

CITY OF

CEDAR HILLS

UTAH



2010 FISCAL YEAR BUDGET



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Cedar Hills
Utah**

For the Fiscal Year Beginning

July 1, 2008

President

Executive Director

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2010 FISCAL YEAR BUDGET

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BUDGET MESSAGE

CITY MANAGER MESSAGE

To Cedar Hills' Mayor, City Council, and Residents:

Pursuant to §10-6-109, Utah Code Annotated, the following budget for Fiscal Year 2010 has been prepared for the City of Cedar Hills using budgetary practices and techniques recommended by the Governmental Accounting Standards Board (GASB). As required by State law, the proposed budget is balanced, meaning governmental expenditures will not exceed governmental revenues.

Within the framework and policies established by the City Council, this budget has been prepared after analyzing and evaluating detailed requests from each of the City de-

// The budget document provides a clear picture of the financial condition of the City. //

partments. The budget document provides a clear picture of the financial condition of the City and the planning needed to properly manage our financial resources for the coming year. As part of that planning, please consider the following highlights and priorities of this year's budget:

Growth

One of the primary concerns in compiling this budget was the forecasted growth of the City. As an accurate estimation for growth is vital



Konrad Hildebrandt, City Manager

to proper revenue projections, the most precise methods must be employed.

Thus, using procedures outlined by the US Census Bureau, City staff has made efforts to track the growth of the City of Cedar Hills' population over the past ten years. Based on the number of building permits issued each month since the 2000 census, we extrapolate our population to be 9,804 residents or 2,208 households as of July 1, 2009, increasing to 2,214 households or 9,830 residents by June 30, 2010. As seen in the Population Extrapolation table (Figure O-1), this represents a 0.3 percent increase in population from the year before. However, viewing the matter from a different angle, the expected growth will occur at a rate that is 42 percent slower than the previous year, Fiscal Year 2009. All told, the growth of the City of Cedar Hills has been steady and rapid since 1998, but has significantly leveled out the last couple of years (see Figure O-2).

These population and growth estimates and their resultant rates serve as drivers for calculating many of the revenue projections in both the General Fund and the Water and Sewer Fund. Revenues that have the general population as their base are expected to increase along with the population at a rate of 0.3

POPULATION EXTRAPOLATION

Fiscal Year	Pop	% Change	Households
1999	2,504	35.7%	564
2000	3,201	27.8%	721
2001	4,240	32.5%	955
2002	4,880	15.1%	1,099
2003	5,625	15.3%	1,267
2004	6,616	17.6%	1,490
2005	7,881	19.1%	1,775
2006	8,880	12.7%	2,000
2007	9,404	5.9%	2,118
2008	9,759	3.8%	2,198
2009	9,804	0.5%	2,208
2010	9,830	0.3%	2,214

Figure O-1

percent from the previous year. On the other hand, revenues that have only *new* growth as their base, such as building permit revenues, would be expected to decrease from the previous year by 42 percent. Furthermore, various other revenue and expenditure items that require distinct and often more complex models for projection nevertheless hearken back to these population and growth estimates.

General Services

Always critical to the budget are the general services that the City provides for its residents. Due to current economic conditions, no significant additions have been made to general services. While expenses have increased in some line items, the increases are generally routine and are not a result of major changes to general services.

HOUSEHOLD GROWTH IN CEDAR HILLS

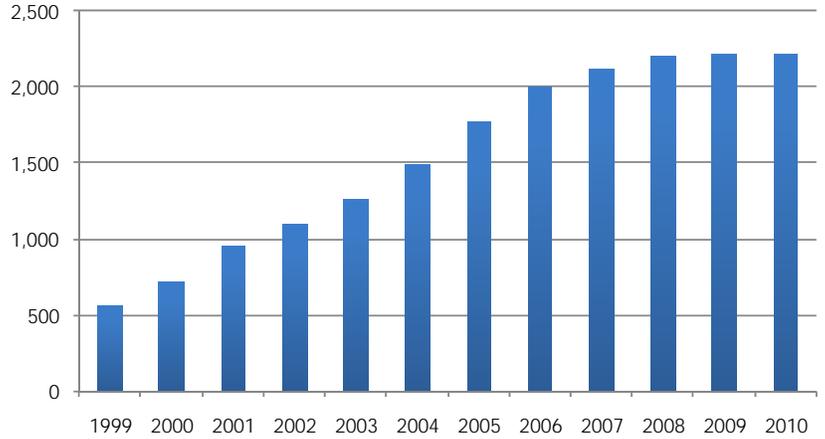


Figure O-2

Personnel

During the 2010 fiscal year, the City of Cedar Hills staff will increase in total number of employees by 1 full-time employee (FTE). This will increase the FTEs from 23 to 24. A detailed summary of the City staff by department is provided in Figure O-3.

The FY 2010 budget provides for the addition of two full-time positions and the removal of one full-time position. The new full-time positions are the Assistant Public Works Director and the Golf Mechanic. These additional employees will increase the level of service provided to residents and golf customers. These positions will make continued growth of the departments sustainable. Due to the decline in residential growth, one position in the Building and Zoning department has been eliminated.

PERSONNEL SUMMARY

DEPARTMENT	FY 2007	FY 2008	FY 2009	FY 2010
Administration	7.5	7.5	7.5	7.5
Public Works	7	7	8	9
Building & Zoning	3	3	3	2
Community Services	1	1	1.5	1.5
Golf Club	0	3	3	4
TOTAL	18.5	21.5	23	24

Figure O-3

The City is currently running a lean, low-cost operation. Full-time equivalent employees per 1,000 residents has almost continually decreased since 2000. In FY 2010, the City will employ 2.44 FTEs per 1,000 residents. Figure O-4 depicts the decrease and then slight increase in FTEs per capita over time. The slight increase in FTEs over the past few years is explained by significantly slowed growth, while at the same time increasing level of service to the residents.

Funds Overview

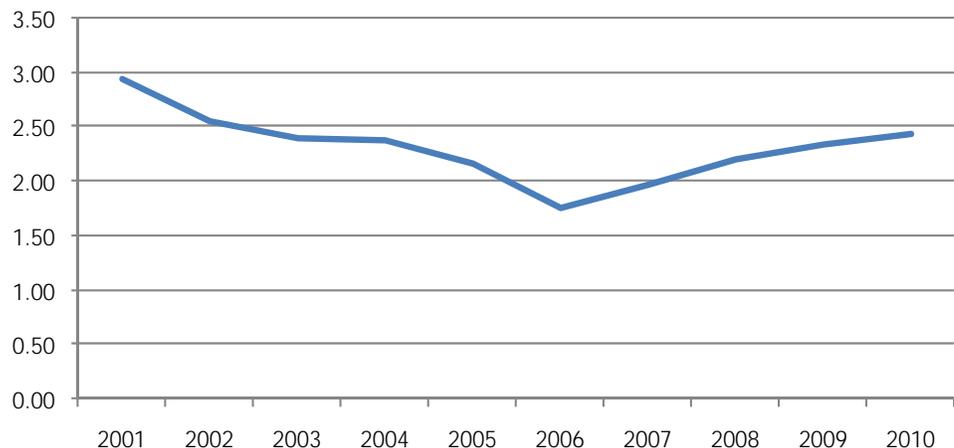
The data in the Funds portion of the budget provides a picture of the current financial standing of the City as well as estimates and plans for revenues and expenditures to occur during FY 2010. The budget is broken down into five major funds: General Fund, Water & Sewer Fund, Motor Pool Fund, Capital Projects Fund, and the Golf Fund. Also appended to this document is an overview of the Capital Improvement Plan.

The most significant revenue and expense items for the three major funds are shown in the figures on pages 9-11. The pie charts illustrate some of the principal paths of money in and out of each fund. Property tax, sales tax, Class C Roads Funds, garbage fees, and franchise taxes make

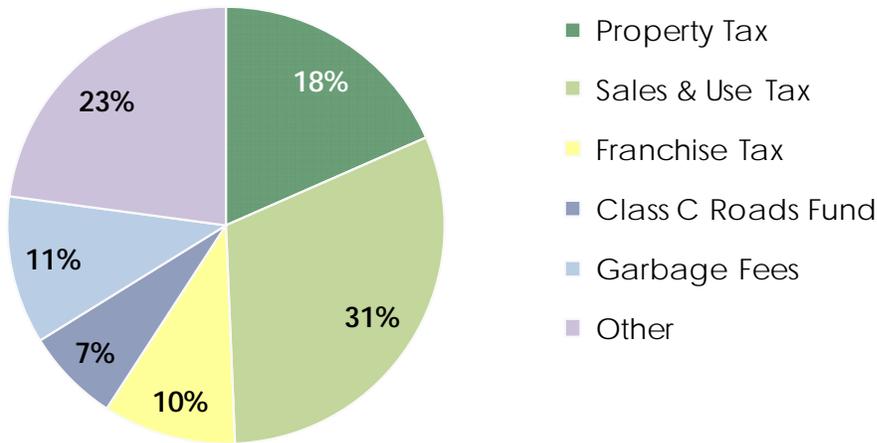
up the bulk of General Fund revenues, while the major expenses include public safety services, solid waste, salaries, and street expenses. In the Water & Sewer Fund, the most significant revenue sources are water and sewer service fees, pressurized irrigation (PI) fees, and storm drain fees. The corresponding top four expenses in the fund are bond payments, sewer and culinary water expenses, and salaries. The Capital Projects Fund receives its financing largely from current impact fees, the impact fee reserve, and from financing. In FY 2010, the four largest projects/expenses will be various street improvements, the Deerfield Land purchase, Deerfield Park phase 1 improvement, and improvements to the Mesquite Soccer Park. The Golf Fund is not included in this analysis as it is explained in further detail in the Golf Fund portion of this Budget Document.

State law requires that the General Fund carry a fund balance of no more than 18 percent of the year's revenues. The City of Cedar Hills maintains a zero fund balance in the Motor Pool Fund as revenues are transferred in only as needed to cover expenditures. The Capital Projects Fund and the enterprise funds carry a fund balance that is under no legal restraint.

FULL-TIME EMPLOYEES/1000 RESIDENTS



GENERAL FUND TOP REVENUE SOURCES



The General Fund

As may be expected, the major revenues in the General Fund are primarily tax revenues. The single largest revenue is Sales & Use Tax. In past years, the City of Cedar Hills has relied almost exclusively on sales tax distributed from the state pool. For FY 2010, we are excited to be adding in sales tax revenue collected locally through the emerging commercial district.

Bringing in 18 percent of the expected revenue is property tax. With the average assessed value dropping slightly, and City Council voting to keep the rate the same as FY 2009, we actually expect a decrease in property taxes this year.

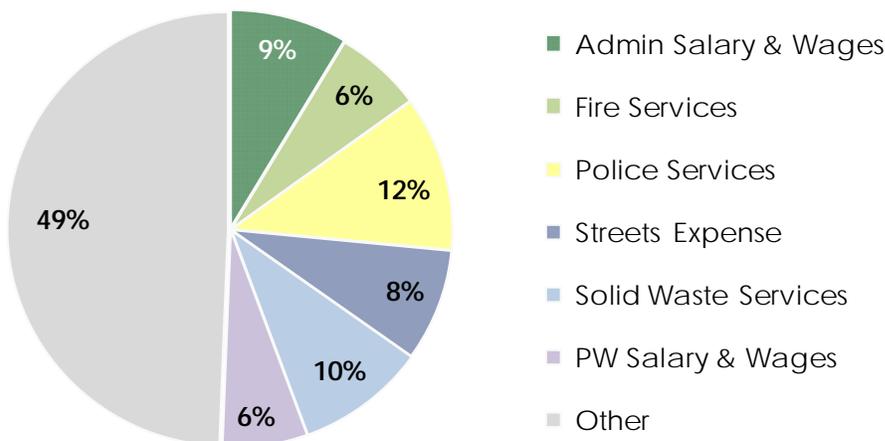
The other two taxes making the top revenue list are Franchise Taxes

at 10 percent and Class C Roads Fund at 7 percent. Class C Roads fund is a portion of the state gas tax, which is allocated to cities for the specific use of roads maintenance. The portion the City receives is based both on population and also on road mileage.

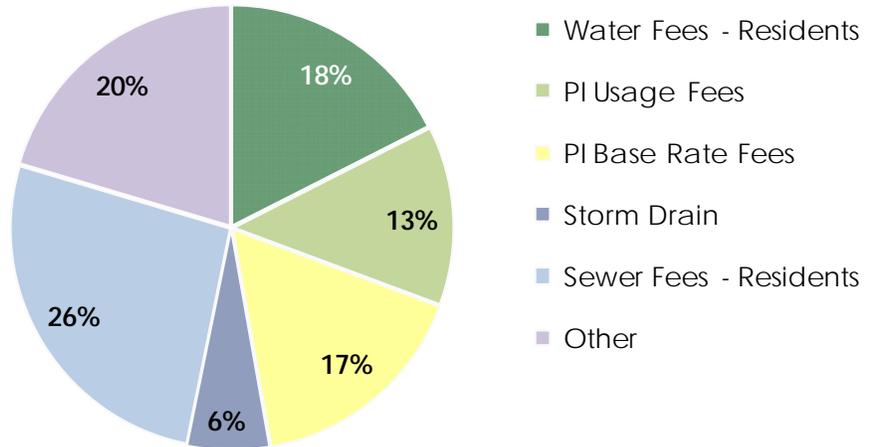
The final major revenue in the General Fund is revenue received for solid waste pickup. This revenue is based solely on the number of households, and the number of garbage cans each household orders.

General Fund expenses are spread over more than 80 different categories. Noteworthy services include salary & wages, Public Safety services, the maintenance of roads, and solid waste services.

GENERAL FUND TOP EXPENDITURES



WATER & SEWER FUND TOP REVENUE SOURCES



The Water & Sewer Fund

The Water & Sewer Fund is a proprietary fund that exists to track the revenues and expenditures associated with the provision of water, sewer, and storm drain services. Top revenues are all fees that are charged to residents for services provided.

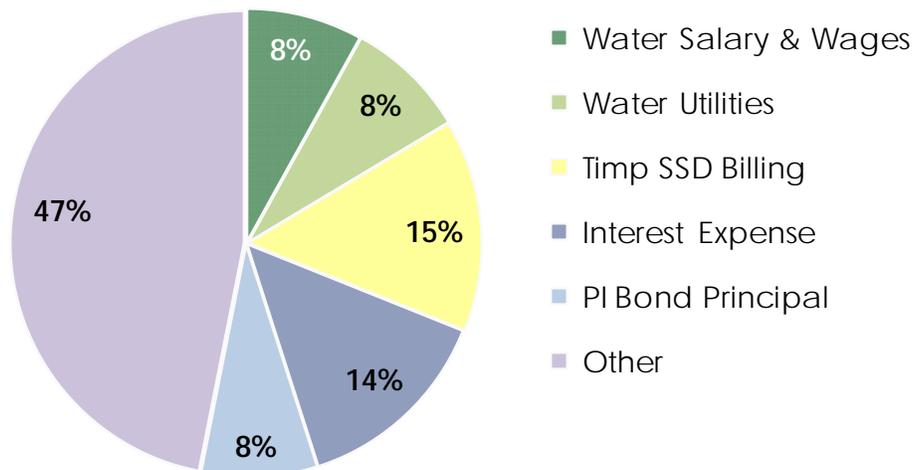
At 26 percent, sewer fees are the top major revenue source to the fund. Residents are charged a base rate plus a usage rate. The base rate is designed to cover the cost of the infrastructure. The usage rate is calculated once a year and is based on a household's winter-water usage.

Water fees charged to residents provide similar revenue to the fund.

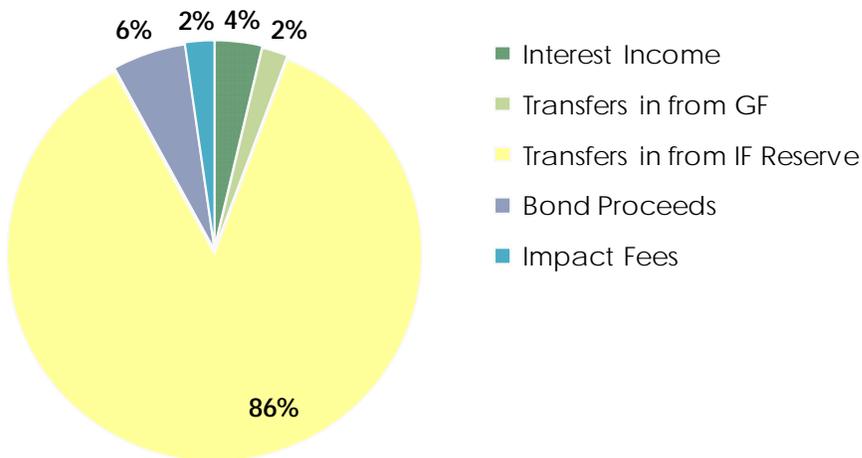
The City Council has implemented a fee schedule that is an increasing rate-block structure. This means that the more water you use, the more expensive it becomes per thousand gallons. Along with covering the greater impact high-water users have on the system, this fee schedule also encourages water conservation.

The next two major revenues are closely related: Pressurized Irrigation Base Rate (PIBR) and Pressurized Irrigation Usage (PIU). PIBR covers the infrastructure of the irrigation system. It is billed to every household. If a resident decides to connect to the irrigation system, they are then charged for PIU. This fee is based solely on lot size.

WATER & SEWER FUND TOP EXPENDITURES



CAPITAL PROJECTS FUND TOP REVENUE SOURCES



Storm water is an issue that is of increasing importance to the City. Each resident pays the same fixed rate for storm drain each month.

Expenditures in the Water & Sewer Fund are spread among over 60 different categories. Notable expenditures include interest payments made on the Pressurized Irrigation bond, sewer impact fees remitted to the Timpanogos Special Service District, salary & wages, and electricity used for the culinary water system.

The Capital Projects Fund

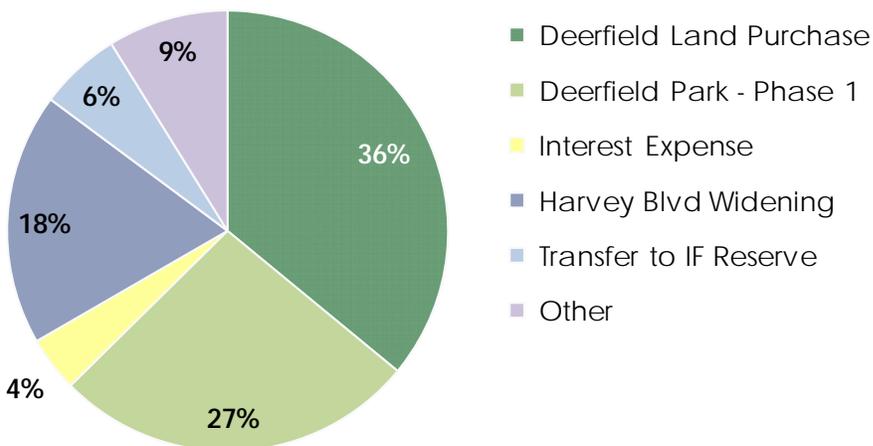
As growth has come to a dramatic slowdown, Capital Projects Fund major revenues have transitioned from current year impact fee revenues (2

percent) to the use of prior year impact fees held in reserves (86 percent) and financing (6 percent).

Transfers from both the General Fund and the Water & Sewer fund also provide revenue to the Capital Projects Fund. These transfers are indicative of the projects completed within the Capital Projects Fund, but that in part or whole support the other funds.

There are 4 major projects planned this year in the Capital Projects Fund. They are explained in more detail in Appendix A, but they involve the construction of a park, improvements to two parks, and miscellaneous street improvements.

CAPITAL PROJECTS FUND TOP EXPENDITURES



DEBT SERVICE

The City of Cedar Hills is currently experiencing minimal growth and new construction. This poses a problem for the City to meet the financial and service demands of its residents because there is a time gap between new growth and the money collected through fees and taxes. As a result, it is necessary for the City to undergo long-term financing for major expenditures and capital projects.

The City carries debt from two types of bonds: General Obligation and Revenue. General Obligation bonds are backed, in full, by the good faith and credit of the City and its residents. Revenue bonds are backed by an underlying revenue or tax, applicable to the financing. Below is a summary of General Obligation and Revenue Bonds outstanding.

BRIEF EXPLANATION OF OUTSTANDING BONDS

Golf Course:

On November 10, 2005, the City refinanced its golf course debt by issuing a \$6,250,000 general obligation bond. The refinancing of the debt was highly anticipated and expected during the initial construction of the course. The true interest cost for the bond is 4.3516 percent.

dollars by issuing the bonds. The true interest cost for the life of the bonds is 4.3460%. The bond is supported by water and sewer revenue.

Public Safety Building:

This \$790,000 bond was funded on February 2, 2000, and is backed by General Fund revenues. These funds were used for the construction of the Public Safety Building which currently serves as the City Hall and a satellite building for Fire and EMS.

Pressurized Irrigation:

On March 3, 2006, the City issued a \$6,215,000 bond to refinance the city-wide pressurized irrigation system. Prior to this issuance, the system was financed through a line of credit linked to the prime lending rate. The City saved thousands of

Public Works Building:

To meet the demands of an increasing population, the City issued

	DATE OF ISSUANCE	TOTAL AMOUNT	BALANCE AS OF 7/1/2009	CURRENT YEAR PAYMENTS	PAYOFF DATE
General Obligation Bonds					
Golf Course	11/10/2005	\$ 6,250,000	\$ 5,930,000	\$ 384,870	2/1/2035
Revenue Bonds					
Public Safety Building	2/15/2000	\$ 790,000	\$ 475,000	\$ 50,200	2/15/2019
Pressurized Irrigation	3/16/2006	\$ 6,215,000	\$ 5,605,000	\$ 442,425	4/1/2031
Culinary Well	10/17/2007	\$ 2,090,000	\$ 2,010,000	\$ 136,471	3/1/2028
Public Works Building	6/15/2006	\$ 2,325,000	\$ 2,220,000	\$ 154,163	1/1/2032
PI Improvements	3/12/2009	\$ 930,000	\$ 930,000	\$ 79,005	3/1/2029
TOTAL		\$ 12,350,000	\$ 11,240,000	\$ 1,247,133	

a \$2,325,000 bond for the construction of a Public Works Building. This building provides the City with adequate resources to service the residents in a timely manner. The true interest cost for the bond is 4.4296%. The bond is backed by excise tax revenue.

