

# CITY OF CEDAR HILLS UTAH



## 2011 BUDGET DOCUMENT

July 1, 2010–June 30, 2011





# CITY OF CEDAR HILLS UTAH

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## 2011 BUDGET DOCUMENT

July 1, 2010–June 30, 2011



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# OVERVIEW



Konrad Hildebrandt

## CITY MANAGER MESSAGE

To City Mayor, Council, & Residents:

Pursuant to §10-6-109, Utah Code Annotated, the following budget for fiscal year 2011 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 departments. The budget document provides a clear picture of the financial condition of the City and the planning needed to properly manage the 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 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's population over the past ten years. Based on the number of boundary adjustments and building permits issued each month since the 2000 census, we extrapolate our population to be 9,883 residents or 2,226 households as of July 1, 2010, increasing to 2,235 households or 9,923 residents by June 30, 2011. As seen in the Population Extrapolation table (Figure O-1), this represents a 0.4 percent increase in population from the year before. In addition, the expected growth will occur at a rate that is 55 percent faster than the previous year (fiscal year 2010). The City experienced rapid growth from 1998 to 2007, but recently, growth has slowed significantly due to the current economic environment. Figure O-2 demonstrates this trend.

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 0.4 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 increase from the

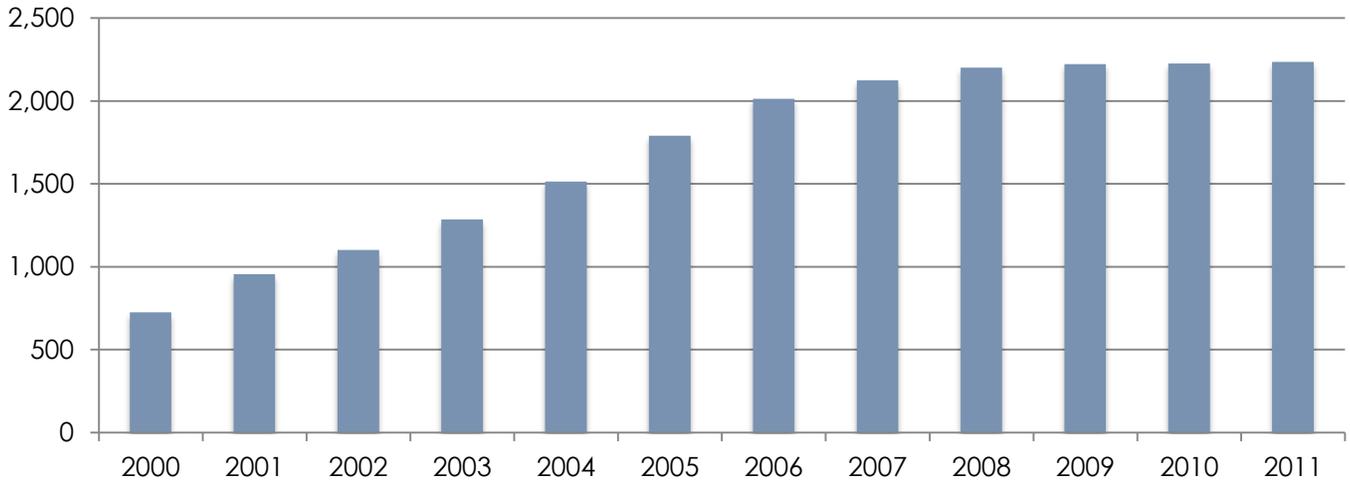
## POPULATION EXTRAPOLATION

Fiscal Year	Population	% Change	Households
2000	3,215	N/A	724
2001	4,240	31.9%	955
2002	4,888	15.3%	1,101
2003	5,705	16.7%	1,285
2004	6,722	17.8%	1,514
2005	7,943	18.2%	1,789
2006	8,938	12.5%	2,013
2007	9,426	5.5%	2,123
2008	9,772	3.7%	2,201
2009	9,866	1.0%	2,222
2010	9,883	0.2%	2,226
2011	9,923	0.4%	2,235

Figure O-1

### HOUSEHOLD GROWTH IN CEDAR HILLS

Figure O-2



previous year by 55 percent. Furthermore, various other revenue and expenditure items, which require distinct and often more complex models for projection, 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.

#### Personnel

The City of Cedar Hills staff will not increase in size during the 2011 fiscal year. A detailed summary of the City staff by department is provided in Figure O-3.

The Fiscal Year 2011 Budget allows for the addition of one full-time position in the Finance Department and the elimination of one full-time position in the Building and Zoning Department. The new position is the Finance Assistant. The Finance Assistant is responsible for utility billing and business licensing. Due to the decline in residential growth, the Building and Zoning Assistant position has been eliminated.

#### PERSONNEL SUMMARY

DEPARTMENT	FY 2009	FY 2010	FY 2011
Administration	4.5	5	5
Finance	3	3	4
Public Works	8	9	9
Building & Zoning	3	2	1
Community Services	1.5	1.5	1.5
Golf Club	3	4	4
<b>TOTAL</b>	<b>23</b>	<b>24.5</b>	<b>24.5</b>

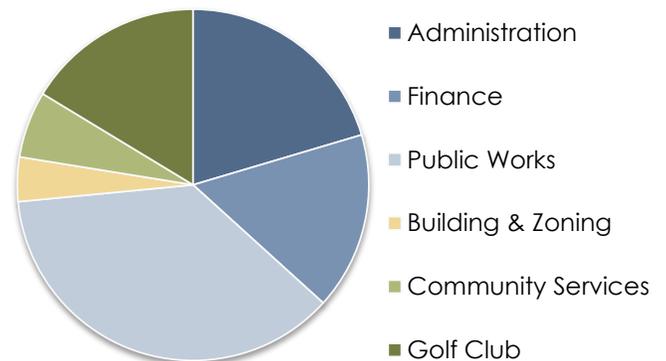
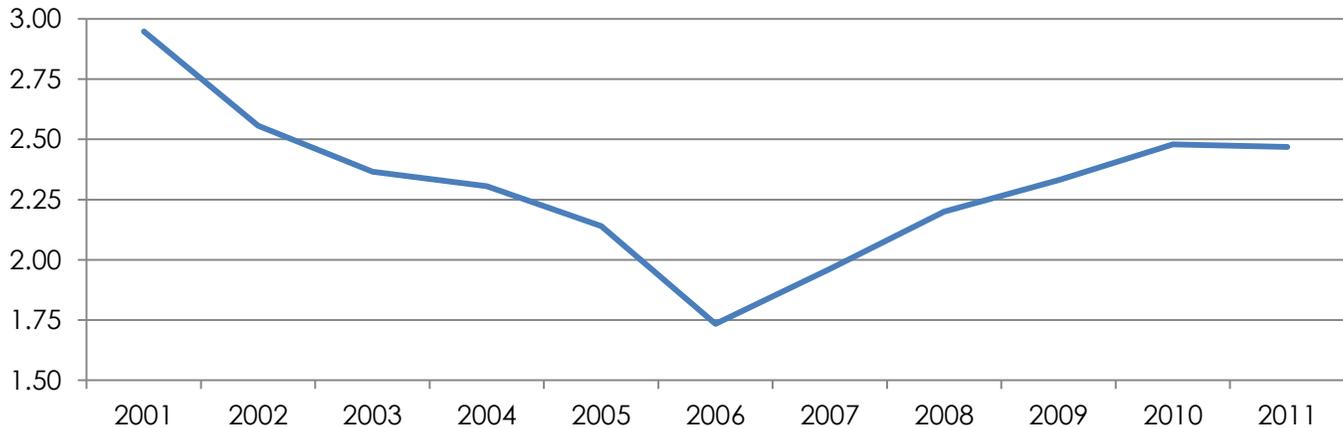


Figure O-3

## FULL-TIME EMPLOYEES/1000 RESIDENTS

Figure O-4



The City is currently running a lean, low-cost operation. Full-time equivalent employees per 1,000 residents have decreased since 2001. In fiscal year 2011, the City will employ 2.47 FTEs per 1,000 residents compared to 2.95 FTEs in 2001. 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 the level of service to the residents.

### Funds Overview

The various funds used for accounting and reporting purposes are the foundation of the City's financial structure. Similarly, the various departments within the City are the backbone of city operations. The City's departments are groups of similar functions that provide for efficient management. Furthermore, the total appropriation for each department within a given fund is the legal spending limit specified by State law.

The budget is broken down into five major funds: 1. General Fund; 2. Capital Projects Fund; 3. Water, Sewer, and Storm Drain Fund; 4. Motor Pool Fund; 5. Golf Fund. A brief summary of the funds can be found in the chart on the next page. The most significant revenue and expense items for the top three funds are shown in the figures on pages 6–8.

State law requires that the General Fund carry a fund balance of no more than 18 percent of the year's revenues. The total net assets in the Motor Pool Fund is kept very low as revenues are transferred in only as

needed to cover expenditures. The Capital Projects Fund, the Water, Sewer, and Storm Drain Fund, and the Golf Fund carry a fund balance that is under no legal restraint. All excess funds are invested consistent with the State Money Management Act. The resultant interest income is used as an additional revenue source in each fund. More information about the City's fund balances can be found on pages 32–36.

### The General Fund

As may be expected, the major revenues in the General Fund are tax revenues. The single largest revenue is sales and use tax. In past years, the City of Cedar Hills has relied almost exclusively on sales tax distributed from the state pool. However, an emerging commercial district will allow the City to increase the amount of sales tax collected.

Bringing in 18 percent of the expected revenue is property tax. With the average assessed value dropping slightly, the City Council voted to increase fiscal year 2011's tax rate to .2994 percent. Despite the increased rate, the budgeted revenue will be similar to fiscal year 2010. This revenue is needed for the City to continue providing valuable services to residents.

The other two taxes making the top revenue list are franchise taxes at 9 percent and Class C Roads Fund at 7 percent. The 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 on population and road mileage.

## FUND SUMMARIES

**The Governmental Funds** include those activities that comprise the City’s basic services. The governmental funds are listed separately below:

**The General Fund** is considered the chief operating fund of the City. This fund accounts for all financial resources of general government, except for those required to be accounted for in another fund.

**The Capital Project Fund** accounts for the resources used to acquire, construct, and improve major capital facilities, other than those financed by proprietary funds. The principal sources of funding are impact fees, transfers from the General Fund, grants, and bond proceeds.

**The Internal Service Funds** account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. The City’s only Internal Service Fund is the Motor Pool Fund.

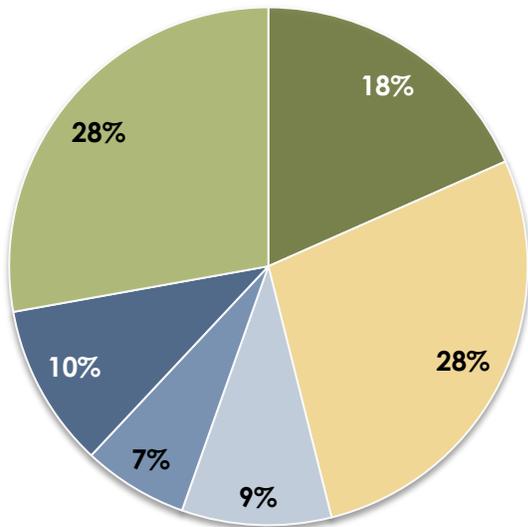
**The Motor Pool Fund** accounts for the maintenance and acquisition of City vehicles.

**The Enterprise Funds** include those activities that operate similar to private businesses and charge a fee to the users that is adequate to cover most or all of the costs. The City reports the following enterprise funds:

**The Water, Sewer, and Storm Drain Fund** is used to account for the operations of the City’s water, sewer, and storm drain utilities.

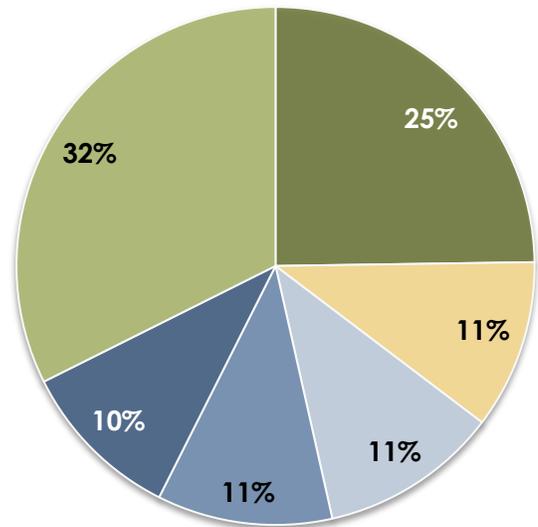
**The Golf Fund** is used to account for the activity of the City’s golf course.

### GENERAL FUND TOP REVENUES



- Property Tax
- Franchise Tax
- Garbage Fees
- Sales & Use Tax
- Class C Roads Fund
- Other

### GENERAL FUND TOP EXPENDITURES



- Wages & Benefits
- Police Services
- Solid Waste Services
- Fire Services
- Streets Expense
- Other

Garbage fees represent 10 percent of total expected revenue. This revenue is determined by the number of households in the City receiving this service, as well as the number of bins located at each address.

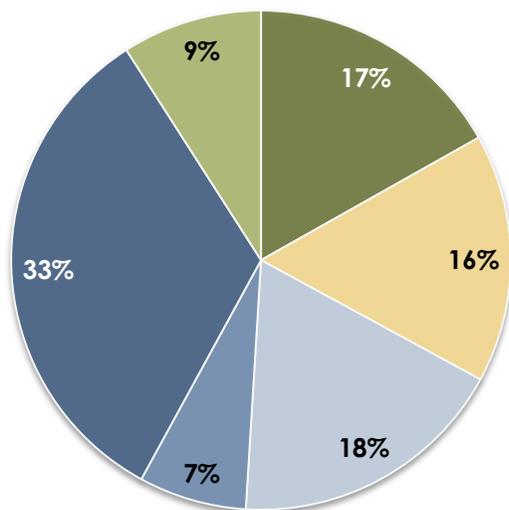
General Fund revenues are used to finance many of the day-to-day activities of the City. General Fund expenditures are spread over more than 80 different categories and include wages and benefits, public safety services, road maintenance, and solid waste services.

### The Water, Sewer, & Storm Drain Fund

The Water, Sewer, and Storm Drain 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 in the fund are all fees that are charged to residents for services provided.

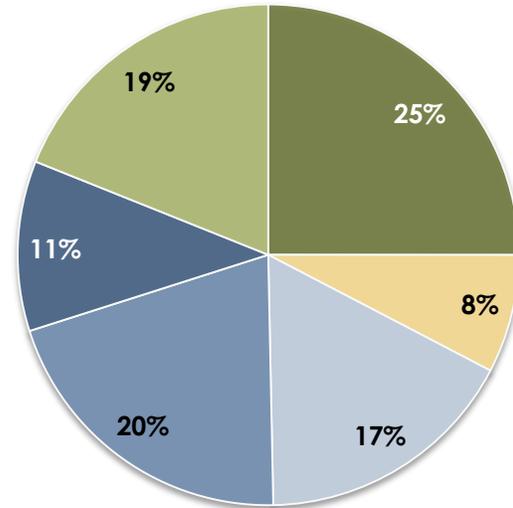
At 33 percent, sewer fees are the top revenue source in the fund. Residents are charged a base rate plus a usage rate. The base rate is designed to cover the cost of the infrastructure. The usage rate is calculated once a year and is based on a household's winter-water usage.

### WATER & SEWER FUND TOP REVENUES



- Water Fees
- PI Usage Fees
- PI Base Rate Fees
- Storm Drain
- Sewer Fees
- Other

### WATER & SEWER FUND TOP EXPENDITURES



- Wages & Benefits
- Water Utilities
- Timp SSD Billing
- Depreciation
- Interest Expense
- Other

Water fees charged to residents provide similar revenue to the fund. The City Council has implemented a tiered rate structure for culinary water. This means that the unit price for water increases with each higher level, or tier, of consumption. Along with covering the greater impact high-water users have on the system, this rate structure also encourages water conservation.

The next two top revenue sources are closely related: pressurized irrigation base rate fees and pressurized irrigation usage fees. The pressurized irrigation base rate fees cover the infrastructure of the irrigation system. This fee is a flat rate that is billed to every household. If a resident decides to connect to the irrigation system, the resident is billed a pressurized irrigation usage fee. This fee is based on lot size, since pressurized irrigation usage is not metered.

Storm water is an issue that is of increasing importance to the City, and the costs are expected to increase significantly from fiscal year 2010. A flat storm drain fee is billed to every household each month. City staff estimates that storm drain revenue will total 7 percent of total fund revenue for fiscal year 2011.



