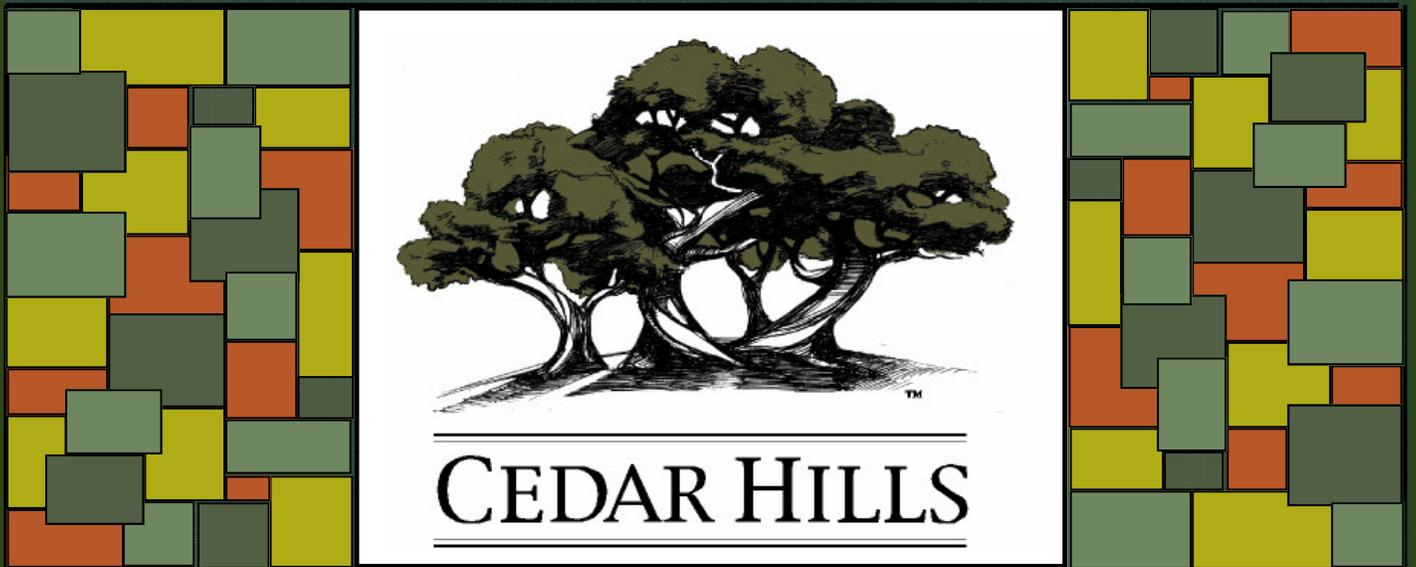


City of Cedar Hills



2007 Fiscal Year Budget

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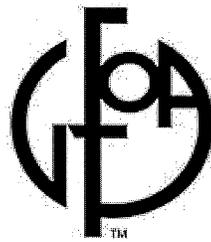
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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Cedar Hills
Utah**

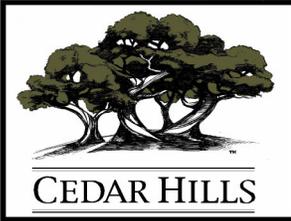
For the Fiscal Year Beginning

July 1, 2005

President

Executive Director

BUDGET MESSAGE



City Manager Message

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



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Growth	6
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Pursuant to §10-6-109, Utah Code Annotated, the following budget for Fiscal Year 2006 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 operational expenditures (or General Fund expenditures) will not exceed operating 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 our financial resources for the coming year. As part of that planning, please consider the following highlights and priorities of this year's budget:

Growth

One of the primary concerns in compiling this budget was the forecasted growth of the City. As an accu-

rate 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 of Cedar Hills' population over the past eight years. Based on the number of building permits issued e a c h m o n t h since the 2000 census, we extrapolate our popu-

lation to be 8,858 residents or 1995 households as of July 1, 2006, increasing to 2,195 households or 9,746 residents at the end of Fiscal Year 2007. As seen in the Population Extrapolation table (Figure O-1), this represents a 10% increase in population from the year before. However, viewing the matter from a different angle, the expected growth will occur at a rate that's 9% slower than the previous year, Fiscal Year 2006. All told, the growth of the City of Cedar Hills has been steady and rapid since 1998 (see Figure O-1).

