.7	9.6	9.6	9.6	9.0	9.0
Library and recreation										
Library	11.6	11.6	11.2	11.2	11.2	11.2	11.4	11.4	11.4	11.4
Golf	7.2	7.0	7.0	6.8	6.3	5.7	5.5	5.4	5.2	6.0
Recreation	25.9	26.2	27.8	28.1	28.3	27.4	27.3	29.9	29.7	28.2
Tennis	7.1	7.0	6.0	7.7	7.7	6.9	7.4	7.9	4.0	4.7
Ice	-	5.5	10.2	10.4	11.4	11.0	11.0	9.0	8.4	11.4
Water										
Water billing	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Water operations	14.0	15.3	15.3	16.5	17.5	17.5	17.6	21.9	21.9	23.0
Total	294.3	310.5	320.0	333.5	336.2	334.4	339.1	342.7	345.1	349.4

Source: Park City Budget Department

A full-time employee is scheduled to work 2,080 hours per year (including vacation). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

- (1) In 2010 the Sustainability Department was taken out of other and listed individually.
(2) In 2011 the IT Department was taken out of other and listed individually.
(3) In 2014 the Parking Department was added, until that time it had been outsourced.
(4) In 2015 Water Billing was combined with Water Operations.

Schedule 23

Park City Municipal Corporation, Utah
Population Statistics

Census:	Calendar <u>Year</u>	Park City <u>Population</u>	Percent Change from <u>Prior Period</u>	Summit County <u>Population</u>	Percent Change from <u>Prior Period</u>
	1950	2,254	- %	6,745	- %
	1960	1,366	(39.40)	5,673	(15.89)
	1970	1,193	(12.66)	5,879	3.63
	1980	2,823	136.63	10,198	73.46
	1990	4,430	56.93	15,518	52.17
	2000	6,500	46.73	29,736	91.62
	2005	7,882	5.40	34,073	-
	2006	8,066	2.33	36,871	8.21
	2007	8,133	0.83	37,461	1.60
	2008	8,030	(1.27)	38,412	2.54
	2009	7,980	(0.62)	39,951	4.01
	2010	8,123	1.79	40,451	1.25
	2011	7,596	(6.49)	36,324	(10.20)
	2012	7,702	1.40	37,208	2.43
	2013	7,873	2.22	38,003	2.14
	2014	8,058	2.35	39,105	2.90

Age distribution of 2014 population:

Age	Number	Percent
Under 5 Years	525	6.52 %
5-14	808	10.03
15-24	1,012	12.56
25-34	1,210	15.02
35-44	942	11.69
45-54	1,242	15.41
55-64	1,361	16.89
65-74	634	7.87
75 and over	324	4.02
	8,058	100.00 %

Median age: 38.8

Sources: U.S. Census Bureau, 2009-2013 American Community Survey
Utah Department of Workforce Services
Park City Chamber & Visitors Bureau

Schedule 24**Park City Municipal Corporation, Utah****Transient Room Capacity as a Percentage of Population****Last Ten Fiscal Years**

Fiscal Year	Transient Room Capacity	Park City Population	Resort Percentage	
2006	27,779	8,066	344	%
2007	26,521	8,133	326	
2008	26,595	8,030	331	
2009	26,595	7,980	333	
2010	26,736	8,123	329	
2011	27,178	7,596	358	
2012	27,178	7,547	360	
2013	28,275	7,702	367	
2014	28,275	7,873	359	
2015	28,275	8,058	351	

Sources: Park City Chamber/Visitor Bureau, May 2015

Schedule 25

Park City Municipal Corporation, Utah

Historical Pledged Taxes

Last Ten Fiscal Years

Fiscal Year		Pledged Sales & Use Taxes	% Change From Prior Year		Pledged Resort Tax (1)	% Change From Prior Year		Total Pledged Taxes	% Change From Prior Year
2006	\$	4,268,697	9.7 %	\$	4,261,186	7.7 %	\$	8,529,883	8.7 %
2007		4,352,388	2.0		5,155,164	21.0		9,507,552	11.5
2008		4,047,348	(7.0)		5,157,557	0.05		9,204,905	(3.2)
2009		3,881,142	(4.1)		4,709,483	8.7		8,590,625	(6.7)
2010		3,990,274	2.8		4,483,804	(4.8)		8,474,078	(1.4)
2011		3,966,554	(0.6)		5,022,250	12.0		8,988,804	6.1
2012		4,125,435	4.0		5,443,231	8.4		9,568,666	6.5
2013		4,187,472	1.5		5,561,728	2.2		9,749,200	1.9
2014		4,347,534	3.8		9,151,788 (2)	64.5		13,499,322	38.5
2015		4,731,904	8.8		10,066,040	10.0		14,797,944	9.6

Notes: (1) Pledged Resort Taxes reflect revenue figures equal to 75.0 percent of the total revenues collected pursuant to the City's levy of the 1.1 percent Resort Communities Tax (comprising the Pledged Resort Taxes). The City has previously earmarked 25.0 percent of the total of such revenues to transit-related projects and improvements.

(2) The 0.50 percent Additional Resort Communities Sales and Use Tax implemented in fiscal year 2013, went into effect in fiscal year 2014.

Schedule 26
Park City Municipal Corporation, Utah
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Physical arrests	618	627	521	528	577	583	468	616	623	516
Parking citations	1,207	1,358	771	568	295	102	342	326	219	282
Traffic citations	1,400	1,052	1,980	2,546	2,044	1,984	963	950	904	454
Public works										
Street resurfacing (tons of asphalt)	4,650	3,026	3,636	3,301	3,810	5,500	4,616	4,616	5,133	5,526
Potholes repaired	150	200	200	200	250	275	235	230	240	210
Water										
Number of customers	4,805	4,918	5,059	5,095	5,122	5,161	5,171	5,180	5,203	5,226
New connections	96	143	141	80	27	26	10	22	37	42
Water main breaks	18	11	21	10	10	10	23	12	12	15
Average daily consumption (Tgal)	4,381	4,713	4,312	4,390	4,119	4,152	4,915	4,822	4,660	4,430
Peak daily consumption (Tgal)	8,626	8,446	8,907	8,682	8,527	8,120	8,529	8,873	8,820	7,786
Average monthly billings (3/4" meter)	46.15	46.40	46.87	47.99	54.68	54.82	57.61	82.51	86.22	88
Residential billing rates										
Base rate (per 3/4" meter)	15.55	16.17	16.82	20.86	23.36	25.23	28.26	33.35	39.35	44
Base rate (per 1" meter)	21.00	21.84	22.71	28.16	31.54	34.06	45.02	45.02	53.12	59
Base rate (per 1-1/2" meter)	24.89	25.89	26.93	33.39	37.40	40.39	53.38	53.38	62.99	71
Rate per Tgal (winter months only)	1.94	2.83	2.94	3.65	4.09	4.42	5.84	5.84	6.89	8
Commercial billing rates										
Base rate (per 3/4" meter)	20.22	21.03	21.87	27.12	30.37	32.80	43.35	43.35	51.15	57
Base rate (per 1" meter)	34.21	35.58	37.00	45.88	51.39	55.50	73.35	73.35	86.55	97
Base rate (per 1-1/2" meter)	73.09	76.01	79.05	98.02	109.78	118.56	156.69	156.69	184.89	207
Base rate (per 2" meter)	152.40	158.50	164.84	204.40	228.93	247.24	326.75	326.75	385.57	432
Base rate (per 3" meter)	396.58	412.44	428.94	531.89	595.72	643.38	850.30	850.30	1,003.35	1,124
Base rate (per 4" meter)	720.06	748.86	778.81	965.72	1,081.61	1,168.14	1,543.82	1,543.82	1,821.71	2,040
Base rate (per 6" meter)	1,357.69	1,411.99	1,468.47	1,820.90	2,039.41	2,202.56	2,910.19	2,910.19	3,434.02	3,846
Base rate (per 8" meter)	2,337.47	2,430.96	2,528.20	3,134.97	3,511.17	3,792.06	5,011.59	5,011.59	5,913.67	6,623
Rate per 1,000 gallons	2.72	2.83	2.94	3.65	4.09	4.42	5.84	5.84	6.89	8
Building activity										
Building permits issued	1,186	1,197	911	895	845	903	984	1,615	1,432	1,289
Number of residential units	220	276	136	286	30	17	24	40	51	119
Residential value (in thousands)	70,340	109,477	50,672	40,621	13,724	9,429	15,673	21,260	40,646	64,102
Commercial value (in thousands)	36,950	3,151	18,414	8,369	-	8,929	198	173	14,420	17,951
Parks and recreation										
Racquet club passes	2,370	2,586	2,604	2,528	2,263	1,368 (1)	3,304 (2)	5,037	7,038	7,893
Golf rounds	29,575	28,130	27,450	30,202	25,912	25,852	29,282	30,151	30,887	29,269
Library										
Total volumes borrowed	72,155	79,814	80,970	83,545	85,655	89,174	93,626	91,955	79,709 (3)	54,262 (3)
Circulation per capita	9	10	10	10	11	12	12	12	10	7
Transit										
Total route miles	931,050	1,014,607	1,041,987	1,033,806	1,075,422	1,051,995	1,111,456	1,113,567	1,116,067	986,500
Passengers	1,815,558	1,941,431	2,153,102	1,956,770	1,857,947	1,965,455	1,934,382	1,882,533	1,823,459	1,701,758

Sources: Various City departments.

Notes: Indicators are not available for the general government function.

(1) Significant decrease in Racquet club passes, was due to the relocation of the Racquet Club to temporary facilities, during the construction of a new facility.

(2) New PC MARC facility opened in December 2011, resulting in a large increase in pass sales.

(3) Significant decrease in Library total volumes borrowed and circulation per capita in 2014 and 2015, was due to the relocation of the Library to temporary facilities, during the renovation of existing facility.

Schedule 27
Park City Municipal Corporation, Utah
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Area (sq. miles)	13	13	13	18	18	18	18	18	18	20
Police station	1	1	1	1	1	1	1	1	1	1
Transit buses	33	30	29	29	40	37	36	36	36	37
Public works										
Streets (lane miles)	111	124	127	111 (1)	111	111	111	111	126	126
Street lights	523	530	542	530 (1)	530	530	545	545	712	712
Water										
Fire hydrants	975	975	1,023	1,040	1,056	1,100	1,105	1,105	1,105	1,081
Water mains (miles)	110	110	117	119	127	130	131	132	135	137
Storage capacity (Tgal)	11,650	13,650	14,650	14,650	14,650	14,650	14,650	13,650	13,650	13,650
Recreation and culture										
Acreage	199	220	220	220	223	223	223	223	223	223
Parks	36	37	37	38	40	40	40	40	40	40
Covered picnic areas	4	4	4	4	4	4	4	4	4	4
Tennis courts	13	13	13	13	9	9	13	13	14	14
Soccer fields	4	6	6	6	6	6	6	6	6	6
Baseball diamonds	7	10	10	10	10	10	10	10	10	10
Library	1	1	1	1	1	1	1	1	1	1
Volumes in library	55,645	58,103	55,902	64,474 (2)	67,626	71,164	82,291	74,071	85,138	97,160
Golf course	1	1	1	1	1	1	1	1	1	1
Ice Rink	1	1	1	1	1	1	1	1	1	1

Sources: Various City departments.

Notes: Fire protection is provided by the Park City Fire District.

(1) The City changed the way they track streets and street lights, resulting in a more accurate number.

(2) Beginning in Fiscal Year 2009 the Library volumes includes books, audio tapes, and videos.

Schedule 28
Park City Municipal Corporation, Utah
Schedule of Insurance in Force
As of June 30, 2015

<u>COMPANY & COVERAGE TYPE, POLICY #</u>	<u>LIMITS</u>	<u>EXPIRATION</u>	<u>PREMIUM</u>	<u>DEDUCTIBLE</u>
AFFILIATED FM	\$ 124,002,000	1/1/2016	\$ 174,198	
(Property Coverage) SF266				
All other Perils				\$ 10,000
Flood				500,000
Earthquake				100,000
Boiler				10,000
Machinery				10,000
Motor Vehicles				1,000,000
ST. PAUL/TRAVELERS				
(Crime Policy) 105540277		1/1/2016	\$ 3,600	
Employee Theft - Per Loss Limit	\$ 525,000			\$ 10,000
Forgery or Alteration	500,000			10,000
Money & Securities (In & Outside)	25,000			10,000
Computer Fraud	500,000			10,000
Funds Transfer Fraud	500,000			10,000
WORKERS COMPENSATION FUND	\$ 1,000,000	1/1/2016	\$ 206,462	\$ -
(Workers Compensation) 1638608				
STATES RISK RETENTION GROUP				
(Liability) SEL3015712	\$ 5,000,000	1/1/2016	\$ 144,182	\$ 250,000
(General Liability, Automobile Liability, Employment Practice Liability, Law Enforcement Liability and Public Officials Errors & Omission Liability)				
BEAZLEY				
(Cyber Insurance) W1476D150201	\$ 5,000,000	1/1/2016	\$ 39,672	\$ 100,000
Information Security & Privacy Insurance				

Schedule 29
Park City Municipal Corporation, Utah
Five-Year Financial Summaries
Last Five Fiscal Years