Expenditures in the Water, Sewer, and Storm Drain Fund are spread over more than 60 different categories. Major expenditures include wages and benefits, depreciation, Timpanogos Special Services District fees, interest, water utilities, and other expenditures. The “other” category includes dues, subscriptions, training, tools and equipment, repairs, maintenance, etc.

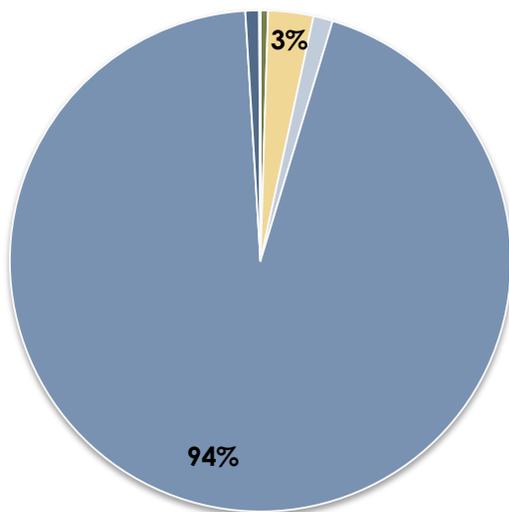
transitioned from current-year impact fee revenues to the use of prior-year impact fees held in reserves. Transfers from the General Fund and the Water, Sewer, and Storm Drain Fund also provide revenue to the Capital Projects Fund.

### The Capital Projects Fund

As growth has come to a dramatic slowdown, major revenues in the Capital Projects Fund have

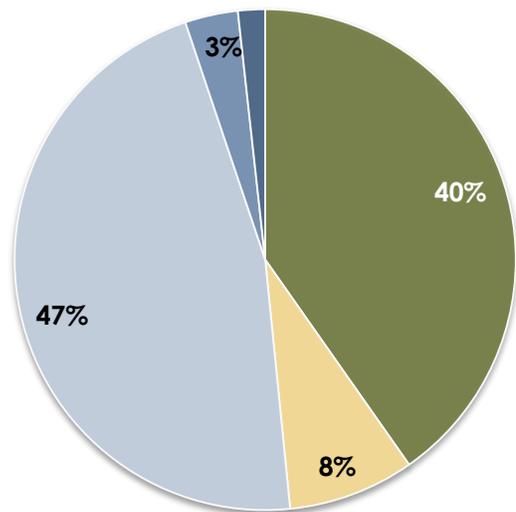
Three large projects are planned for fiscal year 2011: the acquisition and development of Deerfield Park, the widening of Harvey Boulevard, and the construction of a Community Events and Fitness Center. These projects are explained in greater detail in the Capital Improvements Plan (Appendix A).

**CAPITAL PROJECTS FUND TOP REVENUES**



- Interest Income
- General Fund Transfer
- W&S Fund Transfer
- Use of Fund Balance
- Impact Fees
- Grant Income

**CAPITAL PROJECTS FUND TOP EXPENDITURES**



- Deerfield Park
- Harvey Blvd Widening
- Events Center
- Debt Service
- Other

## DEBT SERVICE

The recent economic downturn has slowed growth in Cedar Hills. 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, the City must 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 the General Obligation and Revenue bonds outstanding.

### Public Safety Building

A \$790,000 bond was funded on February 2, 2000, for the construction of the Public Safety Building. This building currently serves as the City Hall and a satellite building for Fire and EMS. The bond is backed by General Fund excise tax revenue.



Public Safety Building

### 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 expected during the initial construction of the course.

### 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 dollars by issuing the bonds. The bond is supported by water and sewer revenue.

### Public Works Building

To meet the demands of an increasing population, the City issued a \$2,325,000 bond for the construction of the Public Works Building. This building provides the City with adequate resources to service the residents in a timely manner. The bond is backed by excise tax revenue.

### Cottonwood Well

To ensure that the city has sufficient culinary water, a \$2,090,000 bond was issued to construct a redundant well. The bond was issued October 16, 2007. This revenue bond is supported by water and sewer revenue.

### Pressurized Irrigation Improvements

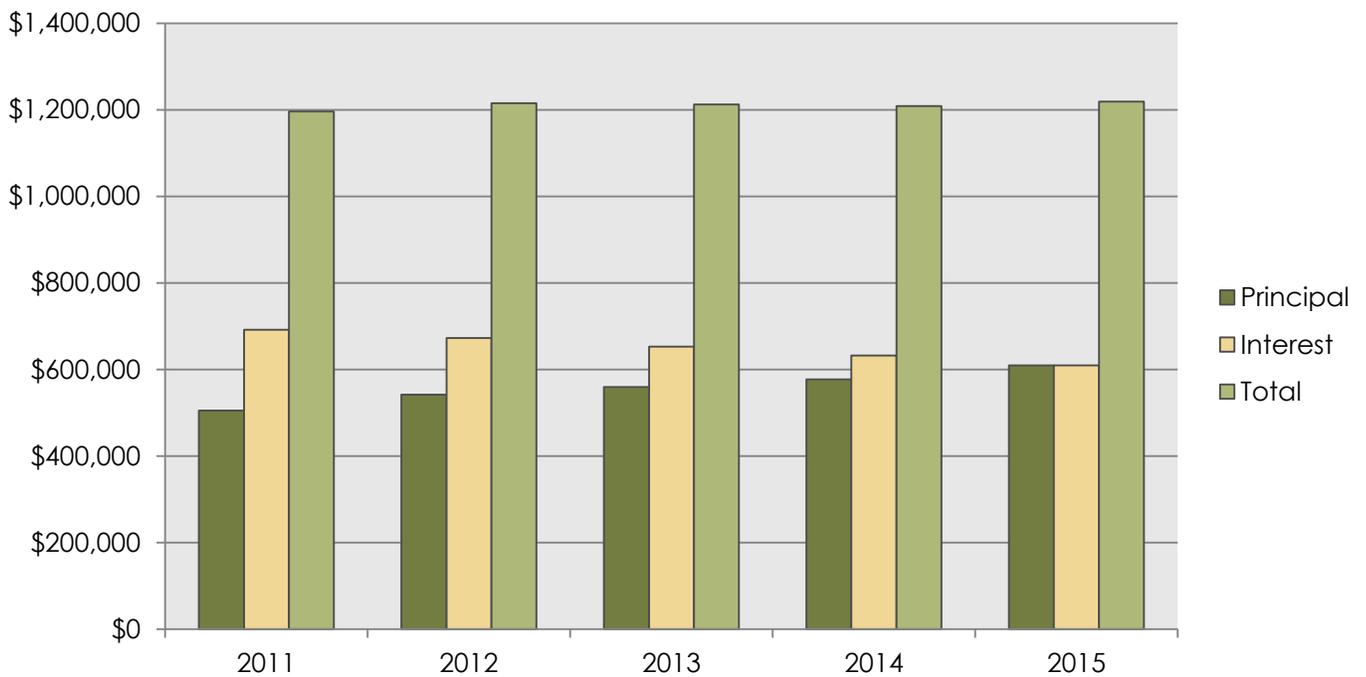
When planning for fiscal year 2009, the City Council decided to upgrade the City's pressurized irrigation system. In order to do so, the City needed a \$930,000 Utility Revenue Bond. This revenue bond is supported by water and sewer revenue.



Golf Course

	DATE OF ISSUANCE	TOTAL AMOUNT	BALANCE AS OF 7/1/2010	CURRENT YEAR PAYMENTS	PAYOFF DATE
<b>General Obligation Bonds</b>					
Golf Course	11/10/2005	\$6,250,000	\$5,795,000	\$384,871	2/1/2035
<b>Revenue Bonds</b>					
Public Safety Building	2/15/2000	\$790,000	\$440,000	\$53,385	2/15/2019
Pressurized Irrigation	3/16/2006	\$6,215,000	\$5,405,000	\$384,925	4/1/2031
Public Works Building	6/15/2006	\$2,325,000	\$2,160,000	\$151,762	1/1/2032
Culinary Well	10/17/2007	\$2,090,000	\$1,928,000	\$137,249	3/1/2028
PI Improvements	3/12/2009	\$930,000	\$905,000	\$84,210	3/1/2029
<b>TOTAL</b>		<b>\$18,600,000</b>	<b>\$16,633,000</b>	<b>\$1,196,402</b>	

### FIVE-YEAR DEBT PAYMENT SUMMARY



	2011	2012	2013	2014	2015
Principal	\$505,000	\$542,000	\$559,000	\$577,000	\$609,000
Interest	\$691,338	\$672,872	\$652,899	\$631,871	\$609,712
<b>Total</b>	<b>\$1,196,338</b>	<b>\$1,214,872</b>	<b>\$1,211,899</b>	<b>\$1,208,871</b>	<b>\$1,218,712</b>

# 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 and priorities for the community. These goals and priorities are created by Cedar Hills residents and the City Council. The City Administration then develops action plans and measurable objectives in order to reach these goals. This process allows the Council to focus on the larger, city-wide issues by setting organization-driving policies and goals, and allows Administration to focus on the implementation of these goals, 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. These steps are described in the following paragraphs:

## Step I—Neighborhood Meetings & City-wide Survey

During Step I, the community is divided into distinct neighborhood areas for the purpose of discussing issues, concerns, and ideas 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 their thoughts 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 & Needs

During Step II, 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 (as seen in Figure O-5 on page 13).

**I** Neighborhood Meetings & City-Wide Survey

**II** Identify Problems & Needs

**III** Set Goals to Resolve Problems & Meet Needs

**IV** Prioritize Goals

**V** Set Objectives

**VI** Evaluate Goals

## Step III—Setting Goals to Resolve Problems & 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.

## 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.

## MAYOR & CITY COUNCIL



Mayor Eric Richardson



Stephanie Martinez



Jim Perry



Scott Jackman



Ken Kirk



Marisa Wright

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 residents and public safety providers, desires to provide a high level of public safety for residents in an economical and efficient fashion by accomplishing the following:

- Increase number of neighborhoods involved in the 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 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 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

- Complete various pocket parks
- Finalize golf course reconfiguration and GO Bond payoff by selling reconfigured land
- Construct long-term, functional clubhouse facility
- Construct 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 and 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 General Plan, zoning and subdivision ordinances, and other complementary plans and ordinances by accomplishing the following:

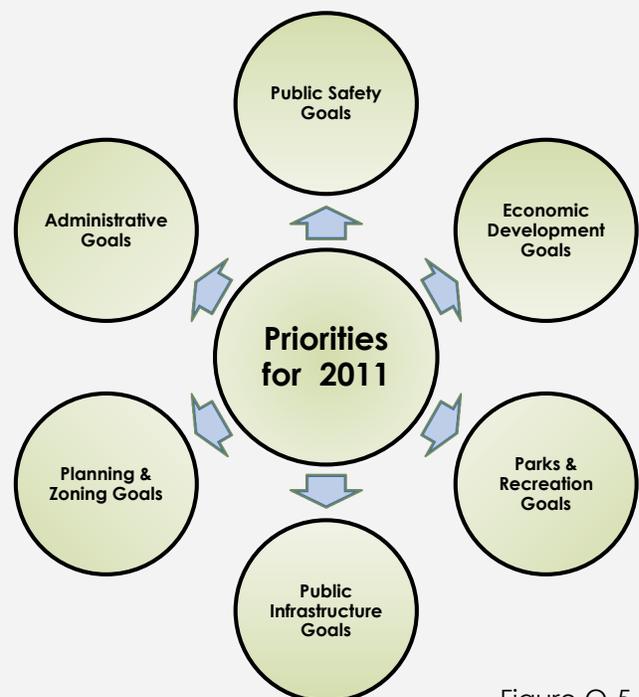


Figure O-5



- Develop a civic center master plan
- Increase enforcement of zoning regulations
- Sharpen emergency management plan components and fully train staff
- Implement City-wide 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 human resources procedures manual
- Complete IT analysis on all public safety functions (police, fire, EMS)

### Financial Goals & 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:** When under normal circumstances, the City of Cedar Hills will adopt a balanced General Fund budget by June 22, pursuant to §10-6-109, Utah Code Annotated. A balanced budget means that at the end of the fiscal year (June 30), 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, and programs and assumptions.

**Asset Inventory:** Each department manager will take all reasonable measures available to prolong and assess the condition of major capital assets.

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

**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. The total of General Obligation bonds will be limited to 12 percent of the prior-year total assessed value for tax purposes of real and personal property.

**Reserve Accounts:** The City will maintain a minimum fund balance of at least 5 percent (not to exceed 18 percent) 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.

# CITY DEPARTMENTS



Konrad Hildebrandt

## CITY MANAGER

### Mission

To work closely with the elected officials (Mayor and City Council) in developing short- and long-term plans, goals, and objectives for the City of Cedar Hills, Utah. Oversee the City government staff organization to ensure it is managed efficiently, effectively, and responsibly in the fruition of City Council goals and objectives.

### Activities

The City Manager is appointed by the Mayor and Council and serves as the overall administrative head of the City.

The City Manager is the City's chief administrator responsible for overseeing all City government functions and activities. 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. The City Manager is responsible for recruiting and maintaining 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.

Additional activities and responsibilities that fall under the jurisdiction of the City Manager include, but are not limited to, risk management, City-wide public relations, and training and accountability of all City staff.

### Goals

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

- 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 Resources 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 Finance, Public Safety, Fire and EMT services, Building and Zoning, Administration, Golf, and Public Works.

### Objectives

- Complete large City projects including the following: South Commercial District Master Plan and construction (Smart Family, Jacobs, City, and Amsource developers); street and sidewalk maintenance program; City-wide GIS implementation; Golf Course Clubhouse and debt service elimination process; Analysis of all current revenue and expenditure sources, etc.
- Complete public relations campaign for the bonding and development of a Civic Community Center that could include City services, recreation, aquatics, golf clubhouse, and multi-purpose functions. With successful election, construct and develop facility.
- Continue various Human Resources improvements such as updating City personnel manual, reviewing and updating job descriptions, organizing personnel files, and training and setting goals with department heads.

PERFORMANCE INDICATOR		2010 ESTIMATE
<b>OUTPUT</b>	Executive staff meetings held	21
	Trainings held	10
	City Council meetings attended	95%
	LPPSD meetings attended	10
	Revenue and expenditure line items reviewed	3
<b>EFFICIENCY</b>	Monthly management reports distributed by the 15th	100%
	Employees receiving their annual performance evaluation	100%
	Formal budget reviews held with department heads	2



Greg Robinson

## ADMINISTRATION DEPARTMENT

### Mission

To work with other departments in order to provide the highest level of service to the residents of Cedar Hills. The Administration Department oversees a variety of divisions including Community Services, City Recording, and the Front Desk. The diverse nature of the responsibilities in the Administration Department requires a high level of interoffice cooperation.

### Activities

#### *Assistant City Manager*

The Assistant City Manager provides administrative assistance to the City Manager and is responsible for several long-range work areas including research, project management, project organization and tracking, creation of policies, and general assistance with other City Manager, Mayor, City Council, or Planning Commission projects. In addition, the Assistant City Manager has direct oversight of City planning, the planning commission, and the Administration Department.

#### *City Recorder*

The City Recorder is responsible for the management and maintenance of all City records. Records are indexed and scanned for easy access

and retrieval. A record is kept of all official meetings such as City Council, Planning Commission, etc. Records include agendas, minutes, meeting documentation, and audio recordings.

The City Recorder is responsible for tasks related to the formal dissemination of public information, GRAMA requests, and public notifications. The Recorder is responsible for the preparation and execution of Municipal Elections according to State law. Management includes conducting poll worker training and assignments and ensuring the polling locations are properly organized.

The Recorder is also responsible for City Code codification, annexations and boundary adjustments, census, administering oaths, and notary services.

#### *Community Services*

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 implementing the festival.

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

Other duties that fall into this division include overseeing the division budget and policies and assuring budget compliance. The Community Services Director is also required to plan and organize special events, summer programs, and youth sports. The department continually evaluates its services and develops programs to meet changing community needs and interests.

### Goals

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

- A firm and current understanding of community wants and needs
- The delivery of quality services that evolve with changing needs
- Meticulous and detailed documentation of programs and policies

- To provide informative, accurate, and up-to-date reports for the staff, Mayor, Council, and residents
- 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**

- To recruit experienced and qualified employees to deliver programs and services to the residents of Cedar Hills

- To increase the number of program participants through improved communication and education
- To organize monthly staff trainings and activities
- To disseminate information to the public through open communication, State and City websites, City newsletters, GRAMA requests, and publications
- To organize and maintain City records such as minutes, agreements, resolutions, and ordinances for easy retrieval and historical preservation
- To maintain an up-to-date City Code
- To keep a record of all City meetings and a history of City events.

