



Honorable Mayor Mann  
 Members of the City Council  
 6110 N. Hydraulic Avenue  
 Park City, Kansas 67219

RE: 2014 Budget

Gentlemen:

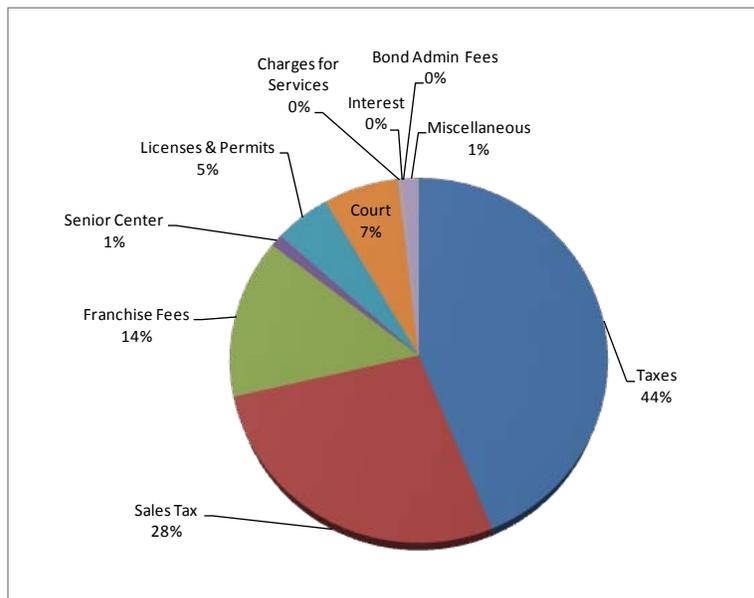
I present to you the 2014 budget for your consideration. This document hopefully presents the complete financial structure for the City for 2014. The total amount of the General Fund budget is \$ 4,155,380.00, with an overall budget of \$14,538,654.

This document is to be a managerial tool to help both the Governing Body and staff to operate the City in a financially responsible manner. Please note that this document is broken down into basically tax funds, and utility funds (water/sewer).

**REVENUES**

Park City has been formulated to see revenues to continue to climb since the down turn of 2009. The modest revenue increases have not kept up with raising costs, and the effects that non paid specials have had on the budget overall. The increase in revenue from 2013 to 2014 was \$322,257.00.

**FIGURE 1-REVENUES FOR THE GENERAL FUND**



There are three ways a City can raise money: 1) Increase the mill levy, 2) Annex land in to the City, and 3) create economic growth which in turn increases the tax base. Every year prices for services continue to climb, even in this down economy. Sales tax, mil levy, and franchise tax makes up 80% of the revenue for the City. Each one of these taxes is directly related to growth. When you shut down growth, so to have you shut down your revenue.