Redundant Culinary Well:

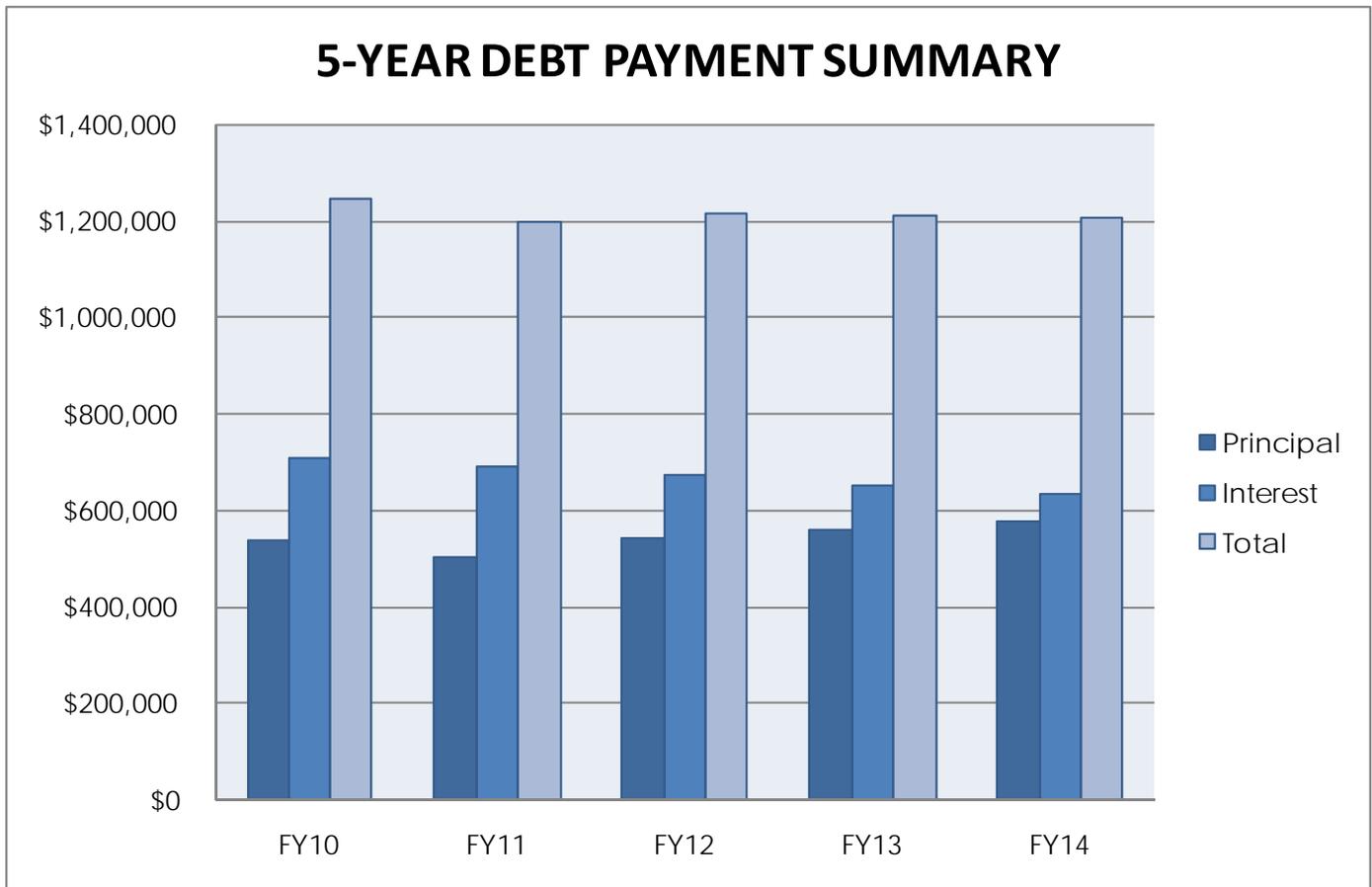
To ensure that the city has sufficient culinary water in case of the current sole well going down, a \$2,090,000 bond was issued to construct an additional well. The bond was issued October 16, 2007. This revenue bond is supported by water and sewer revenue.

PI Improvements :

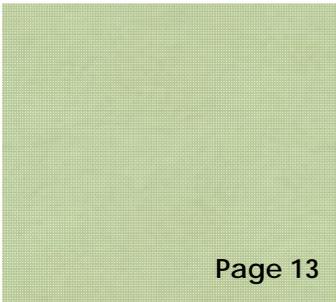
When planning for FY 2009, the City Council decided to upgrade the City’s Pressurized Irrigation System. In order to do so, the City issued a \$930,000 Utility Revenue Bond. This revenue bond is supported by water and sewer revenue. The true interest cost is 6.1769 percent.

5-Year Summary

Below is a graphical representation of the City’s debt obligation for the next five years. Annual payments range from \$1,112,824 to \$1,170,027.



	FY10	FY11	FY12	FY13	FY14
Principal	\$537,000	\$505,000	\$542,000	\$559,000	\$577,000
Interest	\$710,133	\$692,034	\$673,503	\$653,469	\$632,370
Total	\$1,247,133	\$1,197,034	\$1,215,503	\$1,212,469	\$1,209,370



BUDGET MESSAGE

CITY COUNCIL PRIORITIES, GOALS, & POLICIES

This section of the budget document describes how the City Council sets goals and priorities to help guide the budget process. A summary of the financial policies that also help guide the budget process can be found at the end of this section.

The City of Cedar Hills has adopted a process, called “Decisions”, for the purpose of creating citizen-based goals for the community. These goals or priorities are created by the citizenry and the City Council. The City Administration then develops action plans and measurable objectives for the attainment of these goals. This process allows the Council to focus on the “forest” by setting organization-driving policies and goals, and allows the Administration to focus on the “trees”, thus keeping the Council from getting bogged down in every-day administrative decisions.



“Decisions” is divided into two distinct processes: the Goal Setting and Prioritization process, and the Administrative Implementation process, each with their own set of distinct steps, as seen in Figure O-5, and as described in the following paragraphs:

Goal Setting and Prioritization

Step I — Neighborhood Meetings and City-wide Survey

During step 1, the community is divided into distinct neighborhood areas for the purpose of discussing issues, concerns, ideas, etc. relevant to the citizens of that neighborhood. Each neighborhood is then scheduled for a neighborhood meeting with the Mayor, a Councilmember, and a member of the City staff. These two-hour meetings are an open-forum format whereby anyone in attendance may express thoughts, concerns, and ideas relative to the community as a whole or particular to their neighborhood. A city-wide survey is taken to remove bias and statistically find out overall resident perceptions and goals.

Step II — Identify Problems and Needs

During step 2, the City Council typically holds a two-hour work-session to identify specific problems and needs in the community, based on the input from the neighborhood meetings and survey, and to categorize them into major divisions (including Public Safety, Administrative, etc., as seen in Figure O-6).

Figure O-5



Mike McGee
Mayor



Charelle Bowman
City Council Member



Eric Richardson
City Council Member



Jim Perry
City Council Member



Ken Kirk
City Council Member



Marisa Wright
City Council Member

Step III — Setting Goals to Resolve Problems and Meet Needs

Each major division maintains its own mission. After the categorization process, goals specific to the current problems identified in Step II are developed to help each division achieve their mission.

Step IV— Prioritizing Goals

Once the goals have been created for each division, the City Council meets to prioritize the goals. This includes determining which priorities are considered immediate and need to be included in the upcoming budget.

Current priorities can be viewed on the following page by division.

Administrative Implementation

Step V — Set Objectives

Once the goals have been created and prioritized by the City Council,

objectives are set administratively to attain each of the prioritized goals. These objectives are then broken down into specific, measurable performance indicators to be met by the appropriate City departments. These objectives and performance indicators can be viewed in the departmental sections of this budget document.

Step VI — Evaluate Goal Attainment

The Administration meets periodically with City staff to ensure that objectives are being attained in a desirable manner and in an appropriate time frame. Every six months, Administration reports to the Council on the progress of each goal, and the Council assesses how well the goals are being realized.

Priorities for Decisions 2010

The following goals, by division, were identified by the Council as high priority issues for the City to address:

Public Safety

“The City of Cedar Hills, in partnership with our residents and our public safety providers, desires to provide for a high level of public safety for our residents in an economical and efficient fashion by accomplishing the following:”

- Increase number of neighborhoods involved in Neighborhood Watch Program
- Increase enforcement of animal control ordinances
- Increase traffic enforcements with use of newly constructed speed tables
- Analyze and implement appropriate traffic signage
- Increase traffic speed enforcement by increased patrol

Economic Development

“The City of Cedar Hills desires to promote and plan for economic

development opportunities within the Community in order to maintain and expand current services to residents and to promote a walkable and livable community for all by accomplishing the following:”

- Prepare for UTOPIA high-speed Internet services
- Develop Commercial Retail Center
- Complete analysis on State sales tax model distribution
- Complete analysis on all franchise fee distribution system.

Parks & Recreation

“The City of Cedar Hills desires to provide for the recreational needs of the Community through proper planning and development of recreational facilities and programs by accomplishing the following:”

- Acquire Deerfield Park Land
- Develop all of Bonneville Shoreline Trail (Bosh II & III)
- Improve Mesquite Park
- Complete various pocket parks
- Finalize golf course reconfiguration and GO Bond payoff
- Construct long-term, functional clubhouse facility
- Creation of Lone Peak recreation District and Construction of Aquatics and Recreation Center.

Public Infrastructure

“The City of Cedar Hills desires to plan for, construct, and maintain all components of the public infrastructure in an efficient and economical manner by accomplishing the following:”

- Implement Sidewalk Repair & Construction Program
- Complete Sewer System Model

Planning & Zoning

“The City of Cedar Hills desires to plan for the *sustainable*, managed growth of the community through the

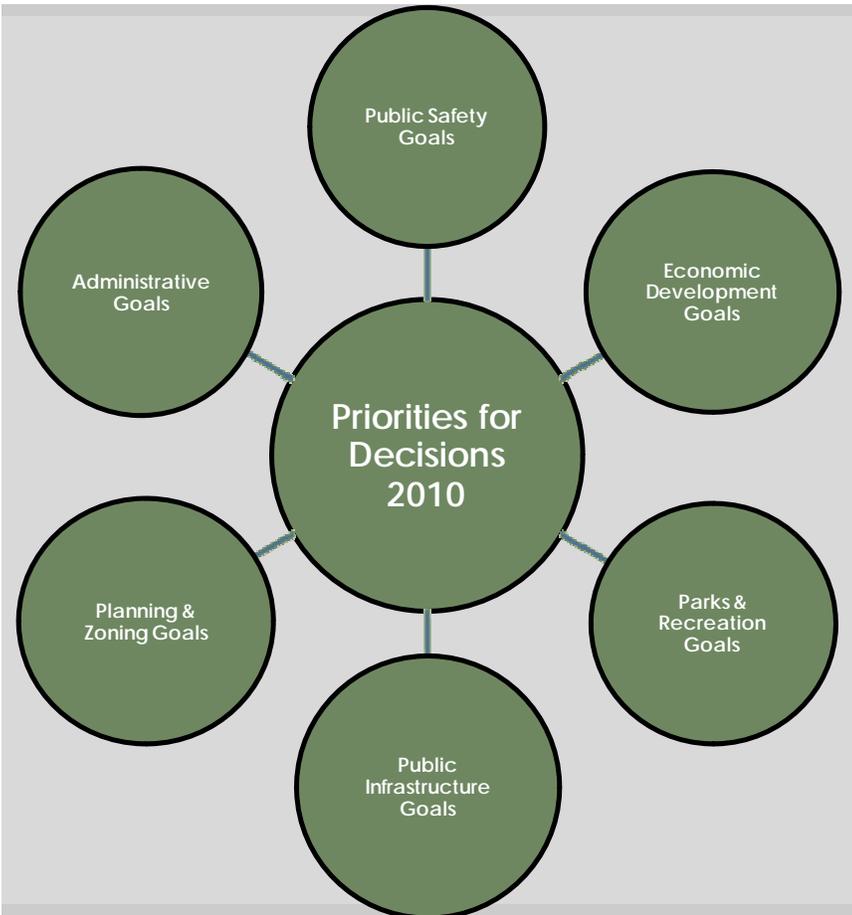


Figure O-6

General Plan, Zoning and Subdivision Ordinances, and other complementary plans and ordinances by accomplishing the following:”

- Develop Civic Center Master Plan
- Increase enforcement of zoning regulations
- Sharpen emergency management plan components and fully train staff.
- Implement Citywide GIS on Infrastructure and public assets
- Further Implementation of city-wide zoning of nuisance enforcement

Administrative

“The City of Cedar Hills desires to promote an organization that is well-managed and efficiently run, as well as well-suited to meet the needs of the Citizens of Cedar Hills by accomplishing the following:”

- Facilitate dissolution of Manila Water Company
- Improve employee skill-set via training and education
- Complete functional HR process and procedures
- Complete IT analysis on all Public Safety functions (police, fire, EMS)

Financial Goals and Policies

The City of Cedar Hills maintains financial goals during the budget process. A list of these financial goals was compiled into a document entitled “Financial Planning Policies”. This document was reviewed and formally adopted by ordinance prior to the creation of this budget document. The “Financial Planning Policies” document serves as a guide for making financial policy decisions for the City of Cedar Hills and is only a general overview of established policy and procedure governing daily operations at the City of Cedar Hills.

According to the Financial Planning Policy document, the City of Cedar Hills will do the following (in summary*):

Financial Planning Policies

Balanced Budget: The City of Cedar Hills will adopt a balanced General Fund budget under normal circumstances by the 21st of June, pursuant to §10-6-109, Utah Code Annotated. A balanced budget means that at the end of the fiscal year (June 30th), general fund operating expenditures will not exceed general fund operating revenues.

Long-Range Planning: The City of Cedar Hills supports a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets, budget policies, cash management and investment policies, programs and assumptions.

Asset Inventory: Each department manager will take all reasonable measures available to prolong and assess the condition of major capital assets in each department on an annual basis.

// The “Financial Planning Policies” document serves as a guide for making financial policy decisions for the City of Cedar Hills and is only a general overview of established policy and procedure governing daily operations at the City of Cedar Hills. //

Revenue Policies

Revenue Diversification: The City maintains a healthy dependence on a variety of revenue sources to cover expenditures such that short-term fluctuations in any one revenue source will not affect the overall fi-

financial health of the City. Throughout the year, the City prepares reports that compare actual to budgeted revenue amounts throughout the year.

Fees and Charges: Fees and charges are based on the estimated cost of providing an associated service and are evaluated annually.

One-time Revenues: The City is committed to minimizing the portion of operating expenditures that are funded by one-time growth revenues. To support this policy, the City of Cedar Hills analyzes current and historic operating trends annually to extrapolate future trends.

Unpredictable Revenues: The City places revenues from unpredictable sources into other income line items that will be transferred into Capital Projects.

Expenditure Policies

Debt: The City continually strives for improvements in the City's bond rating and will refrain from issuing debt for a period in excess of the expected useful life of a capital project. Total bond obligation will be limited to 12 percent of the prior year total assessed value for tax purposes of real and personal property as determined by the most recent tax assessment, according to state law.

Reserve Accounts: The City will maintain a minimum fund balance of at least 10% (not to exceed 18%) of current year operating revenues. If existing reserves exceed the required level, such funds may be used to balance the budget or to meet needs that may arise during the year.

Expenditure Accountability: Basic and essential services provided by the City will receive first priority funding. The City will continue to establish performance measurements for all departments. These measures will reflect the demand, workload capability, and projected outcomes for the department to accomplish its objectives.

Investments: All unused cash is invested in a PTIF account. By so doing, the issues of safety, liquidity, and yield (in that order of priority) are addressed. The PTIF is managed by state investment officers who diversify the pool based on maturity date so as to protect against market fluctuations. Investments made by the City are in conformance with all requirements of the State of Utah Money Management Act and City ordinances.

CIP: Each year the City Council adopts a five-year Capital Improvements Plan (CIP) which serves as a plan to provide for the orderly maintenance, replacement, and expansion of capital assets. Each year after budget adoption, the CIP will be reviewed and revised to reflect the impact of the adopted budget and to add a year to the CIP.

Financial Reporting: Financial reports are printed monthly and distributed to department directors, the City Manager, and Finance Director, who monitor the collection of revenues and all expenditures. Financial reports are reviewed by City Council members at least on a quarterly basis.

*This has only been a summary of the "Financial Planning Policies" document. The document may be viewed, in its entirety, in Appendix B of this document.

BUDGET MESSAGE

ADMINISTRATION DEPARTMENT



Konrad Hildebrandt, City Manager

Mission

To oversee the city government organization, ensure it is managed efficiently and effectively, and responsibly follow through on all City departmental goals.

Activities

The Administration Department provides a variety of general services to the City of Cedar Hills. The City Manager is appointed by the Mayor and Council and serves as department head.

The City Manager is the City's chief administrator responsible for overseeing city government. The City Manager serves and advises the Mayor and City Council, appoints all department directors, and prepares assorted reports for Council consideration, including an annual proposed budget. The City Manager also enforces municipal laws and ordinances and coordinates city operations and programs.

Human Resources also falls under the jurisdiction of the City Manager. We feel a responsibility for recruiting qualified, well-trained employees to deliver high-level services to Cedar Hills residents. The City Manager oversees all hiring, firing, promotions, and other personnel activities of the City.

The Administration Department oversees the Finance Department, which is responsible for finance and accounting duties, and Public Safety, a division that functions somewhat independently. The Public Safety division includes services provided on a contractual basis with police, fire, EMT, and crossing guard services.

Additional activities and responsibilities that fall under the jurisdiction of the Administration Department include, but are not limited to, City election supervision, record maintenance, preparation of agendas for Council meetings, proposals to City Council, and provision of public information.

Goals

The following goals reflect the current priorities and needs of the Administration Department:

- Serve and advise the Mayor and City Council, prepare analyses and assorted reports for Council consideration, and prepare the annual proposed budget.
- Enforce municipal laws and ordinances.
- Act as Human Resource Director by appointing department directors and hiring qualified, well-

trained employees to deliver high-level services to Cedar Hills residents.

- Supervise all City departments including the Finance Department, Public Safety Department, Fire and EMT services, and crossing guards.

Objectives

1. Complete large City projects such as: finalize construction of redundant culinary water well; commercial development (Phillips, Edison, Smart Family and Am-source developers); street and sidewalk maintenance program; finalize development of Mesquite Soccer Park; complete Golf Course Clubhouse and debt service elimination process.
2. Complete Public Relations campaign for the bonding and devel-

opment of a Civic Center that could include city services, recreation, aquatics, golf clubhouse and multi-purpose functions. With successful election, construct and develop facility.

3. Continue various Human Resources improvements such as updating city personnel manual, review and update job descriptions, organize personnel files, train and set goals with Department Heads.

Performance Indicators

The performance indicators listed below (Figure O-7) are set up to help Administration determine whether the department has accomplished the objectives and goals listed above.

Performance Indicator		FY 09 Estimate
Output	# of executive staff meetings held	21
	# of trainings held	10
	% of City Council meetings attended	95%
	# of LPPSD meetings attended	10
	# of grants written	3
Efficiency	% of monthly management reports distributed by the 15th	100%
	% of employees receiving their annual performance evaluation	100%
	# of formal budget reviews held with departments heads	2

Figure O-7

BUDGET MESSAGE

FINANCE DEPARTMENT



Rebecca Tehero, Finance Director

Mission

To properly manage and safeguard public monies and the City's financial assets in accordance with the priorities of the City Council and in line with GAAP (Generally Accepted Financial and Accounting Practices).

Activities

In accordance with the goals and priorities of the City Council, and in line with generally accepted financial and accounting procedures, the Finance Department labors to provide a clear and accurate picture to administration as well as City residents of the financial condition and position of the City of Cedar Hills. Financial responsibilities include, but are not limited to, budget oversight, utility billing, cash receipting, accounts payable and receivable, payroll, debt management, and policy enforcement. In addition to these duties, the Finance Department provides pertinent analyses and forecasting documents to administration for assistance with the decision-making process.

The Finance Department is responsible for assorted financial reports and documents intended for use by the Mayor and Council and/or the City staff to assist them in their du-

ties. In addition to these responsibilities, the Finance Department annually produces the City of Cedar Hills Budget Document. This document gives a clear and detailed report of the City's financial position as well as a specific and explicit plan for future financial activity. A copy of the latest Budget Document is available online at www.cedarhills.org, or at the City offices.

Goals

The following goals reflect the current priorities and needs of the Finance Department:

- To produce various significant financial documents which assist the Mayor and City Council with the decision making process.
- To ensure that the budget, utility billing, accounts payable and receivable, payroll, and debt management responsibilities are completed in a timely, accurate manner.
- To create useful documents which demonstrate public accountability for the honest and efficient use of public funds—such as the budget document.
- To keep financial information

updated through the webpage, training, and audits.

Objectives

1. Create an improved Citizen's Budget.
2. Improve City of Cedar Hills Budget Document and make it more accessible to residents.
3. Increase documentation of job duties, financial policies, and department training.
4. Increase resident participation in automatic payment programs.

5. Decrease the number of delinquent accounts through utility shutoff procedures.

6. Maintain a better history of resident interaction through the use of the customer notes section of the utility billing software.

Performance Indicators

The performance indicators listed (Figure O-8) are set up to help Administration determine whether the department has accomplished the objectives and goals listed above.

Performance Indicator		FY 09 Estimate
Output	# of hours of analysis performed at City Council request per anum	160
	# of hours of analysis performed at management request per month	10
	# of hours of routine analysis per month	30
Efficiency	% of year spent on budget approval	45%
	% of General and W&S Fund budgets used to support Finance Department	3%
	# of repeated analyses for City Council	2
	Average annual % of past due utility billing receivables greater than 60 days outstanding	15%
	Related receivables greater than 150 days outstanding	75%
Effectiveness	% of cash received through online bill pay	23%
	% of cash received through ACH	15%
	% of cash received through Lockbox Facility	24%
	# of scores of 3 or higher on GFOA budget award program	92/93

Figure O-8

BUDGET MESSAGE

PUBLIC WORKS

Mission

To oversee installation, maintenance, and repair of the City's infrastructure.

Activities

The Public Works Department is responsible for maintaining the City's infrastructure such as the culinary water, pressurized irrigation, sanitary sewer, public streets, storm water, and park systems, including trails, walkways, storm water basins, and other maintained areas. Part of the oversight includes ongoing inspections that may result in general improvements on public right-of-ways, earthwork, surfacing, surface restoration, water and sewer lines, manholes, storm drains, curb, gutter, waterways, sidewalks, signs, parks, etc.

The Public Works Department labors to install, maintain, and repair the City water supply, water transmission, and water distribution systems; it also monitors pump stations, water tanks, and telemeter equipment.

Reports are completed on a daily, monthly, and yearly basis for a sanitary survey, and for culinary water, pressurized irrigation, and storm water inspection and testing.

Currently, the City owns and operates a water utility system, serving around 2,000 residential connections. This water is provided through City wells and connections with American Fork's water system. Cedar Hills has



David Bunker, City Engineer

constructed a secondary irrigation system throughout the City. Over the next ten years, the City will construct additional storage space, develop new sources of water, provide for additional water rights, and make various improvements to the existing water and pressurized irrigation distribution network.

Cedar Hills provides and maintains all existing sewer lines within the City. Currently, sewer services are provided to nearly all portions of Cedar Hills, with the exception of a few individual properties located in the South-central portion of the City. Storm sewer improvements will be completed in the next ten years and will include the installation of retention and detention basins, installation of storm sewer lines, maintenance and improvement of existing storm sewer sumps, and possible treatment of storm water.

The Public Works Department is home to the City maps, plans, plats, drawings, project estimates, specifications and contracts relating to public improvements and engi-

neering affairs. Cedar Hills maintains approximately 28 miles of road.

Goals

The following goals reflect the current priorities and needs of the Public Works Department:

- Labor to install, maintain, and repair the city water supply and transmission and distribution systems.
- Monitor, inspect, and report on pump stations, water tanks, and telemetry equipment.
- Report on sanitary survey, culinary water inspections, pressurized irrigation inspections, and storm water testing.

- Maintain all existing sewer lines, storm sewers, retention/detention basins, sewer lines, and sewer pumps.

Objectives

1. Design master plans for sign maintenance.
2. Implement sidewalk and street maintenance and storm water management programs.

Performance Indicators

The performance indicators in Figure O-9 are set up to help Administration determine whether the department has accomplished the objectives and goals listed previously.