PERFORMANCE INDICATOR		2010 ESTIMATE
<b>OUTPUT</b>	Flag Football teams	30
	Jr. Jazz teams	36
	YCC meetings held	22
	Hours of training provided	15
	Meetings where minutes were taken	40/40
<b>EFFICIENCY</b>	Percent of year spent on Family Festival	35%
	Percent saved from 2009 Family Festival	10%
	Average days required to transcribe City Council minutes	5
<b>EFFECTIVENESS</b>	Average days to submit ordinance to codification company & codebooks updated	7
	Average days to disseminate information to the public	3
	Archives maintained through June 1, 2006	100%
	Agreement history completed (1977-Present)	100%
	Council minutes scanned (1977-Present)	85%



Rebecca Tehero

## FINANCE DEPARTMENT

### 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 duties. 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](http://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 website, training, and audits

### Objectives

- To create an improved Citizen's Budget
- To improve the Cedar Hills Budget Document and make it more accessible to residents
- To increase documentation of job duties, financial policies, and department training
- To increase resident participation in automatic payment programs
- To decrease the number of delinquent accounts through utility shutoff procedures
- To maintain a better history of resident interaction through the use of the customer notes section in the utility billing software

### Performance Indicators

The performance indicators listed on the next page are set up to help the City Manager determine whether the department has accomplished the objectives and goals listed above.

	PERFORMANCE INDICATOR	2010 ESTIMATE
<b>OUTPUT</b>	Hours of analysis performed at City Council request per year	160
	Hours of analysis performed at management request per month	10
	Hours of routine analysis per month	30
<b>EFFICIENCY</b>	Percent of year spent on budget approval	45%
	General and Water & Sewer Fund budgets used to support Finance Department	3%
	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%
<b>EFFECTIVENESS</b>	Total payments received through online bill pay	20%
	Total payments received through ACH	11%
	Scores of 3 or higher on GFOA budget award program	92/93



David Bunker

## PUBLIC WORKS DEPARTMENT

### 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 and pressurized irrigation systems, sanitary sewer, public streets, storm water, parks, 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; the department also monitors pump stations, water tanks, and telemetry 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 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 engineering 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 INDICATOR		2010 ESTIMATE
<b>OUTPUT</b>	Meter re-reads/read	50
	Water inspections	5
	Sewer inspections	5
<b>EFFICIENCY</b>	Average response time to sewer inspection request	1-2 days
	Average response time to water inspection request	1-2 days
	Average response time to meter re-reads	1 day
	Repeated broken lines	0
	At-fault meter re-reads	1%
<b>EFFECTIVENESS</b>	Roads repaired/completed per IWORQ schedule	100%
	Sidewalks repaired/completed per IWORQ schedule	100%
	Maps that are updated	100%
	Meters read electronically	96%
	CIP completed on time	90%



Brad Kearl

## BUILDING & ZONING DEPARTMENT

### Mission

To ensure that safe, legal, and appropriate building practices are implemented according to 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 setbacks 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 inspections of each phase of the building process to ensure adherence to code. On-site inspections include footings, foundations, walls, underground plumbing, stucco lath, framing, walls, 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 permits, 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.

### Goals

- Develop a new schedule
- Increase revenue by charging for basement inspections and for plan review for basement changes
- Update all open-file folders
- 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		2010 ESTIMATE
<b>OUTPUT</b>	Inspections completed	1088
	Building permits processed	72
	Building plans approved	60
	Zoning violations detected	420
<b>EFFICIENCY</b>	Average days to complete inspections from request date	1
<b>EFFECTIVENESS</b>	Household floods, fires, etc. due to improper inspections	0



## GOLF DEPARTMENT

### Mission

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

### Activities

The Golf Department is responsible for the management and maintenance of the Cedar Hills golf course and clubhouse.

The Golf Department is responsible for the care, maintenance, designation, classification, disposal, and preservation of all golf equipment including, but not limited to, concessions, carts, clubhouse, and Sunset Room.

Additional duties include the preparation and execution of golf tournaments.

The Golf Department is also in charge of general administrative tasks such as assisting the general public and providing 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
- 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

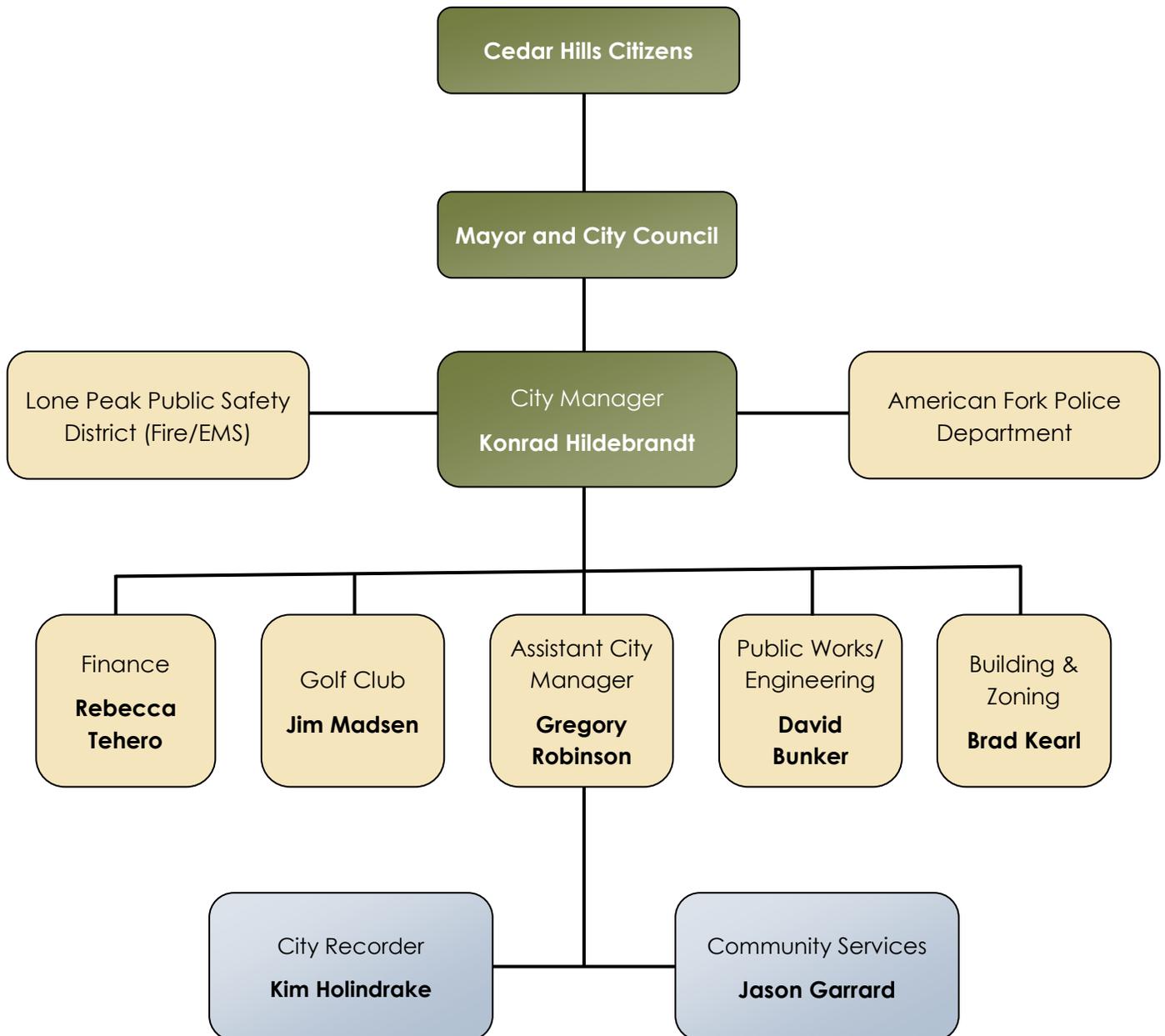
### Objectives

1. Aggressively market 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



PERFORMANCE INDICATOR		2010 ESTIMATE
<b>OUTPUT</b>	Nine-hole rounds played	36,000
	Management reports completed	12
	Landscape projects completed	8
<b>EFFICIENCY</b>	Time carts function properly	95%
	Time irrigation system functions properly	99%
	Time carts are repaired within 24 hours	90%
	Time maintenance equipment is up and running	90%
	Time maintenance equipment is repaired within 48 hours	75%
<b>EFFECTIVENESS</b>	Total operating revenue increase over FY 2009	-4%
	Pro Shop revenue increase over FY 2009	-2%

# ORGANIZATIONAL CHART



# SUMMARY OF FUNDS

Figure BH-1 summarizes the Fiscal Year 2011 Budget for the City of Cedar Hills. The total adopted budget reflects an increase of roughly \$5.65 million from the prior year's estimated figure. Notable changes from last year's budget include:

## General Fund

- **\$55,000** increase in paramedic fee revenue. The paramedic fee is a new fee which was created to offset the increased cost of Fire and EMS services.
- **\$160,000** increase in Fire/EMS expenditures. The Lone Peak Public Safety District increased its fees to Cedar Hills by almost 80 percent.
- **\$137,050** decrease in Public Works Department wages and benefits. A Storm Drain Department was added to the Water and Sewer Fund, and a large portion of the Public Works Department wages were reallocated.
- **\$130,000** increase in street expenditures to complete fiscal year 2010's unfinished street projects.

## Water & Sewer Fund

- **\$30,000** increase in storm drain revenue. The monthly storm drain fee increased by 50 cents per household.
- **\$187,240** increase in sewer revenue. The monthly sewer fees increased by 27 percent.

- **\$85,000** increase in pressurized irrigation usage revenue. The monthly pressurized irrigation usage fee increased by .0443 cents per square foot.
- **\$91,960** increase in Timpanogos Special Service District fees. The District increased its fees by 27 percent.
- **\$100,000** for the Canal Crossings Sewer project.
- **\$200,000** for the 4800 W Culinary Main Line project.
- **\$36,600** for phase 1 of the Water, Sewer, and Storm Drain GIS.

## Capital Projects Fund:

- **\$972,000** for the Deerfield Land purchase.
- **\$1,500,000** for development of the Deerfield Park.
- **\$500,000** to widen Harvey Blvd.
- **\$2,850,000** for a Community Events and Fitness Center.
- **\$12,200** for phase 1 of the Streets GIS.
- **\$10,000** to plan the Orchard Commercial Development.
- **\$20,000** for Sage Vista Park.

## FISCAL YEAR 2011 BUDGET SUMMARY

Fund	2009 Actual	2010 Estimate	2011 Budget
General Fund	\$3,007,135	\$4,214,549	\$3,429,000
Water & Sewer Fund	\$2,266,178	\$2,500,198	\$2,983,450
Capital Projects Fund	\$274,800	\$328,224	\$6,139,070
Motor Pool Fund	\$132,425	\$144,251	\$159,450
Golf Fund	\$1,222,815	\$1,235,715	\$1,359,750
<b>TOTALS</b>	<b>\$6,903,354</b>	<b>\$8,422,937</b>	<b>\$14,070,720</b>

Figure BH-1

REVENUES	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET	EXPENDITURES	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
<b>General Fund</b>							
Taxes	\$2,197,352	\$2,265,789	\$2,249,000	General Government	\$1,300,495	\$1,196,043	\$1,197,200
Licenses/Permits	\$ 85,685	\$ 108,570	\$ 64,000	Streets	\$ 323,803	\$ 281,177	\$ 525,000
Fees	\$ 438,655	\$ 417,580	\$ 450,000	Public Safety	\$ 558,750	\$ 575,232	\$ 772,150
Intergovernmental	\$ 245,890	\$ 262,882	\$ 246,800	Parks and Recreation	\$ 330,699	\$ 262,750	\$ 296,150
Recreation & Culture	\$ 82,324	\$ 45,439	\$ 55,000	Solid Waste Services	\$ 332,139	\$ 339,226	\$ 352,800
Other Sources	\$ 65,617	\$ 24,903	\$ 364,200	Other	\$ 161,248	\$1,560,121	\$ 285,700
	<b>\$3,115,523</b>	<b>\$3,125,164</b>	<b>\$3,429,000</b>		<b>\$3,007,135</b>	<b>\$4,214,549</b>	<b>\$3,429,000</b>
<b>Water, Sewer, &amp; Storm Drain Fund</b>							
Water	\$1,387,266	\$1,487,663	\$1,469,100	Water	\$1,103,477	\$1,219,058	\$1,214,800
Sewer	\$ 433,458	\$ 693,316	\$ 853,000	Sewer	\$ 695,013	\$ 782,017	\$ 893,500
Storm Drain	\$ 172,486	\$ 166,319	\$ 180,000	Storm Drain	\$ 13,843	\$ 79,657	\$ 388,050
Other Sources	\$1,144,560	\$ 110,390	\$ 75,500	Other	\$ 453,845	\$ 419,466	\$ 487,100
	<b>\$3,137,771</b>	<b>\$2,457,689</b>	<b>\$2,577,600</b>		<b>\$2,266,178</b>	<b>\$2,500,198</b>	<b>\$2,983,450</b>
<b>Capital Projects Fund</b>							
Transfers In	\$ 152,963	\$1,500,000	\$6,049,836	Park Projects	\$ 13,597	\$ 37,722	\$2,492,000
Impact Fees	\$ 50,108	\$ 153,981	\$ 54,234	Street Projects	\$ 48,360	\$ 48,870	\$ 577,200
Interest Income	\$ 113,222	\$ 34,325	\$ 30,000	Other Projects	\$ -	\$ 34,000	\$2,860,000
Grant Income	\$ 44,013	\$ 10,545	\$ 5,000	Bond Payments	\$ 212,843	\$ 207,632	\$ 209,870
	<b>\$ 360,305</b>	<b>\$1,698,852</b>	<b>\$6,139,070</b>		<b>\$ 274,800</b>	<b>\$ 328,224</b>	<b>\$6,139,070</b>
<b>Motor Pool Fund</b>							
Transfer from General Fund	\$ 76,935	\$ 60,121	\$ 78,855	Gas & Maintenance	\$ 35,909	\$ 33,265	\$ 40,000
Transfer from Water & Sewer	\$ 48,512	\$ 60,642	\$ 72,045	Insurance	\$ 7,892	\$ 5,804	\$ 8,200
Transfer from Golf	\$ -	\$ 134	\$ 2,550	Rent Expense	\$ 12,750	\$ 16,858	\$ 16,250
Gain on Sale of Assets	\$ 6,761	\$ 23,354	\$ 6,000	Depreciation	\$ 75,874	\$ 88,324	\$ 95,000
	<b>\$ 132,208</b>	<b>\$ 144,251</b>	<b>\$ 159,450</b>		<b>\$ 132,425</b>	<b>\$ 144,251</b>	<b>\$ 159,450</b>
<b>Golf Fund</b>							
Green Fees & Season Passes	\$ 564,335	\$ 527,656	\$ 720,000	Salaries, Wages, & Benefits	\$ 385,313	\$ 393,314	\$ 488,850
Concession & Pro Shop	\$ 130,210	\$ 112,980	\$ 165,000	Interest	\$ 290,973	\$ 259,979	\$ 257,200
Practice Range	\$ 23,523	\$ 27,514	\$ 30,000	Depreciation & Amortization	\$ 275,036	\$ 294,740	\$ 260,600
Other Sources	\$ 417,859	\$ 406,867	\$ 393,250	Other	\$ 271,493	\$ 287,682	\$ 353,100
	<b>\$1,135,927</b>	<b>\$1,075,016</b>	<b>\$1,308,250</b>		<b>\$1,222,815</b>	<b>\$1,235,715</b>	<b>\$1,359,750</b>

The Consolidated Summary of Funds on page 30 (Figure BH-2) gives a more in-depth portrayal of City funds as projected for fiscal year 2011. The figure provides a summary of the projected revenues and planned expenditures in each fund as approved by the City Council. All revenues and expenditures are detailed by type and evaluated against prior years. As seen in the Consolidated Summary of Funds and as required by State law, the fiscal year 2011 General Fund and Capital Projects Fund budgets are balanced.

### Budget Preparation

Preparation for the fiscal year 2011 budget was, as always, an intricate and complex process which affords both an interesting and challenging opportunity to reassess the City's plans and overriding goals and evaluate means for achieving them. It is through this effort 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.

### Basis of Budgeting and Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. Measurement focus refers to what is being measured.

The City's Governmental Funds (i.e. General Fund and Capital Projects Fund) are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual; i.e. when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter

to be used to pay liabilities of the current period. The City considers amounts collected within 60 days after year end to be available. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The City's Enterprise Funds (i.e. Water and Sewer Fund and Golf Fund) and Internal Service Funds (i.e. Motor Pool Fund) are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

### 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 and 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 (i.e. Public Safety, Library Services, etc.).