<b>CHART 1</b>			
<b>GENERAL FUND - REVENUE</b>			
<b>REVENUE</b>	<b>2013 ADJUSTED BUDGET</b>	<b>2014 BUDGET REQUEST</b>	
<b>TAXES</b>			
Ad Valorem Tax	1,332,289	1,489,749	
Local Liquor Tax	11,935	14,225	
Delinquent Tax	115,000	65,000	
Motor Vehicle Tax	156,292	155,825	
Recreational Vehicle Tax	2,264	1,900	
16/20 Truck Tax	1,267	1,170	
In Lieu of Taxes	5,000	6,600	
<b>TOTAL TAXES</b>	<b>1,624,047</b>	<b>1,734,469</b>	
<b>SALES TAX</b>			
Local Retailers' Sales Tax	1,020,000	1,080,000	
<b>TOTAL SALES TAX</b>	<b>1,020,000</b>	<b>1,080,000</b>	
<b>INTERGOVERNMENTAL</b>			
County Department of Aging	35,000	35,000	
Sr. Center - Belle Aire & Maize	5,000	5,000	
<b>TOTAL INTERGOVERNMENTAL</b>	<b>40,000</b>	<b>40,000</b>	
<b>FRANCHISE FEES</b>			
Franchise Tax	525,000	650,000	
<b>TOTAL FRANCHISE FEES</b>	<b>525,000</b>	<b>650,000</b>	
<b>LICENSES &amp; PERMITS</b>			
Contractors' Fees/Certifications	5,000	4,000	
Plan Review Fees	16,000	30,000	
Contractors' Licenses	25,000	25,000	
Building Permits	65,000	80,000	
Liquor Licenses	3,000	4,000	
Animal Permits	8,500	8,500	
State Exam Applications	1,340	1,000	
Garage Sales	750	750	
Fireworks Permits	30,000	35,000	
Miscellaneous Permits	17,000	23,000	
Rental Home Fees/Permits	10,000	18,000	
Zoning and Subdivision Fees	1,350	1,350	
<b>TOTAL LICENSES &amp; PERMITS</b>	<b>182,940</b>	<b>230,600</b>	
<b>COURT</b>			
Municipal Court Fines	200,000	170,000	
Municipal Court Costs	45,000	45,000	
<b>TOTAL COURT</b>	<b>245,000</b>	<b>215,000</b>	
<b>CHARGES FOR SERVICES</b>			
Community Building Rent	5,500	5,350	
Senior Center Revenue	1,800	1,000	
Police Reports/Misc. Revnue	2,000	2,700	
<b>TOTAL CHARGES FOR SERVICES</b>	<b>9,300</b>	<b>9,050</b>	
<b>INTEREST</b>			
Interest Income	6,000	15,000	
<b>TOTAL INTEREST</b>	<b>6,000</b>	<b>15,000</b>	
<b>MISC REVENUE</b>			
Miscellaneous Income	50,000	50,000	
Returned Check Fee	1,250	1,750	
Animal Shelter Reimbursement	775	700	
Cancelled Encumbrances	-	-	
<b>TOTAL MISC REVENUE</b>	<b>52,025</b>	<b>52,450</b>	
<b>TOTAL REVENUE</b>	<b>3,704,312</b>	<b>4,026,569</b>	

Park City has several special revenue funds that are not dependant on property tax. Chart 2 lists these special revenue funds. Please note these funds are restricted for specific purposes.

Special Highway funds must be used only for street related improvements or repairs. Special Highway funds come to the City from the State. Convention & Tourism funds must be used to promote the City of Park City, and to bring tourism into the community to spend money. Convention & Tourism funds are generating by a hotel/motel tax of 6% added onto the cost of each room. Special Alcohol funds are generated by restaurants and bars selling 6% or greater alcohol. These funds are passed back to us by the state. Police & Court Training funds are generated by the Park City Court as part of Court costs assessed to individuals. These funds are to be used for training of police, court, and code enforcement personnel. Solid Waste Utility Fund is a pass through account. The City collects solid waste fees for the City's preferred provider and turns those fees back to them. Sewer and Water Reserve Funds are required to be established by Bonding Companies who hold our bond debt. Ad Valorem taxes (mill levy generate) help to fund more than just the general fund. Chart 2 break outs the total Ad Valorem taxes that makeup our mill levy.