	Fiscal Year Ended June 30				
	2015	2014 (2)	2013	2012 (2)	2011
ASSETS					
Cash, cash equivalents and investments held by city	\$ 74,908,660	\$ 73,540,217	\$ 64,485,816	\$ 59,281,727	\$ 62,312,830
Cash, cash equivalents and investments held by fiscal agent	10,554,094	5,104,820	7,216,764	4,793,982	8,405,935
Restricted cash, cash equivalents and investments, other	7,418,529	6,866,835	661,306	1,095,260	5,991,890
Receivables:					
Taxes	20,631,203	20,432,310	19,917,948	19,561,554	19,820,736
Accounts	2,166,238	2,785,397	3,144,039	6,482,744	1,985,972
Notes receivable	320,284	1,578,341	5,102,467	5,098,452	2,114,564
Inventories	927,978	1,036,104	991,256	987,743	482,352
Prepays	515,520	510,634	576,195	462,609	13,333
Capital assets not being depreciated:					
Land and building held for resale	-	-	-	-	5,500,610
Land and water rights	130,034,390	121,920,236	118,270,236	114,288,596	114,288,596
Construction in progress	13,018,693	8,791,078	5,014,332	1,859,326	28,632,404
Art	710,570	710,570	693,570	602,460	479,271
Capital assets (net of accumulated depreciation):					
Buildings	43,670,618	39,400,441	39,930,136	41,341,050	23,522,721
Improvements other than buildings	67,613,413	67,054,006	64,429,548	64,536,753	52,773,583
Vehicles and equipment	16,123,836	15,585,814	16,920,781	18,214,619	11,104,322
Infrastructure	25,053,552	26,782,596	26,346,422	27,786,910	23,400,034
Intangibles	5,691,867	5,506,939	5,498,064	5,532,368	5,004,772
Net pension assets	22,838	-	-	-	-
Unamortized bond issuance costs	-	-	- (1)	- (1)	1,121,118
Total assets	419,382,283	397,606,338	379,198,880	371,926,153	366,955,043
Deferred outflows of resources					
Deferred charge on refunding	15,227	22,977	30,727 (1)	38,477 (1)	-
Deferred outflows of resources related to pensions	1,597,998	1,228,149 (3)	-	-	-
Total deferred outflows of resources	\$ 1,613,225	\$ 1,251,126	\$ 30,727	\$ 38,477	\$ -
LIABILITIES					
Accounts payable	\$ 4,813,660	\$ 4,806,266	\$ 2,921,491	\$ 2,839,106	\$ 4,450,413
Accrued liabilities	2,707,660	2,836,990	2,674,816	2,680,257	3,021,186
Long-term debt due within one year:					
Compensated absences	391,979	391,796	363,362	366,127	374,219
Contracts payable	93,024	2,586,533	80,496	74,880	69,656
General obligation bonds	3,215,000	3,655,000	3,520,000	3,425,000	3,325,000
Revenue bonds	4,690,000	4,040,000	3,910,000	3,752,000	3,620,981
Unearned revenues	-	-	-	-	17,546,341
Long-term debt due in more than one year:					
Compensated absences	616,886	491,221	442,171	435,239	407,809
General obligation bonds	26,083,159	29,363,370	26,181,426	29,743,627	33,210,828
Contracts payable	-	93,024	2,679,557	260,053	334,933
Revenue bonds	64,829,343	51,983,601	51,937,800	50,782,780	50,242,352
Net pension liability	6,596,256	8,196,954 (3)	-	-	-
Total liabilities	114,036,967	108,444,755	94,711,119	94,359,069	116,603,718
Deferred inflows of resources					
Property taxes	17,553,354	17,437,568	16,973,817 (1)	17,012,000 (1)	-
Deferred gain on refunding	529,450	-	-	-	-
Deferred inflows of resources related to pensions	1,049,810	-	-	-	-
Total deferred inflows of resources	19,132,614	17,437,568	16,973,817	17,012,000	-
NET POSITION					
Net investment in capital assets	220,380,226	208,942,336	200,625,551	192,939,010	185,157,637
Restricted for:					
Water development	-	-	-	449,859	2,213,200
Capital projects	12,779,745	6,882,935	3,191,412	1,262,141	8,395,404
Debt service	5,192,878	5,088,720	4,686,658	4,177,242	3,789,221
Other	47,201	46,402	47,776	36,517	31,258
Unrestricted	49,425,877	52,014,749	58,993,274	61,728,792	50,764,605
Total net position	287,825,927	272,975,142	267,544,671	260,593,561	250,351,325
Total liabilities and deferred inflows of resources and net position	\$ 420,995,508	\$ 398,857,465	\$ 379,229,607	\$ 371,964,630	\$ 366,955,043

Source: Information extracted from the City's fiscal years ended June 30, 2011 through 2015 general purpose financial statements.

Notes: (1) GASB 63 and 65 implemented FY 2013

(2) Restated

(3) FY 2015 - Implemented GASB 68, Accounting and Financial Reporting for Pensions, required restatement of FY 2014.

**SINGLE AUDIT, INTERNAL
CONTROL AND
COMPLIANCE REPORTS**

Park City Municipal Corporation, Utah
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor Agency or Pass Through Entity	Federal CFDA Number	Grant Number	2015 Expenditures
U.S. Department of Transportation			
Pass Through Utah Department of Transportation			
Nonurbanized Area Formula Program	20.509	UT-10-8615	\$ 918,955
Nonurbanized Area Formula Program	20.509	UT-11-9687	684,035
Nonurbanized Area Formula Program	20.515	CPG0100(006)	28,000
		Subtotal	<u>1,630,990</u>
Department of Homeland Security			
Pass Through Utah Department of Public Safety			
Emergency Management Performance Grant	97.042	EMPG-2014-DEM-047	6,250
Pass Through Summit County			
State Homeland Security Pass Through Grant FY13	97.042		4,571
		Subtotal	<u>10,821</u>
U.S. Department of Agriculture			
Conservation Reserve Program	10.069	UT- 49043-189	<u>1,044</u>
U.S. Department of Justice			
Pass Through Utah Office for Victims of Crime			
Victim of Crime Act (VOCA) Grant	16.017	14-VOCA-44	24,285
Bulletproof Vest Partnership Program	16.607	BJA-FY2011-RF	1,951
Justice Assistance Grant (JAG) - Block Grant	16.738	14A154	7,500
		Subtotal	<u>33,736</u>
U.S. Department of Interior/National Parks Service			
Pass Through Utah Department of Community and Culture			
Historic Preservation Grant	15.904	0930HSTY0010	<u>3,047</u>
Environmental Protection Agency			
State and Tribal Assistance Grant (STAG)	66.202	XP-98890201-5	628,826
State and Tribal Assistance Grant (STAG)	66.202	XP-98888001-5	816,403
		Subtotal	<u>1,445,229</u>
Total Federal Awards			\$ <u>3,124,867</u>

Park City Municipal Corporation, Utah
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Note 1. Reporting Entity

The accompanying supplementary schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Park City Municipal Corporation (the City). The reporting entity is defined in Note A to the basic financial statements. The schedule includes federal financial assistance received directly from federal agencies as well as passed through other government agencies.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City. Expenditures passed through to subrecipients are presented on the cash basis of accounting and all other expenditures are presented on the accrual basis of accounting.

The information in the schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Park City Municipal Corporation, Utah
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015**

Section I - Summary of Auditors' Results:

Financial Statements:

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements?	None reported

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	None reported

Identification of major programs:

CFDA Number	20.509
Name of Federal Program or Cluster	U.S. Department of Transportation, Formula Grants for Rural Areas
Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States

None reported

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)

None reported

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Members of the City Council
Park City Municipal Corporation, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park City Municipal Corporation (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 10, 2015.

Internal Control over Financial Reporting. In planning and performing our audit of the basic financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the City in a separate letter dated December 10, 2015.

Purpose of this Report. The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Salt Lake City, Utah
December 10, 2015

DRAFT

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Members of the City Council
Park City Municipal Corporation, Utah

We have audited the compliance of the Park City Municipal Corporation (the City) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2015. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility. The City's management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility. Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Major Federal Program. In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the City's major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance. The City's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133. We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 10, 2015, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Salt Lake City, Utah
December 10, 2015

Independent Auditors' Report on Compliance and on Internal Control over Compliance in Accordance with the *State Compliance Audit Guide*

To the Honorable Mayor and Members of the City Council
Park City Municipal Corporation

Report on Compliance with General State Compliance Requirements and for Each Major State Program

We have audited Park City Municipal Corporation's (the City) compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Enterprise Fund Transfers
- Tax Levy Revenue Recognition
- Open and Public Meetings Act
- Conflicts of Interest
- Nepotism

The City did not have any state funding classified as a major program for the year ended June 30, 2015.

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City or its major state programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in our letter to management dated December 10, 2015. Our opinion on compliance is not modified with respect to these matters.

The City's response to the instances of noncompliance identified in our audit is described in our letter to management dated December 10, 2015. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted matters involving internal control over compliance which we are submitting for your consideration. These matters are described in our letter to management dated December 10, 2015.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards as Required by the *State Compliance Audit Guide*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 10, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Salt Lake City, Utah
December 10, 2015

Park City Municipal Corporation, Utah
Schedule of Expenditures of State Awards
For the Year Ended June 30, 2015

State Agency	Description	Date Last Audited	2015 Expenditures
Utah Department of Public Safety			
Alcohol and Drug Grants Committee	Police DUI Overtime		\$ 603
	Camera Reimbursement		5,000
	Subtotal		<u>5,603</u>
Department of Heritage and Arts			
State Library Division	USL15-0016 MOU Utah State Library Lender Support		6,547
	Community Library Enhancement Fund		5,497
	Subtotal		<u>12,044</u>
Governor's Office of Economic Development			
Park City Main Street Improvements - HB 377	14-2002 HB 377 Transportation Funding Modifications -	2014	2,029,980
	Main Street Improvements		
Utah Department of Transportation			
B & C Road Funds	Class B & C Road Funds	2015	343,215
Utah Department of Alcoholic Beverage Control			
State Liquor Funds	State Liquor Funds		60,615
Utah Department of Health			
Tobacco Prevention and Control Program	Special Revenue Tobacco Compliance		<u>1,000</u>
Total State Awards			<u><u>\$ 2,452,457</u></u>



DATE: December 10, 2015

TO HONORABLE MAYOR AND COUNCIL

The attached Exhibit A lists all Type 2 Convention Sales License applicants to date pending approval. These applicants have obtained a pre-inspection prior to application (PIPA), provided a site/floor plan stamped by a design professional with occupant load and paid the applicable license fee. Staff is requesting approval of the attached applicants to conduct business during the 2016 Sundance Film Festival.

Respectfully:

Michelle Kellogg, City Recorder

City Council Staff Report



Subject: Council Approval of Type 2 Convention Sales Licenses
Author: Beth Roberts, Business License Specialist
Department: Finance
Date: December 10, 2015
Type of Item: Legislative

Recommendations:

Approval of the Type 2 CSL applications listed in Exhibit A subject to final inspection post application (FIPA)

Executive Summary:

The attached Exhibit A lists all Type 2 Convention Sales License applicants to date pending approval. These applicants have obtained a pre-inspection prior to application (PIPA), provided a site/floor plan stamped by a design professional with occupant load and paid the applicable license fee. Staff is requesting approval of the attached applicants to conduct business during the 2016 Sundance Film Festival (Festival).

Acronyms:

City – Park City Municipal Corporation
CSL – Convention Sales License
Festival – Sundance Film Festival
FIPA – Final inspection post application
MFL – Master Festival License
PIPA – Pre-inspection prior to application
Type 2 – A type of CSL for operation during the Festival

Topic/Description:

To approve Type 2 CSL applications listed in Exhibit A during the Festival.

Background:

The Sundance Film Festival brings with it an increasing number of non-Master Festival License (MFL) affiliated businesses to conduct business within the Park City (City) limits on a short-term basis. The increase has created health, safety and wellness concerns for the City and its residents, including the City's ability to provide basic Police, safety and emergency services. The numbers of various non-MFL affiliated licenses being applied for inundates the Finance Department with license applications in the final days just before the Festival starts. Type 2 CSL applications can be submitted until January 7, 2016 to be heard at regularly scheduled City Council meetings. Council may choose to hold a Special Meeting for applications received between January 8th and 13th.

Municipal Code 4-3-9(D)(2) retains Council authority to approve Type 2 CSL licenses. Prior to Council's consideration of the Type 2 CSL license application, the applicant must have a pre-inspection prior to application (PIPA). This inspection will highlight any

issues related to the space prior to their final inspection. The inspection must accompany the license application along with accurate floor plans stamped by a design professional including the occupant load.

The process for a Type 2 CLS is as follows:

1. Obtain floor plans stamped by a design professional
2. Obtain a PIPA
3. Make application with site plan, PIPA, and pay the appropriate fee
4. Finance requests approval from City Council
5. Obtain Council approval
6. Obtain a FIPA
7. Issue license

Analysis:

The Municipal Code for Type 2 CSL's allows the City to address issues related to adverse impacts or carrying capacity issues related to the licensed activity and volume. It also allows service departments, event staff and public safety to obtain a more accurate picture of the total public service demands for the Festival in a timeframe that provides for service level and cost adjustments. Staff has reviewed all of the listed applications for accuracy and completeness. Staff recommends that Council reviews and approves the attached list of CSL applicants (Exhibit A). All 10 applicants listed have submitted complete applications and received a PIPA and if approved by Council will receive a FIPA prior to the license being issued.

Department Review:

Finance, Legal, Police, Planning, Building, Special Events, and Executive have reviewed this report.

Alternatives:

A. Approve:

This is the recommended action and would approve all applicants listed for Type 2 CSL licenses subject to a FIPA.

B. Deny:

Council could deny all Type 2 CSL applicants listed. This would require the applicants to reapply or disallow them from conducting business during the Festival.

C. Modify:

Council could deny some of the Type 2 CSL applicants listed. This would require the applicants to reapply or disallow them from conducting business during the Festival.

D. Continue the Item:

Council could ask for a continuation of these Type 2 CSL applicants listed. The applicants may not make the deadlines for the Festival.

E. Do Nothing:

Council could do nothing on this request. This may have the same effect as denying or continuing the item. Staff does not recommend.