Following the Mayor's review, the tentative budget is sent to the City Council for approval and to ensure it addresses Council priorities. The tentative budget must be presented by the first regularly scheduled meeting in May. After a tentative approval, a public hearing is scheduled for the final budget. The final budget is then adopted by the City Council before June 22 of the current fiscal year. If the City Council chooses to increase property taxes, the deadline is extended to August 17.

## Budget Amendments

As determined by State law, the level at which expenditures may not legally exceed appropriations is the departmental budget within a given fund. Therefore, the head of a department may transfer funds from one account in their department to another account in that same department. This transfer must be approved by the City Manager and Budget Officer.

Reductions in or reallocations of departmental appropriations can be approved by the City Council upon recommendation of the City Manager, but appropriations cannot be increased in a governmental fund without a public hearing. All unexpended budget appropriations lapse at the end of the budget year.

## Fund Balances & 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 proprietary funds (i.e. Water and Sewer and Golf), net assets reflect the accumulated balance. Net assets include assets purchased by or donated

to the proprietary funds less accumulated depreciation.

State law allows cities to accumulate retained earnings or fund balances as appropriate in any fund. However, the law restricts balances in the General Fund as follows: (1) Any fund balance less than 5 percent of estimated revenue may be used for working capital, certain emergency expenditures, or to cover an unexpected revenue shortfall that would result in a year-end excess of expenditures over revenues; (2) Fund balance greater than 5 percent but less than 18 percent may be used for budget purposes; and (3) Any fund balance in excess of 18 percent must be included in the appropriations of the next fiscal year.

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.

The charts on the next four pages include a several-year history of the fund balances and net assets for the General Fund, the Water, Sewer, and Storm Drain Fund, the Capital Projects Fund, and the Golf Course Fund.

### 2011 BUDGET TIMELINE

Task	Date to be Completed	Task	Date to be Completed
General Fund Revenue Estimates	March 1	Golf Course Revenues & Expenditures	April 19
Capital Projects Fund Revenue Estimates	March 1	Salaries, Wages, & Benefits	April 19
Water & Sewer Fund Revenue Estimates	March 1	Tentative Budget Presentation	May 3
Capital Improvement Plan	March 15	Cash Flow Analysis	June 7
General Fund Expenditures	April 5	Utility Rate Increases	June 21
Computer Replacement Plan	April 5	Certified Tax Rate	June 21
Capital Projects Fund Expenditures	April 5	Final Budget Approved	June 21
Water & Sewer Fund Expenditures	April 5	Final Budget Submitted to State	June 21
Motor Pool Fund Expenditures	April 5	Budget Document Submitted to GFOA	September 19
Vehicle Replacement Plan	April 5		

Figure BH-3

## GENERAL FUND - FUND BALANCE

	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
<b>Beginning Fund Balance</b>	\$ 803,653	\$ 986,064	\$ 1,355,957	\$ 1,464,345	\$ 374,959
Revenues					
Taxes	\$ 1,907,512	\$ 2,188,201	\$ 2,197,352	\$ 2,265,789	\$ 2,249,000
Licenses/Permits	\$ 399,559	\$ 230,563	\$ 85,685	\$ 108,570	\$ 64,000
Intergovernmental	\$ 245,466	\$ 271,670	\$ 245,890	\$ 262,882	\$ 246,800
Other Fees	\$ 365,730	\$ 379,048	\$ 438,655	\$ 417,580	\$ 450,000
Recreation & Culture	\$ 80,950	\$ 50,671	\$ 82,324	\$ 45,439	\$ 55,000
Miscellaneous	\$ 71,004	\$ 80,160	\$ 65,617	\$ 24,903	\$ 32,000
<b>Total Revenues</b>	<b>\$ 3,070,222</b>	<b>\$ 3,200,313</b>	<b>\$ 3,115,523</b>	<b>\$ 3,125,164</b>	<b>\$ 3,096,800</b>
Transfers In	\$ 93,000	\$ 193,000	\$ -	\$ -	\$ -
<b>Total Revenues &amp; Transfers</b>	<b>\$ 3,163,222</b>	<b>\$ 3,393,313</b>	<b>\$ 3,115,523</b>	<b>\$ 3,125,164</b>	<b>\$ 3,096,800</b>
Expenditures					
General Government	\$ 1,167,969	\$ 1,141,030	\$ 1,300,495	\$ 1,196,043	\$ 1,197,200
Streets	\$ 243,659	\$ 268,580	\$ 323,803	\$ 281,177	\$ 525,000
Public Safety	\$ 468,442	\$ 495,570	\$ 558,750	\$ 575,232	\$ 772,150
Solid Waste Services	\$ 267,158	\$ 328,806	\$ 332,139	\$ 339,226	\$ 352,800
Parks and Recreation	\$ 193,655	\$ 260,954	\$ 330,699	\$ 262,750	\$ 296,150
Debt Service	\$ 52,867	\$ 150,974	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 2,393,751</b>	<b>\$ 2,645,913</b>	<b>\$ 2,845,887</b>	<b>\$ 2,654,428</b>	<b>\$ 3,143,300</b>
Transfers Out	\$ 587,061	\$ 377,506	\$ 161,248	\$ 1,560,121	\$ 257,700
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 2,980,812</b>	<b>\$ 3,023,420</b>	<b>\$ 3,007,135</b>	<b>\$ 4,214,549</b>	<b>\$ 3,401,000</b>
<b>Ending Fund Balance</b>	<b>\$ 986,064</b>	<b>\$ 1,355,957</b>	<b>\$ 1,464,345</b>	<b>\$ 374,959</b>	<b>\$ 70,759</b>

## CAPITAL PROJECTS FUND - FUND BALANCE

	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
<b>Beginning Fund Balance</b>	\$ 7,779,472	\$ 5,979,608	\$ 6,040,301	\$ 6,125,806	\$ 7,496,434
Revenues					
Impact Fees	\$ 511,957	\$ 668,005	\$ 50,108	\$ 153,981	\$ 54,234
Interest Income	\$ 362,802	\$ 263,006	\$ 113,222	\$ 34,325	\$ 30,000
Grant Income	\$ -	\$ 4,932	\$ 44,013	\$ 10,545	\$ 5,000
<b>Total Revenues</b>	<b>\$ 874,759</b>	<b>\$ 935,943</b>	<b>\$ 207,343</b>	<b>\$ 198,852</b>	<b>\$ 89,234</b>
Transfers In	\$ 409,548	\$ 420,724	\$ 152,963	\$ 1,500,000	\$ 255,470
<b>Total Revenues &amp; Transfers</b>	<b>\$ 1,284,307</b>	<b>\$ 1,356,667</b>	<b>\$ 360,305</b>	<b>\$ 1,698,852</b>	<b>\$ 344,704</b>
Expenditures					
Public Facilities	\$ 1,513,832	\$ -	\$ -	\$ 11,500	\$ 2,850,000
Street Projects	\$ 31,680	\$ 166,120	\$ 48,360	\$ 48,870	\$ 577,200
Parks and Recreation	\$ 1,406,305	\$ 595,896	\$ 13,597	\$ 60,222	\$ 2,492,000
Other Projects	\$ 13,383	\$ 15,612	\$ -	\$ -	\$ 10,000
Debt Service	\$ 118,972	\$ 212,083	\$ 212,843	\$ 207,632	\$ 209,870
<b>Total Expenditures</b>	<b>\$ 3,084,171</b>	<b>\$ 989,710</b>	<b>\$ 274,800</b>	<b>\$ 328,224</b>	<b>\$ 6,139,070</b>
Transfers Out	\$ -	\$ 306,264	\$ -	\$ -	\$ -
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 3,084,171</b>	<b>\$ 1,295,974</b>	<b>\$ 274,800</b>	<b>\$ 328,224</b>	<b>\$ 6,139,070</b>
<b>Ending Fund Balance</b>	<b>\$ 5,979,608</b>	<b>\$ 6,040,301</b>	<b>\$ 6,125,806</b>	<b>\$ 7,496,434</b>	<b>\$ 1,702,068</b>

## WATER, SEWER, & STORM DRAIN FUND - NET ASSETS

	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
<b>Net Assets Beginning of Year</b>	<b>\$ 19,360,040</b>	<b>\$ 19,234,369</b>	<b>\$ 19,437,597</b>	<b>\$ 20,309,190</b>	<b>\$ 20,266,680</b>
Revenues					
Water	\$ 945,443	\$ 1,292,004	\$ 1,370,768	\$ 1,452,456	\$ 1,459,100
Sewer	\$ 515,763	\$ 528,175	\$ 432,657	\$ 688,337	\$ 850,450
Storm Drain	\$ 84,725	\$ 112,530	\$ 172,486	\$ 166,319	\$ 180,000
Impact Fees	\$ 142,400	\$ 105,175	\$ 17,300	\$ 40,186	\$ 12,550
Other	\$ 297,753	\$ 201,487	\$ 1,144,590	\$ 110,390	\$ 75,500
<b>Total Revenues</b>	<b>\$ 1,986,084</b>	<b>\$ 2,239,370</b>	<b>\$ 3,137,801</b>	<b>\$ 2,457,689</b>	<b>\$ 2,577,600</b>
Transfers In	\$ -	\$ 206,294		\$ -	\$ -
<b>Total Revenues &amp; Transfers</b>	<b>\$ 1,986,084</b>	<b>\$ 2,445,664</b>	<b>\$ 3,137,801</b>	<b>\$ 2,457,689</b>	<b>\$ 2,577,600</b>
Expenses					
Salaries, Wages, & Benefits	\$ 380,009	\$ 366,133	\$ 448,186	\$ 522,976	\$ 746,100
Supplies & Maintenance	\$ 188,728	\$ 154,688	\$ 127,009	\$ 101,226	\$ 131,400
Utilities & Telephone	\$ 177,613	\$ 205,175	\$ 213,313	\$ 264,709	\$ 234,900
Professional & Technical	\$ 31,643	\$ 43,703	\$ 45,885	\$ 47,705	\$ 111,700
TSSD Fees	\$ 254,430	\$ 264,943	\$ 293,790	\$ 413,895	\$ 508,000
Water Purchases	\$ 77,468	\$ 174,652	\$ 128,856	\$ 129,080	\$ 145,000
Bad Debts	\$ -	\$ -	\$ 26,747	\$ 27,591	\$ 18,000
Depreciation & Amortization	\$ 587,871	\$ 535,017	\$ 535,511	\$ 580,979	\$ 608,680
Interest Expense	\$ 259,730	\$ 272,805	\$ 329,720	\$ 351,395	\$ 331,000
<b>Total Expenses</b>	<b>\$ 1,957,493</b>	<b>\$ 2,017,117</b>	<b>\$ 2,149,017</b>	<b>\$ 2,439,557</b>	<b>\$ 2,834,780</b>
Transfers Out	\$ 154,263	\$ 225,318	\$ 117,191	\$ 60,642	\$ 148,670
<b>Total Expenses &amp; Transfers</b>	<b>\$ 2,111,755</b>	<b>\$ 2,242,435</b>	<b>\$ 2,266,208</b>	<b>\$ 2,500,198</b>	<b>\$ 2,983,450</b>
<b>Ending Net Assets</b>	<b>\$ 19,234,369</b>	<b>\$ 19,437,597</b>	<b>\$ 20,309,190</b>	<b>\$ 20,266,680</b>	<b>\$ 19,860,830</b>

## GOLF COURSE FUND - NET ASSETS

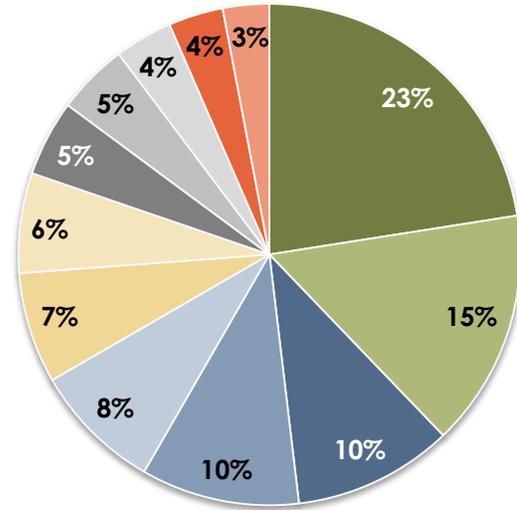
	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
<b>Net Assets Beginning of Year</b>	<b>\$ 3,729,762</b>	<b>\$ 3,605,284</b>	<b>\$ 3,540,283</b>	<b>\$ 3,453,395</b>	<b>\$ 3,292,696</b>
Revenues					
Golf Revenue	\$ 544,868	\$ 646,524	\$ 587,858	\$ 555,170	\$ 750,000
Other Operating Revenues	\$ 107,308	\$ 153,750	\$ 162,874	\$ 134,586	\$ 173,000
Property Taxes	\$ 385,791	\$ 386,945	\$ 385,195	\$ 385,260	\$ 385,250
<b>Total Revenues</b>	<b>\$ 1,037,966</b>	<b>\$ 1,187,219</b>	<b>\$ 1,135,927</b>	<b>\$ 1,075,016</b>	<b>\$ 1,308,250</b>
Expenses					
Salaries, Wages, & Benefits	\$ 295,733	\$ 344,556	\$ 385,313	\$ 393,314	\$ 488,850
Supplies & Maintenance	\$ 138,957	\$ 129,200	\$ 89,586	\$ 133,747	\$ 156,500
Cost of Goods Sold	\$ 52,755	\$ 83,132	\$ 80,929	\$ 68,673	\$ 79,000
General & Administrative	\$ 79,714	\$ 81,357	\$ 80,763	\$ 72,120	\$ 102,000
Lease Expense	\$ 71,032	\$ 68,708	\$ 14,844	\$ 13,008	\$ 13,050
Depreciation & Amortization	\$ 243,092	\$ 244,853	\$ 275,036	\$ 294,740	\$ 260,600
Loss on Sale of Assets	\$ 15,818	\$ -	\$ 5,371	\$ -	\$ -
Interest Expense	\$ 265,342	\$ 300,416	\$ 290,973	\$ 259,979	\$ 257,200
<b>Total Expenses</b>	<b>\$ 1,162,444</b>	<b>\$ 1,252,221</b>	<b>\$ 1,222,815</b>	<b>\$ 1,235,581</b>	<b>\$ 1,357,200</b>
Transfers Out	\$ -	\$ -	\$ -	\$ 134	\$ 2,550
<b>Total Expenses &amp; Transfers</b>	<b>\$ 1,162,444</b>	<b>\$ 1,252,221</b>	<b>\$ 1,222,815</b>	<b>\$ 1,235,715</b>	<b>\$ 1,359,750</b>
<b>Ending Net Assets</b>	<b>\$ 3,605,284</b>	<b>\$ 3,540,283</b>	<b>\$ 3,453,395</b>	<b>\$ 3,292,696</b>	<b>\$ 3,241,196</b>

# THE GENERAL FUND

The general operating revenues and expenditures 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 expenditures for administrative activities, public safety services, recreation programs, and solid waste collection fall under the General Fund umbrella. Also, many of the more general government activities (e.g. purchasing supplies or paying utility bills) that are specific to a department take place in the General Fund. Departmental activities are explained in more detail in each of the department messages.

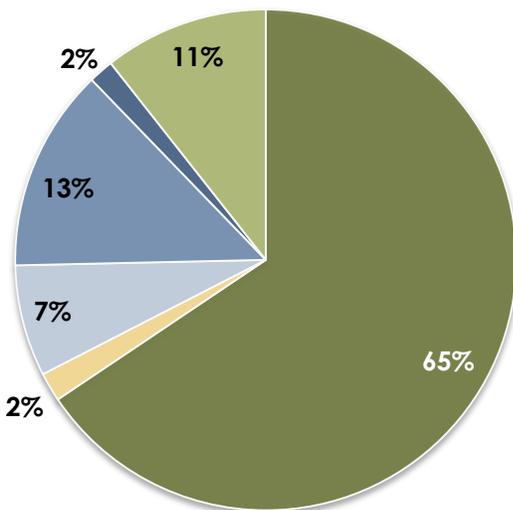
General Fund revenues are organized into various categories. Tax revenue, licenses and permits, intergovernmental revenues, charges for services, recreation and cultural revenue, and miscellaneous revenues are the six functional revenue groups in the General Fund. As seen in the figure below, taxes make up the greatest portion of expected revenue. Most of these revenues are forecasted to grow at the same rate that the population is projected to grow (i.e. 0.4 percent).