Performance Indicator		FY 09 Estimate
Output	# of meter re-reads/read	75
	# of water inspections	10
	# of sewer inspections	10
Efficiency	Avg. time to respond to sewer inspection request	1-2 days
	Avg. time to respond to water inspection request	1-2 days
	Avg. time to respond to meter re-reads	1 day
	# of repeat broken lines	0
	% of at-fault meter re-reads	1%
Effectiveness	% of roads repaired completed per IWORQ schedule	100%
	% of sidewalks repaired completed per IWORQ schedule	100%
	% of maps that are updated	100%
	% of meters read electronically	100%
	% of CIP completed on time	90%

Figure O-9

BUDGET MESSAGE

COMMUNITY SERVICES

Mission

To organize and direct a variety of community and neighborhood services in an effort to improve the quality of life for the residents of Cedar Hills.

Activities

The Community Services Director oversees all city services and the Family Festival. In peak preparation periods before the Family Festival, extra help is hired to assist in planning and implementation of the festival.

The Community Services Department is responsible for completion of short and long range community and neighborhood plans and activities including parks/trails, and recreation events.



Ashley Vogelsberg,
Community Services Director

The Community Services Director oversees department budget and policies, assures budget compliance, and oversees expenditures. It is the responsibility of the Community Services Department to plan and organize special events, especially the Family Festival, as well as summer programs and youth sports. The department continually evaluates its services and develops programs to meet changing community needs and interests.



Family Festival 5K Race

Goals

The following goals reflect the current priorities and needs of the Community Services Department:

- A firm and current understanding of community wants and needs.
- Commitment to providing quality services that continually evolve with changing needs.
- Meticulous and detailed documentation of programs and policies.
- Provide informative, accurate, and up-to-date reports for the staff, Mayor, Council, and residents.

Objectives

1. Recruit experienced and qualified employees to deliver quality programs and services to the residents of Cedar Hills.
2. Increase the number of program participants through improved communication and education.

Performance Indicators

The performance indicators listed in Figure O-10 on the next page are set up to help Administration determine whether the department has accomplished the objectives and goals listed previously.

Performance Indicator		FY 09 Estimate
Output	# of Flag Football teams	30
	#of Jr. Jazz teams	36
	# of YCC meetings held	22
Efficiency	% of year spent on Family Festival	35%
	% saved from 2008 Family Festival	10%

Figure O-10

BUDGET MESSAGE

BUILDING & ZONING



Brad Kearl, Chief Building Official

Mission

To ensure that safe, legal, and appropriate building practices are implemented according to the national standards and codes.

Activities

The Building Department is responsible for all building, both residential and commercial within the City. This responsibility includes a plan check of each building plan submitted to ensure adherence to statutes of the International Building Codes (IBC), International Residential Code (IRC), International Plumbing Code (IPC), International Mechanical Code (IMC), International Energy Conservation Code (IECC), National Electrical Code (NEC), International Fuel Gas Code (IFGC), International Fire Code (IFC), etc. Each home and structure is checked for proper set backs and zoning requirements. After a plan check is complete, fees are calculated and a permit is issued, at which time the Building Inspector is responsible for on-site inspection of each phase of the building process to ensure adherence to code. On-site inspections include footings, foundations, walls, underground plumbing, stucco lath,

framing, rough electrical, rough heating, rough plumbing, shear nailing, insulation, drywall, and a final occupancy inspection. A written report is created and filed for each inspection.

The Building Department ensures that all other types of building and construction in the City meet the applicable standards and codes. Examples of other types of construction may include home additions, basement finishes, accessory buildings (i.e. sheds, detached garages, shops, pool houses), pools, and pergolas. These structures are subject to the same plan check and inspections as new construction.

In addition to the above-listed duties, the Building Department is in charge of all zoning and nuisance violations within the City. This may include property usages, shed location, fencing, and animal rights issues, junk and debris accumulation, abandoned vehicles, beehives, etc. After issuing a resident or contractor with a zoning or nuisance violation, the status of the violation is tracked, and the proper recourse is pursued.

Record keeping is also a duty of the Building Department. Copies of all building inspections, building per-

mits, fees collected, and plans submitted to the City are kept on permanent record.

The Building Department deals extensively with builders and residents, answering questions regarding all aspects of the building process.

The Building Department has recently taken over the duties of business licensing. These duties include:

- Ensure businesses are licensed with the State
- Approve applications
- Issue licenses for new businesses / renewals
- Track each business and information
- Review Sales Tax Report for unlicensed business
- Receive concerns/complaints from residents
- Mail renewal applications, correspondence regarding problem businesses
- Draft new City Ordinances and Amendments

Goals

- Develop new schedule

- Increase revenue by charging for basement inspections and for plan review for basement changes
- Update all open file folders– no finals, no C of O's, expired permits, etc.
- Increase revenue by charging for re-activating permits and follow-up inspections
- Design a new business license inspection form
- Increase violation citations

Objectives

1. Conducting quality and detailed inspections, ensuring that safe, legal, and appropriate building practices are implemented according to the International Code Council and Utah State Amendments.
2. To enforce Zoning violations in a fair and expedient manner in order to retain the beautiful city image all the residences enjoy.
3. To log and track all business activities in the City verifying Code compliance and Zoning requirements.

Performance Indicator		FY 09 Estimate
Output	# of inspections completed	864
	# of building permits processed	60
	# of building plans approved	56
	# of zoning violations detected	836
Efficiency	Avg. # of days to complete inspections from request date	1
Effectiveness	# of household floods, fires, etc due to improper inspections	0

Figure O-11

BUDGET MESSAGE

RECORDER'S DEPARTMENT



Kim Holindrake, City Recorder

Mission

To ensure the proper management and maintenance of City records, oversee the dissemination of public information, and serve the community through efficient communication.

Activities

The Recorders Department is responsible for the management and maintenance of all City records. This includes the care, maintenance, designation, classification, disposal, and preservation of records including but not limited to contracts, agreements, minutes, ordinances, and resolutions. Records are indexed and scanned for easy access and retrieval. A record is kept of all official meetings for the City Council, Planning Commission, Board of Adjustment, Site Plan Review Committee, Parks and Trails Committee, Municipal Building Authority, Traffic Safety Livability and Oversight Committee, and Community Development and Renewal Agency. This record includes the agenda, minutes, meeting documentation, and audio recording.

Tasks related to the formal dissemination of public information include the compilation and maintenance of City records and history,

City Web site, monthly newsletter, GRAMA Requests, and public notification in accordance with State Code requirements.

The Recorders Department is responsible for the preparation and execution of Municipal Elections according to State law, which are conducted in odd numbered years. Management includes voter education, obtaining election poll workers, conducting poll worker training and assignments, coordinating facilities, obtaining equipment and supplies, and ensuring the polling locations are properly organized.

The Recorders Department is also responsible for City Code codification, annexations and boundary adjustments, census, recruitment to boards and commissions, attesting documents, administering oaths, notary services, and fleet/vehicle management. Human Relation responsibilities include organizing meaningful monthly staff trainings and activities, conducting and organizing the Accident Review Committee, and Workers Compensation.

Regarding general administrative tasks, the Department is responsible for front desk operations such as incoming phone calls, distribution

of utility and recreation applications, maintaining contact information, office supply inventory, mail, cash receipting of payments, issuance of library reimbursements, scheduling venue reservations, distributing dump passes and burn permits, and assisting the public in general.

Goals

The following goals reflect the current priorities and needs of the City Recorders Department:

- To educate elected officials, employees, boards and committees, and the community through open communication, trainings, recorded information, publications, and postings.
- To manage records through the creation, maintenance, and destruction processes as well as document scanning.
- To provide compliance with State law through an organized history of decisions and actions.

Objectives

1. Training for the new mayor and

members as well as current members.

2. Maintain an organized process for the City elections.
3. Organize monthly staff training and activities.
4. Disseminate information to the public through open communication, State and City Web sites, City newsletters, GRAMA Requests, and publications.
5. Organize and maintain City records such as minutes, agreements, resolutions, and ordinances for easy retrieval and historical preservation.
6. Codification of City ordinances to maintain an up-to-date City Code.
7. Keep a record of all City meetings and a history of City events.

Performance Indicators

The performance indicators listed in Figure O-12 are set up to help Administration determine whether the department has accomplished the objectives and goals listed above.

Performance Indicator		FY 09 Estimate
Output	# of hours of training provided	15
	# of meetings where minutes were taken	40/40
Efficiency	Avg. # of days required to transcribe City Council minutes	5
	Avg. # of days to have ordinance to codification company & codebooks updated	7
	Avg. # of days to disseminate information to the public	3
Effectiveness	% of archives (through June 1, 2006) maintained	100%
	% of agreement history completed (1977-Present)	100%
	% of council minutes scanned(1977-Present)	85%

Figure O-12

BUDGET MESSAGE

GOLF DEPARTMENT



Jim Madsen, Director of Golf

Mission

To operate the most profitable golf course in Utah County and ensure the proper management and maintenance of the city golf course and club.

Activities

The Golf Department is responsible for the management and maintenance of the Cedar Hills golf course and club house

The Golf Department is responsible for the care, maintenance, designation, classification, disposal, and preservation of all golf equipment including, but not limited to conces-

sions, carts, club house, and sunset room.

Additional duties include the preparation and execution of golf tournaments of clients.

Regarding general administrative tasks, the Golf Department is responsible for assisting the general public, reporting accurate and informal reports to the City Manager.

Goals

The following goals reflect the current priorities and needs of the Golf Department:

- Increase total revenue by 2 percent.



Cedar Hills Golf Course

- Increase Pro Shop Revenue by 2 percent.
 - Increase equivalent 9 hole rounds by 5 percent
 - Have all equipment up and functional.
 - Repair equipment within 48 hours.
 - Repair golf carts within 24 hours.
 - Beautify the course.
2. Tap new markets.
 3. Work with companies and groups to book events.
 4. Work with partners to market and advertise the Sunset room.
 5. Use multiple vendors for concessions.

Objectives

1. Aggressively market the course.

Performance Indicators

The performance indicators listed in Figure O-13 are set up to help Administration determine whether the department has accomplished the objectives and goals listed above.

Performance Indicator		FY 09 Estimate
Output	# of 9 hole rounds played	36,927
	# of management reports completed	12
	Landscape projects completed	6
Efficiency	% of time carts function properly	95%
	% of time irrigation system functions properly	99%
	% of time carts are repaired within 24 hours	90%
	% of time maintenance equipment is up and running	90%
	% of time maintenance equipment is repaired within 48 hours	75%
Effectiveness	Total operating revenue increase over FY 2008	-5%
	Pro Shop revenue increase over FY 2008	-2.5%

Figure O-13

ORGANIZATIONAL CHART

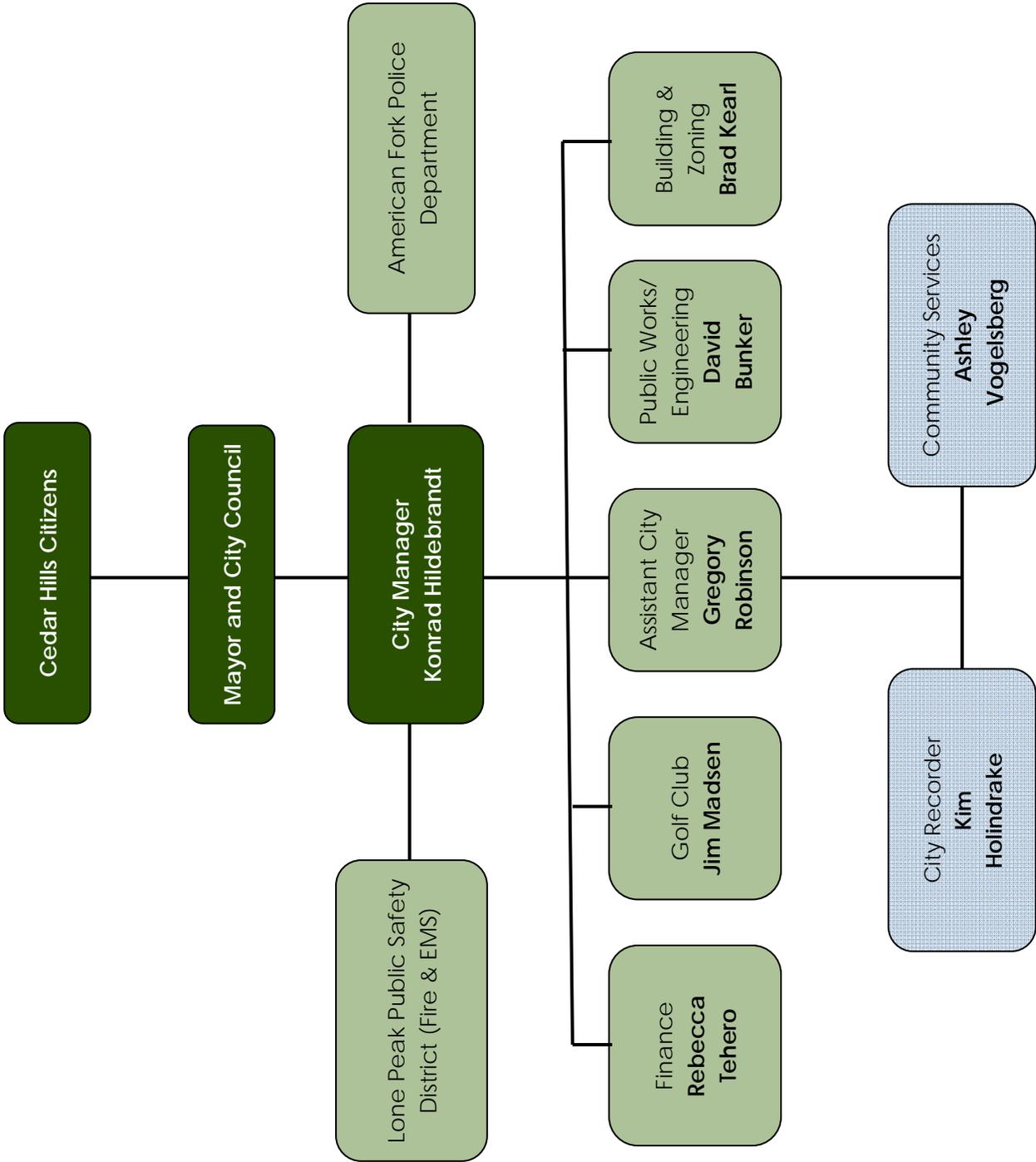


Figure O-14

FUNDS/DEPARTMENT RELATIONSHIP

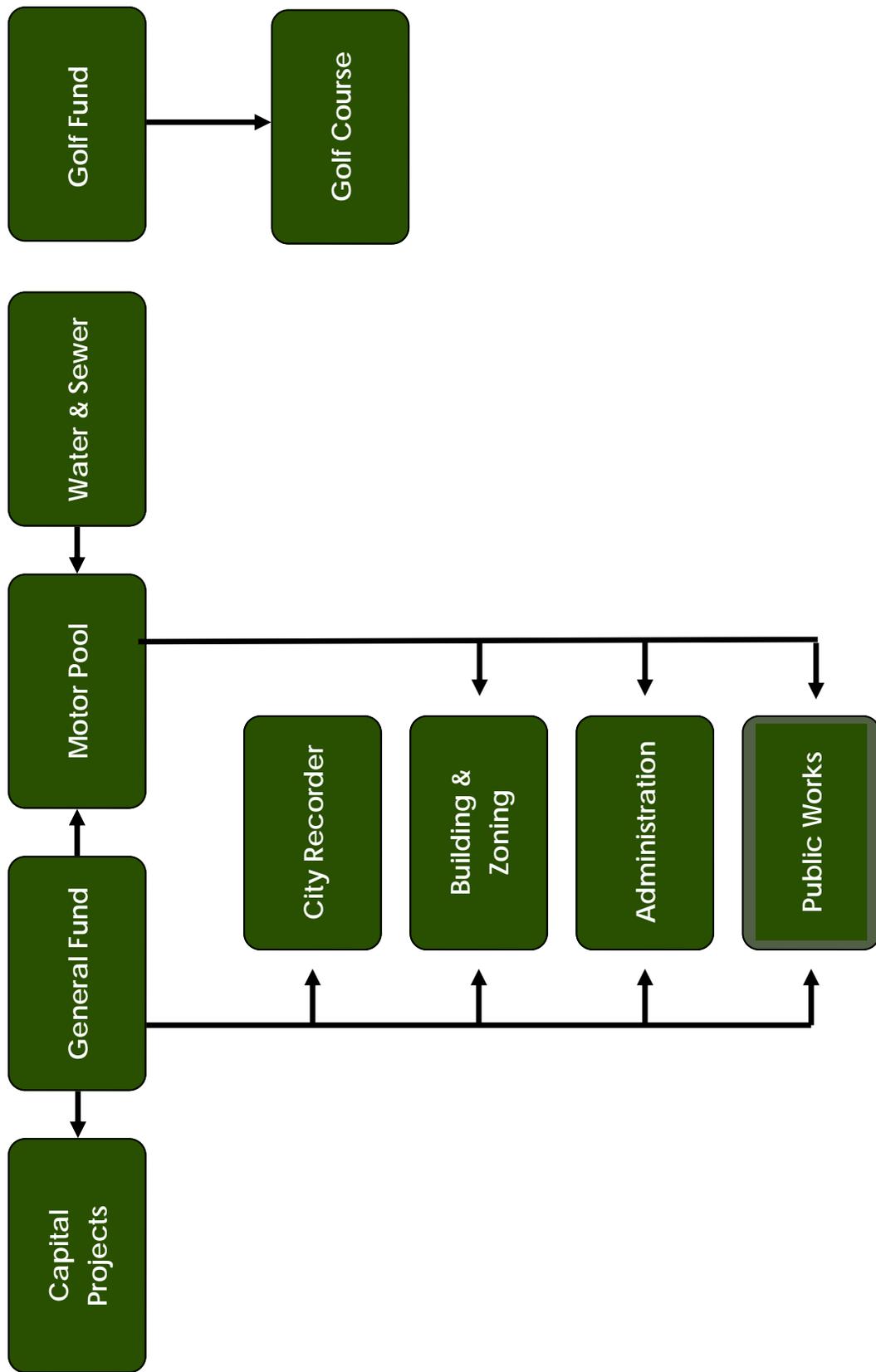


Figure O-15

SUMMARY OF FUNDS

Summary of Funds

The table in Figure BH-1 details the Fiscal Year 2010 Budget for the City of Cedar Hills. The total adopted budget reflects an increase of roughly \$3.79 million from the prior year's estimated figure. Notable budget changes include:

General Fund:

- \$112,188 decrease in Property Tax Revenue due to lower property values.
- \$91,990 increase in Sales & Use Tax Revenue as a result of the City's emerging commercial presence.
- \$69,400 decrease in Salary & Benefits due to the elimination of the Building Inspector position.

Water & Sewer Fund:

- \$71,800 increase in Salary & Benefits to accommodate for the new Assistant Public Works Director and the rising cost of health benefits.

- \$150,000 increase to provide sewer on Canyon Road.
- \$44,712 increase in Interest Expense to finance the improvements to the pressurized irrigation system.
- \$37,920 increase in Timpanogos Special Service District fees.

Capital Projects Fund:

- \$972,000 for the Deerfield Land purchase.
- \$720,000 for the Deerfield Park Phase 1 improvement.
- \$45,000 for Mesquite Soccer Park improvements
- \$500,000 to widen Harvey Blvd.
- \$30,000 for a Community Center feasibility study.

The Consolidated Summary of Funds (Figure BH-2) gives a more in-depth portrayal of City funds as projected for the fiscal year 2010. The figure provides a summary of the projected revenues and planned

CITY OF CEDAR HILLS

Fiscal Year 2010 Budget Summary

<i>Fund</i>	<i>FY 2008 Actual</i>	<i>Fy 2009 Estimate</i>	<i>FY 2010 Budget</i>
General Fund	\$ 3,023,420	\$ 2,990,135	\$ 3,148,570
Water & Sewer Fund	\$ 2,378,913	\$ 1,702,604	\$ 2,509,741
Capital Projects Fund	\$ 1,306,136	\$ 274,800	\$ 2,702,021
Motor Pool Fund	\$ 103,376	\$ 56,551	\$ 201,150
Golf Fund	\$ 1,252,221	\$ 1,052,778	\$ 1,315,032
Totals	\$ 8,064,065	\$ 6,076,868	\$ 9,876,514

Figure BH-1

expenditures in each fund as approved by the City Council. All revenues and expenditures are detailed by type and evaluated against prior years. As told by the Consolidated Summary of Funds and as required by state law, the Fiscal Year 2010 General Fund and Capital Projects budget is balanced.

Budget Preparation

Preparation for the Fiscal Year Budget 2010 was, as always, an intricate and complex process. This process, though, affords both an interesting and challenging opportunity to reassess our plans and over-riding

goals and evaluate our means for achieving them. It is through this effort, then, that the budget becomes the single most important policy document produced each year.

The City of Cedar Hills follows the budgeting requirements set forth in the Utah State Code, Title 10, Chapter 6, entitled the Uniform Fiscal Procedures Act. Additionally, the City follows accepted budgeting principles in forecasting revenues and expenditures for the City each year. City staff is confident this budget is more accurate and detailed than any budget previously produced.

REVENUES	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 BUDGET	EXPENDITURES	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 BUDGET
General Fund							
Taxes	\$ 2,176,028	\$ 2,201,036	\$ 2,146,370	General Government	\$ 1,611,220	\$ 1,815,710	\$ 1,855,115
Licenses/Permits	\$ 153,601	\$ 71,116	\$ 74,000	Streets	\$ 268,580	\$ 323,803	\$ 402,500
Fees	\$ 518,855	\$ 536,041	\$ 466,500	Public Safety	\$ 495,570	\$ 558,750	\$ 587,525
Intergovernmental	\$ 271,670	\$ 245,890	\$ 241,200	Parks and Recreation	\$ 119,570	\$ 130,623	\$ 120,000
Other Sources	\$ 273,160	\$ 69,806	\$ 220,500	Debt Service/Other	\$ 528,480	\$ 161,248	\$ 183,430
	\$ 3,393,313	\$ 3,123,890	\$ 3,148,570		\$ 3,023,420	\$ 2,990,135	\$ 3,148,570
Water & Sewer Fund							
Water	\$ 1,388,903	\$ 1,387,266	\$ 1,341,140	Water	\$ 749,352	\$ 741,936	\$ 852,430
Sewer	\$ 683,091	\$ 460,647	\$ 701,880	Sewer	\$ 590,215	\$ 533,160	\$ 672,890
Storm Drain	\$ 112,530	\$ 172,486	\$ 150,000	Storm Drain	\$ 6,205	\$ 13,843	\$ 18,200
Miscellaneous	\$ 407,780	\$ 1,144,394	\$ 316,721	Other	\$ 1,033,141	\$ 413,664	\$ 966,221
	\$ 2,592,304	\$ 3,164,793	\$ 2,509,741		\$ 2,378,913	\$ 1,702,604	\$ 2,509,741
Capital Projects Fund							
Transfers	\$ 420,724	\$ 152,963	\$ 2,381,220	Park Projects	\$ 595,896	\$ 13,597	\$ 2,237,000
Impact Fees	\$ 668,005	\$ 50,108	\$ 61,638	Capital Facilities	\$ 161,538	\$ -	\$ 30,000
Interest Income	\$ 263,006	\$ 113,376	\$ 100,000	Street Projects	\$ 30,357	\$ 48,360	\$ 65,000
Grant Income	\$ 4,932	\$ 44,013	\$ 5,000	Bond Payments	\$ 212,083	\$ 212,843	\$ 208,383
Financing Income	\$ -	\$ -	\$ 154,163	Other	\$ 306,263	\$ -	\$ 161,638
	\$ 1,356,667	\$ 360,460	\$ 2,702,021		\$ 1,306,136	\$ 274,800	\$ 2,702,021
Motor Pool Fund							
Transfer from GF	\$ 38,600	\$ 76,935	\$ 114,605	Gas/Oil/Maintenance	\$ 32,964	\$ 35,908	\$ 34,000
Transfer from W&S	\$ 50,500	\$ 48,512	\$ 86,645	Insurance	\$ 8,143	\$ 7,892	\$ 7,500
	\$ 89,100	\$ 125,447	\$ 201,250	Capital Outlay	\$ -	\$ -	\$ 144,900
				Rent Expense	\$ 7,750	\$ 12,750	\$ 13,750
				Other	\$ 54,519	\$ -	\$ 1,000
					\$ 103,376	\$ 56,551	\$ 201,150
Golf Fund							
Green Fees/Passes	\$ 620,795	\$ 564,335	\$ 723,222	Salaries, Wages, & Benefits	\$ 344,556	\$ 385,313	\$ 471,337
Concession/Pro Shop	\$ 135,035	\$ 130,210	\$ 157,000	Supplies and Materials	\$ 293,688	\$ 316,474	\$ 337,150
Range	\$ 25,729	\$ 23,523	\$ 27,000	Depreciation & Amortization	\$ 244,853	\$ -	\$ -
Other Sources	\$ 405,660	\$ 417,859	\$ 401,320	Other	\$ 369,124	\$ 350,991	\$ 506,545
	\$ 1,187,219	\$ 1,135,927	\$ 1,308,542		\$ 1,252,221	\$ 1,052,778	\$ 1,315,032

Basis of Budgeting and Accounting

The City of Cedar Hills governmental funds (i.e., General Fund and Capital Projects Fund) are prepared using the modified accrual basis. Under this method, revenues are recognized when they become both measurable and available. Expenditures are recognized when the liability is incurred.