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

CITY MANAGER MESSAGE

Population Extrapolation

Fiscal Year	Pop	% Growth	House holds
1998	1845		as of July 1
1999	2504	35.7%	564
2000	3201	27.8%	721
2001	4240	32.5%	955
2002	4880	15.1%	1099
2003	5625	15.3%	1267
2004	6616	17.6%	1490
2005	7881	19.1%	1775
2006	8858	12.4%	1995
2007	9746	10.0%	2195

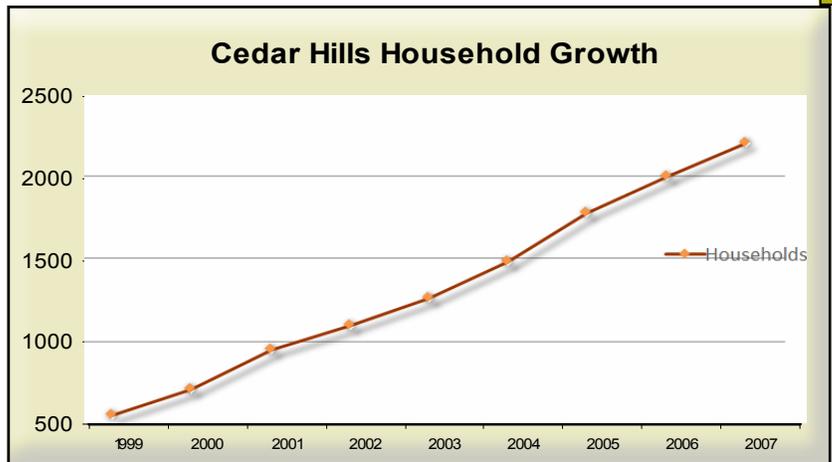


Figure O-1

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 10% from the previous year. On the other hand, revenues that

have only *new* growth as their base, such as building permit revenues, would be expected to decrease from the previous year by 9%. Furthermore, various other revenue and expenditure items that require distinct and often more complex models for projection nevertheless hearken back to these population and growth estimates.

General Services

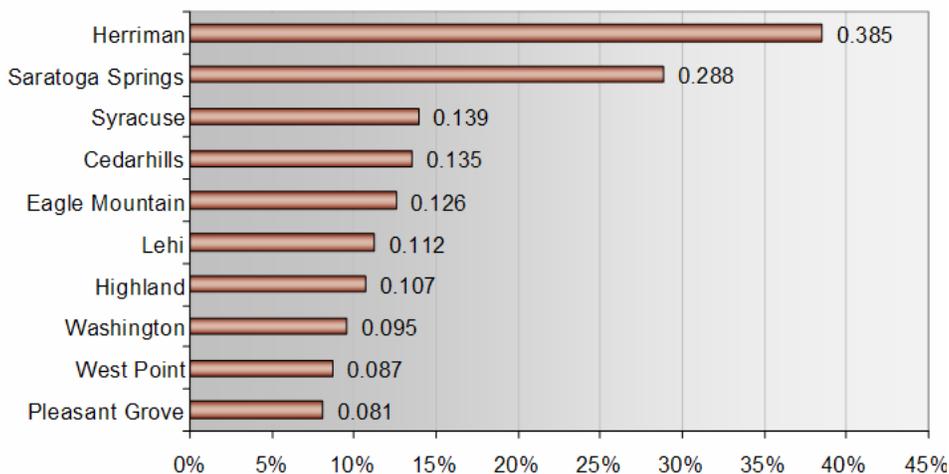
Always critical to the budget are the general services that the City provides for its residents. The following changes in general services have resulted in notable impacts in the budget:

A significant increase in funding for the Community Services Department has been added to the budget. This department focuses on providing educational, recreational, and cultural services and events for the residents of Cedar Hills. This department has a budget of \$137,000 which has been increased from \$60,560. Library reimbursement accounts for \$26,000 of the increase.

Personnel

During the 2007 fiscal year, the City of Cedar Hills staff will increase in total number of employees by 3 FTE. This will

Fastest Growing Cities in Utah from 2003 to 2004: (Population 5,000+)



CITY MANAGER MESSAGE

increase the FTE's from fifteen and one half to eighteen and one half from the previous year. A detailed summary of the City staff by department is provided in Figure O-2.

The three new FTEs consist of the Assistant to the City Manager-Planning & GIS, an entry level Public Works Technician, and the resurgence of the Community Services Director. The A to the CM will bring planning in house and will provide more involvement. The Public Works Technician will help meet the demands of a growing and larger city. The Community Services Director will bring back many recreational activities and will help establish new community programs.

The City is currently running

a lean, low-cost operation. Full-time equivalent employees per 1,000 residents has continually decreased since 2000. In FY07 the City will employ 1.9 FTEs per 1,000 residents. Figure O-3 on the opposite page depicts decrease in FTEs per capita over time.