## GENERAL FUND EXPENDITURES



- Public Safety
- Streets
- Solid Waste
- General
- Transfers
- Administration
- Public Works
- Community Services
- Finance
- Parks
- Building & Zoning
- Recorder's Office

## GENERAL FUND REVENUES



- Taxes
- Licenses/Permits
- Intergovernmental
- Charges for Services
- Recreation
- Miscellaneous

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 23 percent of the Cedar Hills operating budget. Other large expenditure groups include solid waste services and streets. The department budgets are made up of wages and benefits, various professional services, training materials, supplies, and dues and subscriptions. The category labeled “Transfers” includes the cash and resources moved to other funds. Typically, transfers are only made to the Motor Pool Fund and the Capital Projects Fund.

The General Fund fiscal year 2011 budget totals just over \$3.4 million. This total reflects a net decrease of 8 percent from the fiscal year 2010 budget of almost \$3.7 million. This decrease is largely due to the reduction of transfers to other funds.

The City budgets its long-term expenditures based on projected income from recurring revenue

sources. Budgets for one-time expenditures are based on growth-related revenue streams. The figure below demonstrates that operating expenditures per resident have remained in check. Budget projections for fiscal year 2011 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 will allow. Significant and/or noteworthy revenue and expenditure items include the following:

### Revenues

**Taxes:** Over half of the revenue collected in the General Fund comes through taxes. Forty-two percent of revenue collected through taxation comes from sales and use tax. Cedar Hills has an emerging commercial district that has welcomed the addition of Wal-Mart, Chase Bank, and McDonald's. This commercial growth has increased sales tax from 26 percent of total General Fund revenues in fiscal year 2009 to an expected 31 percent in fiscal year 2011.

While sales tax revenue has increased over the past few years, property tax revenue has decreased. From fiscal year 2009 to fiscal year 2011,

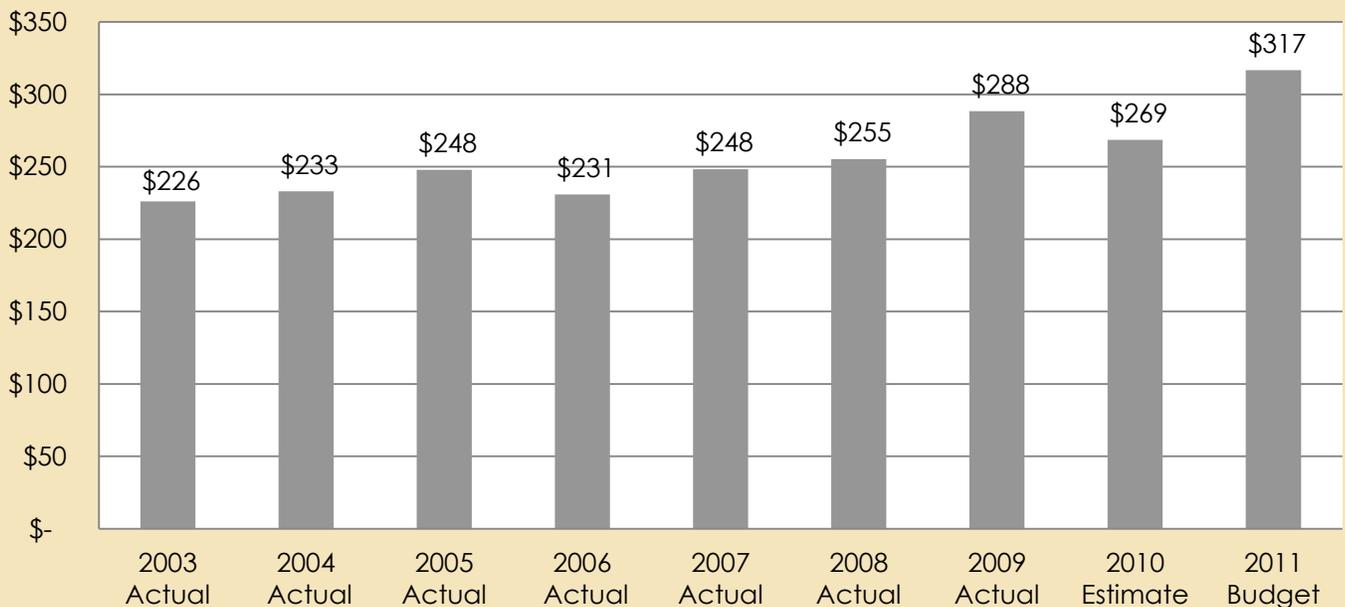
the percentage of total revenue generated through property taxes has decreased from 24 percent to an estimated 20 percent. This is the direct result of decreasing property values coupled with the decline in new construction. For the first time since 2005, the City Council adopted the tax rate certified by the county instead of the proposed tax rate of .00169. Therefore, property tax revenue is not expected to increase much from fiscal year 2010.

**Building Permit Fees:** Difficulties in the housing market have continued to stall new development in Cedar Hills. During fiscal year 2010, seven new permits were issued. While the City issued more permits during fiscal year 2010 than fiscal year 2009, seven permits are still well below the annual average prior to the economic downturn.

**Class "C" Roads Fund:** Cedar Hills receives revenue from the State of Utah to be used to build and maintain roads. This money is generated through motor vehicle and fuel taxes and is distributed to cities based on road mileage and population.

**Garbage Fees:** Currently the City contracts with Waste Management to provide solid waste collection services. Residents with this service are billed a monthly fee. This fee is not expected to increase during fiscal year 2011.

**OPERATING EXPENDITURES PER RESIDENT**



## Expenditures

**Salary and Wages:** As new construction has slowed dramatically, the City removed one position in the Building and Zoning Department (i.e. Building and Zoning Assistant). However, a new position was added to the Finance Department (i.e. Finance Assistant) to assist with business licensing and utility billing.

**Public Works:** Storm Drain is becoming a pressing issue for Cedar Hills. As such, the Public Works Department has reallocated a portion of its resources to Storm Drain projects. The budget for the Public Works Department decreased by \$146,750. These funds were moved to the Storm Drain department in the Water and Sewer Fund.

**Fire/EMS:** The Lone Peak Public Safety District provides fire service and EMS to the City. The district increased its fees to Cedar Hills by almost 80 percent, which equates to about \$160,000. To offset a portion of this cost, the City added a monthly paramedic fee to the utility bill.

**Street Expense:** Due to weather conflicts, several street maintenance projects were not finished during fiscal year 2010. To finish these projects, \$130,000 was added to the budget for fiscal year 2011. A list of the scheduled street projects is included in the chart below.

## PLANNED STREET MAINTENANCE - 2011

Colonial Drive	1.5" Overlay	Walnut Cove	1.5" Overlay
Avondale Drive	1.5" Overlay	Aspen Cove	1.5" Overlay
Tamarack Way	1.5" Overlay	Ferguson Way	1.5" Overlay
Foothill Lane	1.5" Overlay	Haven Lane	Type II Slurry
Bayhill Drive	1.5" Overlay	Evergreen Circle	Type II Slurry
Hillcrest Drive	1.5" Overlay	Honeycutt Circle	Type II Slurry
Redwood Drive (To Forest Creek Drive)	1.5" Overlay	Downing Drive	Type II Slurry
Forest Creek Drive (Redwood to Carriage)	1.5" Overlay	Idlewild Circle	Type II Slurry
Cedar Hills Drive (Roundabout to Forrest Creek Drive)	1.5" Overlay	Applewood Circle	Type II Slurry
Oak Road West (Cedar Hills Drive South to Pinnacle)	1.5" Overlay	Solitude Circle	Type II Slurry
Redwood Drive (Forest Creek Drive to Roundabout)	Chip Seal & Cape Coat	Fieldcrest Drive	Type II Slurry
Cedar Hills Drive (Roundabout)	Chip Seal & Cape Coat	Bridgewater Circle	Type II Slurry
4600 West (Roundabout South to 9980 N)	Chip Seal & Cape Coat	Waterbury Circle	Type II Slurry
Forest Creek Drive (Carriage to Cedar Hills Drive)	Chip Seal & Cape Coat	Carriage Lane	Type II Slurry
		Hillpark Circle	Type II Slurry
		Eaglebrook Circle	Type II Slurry
		Monson Place	Type II Slurry
		3940 West	Type II Slurry
		3900 West	Type II Slurry
		3830 West	Type II Slurry
		Valley View Drive	Type II Slurry
		Spruce Circle	Type II Slurry

GENERAL FUND REVENUES	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
<b>Tax Revenues</b>			
Property Tax	\$ 735,945	\$ 675,439.63	\$ 630,000
Motor Vehicle Tax	\$ 121,655	\$ 127,673.58	\$ 120,000
Delinquent Taxes	\$ 79,215	\$ 75,288.84	\$ 75,000
Penalty & Interest	\$ 2,740	\$ 3,896.90	\$ 5,000
Fee in Lieu of Taxes	\$ 493	\$ 3,690.70	\$ 1,000
Sales & Use Tax	\$ 825,298	\$ 902,522.33	\$ 950,000
Care Tax	\$ 7,864	\$ 30,527.00	\$ 28,000
Franchise Tax	\$ 312,468	\$ 334,354.88	\$ 320,000
Telecom Tax	\$ 111,673	\$ 112,395.35	\$ 120,000
	<b>\$ 2,197,352</b>	<b>\$ 2,265,789</b>	<b>\$ 2,249,000</b>
<b>Licenses &amp; Permits Revenue</b>			
Business Licenses	\$ 18,520	\$ 21,060	\$ 22,000
Building Permits	\$ 51,143	\$ 59,633	\$ 30,000
Plan Check Fees	\$ 13,268	\$ 24,736	\$ 10,500
Inspection Fees	\$ 1,300	\$ -	\$ -
Misc. Licenses & Permits	\$ 1,453	\$ 3,141	\$ 1,500
	<b>\$ 85,685</b>	<b>\$ 108,570</b>	<b>\$ 64,000</b>
<b>Intergovernmental Revenue</b>			
LPPSD Rent	\$ 16,200	\$ 16,200	\$ 16,200
Class "C" Roads Fund	\$ 224,307	\$ 241,114	\$ 225,000
State Liquor Tax Allotment	\$ 5,383	\$ 5,568	\$ 5,600
	<b>\$ 245,890</b>	<b>\$ 262,882</b>	<b>\$ 246,800</b>
<b>Fees Revenue</b>			
Engineer Inspection Fees	\$ 39,847	\$ 4,910	\$ -
Garbage Fees	\$ 348,317	\$ 356,546	\$ 350,000
Recycling	\$ 41,131	\$ 45,695	\$ 40,000
Penalty Fees	\$ 4,279	\$ 5,275	\$ 2,000
Application & Processing Fees	\$ 32	\$ 200	\$ -
Zoning Violation Fees	\$ 5,050	\$ 4,955	\$ -
Weed Abatement Fees	\$ -	\$ -	\$ 3,000
Paramedic Fees	\$ -	\$ -	\$ 55,000
	<b>\$ 438,655</b>	<b>\$ 417,580</b>	<b>\$ 450,000</b>
<b>Recreation &amp; Culture Revenue</b>			
Festival Income	\$ 48,610	\$ 11,466	\$ 25,000
Recreation Programs	\$ 33,714	\$ 33,923	\$ 30,000
Other Recreation Revenue	\$ -	\$ 50	\$ -
	<b>\$ 82,324</b>	<b>\$ 45,439</b>	<b>\$ 55,000</b>
<b>Misc. Revenues</b>			
Interest Income	\$ 23,492	\$ 7,887	\$ 12,000
Construction Bond Forfeiture	\$ -	\$ 8,000	\$ -
Use of Class "C" Roads Fund	\$ -	\$ -	\$ 332,200
Other Income	\$ 42,124	\$ 9,016	\$ 20,000
	<b>\$ 65,617</b>	<b>\$ 24,903</b>	<b>\$ 364,200</b>
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 3,115,523</b>	<b>\$ 3,125,164</b>	<b>\$ 3,429,000</b>

GENERAL FUND EXPENDITURES	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
<b>General Government Expenditures</b>			
Materials & Supplies	\$ 7,338	\$ 8,071	\$ 12,000
Newsletter & Utility Bills	\$ 23,043	\$ 19,706	\$ 22,000
Legal Advertising	\$ 4,924	\$ 2,386	\$ 4,000
Computer Expenses	\$ 4,228	\$ 13,840	\$ 13,500
Repairs & Maintenance	\$ 11,009	\$ 10,276	\$ 11,500
Office Equipment	\$ 7,413	\$ 8,590	\$ 11,000
Utilities	\$ 21,446	\$ 10,473	\$ 22,000
Postage	\$ 1,490	\$ 2,174	\$ 2,500
Communications & Telephone	\$ 7,186	\$ 5,418	\$ 9,500
Legal Services	\$ 73,260	\$ 69,472	\$ 74,000
Auditing Services	\$ 29,000	\$ 31,000	\$ 19,500
Professional & Technical	\$ 29,824	\$ 29,117	\$ 58,000
Insurance	\$ 16,404	\$ 16,653	\$ 18,500
Bad Debt	\$ 17,287	\$ 18,310	\$ 2,500
	<b>\$ 253,852</b>	<b>\$ 245,486</b>	<b>\$ 280,500</b>
<b>Mayor &amp; Council Expenditures</b>			
Salary & Wages	\$ 47,100	\$ 49,200	\$ 49,200
Planning Commission	\$ 4,100	\$ 2,030	\$ 4,200
Employee Benefits	\$ 4,419	\$ 3,972	\$ 4,000
Materials & Supplies	\$ 594	\$ 1,482	\$ 1,000
Dues & Subscriptions	\$ -	\$ -	\$ 100
Education & Training	\$ 3,676	\$ 2,651	\$ 5,500
Communications & Telephone	\$ 4,834	\$ 5,212	\$ 5,400
	<b>\$ 64,723</b>	<b>\$ 64,547</b>	<b>\$ 69,400</b>
<b>Administrative Services Expenditures</b>			
Salary & Wages (Full-Time)	\$ 246,410	\$ 277,881	\$ 153,600
Overtime	\$ 2,222	\$ 410	\$ 300
Salary & Wages (Part-Time)	\$ 12,203	\$ 14,291	\$ 15,400
Employee Benefits	\$ 134,338	\$ 118,253	\$ 68,250
Materials & Supplies	\$ 1,975	\$ 2,900	\$ 1,000
Dues & Subscriptions	\$ 2,493	\$ 2,142	\$ 1,500
Education & Training	\$ 6,379	\$ 6,029	\$ 4,000
Communications & Telephone	\$ 547	\$ 1,217	\$ 1,400
	<b>\$ 406,567</b>	<b>\$ 423,123</b>	<b>\$ 245,450</b>
<b>Recorder Expenditures</b>			
Salary & Wages (Full-Time)	\$ -	\$ -	\$ 45,200
Overtime	\$ -	\$ -	\$ 700
Salary & Wages (Part-Time)	\$ -	\$ -	\$ 15,500
Employee Benefits	\$ -	\$ -	\$ 25,400
Materials & Supplies	\$ -	\$ -	\$ 1,000
Dues & Subscriptions	\$ -	\$ -	\$ 700
Education & Training	\$ -	\$ -	\$ 3,000
Contract Labor	\$ 2,802	\$ 1,855	\$ 3,250
City Code	\$ 3,740	\$ 2,822	\$ 2,500
Document Imaging	\$ 1,049	\$ 1,049	\$ 1,200
Other Events	\$ -	\$ -	\$ 4,000
Election Expenses	\$ -	\$ 8,686	\$ -
	<b>\$ 7,591</b>	<b>\$ 14,412</b>	<b>\$ 102,450</b>