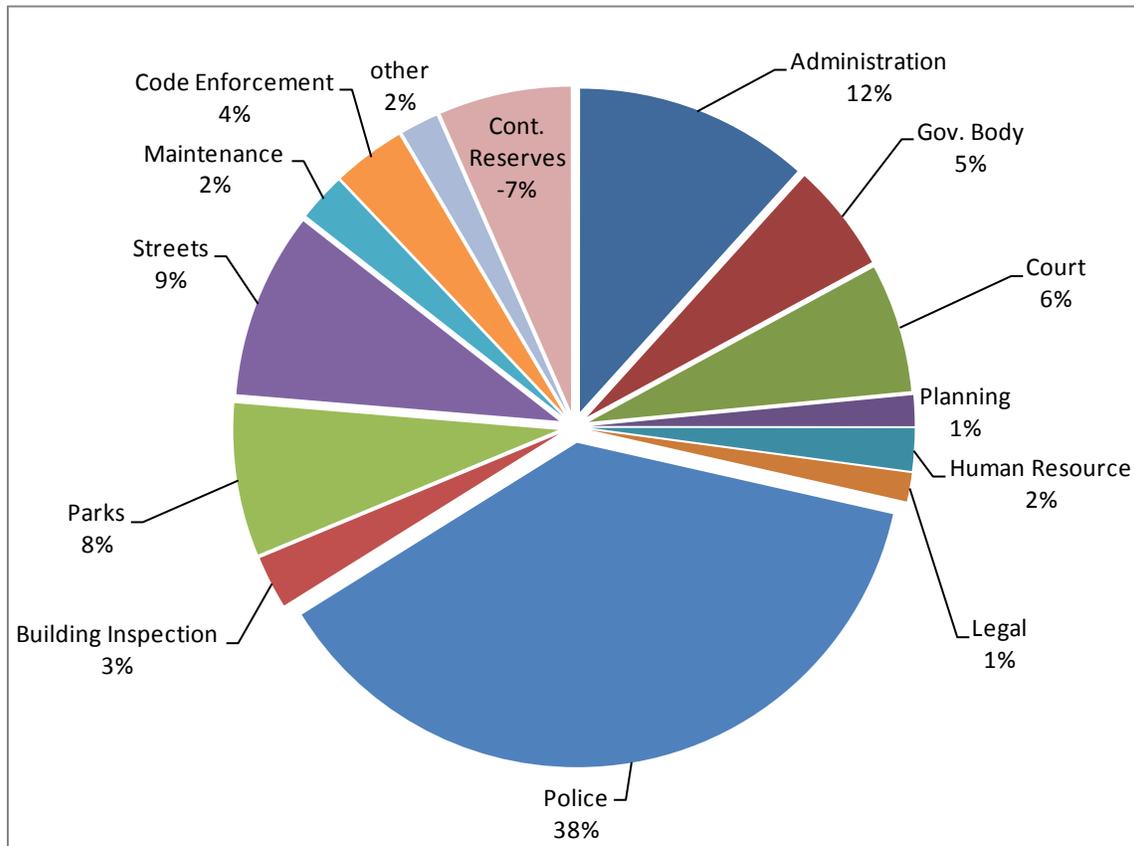
<b>CHART 2</b>
SPECIAL REVENUE FUNDS
Special Highway
Convention & Tourism
Special Alcohol/Drug(Police)
Special Alcohol (Park)
Police & Court Training
Solid Waste Utility Fund
Sewer Special Reserve Funds
Water Special Reserve Funds

Park City Library was created in 2000 by the vote of the Citizens. Three mils were established for the funding of the Library. In 2008 the City Council authorized additional funding for Library employee benefits, which goes up or down depending on the number of employees. Also in January 2003 the Citizens passed a measure allowing for the bonding of ball field lights for McLean Field.

**EXPENSES**

During 2009, and so far in 2014 expense have leveled off due to the lack of major inflation. However, the major problem with the budget is not so much as the expense from operational standpoint, as it is

with the collection of taxes, such as, property and special assessments. Figure 2 below outlines the expenses in the General Fund by department.



**FIGURE 2-EXPENSE IN THE GENERAL FUND**

It is generally accepted that if your administration costs stay below 25% then you are not over staffed in administration or as some people would say top heavy. The largest general fund budget is the Police Department. The Police Department has about 40% of all employees. The FBI states that a good ratio of officers to population should be 1:450. Park City currently has a ratio of 1:413.

Chart 3 summarizes the total expenses for the 2014 Budget. The Solid Waste, Sewer and Water utility funds each produce revenue to cover the expenses. If these funds are unable to cover their expenses, then a fee increase is enacted. Convention & Tourism expense are covered by a guest tax levied by hotels and motels in the community.

Special Street and Highway Funds come from the State, and can only be used to cover expenses dealing with streets. Special Alcohol monies are used to support Police training, and Park Improvements as established by the State of Kansas.