Funds Overview

The data in the Funds portion of the budget provides a picture of the current financial standing of the City as well as estimates and plans for revenues and expenditures to occur during FY 2006. The budget is broken down into five major funds. Those funds are the General Fund, the Water & Sewer Fund, the Motor Pool Fund, the Capital Projects Fund, and the Golf Fund. Also appended to

this document is an overview of the Capital Improvement Plan.

The six most significant revenue and expense items for the three major funds are shown in Figure O-4 on the following page. The pie charts illustrate some of the principal paths of money in and out of each fund.

In FY07 the City will employ 1.9 full-time employees per 1,000 residents.

Building permits, property tax, sales tax, garbage fees, and franchise taxes make up the bulk of General Fund revenues, while the major expenses include police services, solid waste, salaries, and street expenses. In the Water & Sewer Fund, the most significant revenue sources are water and sewer

Personnel Summary

Department	FY 05	FY06	FY07
Administration	3.5	4	5
Public Works	6	6	7
Building & Zoning	3	3	3
City Recorder	2.5	2.5	2.5
Community Services	1	0	1
Total:	16	15.5	18.5

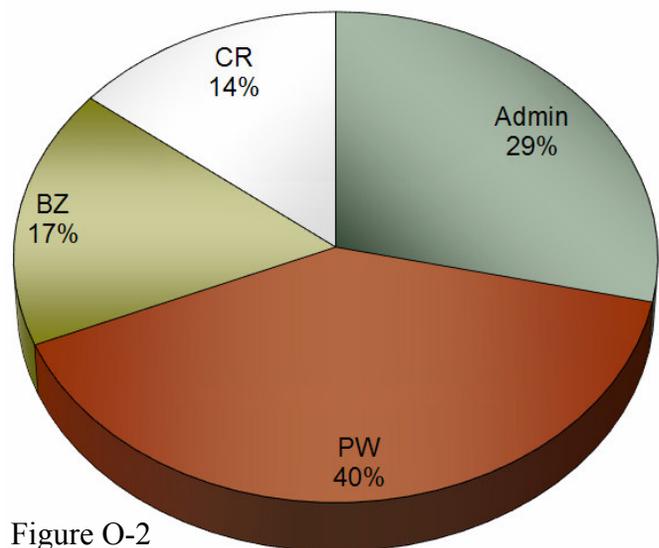
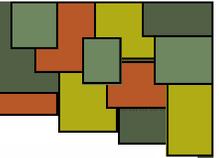