GENERAL FUND EXPENDITURES	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
<b>Finance Expenditures</b>			
Salary & Wages (Full-Time)	\$ -	\$ -	\$ 104,050
Overtime	\$ -	\$ -	\$ 900
Employee Benefits	\$ -	\$ -	\$ 48,850
Materials & Supplies	\$ -	\$ -	\$ 1,000
Dues & Subscriptions	\$ -	\$ -	\$ 500
Education & Training	\$ -	\$ -	\$ 2,200
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 157,500</b>
<b>Public Safety Expenditures</b>			
Fire Services	\$ 200,431	\$ 198,699	\$ 362,000
Police Services	\$ 339,439	\$ 357,238	\$ 382,500
Crossing Guard Services	\$ 13,919	\$ 14,330	\$ 22,400
Animal Control	\$ 2,158	\$ 4,965	\$ 5,250
Other Public Safety	\$ 2,803	\$ -	\$ -
	<b>\$ 558,750</b>	<b>\$ 575,232</b>	<b>\$ 772,150</b>
<b>Building &amp; Zoning Expenditures</b>			
Salary & Wages (Full-Time)	\$ 144,833	\$ 83,644	\$ 78,600
Overtime	\$ -	\$ -	\$ 950
Employee Benefits	\$ 87,327	\$ 38,733	\$ 36,400
Materials & Supplies	\$ 1,119	\$ 163	\$ 800
Building Permit Surcharge	\$ 405	\$ -	\$ -
Dues & Subscriptions	\$ 437	\$ 1,076	\$ 1,000
Education & Training	\$ 2,116	\$ 1,175	\$ 2,000
Tools & Equipment	\$ 25	\$ 91	\$ 500
Communications & Telephone	\$ 677	\$ 550	\$ 700
	<b>\$ 236,940</b>	<b>\$ 125,433</b>	<b>\$ 120,950</b>
<b>Public Works Expenditures</b>			
Salary & Wages (Full-Time)	\$ 158,278	\$ 194,954	\$ 118,200
Overtime	\$ 1,115	\$ 393	\$ 2,600
Salary & Wages (Part-Time)	\$ 2,488	\$ 2,477	\$ 4,200
Employee Benefits	\$ 101,003	\$ 103,354	\$ 68,750
Materials & Supplies	\$ 3,156	\$ 2,845	\$ 8,100
Dues & Subscriptions	\$ 215	\$ 215	\$ 500
Education & Training	\$ 2,122	\$ 1,721	\$ 2,000
Repairs & Maintenance	\$ 6,581	\$ 7,636	\$ 7,000
Tools & Equipment	\$ 6,360	\$ 4,476	\$ 6,000
Communications & Telephone	\$ 1,027	\$ 2,128	\$ 1,600
Engineering Services	\$ 48,480	\$ 2,844	\$ 2,000
	<b>\$ 330,823</b>	<b>\$ 323,043</b>	<b>\$ 220,950</b>
<b>Streets Expenditures</b>			
Street Lights	\$ 41,101	\$ 50,601	\$ 42,000
Signs	\$ 19,691	\$ 20,632	\$ 20,000
Weed Control	\$ 2,491	\$ 2,467	\$ 3,000
Streets Expense	\$ 220,233	\$ 137,568	\$ 375,000
Snow Removal	\$ 19,384	\$ 42,314	\$ 35,000
Street Sweeping	\$ 2,800	\$ 7,540	\$ 10,000
Sidewalk Maintenance	\$ 18,103	\$ 20,056	\$ 40,000
	<b>\$ 323,803</b>	<b>\$ 281,177</b>	<b>\$ 525,000</b>

GENERAL FUND EXPENDITURES	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
<b>Solid Waste Expenditures</b>			
Solid Waste Services	\$ 286,596	\$ 285,454	\$ 300,000
Recycling	\$ 45,543	\$ 49,028	\$ 50,000
Bad Debt	\$ -	\$ 4,744	\$ 2,800
	<b>\$ 332,139</b>	<b>\$ 339,226</b>	<b>\$ 352,800</b>
<b>Parks Expenditures</b>			
Park Supplies & Maintenance	\$ 110,672	\$ 118,870	\$ 125,000
Trees Maintenance	\$ 19,951	\$ -	\$ -
Provo River Canal Trail	\$ -	\$ -	\$ 3,100
	<b>\$ 130,623</b>	<b>\$ 118,870</b>	<b>\$ 128,100</b>
<b>Community Services</b>			
Salary & Wages (Full-Time)	\$ 35,816	\$ 37,229	\$ 42,000
Overtime	\$ 566	\$ 72	\$ 500
Salary & Wages (Part-Time)	\$ 7,777	\$ 5,950	\$ 17,100
Employee Benefits	\$ 13,497	\$ 13,726	\$ 16,900
Materials & Supplies	\$ -	\$ -	\$ 800
Dues & Subscriptions	\$ 185	\$ 50	\$ 250
Education & Training	\$ 988	\$ 1,490	\$ 1,500
Recreation Expenses	\$ 126	\$ 294	\$ 500
Recreation Programs	\$ 16,631	\$ 19,181	\$ 25,000
Library Expenses	\$ 13,500	\$ 14,000	\$ 14,000
Family Festival Celebration	\$ 89,752	\$ 39,251	\$ 45,000
Other Events	\$ 19,519	\$ 10,278	\$ 2,000
Youth City Council	\$ 1,720	\$ 2,358	\$ 2,500
	<b>\$ 200,076</b>	<b>\$ 143,880</b>	<b>\$ 168,050</b>
<b>Other Uses of Funds</b>			
Transfer to Capital Projects Fund	\$ 84,313	\$ 1,500,000	\$ 178,845
Transfer to Motor Pool Fund	\$ 76,935	\$ 60,121	\$ 78,855
Transfer to Care Tax Reserve	\$ -	\$ -	\$ 28,000
	<b>\$ 161,248</b>	<b>\$ 1,560,121</b>	<b>\$ 285,700</b>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 3,007,135</b>	<b>\$ 4,214,549</b>	<b>\$ 3,429,000</b>

# WATER, SEWER, & STORM DRAIN FUND

The provision of water, sewer, and storm drain services falls 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 function 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 residents funds the planning, expansion, installation, and ongoing operations and maintenance of storm water systems necessary for the collection and control of storm water.

The City's Water, Sewer, and Storm Drain Fund accounts for all revenues and expenditures related to water, sewer, and storm drain functions. This fund is expected to handle all capital and operating expenditures through the utility fees that are charged.

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 of a redundant culinary well. The well produces approximately 1,750 gallons of water per minute and has the capability of running off a standby generator. In addition, the well has the ability to deliver water to both the culinary and pressurized irrigation systems.

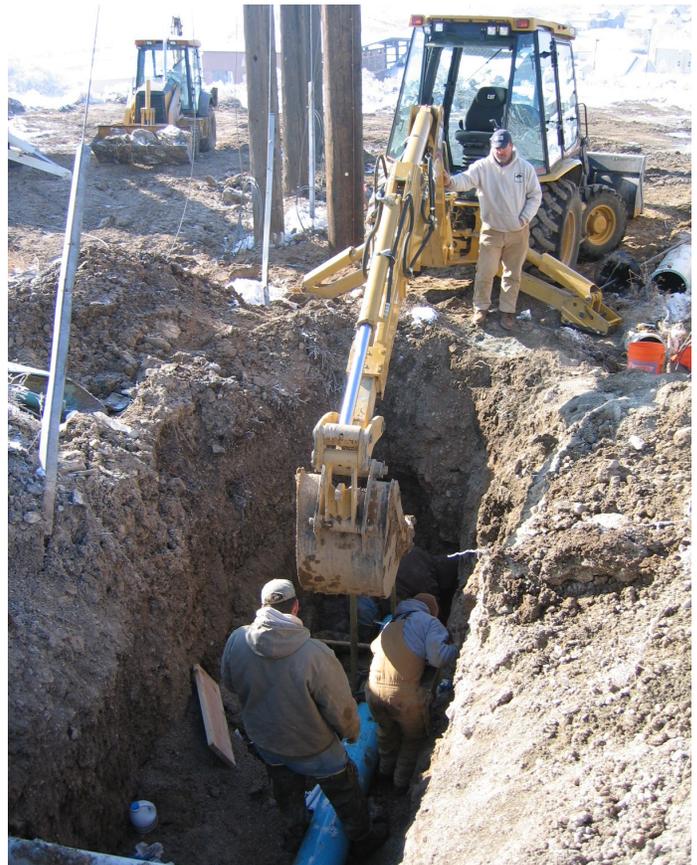
The City is responsible for 21 miles of the sewage collection system. Timpanogos Special Service District (TSSD) handles the sewage treatment function. In addition, capital expenditures toward upgrading or enlarging the system are the City's responsibility.

The budget for the Water, Sewer and Storm Drain Fund for fiscal year 2011 totals almost \$3 million and is partitioned into three functional divisions: Water, Sewer, and Storm Drain. The figures on pages 45–47 show the portions of both revenues and expenditures that belong to each of the three divisions.

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:

## Revenues

**Utility Rate Increases:** Several utility rate increases will be effective during fiscal year 2011. These increases were necessary to offset increased costs. The monthly fee for storm drain increased by 50 cents per household. Pressurized irrigation usage increased to .0443 cents per square foot. Sewer fees increased 27 percent. These increases are estimated to generate about \$300,000 of additional revenue.



### Expenditures

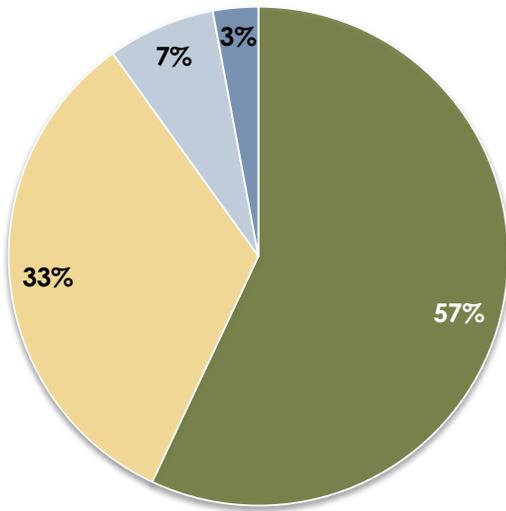
**TSSD Fees:** The Timpanogos Special Service District provides sewage treatment services for many cities in Utah County. The District's rates increased by 27 percent effective July 1, 2010.

**PI Debt Service:** The City issued two bonds to pay for the pressurized irrigation system. In order to cover the debt service payments, the City assesses a flat fee to every household (i.e. pressurized irrigation base rate), regardless of whether the resident has connected to the system.

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

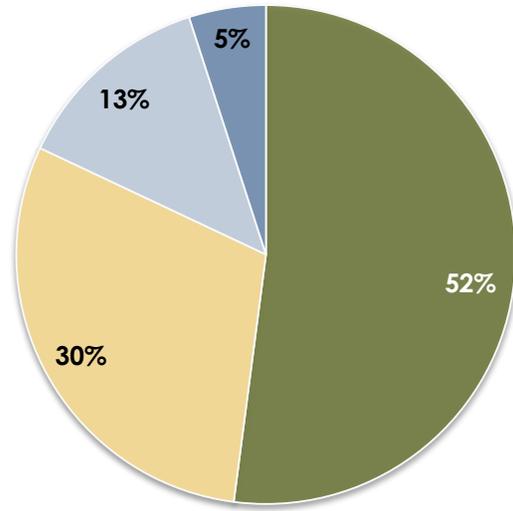
**Capital Projects:** The City has several capital projects planned for fiscal year 2011. These projects include the Canal Crossings Sewer project, the 4800 W Culinary Main Line project, and phase 1 of the Water, Sewer, and Storm Drain GIS. More information can be found in the Capital Improvements Plan (see Appendix A).

**WATER & SEWER FUND REVENUES**



- Water
- Sewer
- Storm Drain
- Miscellaneous

**WATER & SEWER FUND EXPENDITURES**



- Water
- Sewer
- Storm Drain
- Miscellaneous

<b>WATER &amp; SEWER FUND REVENUES</b>	<b>2009 ACTUAL</b>	<b>2010 ESTIMATE</b>	<b>2011 BUDGET</b>
<b>Storm Drain Revenues</b>			
Storm Drain - Residents	\$ 172,486	\$ 166,319	\$ 180,000
	<b>\$ 172,486</b>	<b>\$ 166,319</b>	<b>\$ 180,000</b>
<b>Water Revenues</b>			
Water Fees - Residents	\$ 451,677	\$ 438,462	\$ 415,000
Water Fees - American Fork City	\$ 18,665	\$ 11,012	\$ 18,000
Water Fees - Contractors	\$ 784	\$ 4,399	\$ 900
PI Fees - Usage	\$ 361,748	\$ 352,141	\$ 415,000
PI Fees - Base Rate	\$ 389,636	\$ 496,146	\$ 465,000
Central Utah Project Fees	\$ 146,432	\$ 143,995	\$ 142,500
Water Lateral Inspections	\$ 450	\$ 1,050	\$ 450
Water Meters	\$ 1,375	\$ 5,250	\$ 2,250
Water Impact Fees	\$ 16,498	\$ 35,207	\$ 10,000
	<b>\$ 1,387,266</b>	<b>\$ 1,487,663</b>	<b>\$ 1,469,100</b>
<b>Sewer Revenues</b>			
Sewer Fees - Residents	\$ 432,207	\$ 687,287	\$ 850,000
Sewer Lateral Inspections	\$ 450	\$ 1,050	\$ 450
Sewer Impact Fees - 80 Rod	\$ 802	\$ 877	\$ 200
Sewer Impact Fees - S Aqueduct	\$ -	\$ 4,102	\$ 2,350
	<b>\$ 433,458</b>	<b>\$ 693,316</b>	<b>\$ 853,000</b>
<b>Miscellaneous Revenues</b>			
Developer Contributions	\$ 144,000	\$ 22,800	\$ -
Penalty Fees	\$ 60,701	\$ 55,062	\$ 55,000
Interest Income	\$ 56,453	\$ 10,764	\$ 10,000
Construction Bond Forfeiture	\$ 869,862	\$ -	\$ -
Utility Setup Fees	\$ 13,420	\$ 14,574	\$ 10,000
Other Income	\$ 124	\$ 7,191	\$ 500
	<b>\$ 1,144,560</b>	<b>\$ 110,390</b>	<b>\$ 75,500</b>
<b>TOTAL WATER &amp; SEWER FUND REVENUES</b>	<b>\$ 3,137,771</b>	<b>\$ 2,457,689</b>	<b>\$ 2,577,600</b>

<b>WATER &amp; SEWER FUND EXPENDITURES</b>	<b>2009 ACTUAL</b>	<b>2010 ESTIMATE</b>	<b>2011 BUDGET</b>
<b>Water Expenditures</b>			
Salary & Wages (Full-Time)	\$ 168,833	\$ 196,224	\$ 205,300
Overtime	\$ 1,108	\$ 356	\$ 3,250
Salary & Wages (Part-Time)	\$ 5,463	\$ 5,941	\$ 8,600
Employee Benefits	\$ 94,198	\$ 111,572	\$ 113,300
Water Supplies	\$ 4,576	\$ 2,465	\$ 2,500
Dues & Subscriptions	\$ 1,573	\$ 1,625	\$ 1,700
Education & Training	\$ 946	\$ 1,203	\$ 3,500
Computer Expenses	\$ 2,879	\$ 2,037	\$ 3,000
Office Equipment	\$ -	\$ -	\$ 1,000
Tools & Equipment	\$ 2,268	\$ 981	\$ 2,000
Utilities	\$ 208,767	\$ 260,010	\$ 228,000
Blue Stakes	\$ 526	\$ 824	\$ 1,000
Communications & Telephone	\$ 1,228	\$ 1,593	\$ 2,000
Engineering Services	\$ -	\$ (50)	\$ 1,000
Professional & Technical	\$ 4,341	\$ 5,158	\$ 4,000
New Meter Installation	\$ 9,751	\$ 6,084	\$ 10,000
Water Purchases - American Fork City	\$ 596	\$ 596	\$ 5,000
Water Purchases - Pleasant Grove Irrigation	\$ 14,450	\$ 14,450	\$ 15,000
Water Testing	\$ 6,667	\$ 3,551	\$ 6,500
Insurance	\$ 14,002	\$ 14,021	\$ 11,000
Water Construction Projects	\$ 4,788	\$ 32,308	\$ 20,000
Supplementary Water	\$ 113,810	\$ 114,034	\$ 125,000
Pressurized Irrigation Projects	\$ 69,374	\$ 33,230	\$ 15,000
Credit Card Fees	\$ 7,083	\$ 8,813	\$ 8,000
Depreciation	\$ 339,506	\$ 384,509	\$ 408,500
Bad Debt	\$ 26,747	\$ 17,524	\$ 10,650
	<b>\$ 1,103,477</b>	<b>\$ 1,219,058</b>	<b>\$ 1,214,800</b>
<b>Sewer Expenditures</b>			
Salary & Wages (Full-Time)	\$ 112,682	\$ 131,304	\$ 133,850
Overtime	\$ 808	\$ 286	\$ 2,050
Salary & Wages (Part-Time)	\$ 3,664	\$ 3,900	\$ 6,400
Employee Benefits	\$ 61,431	\$ 73,394	\$ 72,550
Sewer Supplies	\$ 1,542	\$ 1,040	\$ 1,000
Education & Training	\$ 1,234	\$ 655	\$ 1,500
Computer Expenses	\$ 2,879	\$ -	\$ 1,800
Tools & Equipment	\$ 621	\$ 506	\$ 700
Utilities	\$ 2,089	\$ 1,780	\$ 2,100
Postage	\$ 1,473	\$ 575	\$ 1,500
Blue Stakes	\$ 152	\$ 166	\$ -
Communications & Telephone	\$ 1,228	\$ 1,325	\$ 1,400
Professional & Technical	\$ 2,705	\$ 2,260	\$ 2,000
Engineering Services	\$ -	\$ -	\$ 1,000
TSSD Fees	\$ 293,790	\$ 413,895	\$ 508,000
Sewer Television Expenses	\$ -	\$ -	\$ 2,000
Insurance	\$ 14,002	\$ 14,021	\$ 6,600
Sewer Construction Projects	\$ 5,671	\$ -	\$ 10,000
Depreciation	\$ 189,041	\$ 128,806	\$ 133,000
Bad Debt	\$ -	\$ 8,106	\$ 6,050
	<b>\$ 695,013</b>	<b>\$ 782,017</b>	<b>\$ 893,500</b>