**CHART 3**  
**GENERAL FUND EXPENSE**

<b>EXPENDITURES</b>	<b>2013</b>	<b>2014</b>
Administration	549,390	558,945
Governing Body	195,430	257,795
Court	297,465	306,470
Planning	69,830	73,645
Human Resources	94,205	101,055
Legal	65,940	67,515
Police	1,654,560	1,797,380
Code Enforcement	285,060	171,805
Building Inspection	-	125,930
Pride Community Building	5,135	5,135
Senior Center	81,320	85,485
Parks	308,850	326,350
Swimming Pool	3,540	3,525
Park Board	25,600	25,600
Community Building	7,370	7,370
Streets	397,020	442,825
Maintenance	103,340	113,200
<i>Add Back Contingency Reserv</i>	<i>(314,650)</i>	<i>(314,650)</i>
<b>TOTAL EXPENDITURES</b>	<b>3,829,405</b>	<b>4,155,380</b>
<b>RECEIPTS OVER/(UNDER) EXPEN</b>	<b>(125,093)</b>	<b>(128,809)</b>

**WATER & SEWER BUDGETS**

Most citizens are concerned about the amount of taxes they pay each year (mill levy). Additionally water and sewer charges impact residents just as much. The high cost of water and sewer rates residents of Park City pay versus our neighbor to the south, the City of Wichita, is concerning. However, residents should realize that the cost of treatment of water and sewer is the major driving costs behind high rates. Where the City of Wichita has hundreds of thousands of customers paying their expenses, we only have 2,735 customers paying ours.

Water usage has been down the last three years due to wet years, and the effects on the economy. With less sales comes less revenues. In May of 2010 new water/sewer rates went into effect. January, 2011 a plan increase will take effect unless the Council decides otherwise. As of August 2014, we have experienced very wet conditions, which have decreased revenues. This October the Council will have to review expenses and revenues, and determine future rates.

Growth is another factor that helps revenues. Each new home adds approximately \$400.00 per year revenue to the Water Utility, and approximately an equal amount on Sewer. One of the impacts to the

Water/Sewer Utilities is costs associated with the CCUA. Another area where both funds have shown an increase has been in the CCUA operations and maintenance. The CCUA (Chisholm Creek Utility Authority) has been operating both the water and sewer treatment plants for both Bel Aire and Park City since 2001. Chart 4 shows the expenses for the Utility Fund.

## **CONCLUSION**

The City budget revenue versus expense is short \$78,809.00 or 1.315 mils. This shortage was caused by increase in costs, and less revenue to cover the costs. The tax base rose from \$59,006,192.00 to \$59,925,455.00. This increase is not enough to cover the shortfall due to shortages in earned interest, and miscellaneous income. The budgeted increases came from increase in insurance (24%), delinquent property tax, and special assessment. The short fall would have been a lot worse if it was not for the Council deciding to cut seven positions, and not to reopen the swimming pool.

Chart 5 gives you six year budget history, for the General Fund, and the Water and Sewer Funds. The governing body elected to cover the \$78,809.00 shortage in the City budget with funds not used by the individual departments estimated to be around \$100,000.00. It is hoped that if the economy improves, the amount of the subsidy will be far less. The Council will review the Water and Sewer budgets in October to determine is a raise in Water and Sewer rates are warranted to deal with any short falls. However, this decision will be made before the end of the year.

## **BUDGET NOTES**

Attached to this budget is a copy of the CEF and CIP forecast for the next five years. Adequate money has not been budgeted to cover these projections. As a result some projects will be delayed, and some equipment won't be replaced. To have serious programs we must be able to provide funding for these items. This is not something new. The City has never provided adequate funding for these needs. However, over the last four years the Council has moved in a more positive direction. With the projected short fall moneys for the CEF have been put on hold. If these funds are not properly funded, it could hurt the operations of the City, and could cause future shortfalls.

The total debt of the City is \$22,705,000.00 in GO Bonds, and \$1,360,000.00 is in temporary notes. All citizens of Park City secure GO Bonds. The vast majority of the GO Bond debt is contributed to special assessments.