Figure O-2



FTE per 1,000 Residents

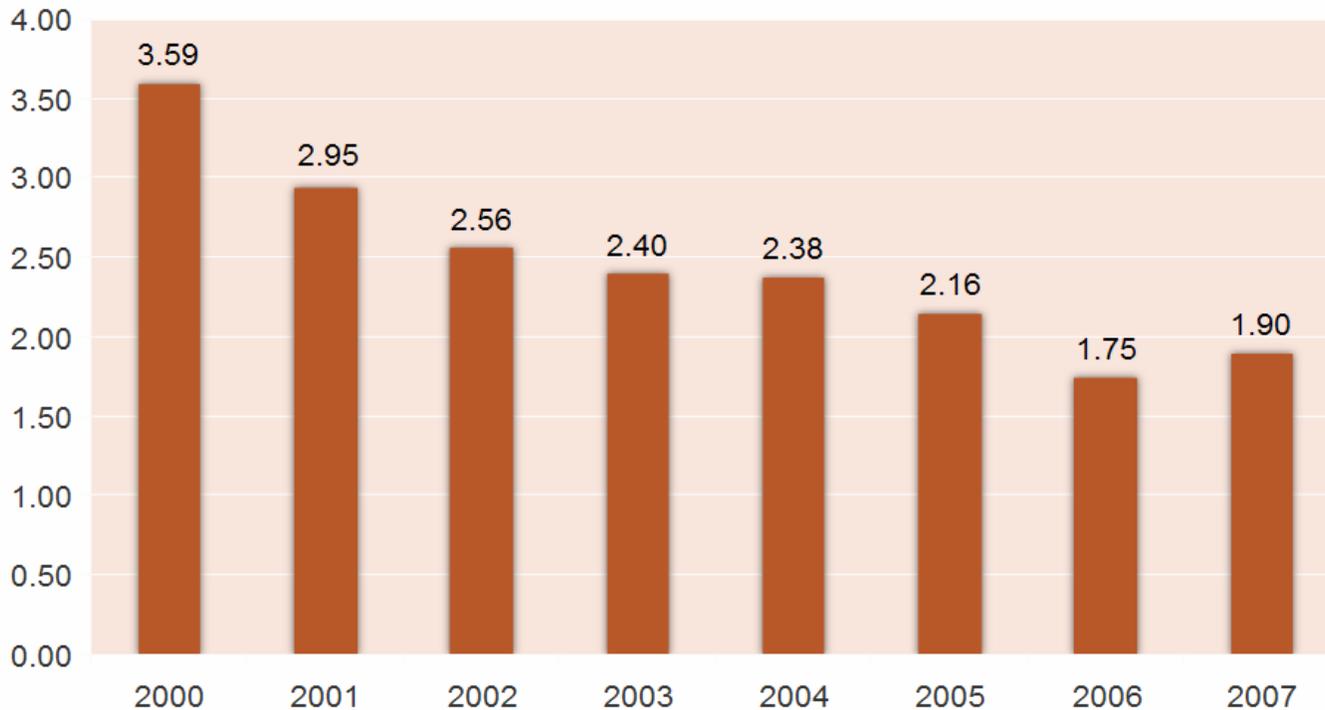


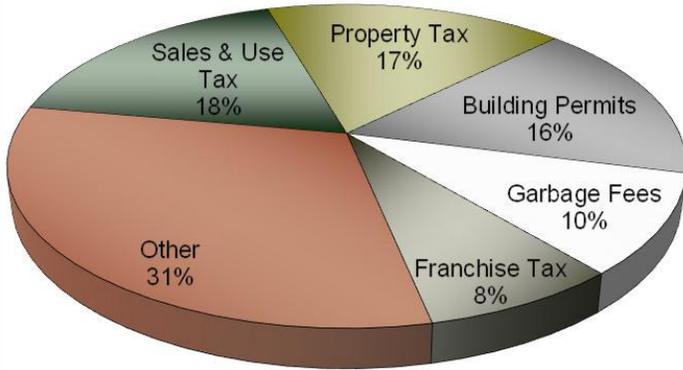
Figure O-3

service fees, pressurized irrigation (PI) fees, and new meter charges. The corresponding top five expenses in the fund are PI expenses, sewer and culinary water expenses, storm drain expansion, and salaries. The Capital Projects Fund receives its financing largely from current impact fees, the impact fee reserve, and from financing. In FY 2006, the five largest pro-

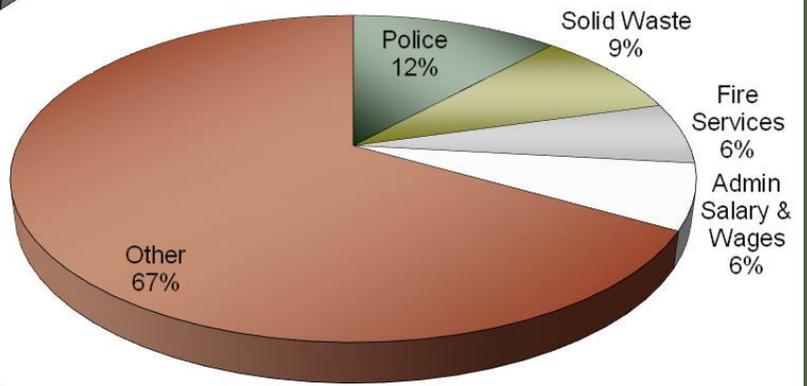
jects/expenses will be the Harvey Land purchase, the new Public Works Building, Harvey Park phase 1 improvement, Cottonwood Drive improvement, and the MBA bond payment. The Golf Fund is not included in this analysis as it is explained in further detail in the Golf Fund portion of this Budget Document.