The City's enterprise funds (i.e., Water & Sewer Fund and Golf Fund) are budgeted on a full accrual basis. Under this method, revenues are recognized when earned, and expenses are recognized when the related liabilities are incurred.

The City's finances are accounted for on the basis of generally accepted accounting principles (GAAP). In most cases the City's basis of budgeting is established on the same principles the City uses in its basis of accounting. The following are exceptions to that rule:

- Compensated absences (accrued but unused sick leave)
- Principal and interest on long-term debt (recorded when due)

Budget Adoption

The City budget process begins with departments. Each department prepares and submits a proposed department budget to the City Manager. These budgets consist of all the operational expenditures, which the department expects to incur during the ensuing budget year.

After the Administrator's review, these budgets may be adjusted and a tentative budget for the General Fund, Water & Sewer Fund, Capital Projects Fund, Motor Pool Fund, and Golf Fund is prepared. This tentative budget includes departmental budgets, elements of the Capital Improvement Plan (CIP), and program budgets (Public Safety, Library Services, etc.).

Following the Mayor's review of the tentative budget, it is sent to the

FY 2010 BUDGET TIMELINE

Task	Date to Be Completed
General Fund Revenue Estimates	Feb 26
Capital Project Revenue Estimates	Feb 26
Water & Sewer Fund Revenue Estimates	Feb 26
General Fund Expenditures	Mar 25
Capital Project Expenditures	Mar 25
Water & Sewer Fund Expenditures	Mar 25
Motor Pool Fund Expenditures	Mar 25
Golf Course Revenues & Expenditures	May 13
Vehicle Replacement Plan	Apr 29
Computer Replacement Plan	Apr 29
Compensation & Benefits Manual	Apr 29
Cash Flow Analysis	Apr 29
Capital Improvement Plan	Apr 29
Health Insurance Numbers	Apr 29
Supplemental Budget Information	June 30
Have Final Budget Submitted to GFOA and State	Aug 1

Figure BH-3

City Council for approval and to ensure it addresses their priorities. After a tentative approval, a public hearing is set for the final budget. The final budget is then adopted by the City Council before June 30 of the current fiscal year.

Budget Amendments

With the consent of the City Manager, the head of a department may transfer funds from one account in a department to another account in that same department.

At the request of the City Manager, the City Council may approve the transfer of funds from one department in a fund to another department in that same fund.

During the fiscal year, the City Council has the power to amend the budget to increase individual fund budgets. Staff usually recommends budget amendments to the City Council throughout the year as the need arises.

FUND BALANCE / NET ASSETS

Fund balance is the difference between revenues and expenditures. The beginning fund balance represents the residual funds brought forward from the previous year (ending fund balance).

In the proprietary funds, Water & Sewer and Golf, Net Assets reflect the accumulated balance. Net Assets include assets purchased by or do-

nated to the proprietary funds less accumulated depreciation.

For years the City has budgeted conservatively for revenues and realistically for expenditures. This method resulted in a strategic surplus that has been used for capital projects, reserves, a great credit rating and financial flexibility.

General Fund

	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 BUDGET
Beginning Fund Balance	\$ 566,393	\$ 803,654	\$ 986,066	\$ 1,355,959	\$ 1,489,714
Revenues					
Taxes	\$ 1,384,996	\$ 1,893,112	\$ 2,176,028	\$ 2,201,036	\$ 2,146,370
Licenses/Permits	\$ 516,054	\$ 264,760	\$ 153,601	\$ 71,116	\$ 74,000
Intergovernmental	\$ 195,054	\$ 236,966	\$ 271,670	\$ 245,890	\$ 241,200
Charges for Services	\$ 598,410	\$ 523,430	\$ 468,184	\$ 453,717	\$ 411,500
Other Fees and Services	\$ 31,178	\$ 80,950	\$ 50,671	\$ 82,324	\$ 55,000
Miscellaneous	\$ 83,834	\$ 33,895	\$ 40,530	\$ 47,225	\$ 5,000
Interest Income	\$ 21,923	\$ 37,110	\$ 39,630	\$ 22,581	\$ 20,000
Total Revenues	\$ 2,831,449	\$ 3,070,222	\$ 3,200,313	\$ 3,123,890	\$ 2,953,070
Transfers In	\$ -	\$ 93,000	\$ 193,000	\$ -	\$ 195,500
Total Revenues/Other Sources	\$ 2,831,449	\$ 3,163,222	\$ 3,393,313	\$ 3,123,890	\$ 3,148,570
Total Resources	\$ 3,397,842	\$ 3,966,876	\$ 4,379,379	\$ 4,479,849	\$ 4,638,284
Expenditures					
General Government	\$ 1,274,996	\$ 1,435,021	\$ 1,611,220	\$ 1,815,710	\$ 1,855,115
Streets	\$ 223,541	\$ 243,659	\$ 268,580	\$ 323,803	\$ 402,500
Public Safety	\$ 415,023	\$ 468,442	\$ 495,570	\$ 558,750	\$ 587,525
Parks and Recreation	\$ 137,333	\$ 193,655	\$ 119,570	\$ 130,623	\$ 120,000
Debt Service	\$ 53,353	\$ 52,973	\$ 150,974	\$ -	\$ -
Total Expenditures	\$ 2,104,246	\$ 2,393,750	\$ 2,645,913	\$ 2,828,887	\$ 2,965,140
Transfers Out	\$ 489,942	\$ 587,061	\$ 377,506	\$ 161,248	\$ 183,430
Total Expenditures/Other Uses	\$ 2,594,188	\$ 2,980,811	\$ 3,023,420	\$ 2,990,135	\$ 3,148,570
Ending Fund Balance	\$ 803,654	\$ 986,066	\$ 1,355,959	\$ 1,489,714	\$ 1,489,714

FUND BALANCE TABLE

Capital Projects

	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 BUDGET
Beginning Fund Balance	\$ 5,006,975	\$ 7,779,471	\$ 5,979,607	\$ 6,030,137	\$ 6,390,597
Revenues					
Impact Fees	\$ 950,581	\$ 511,957	\$ 668,005	\$ 50,108	\$ 61,638
Intergovernmental	\$ -	\$ -	\$ 4,932	\$ 44,013	\$ 5,000
Interest Income	\$ 220,455	\$ 362,802	\$ 263,006	\$ 113,376	\$ 100,000
Total Revenue	\$ 1,171,036	\$ 874,759	\$ 935,943	\$ 207,497	\$ 166,638
Proceeds of Long Term Debt	\$ 2,325,000	\$ -	\$ -	\$ -	\$ -
Transfers In	\$ 332,883	\$ 409,548	\$ 420,724	\$ 152,963	\$ 2,381,220
Total Revenues/Other Sources	\$ 3,828,919	\$ 1,284,307	\$ 1,356,667	\$ 360,460	\$ 2,547,858
Total Resources	\$ 8,835,894	\$ 9,063,778	\$ 7,336,274	\$ 6,390,597	\$ 8,938,455
Expenditures					
General Government	\$ 65,040	\$ 24,629	\$ 161,538	\$ -	\$ 30,000
Streets	\$ 203,204	\$ 31,680	\$ 30,357	\$ 48,360	\$ 65,000
Parks and Recreation	\$ 234,399	\$ 1,388,023	\$ 595,896	\$ 13,597	\$ 2,237,000
Water and Sewer	\$ -	\$ 10,162	\$ -	\$ -	\$ -
Capital Outlay	\$ 476,372	\$ 1,513,832	\$ -	\$ -	\$ -
Debt Service	\$ 77,408	\$ 115,846	\$ 212,083	\$ 212,843	\$ 208,383
Total Expenditures	\$ 1,056,423	\$ 3,084,171	\$ 999,873	\$ 274,800	\$ 2,540,383
Transfers Out	\$ -	\$ -	\$ 306,263	\$ -	\$ 161,638
Total Expenditures/Other Uses	\$ 1,056,423	\$ 3,084,171	\$ 1,306,136	\$ 274,800	\$ 2,702,021
Ending Fund Balance	\$ 7,779,471	\$ 5,979,607	\$ 6,030,137	\$ 6,115,797	\$ 6,236,434
Total Applications	\$ 8,835,894	\$ 9,063,778	\$ 7,336,273	\$ 6,390,597	\$ 8,938,455

NET ASSETS TABLE

Water & Sewer

	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 BUDGET
Net Assets Beginning of Year	\$ 17,322,394	\$ 19,360,037	\$ 19,234,365	\$ 19,447,755	\$ 20,909,944
Revenues					
Charges for Services	\$ 1,678,168	\$ 1,618,393	\$ 2,016,176	\$ 2,050,186	\$ 2,204,900
Interest Income	\$ 54,318	\$ 77,700	\$ 118,019	\$ 56,288	\$ 24,000
Total Revenues	\$ 1,732,486	\$ 1,696,094	\$ 2,134,195	\$ 2,106,473	\$ 2,228,900
Capital Contributions	\$ 2,037,900	\$ 289,990	\$ 311,469	\$ 1,031,132	\$ 242,721
Total Revenues/Other Sources	\$ 3,770,386	\$ 1,986,084	\$ 2,445,664	\$ 3,137,605	\$ 2,471,621
Total Resources	\$ 21,092,780	\$ 21,346,121	\$ 21,680,028	\$ 22,585,360	\$ 23,381,565
Expenditures					
Salaries, Wages, & Benefits	\$ 336,294	\$ 380,009	\$ 366,133	\$ 448,186	\$ 550,550
Supplies and Materials	\$ 247,268	\$ 468,787	\$ 569,817	\$ 507,058	\$ 565,430
Professional & Technical	\$ 18,924	\$ 6,666	\$ 6,191	\$ 7,046	\$ 6,500
Depreciation & Amortization	\$ 513,611	\$ 587,871	\$ 535,017	\$ -	\$ -
Other	\$ 299,506	\$ 254,430	\$ 256,991	\$ 301,061	\$ 532,920
Interest Expense	\$ 259,448	\$ 259,730	\$ 272,805	\$ 294,903	\$ 350,901
Bond Principal Payment	\$ -	\$ -	\$ -	\$ -	\$ 313,000
Total Expenditures	\$ 1,675,051	\$ 1,957,494	\$ 2,006,956	\$ 1,558,254	\$ 2,319,301
Transfers Out	\$ 57,692	\$ 154,263	\$ 225,318	\$ 117,161	\$ 152,320
Total Expenditures/Other Uses	\$ 1,732,743	\$ 2,111,756	\$ 2,232,274	\$ 1,675,415	\$ 2,471,621
Ending Net Assets	\$ 19,360,037	\$ 19,234,365	\$ 19,447,755	\$ 20,909,944	\$ 20,909,944
Total Applications	\$ 21,092,780	\$ 21,346,121	\$ 21,680,028	\$ 22,585,360	\$ 23,381,565

NET ASSETS TABLE

Golf

	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 BUDGET
Net Assets Beginning of Year	\$ 4,316,582	\$ 3,729,762	\$ 3,621,103	\$ 4,808,322	\$ 5,944,249
Revenues					
Charges for Services	\$ 639,625	\$ 652,176	\$ 800,274	\$ 750,732	\$ 923,222
Interest Income	\$ 6,489	\$ -	\$ -	\$ -	\$ -
GO Bond	\$ -	\$ 385,791	\$ 386,945	\$ 385,195	\$ 385,320
Total Revenues	\$ 646,114	\$ 1,037,967	\$ 1,187,219	\$ 1,135,927	\$ 1,308,542
Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues/Other Sources	\$ 646,114	\$ 1,037,967	\$ 1,187,219	\$ 1,135,927	\$ 1,308,542
Total Resources	\$ 4,962,696	\$ 4,767,729	\$ 4,808,322	\$ 5,944,249	\$ 7,252,791
Expenditures					
Salaries, Wages, & Benefits	\$ 311,481	\$ 295,733	\$ 344,556	\$ 385,313	\$ 471,337
Supplies and Materials	\$ 229,165	\$ 271,427	\$ 293,688	\$ 316,474	\$ 337,150
Depreciation & Amortization	\$ 240,054	\$ 243,092	\$ 244,853	\$ -	\$ -
Non-Operating Expenses	\$ 72,160	\$ 71,032	\$ 328,591	\$ 327,856	\$ 506,545
Interest Expense	\$ 380,074	\$ 265,342	\$ 40,533	\$ 23,136	\$ -
Loss on Sale of Asset	\$ -	\$ 15,818	\$ -	\$ -	\$ -
Total Expenditures	\$ 1,232,934	\$ 1,146,626	\$ 1,252,221	\$ 1,052,778	\$ 1,315,032
Ending Net Assets	\$ 3,729,762	\$ 3,621,103	\$ 3,556,101	\$ 4,891,471	\$ 5,937,759
Total Applications	\$ 4,962,696	\$ 4,767,729	\$ 4,808,322	\$ 5,944,249	\$ 7,252,791

FUND SUMMARY

GENERAL FUND

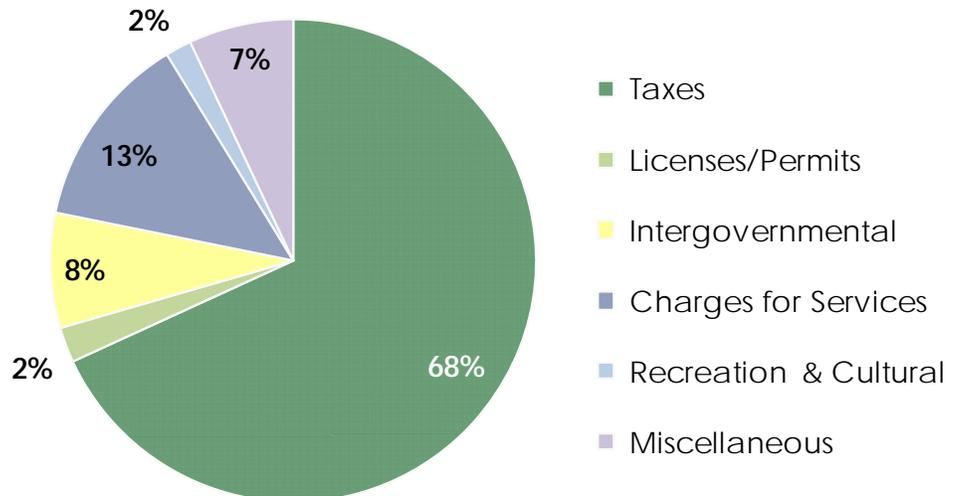
The general operating revenues and expenses of the City are accounted for in the General Fund. These “operating” activities include all those that are generally associated with governmental activity and are not required to be accounted for in another fund (such as an enterprise fund). Many administrative activities, public safety expenditures, recreation, etc., fall under the General Fund umbrella. Also, many of the more general government activities (such as purchasing a stapler or paying the electric bill) that are specific to a department (such as the Community Services Department or even the Public Works Department) take place in the General Fund. Each of those departments’ activities are described in more detail in the Budget Message.

General Fund revenues are organized into various categories. Tax

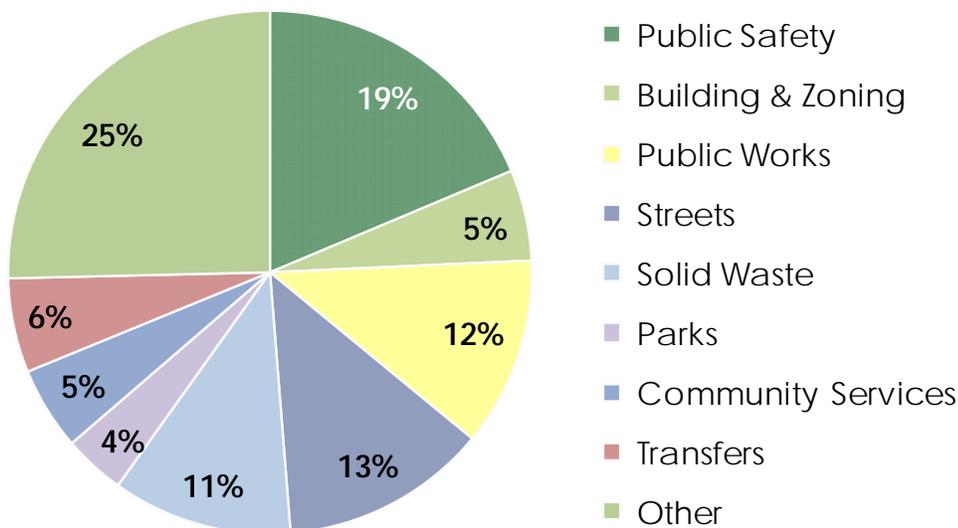
Revenue, Licenses and Permits, Intergovernmental Revenues, Charges for Services, Recreation & Cultural Revenue, and Miscellaneous Revenue are the six functional revenue groups in the General Fund. As can be seen in the figure below, taxes make up the greatest portion of the expected revenues during this fiscal year. Most of these revenues are forecasted to grow at the same rate that the population is projected to grow (i.e. 0.3 percent).

The General Fund expenditures are broken down by City Departments as well as major expense categories. Public Safety is the most noteworthy of these categories as it accounts for 19 percent of the Cedar Hills operating budget. Other large expenditure groups include Solid Waste Services, Public Works (general expenses), and Streets. The category labeled “Transfers” exists to

FY 2010 Projected Revenues



FY 2010 Budgeted Expenditures



show a trail from operating revenues that come into the General Fund and then out to other governmental funds, such as the Motor Pool Fund or Capital Projects Fund.

The General Fund Fiscal Year 2010 Budget totals just over \$3.148 million and shows a net decrease of \$322,088 or 9.31 percent from the Fiscal Year 2009 Budget of \$3.47 million. This decrease is largely due to the dramatically slowed growth and reduction in property values.

The City budgets its expenditures in the long term based on projected income from recurring revenue sources and diminishing growth related revenue streams. As the growth related revenues have decreased, so have the one-time expenditures. The figure on the next page demonstrates that operating expenditures per resident have also remained in check. Budget projections for FY 2010 expenditures remain very consistent with prior years, when compared on a per resident basis.

This year's budget is made up of carefully planned expenditures that avoid unnecessary or excess spending while continuing to provide the highest level of service funding and resources allowed. Significant and/or noteworthy revenue and expenditure items include the following:

Revenues

Building Permits: Difficulties in the housing market hit the City pretty hard. New-home building permits pulled in FY 2009 amounted to only one—The budget anticipated many more. The budget did not, however, take into account the building of a Chase Bank in Cedar Hills. The Chase Bank building permit helped make up for much of the anticipated revenue. Without any significant commercial revenue, however, Building Permits (as well as related fees such as Plan Check Fees) are expected to be minimal during FY 2010.

Sales Tax: FY 2009 sales & use tax revenue was \$56,082 below the budgeted revenue. This deficit can be explained by the current economic difficulties felt nationwide.

Property Tax: The 2009 assessments on property showed a decrease in property values in the City. This means that the calculated tax rate provided by the County increased, leaving our tax base, not including growth, the same as last year. City Council members voted to leave the certified tax rate the same as last year, providing a tax decrease. This means we will receive over \$110,000 less in revenue than if the calculated rate had been adopted.

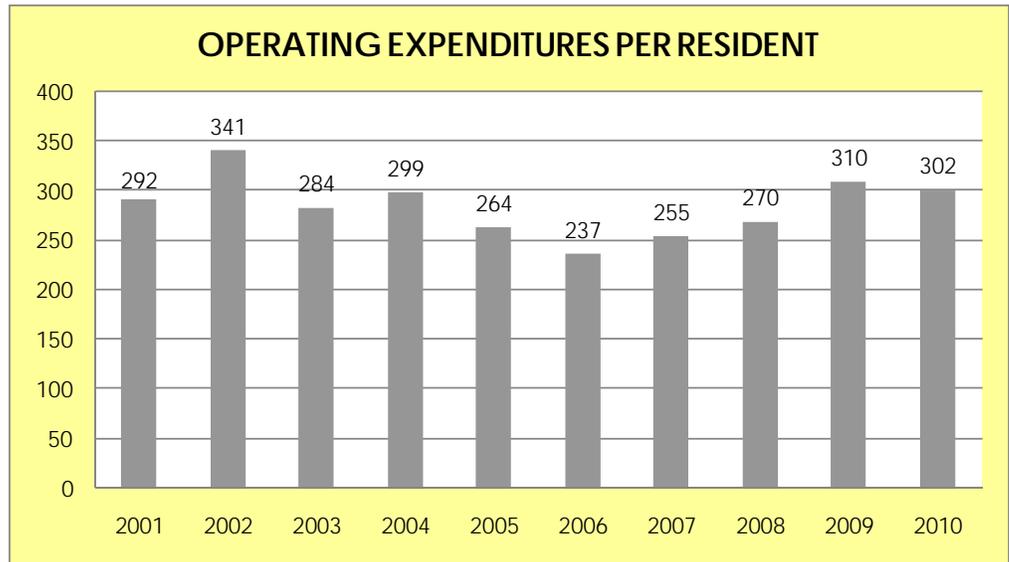
Expenditures

Election Expenses: FY 2010 includes an election. As such, the related expenses were included in the budget.

Salary & Wages: As new construction has slowed dramatically, the City removed one position in the Building and Zoning Department (Building Inspector). However, a new position was added to the Public Works Department (Assistant Public Works Director).

Street Expense: As with several parts of the country, Cedar Hills experienced an extreme winter last year. The effects of the weather have been severe on City streets. The budget was increased by \$43,000 to keep up with the need for street maintenance.

The General Fund is budgeted on a modified accrual basis. Expenditures are recognized when the liability is incurred, and revenues are recognized when they are available and measurable.