**CHART 4  
UTILITY FUND**

UTILITY FUND	2012 ACTUAL	2013 BUDGET	2014 BUDGET REQUEST
<b>REVENUE</b>			
Water Revenue	1,572,153	1,486,250	1,527,850
Sewer Revenue	1,109,777	1,119,700	1,116,700
Solid Waste Revenue	395,084	355,750	396,750
<b>TOTAL REVENUE</b>	<b>3,077,014</b>	<b>2,961,700</b>	<b>3,041,300</b>
<b>EXPENDITURES</b>			
<b>Water Expenditures:</b>			
Personnel	261,405	284,385	257,980
Contractual Services	362,580	387,795	506,460
Commodities	214,701	163,335	233,585
Capital Outlay	394,972	449,910	443,230
Reimbursements	22,202	26,270	27,515
<b>SUBTOTAL WATER EXPENDITURES</b>	<b>1,255,860</b>	<b>1,311,695</b>	<b>1,468,770</b>
<b>Sewer Expenditures:</b>			
Personnel	116,768	124,235	123,925
Contractual Services	427,582	434,400	485,875
Commodities	20,787	8,230	16,800
Capital Outlay	295,986	324,355	324,755
Reimbursements	22,202	26,720	27,345
<b>SUBTOTAL SEWER EXPENDITURES</b>	<b>883,325</b>	<b>917,940</b>	<b>978,700</b>
<b>Solid Waste Expenditures:</b>			
Contractual Services	377,189	335,000	386,400
Commodities	701	2,000	735
Capital Outlay	131	-	250
<b>SUBTOTAL SOLID WASTE EXPENDITURES</b>	<b>378,021</b>	<b>337,000</b>	<b>387,385</b>
<b>TOTAL UTILITY EXPENDITURES</b>	<b>2,517,206</b>	<b>2,566,635</b>	<b>2,834,855</b>
<b>RECEIPTS OVER/(UNDER) EXPENDITURES</b>	<b>559,808</b>	<b>395,065</b>	<b>206,445</b>
<b>TRANSFERS OUT</b>			
Transfer to Utility CIP/CEF/Impr. Fund	51,000	41,000	16,000
Transfer to Bond & Interest Fund	234,000	210,000	135,000
Transfer (Net) to Utility Surplus	121,708	4,815	1,080
Transfer to General Fund	10,000	100,000	50,000
<b>TOTAL TRANSFER OUT</b>	<b>416,708</b>	<b>355,815</b>	<b>202,080</b>
<b>NET RECEIPTS OVER/(UNDER) EXPENDITURES</b>	<b>143,100</b>	<b>39,250</b>	<b>4,365</b>

**CHART 5**

**BUDGET HISTORY**

DEPARTMENT	2008	2009	2010	2011	2012	2013	2014
Administration	\$ 446,688.00	\$ 481,732.00	\$ 484,020.00	\$ 478,568.00	\$ 602,798.00	\$ 617,050.00	\$ 558,945.00
Municipal Court	\$ 109,960.00	\$ 116,928.00	\$ 128,713.00	\$ 147,508.00	\$ 186,645.00	\$ 301,015.00	\$ 306,470.00