Significant Impacts:

	World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
Which Desired Outcomes might the Recommended Action Impact?	(+/-) Unique and diverse businesses (+/-) Balance between tourism and local quality of life (+/-) Varied and extensive event offerings		(+/-) Shared use of Main Street by locals and visitors (+/-) Vibrant arts and culture offerings	(+/-) Fiscally and legally sound (+/-) Engaged and informed citizenry (+/-) Streamlined and flexible operating processes (+/-) Ease of access to desired information for citizens and visitors
Assessment of Overall Impact on Council Priority (Quality of Life Impact)	Very Positive 	Neutral 	Positive 	Very Positive 
Comments:				

Funding Source:

N/A

Consequences of not taking the recommended action:

If no action is taken at this time applicants will not be allowed to hold a Type 2 CSL and will be unable to conduct business during the Festival

Recommendation:

Approval of the Type 2 CSL applicants listed in Exhibit A subject to FIPA.

Exhibit A – List of applicants to date

Exhibit B – Map of applicant locations

Exhibit A

Applicant Name	Location Address
TO BE APPROVED	
628 Park Ave LLC	628 Main Street
A-List	306 Main Street
Beyond Cinema - AFCI	305 Main Street
Indie Lounge	710 Main Street
Kari Feinstein Public Relations	580 Main Street
Brillant Consulting	449 Main Street
Durkin Entertainment	255 Main Street
BMF Media	364 Main Street
Talent Resources	890 Main Street
NA Collective	408 Main Street
PREVIOUSLY APPROVED	
Pamela Alford	657 Park Ave



DATE: December 10, 2015

TO HONORABLE MAYOR AND COUNCIL

On March 26, 2015 Council directed staff to complete the Historic Preservation Plan, procure a more formal structural analysis of the barn, and gather community input to help inform any future dialogue and decisions on farm uses. Council should review the proposed scope of services and approve the agreement from the committee selected Professional Service Provider and proceed with the design, engineering and Preservation Plan for the McPolin Barn Structural Upgrades project. The structural upgrades to the McPolin Barn helps to meet City Council's desired outcomes, notably historic preservation.

Respectfully:

Matthew Twombly, Senior Project Manager



City Council Staff Report

Subject: McPolin Barn Structural Upgrade -
Professional Service Provider Agreement Award

Author: Matthew A. Twombly

Department: Sustainability

Date: December 10, 2015

Type of Item: Administrative – Award of Contract

Summary Recommendations:

Authorize the City Manager to enter into a professional service provider agreement in a form approved by the City Attorney's Office with CRSA, Inc., in the amount of Ninety Thousand Nine Hundred Thirty Five Dollars (\$90,935).

Executive Summary:

On March 26, 2015 Council directed staff to complete the Historic Preservation Plan, procure a more formal structural analysis of the barn, and gather community input to help inform any future dialogue and decisions on farm uses. Council should review the proposed scope of services and approve the agreement from the committee selected Professional Service Provider and proceed with the design, engineering, and Preservation Plan for the McPolin Barn Structural Upgrades project. The structural upgrades to the McPolin Barn help to meet City Council's desired outcomes, notably historic preservation.

Acronyms in this Report:

HDDR	Historic District Design Review
PCMC	Park City Municipal Corporation
RFP	Request for Proposals

Background:

Given the Council's interest and commitment during the February meeting to protect and preserve the Barn structure via some type of structural retrofit, staff included a placeholder in the proposed FY 2016 Capital Improvement Plan for \$800,000. Since then, staff received the more formal BHB structural assessment, including several different options for a possible retrofit/upgrade.

At the June 11, 2015, Council meeting staff presented a manager's report with an overview of the options. Though the options presented vary both in scope and in cost, the difference in cost between upgrade options is relatively small (except the "Full Level" option which is unknown). For example, a quick summary of the options, includes the following:

1. Building Stabilization Upgrade (\$754,621 – \$885,510) Minimum remediation needed for basic stability performed. Building use not changed and the building cannot be occupied when snow is on roof or there are high winds.

2. Historic Building Use Upgrade (\$869,147 – \$885,510) Building is occupied as a dangerous historic building by less than 50 people. Building cannot be occupied when snow is present on roof. Allows for tours during summer. Seismic upgrades installed only where it does not visually impact the historic building.
3. Code Level Upgrade (approx. \$1,023,972) Building occupied by less than 50 people. Building is accessible year round, yet mechanical/electrical system will not be added. Seismic upgrades taken to life safety level.
4. Full Upgrade (not priced) Building occupied by less than 300 people. Building fully upgraded including mechanical/electrical systems. Seismic upgrade taken to life safety level or higher. Note: This is beyond anticipated use of building and may impact historic nature.

At a minimum, staff recommends option #3, or “Code Level Upgrade.” This option maintains existing uses, allows temporary occupation of less than 50 people, and requires no new systems, mechanical or otherwise. It would likely include limited removal/reinstall of siding materials for structural placement, removal of the cable bracing support system inside the barn, new steel structural framing, possibly foundation, concrete and masonry improvements, new roof trusses and shingles, as well as patch and repair landscaping.

Though staff believes the Code Level retrofit best addresses existing Council direction to preserve and protect the barn without requiring changing the existing Conditional Use Permit, no formal decision on the level of upgrade is necessary at this time. The selected team will further develop the plans and cost estimates for the structural upgrades. Staff will coordinate the survey and public input with the design team and return to Council with a better developed recommendation and plan for the structural upgrades for the McPolin Barn.

Once the contract is awarded the design team (CRSA) will work with staff to begin developing a plan for the structural upgrades including the Historic District Design Review (HDDR) Preservation Plan and construction drawings. The project team and CRSA will also select a construction manager through an RFP process. The construction manager will help determine the best construction methods and materials to minimize impacts to the structure.

The proposed Professional Services Provider scope identified in the RFP consists of:

The Team is expected to coordinate regular meetings with a Working Committee to further refine previous work, develop construction documents, and define the plan for the upgrades. The design team will also complete the Historic District Design Review (HDDR), help select a Construction Manager at Risk, and manage contractor submittals and requests during construction of the project. The working committee will include representatives from Friends of the Farm and City departments including Sustainability, Planning, Water and Parks. The deliverables will include:

- Analyze current Historic Preservation Plan for the farm site;

- Analyze structural study;
- Estimate project costs and schedule of construction;
- Complete Historic District Design Review application, which includes a Physical Conditions Report and final Preservation Plan;
- Coordinate Planning, Building, and Engineering approval and building permits with City staff.
- Work with the committee and PCMC staff to determine final design, schedule and estimates for presentation to the City Council and Historic Preservation Board;
- Present concept design to City Council
- Present finalized design to City Council;
- Prepare construction documents:
 - 30% plus cost estimate submittal.
 - 60% plus cost estimate submittal.
 - 90% including specifications and cost estimate submittal.
 - 100% including bid documents, specifications and final cost estimate submittal.
- Work with staff to receive Historic District Design Review Approvals;
- Provide assistance to PCMC staff in bidding the project including pre-bid meeting and support, contractor questions, issuing addenda, preparing bid tabulations, verification of bidder's qualification, and presentation to City Council for the contract award; and,
- Provide construction management for the project;

Analysis:

The Request for Proposals (RFP) was advertised on October 24th and 28th, 2015 in the Park Record and 23rd and 24th in the Salt Lake Tribune. Additionally, the RFP was posted on the City's website, e-notify and Utah Legals website. There was a mandatory pre-submittal meeting on November 3, 2015. One of the firms who submitted did not have a team member at the mandatory meeting, so their proposal was rejected and not considered for selection.

A selection committee included the following participants:

PCMC:

Denise Carey
 Anya Grahm (Friends of Farm)
 Chris Morgan (Friends of Farm)
 Jarren Chamberlain
 Matt Twombly

Three (3) firms responded and their cost proposals are as follows:

CRSA	\$90,935
VCBO	\$74,544
Archiplex Group	\$59,994

Selection of the consulting firm was based on the following criteria:

- Experience on similar projects.
- Strength of individuals committed to the project
- Relevance of proposed work plan
- Availability and communications

- Strength of addressing PCMC concerns, HDDR process
- Other services/cost proposed

The selection committee met on November 18, 2015. Since there were only three (3) submittals the selection committee did not perform interviews but selected from the submitted proposals. The selection committee selected CRSA based on their qualifications, their team's previous work together, experience with historic barn structural upgrades, previous work with the City's HDDR process, strength of individuals and the overall team. Although the costs seem to vary, the amount of hours were reflected in the proposed fees.

Park City's purchasing policy states that Professional Service Contracts are exempt from competitive bidding, where the lowest quote need not necessarily be awarded the contract. Furthermore, the policy states that emphasis will be placed on quality, with cost being the deciding factor when everything else is equal.

The RFP specifically states:

- A selection committee made up of Park City Municipal Corporation staff and select members of the Friends of the Farm will review the submitted Statements of Proposals and select a proposer. A short list interview may be required if two or three proposers are closely ranked. If short list interviews are required, they would occur during the week of **November 30, 2015. Price will not be the sole deciding factor.**
- Park City will negotiate a final scope and fee with the top ranked proposer and recommend to City Council for final approval and contract. Award of the contract is subject to approval by City Council.

The design team and staff will begin regular meetings shortly after the contract is executed. In addition to analyzing background information, staff will work with the team to begin the Construction Manager at Risk selection process. This award is for the architect/engineer team only. The construction manager selection and award will come at a later date.

Department Review:

This report has been reviewed by representatives of Sustainability, Legal, Budget and the City Manager's Office and their comments have been integrated into this report.

Alternatives:

A. Approve:

Approve the request, and authorize the City Manager to execute the professional service provider agreement in a form approved by the City Attorney's Office with CRSA Inc., in the amount of Ninety Thousand Nine Hundred Thirty Five Dollars (\$90,935): (Staff recommendation)

B. Deny:

Council could choose to not continue with the project at this time.

C. Modify:

Council could choose to modify the project, which would likely delay the schedule.

D. Continue the Item:

Council may feel there is not enough information to make a decision, which will delay the project and the proposed schedule.

E. Do Nothing:

Same effect as continuance.

Significant Impacts:

	World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
Which Desired Outcomes might the Recommended Action Impact?	+ Balance between tourism and local quality of life + Varied and extensive event offerings + Multi-seasonal destination for recreational opportunities + Internationally recognized & respected brand	+ Abundant preserved and publicly-accessible open space + Enhanced conservation efforts for new and rehabilitated buildings ~ Reduced municipal, business and community carbon footprints	+ Preserved and celebrated history; protected National Historic District + Entire population utilizes community amenities + Community gathering spaces and places + Entire population utilizes community amenities + Vibrant arts and culture offerings	+ Well-maintained assets and infrastructure
Assessment of Overall Impact on Council Priority (Quality of Life Impact)	Very Positive 	Positive 	Very Positive 	Positive 
Comments:				

Funding Source:

There is currently approximately \$800,000 budgeted for the project. McPolin Farm, Sustainability, Planning, Building, Budget, Public Utilities, Public Works and on a limited basis other City staff resources will be required to complete the project.

Recommendation:

Staff recommends that the City Council authorize the City Manager to enter into a professional service provider agreement in a form approved by the City Attorney's

Office with CRSA, Inc., in the amount of Ninety Thousand Nine Hundred Thirty Five Dollars (\$90,935).

Attachments:

Exhibit A: CRSA Scope/Fee



PROJECT APPROACH

CRSA commits to completing the 12 work tasks described on page 4 of the Request for Proposals. Here is a summary of our approach to completing these tasks:

1. Analyze current Historic Preservation Plan: CRSA has done a preliminary review of the 109-page draft preservation plan and agree generally with its approach and recommendations, as far as they go in the absence of detailed technical information. The fact that the City wants the document reviewed by the A/E team suggests that additional work on it is needed. To understand what that work might be, we propose a document review session with the City's stakeholders to identify those areas most needing review. The key personnel on the A/E team will then do a comprehensive review and critique of the plan, focusing especially on those issues identified by the City as needed more expansive treatment. We will prepare a narrative of our recommendations and present them in a second review meeting with the City. We will ask the City to prepare a formal response to our recommendations and we will use that document to improve upon and update the recommendation in the preservation plan. This new, fully vetted document will then serve as a plan and guideline for the remainder of the work.
2. Analyze the Structural Study: CRSA has done an initial analysis of this study in preparation for this proposal and we will do another, very comprehensive review, in concert with the City's stakeholders, as part of our project work. We have identified critical issues and reviewed them with the structural engineers at BHB, now members of our A/E team, and have already begun to develop strategies to improve upon recommendations in the report. Some of these are:
 - a. Clarify code language and intent and eliminate references to the barn as a "dangerous building."
 - b. Use compatible wood members for the structural upgrade, rather than an exposed steel frame. Where metal connectors or structural members may be required, conceal them with wood members (as we did in the Cove Fort and other barn restorations).
 - c. Further assess whether an earthquake along a fault in the Salt Lake Valley 14 miles away would have a significant impact on the McPolin Barn.
 - 1) Determine the extent to which the steep slope of the gambrel roof of the barn decreases the roof's ability to store snow. Consider using snow-melting apparatus on the small upper roof sections, eliminating snow storage there as well. I.e., it may be possible to greatly reduce or eliminate the snow load.
 - d. Working with the City, determine the uses intended for the building and then apply the applicable building and structural codes for those numbers, loads and uses.
 - e. Work to reduce the project budget through careful, thoughtful design and value engineering.
3. Estimate Project Costs and Schedule of Construction: Once the scope of work is defined and approved by the City, CRSA will work with the CM/GC's estimator to prepare a detailed estimate of probable cost for the project. In a value engineering session with the City, we will review each line item in the estimate and work together in refining the scope of work and estimate. Once approved, the scope and estimate will be the basis for the project design and budget.
4. Complete Historic District Design Review Application: CRSA will complete this application, including the Physical Conditions Report and revised, final Preservation Plan and review the application with the City's stakeholders. Upon the latter's approval, we will submit it the City and then respond to any City review comments and resubmit it, if needed, for final approval.
5. Coordinate Planning, Building and Engineering approval and building permits with City staff: This we will do as CRSA has always done to obtain project approval in Park City. We maintain a collaborative working relationships with the City departments and staff throughout the duration of the project.
6. Work with the committee and PCMC staff to determine final design, schedule and estimates for presentation to the City Council and Historic Preservation Board: CRSA agrees to this process and proposes to set up a schedule of regular working meetings with the committee and City staff in which we will work together to complete project tasks and goals. We also agree to make the presentations requested and will review

the presentation contents in advance with the committee, responding to review comments such that we are all on the same page.