2010 FISCAL YEAR REVENUE ESTIMATES

REVENUE TYPE	FY08 ACTUAL	FY09 ESTIMATE	FY10 BUDGET
Tax Revenues			
Property Tax	\$ 749,193	\$ 738,389	\$ 580,000
Motor Vehicle	\$ 128,071	\$ 121,655	\$ 120,000
Delinquent Taxes	\$ 65,876	\$ 79,215	\$ 60,000
Penalty & Interest	\$ 1,680	\$ 2,740	\$ 3,000
Sales & Use Tax	\$ 825,890	\$ 825,298	\$ 973,370
Care Tax	\$ -	\$ 7,864	\$ -
Franchise Tax	\$ 303,650	\$ 314,202	\$ 310,000
Telecom Tax	\$ 101,668	\$ 111,673	\$ 100,000
	\$ 2,176,028	\$ 2,201,036	\$ 2,146,370
Licenses & Permits Revenue			
Business License	\$ 12,055	\$ 18,520	\$ 28,000
Building Permits	\$ 134,368	\$ 51,143	\$ 45,000
Misc Licenses & Permits	\$ 7,178	\$ 1,453	\$ 1,000
	\$ 153,601	\$ 71,116	\$ 74,000
Intergovernmental Revenue			
LPPSD Rent	\$ 15,480	\$ 16,200	\$ 16,200
Class C Roads Fund	\$ 251,975	\$ 224,307	\$ 220,000
State Liquor Tax Allotment	\$ 4,214	\$ 5,383	\$ 5,000
	\$ 271,670	\$ 245,890	\$ 241,200
Fees Revenue			
Engineer Inspection Fees	\$ 11,325	\$ 39,847	\$ 7,500
Garbage Fees	\$ 331,667	\$ 348,317	\$ 345,000
Recycling	\$ 33,428	\$ 41,131	\$ 40,000
Fees in Lieu of Taxes	\$ 12,173	\$ 493	\$ 1,000
Penalty Fees	\$ 307	\$ 4,279	\$ 1,000
Inspection Refees	\$ 10,150	\$ 1,300	\$ 1,000
Application & Processing Fees	\$ 2,322	\$ 32	\$ 1,000
Zioning Violation Fee	\$ -	\$ 5,050	\$ -
Plan Check Fees	\$ 66,812	\$ 13,268	\$ 15,000
	\$ 468,184	\$ 453,717	\$ 411,500
Recreation & Culture Revenue			
Festival Income	\$ 20,491	\$ 48,610	\$ 25,000
Recreation Programs	\$ 30,181	\$ 33,714	\$ 30,000
Other Recreation Revenue	\$ -	\$ -	\$ -
	\$ 50,671	\$ 82,324	\$ 55,000
Misc Revenues			
Interest Income	\$ 39,630	\$ 22,581	\$ 20,000
Sale of Fixed Assets	\$ -	\$ -	\$ -
Transfer In	\$ 193,000	\$ -	\$ 195,500
Other Income	\$ 40,530	\$ 47,225	\$ 5,000
	\$ 273,160	\$ 69,806	\$ 220,500
TOTAL REVENUES	\$ 3,393,313	\$ 3,123,890	\$ 3,148,570

2010 FISCAL YEAR EXPENDITURE PROJECTIONS

EXPENDITURES	FY08 ACTUAL	FY09 ESTIMATE	FY10 BUDGET
General Government Expenditures			
Materials & Supplies	\$ 8,936	\$ 7,338	\$ 12,600
Newsletter/Utility Billing	\$ 19,866	\$ 23,043	\$ 22,000
Legal Advertising	\$ 6,925	\$ 4,924	\$ 5,000
Computer Expenses	\$ 5,354	\$ 4,228	\$ 5,000
Repairs & Maintenance	\$ 14,338	\$ 11,009	\$ 11,575
Office Equipment	\$ 14,443	\$ 7,413	\$ 11,390
Utilities	\$ 19,165	\$ 21,446	\$ 22,000
Postage	\$ 1,189	\$ 1,490	\$ 2,500
Communications/Telephone	\$ 7,068	\$ 7,186	\$ 7,500
Legal Services	\$ 108,498	\$ 73,260	\$ 75,000
Auditing Services	\$ 25,000	\$ 29,000	\$ 27,500
Professional/Technical	\$ 28,606	\$ 29,824	\$ 51,015
Insurance	\$ 13,590	\$ 16,404	\$ 17,000
Contingencies	\$ -	\$ -	\$ -
Bad Debt	\$ 12,357	\$ 287	\$ -
	\$ 285,335	\$ 236,852	\$ 270,080
Mayor/Council Expenditures			
Salary & Wages (FT)	\$ 27,000	\$ 47,100	\$ 50,000
Planning Commission	\$ 3,450	\$ 4,100	\$ 4,900
Employee Benefits	\$ 2,529	\$ 4,419	\$ 5,000
Materials & Supplies	\$ 1,340	\$ 594	\$ 1,000
Dues & Subscriptions	\$ -	\$ -	\$ 100
Education & Training	\$ 4,250	\$ 3,676	\$ -
Communications/Telephone	\$ 5,212	\$ 4,834	\$ 7,200
	\$ 43,782	\$ 64,723	\$ 68,200
Administrative Services Expenditures			
Salary & Wages (FT)	\$ 237,470	\$ 246,410	\$ 269,000
Overtime	\$ 3,315	\$ 2,222	\$ 1,100
Salary & Wages (PT)	\$ 17,532	\$ 12,203	\$ 31,000
Employee Benefits	\$ 100,290	\$ 134,338	\$ 130,000
Materials & Supplies	\$ 7,569	\$ 1,975	\$ 2,450
Dues & Subscriptions	\$ 1,331	\$ 2,493	\$ 2,505
Education & Training	\$ 8,669	\$ 6,379	\$ 9,000
Contract Labor	\$ 3,866	\$ 2,802	\$ 4,000
City Code	\$ 3,874	\$ 3,740	\$ 4,000
Document Imaging	\$ -	\$ 1,049	\$ 1,200
Election Expenses	\$ 3,953	\$ -	\$ 5,000
Communications/Telephone	\$ 872	\$ 547	\$ 1,000
	\$ 388,740	\$ 414,157	\$ 460,255
Public Safety Expenditures			
Fire Services	\$ 203,673	\$ 200,431	\$ 202,000
Police Services	\$ 274,661	\$ 339,439	\$ 364,525
Crossing Guard Expenses	\$ 14,220	\$ 13,919	\$ 15,500
Animal Control	\$ 3,015	\$ 2,158	\$ 5,500
Other Public Safety	\$ -	\$ 2,803	\$ -
	\$ 495,570	\$ 558,750	\$ 587,525
Building & Zoning Expenditures			
Salary & Wages (FT)	\$ 131,817	\$ 144,833	\$ 103,000
Overtime	\$ -	\$ -	\$ 500
Employee Benefits	\$ 74,994	\$ 87,327	\$ 64,000
Materials & Supplies	\$ 1,989	\$ 1,119	\$ 2,000
Building Permit Surcharge	\$ 1,064	\$ 405	\$ 1,250
Dues & Subscriptions	\$ 618	\$ 437	\$ 1,800
Education & Training	\$ 2,842	\$ 2,116	\$ 3,000
Contract Labor	\$ 900	\$ -	\$ -
Tools & Equipment	\$ 32	\$ 25	\$ 500
Communications/Telephone	\$ 774	\$ 677	\$ 900
	\$ 215,030	\$ 236,940	\$ 176,950

2010 FISCAL YEAR EXPENDITURE CONTINUED

EXPENDITURES	FY08 ACTUAL	FY09 ESTIMATE	FY10 BUDGET
Public Works Expenditures			
Salary & Wages (FT)	\$ 105,641	\$ 158,278	\$ 195,000
Overtime	\$ 687	\$ 1,115	\$ 3,000
Salary & Wages (PT)	\$ 9,768	\$ 2,488	\$ 6,800
Employee Benefits	\$ 59,476	\$ 101,003	\$ 126,000
Materials & Supplies	\$ 2,700	\$ 3,156	\$ 2,900
Dues & Subscriptions	\$ 215	\$ 215	\$ 500
Education & Training	\$ 942	\$ 2,122	\$ 2,000
Repairs & Maintenance	\$ -	\$ 6,581	\$ 6,000
Tools & Equipment	\$ 2,900	\$ 6,360	\$ 4,000
Communications/Telephone	\$ 959	\$ 1,027	\$ 2,000
Engineering Services	\$ 24,856	\$ 48,480	\$ 19,500
	\$ 208,143	\$ 330,823	\$ 367,700
Streets Expenditures			
Street Lights	\$ 37,314	\$ 41,101	\$ 40,000
Signs	\$ 7,155	\$ 19,691	\$ 20,000
Weed Control	\$ 1,051	\$ 2,491	\$ 2,500
Streets Expense	\$ 172,367	\$ 220,233	\$ 263,000
Snow Removal	\$ 32,823	\$ 19,384	\$ 51,000
Street Sweeping	\$ 6,075	\$ 2,800	\$ 6,000
Sidewalk Maintenance	\$ 11,794	\$ 18,103	\$ 20,000
	\$ 268,580	\$ 323,803	\$ 402,500
Solid Waste Expenditures			
Solid Waste Services	\$ 292,215	\$ 286,596	\$ 300,000
Recycling	\$ 36,591	\$ 45,543	\$ 50,000
	\$ 328,806	\$ 332,139	\$ 350,000
Parks Expenditures			
Park Supplies & Maintenance	\$ 119,570	\$ 110,672	\$ 120,000
Trees Maintenance	\$ -	\$ 19,951	\$ -
	\$ 119,570	\$ 130,623	\$ 120,000
Community Services			
Salary & Wages (FT)	\$ 32,339	\$ 35,816	\$ 40,000
Overtime	\$ 116	\$ 566	\$ 500
Salary & Wages (PT)	\$ -	\$ 7,777	\$ 15,680
Employee Benefits	\$ 7,476	\$ 13,497	\$ 18,000
Dues & Subscriptions	\$ 45	\$ 185	\$ 250
Education & Training	\$ 736	\$ 988	\$ 1,500
Recreation Expenses	\$ 387	\$ 126	\$ 500
Recreation Programs	\$ 16,164	\$ 16,631	\$ 25,000
Cultural Arts	\$ 25	\$ -	\$ -
Library Expenses	\$ 11,884	\$ 13,500	\$ 14,000
Family Festival Celebration	\$ 54,926	\$ 89,752	\$ 40,000
Other Events	\$ 15,265	\$ 19,519	\$ 4,000
Youth City Council	\$ 2,021	\$ 1,720	\$ 2,500
	\$ 141,384	\$ 200,076	\$ 161,930
Non-Operating Expenditures			
Bond Payments-B&C	\$ 142,000	\$ -	\$ -
Bond Agent Fees	\$ 500	\$ -	\$ -
Bond Interest Payment - B&C	\$ 8,474	\$ -	\$ -
	\$ 150,974	\$ -	\$ -
Other Uses of Funds			
Transfer to CP Fund	\$ 338,906	\$ 84,313	\$ 53,825
Transfer to Motor Pool Fund	\$ 38,600	\$ 76,935	\$ 114,605
Transfer to Reserves	\$ -	\$ -	\$ 15,000
	\$ 377,506	\$ 161,248	\$ 183,430
TOTAL EXPENDITURES	\$ 3,023,420	\$ 2,990,135	\$ 3,148,570

FUND SUMMARY

WATER & SEWER FUND

The provision of water, sewer, and storm drain services fall under the jurisdiction of the Public Works Department. The water services function provides for the planning and operation of all systems related to the sources, treatment, storage, and distribution of culinary and pressurized irrigation water for the community. This includes construction of new water lines, maintenance of existing water lines, and the maintenance and operations of the pumps, valves and tanks that make up the Cedar Hills water system. While sewer treatment is handled through the Timpanogos Special Service District, the Public Works Department still provides for the adequate planning, installation, and maintenance of all sanitary sewer collection systems within the community. Additionally, as the community has expanded, further need has arisen relative to the provision of adequate facilities for storm-water effluent. The monthly storm-water fee assessed to citizens funds the planning, expansion,

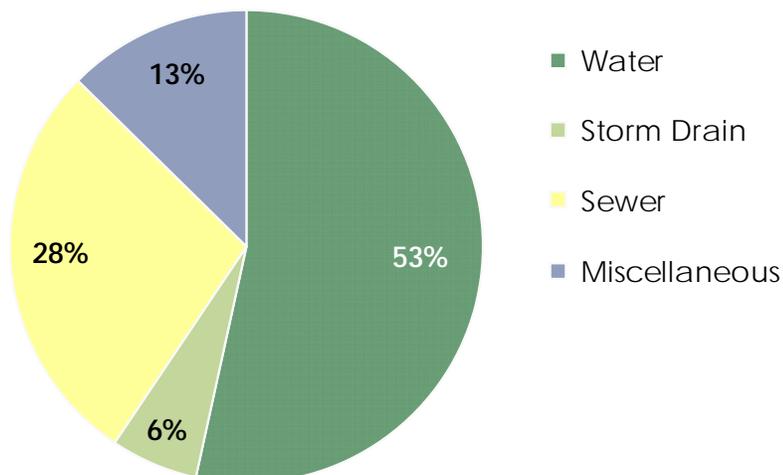
installation, and on-going operations and maintenance of storm-water systems necessary for the collection and control of storm-water.

The City of Cedar Hills Water & Sewer Fund accounts for all revenues and expenditures related to water, sewer, and storm drain functions of the City. This fund is expected to handle all capital and operating expenditures through the water and sewer fees that are charged, in addition to other miscellaneous fees.

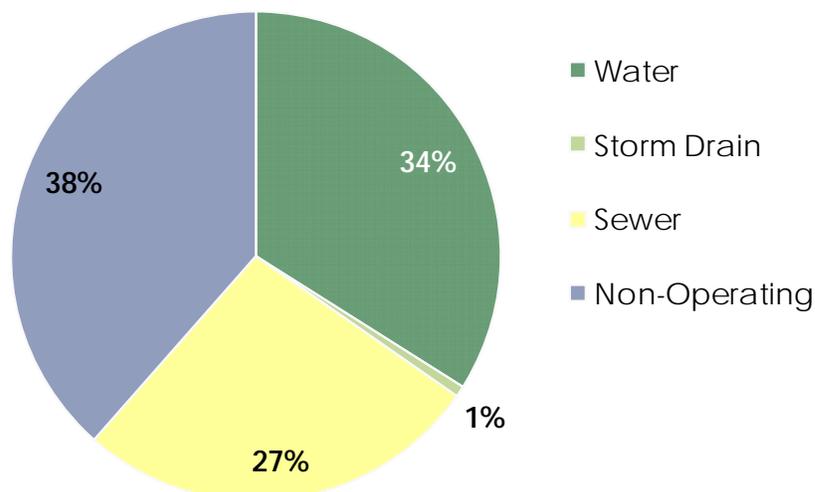
The City of Cedar Hills owns and operates a water storage and distribution system including a culinary well, a 1-million gallon tank, a 1.5-million gallon tank, pump station, and approximately 22 miles of water lines. This system services approximately 2,300 households.

In addition, the City recently finished construction on a redundant culinary well. The well produces approximately 1,750 gallons of water per minute and has the capability of

FY 2010 Projected Revenues



FY 2010 Budgeted Expenditures



running off a standby generator. In addition, the well has the ability to deliver water to both the culinary and pressurized irrigation systems.

The City is responsible for 21 miles of the sewage collection system. Timpanogos Special Service District handles the sewage treatment function. In addition, capital expenditures toward upgrading or enlarging the system are the responsibility of the City.

The Water & Sewer Fund Fiscal Year 2010 Budget totals \$2.5 million and is partitioned into three functional categories: Water Department, Storm Drain Department, and Sewer Department. The figures on pages 48-49 show the portions of both revenues and expenditures that belong to each of the three departments.

The Fiscal Year 2010 Budget represents a net decrease in the Water & Sewer Fund of \$1,646,009 or – 39.61 percent from the Fiscal Year 2010 Budget of \$4.15 million. \$1.7 million was needed in FY 2009 to construct the redundant culinary well.

The budget was developed to encourage efficient spending while providing effective programs and maintaining an excellent level of service. Significant and/or noteworthy revenue and expenditure items include the following:

Pressurized Irrigation Usage:

The City provides a pressurized irrigation system to its residents. In the last months of FY 2009, several residents connected to the system. As such, this revenue is expected to increase modestly.

Utilities:

Cedar Hills sits on a mountain bench. In order to provide water to those residents at higher altitudes, water must be pumped up, at a high utility cost. Electricity rates continue to increase.

PI Expense:

We continue to have a Supplementary Water and Utility Revenue Bond 2006 account to more clearly depict the pressurized irrigation expenses. In addition, many improvements were made to the pressurized irrigation system this year and a second bond was issued in 2009.

Sewer TSSD Impact Fees:

At the time of building permit issuance, the City collects an impact fee on behalf of Timpanogos Special Service District. This fee is then remitted to the District. Due to slowed growth, the revenue and expense related to this fee has been dropped significantly.

2010 FISCAL YEAR REVENUE ESTIMATES

REVENUE TYPE	FY08 ACTUAL	FY09 ESTIMATE	FY10 BUDGET
Water Revenues			
Water Fees - Residents	\$ 482,558	\$ 451,677	\$ 440,000
Water Fees - American Fork	\$ 16,731	\$ 18,665	\$ 10,000
Water Fees - Contractor	\$ 7,725	\$ 784	\$ 1,000
PI Fees - Usage Rates	\$ 288,651	\$ 361,748	\$ 330,000
PI Fees - Base Rates	\$ 344,731	\$ 389,636	\$ 415,000
CUP	\$ 133,746	\$ 146,432	\$ 133,140
Water Lateral Inspection	\$ 3,938	\$ 450	\$ -
Subdivision Inspection Fees	\$ -	\$ -	\$ -
Water Meters	\$ 13,924	\$ 1,375	\$ 2,000
Water Impact Fees	\$ 97,118	\$ 16,498	\$ 10,000
Well/Source Development I.F.	\$ (219)	\$ -	\$ -
	\$ 1,388,903	\$ 1,387,266	\$ 1,341,140
Storm Drain Revenues			
Storm Drain - Residents	\$ 112,530	\$ 172,486	\$ 150,000
	\$ 112,530	\$ 172,486	\$ 150,000
Sewer Revenues			
Sewer Fees - Residents	\$ 524,163	\$ 432,207	\$ 662,760
Sewer Lateral Inspection	\$ 4,013	\$ 450	\$ -
Subdivision Inspection Fees	\$ -	\$ -	\$ -
Sewer Impact Fees - 80 Rod	\$ 4,174	\$ 802	\$ 500
Sewer Impact Fees - S Aqua	\$ 4,102	\$ -	\$ 500
Sewer Impact Fees - TSSD	\$ 146,640	\$ 27,189	\$ 38,120
	\$ 683,091	\$ 460,647	\$ 701,880
Miscellaneous Revenues			
Penalty Fees	\$ 56,946	\$ 60,701	\$ 50,000
Interest Income	\$ 118,019	\$ 56,288	\$ 24,000
Construction Bond Forfeiture	\$ -	\$ 869,862	\$ -
Utility Setup Fees	\$ 15,350	\$ 13,420	\$ 10,000
Transfer in from IF Reserves	\$ 206,294	\$ (30)	\$ 231,721
Other Income	\$ 11,172	\$ 154	\$ 1,000
Contribution Income	\$ -	\$ 144,000	\$ -
	\$ 407,780	\$ 1,144,394	\$ 316,721
Total Fund Revenues	\$ 2,592,304	\$ 3,164,793	\$ 2,509,741

2010 FISCAL YEAR EXPENDITURE PROJECTIONS

EXPENDITURES	FY08 ACTUAL	FY09 ESTIMATE	FY10 BUDGET
Water Expenditures			
Salary & Wages (FT)	\$ 132,284	\$ 168,833	\$ 202,000
Overtime	\$ 1,196	\$ 1,108	\$ 2,000
Salary & Wages (PT)	\$ 9,799	\$ 5,463	\$ 10,500
Employee Benefits	\$ 70,715	\$ 94,198	\$ 115,000
Water Supplies	\$ 2,528	\$ 4,576	\$ 2,500
Dues & Subscriptions	\$ 1,475	\$ 1,573	\$ 1,680
Education & Training	\$ 2,633	\$ 946	\$ 2,500
Computer Expenses	\$ 3,082	\$ 2,879	\$ 3,000
Office Equipment	\$ 246	\$ -	\$ 500
Tools & Equipment	\$ 8,450	\$ 2,268	\$ 1,000
Utilities	\$ 198,678	\$ 208,767	\$ 210,000
Blue Stakes	\$ 655	\$ 526	\$ 750
Communications/Telephone	\$ 2,120	\$ 1,228	\$ 4,000
Engineering Services	\$ 2,261	\$ -	\$ 1,000
Professional/Technical	\$ 4,224	\$ 4,341	\$ 4,000
New Meter Installation	\$ 58,329	\$ 9,751	\$ 10,000
Bad Debt Expense	\$ -	\$ 4,712	\$ -
Water Purchases - AF	\$ 571	\$ 596	\$ 5,000
Water Purchases - PG	\$ 14,450	\$ 14,450	\$ 15,000
Water Testing	\$ 5,002	\$ 6,667	\$ 7,000
Insurance	\$ 12,580	\$ 14,002	\$ 14,500
Contingencies	\$ -	\$ -	\$ 2,500
Water Const Projects/Repair	\$ 12,574	\$ 4,788	\$ 20,000
Supplementary Water	\$ 159,631	\$ 113,810	\$ 125,000
PI Expenses	\$ 50,118	\$ 69,374	\$ 80,000
Well Purchase/Construction	\$ (10,162)	\$ -	\$ -
Reim LPL for Water Tank-Culi	\$ -	\$ -	\$ 5,000
Credit Card Fees	\$ 5,912	\$ 7,083	\$ 8,000
	\$ 749,352	\$ 741,936	\$ 852,430
Storm Drain Expenditures			
Storm Drain Expense	\$ 6,205	\$ 13,843	\$ 18,200
	\$ 6,205	\$ 13,843	\$ 18,200

2010 FISCAL YEAR EXPENDITURE PROJECTIONS CONTINUED

EXPENDITURES	FY08 ACTUAL	FY09 ESTIMATE	FY10 BUDGET
Sewer Expenditures			
Salary & Wages (FT)	\$ 93,921	\$ 112,682	\$ 135,000
Overtime	\$ 1,205	\$ 808	\$ 1,800
Salary & Wages (PT)	\$ 8,200	\$ 3,664	\$ 8,250
Employee Benefits	\$ 48,812	\$ 61,431	\$ 76,000
Sewer Supplies	\$ 1,177	\$ 1,542	\$ 1,000
Education & Training	\$ 72	\$ 1,234	\$ 1,500
Computer Expenses	\$ 2,568	\$ 2,879	\$ 3,000
Office Equipment	\$ -	\$ -	\$ 400
Tools & Equipment	\$ -	\$ 621	\$ 700
Utilities	\$ 1,979	\$ 2,089	\$ 2,100
Postage	\$ 1,508	\$ 1,473	\$ 1,500
Blue Stakes	\$ 35	\$ 152	\$ 100
Communications/Telephone	\$ 2,398	\$ 1,228	\$ 4,000
Professional/Technical	\$ 1,967	\$ 2,705	\$ 2,500
Engineering Services	\$ -	\$ -	\$ 1,000
TSSD Billing	\$ 264,943	\$ 293,790	\$ 367,920
TSSD Impact Fees	\$ 146,640	\$ 27,189	\$ 38,120
Sewer Television Expenses	\$ -	\$ -	\$ 2,000
Insurance	\$ 12,580	\$ 14,002	\$ 13,000
Contingencies	\$ -	\$ -	\$ 3,000
Sewer Construction Projects	\$ 2,211	\$ 5,671	\$ 10,000
	\$ 590,215	\$ 533,160	\$ 672,890
Non-Operating Expenditures			
Bond Interest	\$ 272,805	\$ 294,903	\$ 350,901
Trustee Fees	\$ -	\$ 1,600	\$ -
Utility Rev Bond 2006 Principal	\$ -	\$ -	\$ 202,000
Depreciation Water	\$ 339,506	\$ -	\$ -
Depreciation Sewer	\$ 189,041	\$ -	\$ -
Amortization Bond Costs	\$ 6,471	\$ -	\$ -
Well Bond	\$ -	\$ -	\$ 84,000
Transfer to Reserve IF	\$ -	\$ -	\$ 65,000
PI 2 Bond Principal	\$ -	\$ -	\$ 27,000
Canyon Road Sewer	\$ -	\$ -	\$ 150,000
Transfer to General Fund	\$ 93,000	\$ -	\$ -
Transfer to Capital Projects	\$ 81,818	\$ 68,649	\$ 675
Transfer to Motor Pool Fund	\$ 50,500	\$ 48,512	\$ 86,645
	\$ 1,033,141	\$ 413,664	\$ 966,221
TOTAL FUND EXPENDITURES	\$ 2,378,913	\$ 1,702,604	\$ 2,509,741

FUND SUMMARY

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition, construction, or improvement of major capital facilities or equipment. It is not an enterprise fund and therefore not intended to be self-sustaining. The Capital Projects Fund is provided revenues through transfers from other funds, mainly the General Fund and the Water & Sewer Fund. In turn, the capital equipment and facilities generated in the Capital Projects Fund aid and support activities carried out through the General and Water & Sewer funds. Thus, the Capital Projects Fund exists foremost as an accounting tool to assist the General Fund and the Water & Sewer Fund.