Governing Body	\$ 403,944.00	\$ 331,450.00	\$ 260,074.00	\$ 243,192.00	\$ 257,011.00	\$ 196,830.00	\$ 257,795.00
Human Resources	\$ 52,932.00	\$ 58,528.00	\$ 60,883.00	\$ 61,330.00	\$ 91,449.00	\$ 74,355.00	\$ 101,055.00
Police	\$ 1,121,136.00	\$ 1,228,567.00	\$ 1,279,664.00	\$ 1,270,556.00	\$ 1,824,367.00	\$ 1,984,680.00	\$ 1,797,380.00
Code Enforcement	\$ 172,146.00	\$ 180,671.00	\$ 184,791.00	\$ 184,482.00	\$ 267,926.00	\$ 302,855.00	\$ 171,805.00
Legal Department	\$ 61,234.00	\$ 88,189.00	\$ 89,466.00	\$ 58,892.00	\$ 69,943.00	\$ 67,595.00	\$ 67,515.00
Planning	\$ 43,006.00	\$ 51,398.00	\$ 55,528.00	\$ 56,891.00	\$ 71,455.00	\$ 74,355.00	\$ 73,645.00
Historian	\$ 152.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ -	\$ -	\$ -
Pride	\$ 4,422.00	\$ 4,822.00	\$ 4,729.00	\$ 4,729.00	\$ 4,729.00	\$ 5,135.00	\$ 5,135.00
Senior Citizens	\$ 26,040.00	\$ 32,616.00	\$ 33,194.00	\$ 33,194.00	\$ 80,846.00	\$ 82,820.00	\$ 85,485.00
Maintenance	\$ 44,427.00	\$ 48,463.00	\$ 51,871.00	\$ 51,112.00	\$ 102,159.00	\$ 108,050.00	\$ 113,200.00
Park Board	\$ 29,497.00	\$ 31,600.00	\$ 31,600.00	\$ 25,500.00	\$ 25,500.00	\$ 25,600.00	\$ 25,600.00
Park Department	\$ 223,969.00	\$ 237,508.00	\$ 237,631.00	\$ 251,227.00	\$ 333,700.00	\$ 356,115.00	\$ 326,350.00
Swimming Pool	\$ 45,264.00	\$ 71,891.00	\$ 71,788.00	\$ 78,890.00	\$ 84,604.00	\$ 86,845.00	\$ 3,525.00
Community Building	\$ 3,925.00	\$ 6,965.00	\$ 7,340.00	\$ 6,740.00	\$ 6,800.00	\$ 7,370.00	\$ 7,370.00
Concessions Pool	\$ 3,957.00	\$ 7,702.00	\$ 7,702.00	\$ 7,702.00	\$ 7,702.00	\$ 5,100.00	\$ -
Street Department	\$ 407,557.00	\$ 355,279.00	\$ 366,870.00	\$ 316,880.00	\$ 417,490.00	\$ 509,130.00	\$ 442,825.00
Water Department	\$ 1,310,220.00	\$ 1,431,271.00	\$ 1,522,368.00	\$ 1,296,079.00	\$ 1,297,583.00	\$ 1,311,695.00	\$ 1,468,770.00
Sewer Department	\$ 1,143,911.00	\$ 1,252,032.00	\$ 1,367,257.00	\$ 1,338,289.00	\$ 920,189.00	\$ 917,940.00	\$ 978,700.00
<b>Totals</b>	<b>\$ 5,706,377.00</b>	<b>\$ 6,078,112.00</b>	<b>\$ 6,305,989.00</b>	<b>\$ 5,988,511.00</b>	<b>\$ 6,735,284.00</b>	<b>\$ 7,116,923.00</b>	<b>\$ 6,793,584.00</b>