7. & 8. Present Conceptual and Final Designs to the City Council: As CRSA develops its designs, we will review them with the committee and respond to their review comments. We will present the committee-approved design to the City Council and respond to their comments.
9. Prepare Construction Documents, including 30%, 60%, 90% and 100% cost estimate submittals: In its regular working sessions with the committee, CRSA will develop and refine the design and work to continually align the scope of work with the budget. The CM/GC's cost estimator will need to update the budget phase-by-phase and the estimates should be reviewed and approved by the committee upon the completion of each design phase. Thus the 100% complete bid documents and specifications will describe a scope of work approved by the committee and in alignment with the budget.
10. Work with the Staff to receive Historic District Design Review Approvals: CRSA will use its extensive experience in obtaining design approval by working closely with the staff in its strategizing, applying for and presenting its design review application material.
11. Provide Assistance to PCMC staff in Bidding Procedures and Contract Award: Whether a CM/GC or a design-bid-build project, CRSA will assist the City in pre-bid meetings and support, responding to contractor questions, issuing addenda, preparing bid tabulations, verifying contractor qualifications, recommending and assisting with the presentation of contract award

to the City Council. Our considerable experience in contractor evaluation will prove very useful.

12. Provide Construction Management for the Project: CRSA will provide Construction Administration (CA) services as described in standard AIA Owner and/or as agreed upon in an agreement prepared by the City. CA will be provided primarily by CRSA's project manager, Steve Cornell, assisted by Allen Roberts and John Ewanowski, as well as by the project managers from the engineering firms on our team. Our CA work will include regular progress meetings, site visits and reports, processing change orders and RFIs, providing as-built drawings, and completing close-out processes including assisting the contractor in obtaining a certificate of occupancy.

Challenges: We think the main project challenge may be getting all of the stakeholders to agree on a unified set of solutions, ranging from uses of the barn to technical renovation solutions for the seismic/ code-complying upgrade. These issues are related and they impact cost as well. Once use issues are agreed upon, we think finding workable, affordable design solutions will be a manageable challenge. It will be our goal to unify the group and keep it moving forward in support of the best solutions.

Schedule: CRSA has reviewed the Deliverables/ Tentative Schedule on p. 9 of the RFP. It is aggressive but feasible and we can meet it, especially if all of the parties involved (all City entities, the CM/GC and A/E team) are equally committed and cooperative in maintaining it. It appears the City is allowing 4 months for the construction work and that part of the schedule is in the CM/GC's control. Once a final schedule is established, we are committed to meeting it and will apply our proven management practices to maintain it.



Wheeler Living History Farm

HOURS BY TASK AND FEE PROPOSAL

CRSA

600 E SOUTH TEMPLE S.C. UT 84102 801.365.5915

TASK BREAKDOWN SHEET

PHASE	NO	TASKS	NAME AND LABOR CATEGORY					TOTAL HOURS	BILL RATE DOLLARS
			Allen Roberts Managing Principal	Steven Cornell Project Manager	John Ewanowski Architectural Researcher	Don Barker Structural Engineer	Brett Goodman Structural Engineer		
1		Analyze Current Historic Preservation Plan	9	13	16	9	13	60	\$ 7,910.00
		Preliminary Analysis	1	2	0	1	2	6	\$ 875.00
		Document Review Session with City	2	2	2	2	2	10	\$ 1,390.00
		Perform Comprehensive Review	2	4	0	2	4	12	\$ 1,750.00
		Prepare Review Report	1	2	6	1	2	12	\$ 1,385.00
		Follow up Session with City	2	2	2	2	2	10	\$ 1,390.00
2		Preparation of Final Updated Preservation Plan	1	1	6	1	1	10	\$ 1,120.00
		Analyze Structural Study	5.5	8	4	7	14	38.5	\$ 5,242.50
		Preliminary Analysis	2	2	0	2	2	8	\$ 1,220.00
		Document Review Session with City	2	2	0	2	2	8	\$ 1,220.00
		Perform Comprehensive Review	1	2	0	2	8	13	\$ 1,685.00
		Preparation of Final Updated Structural Study	0.5	2	4	1	2	9.5	\$ 1,117.50
3		Estimate Project Costs and Schedule of Construction	5	8	8	5	6	32	\$ 4,305.00
		Scope of work Review with CMGC	2	2	2	2	2	10	\$ 1,390.00
		VE Review Session with City	2	2	2	2	2	10	\$ 1,390.00
		Final Scope of Work and Budget Document	1	4	4	1	2	12	\$ 1,525.00
		Complete Historic District Design Review Application	5	13	20	4	7	49	\$ 6,060.00
		Physical Conditions Report	1	4	8	1	1	15	\$ 1,755.00
4		Final Preservation Plan	2	4	8	1	1	16	\$ 1,950.00
		Review Application with City	1	1	0	1	1	4	\$ 610.00
		Respond to City Comments	0.5	2	0	0.5	2	5	\$ 702.50
		Final Application	0.5	2	4	0.5	2	9	\$ 1,042.50
		Coordinate Planning, Building, Engineering Approval and Building Permits with City Staff	1	6	4	0.5	2	13.5	\$ 1,352.50

CRSA PARK CITY MINER'S PLAZA ON MAIN STREET

TASK BREAKDOWN SHEET

PHASE NO	TASKS DESCRIPTION	NAME AND LABOR CATEGORY						HOURS PER TASK	TASK NO	% PER TASK	TOTAL HOURS	BILL RATE DOLLARS
		Allen Roberts Managing Principal	Steven Cornell Project Manager	John Evanowski Architectural Researcher	Don Barker Structural Engineer	Brett Goodman Structural Engineer						
6	Coordination with City Departments	0.5	4	4	0.5	2					11	\$ 1,352.50
	Work with Committee and PCMC Staff to Determine Final Design, Schedule, and Estimates for Presentation to City Council and HPB	2	6	0	2	6		16	6	2.1%	16	\$ 2,280.00
	Regular Meetings to review Design, Schedule and Cost Estimates	2	6	0	2	6					16	\$ 2,280.00
7	Present Concept Design to City Council	3	3	0	3	3		12	7	1.6%	12	\$ 1,830.00
	Present Concept Design to City Council	3	3	0	3	3					12	\$ 1,830.00
	Present Final Design to City Council	3	3	0	3	3		12	8	1.6%	12	\$ 1,830.00
9	Prepare Construction Documents	10	68	160	10	63		316	9	42.0%	316	\$ 35,070.00
	30% with Cost Estimate	2	16	40	2	16					76	\$ 8,330.00
	60% with Cost Estimate	2	16	40	2	16					76	\$ 8,330.00
	90% with Cost Estimate	2	16	40	2	16					76	\$ 8,330.00
	100% including bid documents and presentation to City Council	4	20	40	4	20					88	\$ 10,080.00
10	Work with Staff to Receive Historic District Design Review Approvals	1	4	4	1	4		14	10	1.9%	14	\$ 1,745.00
	Coordination	1	4	4	1	4					14	\$ 1,745.00
11	Provide Assistance to PCMC Staff in Bidding	5	12	10	2	9		38	11	5.1%	38	\$ 4,975.00
	Pre-bid Meeting / Support	1	2	0	1	2					6	\$ 875.00
	Contractor Questions	0.5	2	2	0.5	2					7	\$ 872.50
	Issuing Addenda	0	2	8	0	2					12	\$ 1,210.00
	Preparing Bid Tabulations	0	2	0	0	2					4	\$ 530.00
	Verification of Bidder's Qualifications	0.5	1	0	0.5	1					3	\$ 437.50



ARCHITECTURAL SERVICES, INC. d/b/a
649 E SOUTH TEMPLE, SLC, UT 84102 801.355.5915

TASK BREAKDOWN SHEET

PHASE NO	TASKS DESCRIPTION	NAME AND LABOR CATEGORY					HOURS PER TASK	TASK NO	% PER TASK	TOTAL HOURS	BILL RATE DOLLARS
		Allen Roberts Managing Principal	Steven Cornell Project Manager	John Ewanowski Architectural Researcher	Don Barker Structural Engineer	Brett Goodman Structural Engineer					
12	Presentation to City Council for Contract Award	3	3	0	0	0				6	\$ 1,050.00
	Provide Construction Management for the Project	9	42	50	8	42	151	12	20.1%	151	\$ 18,335.00
	Progress Meeting with Client	4	8	4	4	8				28	\$ 3,840.00
	RFP's	0	6	8	0	6				20	\$ 2,270.00
	Site Visits & Field Reports	4	16	8	4	16				48	\$ 6,300.00
	Change Orders	0	4	6	0	4				14	\$ 1,570.00
	As-Built Drawings	0.5	4	16	0	4				24.5	\$ 2,517.50
	Close Out Process	0.5	4	8	0	4				16.5	\$ 1,837.50
	Direct Labor Total Hours	58.5	188	278	54.5	177	752		100.1%	762	\$ 90,935.00
	Per Cent Per Person	7.8%	24.7%	36.7%	7.2%	23.5%					

Total @ Bill Rate \$ 22,336.30 \$ 11,407.50 \$ 28,830.00 \$ 23,460.00 \$ 8,175.00 \$ 19,470.00

F

ADDITIONAL REQUIREMENTS

1. Terms and Conditions

The response that we have provided is intended to include all terms and conditions of the RFP.

2. Proof of Insurance

CRSA has sufficient insurance to meet the requirements of the sample contract. See attached Certificate of insurance.

3. Non Discrimination Policy

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at CRSA will be based on merit, qualifications, and abilities. CRSA does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, genetic information, medical history, sexual orientation, gender identity or any other characteristic protected by law. This policy applies to applicants, employees, and their immediate family members.

CRSA will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including job selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Any employee with questions or concerns about any type of discrimination or other inappropriate behaviors or actions in our workplace is encouraged to bring these issues to the attention of their immediate supervisor. If the supervisor is unavailable or the employee believes it would be inappropriate to contact that person, the employee may present the problem to any other member of management. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination or other behavior or action determined to be inappropriate by management will be subject to disciplinary action, up to and including termination of employment.

4. Exceptions to Contract

The CRSA team accepts the terms and conditions of the sample contract that has been issued by Park City.

5. Rate Structure

Included below is the hourly rate structure for our anticipated personnel classifications.

5b. We anticipate reimbursable expenses will not exceed \$2,500. We propose no other indirect charges.

Project Rate Table:

Allen Roberts	\$195
Steve Cornell	\$155
John Ewanowski	\$85
Don Barker	\$150
Brett Goodman	\$110

Fee Proposal

A fee proposal, including hours by task for team members has been provided for review.



Judge Johnson Barn



Relief Society Granary



DATE: December 10, 2015

TO HONORABLE MAYOR AND COUNCIL

Staff recommends that City Council approve a three-year term lease for administrative office space at the 1353 Park Avenue Fire Station for the Mountain Trails Foundation in a form approved by the City Attorney.

Respectfully:

Jennifer Diersen,



City Council Staff Report

Subject: Mountain Trails Foundation Lease
Author: Jenny Diersen
Department: Sustainability – Special Events
Date: Thursday, December 10, 2015
Type of Item: Administrative

Summary Recommendations:

Staff recommends that City Council approve a three (3) year lease for administrative office space at the 1353 Park Avenue Fire Station for the Mountain Trails Foundation in a form approved by the City Attorney.

Topic/Description:

Three (3) year property lease between Park City Municipal Corporation and the Mountain Trails Foundation.

Background:

Staff is requesting that City Council approve a three (3) year Property Lease between Mountain Trails Foundation and the City. Staff was approached by the Mountain Trails Foundation to discuss the continued use of City property at the 1353 Park Avenue Fire Station for their administrative office needs.

The City has had a lease with Mountain Trails Foundation since 2004 for administrative office needs. During the 2014/15 remodel of the Park City Library, Mountain Trails Foundation was moved from the Miners Hospital to the Fire Station at 1353 Park Avenue. Mountain Trails Foundation is requesting to enter into a new three (3) year lease with the City to have non-exclusive use of the Fire Station as outlined in Exhibit B.

Mountain Trails Foundation

Mountain Trails Foundation is a member-driven, non-profit organization dedicated to building, maintaining and protecting trails for non-motorized recreation in the Park City area.

Creating and maintaining a seamless, year-round trail system is a monumental undertaking. Mountain Trails works closely with Park City Municipal (the City), Snyderville Basin Special Recreation District (Basin Rec), Deer Valley, Park City Mountain Resort and Canyons Resort. Work done by these organizations, along with efforts from open-space advocates such as Summit Land Conservancy, have created one of the most extensive, continuous trail systems in the nation.

The Mountain Trails Foundation was established in 1992, at a time when Park City had only a few hand-cut trails, all of which were on private land. Since its inception, the Mountain Trails Foundation has been an advocate for trails, working with local government entities, private landowners and developers. Spring forward to the current

day to appreciate how the landscape has changed. Today, over 400 continuous miles of non-motorized trails now exist in Park City. Teamwork and a thriving community have created a trail system that is unrivaled.