<b>WATER &amp; SEWER FUND EXPENDITURES</b>	<b>2009 ACTUAL</b>	<b>2010 ESTIMATE</b>	<b>2011 BUDGET</b>
<b>Storm Drain Expenditures</b>			
Salary & Wages (Full-Time)	\$ -	\$ -	\$ 124,650
Overtime	\$ -	\$ -	\$ 2,450
Salary & Wages (Part-Time)	\$ -	\$ -	\$ 4,200
Employee Benefits	\$ -	\$ -	\$ 69,500
Storm Drain Supplies	\$ 13,843.38	\$ 17,460.55	\$ 1,000
Dues & Subscriptions	\$ -	\$ -	\$ 2,000
Education & Training	\$ -	\$ -	\$ 500
Computer Expenses	\$ -	\$ -	\$ 1,200
Tools & Equipment	\$ -	\$ -	\$ 1,000
Communication & Telephone	\$ -	\$ -	\$ 1,400
Engineering Services	\$ -	\$ -	\$ 10,000
Professional & Technical	\$ -	\$ -	\$ 54,500
Testing	\$ -	\$ -	\$ 200
Insurance	\$ -	\$ -	\$ 4,400
Storm Drain Maintenance	\$ -	\$ -	\$ 50,000
Depreciation	\$ -	\$ 60,235.22	\$ 59,750
Bad Debt	\$ -	\$ 1,961.60	\$ 1,300
	<b>\$ 13,843.38</b>	<b>\$ 79,657.37</b>	<b>\$ 388,050</b>
<b>Non-Operating Expenditures</b>			
Amortization	\$ 6,964	\$ 7,429	\$ 7,430
Trustee Fees	\$ 1,600	\$ 3,100	\$ 3,100
Bond Interest	\$ 328,120	\$ 348,295	\$ 327,900
Transfer to Capital Projects	\$ 68,649	\$ -	\$ 76,625
Transfer to Motor Pool Fund	\$ 48,512	\$ 60,642	\$ 72,045
	<b>\$ 453,845</b>	<b>\$ 419,466</b>	<b>\$ 487,100</b>
<b>TOTAL WATER &amp; SEWER FUND EXPENDITURES</b>	<b>\$ 2,266,178</b>	<b>\$ 2,500,198</b>	<b>\$ 2,983,450</b>

# 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 and 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 and Sewer Funds. Thus, the Capital Projects Fund exists foremost as an accounting tool to assist the General Fund and the Water and Sewer Fund.

Because the Capital Projects Fund deals with relatively few long-term projects of varying costs, 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. Therefore, the budget for the Capital Projects Fund tends to vary dramatically.

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. This funding comes from impact fees, transfers from other funds, or financing.

## Revenues

A large source of funding in the Capital Projects Fund is generated by transfers from other funds. These transfers could be comprised of earmarked revenues (e.g. B&C Roads Fund, Care Tax, etc.), reserves set aside for a particular project, or 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. Certain revenues recognized in the General Fund are earmarked for building roads and parks and must be transferred to the Capital Projects Fund. In addition, the General Fund generates a profit during most years. This surplus is transferred to the Capital Projects Fund to pay for one-time projects and expenditures.

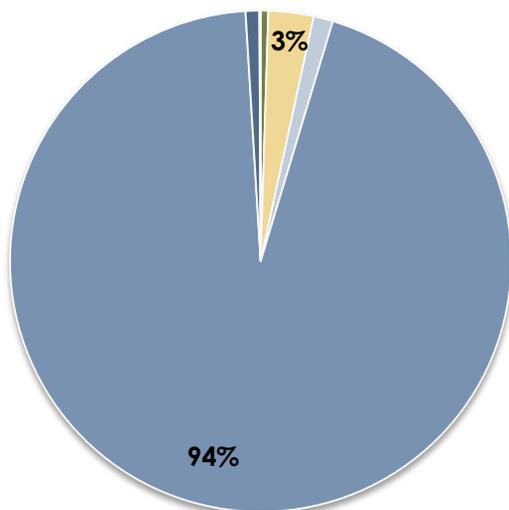
## Expenditures

The capital projects planned for fiscal year 2011 are listed below:

- \$972,000 for the Deerfield Land acquisition
- 1,500,000 for the Deerfield Park development
- \$20,000 for Sage Vista Park improvements
- \$500,000 to widen Harvey Blvd
- \$77,200 for various street projects
- \$2,850,000 for construction of a Community Events and Fitness Center
- \$10,000 to plan the Orchard Commercial development

Further explanations of capital projects expenditures planned for fiscal year 2011 can be obtained from the Capital Improvements Plan located in Appendix A of this document.

## CAPITAL PROJECTS FUND REVENUES



- |                     |                         |
|---------------------|-------------------------|
| ■ Interest Income   | ■ General Fund Transfer |
| ■ W&S Fund Transfer | ■ Use of Fund Balance   |
| ■ Impact Fees       | ■ Grant Income          |

CAPITAL PROJECTS FUND REVENUES	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
Impact Fees - Park Development	\$ 1,170	\$ 11,700	\$ 7,020
Impact Fees - Park Land	\$ 4,378	\$ 39,402	\$ 26,268
Impact Fees - Recreation	\$ 1,640	\$ 16,400	\$ 9,840
Impact Fees - Public Safety	\$ 5,139	\$ 10,092	\$ 3,222
Impact Fees - Streets	\$ 37,781	\$ 76,387	\$ 7,884
Interest Income	\$ 113,222	\$ 34,325	\$ 30,000
Grant Income	\$ 44,013	\$ 10,545	\$ 5,000
Transfers in from General Fund	\$ 84,313	\$ 1,500,000	\$ 178,845
Transfers in from Water & Sewer Fund	\$ 68,649	\$ -	\$ 76,625
Use of Fund Balance	\$ -	\$ -	\$ 5,794,366
<b>TOTAL CAPITAL PROJECTS FUND REVENUES</b>	<b>\$ 360,305</b>	<b>\$ 1,698,852</b>	<b>\$ 6,139,070</b>

CAPITAL PROJECTS FUND EXPENDITURES	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
<b>Street Projects</b>			
Sidewalk Projects	\$ 14,476	\$ 4,140	\$ 15,000
Speed Tables	\$ 18,443	\$ 22,802	\$ 25,000
Street Lights	\$ 9,493	\$ 21,927	\$ 25,000
Deerfield Flashing Lights	\$ 5,948	\$ -	\$ -
Harvey Blvd Widening	\$ -	\$ -	\$ 500,000
GIS System - Streets	\$ -	\$ -	\$ 12,200
	<b>\$ 48,360</b>	<b>\$ 48,870</b>	<b>\$ 577,200</b>
<b>Park Projects</b>			
Deerfield Land Purchase	\$ -	\$ -	\$ 972,000
Deerfield Park Improvements	\$ -	\$ -	\$ 1,500,000
Mesquite Soccer Park	\$ 12,000	\$ 37,722	\$ -
Fieldcrest Drive Pocket Park	\$ 1,598	\$ -	\$ -
Sage Vista Park	\$ -	\$ -	\$ 20,000
	<b>\$ 13,597</b>	<b>\$ 37,722</b>	<b>\$ 2,492,000</b>
<b>Miscellaneous Capital Projects</b>			
Orchard Spite Strip	\$ -	\$ 22,500	\$ -
Community Center Feasibility	\$ -	\$ 11,500	\$ -
Orchard Commercial Development	\$ -	\$ -	\$ 10,000
Community Events & Fitness Center	\$ -	\$ -	\$ 2,850,000
	<b>\$ -</b>	<b>\$ 34,000</b>	<b>\$ 2,860,000</b>
<b>Bond Payments</b>			
Bond Principal - Public Safety Building	\$ 40,000	\$ 35,000	\$ 40,000
Bond Principal - Public Works Building	\$ 55,000	\$ 60,000	\$ 60,000
Interest Expense	\$ 113,823	\$ 108,612	\$ 105,850
Trustee Fees	\$ 4,020	\$ 4,020	\$ 4,020
	<b>\$ 212,843</b>	<b>\$ 207,632</b>	<b>\$ 209,870</b>
<b>TOTAL CAPITAL PROJECTS FUND EXPENDITURES</b>	<b>\$ 274,800</b>	<b>\$ 328,224</b>	<b>\$ 6,139,070</b>

# MOTOR POOL FUND

The Motor Pool Fund accounts for the City's vehicle expenses and purchases. The fund includes expenditures for vehicle maintenance, gasoline, insurance, and new vehicle purchases. The City currently has a fleet of 13 vehicles. In addition, the City rents a skid steer and a backhoe. For fiscal year 2011, the City has budgeted to replace three trucks used by the Public Works Department.

## Vehicle Replacement

The City buys vehicles on state contract at significantly cheaper prices. These vehicles are used for about three years and then sold at a price close to the original purchase price. City staff has performed a detailed analysis of possible replacement schedules which took into account various factors including maintenance costs, insurance, inflation, resale values, etc. According to the analysis, the most cost-effective time to replace vehicles is after approximately three years of use. The City uses a different replacement schedule for Bobtails. These vehicles are replaced every six years.

## Revenues

The Motor Pool Fund receives most of its revenue through contributions from the General Fund,

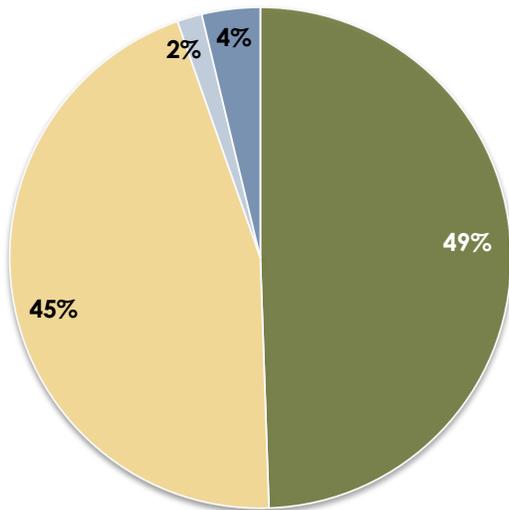
the Water and Sewer Fund, and the Golf Fund. The required expenditures are determined and the burden of funding the expenditures is divided between the three aforementioned funds. An analysis is done on the activities of the vehicles and the departments and/or funds to which those activities are related. From this analysis, certain percentages are derived and assigned to the various funds to determine the amount each fund 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. This means that the City has enough vehicles to meet the tasks required at a minimum cost to the City.

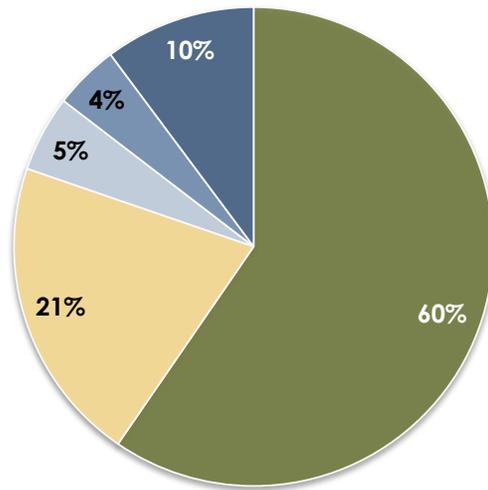
Since transfers are only made to cover actual expenditures, Cedar Hills does not allow a profit to be generated in the Motor Pool Fund. Therefore, total net assets reflects the net value of the vehicles held in the fund.

**MOTOR POOL FUND REVENUES**



- General Fund Transfer
- W&S Fund Transfer
- Golf Fund Transfer
- Gain on Sale

**MOTOR POOL FUND EXPENDITURES**



- Depreciation
- Gas & Oil
- Insurance
- Maintenance
- Rent Expense

MOTOR POOL FUND REVENUES	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
<b>Transfers</b>			
Transfer from General Fund	\$ 76,935	\$ 60,121	\$ 78,855
Transfer from Water & Sewer Fund	\$ 48,512	\$ 60,642	\$ 72,045
Transfer from Golf Fund	\$ -	\$ 134	\$ 2,550
Gain on Sale of Assets	\$ 6,761	\$ 23,354	\$ 6,000
<b>TOTAL MOTOR POOL FUND REVENUES</b>	<b>\$ 132,208</b>	<b>\$ 144,251</b>	<b>\$ 159,450</b>
MOTOR POOL FUND EXPENDITURES	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
<b>Vehicle Expenses</b>			
Gas & Oil - Administration	\$ 4,539	\$ 5,353	\$ 5,000
Vehicle Maintenance - Administration	\$ 2,068	\$ 420	\$ 500
Insurance - Administration	\$ 1,600	\$ 874	\$ 1,600
Gas & Oil - Building & Zoning	\$ 2,400	\$ 1,483	\$ 1,500
Vehicle Maintenance - Building & Zoning	\$ 294	\$ 322	\$ 250
Insurance - Building & Zoning	\$ 1,735	\$ 430	\$ 800
Gas & Oil - Public Works	\$ 22,295	\$ 20,160	\$ 25,000
Vehicle Maintenance - Public Works	\$ 4,313	\$ 5,527	\$ 5,000
Insurance - Public Works	\$ 4,557	\$ 4,366	\$ 5,000
Gas & Oil - Golf	\$ -	\$ -	\$ 1,500
Vehicle Maintenance - Golf	\$ -	\$ -	\$ 250
Insurance - Golf	\$ -	\$ 134	\$ 800
Contingency	\$ -	\$ -	\$ 1,000
	<b>\$ 43,801</b>	<b>\$ 39,069</b>	<b>\$ 48,200</b>
<b>Capital Outlay</b>			
Rent Expense	\$ 12,750	\$ 16,858	\$ 16,250
Depreciation Expense	\$ 75,874	\$ 88,324	\$ 95,000
	<b>\$ 88,624</b>	<b>\$ 105,182</b>	<b>\$ 111,250</b>
<b>TOTAL MOTOR POOL FUND EXPENDITURES</b>	<b>\$ 132,425</b>	<b>\$ 144,251</b>	<b>\$ 159,450</b>

# GOLF FUND

The Cedar Hills Golf Course 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 seventh year of operation, and as a result, staff enjoyed five 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’s golf course is accounted for through the Golf Fund. All revenues related to golf and golf peripherals are received in the Golf Fund. Likewise, any expenditures related to the maintenance, upkeep, payroll, and operations of the golf course and its peripherals are expensed out of the Golf Fund.

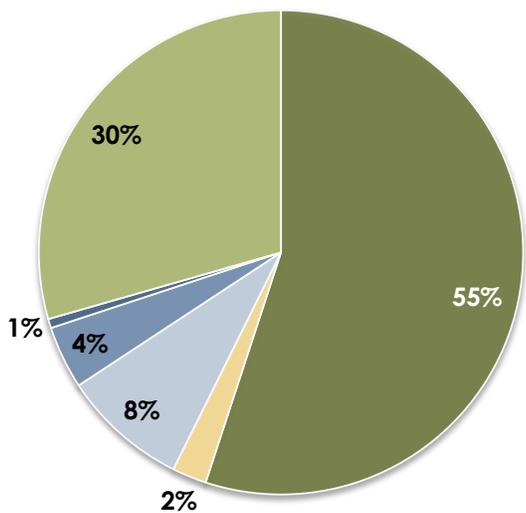
The budget was developed to encourage efficient spending while maintaining an excellent public golf course. Significant and/or noteworthy revenue and expenditure items include the following:

### Revenues

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.