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

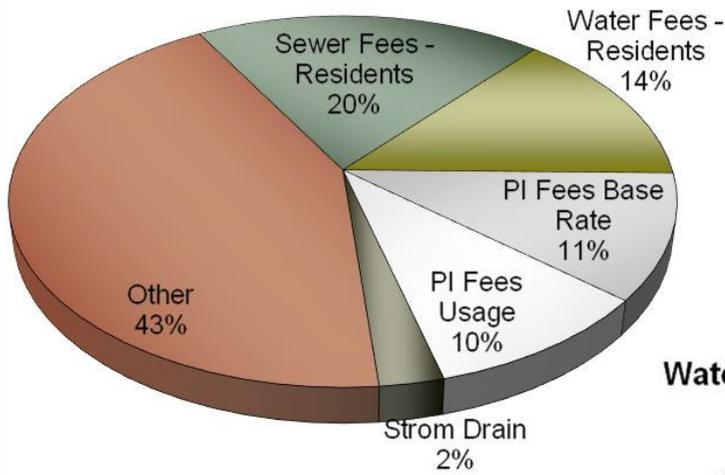
General Fund Top Revenue Sources



General Fund Top Expenditures



Water & Sewer Fund Top Revenue Sources



Water & Sewer Fund Top Expenditures

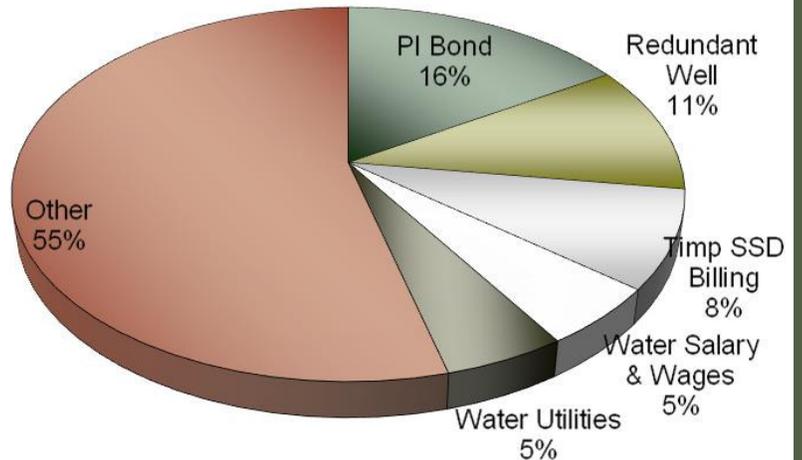
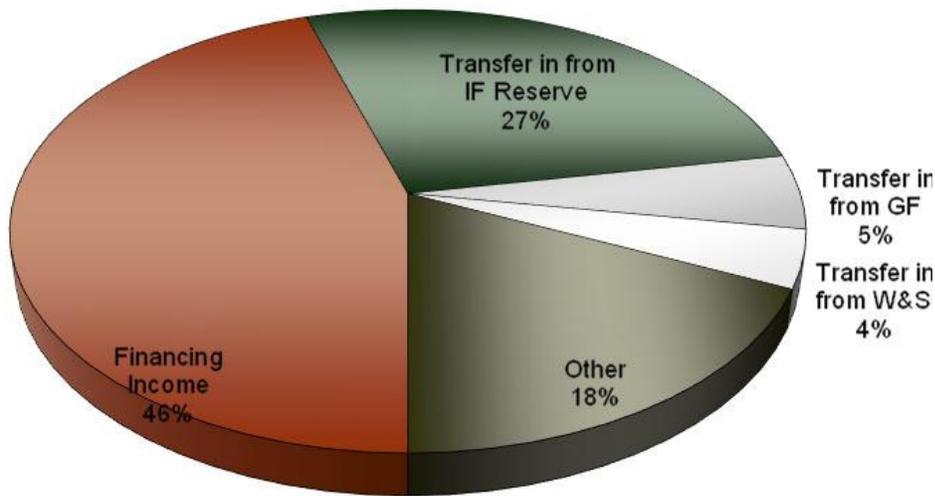


Figure O-4

Capital Projects Fund Top Revenue Sources



Capital Projects Fund Top Expenditures

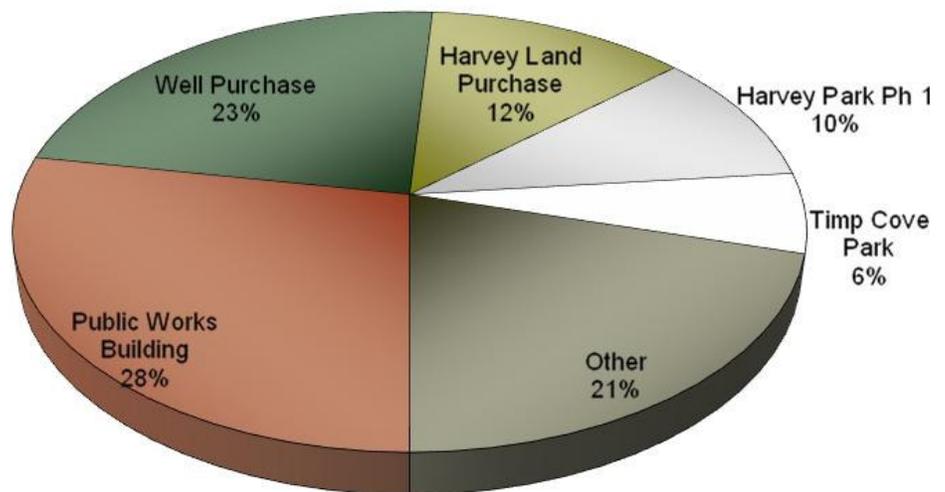


Figure O-4 Cont.