Special Service Contract

For Fiscal Years 2015 and 2016, the Special Service Committee gave a positive recommendation for Mountain Trails Foundation to receive \$25,000.00 (\$12,500.00 per year) for the grooming of public winter trails in Round Valley. The City and Mountain Trails Foundation have a license agreement, dated back to 2008 for these services.

Analysis:

Fire Station Current Use

The Fire Station is currently being utilized by Public Works for storage of equipment. Both City Staff and Mountain Trails Foundation will be able to utilize the space without conflict.

Operating Costs

Regular use for the building is good for the facility. It keeps the operating and mechanical systems running better and provides a higher level of awareness for any potential mechanical issues. The anticipated cost to Park City to operate the Fire Station for the Mountain Trails Foundation is about \$100 per month.

Staff Proposed Lease Terms:

- Three Year, Long Term Lease – Staff feels that the three year lease (Exhibit A) is appropriate for Mountain Trails Foundation. Should the City decide to terminate the lease due to required municipal purposes, it shall notify the Mountain Trails Foundation no fewer than three (3) months in advance.
- Yearly rent of Two Thousand, Five Hundred Sixty-Seven Dollars and Twenty-Five Cents (\$2,567.28) or equal monthly installments of Two Hundred Thirteen Dollars and Ninety-Four Cents (\$213.94) for non-exclusive use of the Fire Station as outlined in Exhibit B.

Department Review:

Economic Development, Executive and Legal Departments have reviewed this report.

Alternatives:

A. Approve:

Approve the three (3) year lease as proposed with the Mountain Trails Foundation, allowing them to use the Fire Station for their administrative offices at the 1353 Park Avenue Fire Station.

B. Deny:

Deny the approval of the lease as proposed with the Mountain Trails Foundation, leaving Mountain Trails Foundation without a lease for their administrative offices.

C. Modify:

Direct staff to modify the lease with the Mountain Trails Foundation before signing the lease, which would delay the lease with Mountain Trails Foundation.

D. Continue the Item:

Council could continue the item and have staff return at a later date. The lease with Mountain Trails Foundation would be delayed to another date.

E. Do Nothing:

Council could take no action on this item, leaving Mountain Trails Foundation without a lease for their administrative offices.

Significant Impacts:

	World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
Which Desired Outcomes might the Recommended Action Impact?	+ Unique and diverse businesses + Multi-seasonal destination for recreational opportunities	+ Abundant preserved and publicly-accessible open space	+ Jobs paying a living wage + Entire population utilizes community amenities + Primarily locally owned businesses	+ Fiscally and legally sound + Well-maintained assets and infrastructure
Assessment of Overall Impact on Council Priority (Quality of Life Impact)	Positive 	Positive 	 Positive 	Positive 
Comments:				

Funding Source:

No funding source is required.

Consequences of not taking the recommended action:

If City Council does not approve recommended action, staff and the Mountain Trails Foundation will not have future direction in regards to moving forward on a lease. The City would not enter into a lease with Mountain Trails Foundation for their administrative office space.

Recommendation:

Staff recommends that City Council approve a three (3) year lease for administrative office space at the 1353 Park Avenue Fire Station for the Mountain Trails Foundation in a form approved by the City Attorney.

**Mountain Trails Foundation
Park City Municipal Corporation
2015 Property Lease**

THIS LEASE AGREEMENT (hereinafter referred to as the “Lease”) is made by and between Park City Municipal Corporation and the Municipal Building Authority of Park City (hereinafter referred to as “Landlord”) and Mountain Trails Foundation (hereinafter referred to as “Tenant”) to set forth the terms and conditions under which Landlord will lease space in the Fire Station at 1353 Park Avenue, Park City Utah (hereinafter referred to as “Premises”) to Tenant. The parties agree as follows:

1. Property. The Premises leased are within the Park Avenue Fire Station (hereinafter referred to as the “Fire Station”) as described in Exhibit A/. The Premises include the following property on the first floor of the Fire Station: 1st floor office which comprises approximately four hundred (400) square feet.

In addition, the Premises include space on the second floor of the Fire Station which Tenant has the right to use for meetings or trainings for up to thirty days during the course of each year of the term of this Lease. Tenant shall obtain Landlord’s permission to use the second floor space from Landlord’s Special Events Department no less than fourteen (14) days prior to such use is to occur. Tenant’s use of the second floor space will be subject to the terms of this Lease.

2. Term. The Lease term shall commence on December 10, 2015, and shall run for three (3) years through December 10, 2018. The Premises are currently surplus municipal space, but may be required for municipal purposes by Landlord at the conclusion of the Lease term. Landlord may terminate this Lease upon three (3) months prior written notice if the Premises are required for municipal purposes.

3. Rent. Tenant’s payment of rent for the Premises shall be as follows:

- (1) Rate: Two Thousand Five Hundred Sixty-Seven Dollars and Twenty-Five Cents (\$2,567.28) annually for three years.
- (2) Payments: Rent shall be paid in equal monthly installments of Two Hundred Thirteen Dollars and Ninety-Four Cents (\$213.94). Rent shall be due on the first day of each month, and past due if not paid by the tenth (10th) of the month. Landlord shall charge Tenant a late fee of \$25 for rent payments received after the first day of each month and for every 5 days subsequent to the first day of the month that the payment is past due.
- (3) Deposit: No Deposit is required.
- (4) Credit for Early Payment. If Tenant pays Landlord the annual rent in full prior to January 1 of any year of the three year Lease term, the total annual rent will be reduced by four percent (4%), resulting in a one-time payment of \$2,464.59.

4. Tax-Exempt Status. In the event Tenant loses its tax-exempt status, Landlord shall have the option of terminating this Lease with 10 days’ notice or increasing the rent to the fair commercial rental market value of the Premises commencing on the date that Tenant’s tax exempt status terminated.

5. Storage of Equipment and Supplies. The Tenant shall be permitted to use an area located within the office space on the first floor for storage of equipment and supplies related to Tenant’s

operations. No hazardous material shall be stored in this designated area. Equipment and supplies stored in this area shall be in compliance with applicable building codes and stored such that they do not cause risk of injury to individuals inside or outside of the Premises. Tenant will be responsible for securing the area used for such storage and Landlord is not responsible for any lost or damage items stored in this area.

6. Accounting. The Tenant agrees to keep and maintain its financial books and records in accordance with generally accepted accounting principles. Landlord or its independent auditor reserve the right to conduct their own annual audit of Tenant's financial records at reasonable times and places during ordinary business hours provided that thirty (30) days written notice of the audit is provided to Tenant and such notice contains a reasonable explanation for the audit. Any audit performed by Landlord pursuant to this Agreement shall be performed at Landlord's sole expense.

7. Scope of Use of Premises. The Tenant hereby acknowledges that no use of the Premises shall exceed the occupancy limit of any space within the Premises as determined by the Park City Chief Building Official. The Tenant shall mitigate parking, traffic, and noise impacts associated with any of Tenant's use of the Premises.

8. Assignment/Sublease. The Tenant has no right to assign or sublet any or all portions of the Premises for any purpose whatsoever, including subleases or assignments to other non-profit organizations, or assignments for the benefit of creditors. Any attempt to sublet or assign shall cause this Lease to immediately terminate.

9. Utility Service. Landlord shall be responsible for natural gas, electricity, sewer, refuse collection and culinary water service for the Premises. Tenant will be responsible for any other utilities such as telephone, internet and cable television and shall establish an account with each of these services in its own name.

10. Equipment. The Tenant will install its own telephone, television, computer and other communication equipment in the Premises. Any specialized communication facilities, equipment, wiring, cables or installations will be the Tenant's responsibility.

11. Insurance. The Tenant will provide insurance at its expense covering its contents against loss through theft, fire, and vandalism. The Landlord will maintain insurance for the replacement of the Fire Station building enclosing the Premises, in addition to Landlord's property within the Fire Station or on the Fire Station lot. The Landlord also carries a public liability policy insuring it against claims of personal injury on the Fire Station property. The Landlord's policy does not cover the Tenant's employees or invites who are on the Fire Station property for the purpose of doing business with the Tenant. The Tenant agrees to maintain a comprehensive property liability policy in the amount of Two Million Dollars (\$2,000,000) (each person and each occurrence) and Three Million Dollars (\$3,000,000) policy aggregate limits and to obtain a certificate of insurance naming Landlord as additional insured and evidencing coverage applicable to any person on the Fire Station property in association with Tenant's use of the Premises. The Landlord is protected by the Utah Governmental Immunity Act, and nothing herein is intended to waive or limit the protection of the Act on behalf of either entity, but to the extent it is consistent with this intent, it is the purpose of this provision to protect the Landlord from liability arising out of the Tenant's use of the Premises or Landlord's Fire Station property.

12. Payment of Taxes and Other Assessments. As a tax exempt entity, the Landlord does not expect to be assessed real estate and personal property taxes and other related assessments or taxes on the Premises. However, should Tenant's use of the Premises change Landlord's tax-exempt status or should other circumstances cause taxes or assessments to be imposed on the Premises, then Tenant shall pay real estate and personal property taxes and other related assessments or taxes on the Premises during the term of this lease.

13. Liens. Tenant shall not permit any liens to attach to the Premises or the Fire Station property for work done at Tenant's request or for Tenant's benefit. If Landlord receives notice of any such lien against the Premises or the Fire Station property, Tenant shall promptly discharge or pay to Landlord the amount of the lien at Landlord's request within 60 days of the lien being imposed. Tenant reserves the right to contest the lien, provided however that Tenant's decision to contest the lien does not relieve Tenant of its obligation to pay Landlord the amount of the lien within 60 days of the lien being imposed. Landlord may, in its sole discretion, discharge the lien and collect the amount paid from the Tenant. The Tenant agrees to pay all reasonable costs incurred by the Landlord in the defense or discharge of any liens on the property.

14. Tenant Improvements. The Premises are being leased to Tenant in as-is condition. Any additional interior finish or furnishings desired by the Tenant must be approved in advance by the Landlord in writing and are the responsibility of the Tenant, with no allowance made for the costs of the Tenant improvements unless agreed to by Landlord in writing. At the expiration or termination of this Lease, all Tenant improvements become property of the Landlord unless specifically exempted in writing prior to installation.

15. Signs. Landlord reserves the right to specifically review and approve or reject proposed signs on or in the Fire Station property. Landlord's approval for signs will not be unreasonably withheld, so long as the sign is directional rather than promotional, meets the requirements of the Park City Sign Code, and conforms with the historic nature and architectural detailing of the Fire Station property. Tenant shall remove all signs and repair at Tenant's expense any damage resulting from the installation and/or removal of any signs.

16. Assignment/Sublease. The Lease may not be assigned or the Premises sublet without the advance written consent of Landlord.

17. Remedies. In the event the Tenant fails to pay rent when due, or violates or breaches any other term or condition of this Lease, Landlord shall have the right to exercise the following remedies, and any other remedies available at law or equity:

(1) Landlord may, by written notice to Tenant, demand that Tenant either pay outstanding rent within ten (10) days or quit the premises within fifteen (15) days;

(2) Landlord may permit the Tenant to continue its use of the Premises and sue for past due amounts, including costs and fees for such action;

(3) Landlord may lease the Premises to a different tenant at the rate and on such terms as are commercially reasonable at the time and under the circumstances, and charge Tenant for any difference in the rent received from the new tenant and the rent Tenant is

obligated to pay under the terms of this Lease;

(4) Landlord may agree to a payment of damages in such amount as the parties then agree, and release the Tenant from obligations under this Lease entirely. Unless Landlord has released Tenant's continued performance under this Lease, Tenant is deemed to be in possession of the Premises. Tenant is responsible for all payments and obligations under this Lease until Landlord releases Tenant.

18. Covenant of Quiet Possession. Landlord covenants with Tenant that Landlord owns or controls the Premises and that Tenant's possession will not be disturbed by acts or omissions of the Landlord so long as Tenant faithfully performs the obligations of this Lease. However, Tenant acknowledges the Premises are part of a larger public building. Therefore, Tenant may experience temporary impacts to operations, noise, and parking access customarily found with public buildings.

19. Maintenance. The Landlord shall be responsible for all structural maintenance of the Premises, including the roof, foundation, structural members, and exterior wall surfaces. The Tenant will be responsible for janitorial service for the Premises. Tenant shall be responsible for all interior maintenance of the Premises, including mechanical and electrical fixtures to the extent that they are located within and exclusively benefit the Premises, janitorial service, and glass maintenance (both cleaning the inside and replacement in the event of damage from an inside source) which is within the leased premises or solely serves the Premises. Landlord shall be responsible for mechanical systems, which serve space as reasonably necessary to maintain the structure and to service common utility facilities. Exterior maintenance of the Fire Station property and snow removal shall be Landlord's responsibility.

20. Access to Other Spaces. Tenant shall not interfere with the access to other spaces within or on the Fire Station property or obstruct the entrances to those spaces in any way. Landlord shall have such access through the Premises as reasonably necessary to maintain the structure and to service common utility facilities. Landlord shall have the right to inspect the Premises during the Tenant's normal business hours.

21. Force Majeure. This Lease shall automatically terminate upon any holding, interpretation, or determination by a court, legislative, or administrative body that Landlord may not lease to a private educational entity or non-profit entity or that the Landlord may not lease to a private entity either under existing state and federal law or future state and federal law.

22. Increased Insurance Risk. Tenant will not permit the Premises to be used for any purpose which would render the fire insurance on the Fire Station property or the Premises void or cause cancellation thereof or increase the insurance risk or increase the insurance premium in effect during or after the term of this Lease. Tenant will not keep, use or sell, or allow to be kept, used or sold in or about the Premises any article or materials which are prohibited by law or by standard fire insurance policies of the kind customarily in force with respect to the Premises of the same general type as those covered by this Lease.