# 2014 BUDGET



## CAPITAL IMPROVEMENT FUND

CAPITAL IMPROVEMENT PROGRAM 2014-2018								
		TOTAL	ACCRUED	2014	2015	2016	2017	2018
Opition Land	Gov Body	\$450,000.00	\$8,600.00	\$8,600.00	\$8,600.00	\$8,600.00	\$8,600.00	\$8,600.00
	Gov Body			Gov Body	Gov Body	Gov Body	Gov Body	Gov Body
Chall./Obstacle Course	Parks	\$5,256.00	\$1,000.00	\$0.00	\$1,000.00	\$1,000.00	\$1,000.00	\$2,256.00
	Park Budget			Park Budget	Park Budget	Park Budget	Park Budget	Park Budget
Holiday Lights	Parks	\$16,120.00	\$7,000.00	\$0.00	\$3,040.00	\$3,040.00	\$3,040.00	\$3,040.00
	Park Budget			Park Budget	Park Budget	Park Budget	Park Budget	Park Budget
Chish. Creek Bridge Ped.	Parks	\$10,000.00	\$1,000.00	\$0.00	\$1,000.00	\$1,000.00	\$1,000.00	\$5,000.00
	Park Budget			Park Budget	Park Budget	Park Budget	Park Budget	Park Budget
Lighting Walkways	Parks	\$83,360.00	\$12,000.00	\$0.00	\$14,272.00	\$14,272.00	\$14,272.00	\$14,272.00
	Park Budget			Park Budget	Park Budget	Park Budget	Park Budget	Park Budget
Irrigation Systems	Parks	\$30,500.00	\$7,897.49	\$0.00	\$2,000.00	\$2,000.00	\$7,856.00	\$8,604.00
	Park Budget			Park Budget	Park Budget	Park Budget	Park Budget	Park Budget
Basketball Court	Parks	\$18,000.00	\$3,000.00	\$0.00	\$5,000.00	\$5,000.00	\$5,000.00	\$0.00
	Park Budget			Park Budget	Park Budget	Park Budget	Park Budget	
Perm. Restrooms Grove Parks	Parks	\$30,400.00	\$1,000.00	\$0.00	\$9,800.00	\$9,800.00	\$9,800.00	\$0.00
	Park Budget			Park Budget	Park Budget	Park Budget	Park Budget	
53 rd St. Improvements	KDOT/GO	\$5,250,000.00		\$50,000.00	\$100,000.00	\$100,000.00	\$3,000,000.00	\$2,000,000.00
	Sp. St. Hwy			Sp. St. Hwy	Sp. St. Hwy	Sp. St. Hwy	KDOT/GO	KDOT/GO
Fire Hydrants	Facilities	\$15,000.00	\$15,000.00	\$15,000.00	\$0.00	\$0.00		\$0.00
	Water Reserves			Water Reserves				
Chisholm Park Improvements	CIP FUNDS	\$200,000.00	\$200,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$0.00
<b>TOTALS</b>		<b>\$6,108,636.00</b>	<b>\$256,497.49</b>	<b>\$123,600.00</b>	<b>\$194,712.00</b>	<b>\$194,712.00</b>	<b>\$3,100,568.00</b>	<b>\$2,041,772.00</b>
<b>FUND SUMMARY BY SOURCE</b>								
FUNDS	TOTAL	ACCRUED	2014	2015	2016	2017	2018	
GO Bonds	\$1,000,000.00		\$0.00	\$0.00	\$0.00	\$600,000.00	\$400,000.00	
Sewer Reserves	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Water Reserves	\$15,000.00	\$15,000.00	\$15,000.00	\$-	\$-	\$-	\$-	
CIP Funds	\$200,000.00		\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00		
Governing Body	\$43,000.00	\$8,600.00	\$8,600.00	\$8,600.00	\$8,600.00	\$8,600.00	\$8,600.00	
Park Fund	\$147,364.00	\$32,897.49	\$0.00	\$36,112.00	\$36,112.00	\$41,968.00	\$33,172.00	
Sp. St. & Hwy	\$250,000.00	\$200,000.00	\$50,000.00	\$100,000.00	\$100,000.00			
KDOT Grants	\$4,000,000.00	\$-	\$-	\$-	\$-	\$2,400,000.00	\$1,600,000.00	
<b>TOTALS</b>	<b>\$6,108,636.00</b>	<b>\$256,497.49</b>	<b>\$123,600.00</b>	<b>\$194,712.00</b>	<b>\$194,712.00</b>	<b>\$3,100,568.00</b>	<b>\$2,041,772.00</b>	

# 2014 BUDGET



## CAPITAL EQUIPMENT FUND

## CAPITAL EQUIPMENT FUND

DEPARTMENT	ITEM	TOTAL	ACCURED	2014	2015	2016	2017	2018
		COSTS	FUNDS					
Code Enforcement	1/2 Ton Pickup	\$ 34,000.00	\$ 19,100.00	\$ 17,000.00				\$ 17,000.00
Parks	ZTR Gravelly Mower	\$ 10,000.00	\$ 15,632.02		\$ 10,000.00			
Parks	Gator	\$ 11,000.00				\$ 11,000.00		
Streets	1 Ton Pickup	\$ 30,000.00	\$ 5,000.00		\$ 30,000.00			
Streets	3/4 Ton Pickup	\$ 22,000.00					\$ 22,000.00	
Streets	Tractor	\$ 30,000.00						\$ 30,000.00
Maintenance	1/2 Ton	\$ 17,000.00	\$ 18,000.00	\$ 18,000.00				
Water/Sewer Department	1/2 Ton Pickup/w UB	\$ 30,000.00	\$ -				\$ 30,000.00	
Water/Sewer Department	Ditch Witch	\$ 50,000.00			\$ 50,000.00			
Police Dept.	Patrol Cars	\$ 220,000.00	\$ 19,946.71	\$ 44,000.00	\$ 44,000.00	\$ 44,000.00	\$ 44,000.00	\$ 44,000.00
<b>TOTAL</b>		\$ 420,000.00	\$ 77,678.73	\$ 79,000.00	\$ 134,000.00	\$ 55,000.00	\$ 96,000.00	\$ 91,000.00

*NOTE: Money is not regularly being added to the individual departments CEF.*