Debt Service

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

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



Bond	Rating Agency	Rating
Golf Course	S&P	A
Pressurized Irrigation	S&P, Fitch	A
Public Works Bldg.	S&P	A

	Date of Issuance	Total Amount	Balance as of 7/1/2006	Current Year Payments (Principal & Interest)	Payoff Date
General Obligation Bonds					
Golf Course	11/10/2005	\$6,250,000	\$6,250,000	\$385,791	2/01/2035
Revenue Bonds					
Public Safety Building	2/15/2000	\$790,000	\$595,000	\$71,377.50	2/15/2019
Road Bond	12/15/2000	\$390,000	\$184,000	\$52,973	6/15/2010
Pressurized Irrigation	3/16/2006	\$6,215,000	\$6,215,000	\$463,240	4/01/2031
Public Works Building	6/15/2006	\$2,325,000	\$2,325,000	\$54,206.25	01/01/2032
Totals		\$15,970,000	\$15,569,000	\$1,027,588	

Brief Explanation of Outstanding Bonds

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

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

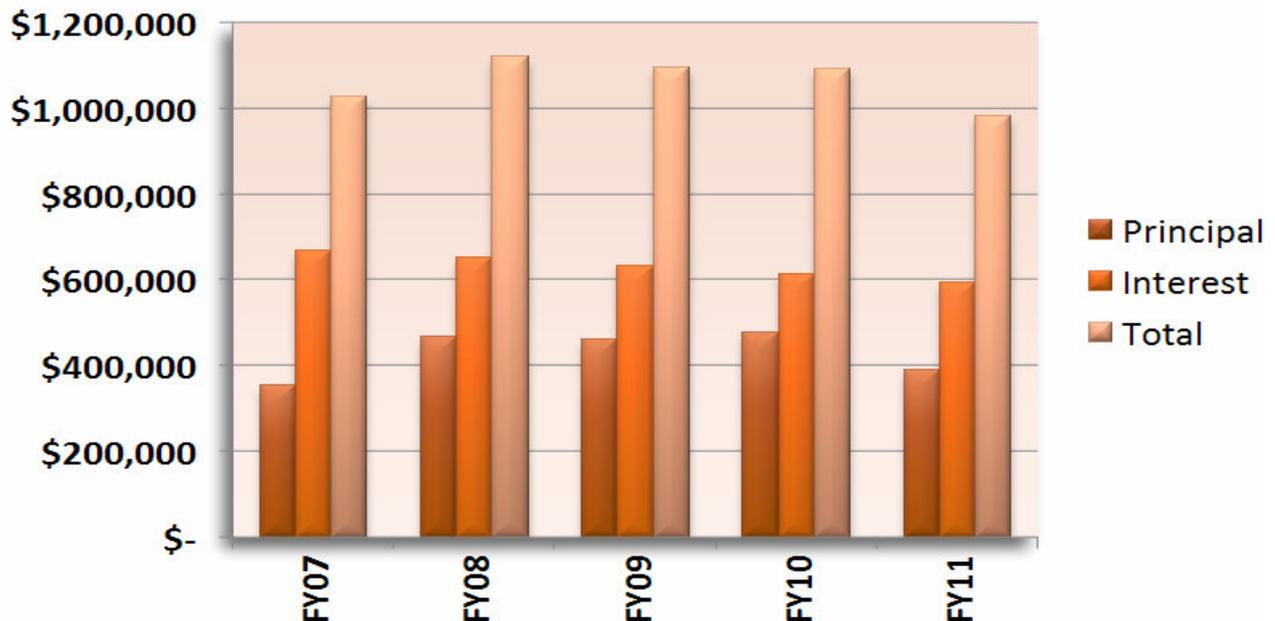
Road Bond: The bond was obtained in 2000, in the amount of \$360,000, for the widening of the west end of Cedar Hills Drive and the construction of a roundabout at 4600 West and Cedar Hills Drive. This bond is secured by Class B&C Road revenues that the City receives from the state on a bi-monthly basis.

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 true interest cost for the life of the bonds is 4.3460%. 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 a Public Works Building. This building will provide the City with adequate resources to service the residents in a timely manner. The true interest cost for the bond is 4.4296%. The bond is backed by excise tax revenue.