23. Care and Repair of Premises by Tenant. Tenant will inspect and accept the Premises for the purposes of this agreement prior to taking occupancy. Tenant will not commit any waste on

Premises nor shall it use or permit the use of the Premises in violation of any state law or county or municipal ordinance or regulation applicable thereto. Tenant may, with the prior written consent of the Landlord, but at its own cost and expense, in a good workmanlike manner, make such alterations and repairs to the leased space as Tenant may require for the conduct of its business without, however, materially altering the basic character of the Fire Station property. Any permanent alterations or improvements to the Premises shall become the property of the Landlord upon expiration or termination of this Lease unless specifically exempted in writing prior to commencing work.

24. Damage or Destruction. If the Premises or any part thereof shall be damaged or destroyed by fire or other casualty which renders the Premises uninhabitable in whole or in part, the rent shall be abated wholly or proportionately until the damage shall be repaired and the premises restored. If the damage or destruction shall be of which may require removal of Tenant's operations from the Premises, either Landlord or Tenant may elect to terminate this lease by written notice to the other within thirty (30) days after the occurrence of such damage or destruction. Tenant shall receive permission from Landlord to use space heaters and/or any other electrical equipment which may overload the system.

25. Surrender of Premise. Tenant agrees to surrender the Premises at the expiration or sooner termination of this Agreement or any extension thereof in the same condition or as altered pursuant to the provisions of this Lease. Ordinary wear, tear and damage by the elements or other acts of God excepted.

26. Hold Over. Should Tenant hold over the Premises or any part thereof after the expiration of the term of this Lease unless otherwise agreed in writing, such holding over shall constitute a tenancy from month to month only, and Tenant shall pay as monthly rental the same monthly rental provided for herein.

27. Landlord Liable only for Negligence. Except where caused by Landlord's negligence, Landlord shall not be liable for any failure of water supply, natural gas supply or electrical supply; or for any injury or damage to persons or property caused by gasoline, oil, steam, gas or electricity; or hurricane, tornado, flood, wind or similar storms or disturbances; or water, rain or snow which may leak or flow from the street, sewer, gas mains or any subsurface area or from any part of the building or buildings or for an interference with light.

28. Nondiscrimination. Tenant agrees not to discriminate against anyone on the basis of race, color, national origin, age, sex or handicap in its hiring practices, services or operation of its business hereunder.

29. Waiver of Covenants. It is agreed that the waiver of any of the covenants of this Lease Agreement by either party shall be limited to the particular instance and shall not be deemed to waive any other breaches of such covenant or any provisions herein.

30. Rights of Successors and Assigns. The covenants and agreements contained within the Lease shall apply to the benefit of successors in interest and legal representatives, except as expressly otherwise hereinbefore provided.

31. Security. The Landlord will install doors with locking hardware. The Tenant is entitled to put locks on the doors to its space, provided the Landlord is given keys for reasonable access and building maintenance. Both parties will attempt to keep the exterior doors locked after their use of the building is completed for the day, and the Tenant shall have the obligation of checking all exterior doors at the conclusion of each day to make sure that they are locked, and that windows in the rooms used by the Tenant are secured. Lights and radiators should be turned off at the conclusion of the Tenant's use each day.

32. Notice Provision. Any and all notices required by this Lease Agreement shall be in writing and delivered personally to the party to whom the notice is to be given, or mailed by certified mail, postage prepaid, and addressed as follows:

If to Landlord:
Park City Municipal Corporation
Attn: Sustainability Department
P.O. Box 1480
Park City, Utah 84060

If to Tenant:
Mountain Trails Foundation
Attn: Charlie Sturgis
1200 Little Kate Road.
P.O. Box 754
Park City, Utah 84060

33. Entire Agreement. This agreement constitutes the entire and only agreement between parties and it cannot be altered or amended except by written instrument, signed by both parties.

DATED this _____ day of December 2015.

PARK CITY MUNICIPAL CORPORATION

Jack Thomas, Mayor

Attest:

Michelle Kellogg, City Recorder

Approved as to form:

City Attorney's Office

Mountain Trails Foundation

ACKNOWLEDGMENT

: SS.

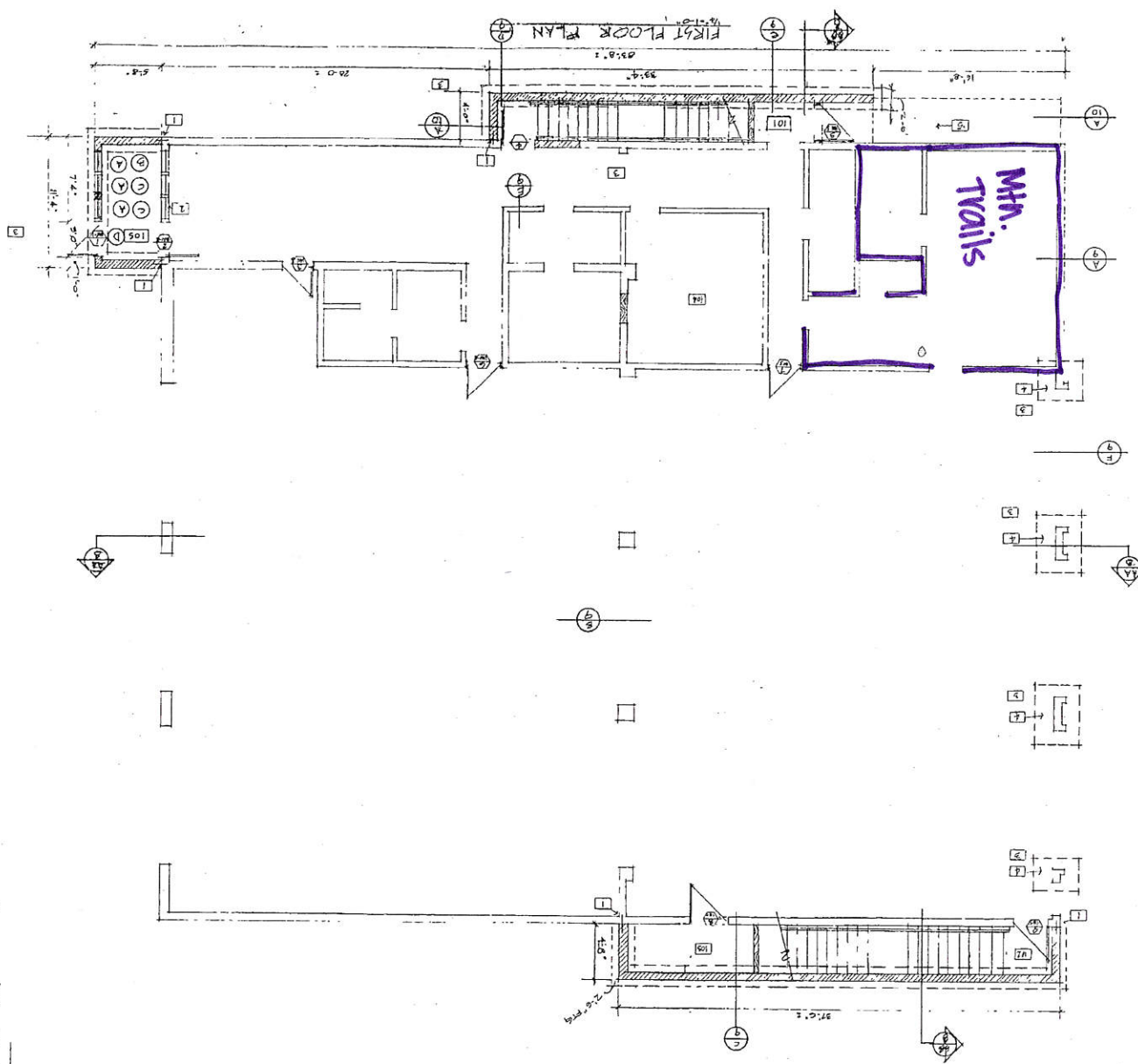
On this _____ day of December, 2015, personally appeared before me, Charlie Sturgis who being duly sworn, did say that he is the Executive Director for the Mountain Trails Foundation, and acknowledged to me that the preceding Agreement was signed on behalf of said entity, and he acknowledged that the entity did execute the same for its stated purpose.

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NOTES





DATE: December 10, 2015

TO HONORABLE MAYOR AND COUNCIL

The attached Exhibit A lists all License applicants to date pending approval. These applicants have completed all requirements for application, including background checks, insurance requirements and paid the applicable license fee. Staff is requesting approval of the attached applicants to conduct business during the 2016 Festival.

Respectfully:

Michelle Kellogg, City Recorder

City Council Staff Report



Subject: Local Consent for Special Event Temporary Alcoholic Beverage Licenses during the 2016 Sundance Film Festival
Author: Beth Roberts, Business License Specialist
Department: Finance
Date: December 10, 2015
Type of Item: Legislative

Recommendation:

Approval of the Special Event Temporary Alcoholic Beverage License (License) applications listed in Exhibit A for operation during the 2016 Sundance Film Festival (Festival).

Executive Summary:

The attached Exhibit A lists all License applicants to date pending approval. These applicants have completed all requirements for application, including background checks, insurance requirements and paid the applicable license fee. Staff is requesting approval of the attached applicants to conduct business during the 2016 Festival.

Acronyms:

City – Park City Municipal Corporation
DABC - Utah Department of Alcoholic Beverage Control
License – Special Event Temporary Alcoholic Beverage License
Festival – Sundance Film Festival
MFL – Master Festival License

Topic/Description:

To request approval of Licenses listed in Exhibit A during the Festival.

Background:

On June 6, 2013, Council passed amendments to the requirement for a License during the time period of the Festival. One of those amendments requires City Council approval of all applications no later than the last regularly scheduled meeting in the preceding month of December. This is consistent with the Utah Department of Alcoholic Beverage Control (DABC) process. The last meeting with the DABC prior to the Festival will be on December 15, 2015. Any Licenses approved by City Council after December 10, 2015 will be up to DABC discretion for State approval. However, there are instances in which the Park City Municipal (City) requires a License and the DABC does not (i.e. private parties). Under City Municipal Code 4-4-2(B)(2) Council may hold an emergency meeting to hear no more than twelve (12) applications for late approval. All applications must be complete and submitted no later than the first Friday in January (January 8, 2016) to be heard no later than the second Thursday in January (January 14, 2016). No more than the first twelve complete applications to be submitted will be heard. A higher

fee, pursuant to the fee schedule, may be required due to the expedited nature of the emergency meeting.

Analysis:

The changes to the City's Municipal Code for the Licenses allows the City to address issues related to adverse impacts or carrying capacity issues due to licensed activity and volume as well as coordinating with a DABC hearing as necessary. It also allows service departments, event staff, and public safety to obtain a more accurate picture of the total public service demands for the Festival and respond as necessary. State Code gives the City discretion on whether to provide Local Consent for Licenses. As a benefit to applicants it provides them enough time to address issues that may otherwise delay or result in denial of their event. Staff has reviewed all 25 applicants listed on Exhibit A for 19 separate locations and recommends that Council reviews and approves the Licenses for the listed applicants.

Department Review:

Finance, Legal, Police, Planning, Building, Special Events, and Executive have reviewed this report

Alternatives:

A. Approve:

The recommended action would be to approve all applicants for the Licenses. This is staff's recommendation

B. Deny:

Council could deny all License applicants listed. This would require applicants to reapply or disallow them from serving alcoholic beverages at their event during the Festival.

C. Modify:

Council could deny some of the License applicants listed. This would require applicants to reapply or disallow them from serving alcoholic beverages at their event during the Festival.

D. Continue the Item:

Council could ask for a continuation of these License applicants listed. The applicants may not make deadlines for the Festival.

E. Do Nothing:

Council could do nothing on this request. This may have the same effect as denying or continuing the item. Staff does not recommend.

Significant Impacts:

	World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
Which Desired Outcomes might the Recommended Action Impact?	(+/-) Unique and diverse businesses (+/-) Balance between tourism and local quality of life (+/-) Varied and extensive event offerings		(+/-) Shared use of Main Street by locals and visitors (+/-) Vibrant arts and culture offerings	(+/-) Fiscally and legally sound (+/-) Engaged and informed citizenry (+/-) Ease of access to desired information for citizens and visitors
Assessment of Overall Impact on Council Priority (<i>Quality of Life Impact</i>)	Very Positive 	Neutral	Positive 	Very Positive 
Comments:				

Funding Source:

N/A

Consequences of not taking the recommended action:

If no action is taken at this time applicants will not be allowed to hold a Special Event Temporary Alcoholic Beverage License. Applicants will be unable to serve alcohol at their event during the Festival.

Recommendation:

Approval of the License applications listed in Exhibit A for operation during the 2016 Festival.

Exhibit A – List of applicants

Applicant Name	Location Address
TO BE APPROVED	
Egyptian Theatre (MFL)	328 Main Street
Egyptian Theatre (MFL)	328 Main Street
Egyptian Theatre (MFL)	328 Main Street
628 Park Ave LLC	628 Main Street
The Blended Table - Samsung (MFL)	638 Park Ave
Kickstarter (MFL)	591 Main Street
Talent Resources (MFL)	890 Main Street
Top Shelf - Base Camp (MFL)	475 Swede
A-List	306 Main Street
Beyond Cinema - AFCI	305 Main Street
Indie Lounge	710 Main Street
Brillant Consulting	449 Main Street
FilmUtah (MFL)	255 Main Steet #C
FilmUtah (MFL)	255 Main Street #A
FilmUtah (MFL)	255 Main Steet #C
FilmUtah (MFL)	255 Main Street #A
Done to Your Taste Catering (MFL)	268 Main Street
Done to Your Taste Catering (MFL)	268 Main Street
Done to Your Taste Catering (MFL)	268 Main Street
Durkin Entertainment	255 Main Street
BMF Media	364 Main Street
Top Shelf - Gateway Virtual Reality (MFL)	136 Heber Ave
Top Shelf - New Frontier (MFL)	573 Main Street
Top Shelf - Ascap (MFL)	751 Main Street
NA Collective (MFL)	408 Main Street
PREVIOUSLY APPROVED	
Errol Roussel (MFL)	573 Main Street
Miriam Benezra (Sundance)	308 Main Street
Miriam Benezra (Sundance)	1310 Lowell Ave
Miriam Benezra (Sundance)	608 Main Street
Miriam Benezra (Sundance)	895 Sidewinder
Miriam Benezra (Sundance)	1167 Woodside
Miriam Benezra (Sundance)	550 Main Street
Miriam Benezra (Sundance)	475 Swede Alley
Pamela Alford	657 Park Ave



DATE: December 10, 2015

TO HONORABLE MAYOR AND COUNCIL

Municipal Code 4-3-9(D)(2) retains Council authority to approve Type 2 CSL licenses. Prior to Council's consideration of the Type 2 CSL license application, the applicant must have a pre-inspection prior to application (PIPA). This inspection will highlight any issues related to the space prior to their final inspection. The inspection must accompany the license application along with accurate floor plans stamped by a design professional including the occupant load.