Because the Capital Projects Fund deals with relatively few long-term projects of varying costs, although high, this Fund is of a somewhat irregular nature. Unlike the

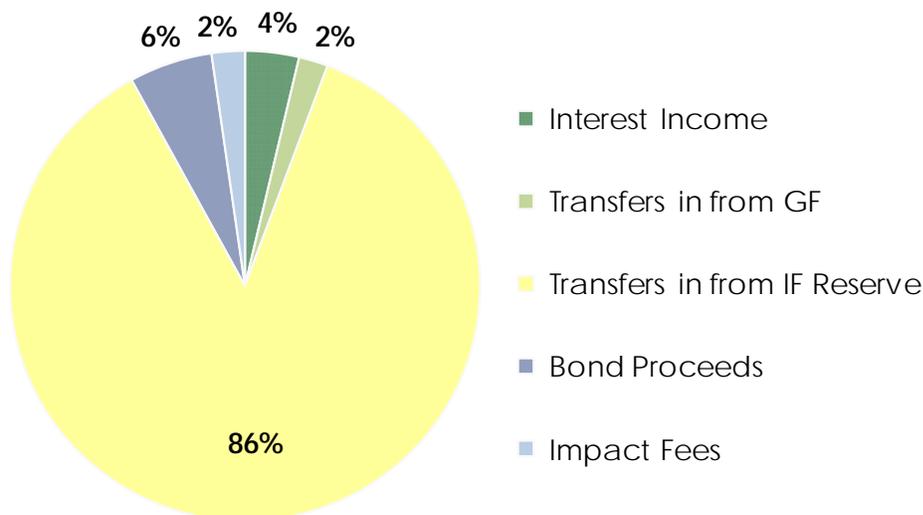
other funds, the Capital Projects Fund does not have repeating annual or monthly costs that make the fund similar from year to year. The Capital Projects Fund, then, tends to vary dramatically from year to year.

The Capital Improvement Plan (CIP) largely dictates the expenditures that will be included in the Capital Projects Fund each year, with slight variations based on present circumstances and funding limitations. Those expenditures, in turn, dictate the funding that will be needed to balance the Capital Projects Fund. That funding comes from impact fees, transfers from other funds, or from financing sources.

Revenues

Transfers to the Capital Projects Fund from other funds are comprised of earmarked revenues, reserve funds intended for a capital project, and

FY 2010 Projected Revenues



excess revenues over expenditures. Often, a certain revenue might be “earmarked” or set aside for a specific type of expenditure. For example, liquor taxes are earmarked for police expenses. Occasionally, monies accounted for as revenues in the General Fund are earmarked revenues that are set aside for building roads, parks, etc., and must be transferred to the Capital Projects Fund. Also, monies from reserve accounts (sometimes earmarked) are transferred into the General Fund before they are sent to the Capital Projects Fund. Finally, the strategic surplus from the General Fund are transferred to the Capital Projects Fund and either used in one time projects or remain in the Capital Project’s reserves.

Expenditures

Some of the more significant planned capital projects expenditures include:

- \$972,000 for the Deerfield Land acquisition

- \$720,000 for the Deerfield Park Phase 1 improvement.
- \$45,000 for Mesquite Soccer Park improvements
- \$500,000 to widen Harvey Blvd.
- \$30,000 for a Community Center feasibility study.

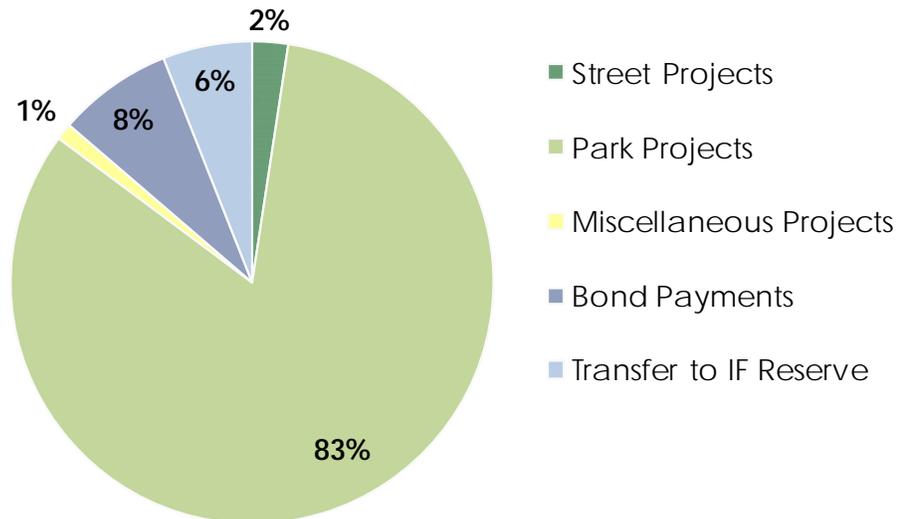
The following changes in operating costs are anticipated for FY 2010 as a result of these capital projects:

- An additional \$1,500/month for utilities and maintenance at Deerfield Park

Further explanations of capital projects expenditures planned for fiscal 2010, as well as long-term capital projects plans, can be obtained from the CIP, located in Appendix A of this Budget Document.

All excess revenues over expenditures are scheduled to be transferred to reserves and PTIF accounts.

FY 2010 Budgeted Expenditures



2010 FISCAL YEAR REVENUE ESTIMATES

REVENUE TYPE	FY08 ACTUAL	FY09 ESTIMATE	FY10 BUDGET
Impact Fees - Park Development	\$ 25,208	\$ 1,170	\$ 7,020
Impact Fees - Park Land	\$ 54,260	\$ 4,378	\$ 26,268
Impact Fees - Recreation	\$ 36,080	\$ 1,640	\$ 9,840
Impact Fees - Public Safety	\$ 55,676	\$ 5,139	\$ 5,370
Impact Fees - Streets	\$ 496,781	\$ 37,781	\$ 13,140
Interest Income	\$ 263,006	\$ 113,376	\$ 100,000
Grant Income	\$ 4,932	\$ 44,013	\$ 5,000
Transfers in from General Fund	\$ 338,906	\$ 84,313	\$ 53,825
Transfers in from W&S Fund	\$ 81,818	\$ 68,649	\$ 675
Transfers in from IF Reserve	\$ -	\$ -	\$ 2,326,720
Financing Income	\$ -	\$ -	\$ -
Use of Restricted Fund Balance	\$ -	\$ -	\$ 154,163
TOTAL REVENUES	\$ 1,356,667	\$ 360,460	\$ 2,702,021

2010 FISCAL YEAR EXPENDITURE PROJECTIONS

ACCOUNT DESCRIPTION	FY08 ACTUAL	FY09 ESTIMATE	FY10 BUDGET
Street Projects			
Sidewalk Projects	\$ 1,383	\$ 14,476	\$ 15,000
Speed Table	\$ 28,974	\$ 18,443	\$ 25,000
Street Lights	\$ -	\$ 9,493	\$ 25,000
Deerfield Elem Flashing Lights	\$ -	\$ 5,948	\$ -
	\$ 30,357	\$ 48,360	\$ 65,000
Park Projects			
Harvey Blvd Widening	\$ -	\$ -	\$ 500,000
Deerfield Land Purchase	\$ -	\$ -	\$ 972,000
Deerfield Park - Phase 1 Improvement	\$ -	\$ -	\$ 720,000
Canyon Road Crossing Park	\$ 49,914	\$ -	\$ -
Timpanogos Cove Park	\$ 41,130	\$ -	\$ -
Bonneville Shoreline Trail	\$ 12,201	\$ -	\$ -
Bayhill Drive Park	\$ -	\$ -	\$ -
Mesquite Soccer Park	\$ 492,651	\$ 12,000	\$ 45,000
Fieldcrest Dr Pocket Park	\$ -	\$ 1,598	\$ -
	\$ 595,896	\$ 13,597	\$ 2,237,000
Miscellaneous Capital Projects			
Prior Year Projects	\$ 25,774	\$ -	\$ -
Waterline Service Road Improvement	\$ 135,763	\$ -	\$ -
Comm. Center/City Hall Feasibility	\$ -	\$ -	\$ 30,000
	\$ 161,538	\$ -	\$ 30,000
Bond Payments			
MBA Bond Payment-PSB	\$ 40,000	\$ 40,000	\$ 37,520
Excise Rev Bond-PW Building	\$ 50,000	\$ 55,000	\$ 61,500
Interest Expense	\$ 118,063	\$ 113,823	\$ 109,363
Trustee Fees	\$ 4,020	\$ 4,020	\$ -
Well Bond Payment - Principal	\$ -	\$ -	\$ -
	\$ 212,083	\$ 212,843	\$ 208,383
Other Uses			
Transfer to IF Reserve	\$ -	\$ -	\$ 161,638
TX to W&S Fund	\$ 206,263	\$ -	\$ -
TX to General Fund	\$ 100,000	\$ -	\$ -
	\$ 306,263	\$ -	\$ 161,638
TOTAL FUND EXPENDITURES	\$ 1,306,136	\$ 274,800	\$ 2,702,021

FUND SUMMARY

MOTOR POOL FUND

The City of Cedar Hills Motor Pool Fund accounts for the City's vehicle expenses and purchases. It accounts for vehicle maintenance, gasoline and oil purchases, and new vehicle purchases that have been approved through the vehicle replacement program.

The City of Cedar Hills currently has a fleet of 12 vehicles as well as a backhoe. For fiscal year 2010, the City has budgeted to replace three Public Works' trucks and the City Manager's vehicle.

Vehicle Replacement

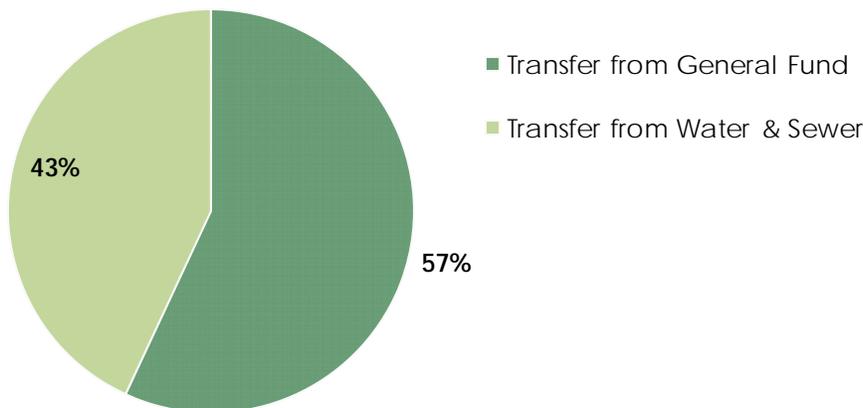
The City of Cedar Hills currently has a fleet of 12 vehicles. The crux of the vehicle replacement plan is the city buys vehicles on state contract at a significantly cheaper price, then sells the used vehicles at a price close to the original purchase price. The City staff has performed a detailed analysis of possible replacement



schedules for that fleet. The study also took into account various factors including maintenance costs before and after the warranty, insurance, inflation, the decreasing marginal return on resale, etc.

Analysis results have determined it is most cost-effective to replace vehicles during the first three years, as seen in Figure MP-2. According to the data collected, minimal maintenance cost to the city is achieved by following a three-year replacement for the City fleet in general, with the exclusion of the dump-bed truck and

FY 2010 Projected Revenues





Fleet Replacement Costs

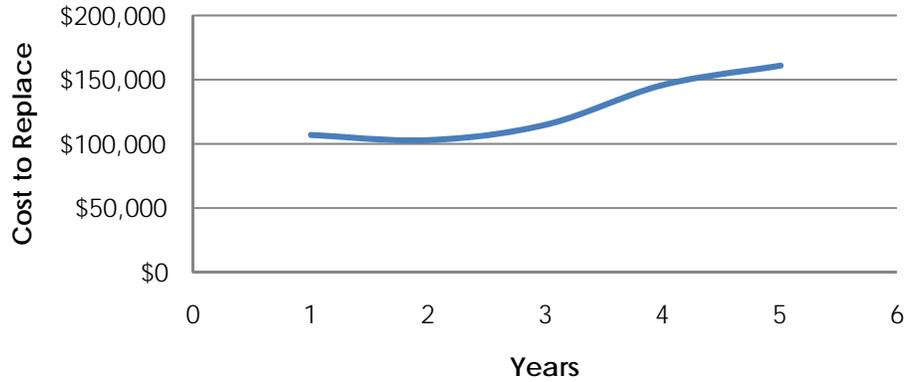


Figure MP-2

Bobtails which should follow a more extended replacement schedule. Such a replacement program should keep fleet-replacement costs around \$100,000 over six years rather than, for example, \$160,000 for a five-year replacement schedule.

As a governmental fund, the Motor Pool Fund is accounted for on a modified accrual basis. Hence, revenues are recognized when they are both measurable and available, and expenditures are recognized when the related fund liability is incurred.

Revenues

The Motor Pool Fund receives some of its funding through contributions from the General Fund and from the Water & Sewer Fund. The

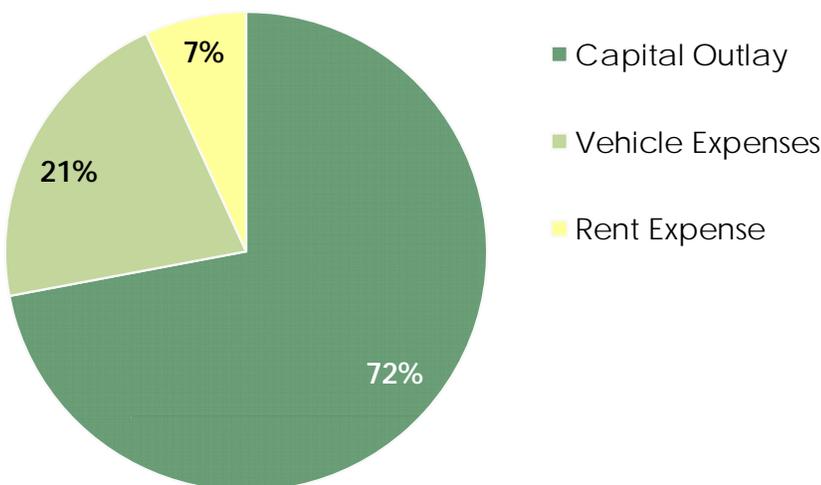
required expenditures are determined and the burden of funding of those expenditures is divided between the two aforementioned funds. An analysis is done on the activities of the vehicles and the departments and/or funds to which those activities are related. From that analysis certain percentages are derived and assigned to the General Fund and the Water & Sewer Fund in order to establish the amount of funding each will contribute to the Motor Pool Fund.

Expenditures

The budget was developed to encourage efficient spending while continuing a sufficient level of vehicle maintenance to achieve an acceptable salvage or resale value. As previously mentioned, the vehicle replacement schedule has been designed to yield the maximum value possible from the City fleet. That means that the City has enough vehicles that are suited to the tasks required of them at a minimum cost to the City.

Cedar Hills does not allow excess revenues over expenditures to roll over into the fund balance of the Motor Pool Fund. Hence, the fund balance for the Motor Pool Fund is zero and is budgeted to remain zero. There are no excess revenues over expenditures since revenues are only transferred into the Motor Pool Fund as needed to cover expenditures.

FY 2010 Budgeted Expenditures



2010 FISCAL YEAR REVENUE ESTIMATES

REVENUE TYPE	FY08 ACTUAL	FY09 ESTIMATE	FY10 BUDGET
Transfers			
Transfer from General Fund	\$ 38,600	\$ 76,935	\$ 114,605
Transfer from Water & Sewer	\$ 50,500	\$ 48,512	\$ 86,645
TOTAL REVENUE	\$ 89,100	\$ 125,447	\$ 201,250

2010 FISCAL YEAR EXPENDITURE PROJECTIONS

ACCOUNT DESCRIPTION	FY08 ACTUAL	FY09 ESTIMATE	FY10 BUDGET
Vehicle Expenses			
Gas & Oil - Admin	\$ 4,188	\$ 4,539	\$ 5,000
Vehicle Maintenance - Admin	\$ 1,114	\$ 2,067	\$ 500
Insurance - Admin	\$ 1,500	\$ 1,600	\$ 1,600
Gas & Oil - Bldg/Zoning	\$ 2,577	\$ 2,400	\$ 1,250
Vehicle Maintenance - Bldg/Zoning	\$ 473	\$ 294	\$ 250
Insurance - Bldg/Zoning	\$ 1,598	\$ 1,735	\$ 800
Gas & Oil - PW	\$ 20,771	\$ 22,295	\$ 24,000
Vehicle Maintenance - PW	\$ 3,841	\$ 4,313	\$ 3,000
Insurance - PW	\$ 5,045	\$ 4,557	\$ 5,100
Contingency	\$ -	\$ -	\$ 1,000
	\$ 41,107	\$ 43,801	\$ 42,500
Capital Outlay			
Capital Outlay	\$ -	\$ -	\$ 144,900
Rent Expense	\$ 7,750	\$ 12,750	\$ 13,750
Depreciation Expense	\$ 72,987	\$ -	\$ -
Loss on Sale of Assets	\$ (18,468)	\$ -	\$ -
	\$ 62,269	\$ 12,750	\$ 158,650
TOTAL EXPENDITURES	\$ 103,376	\$ 56,551	\$ 201,150

FUND SUMMARY

GOLF FUND

The Cedar Hills Golf Club is a 6,700 yard, 18 hole, par 72 championship golf course at the mouth of scenic American Fork Canyon. Positive feedback received from golfers on the City's unique course abounds. The course is in excellent condition and has even developed a reputation for its "superior greens." Beyond the golf course, the driving range, the pro shop and the snack bar, the Cedar Hills Golf Club also offers a reception and event rental—The Sunset Room.

The golf course is entering its sixth year of operation, as a result, staff enjoyed four full years of operational data to rely on when forecasting revenues and expenditures. The projections are more accurate and realistic than prior year projections.

The City of Cedar Hills Municipal Golf Course is accounted for through the Golf Fund. All revenues related to golf and golf peripherals are received in the Golf Fund, and

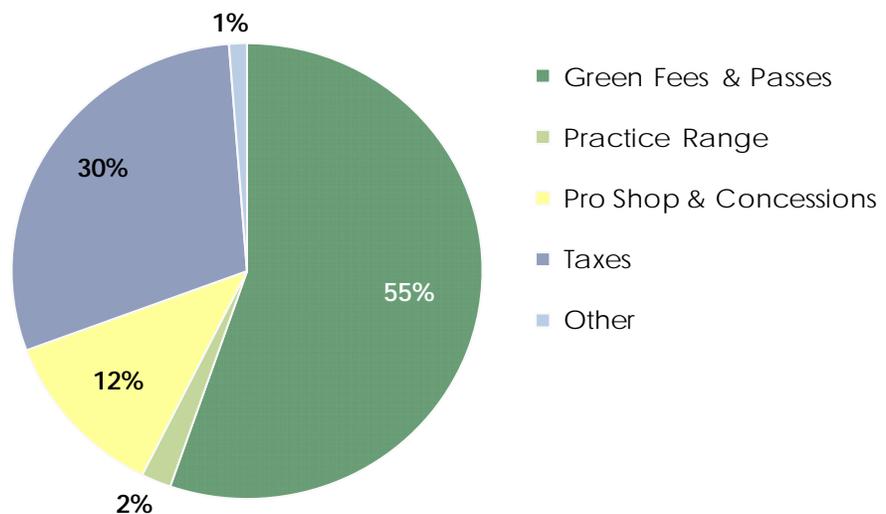
any expenditures related to the maintenance, upkeep, payroll, and operations of the golf course and its peripherals are expensed out of the Golf Fund.

The budget was developed to encourage efficient spending while maintaining an excellent public golf course. Significant and/or noteworthy revenue and expenditure items include the following:

Revenues

Green Fees: This is the principal revenue in the Golf Fund as it makes up 52 percent of the forecasted earnings for FY 2010. The \$675,972 projected green fees represents a 7 percent increase over the prior year estimate. This increase is due to an anticipated increase in rounds. Also included in green fees are cart fees and tournament revenue, which at different points in the past were accounted for separately.

FY 2010 Projected Revenues



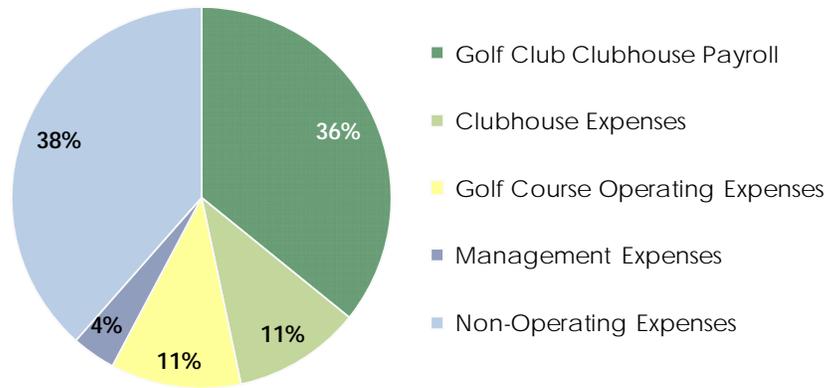
In the budgeting process, revenues were projected to reflect realistic expectations. Green fees are a good indicator of course performance and primarily drive all other revenues for the course. However, the ultimate revenue generator for the course is rounds played, which drives green fees. Most of the revenue items such as concessions, pro shop, driving range, etc., are driven by rounds played; therefore, increased rounds equates to increases in all other revenues.

You will notice that a significant portion of revenues for the Golf Fund are taxes. This tax revenue funds the bond payments made on the general obligation bond on the course.