5-Year Summary: Below is a graphical representation of the City's debt obligation (total principal and interest) for the next five years. Annual payments range from \$984,000 to \$1,122,607.

5-Year Summary



Mayor & City Council



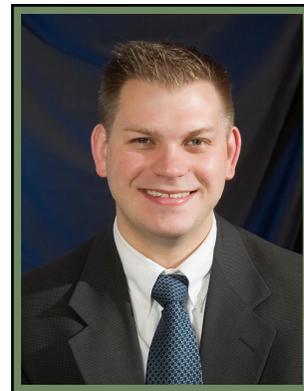
Mike McGee
Mayor



Charelle Bowman
City Council Member



Joel Wright
City Council Member



Eric Richardson
City Council Member



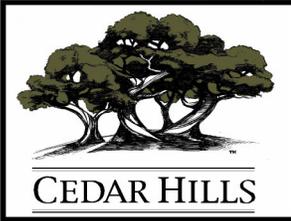
Jim Perry
City Council Member



Darin Lowder
City Council Member

BUDGET MESSAGE

Priorities, Goals & Policies



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Introduction	13
Goal Setting	13
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Priorities For Decisions	15
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This section of the budget document describes how the City Council sets goals and priorities to help guide the budget process. A summary of the financial policies that also help guide the budget process can be found at the end of this section.

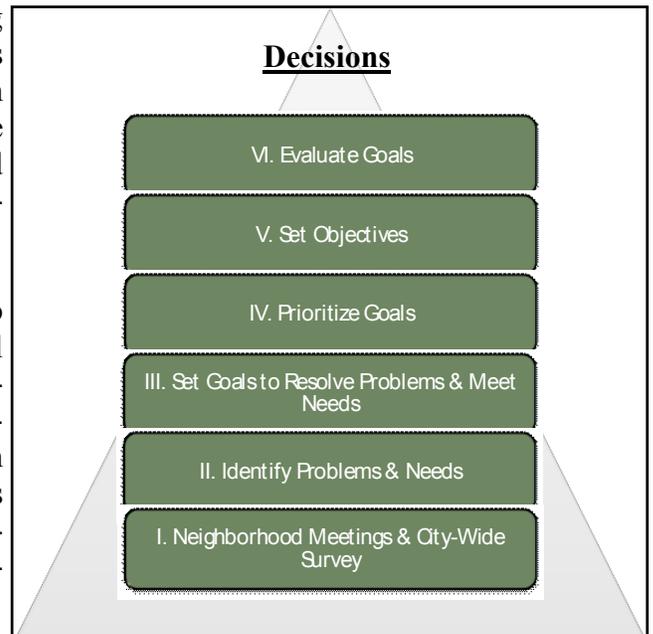
The City of Cedar Hills has adopted a process, called “Decisions”, for the purpose of creating citizen-based goals for the community. These goals or priorities are created by the citizenry and the City Council. The City Administration then develops action plans and measurable objectives for the attainment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

“Decisions” is divided into two distinct processes, the Goal Setting and Prioritization process and the Administrative Implementation process, each with their own set of distinct steps, as seen in Figure O-6, and as described in the following paragraphs:

Goal Setting and Prioritization

Step I — Neighborhood Meetings and City-wide Survey

During step 1, the community is divided into distinct neighborhood areas for the purpose of discussing issues, concerns, ideas, etc. relevant to the citizens of that neighborhood. Each neighborhood is then scheduled for a neighborhood meeting with the Mayor, a Councilmember, and a member of the City staff. These two-hour meetings are an open-forum format whereby anyone in attendance may express thoughts, concerns, and



ideas relative to the community as a whole or particular to their neighborhood. A city-wide survey is taken to remove bias and statistically find out overall resident perceptions and goals.

Step II — Identify Problems and Needs

During step 2, the City Council typically holds a two-hour work-session to identify specific problems and needs in the community, based on the input from the neighborhood meetings and survey, and to categorize them into major divisions (including Public Safety, Administrative, etc.), as seen in Figure O-7).