Council may choose to hold a Special Meeting to hear any late applicants. There are XX late applicants at XX locations awaiting approval.

Respectfully:

Rebecca Gillis, Accounting Manager



DATE: December 10, 2015

TO HONORABLE MAYOR AND COUNCIL

A Number of Community Groups Have Been Meeting Over the Past Six Months to Discuss How to Better Coordinate Services and Better Address Latino Issues in Our Community. This Study Session is Designed for Members of that Group to Speak Directly with the City Council. This Study Session Will be Conducted in Both Spanish and English. the Format of This Study Session Will be a "Roundtable" Format Where the Mayor, City Council and Those who Have Participated in the Meetings Described in the Report Will be Invited to Sit Around the Table at the Back of the Room in City Council Chambers to Discuss These Issues for One Hour.

A Study Session is Designed to Facilitate a Discussion Amongst Those People who Are Invited to Sit with the Mayor and City Council. This Session is Open to the Public, However, Public Input is Not Typically Taken During a Study Session. Public Input Can be Given to City Council at Every City Council Meeting During the Public Input Time Allocated at 6Pm; it is Also Likely that City Council Will Hold a Work Session Discussion of This Issue Where Public Input Can Also be Provided. Additionally, the Public is Always Welcome to Contact Individual Elected Officials; Their Contact Information Can be Found on the City's Website or by Clicking This Link: [Http://Www.Parkcity.Org/Government/City-Council](http://www.parkcity.org/Government/City-Council) If You Would Like to Email the Mayor and Entire City Council, Please Send Your Email to Council_Mail@Parkcity.Org

Respectfully:

Diane Foster,



City Council Staff Report

Subject: Study Session on Latino Issues
Author: Diane Foster
Department: Executive
Date: December 10, 2015
Type of Item: Study Session

Executive Summary

A number of community groups have been meeting over the past six months to discuss how to better coordinate services and better address Latino issues in our community. This Study Session is designed for members of that group to speak directly with the City Council. This Study Session will be conducted in both Spanish and English. The format of this Study Session will be a “roundtable” format where the Mayor, City Council and those who have participated in the meetings described in this report will be invited to sit around the table at the back of the room in City Council Chambers to discuss these issues for one hour.

A Study Session is designed to facilitate a discussion among those people who are invited to sit with the Mayor and City Council. This session is open to the public, however, public input is not typically taken during a Study Session. Public input can be given to City Council at every City Council meeting during the Public Input time allocated at 6pm; it is also likely that City Council will hold a work session discussion of this issue where public input can also be provided. Additionally, the public is always welcome to contact individual elected officials; their contact information can be found on the City’s website or by clicking this link: <http://www.parkcity.org/government/city-council> If you would like to email the Mayor and entire City Council, please send your email to Council_Mail@parkcity.org

Why this staff report is focused on Latino Issues

This staff report has been titled “Study Session on Latino Issues.” The aforementioned group initially gathered to discuss issues related to lower income individuals and families in our community. It is important to note that not all Latinos in our community would fall into the category of “low income,” nor are all low income individuals and families of Latino descent. Additionally, not all Park City residents who call themselves Latino have lineage linked to the same country.

For the purposes of this discussion, we are focusing on Park City area residents who call themselves Latino AND whose wages are on the lower end of the scale, as compared to the median income in Park City. According to the US Census Bureau, the [median income for a family in Park City, 2009-2013](#) was \$81,548. While our group is not exclusively focused on lower income related issues, for the same time period, the Census Bureau identified 17.8% in Park City were living at or below the poverty level,

as compared to 12.7% in Utah overall and 15.4% nationwide. [Click here to understand how the Census Bureau defines poverty](#); it is not a single number across the nation.

The Census Bureau Report for 2010 shows 24.1% of those living in the 84060 zip code identify themselves as Hispanic or Latino.

Background:

In June of this year Katie Wright of the Park City Community Foundation, Abby McNulty of the Park City Education Foundation and Bob Edmiston of the Park City School District scheduled a meeting with me to ask if the City would participate in a group to help better address Latino issues in the Park City area community.

In mid-July the same group was joined by Mayor Jack Thomas and Phyllis Robinson from Park City Municipal, Dr. Ember Conley and Tom VanGorder of the Park City School District and Rob Harter of the Christian Center to further discuss these issues. One of the things the group decided was that we needed to include members of the Latino community in these early discussions.

Two meetings were held in August where the aforementioned group that met in July was joined by representation from Latinos in Action, the Parent Teacher Association of McPolin, Summit County, the YMCA of Northern Utah, the United Way of Salt Lake, the School District's Latino Outreach Coordinator and Director of the After School/Summer School/Community Partnerships, and the Latino community at large. These meetings were conducted in both Spanish and English, as have all subsequent meetings.

On October 11, 2015 during the City Council meeting Mayor Jack Thomas described the efforts of this group and asked for City Council support for staff to participate in this process.

Two more meetings were held, one in October and one in November. At the November meeting, Mayor Jack Thomas and I were joined by Adriane Juarez of the Park City Library and Ken Fisher and Michelle Stucker of the PC MARC.

The next formal meeting of the group will be January 4, 2016 at 5:15pm at the Park City Library.

Issues Identified (in no specific order)

- **Housing:** The group has discussed the need for affordable housing including housing to service the needs of middle income Latinos, low and very low income Latinos and also housing for undocumented workers. The need is both for rentals and housing that can be purchased.
- **English Language Classes:** While there are English as a Second Language Classes available, there are not higher level conversational English classes offered at this time.
- **Centralized Information Resource:** While there are many service providers, there is no central source of information

- **Community Center:** One of the needs discussed is for a Community Center that can house a centralized information resource, as well as provide space for classes, meetings and social functions.
- **Computer Classes in Spanish**
- **Additional After-School Programs**
- **Transportation to and from After School Programs**
- **Affordable Daycare**
- **Legal Issue Support**
- **Career Center/Job Training**

These issues and other needs may or may not be discussed at the Study Session.

Support Organizations

A myriad of support agencies currently exist in our community. A list of these organizations can be found in Appendix B; please note this list may not be 100% complete. For example, [PC Tots](#), a nonprofit focused on delivering affordable daycare to the Park City community, is expected to open in early 2016.

It is important to note that the aforementioned group discussing Latino issues in our community has not reached out to all of the other organizations currently serving the Latino community to incorporate them into this particular discussion. While these groups have not been intentionally excluded, navigating bilingual meetings with a group of 20-30 individuals has been challenging. However, to be successful over the long term, all of the groups serving the Latino community will need to be included in these discussions.

It is also important to note that the meetings discussed earlier in this report are not the first of its kind in the community, nor are they the only cross-organization meetings that currently exist to discuss Latino issues in the Park City area: There is a group of approximately twelve Latino outreach coordinators employed by various organizations throughout our community that have been meeting on a regular basis since this summer.

Some suggestions for participating in this bi-lingual Study Session

We will have a Spanish-English translator at the meeting. Some of the participants may be more comfortable participating in Spanish. Here are a couple of suggestions that can help participants:

- It is helpful if there is only one conversation happening at a time.
- If you are the speaker, if you speak for more than 30 seconds, please pause and look to the translator so that she can translate what you have just said. When she has finished translating what you have said, you can continue your thought.
- It will take a bit longer to have a conversation in two languages than one. Please be aware of this and that others around the table will also want to share their thoughts.

Appendices

Appendix A: Park City Library Recursos en Español/Resources in Spanish

Appendix B: L.O.C.A.L: List Of Community Agencies 4 Low income families. Prepared by Leadership Park City, Class XVIII and Sponsored by Park City Medical Center. (Undated) Updated by Christian Center of Park City, August 28, 2015

Reporte del Equipo de Consejo Ciudadano



Asunto: Sesión de Estudio sobre la problemática de la
Comunidad Latina
Autor: Diane Foster
Departamento: Ejecutivo
Fecha: Diciembre 10, 2015
Tipo: Sesión de Estudio

Resumen Ejecutivo

Algunos grupos en la comunidad se han estado reuniendo en los últimos seis meses para platicar sobre como podemos coordinar los servicios y afrontar de mejor manera la problemática de la Comunidad Latina. Este estudio esta diseñado para los miembros de este grupo para platicar directamente con el Consejo Ciudadano. Esta sesión se realizará tanto en español como en inglés. El formato de esta Sesión de Estudio será una especie de mesa redonda donde el Alcalde, el Consejo Ciudadano y aquellos que han participado en las juntas anteriormente descritas en este reporte serán invitados a sentarse en la mesa ubicada en la parte de atrás del salón en la Cámara de Consejo Ciudadano para platicar sobre esta problemática por una hora.

Una Sesión de Estudio está diseñada para facilitar la discusión entre estas personas que son invitadas a sentarse con el Alcalde y el Consejo Ciudadano. Esta sesión está abierta al publico, sin embargo, por lo general no se toma la opinión del publico en estas Sesiones de Estudio. El publico puede hacer sugerencias al Consejo Ciudadano en cada junta de Consejo Ciudadano durante el tiempo de opinión publica asignado a las 6 PM; también es probable que el Consejo Ciudadano sostenga una sesión de trabajo concerniente a este tema donde también la opinión publica se acepta. Además, se invita al publico a contactar a los funcionarios electos, la información para contactarlos se encuentra en el sitio de Internet de la Ciudad o entrando a esta pagina: <http://www.parkcity.org/government/city-council> Si desea enviar un correo electrónico al Alcalde y a todo el Consejo Ciudadano favor de enviarlo a Council_Mail@parkcity.org

Porque este reporte esta enfocado a problemáticas de la Comunidad Latina

Este reporte se ha titulado Sesión de Estudio sobre las problemáticas de la Comunidad Latina. El grupo mencionado anteriormente se reunió originalmente para platicar sobre temas relacionados a los individuos y familias de bajos ingresos en nuestra comunidad. Es importante decir que no todos los Latinos en nuestra comunidad entran en esta categoría de "Bajos ingresos" y no todos las personas o familias de bajos recursos son de descendencia Latina. Adicionalmente, no todos los residentes de Park City que se nombran asimismo Latinos son del mismo país de origen.

Para propósitos de esta platica, nos estamos enfocando en residentes de Park City que se llaman animismos Latinos Y que sus sueldos están en el rango mas bajo, comparado con los sueldos de rango medio en Park City. De acuerdo con la Oficina de Censos , el ingreso económico de una familia de clase media en Park City,2009 2013 era de \$81,548. Si bien nuestro grupo no se enfoca exclusivamente en problemáticas relacionados con familias o individuos de bajos ingresos, en estos mismos años, el censo identificó que 17.8% de la población en Park City estaba viviendo en o por abajo del nivel de pobreza comparado con el 12.7% en todo Utah y 15.4% a nivel nacional. Haga click aqui para entender como la Oficina de Censos define la pobreza, no es solo un numero a lo largo del país.

El reporte del censo 2010 muestra 21.4% de aquellos viviendo en el código postal 84060 se identifican asimismo como Hispanos o Latinos.

Trasfondo:

En Junio de este año Katie Wright de Park City Community Foundation, Abby McNulty de Park City Education Foundation y Bob Edmiston de Park City School District tuvieron una junta conmigo para preguntarme si la Ciudad podría participar en un grupo para abordar de mejor manera la problemática de la Comunidad Latina en el área de Park City.

A mitad del mes de Julio el mismo grupo se reunió con el Alcalde Jack Thomas y Phyllis Robinson por parte de la ciudad de Park City, Dr. Ember Conley y Tom VanGorder de Park City School District así como Rob Harter de Christian Center para platicar sobre estas problemáticas. Una de las cosas que este grupo comentó que se necesitaba era incluir a los miembros de la Comunidad Latina lo mas pronto posible en estas platicas.

Se llevaron a cabo dos juntas mas en Agosto donde el grupo mencionado en el párrafo anterior tuvo un representante de Latinos en Acción , La Asociación de Padres y Maestros de McPolin, el Condado de Summit, YMCA del Norte de Utah, United Way de Salt Lake, El Coordinador de Alcance Latino del Distrito Escolar y el Director del Programa de Después de Clases/Escuela de Verano/Sociedades Comunitarias, y un gran numero de asistentes de la Comunidad Latina. Estas juntas se llevaron a cabo en inglés y español, así como las juntas subsecuentes.

El 11 de Octubre de 2015 durante la junta de Consejo Ciudadano el Alcalde Jack Thomas señaló los esfuerzos de este grupo y solicitó ayuda a los empleados del Consejo Ciudadano para que participaran en este proceso.

Se realizaron dos juntas mas, una en Octubre y otra en Noviembre. En la junta de Noviembre, asistimos el Alcalde Jack Thomas y yo, junto con Adriane Juarez de la Biblioteca de Park City, Ken Fisher y Michelle Stucker de PC MARC.