Expenditures

When the sum of the operational expenses and leases are compared to the projected revenues, the golf course is projected to be in the red roughly \$6,490. This shortfall includes all operating and non-operating expenditures and bond payments. This year's bond payment will be covered by Cedar Hills residents, as a result of the course being financed with a general obligation bond.

FY 2010 Budgeted Expenditures



All operational expenditures have remained closely the same as Fiscal Year 2009. The only major budget increase are payroll expenses. This accounts for market adjustments, performance increases, and increased benefit costs.

Non-Operating expenditures include lease payments for the carts, clubhouse, cart barn, sunset room, and maintenance equipment; however, no money was budgeted for the clubhouse, cart barn, or sunset room leases because of plans to construct a new Golf Course Clubhouse.

2010 FISCAL YEAR REVENUE ESTIMATES

REVENUE TYPE	FY08 ACTUAL	FY09 ESTIMATE	FY10 BUDGET
G.C. Operating Revenues			
Green Fees	\$ 581,090	\$ 533,707	\$ 675,972
Practice Range	\$ 25,729	\$ 23,523	\$ 27,000
Pro Shop Revenue	\$ 94,145	\$ 91,666	\$ 110,000
Concessions	\$ 40,889	\$ 38,544	\$ 47,000
Season Passes	\$ 39,705	\$ 30,628	\$ 47,250
Sunset Room Rental	\$ 18,709	\$ 17,424	\$ 16,000
Other Income	\$ 7	\$ 15,241	\$ -
	\$ 800,274	\$ 750,732	\$ 923,222
G.C. Non-Operating Revenues			
GO Bond Fee	\$ 386,945	\$ 385,195	\$ 385,320
	\$ 386,945	\$ 385,195	\$ 385,320
TOTAL FUND REVENUES	\$ 1,187,219	\$ 1,135,927	\$ 1,308,542

2010 FISCAL YEAR EXPENDITURE PROJECTIONS

ACCOUNT DESCRIPTION	FY08 ACTUAL	FY09 ESTIMATE	FY10 BUDGET
G.C. Clubhouse Payroll			
Salary & Wages (FT)	\$ 147,951	\$ 170,136	\$ 180,000
Overtime	\$ 10,931	\$ 1,389	\$ 500
Salary & Wages (PT)	\$ 112,607	\$ 123,326	\$ 161,837
Employee Benefits	\$ 72,132	\$ 90,462	\$ 129,000
Miscellaneous	\$ 935	\$ -	\$ -
	\$ 344,556	\$ 385,313	\$ 471,337
Clubhouse Expenses			
Supplies	\$ 11,100	\$ 17,129	\$ 10,000
Utilities	\$ 19,881	\$ 26,313	\$ 25,000
Miscellaneous Expenses	\$ 1,238	\$ 2,498	\$ 2,500
Concessions	\$ 24,707	\$ 29,434	\$ 30,000
Credit Card Expenses	\$ 11,770	\$ 12,942	\$ 18,000
Pro Shop	\$ 58,425	\$ 51,495	\$ 55,000
Sunset Room	\$ 993	\$ 2,092	\$ 2,000
	\$ 128,113	\$ 141,905	\$ 142,500
Golf Course Operating Expense			
GC Repairs/Maintenance/Misc	\$ 30,463	\$ 33,155	\$ 37,500
Fertilizer & Chemicals	\$ 23,131	\$ 39,385	\$ 25,800
Water & Pumping Costs	\$ 15,952	\$ 15,697	\$ 28,870
Petroleum/Oil	\$ 17,199	\$ 15,832	\$ 18,500
Equipment Repair/Replacement	\$ 23,416	\$ 23,039	\$ 22,080
Equipment Rental	\$ 4,717	\$ 1,914	\$ 3,000
Cart Batter Replacement	\$ -	\$ -	\$ 10,000
	\$ 114,877	\$ 129,022	\$ 145,750
Management Expenses			
Supplies/Dues/Subscription	\$ 4,191	\$ 3,600	\$ 3,700
Printing	\$ 1,519	\$ 2,354	\$ 2,500
Travel/Training	\$ 734	\$ 408	\$ 2,500
Licenses/Fees	\$ 1,168	\$ 1,765	\$ 2,500
Computers/Phones	\$ 3,932	\$ 4,362	\$ 5,700
Advertising	\$ 39,155	\$ 33,058	\$ 32,000
	\$ 50,698	\$ 45,547	\$ 48,900
Non-Operating Expenses			
Cart Barn & Events Tent Lease	\$ 46,677	\$ 46,677	\$ 3,889
Clubhouse Lease Payment	\$ 22,031	\$ 14,844	\$ 4,336
Cart Lease Payment	\$ -	\$ 3,680	\$ 65,000
Maintenance Equipment Lease	\$ -	\$ 7,460	\$ 48,000
MBA Bond Payment	\$ 259,883	\$ 255,195	\$ 385,320
Amortization Expense	\$ 4,097	\$ -	\$ -
Interest Expense	\$ 40,533	\$ 13,512	\$ -
Depreciation Expense	\$ 240,755	\$ -	\$ -
	\$ 613,977	\$ 341,368	\$ 506,545
TOTAL EXPENDITURES	\$ 1,252,221	\$ 1,043,154	\$ 1,315,032

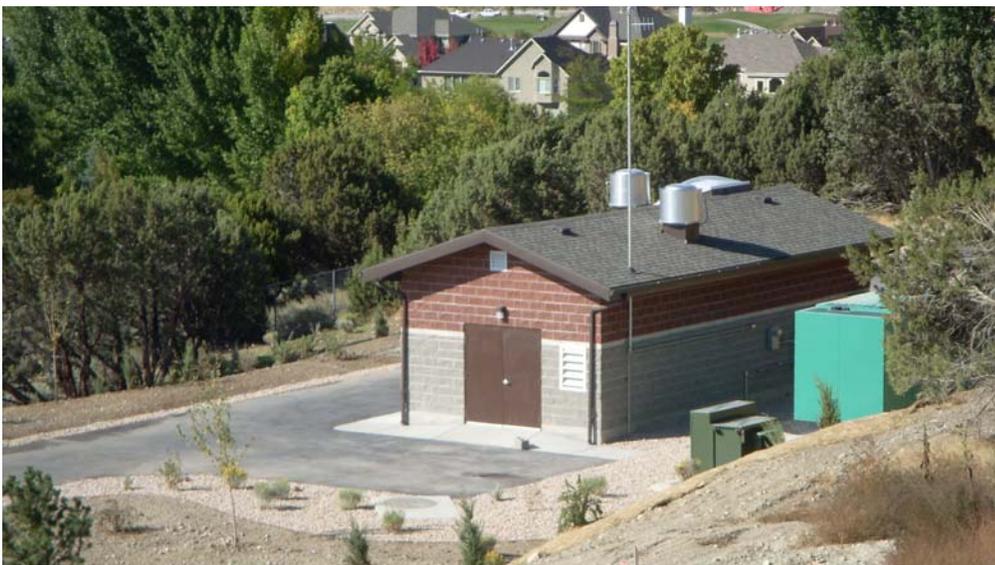
APPENDIX A

CAPITAL IMPROVEMENTS PLAN

Fiscal Year 2010

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Cottonwood Well

PURPOSE IN VIEW

The City of Cedar Hills' Capital Improvements Plan is a long-range plan for the construction and financing of major projects which represent significant contributions to the City's overall inventory of physical assets. The Plan is divided into three different time frames, the short-range horizon of projects undertaken and/or completed within the current fiscal year, the mid-range horizon of projects undertaken and/or completed within a two to six year time period, and the long-range horizon of projects undertaken and/or completed within a seven year or greater time period. The CIP plans for all major capital purchases and/or projects for both the General Fund and the Water/Sewer Fund. Capital purchases can include expenditures such as vehicle purchases, computer purchases, or other types of equipment purchases. Capital projects generally include building, repairing, or improving streets, sidewalks, public facilities, parks, and water/sewer lines and facilities.

As a long-range plan, the CIP reflects the City's policies regarding long-range physical and economic development. By providing a planned schedule of public improvements, the CIP outlines present and future public needs and priorities. The CIP, therefore, provides decision-makers with valuable information on which to base decisions. It also represents:

- Information for individual tax-

payers, neighboring communities, and various civic groups interested in the City's growth and development;

- A statement of intention for federal and state agencies who provide grants-in-aid to the City; and
- A source of information for potential developers.

Additionally, the CIP is an integral part of the City's budgeting process, with the first year of the plan representing the actual budget for the year's capital projects. Approval of the CIP by the City Council, therefore, outlines the City's official commitment to the first-year capital projects, with conditional approval for those projects listed in the future planning years.

Capital project planning is an ongoing process. Each year, the CIP is updated, with the deletion of the "prior year" and the addition of a new planning year, in order to maintain the full time frame of the program. Projects that have been tentatively scheduled in previous CIP's are reassessed, along with new, proposed projects. A test of the effectiveness of the capital planning process is the orderly manner in which projects are planned for, scheduled, and finally budgeted, year-by-year, and whether it helps the City achieve the goals and objectives established in the City's General Plan.

BENEFITS OF CAPITAL IMPROVEMENTS PLAN

By projecting and scheduling capital improvements in advance, the City benefits in a number of ways:

1. The CIP eliminates or reduces the need for "crash programs" to finance the construction of City improvements and facilities.
2. The CIP helps to provide for an orderly replacement of capital facilities and equipment.
3. Budgeting may take place within a system which assures that capital projects will be built according to a predetermined priority system while planning in ad-

vance for the revenue needed to finance and complete these capital projects.

4. Advanced planning is permitted to ensure that projects are well thought-out in advance of construction.
5. Major purchases may be scheduled to benefit from favorable market conditions.
6. Coordination with the operating budget is maximized. An important aspect of capital improvement planning is the effect capital expenditures have upon the annual operating cost of the City. When a new facility is established, it must be maintained and staffed, and obligations which begin when it is made operational will become continuous.
7. Interrelationships among projects overlooked by departments are revealed. This will occur more often as Cedar Hills expands, however, it is important to take this aspect into account now. For example, the process can coordinate the timing of projects in the same location so as to avoid paving a street one year and tearing it up the next to lay a sewer or water line.
8. An overview of current and future capital requests is provided, which enables an assessment of all capital expenditures and establishes priorities in a comprehensive framework rather than through many piecemeal decisions.

PLANNING SCHEDULE FOR CAPITAL IMPROVEMENTS

The City's proposed schedule of planning for capital improvements is listed in Figure B-1.

The process typically used for review and approval of the Capital Improvements Plan is as follows:

1. Staff prepares a comprehensive list of future capital facilities and/or projects. This list is reviewed by the City Council. The Council will then add to or delete from the list and prioritize the projects. Additionally, the City Council will indicate which types of funding sources would be preferred to fund each facility (i.e. impact fees, franchise fees, property taxes, etc.). Prioritization is based on two factors:
 - Is the project one which will be undertaken in the current fiscal year, within the two to six year horizon, or within the seven year+ horizon? What are the estimated dates of construction?
 - Is the project one which is vital to ensure current municipal services (priority 1); one which is important but completion is based upon timing of available resources

January	Preliminary planning session with Mayor, City Manager, and key staff.
March	Summary of preliminary capital improvement requests prepared by City Manager and submitted to City Council.
April	Mayor, City Manager, and key staff complete project review. Tentative approval by City Council.
June	CIP submitted to the City Council for final approval.

Figure B-1

(priority 2); or one which is necessary, but timing is based upon future growth requirements (priority 3)?

2. Staff revises the list of future capital facilities and produces a tentative capital improvements plan that includes a capital budget for the coming year and a capital plan for the two to six year horizon and the seven year+ horizon. This plan will include future funding projections for each of the funding sources preferred by the Council and show the link between the *available sources* and *planned uses*. For example, if the City Council de-

termines that it would like to build a \$500,000 park facility within three years with impact fees, the plan will show what impact fees will be available, as well as the amounts required from other funding sources, if necessary. The City Council will then review this plan and make final decisions.

3. Staff will produce a final copy of the City's Capital Improvements Plan that will then be accepted by the City Council. This plan will become the document that helps direct the City in future capital facility projects.

SHORT-RANGE HORIZON CAPITAL PROJECTS

Projects to be completed during the 2010 Fiscal Year

Facilities

1. Community Center/City Hall Feasibility

Study to see the feasibility of a combined City Hall and Community Center.

Cost of Project in FY 2010:

\$30,000

Sources of Funding:

\$15,000 from Recreation Impact Fees, \$7,500 Public Safety Impact Fees, and \$7,500 from the General Fund

Description of Project:

The City of Cedar Hills is currently functioning administratively out of our Public Safety Facility. As the City grows and matures, the Public Safety function will utilize all of its current facility, requiring the overall administration function to relocate to a new facility. Further, the City Council desires and has felt a community desire to provide a community center facility for all residents to enjoy.

Impact on Operating Budget:

As this project consists of merely a feasibility study, and not the construction of an actual facility, there is no impact on the operating budget. The completion of this feasibility study will help us, in part, to determine what the impact on the operating budget will be, should the Community Center/City Hall project be completed in the future.

2. Deerfield Park - Land Acquisition

Approximately 12 acres in size, this park will include major recreation facilities such as baseball diamonds, soccer fields, etc. Cost includes \$81,000/acre for land.

Cost of Acquisition in FY 2010

\$972,000

Sources of Funding

\$972,000 from Park Land Impact Fees

Need for Project

Along with providing open space, beautification, recreation opportunities and improving residents' quality of life, this will help the City meet its park element objective as outlined in the General Plan and Parks & Trails Master Plan. The current level of service in the General Plan requires 54 acres of park land (5.5 acres of park per 1,000 residents; June 2010 population is estimated at 9,830 residents.) Currently there are approximately 34 acres of park, leaving the City with a current deficiency of 20 acres.

Impact on Operating Budget

As this is merely the acquisition of land, not the development of it, we anticipate this project will have no measurable impact on the operating budget. To see the impact on the operating budget of the completed total project, please see Deerfield Park Development 1.

3. Deerfield Park Development 1

Project includes development of 12 acres of park land. Development cost are \$60,000/acre.

Cost of Project in FY 2010:

\$720,000



Land for Deerfield Park

Sources of Funding

\$720,000 from Park Development Impact Fees

Reason for Project:

Along with providing open space, beautification, recreation opportunities and improving residents' quality of life, this will help the City meet its park element objective as outlined in the General Plan and Parks & Trails Master Plan. The Deerfield Park is proposed to be a 12-acre sports park.

Impact on Operating Budget

This project is anticipated to be completed toward the end of the fiscal year. As a result, the impact on the operating budget will likely not be realized in FY 2010. However, it is anticipated that the main impact of the new park on the operating budget will be an increase in park grounds maintenance costs of about \$1,000 per month. Electric costs are anticipated as high as \$500 per month.

4. Mesquite Soccer Park

To improve approximately seven acres of park land.

Cost of Project in FY 2010:

\$45,000

Sources of Funding:

\$45,000 from Park Development Impact Fees

Reasons for Project:

Currently, Mesquite Park provides soccer fields to residents and the community as a whole. In addition to soccer fields, Mesquite Park is home to a relatively large playground set. Several improvements for this park are scheduled to occur during FY 2010. The improvements include the construction of a pavilion, installation of a water fountain, and the building of a six-foot wide asphalt path.

Impact on Operating Budget

The only impact on the operating budget will be minimal electric costs.



Mesquite Soccer Park

5. Harvey Blvd Widening

To widen Harvey Blvd to 56 ft.

Cost of Project in FY 2010:

\$500,000

Sources of Funding:

\$500,000 from Streets Impact Fees

Reason for Project:

In efforts to improve traffic flow and safety near the Deerfield Park, Harvey Blvd will be widened to 56 feet.

Impact on Operating Budget:

There is no direct, measurable impact on the operating budget.

6. Speed Tables

To install three speed tables.

Cost of Project in FY 2010:

\$25,000

Sources of Funding:

\$25,000 from Street Impact Fees

Reasons for Project:

The City will install three speed tables this year. The purpose of these speed tables is to control the speed of traffic to ensure the safety of residents. They are especially useful in residential areas that at times sustain high volumes of traffic.

Impact on Operating Budget:

There is no direct, measurable impact on the operating budget.

7. Street Lights

To purchase new street lights.

Cost of Project FY 2010:

\$25,000

Sources of Funding:

\$25,000 from Street Impact Fees

Reasons for Project: New street lights will be installed at various locations around the City to improve lighting conditions and safety.

Water and Sewer

8. Canyon Road Sewer

To connect residents to the public sewer system.

Cost of Project in FY2010:

\$150,000

Sources of Funding:

\$150,00 from Sewer Impact Fees

Reasons for Project:

To allow residents to connect to the public sewer system who are currently using septic tanks.

Impact on Operating Budget:

Each household that connects to the City's sewer system will increase the sewage treatment fees billed by the Timpanogos Special Service District.

Miscellaneous

9. Sidewalk Projects

For miscellaneous curb, gutter, and sidewalk projects (\$17.65/ft.²).

Cost of Project FY 2010:

\$15,000

Sources of Funding:

\$15,000 from Streets Impact Fees

Reasons for Project:

The City of Cedar Hills has completed a City-wide sidewalk evaluation. This evaluation classifies all sidewalk projects from most needed down to least needed. This process is reevaluated every three years. The projects completed serve to beautify the City, alleviate storm water problems, provide residents with safety, and keep the City in ADA Compliance. This year, the City will be focusing on the sidewalks located on Cedar Hills Drive and 4000 West.

Impact on Operating Budget:

These sidewalk projects have no measurable direct impact on the operating budget.



Canyon Road

MID-RANGE HORIZON CAPITAL PROJECTS

Projects to be completed between 2011 and 2013

PROJECT	DATE	TOTAL COST
Capital Projects Fund		
Community Center/City Hall	2012	\$ 15,000,000
Bonneville Shoreline Trail III	2012	\$ 250,000
Public Safety Building Remodel	2013	\$ 490,000
		\$ 15,740,000
Water & Sewer Fund		
4000 West Sewer Line	2013	\$ 250,000
		\$ 250,000
Golf Fund		
Golf Club House	2011	\$ 1,000,000
		\$ 1,000,000

CITY OF CEDAR HILLS
September 2008



10320 N

Well Site

Bayhill Drive Park

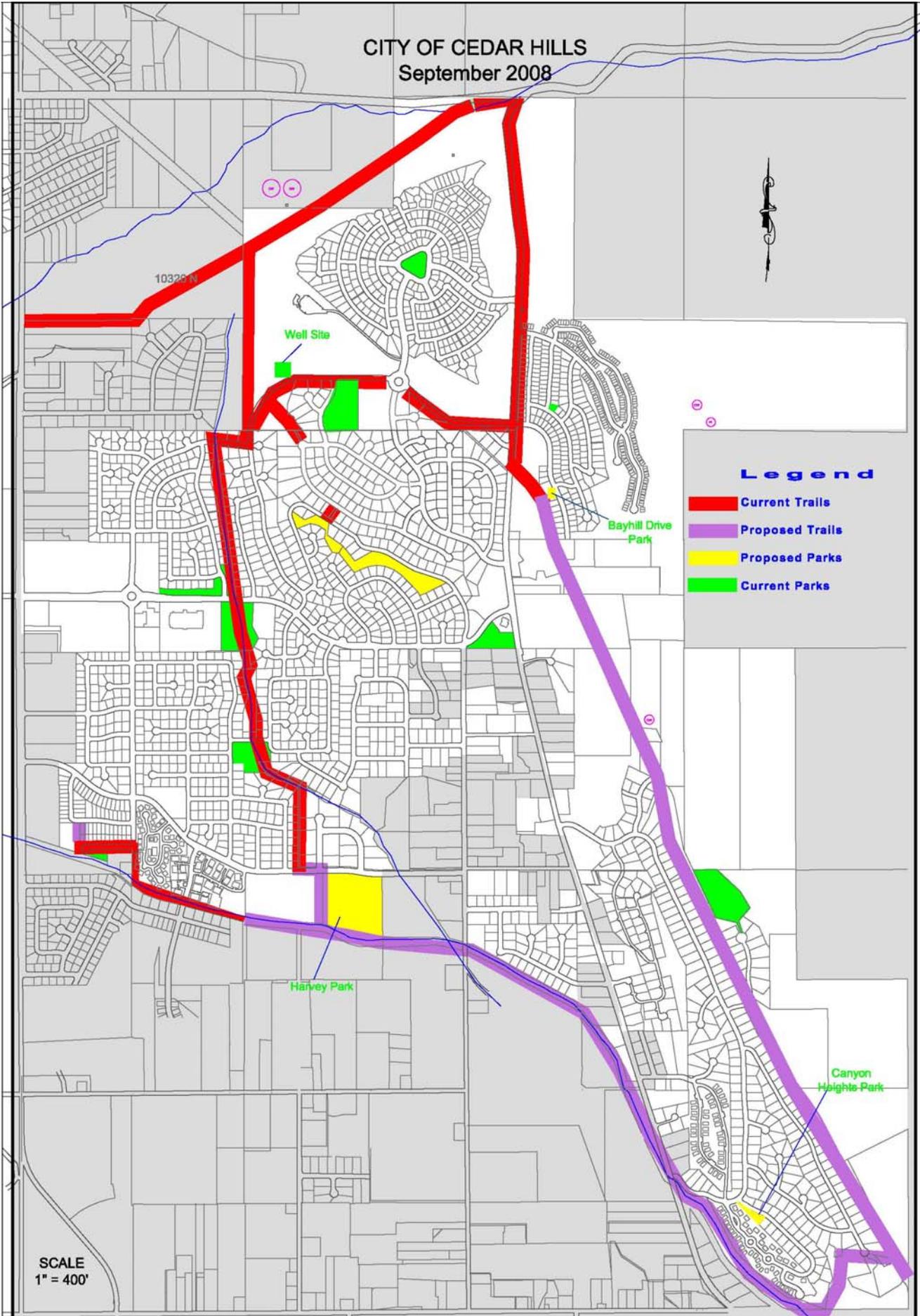
Harvey Park

Canyon Heights Park

Legend

-  Current Trails
-  Proposed Trails
-  Proposed Parks
-  Current Parks

SCALE
1" = 400'



APPENDIX A - PROJECTED NEEDS FY 2010

		Construction			Funding Source(s)						
	Year	Cost	Fran	B&C	Impact Fees	Fund Bal.	Finance	Storm	Other		
Streets											
Harvey Blvd Widening	FY10	\$ 500,000			\$ 500,000						
Speed Tables	FY10	\$ 25,000			\$ 25,000						
Sidewalk Projects	FY10	\$ 15,000			\$ 15,000						
Facilities											
Community Center/City Hall-Feasibility	FY10	\$ 30,000			\$ 22,500	\$ 7,500					
Community Center/City Hall	FY12	\$ 15,000,000			\$ 3,545,000		\$ 11,455,000		9 acre trade		
Public Safety Building Remodel	FY13	\$ 490,000			\$ 490,000						
Parks											
		Acres									
Deerfield Park Land	FY10	\$ 972,000			\$ 972,000		\$ -				
Deerfield Park - Park Development 1	FY10	\$ 720,000			\$ 720,000						
Bonneville Shoreline Trail	FY12	\$ 242,000					\$ 242,000				
Cottages Park	FY15	\$ 100,000			\$ -		\$ 100,000		\$ 25,000		
Sewer											
Canyon Road 1 Sewer Line	FY10	\$ 150,000			\$ 150,000						
4000 West Sewer Line	FY13	\$ 250,000			\$ 135,000	\$ 115,000					
Golf											
Clubhouse	FY11		\$ 1,000,000				\$ 1,000,000				
FY 10 TOTALS		\$ 2,412,000			\$ 2,404,500	\$ 7,500					

PREVIOUS CAPITAL PROJECTS

Projects completed during the 2009 Fiscal Year

Streets

1. Speed Tables

Cost of Project in FY 2009:

\$25,000

Sources of Funding:

\$25,000 from Street Impact Fees

Reasons for Project:

The City installed two speed tables during FY 2009. The purpose of these speed tables is to control the speed of traffic to ensure the safety of residents. They are especially useful in residential areas that at times sustain high volumes of traffic.