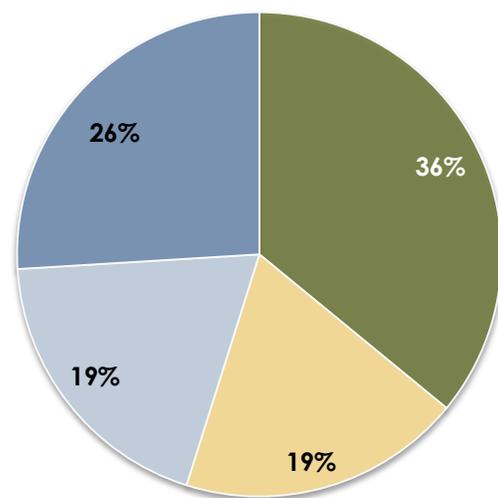
**Green Fees:** This is the principal revenue source in the Golf Fund, as it makes up 55 percent of the forecasted earnings for fiscal year 2011. Green fee revenue also includes cart fees and tournament revenue.

**GOLF FUND REVENUES**



- Green Fees
- Practice Range
- Pro Shop
- Concessions
- Sunset Room Rental
- Property Taxes

**GOLF FUND EXPENDITURES**



- Wages & Benefits
- Interest Expense
- Depreciation & Amortization
- Other

**Property Taxes:** The golf course was financed with a General Obligation bond. The amount of revenue collected through property taxes covers the annual debt service for this bond.

### Expenditures

When total budgeted expenditures are compared to projected revenues, the golf course is estimated to be in the red roughly \$51,500. This shortfall includes all operating and non-operating expenditures.

All operating expenditures have remained close to those budgeted for fiscal year 2010. The only major budget increase is for payroll expenses. This increase reflects market adjustments, performance increases, and the increased cost of benefits.

Non-operating expenditures include lease payments for the clubhouse, interest expense, and depreciation. Depreciation is expected to decrease during fiscal year 2011 due to lower capital spending over the past several years.

GOLF FUND REVENUES	2009 ACTUAL	2010 ESTIMATE	2011 BUDGET
<b>Operating Revenues</b>			
Green Fees	\$ 533,707	\$ 499,732	\$ 680,000
Practice Range	\$ 23,523	\$ 27,514	\$ 30,000
Pro Shop	\$ 91,666	\$ 78,433	\$ 110,000
Concessions	\$ 38,544	\$ 34,547	\$ 55,000
Season Passes	\$ 30,628	\$ 27,925	\$ 40,000
Sunset Room Rental	\$ 17,424	\$ 11,570	\$ 8,000
Other Income	\$ 15,241	\$ 250	\$ -
	<b>\$ 750,732</b>	<b>\$ 679,970</b>	<b>\$ 923,000</b>
<b>Non-Operating Revenues</b>			
Gain on Sale of Assets	\$ -	\$ 9,787	\$ -
Property Taxes	\$ 385,195	\$ 385,260	\$ 385,250
	<b>\$ 385,195</b>	<b>\$ 395,047</b>	<b>\$ 385,250</b>
<b>TOTAL GOLF FUND REVENUES</b>	<b>\$ 1,135,927</b>	<b>\$ 1,075,016</b>	<b>\$ 1,308,250</b>

<b>GOLF FUND EXPENDITURES</b>	<b>2009 ACTUAL</b>		<b>2010 ESTIMATE</b>		<b>2011 BUDGET</b>	
<b>Golf Course Payroll</b>						
Salary & Wages (Full-Time)	\$	170,136	\$	169,226	\$	206,000
Overtime	\$	1,389	\$	274	\$	1,000
Salary & Wages (Part-Time)	\$	123,326	\$	109,472	\$	150,000
Employee Benefits	\$	90,462	\$	114,342	\$	131,850
	\$	<b>385,313</b>	\$	<b>393,314</b>	\$	<b>488,850</b>
<b>Clubhouse Expenses</b>						
Supplies	\$	17,129	\$	8,646	\$	10,000
Utilities	\$	26,313	\$	24,844	\$	27,000
Miscellaneous Expenses	\$	2,498	\$	2,834	\$	2,500
Concessions	\$	29,434	\$	27,147	\$	34,000
Credit Card Expenses	\$	12,942	\$	14,366	\$	18,000
Pro Shop	\$	51,495	\$	41,526	\$	45,000
Sunset Room	\$	2,092	\$	981	\$	2,000
	\$	<b>141,905</b>	\$	<b>120,344</b>	\$	<b>138,500</b>
<b>Golf Course Operating Expense</b>						
Repairs & Maintenance	\$	41,292	\$	31,836	\$	37,500
Fertilizer & Chemicals	\$	39,385	\$	23,969	\$	33,000
Water & Pumping Costs	\$	15,697	\$	12,251	\$	20,000
Petroleum & Oil	\$	15,832	\$	12,683	\$	14,000
Equipment Repair	\$	(50,293)	\$	27,814	\$	22,000
Equipment Rental	\$	1,914	\$	379	\$	12,500
Insurance	\$	-	\$	1,696	\$	2,000
Cart Battery Replacement	\$	-	\$	7,552	\$	10,000
	\$	<b>63,827</b>	\$	<b>118,179</b>	\$	<b>151,000</b>
<b>Management Expenses</b>						
Dues & Subscriptions	\$	3,600	\$	4,599	\$	3,500
Printing	\$	2,354	\$	583	\$	2,000
Travel & Training	\$	408	\$	609	\$	2,500
Licenses & Fees	\$	1,765	\$	971	\$	2,000
Computers & Phones	\$	4,362	\$	5,355	\$	6,000
Advertising	\$	33,058	\$	23,901	\$	32,000
	\$	<b>45,547</b>	\$	<b>36,016</b>	\$	<b>48,000</b>
<b>Non-Operating Expenses</b>						
Clubhouse Lease Payment	\$	14,844	\$	13,008	\$	13,050
Trustee Fees	\$	450	\$	450	\$	450
Amortization	\$	4,097	\$	4,097	\$	4,100
Interest Expense	\$	290,523	\$	259,529	\$	256,750
Depreciation	\$	270,939	\$	290,643	\$	256,500
Loss on Sale of Assets	\$	5,371	\$	-	\$	-
Transfer to Motor Pool	\$	-	\$	134	\$	2,550
	\$	<b>586,224</b>	\$	<b>567,861</b>	\$	<b>533,400</b>
<b>TOTAL GOLF FUND EXPENDITURES</b>	\$	<b>1,222,815</b>	\$	<b>1,235,715</b>	\$	<b>1,359,750</b>

# APPENDIX A: CAPITAL IMPROVEMENTS PLAN

FISCAL YEAR 2011

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## PURPOSES IN VIEW

The City's Capital Improvements Plan (CIP) 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 includes all major capital purchases and/or projects for both the General Fund and the Water and 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 and 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 the following:

- Information for individual taxpayers, 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
- 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 in order to maintain

the full time frame of the program with the deletion of the prior year and the addition of a new planning year. Projects that have been tentatively scheduled in previous CIP's are re-assessed, 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 A 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 advance 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.

property taxes, etc.). Prioritization is based on two factors:

- Is the project one which will be undertaken in the current fiscal year, the two- to six- year horizon, or after six years? 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 (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 which includes a capital budget for the coming year and a capital plan for the mid- and long-range horizons. 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 determines 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 which will then be accepted by the City Council. This plan will become the document that helps direct the City in future capital facility projects.

## PLANNING SCHEDULE FOR CAPITAL IMPROVEMENTS

The City’s proposed schedule of planning for capital improvements is listed in the chart below.

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,

<b>NOVEMBER</b>	Preliminary planning session with Mayor, City Manager, and key staff.
<b>JANUARY</b>	Summary of preliminary capital improvement requests prepared by City Manager and submitted to City Council.
<b>MARCH</b>	Mayor, City Manager, and key staff complete project review. Tentative approval by City Council.
<b>JUNE</b>	CIP submitted to the City Council for final approval.

## SHORT-RANGE HORIZON CAPITAL PROJECTS

*Projects to be completed during the 2011 fiscal year*

### FACILITIES

#### Community Events & Fitness Center

*Cost of Project Fiscal Year 2011*

Estimated \$2,850,000

*Sources of Funding*

Recreation Facility Impact Fees

*Reasons for Project*

The City of Cedar Hills has saved for the development of a recreational facility for the past 12 years. Development of this facility will not only provide approximately 6,000 square feet of immediate event/reception/meeting facilities and kitchen grill space for all Cedar Hills residents, but the facility will also provide approximately 4,000 square feet of cardio/fitness workout equipment and space, as well as approximately 2,000 square feet of dance/aerobics. The facility will also provide approximately 1,500 square feet of golf pro shop space and unfinished basement storage.



Current Events Center

It is anticipated that this facility will also provide space for community meetings including, but not limited to, book clubs, gardening meetings, sports administrative meetings, HOA administrative meetings, etc.

Staff suggests that every residence in the City of Cedar Hills receive an immediate \$1,000 certificate good for utilizing the events/reception/meeting facility and three months of free usage of the fitness/cardio center.

Once the Community Recreation/Aquatics Center is constructed, the City will have the option of moving any fitness/cardio functions and utilize the vacated square footage for additional events, receptions, or meeting space.

*Impact on the Operating Budget*

The impact will be an immediate and positive one by the mandatory usage of the recreation facility impact fees. No bonding or borrowing would be required. All future operating and maintenance costs will be paid for by revenues generated by the Center.

### PARKS

#### Deerfield Park Land Purchase & Development

*Cost of Project Fiscal Year 2011*

Estimated \$2,472,000

*Sources of Funding*

Park Development and Land Impact Fees

*Reasons for Project*

This parcel, adjacent to Deerfield Elementary, at 12.4 acres is vitally important for accommodating recreation in the City of Cedar Hills. It is the only large piece of flat ground available for recreation. It can easily be connected by trail to Sunset

Park and Forest Creek Park/Trail. It has been designed to accommodate one regulation-size high school football field, one pony-size baseball diamond, two little league baseball/softball diamonds, four tennis courts, two volleyball courts, three basketball courts, a passive recreation and picnic area with picnic tables and pavilions, including an indoor pavilion with a small rest room and kitchenette, one large playground, restrooms, snack shack, storage, a jogging loop, and parking.

#### *Impact on the 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 fiscal year 2011. 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.

## WATER & SEWER

### 4800 West Culinary Main Line

#### *Cost of Project Fiscal Year 2011*

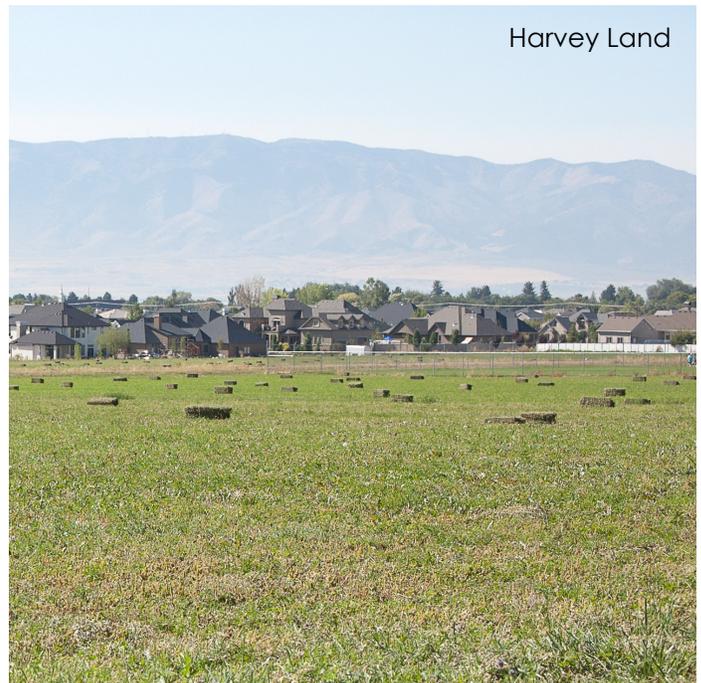
Estimated \$200,000

#### *Sources of Funding*

Water Impact Fees

#### *Reasons for Project*

Due to the North County Blvd Project, which is currently under construction, design and construction of a 12-inch culinary water mainline is being expedited. The mainline will connect the existing waterline located under Cedar Hills Drive to an existing waterline located at 9900 North along 4800 West. The installation of the mainline will ensure adequate supply to the undeveloped commercial area between the two



streets and provide necessary looping for long-term service of the area.

### 80 Rod Sewer Project - Canal Crossings

#### *Cost of Project Fiscal Year 2011*

Estimated \$100,000

#### *Sources of Funding*

Sewer Impact Fees

#### *Reasons for Project*

Due to the enclosure of the Provo Reservoir Canal, all utilities that traverse the canal right-of-way will be identified and evaluated for potential conflict with the designed pipe elevations. The City currently has two locations where existing sanitary sewer outfalls may require redesign and reconstruction. The locations are at 4500 West and 4600 West respectively. Final design of the relocation project is not complete. However, the time line for the enclosure project would require the project to be completed in the 2011 budget year.

## STREETS

## Harvey Blvd Widening

*Cost of Project Fiscal Year 2011*

\$500,000

*Sources of Funding*

Street Impact Fees

*Reasons for Project*

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

*Impact on Operating Budget*

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

## MISCELLANEOUS

## GIS System (Phase I)

*Cost of Project Fiscal Year 2011*

Estimated \$48,810

*Sources of Funding*

B&amp;C Roads Fund &amp; Enterprise Fund Revenue

*Reasons for Project*

Geographic Information Systems will be used by many of the departments in the City for mapping and data management. This is the first of two phases. This phase will include the design of the database and the formation of existing City mapping (a base map). In this phase, a web-based viewer will also be developed for use by staff and limited use by residents. This system is transitioning into a required tool by state and federal agencies.

## MID-RANGE HORIZON PROJECTS (2012-2016)

Year	Project Description	Project Type	Estimated Cost
2012	GIS System - Phase II	Miscellaneous	\$ 65,400
2013	Community Aquatics Center	Facility	\$ 5,000,000
2013	Public Works Basement Offices	Facility	\$ 80,000
2013	Public Safety Building Renovation	Facility	\$ 400,000
2016	Bonneville Shoreline Trail Section II & III	Park	\$ 500,000
2016	Regional Old Town Retention Project	Storm Drain	\$ 400,000
2016	4000 West Sewer Line	Sewer	\$ 250,000

## LONG-RANGE HORIZON PROJECTS (2017 &amp; LATER)

Year	Project Description	Project Type	Estimated Cost
2017	Bayhill Park	Park	\$ 400,000
2018	Cottages Park	Park	\$ 100,000
2018	4600 West Sewer Upgrade	Sewer	\$ 400,000
2019	Irrigation Pump Pond 10 & 12	Water	\$ 300,000
2020	Harvey Well Chlorination/Treatment Station	Water	\$ 80,000
2020	Cottonwood Well Chlorination/Treatment Station	Water	\$ 60,000
2021	Sewer Trunkline Extension	Sewer	\$ 500,000

# APPENDIX B

FISCAL YEAR 2011

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## FINANCIAL PLANNING POLICIES

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

### *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 June 22. 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 which limits total bond obligation to 12 percent of the prior year's 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 5 percent (not to exceed 18 percent) 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 5 percent 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 the 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 \$25,000 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 financing 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 on display 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 liveli-

hood 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 7,943. The City began growing rapidly during the 1990’s, but has leveled off today. The population today is now 9,883. It had the largest growth rate in Utah during the 1990’s 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 reach 9,923 residents during 2011. 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 the City 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 feet, 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 feet 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 Public Safety District. 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.

### *Schools*

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

## SUMMARY OF SIGNIFICANT DEMOGRAPHIC STATISTICS

STATISTIC	2004	2005	2006	2007	2008	2009	2010
<b>Population *</b>	6,722	7,943	8,938	9,426	9,772	9,866	9,883
<b>Household Average Adjusted Gross Income **</b>	\$75,886	\$80,577	\$97,565	\$99,799	\$87,404	NA	NA
<b>County Household Mean Adjusted Gross Income **</b>	\$50,768	\$54,538	\$59,749	\$60,881	\$59,570	NA	NA
<b>Unemployment Rate ***</b>	4.80%	4.00%	2.90%	2.50%	3.70%	6.20%	6.30%

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

### *Culture*

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 provides 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 of years, a small commercial district has emerged including a Wal-Mart, Chase Bank, and McDonalds. However, the City is also located near 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.

## 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 Timeline*

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 unappropriated 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.

#### *Monthly Management Report (MMR)*

A monthly management report is submitted by 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.

#### *Pressurized Irrigation Base Rate*

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

#### *Pressurized Irrigation Usage*

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 including 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.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Cedar Hills, Utah for its annual budget for the fiscal year beginning July 1, 2009. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Cedar Hills**

**Utah**

For the Fiscal Year Beginning

**July 1, 2009**

A handwritten signature in black ink, appearing to be 'HR'.

President

A handwritten signature in black ink, appearing to be 'Jeffrey R. Egan'.

Executive Director