La siguiente junta formal del grupo será el 4 de Enero, 2016 a las 5:45 pm en la Biblioteca de Park City.

Problemas identificados: (En ningún orden en específico)

- **Vivienda:** El grupo ha platicado sobre la necesidad que existe de vivienda accesible para renta o compra incluyendo las viviendas para los Latinos con ingresos medios, Latinos con ingresos bajos o muy bajos así como vivienda para trabajadores indocumentados.
- **Clases de Inglés:** Existen actualmente clases de Inglés como segunda Lengua, sin embargo por el momento no se están ofreciendo clases de conversación de inglés avanzado.
- **Centro de Información:** Existen muchos proveedores de servicios, sin embargo no existe un lugar donde se concentre toda esta información.
- **Centro Comunitario:** Una de las necesidades que se abordó fue la necesidad de un Centro Comunitario donde se pueda centralizar todos los recursos informativos, así como proveer espacios para clases, juntas y funciones sociales.
- **Clases de Computación en español**
- **Programas adicionales para después de Clases**
- **Transportación ida y vuelta para los Programas para después de Clases**
- **Guardería económica**
- **Ayuda para problemas legales**
- **Centro de capacitación para carreras/entrenamiento laboral**

Estas problemáticas y otras necesidades podrían ser o no discutidas en la Sesión de Estudio.

Organizaciones de Ayuda Comunitaria

En nuestra comunidad existen muchas organizaciones de ayuda comunitaria. Una lista de estas organizaciones se puede encontrar en el Apéndice B; favor de notar que esta lista puede no encontrarse completa. Por ejemplo PC Tots, una non-profit enfocada en brindar el servicio de guardería económica a la comunidad de Park City se espera abra sus puertas en los primeros meses del año 2016.

Es importante notar que el grupo anteriormente mencionado que está en pláticas sobre la problemática de la Comunidad Latina no ha contactado a todas las organizaciones que se encuentran actualmente sirviendo a la comunidad Latina para incorporarlos a esta discusión en particular. Estos grupos no han sido intencionalmente excluidos, es solo que realizar juntas bilingües con 20 o 30 personas es complejo y representan todo un reto. Sin embargo para tener éxito a largo plazo, todos los grupos que sirven actualmente a la Comunidad Latina necesitarán ser incluidos en estas pláticas.

Es importante notar que las juntas mencionadas inicialmente en este reporte no son las primeras realizadas sobre este tema en la comunidad, ni tampoco son las únicas juntas que existen actualmente para comentar la problemática Latina en el área de Park City: Existe un grupo de aproximadamente doce Coordinadores de Alcance Latino empleados por varias organizaciones en nuestra comunidad que se han estado reuniendo de manera regular desde este pasado verano.

Algunas sugerencias para participar en esta Sesión de Estudio Bilingüe

Tendremos un traductor Español-Inglés en la junta. Algunos de los participantes se sentirán más cómodos hablando Español. A continuación un par de sugerencias que podrían ayudar a los participantes:

- Siempre es de gran ayuda que solo hable una persona a la vez.
- Si usted es la persona que está hablando, si usted habla por más de 30 segundos, por favor haga una pausa y mire al traductor para que pueda traducir lo que usted acaba de decir, cuando se ha terminado de traducir lo que usted comentó entonces podrá continuar.
- Tomará un poco más de tiempo sostener una conversación en dos idiomas que en uno, por favor este consiente de esto y que otras personas en la mesa también desean compartir sus comentarios.

Apéndices

Apéndice A:

Recursos en español de la Librería de Park City

Apéndice B:

L.O.C.A.L: Lista de Agencias Comunitarias para Familias de Bajos Recursos, preparada por el liderazgo de Park City, Clase XVIII y patrocinado por el Centro Médico de Park City. (No actualizado) Actualizado por Christian Center of Park City, Agosto 28, 2015.



Recursos en Español/Resources in Spanish

For kids:

- AWE Early Literacy Station: Bilingual Spanish and English educational games on a dedicated computer station
- Cuentos en Español: Spanish storytime, every Thursday from 4:00 to 6:00 pm at the Aspen Villa apartment complex

For all:

- Dedicated Spanish language internet/word processing computer, including MS Office Suite en Español
- Conversational Spanish, every Wednesday from 5:00 to 7:00 pm

Spanish language collections: The Park City Library carries more than 2,000 titles in Spanish, including:

- Spanish and Latin-genre music CDs
- English-language learning materials across a variety of formats
- Magazines in Spanish
- DVDs and multi-format educational kits
- Spanish language board books, plus fiction and non-fiction for all ages
- Audio books on CD
- And coming soon, Play Away Devices in Spanish: audio books in an all-in-one device, without the hassle of downloading or changing disks!

Databases:

- Did you know that the Park City Library catalog is available en Español? Pregúntanos (Ask us!) and we'll show you how to use it.
- Pioneer, LearningExpress, Mango Languages, and more! Our many databases offer GED practice tests, citizenship resources, adult beginning literacy tools, math improvement, and more, all in Spanish. Whether you'd like to learn English or improve your Spanish vocabulary, we offer many options to support you and your learning style.

l.o.c.a.l.

**List Of Community Agencies 4 Low income families.
Prepared by Leadership Park City, Class XVIII and Sponsored
by Park City Medical Center. (Undated)**

Updated by CCOFPC
8/28 /2015

EDUCATION

❑ **Art Kids 435-615-7878 arts-kids.org**

1685 Bonanza Drive, Park City, Utah 84060

After school program - Kids learn how to solve stressing life situations through Art, Theatrical performance and Dance.

❑ **Big Brothers Big sisters 435-649-9366 bbbsu.org**

5532 Lillehammer #202 Kearns Blvd. Park City UT 84060

Mentoring programs for Kids. We strive to connect these children with the perfect match – a mentor with similar interests who wants to help just that Kind of child.

❑ **Community Learning Center 435-645-5630 jtukuafu@pcschoools.us**

2270 Kearns Blvd Park City UT 84060

The Learning Center is the home to many programs offered by the Park City School District; including adult education, leisure learning enrichment classes, after school extended day programs, Aquatic Center programs and more.

❑ **Latinos in Action 801-404-0521 contact@latinosinaction.org**

1430 W Andrew Ave. Salt Lake City, Utah 84125

This program offers Latino students to empathize leadership tutoring to younger students, use their bilingual ability for parent teacher conferences translation and guidance to available scholarships.

❑ **Park City Schools Aquatic Center 435-645-5617**

2465 W Kilby Rd. (at Ecker Hill Middle School)

A fun recreational space for the whole family.

Affordable swimming lessons for all ages and spaces available for kids birthdays.

❑ **Mega-Genius Supply store and IQ HQ 435-655-8252**

435 Swede Alley, Park City, UT 84060

Literacy & tutoring center for K-12, retail store.

❑ **KPCW'S Every Sunday 435-649-9004 cadadomingo@kpcw.org**

Local radio station, transmitting in Spanish every Sunday. Offering international and local news, community announcements and music.

SOCIAL SERVICES

❑ **Christian Center of Park City 435-649-2260 ccofpc@org**

1283 Deer Valley Dr. Park City, UT 84060

CCPC is a Christian humanitarian community resource center that helps improve the life of people and communities through meeting immediate and basic needs.

❑ **Habitat For Humanity 435-658-1400 / 435-487-9015 habitat-utah.org**

6280 Silver Creek Drive, Park City Utah, 84098

Habitat provides a viable path to home ownership for low income families.

❑ **Mountain lands Community Housing Trust 435-647-9719 HousingHelp.org**

Rent to own programs, Build to own, Disputes mediation, transitory housing, Senior living center, Referrals.

❑ **Holy Cross Ministries 435-333-1850 HolyCrossMinistries.org**

860 E 4500 S #204, Salt Lake City, UT 84107

Holy Cross helps low income families and individuals through Legal Immigration programs, After School programs for Kids and referrals to community resources.

- ❑ **Peace House 800 647 9161 peacehouse.org**
1960 Sidewinder Dr. Suite 208 Park City, UT 84060
Emergency Shelter for women and children fleeing from domestic violence.
- ❑ **Summit County Victim Assist. 435 615 3850 mprobst@summitcounty.org**
6300 Justice Center Rd., #5 Park City, UT 84098
Legal counseling, referrals, victim crisis management. Attend hearings and navigate legal system with victims.

CHURCHES

- ❑ **Church Of Jesus Christ Latter Day Saints 435-649-3482 lds.org**
2300 Monitor Dr. Park City UT 84060
The restored church of Jesus and plan for humanity
Worship opportunities and English Classes.
- ❑ **Iglesia Luz y Verdad (The Light and The Truth) 435-901-9972**

Luz y Verdad is a Hispanic Evangelical Church that emphasizes on developing healthy marriages and strengthening family relationships.
- ❑ **St. Mary's Catholic Church 435-555-1234 StMarysParkCity.com**
1505 W White Pine Canyon Rd. Park City, UT 84098
Spanish Mass 1:00pm Sunday. Bilingual Holy Hour, Thursday 7:00 – 8:00pm.
Religious education. We are pleased to offer two \$500.00 Scholarships for Graduating seniors from Saint Lawrence.
- ❑ **Mountain Life Church 435 647-5855 mtnlife@mountainlife.org**
7375 Silver Creek Rd Park City, UT 84098
We exist to bring people into a life changing relationship with Jesus, help connect them into an authentic Christian community, and develop in them a heart full of passion for God and compassion for people.

CROSS POINT CHURCH 435-072-9718 robby@crosspointpca.org

We are a welcoming community, open to everyone, whether you are a skeptic, seeker, new convert or struggling Christian.

Church meets at 10:00 AM on Sundays.

LEGAL AND EMPLOYMENT SERVICES

❑ Workforce Services 435-649-8451 jobs.utah.gov/jobseeker

1960 Sidewinder Dr. #103 Park City, UT 84060

69 North 600 West Suite C, Heber City, UT 8994032

Provides the Utah's largest employment System to find Jobs.

Food Stamps, Child Care, training, and career planning opportunity.

❑ Utah Legal Services (800) 662-4245 utahlegalservices.org

We provide services to low income families or individuals US citizens or Legal residents only, UNLESS the case is for domestic violence, sexual Assault, in protective order cases and legal immigration.

❑ Community Legal Center 801-924-9000 www.communitylegalcenter.org

205 N 400 W Salt Lake City, UT 84103

Legal assistance for low income residents in non-criminal cases.

The Community Legal Center is a project of -And Justice For All-, an alliance of nonprofit organizations dedicated to providing free, civil legal aid to Utah's poor, elderly, disabled, and ethnic minorities.

HEALTH AND NUTRITION

❑ **Intermountain Park City Medical Center 435-658-7000**

intermountainhealthcare.org

24 hour Emergency Service, Spanish service and financial aid.

❑ **People's Health Clinic 435-333-1875 www.peopleshealthclinic.org**

650 Round Valley Drive, Park City, UT 84068

Health services for low income individuals and for those with no medical insurance.

❑ **Planned Parenthood 435-649-5989 www.plannedparenthood.org**

1670 Bonanza Dr. Park City, UT 84060

We are a trusted health care provider, an informed educator, a passionate advocate, and a global partner helping similar organizations around the world. Planned Parenthood delivers vital reproductive health care, sex education, and information to millions of women, men, and young people worldwide.

❑ **Summit County Health Department 435-333-1500**

summitcountyhealth.org

One of the department's programs is The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) , which is a Federally-funded program that serves pregnant, breastfeeding and Postpartum women, infants and children up to age 5 who live in Summit County and who meet income guidelines.

Food Stamps are accepted at the Park Silly Sunday, Market.

❑ **Valley Mental Health 435-649-8347 vmh.com**

1753 Sidewinder Dr. # 200 Park City, UT

Mental help to all ages, Alcohol and drug prevention classes.

RECREATION

❑ **Park City Aquatic Center 435-645-5617 pcschools.us**

2465 W. Kilby Rd Park City UT 84098

Affordable aquatic recreational activities for the public.

❑ **National Ability Center 435-649-3991 discovernac.org**

The National Ability Center empowers individuals of all abilities by building Self-esteem, confidence and lifetime skills through sport, recreation and educational programs. Financial assistance is offered for low income families and individuals.

❑ **Park City Recreation (THE MARC) 435-615-5400 Parkcityrecreation.org**

1200 Little Kate Road, Park City, UT 84068

The Park City Municipal Athletic & Recreation Center (PC MARC) opened in December of 2011 after an extensive renovation. This City-owned facility offers affordable recreational amenities for all ages and fitness levels.

❑ **Snyderville Basin Recreation 435 649-1564**

contactus@basinrecreation.org

5715 Trailside Drive Park City, Utah 84098.

The Snyderville Basin Special Recreation District, providing quality parks and recreation experiences and opportunities for residents within the Snyderville Basin. Affordable and for all ages.

LIBRARIES AND TRANSPORTATION

❑ **Park City Library 435-615-5600 parkcitylibrary.org**

1354 Park Avenue PO Box 668 Park City, Utah, 84060

Offering free access to residents, a great variety of selections both in English and Spanish, 3D printer, different activities and summer reading for Teens.

❑ **Summit County Library 435-615-3947 summitcountylibrary.org**

1885 W. Ute Blvd, Park City UT 84098

The library offers Spanish service, as well as GED in Spanish through the Mexican Consulate and reading classes.

❑ **Dial-A-Ride 435.615.5301 parkcitytransit.org**

Park City Municipal Corporation Public Works-Transit Bus

1053 Iron horse Drive, Park City, UT 84060-1480

Senior Mobility Service is offered by filling out a form. Services also include Ice arena, Health Department, People's Health Clinic, Park City Medical Center, Resorts and Salt Lake City shuttle. For Schedule and transit trip Planners call 435.615.5301 or go online.