Impact on Operating Budget:

There is no direct, measurable impact on the operating budget.

Parks

2. Fieldcrest Pocket Park

Cost of Project in FY 2009:

\$30,000

Sources of Funding:

\$30,000 from the General Fund



Speed Tables



Fieldcrest Pocket Park

Reason for Project:

Providing open space, beautification, recreation opportunities and improving residents' quality of life. The City of Cedar Hills provides two types of park facilities: Community parks to service a City-wide or larger population and pocket parks. Pocket parks are developed to provide the immediate neighborhood improved open space and facilities.

Impact on Operating Budget

The Fieldcrest Pocket Park is a relatively small area and will have almost no measurable impact on the operating budget. The City is planning on about \$20 per month in increased park maintenance costs.

Water & Sewer

3. Redundant Culinary Well

Cost of Project FY2009:

\$1,700,000

Sources of Funding:

\$1,700,000 Bond Proceeds

Reasons for Project:

This well provides Cedar Hills with redundancy and reliability in its water system. Not only will this well provide water for the City through build out projections, but it will also provide a backup should the other well go down. This well will further serve as a backup system to the secondary water system, mentioned previously in this document as the Pressurized Irrigation System.

Impact on Operating Budget

The impact on the operating budget will be primarily realized through increased water utility expenses. It is anticipated that power bills will be \$1,500 per month, on average.

APPENDIX B

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FINANCIAL PLANNING POLICIES DOCUMENT

The following document serves only as a general overview of established policy and procedure governing daily operations at the City of Cedar Hills.

Financial Planning Policies

Balanced Budget:

Pursuant to §10-6-109, Utah Code Annotated, the City of Cedar Hills will adopt a balanced General Fund budget under normal circumstances by the 21st of June. Full disclosure will be provided via public notice any time deviation from this policy is planned or occurs.

Long-Range Planning:

The City of Cedar Hills supports a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets, budget policies, cash management and investment policies, programs and assumptions.

Asset Inventory:

Each department manager is responsible to take all reasonable measures available to prolong and assess the condition of major capital assets in their department on an annual basis. Methods for doing so may include such things as the procurement of insurance, regular testing of water and sewer systems, street and sidewalk replacement plans, procurement of secondary and tertiary water systems, etc.

The Finance Director of the City of Cedar Hills, under the direction of the City Manager, is responsible for the diversification of investments through the transfer of funds to the Public Treasurer's Investment Fund (PTIF).

Revenue Policies

Revenue Diversification:

The City maintains a healthy dependence on a variety of revenue

sources to cover expenditures. The burden of supporting City non-enterprise services will be equitably distributed and will protect the City from short-term fluctuations in any one revenue source.

The City maintains timely collection systems and implements necessary enforcement strategies to collect revenues from available sources.

The City actively supports economic development, recruitment, and retention efforts to provide for a solid revenue base.

With regard to revenues, the City budgets conservatively and forecasts accurately, such that actual revenues meet or exceed budgeted revenues.

The City maintains a budgetary control system and prepares reports that compare actual revenues to budgeted amounts throughout the year.

Fees and Charges:

Fees and charges are based on the estimated cost of providing the associated service. Costs associated with a service include the use of human and capital resources and the depreciation of assets. The fee schedule is evaluated annually to determine necessary modifications.

Use of One-time Revenues:

The City is committed to minimizing the portion of operating expenditures that are funded by one-time growth revenues. To support this policy, the City of Cedar Hills analyzes current and historic operating trends annually to extrapolate future trends.

Use of Unpredictable Revenues:

The City places revenues from unpredictable sources into other income line items that will be transferred into Capital Projects.

Expenditure Policies

Debt Capacity, Issuance, and Management:

The City maintains a policy of full disclosure on financial reports and bond prospectus.

The City communicates with bond rating agencies and continually strives for improvements in the City's bond rating.

The City pays for all capital projects and capital improvements on a pay-as-you-go basis using current revenues whenever possible and practical. If a project or improvement cannot be financed with current revenues, debt will be considered.

The City refrains from issuing debt for a period in excess of the expected useful life of the capital project.

The City uses special assessment revenue or other self-supporting bonds instead of general obligation bonds, when feasible.

The City will seek refinancing of outstanding debt if it is determined that the City will benefit by reduced interest expense over the remaining life of the debt.

The City will comply with state law that limits total bond obligation to 12% of the prior year total assessed value for tax purposes of real and personal property as determined by the most recent tax assessment.

Reserve or Stabilization Accounts:

The City will maintain a minimum fund balance of at least 10% (not to exceed 18%) of current year operating revenues. If existing reserves exceed the required level, such funds may be used to balance the budget or to meet needs that may arise during the year.

The City will use monies from the reserve only in times of emergency or fiscal and economic hardship.

The fund balance in excess of the 10% reserve can only be transferred to another account with City Council approval of a budget amendment.

Operating/Capital Expenditure Accountability:

Basic and essential services provided by the City will receive first priority funding.

The City will continue to establish performance measurements for all departments. These measures will reflect the demand, workload capability, and projected outcomes for the department to accomplish its objectives.

The City will adopt a balanced budget, in which anticipated revenues equal the budgeted expenditures. The City may utilize unallocated fund balance to achieve a balanced budget.

The City will maintain a budgetary control system to ensure adherence to the adopted budget and will prepare monthly reports that compare actual expenditures to budgeted amounts.

The City has an established Purchasing Policy that regulates the procurement process. All procurements not otherwise budgeted, and those in excess of \$25K that have undergone the requisite competitive bidding process, must first be approved by the City Council.

Investment and Cash Management Policy:

All unused cash is invested in a PTIF account. By so doing, the issues of safety, liquidity, and yield (in that order of priority) are addressed. The PTIF is managed by state investment officers who diversify the pool based on maturity date so as to protect against market fluctuations.

Interest earned from investment of available cash is distributed to budgetary funds according to ownership of the investments and are reflected in the annual budget.

The City deposits all receipts as per state law.

Investments made by the City are in conformance with all requirements of the State of Utah Money Management Act and City ordinances.

Capital Improvement Policy:

Each year the City Council adopts a five-year Capital Improvements Plan (CIP) which serves as a plan to provide for the orderly maintenance, replacement, and expansion of capital assets. Each year after budget adoption, the CIP will be reviewed and revised to reflect the impact of the adopted budget and to add a year to the CIP.

The replacement of existing capital that is worn out, broken, or costly to maintain will not be deferred except in unusual circumstances. The costs to defer would usually result in greater total expenditures over time. The City budgets for depreciation annually as per GASB 34.

Vehicles are considered for replacement based on age and/or miles in accordance with the City's Vehicle Replacement Plan.

The CIP identifies long-range capital projects and capital improvements of all types; many of which have been identified through the Capital Facility Planning process requisite in the development of City-wide impact fees. All projects/improvements will be coordinated with the annual operating budget to maintain full utilization of available revenue sources.

While reviewing and updating the CIP, the City will seek to identify all viable capital projects and capital improvements required during the subsequent five-year period. These projects and improvements will be prioritized by year. Future operating costs associated with a project or an improvement will also be given consideration in the establishment of priorities.

The City will seek Federal, State, and other funding to assist in financ-

ing capital projects and capital improvements.

The City will incorporate the reasonable findings and recommendations of various City Boards, Commissions, Committees, and Citizen task forces, as they relate to the establishment of projects and project priorities.

Financial Reporting Policy:

The City's accounting system will maintain records in accordance with accounting standards and principles outlined in the Governmental Accounting Standards Board (GASB), Financial Accounting Standards Board (FASB), and the State of Utah.

Financial reports are printed monthly and distributed to department directors, the City Manager, and Finance Director, who monitor the collection of revenues and all expenditures. Financial reports are reviewed by City Council members at least on a quarterly basis.

The City will employ an independent accounting firm to perform an annual audit of the City's finances, and make the annual audit available to all required and interested parties. The audit shall be completed and submitted to the State of Utah within 180 days of the close of the fiscal year.

The City will prepare an annual budget document that provides a basic understanding of the City's planned financial operations for the coming fiscal year. Copies of the budget will be made available to all interested parties.

The City will seek annually to qualify for the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award.

CITY HISTORY

Cedar Hills is built upon an alluvial fan or bench, created thousands of years ago when it was a shoreline of Lake Bonneville. Early settlers referred to the area as “the Bench.” Because of the growth of cedar trees (later becoming Manila’s source of Christmas trees), the area was later referred to as Cedar Hills. The bench provides a beautiful view of the surrounding mountains, Utah Lake, and Utah Valley. Cedar Hills was established as a community in 1977. The surrounding cities such as Pleasant Grove and Alpine were settled in 1849 and 1850.

Various forms of wildlife flourished in the area. Coyotes prowled along the bench. Wild cats, red foxes, bears, deer, skunks, and rabbits also lived in the area. Some deer, skunks, foxes, and rabbits can still be seen around Cedar Hills.

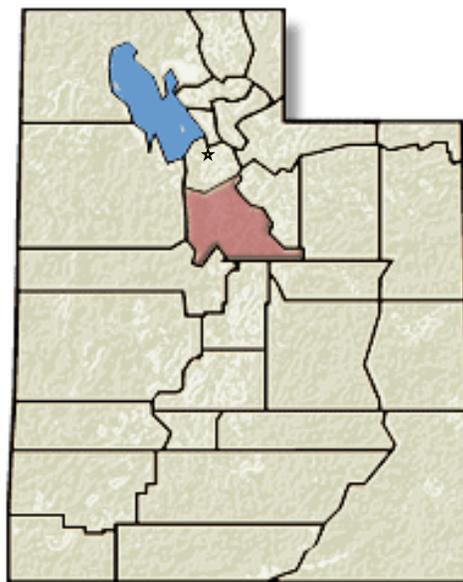
The dry bench upon which Cedar Hills is located provided little attraction to Native Americans. They preferred camping near streams, such as in American Fork Canyon. Several Native American artifacts were found upon the bench, however, including an Indian bowl (discovered by Paul Adams and currently at a Brigham Young University museum) and numerous arrowheads. The arrowheads were probably dropped during skirmishes between the Utah Valley Indians and the Shoshones.

Between 1849 and 1850, early settlers began to make their homes in settlements around Cedar Hills. A large portion of Cedar Hills was used for dry farming, which proved to be unsuccessful. A few planted plots existed among the sage brush. Much of the area was used to pasture livestock. Other forms of livelihood among early settlers of Cedar Hills included trappers and turkey farmers.

The bench became a turkey ranch. The David Evans Company Advertising Agency, advertiser for the National Turkey Federation,

would take pictures of the Adams turkey ranch because of its impressive background. In 1939, the National Poultry Congress in Cleveland, Ohio displayed photographs of turkeys raised on the beautiful bench upon which Cedar Hills is now located. And, as NBC ran a news story about turkeys on the bench, the photographer was taken back by the beauty of the bench and continued to say, “beautiful, beautiful.” In 1962, the Saturday Evening Post also ran stories about turkeys living upon the bench.

Cedar Hills is located 35 miles south of Salt Lake City, eight miles north of the Orem/Provo area, and east of Alpine and Highland on the slopes of Mount Timpanogos. The population was 3,094, at the 2000 census and by 2005 was estimated at 7,790. The City began growing rapidly during the 1990s, but has leveled off today. The population today is now 9,759. It had the largest growth rate in Utah during the 1990s based on percentage. In 1990 it had a population of just 708. From 2000 to 2005, the town rose from the 82nd largest incorporated place in Utah to the 54th largest.



DEMOGRAPHICS

The word has certainly spread about what a great place Cedar Hills is to live! Our City has experienced phenomenal growth over the last few years and the City population is expected to exceed 9,830 residents during 2010. The following gives a picture of the demographics and other important notes and numbers for the City:

Incorporated and Established:

November 2, 1977

Recognized as City of the Third Class:

August 3, 1999

Altitude:

5,280 ft.

The topography of Cedar Hills varies significantly. With the many annexations of land from both the lower areas and the hillside zone into Cedar Hills in the past eight years, the City's elevation ranges both above and below 5,280 ft., so the elevation *could* be listed at several heights. Choosing the altitude of 5,280 ft. is more for notoriety than substance—we are Utah's Mile High City. Also, one of the holes at the Cedar Hills Golf Club is named the Mile High hole because it (#14) is actually at 5,280 ft. above sea level.

Land Area:

The City covers approximately 3.5 square miles, or 2,240 acres.

Location:

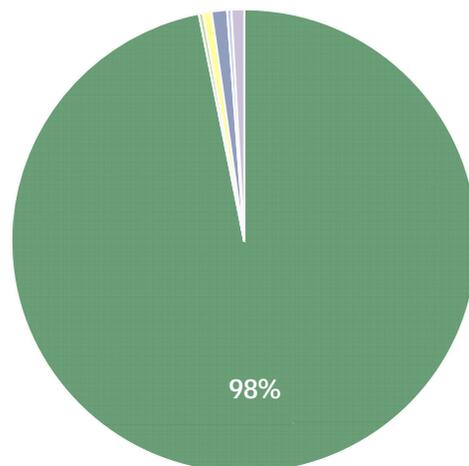
The City of Cedar Hills is located in northern Utah County, is bordered by Highland City and Alpine City on the northwest, Pleasant Gove City and American Fork City on the south, and Wasatch National Forest on the east. The City is located approximately 35 miles south of metropolitan Salt Lake City and approximately 8 miles north of Orem City.

Public Safety/Healthcare:

The City is serviced by American Fork Hospital and the Lone Peak Fire and Ambulance Department. Cedar Hills also has full time police coverage under the jurisdiction of the American Fork Police Department.

Utilities:

The City provides water, sewer, garbage, recycling, and pressurized irrigation services to its residents. The City also bills for storm drain fees. Electricity is provided by Rocky Mountain Power, gas by Questar Gas, telephone by Qwest, and cable by Comcast.



- White 98.30%
- Black 0.30%
- American Indian 0.60%
- Asian 1.10%
- Hawaiian/Pacific Islander 0.30%
- Other 0.90%

SUMMARY OF SIGNIFICANT DEMOGRAPHIC STATISTICS

STATISTIC	2003	2004	2005	2006	2007	2008	2009
Population *	5,710	6,727	7,943	8,445	9,262	9,759	9,808
Household Average Adjusted Gross Income **	\$71,340	\$59,472	\$62,293	\$71,413	\$99,799	NA	NA
County Average AGI **	\$48,431	\$41,213	\$44,193	\$48,047	\$60,881	NA	NA
Unemployment Rate ***	5.20%	4.80%	4.00%	2.90%	2.50%	3.20%	5.70%

* Source: City of Cedar Hills ** Source: Utah State Tax Commission *** Source: Department of Workforce Services

Schools:

Cedar Ridge Elementary, Deerfield Elementary, Mountain Ridge Jr. High, Lone Peak High, American Fork High.

Culture:

The City of Cedar Hills is composed predominately of members of The Church of Jesus Christ of Latter Day Saints. Other religions include Catholic, Protestant, Jewish, and others.

Recreation:

The City's proximity to the Wasatch Mountains and Utah Lake provide for many outdoor recreational activities such as snow skiing, hiking, biking, and mountaineering. The City

owns Cedar Hills Golf Club and has other recreational activities in conjunction with other cities in the valley like baseball, football, and soccer.

Major Industries:

The City of Cedar Hills is a bedroom community with few employers. In the past couple years, a small commercial district has emerged including a Wal-Mart and a Chase Bank. However, the City is also located near the major employers in Utah County and Salt Lake County. The top three employers in Utah County are Brigham Young University, Utah Valley Regional Medical Center, and the local school districts. Utah County is a center for technology-oriented firms which are drawn to the area by the highly educated workforce and the area's high-quality universities.

Top Taxpayers:

Since the City is a bedroom community, the top taxpayers are individuals and will consequently not be listed.

Age Distribution

Age	Percent of Total
Under 9 years	29%
10 to 19 years	23%
20 to 34 years	19%
35 to 54 years	23%
55 to 64 years	3%
65 years and over	3%

GLOSSARY

ACCOUNTING PERIOD :

The fiscal year is divided into 13 accounting periods. Each accounting period includes two bi-weekly payrolls, and is generally four weeks long.

ACCRUAL BASIS OF ACCOUNTING:

The basis of accounting under which revenues are recorded when earned and expenditures (or expenses) are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of cash or the payment of cash may take place, in whole or in part, in another accounting period.

AMORTIZATION:

A noncash expense that reduces the value of an intangible asset over the projected life of the asset.

ANNUALIZATION:

Taking changes that have occurred mid-year and calculating their cost for a full year, for the purpose of preparing an annual budget.

APPROPRIATION:

The legal authorization granted by the City Council to make expenditures and incur obligations.

BALANCED BUDGET:

The amount of budgeted expenditures is equal to or less than the amount of budgeted revenues plus other available sources.

BOND:

A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of principal are detailed in a bond ordinance.

BOND, GENERAL OBLIGATION:

A limited tax bond, which is secured by the City's property tax.

BOND PROCEEDS:

Funds derived from the sale of bonds for the purpose of constructing major capital facilities.

BUDGET:

A plan of financial activity for a specified period of time (fiscal year) indicating all planned revenues and expenses for the budget period.

BUDGET PREPARATION TIME-LINE:

The schedule of major events in the development of the annual budget, including community budget forums, proposed budget, budget hearings, budget deliberations, and adoption of the annual Appropriation Ordinance.

BUDGET DOCUMENT:

The instrument utilized to present the City's comprehensive financial plan to the City Council and the public.

CAPITAL IMPROVEMENTS PLAN (CIP):

Authorized expenditures for tangible and long-term physical improvements or additions of a fixed or permanent nature (e.g., an additional building, recreational facility, or a new street).

CAPITAL IMPROVEMENT PROJECT:

A capital improvement is generally a large construction project such as the development of park land, the construction of an over pass, the installation of a traffic signal, the acquisition of land, or the construction or remodeling of a City building.

CAPITAL OUTLAY:

The initial lump sum expense for a significant purchase such as a vehicle or a computer.

CASH BASIS OF ACCOUNTING:

The basis of accounting under which revenues are recorded when received in cash and expenditures (or expenses) are recorded when cash is disbursed. Since payments for goods and services can be delayed to the next fiscal year, cash on hand can result in an inaccurate picture of the financial condition of a fund. To be in conformance with generally accepted accounting principles (GAAP), local governments must use the accrual basis rather than the cash basis of accounting.

CITY MANAGER’S BUDGET MESSAGE:

The City Manager’s memorandum to the City Council summarizing the most important aspects of the budget, including changes from the current fiscal year, and the goals, themes and priorities that are encompassed within the City’s budget.

CONTINGENCIES:

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):

This report is prepared by the City Auditor and Comptroller’s Office. It is usually referred to by its abbreviation, and summarizes financial data for the previous fiscal year in a standardized format. The CAFR is organized by fund and contains two basic types of information: a balance sheet that compares assets with liabilities and fund balance; and an operating statement that compares revenues with expenditures.

COMPUTER REPLACEMENT PROGRAM:

A study and accompanying report which details the costs and benefits of various computer replacement schedules. The report is intended to assist management in adopting a policy or program that dictates how often the City’s computers are to be replaced.

DEBT SERVICE:

Payment of interest and principal on an obligation resulting from the issuance of bonds.

DEPARTMENT:

A basic organizational unit of government which may be sub-divided into divisions, programs, activity groups, and/or activities.

DEPRECIATION:

A noncash expense that reduces the value of an asset as a result of age, obsolescence, or wear and tear.

ENTERPRISE FUNDS:

Funds established to account for specific services funded directly by fees and charges to users. These funds are

intended to be self-supporting. For more information about enterprise funds, refer to the City Funds section in Volume I of the Budget Document.

EXPENDITURE:

The actual outlay of monies from the City Treasury.

EXTRAPOLATION:

To project, extend, or expand known data or experience into an area not known or experienced so as to arrive at a usually conjectural knowledge of the unknown area.

FISCAL YEAR (FY):

Twelve-month term designating the beginning and ending period for recording financial transactions. The City of Cedar Hills has specified July 1 through June 30 as the fiscal year.

FIDUCIARY:

Of, relating to, or involving a confidence or trust.

FULL TIME EQUIVALENT (FTE)

The decimal equivalent of a part-time position converted to a full time basis, i.e., one person working half time would count as 0.50 FTE.

FUND:

A fiscal and accounting entity with a self-balancing set of accounts to record revenue and expenditures.

FUND BALANCE (EQUITY):

The value of the revenues minus expenses as accumulated over time in a given fund. This does not include the value of PTIF or reserve accounts. It is also called unreserved or inappropriate fund balance.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP):

Uniform minimum standards used by state and local governments for financial recording and reporting that have been established by the accounting profession through the Governmental Accounting Standards Board (GASB).

GENERAL FUND:

The City’s main operating fund that is used to pay for basic City services that utilize most tax dollars and is also

supported by fees from licenses and permits, fines, and investment earnings. For more information about the General Fund, refer to the General Fund section of the Budget Document.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) DISTINGUISHED BUDGET AWARD:

Highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by the management, staff, and elected officials of recipients. Budgets are evaluated for effectiveness as a policy document, a financial plan, an operations guide, and as a communication device.

GROWTH RATE:

The level at which expenditures and revenues are expected to increase annually.

INTERGOVERNMENTAL REVENUE:

A contribution by one governmental unit to another unit. The contribution is usually made to aid in the support of a specified function (for example, road construction), but it is sometimes also for general revenues.

MMR:

A monthly management report is submitted to the City Manager to report on significant events and statistics.

MODIFIED ACCRUAL BASIS OF ACCOUNTING:

Under the modified accrual basis of accounting, required for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

MODIFIED CASH BASIS OF ACCOUNTING:

Sometimes known as Modified Accrual Basis, it is a plan under which revenues are recognized on the cash basis while expenditures are recognized on the accrual basis.

OPERATING BUDGET:

Authorized expenditures for ongoing municipal services (e.g., police protection and street maintenance).

PERFORMANCE MEASURE:

A performance measure gauges work performed and results achieved. Types of measures include: input, output, efficiency, and internal or external outcomes.

PIBR:

The pressurized irrigation base rate is charged to all residents to cover the cost of the infrastructure of the system

PIU:

The pressurized irrigation usage rate is charged to residents who connect to the irrigation system. This rate is based solely on lot size.

PROPERTY TAX:

An “ad valorem” tax on real property, based upon the value of the property.

PROPOSED BUDGET:

The City Manager’s recommendation for the City’s financial operations, which includes an estimate of proposed expenditures and revenues for a given fiscal year.

RESERVE:

An account used to indicate that a portion of a fund’s balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

REVENUE:

Funds received from various sources and treated as income to the City which are used to finance expenditures.

SIGNAGE:

A system of signs.

TRANSFERS:

the authorized exchange of cash, positions, or other resources between organizational units.

VEHICLE REPLACEMENT PROGRAM:

A study and accompanying report which details the costs and benefits of various vehicle replacement schedules. The report is intended to assist management in adopting a policy or program that dictates how often the City’s vehicles are to be replaced.