Step III — Setting Goals to Resolve Problems and Meet Needs

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

Step IV— Prioritizing Goals

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

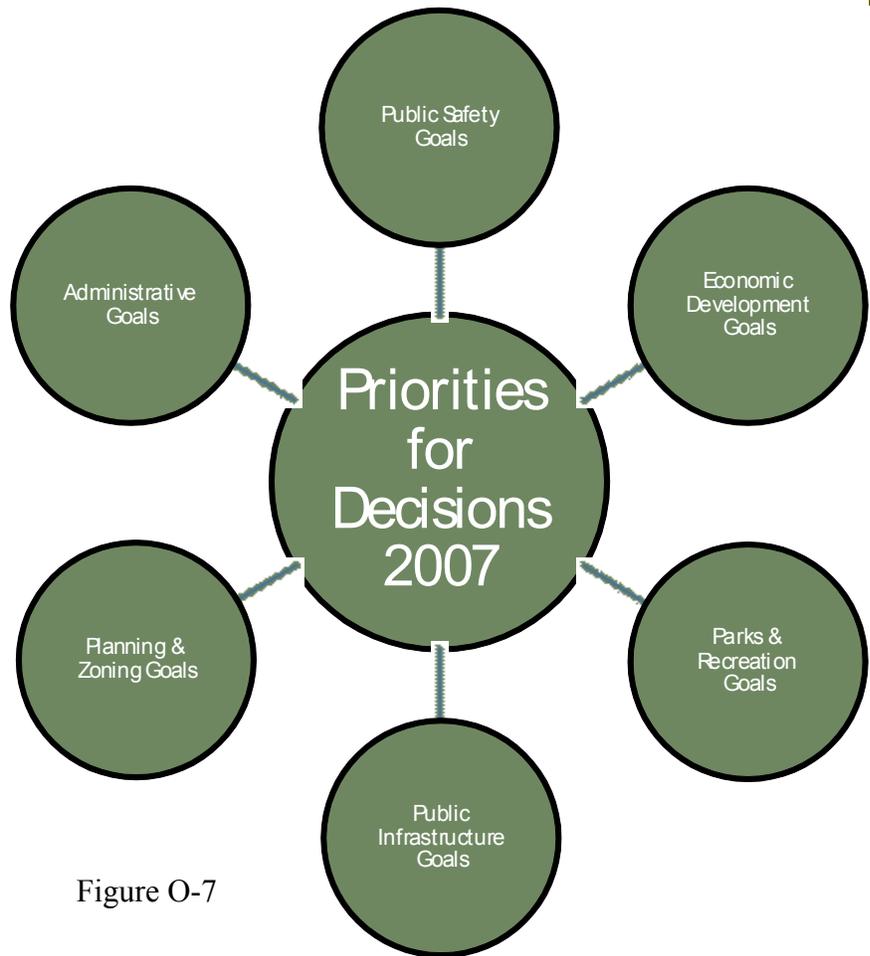


Figure O-7

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

Administrative Implementation

Step V— Set Objectives

Once the goals have been created and prioritized by the City Council, objectives are set administratively to attain each of the prioritized goals. These objectives are then broken down into specific, measurable performance indicators to be met by the appropriate City em-

ployees. 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 6 months, Administration reports to the Council on the progress of each goal, and the Council assesses how well the goals are being

realized.

Priorities for Decisions 2007

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

Public Safety

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

- Increase number of neighborhoods involved in Neighborhood Watch Program
- Increase enforcement of animal control ordinances
- Increase traffic enforcements with use of newly constructed speed tables
- Complete Public Safety Needs Analysis
- Analyze and implement appropriate traffic signage

Economic Development

“The City of Cedar Hills desires to promote and plan for economic development opportunities within the Community in order to maintain and expand current services to residents and to promote a walkable and liv-

able community for all by accomplishing the following:”

- Prepare for UTOPIA high speed Internet services
- Develop Commercial Retail Center

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:”

- Complete Pool/Recreation Center Feasibility Study
- Acquire Harvey Park Land
- Develop Canyon Heights Neighborhood Park
- Develop Ledoux and Cedar Run pocket parks
- Develop portions of Bonneville Shoreline Trail
- Develop Hayes Park
- Improve landscaping at Canyon Road Park

Public Infrastructure

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

- Implement Sidewalk Repair & Construction Program

- Design & implement appropriate pressurized irrigation pumping system for ultimate build-out
- Finalize long-term financing for pressurized irrigation pumping system
- Construct Public Works building
- Implement in-house snow-removal program
- Complete Sewer System Model
- Design and construct redundant culinary water well

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:”

- Develop Civic Center Master Plan
- Increase enforcement of zoning regulations

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
- Update All Impact Fees

Financial Goals and Policies

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

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

Financial Planning Policies

Balanced Budget: The City of Cedar Hills will adopt a balanced General Fund budget under normal circumstances by the 21st of June, pursuant to §10-6-109, Utah Code Annotated. A balanced budget means that at the end of the fis-

cal year (June 30th), general fund operating expenditures will not exceed general fund operating revenues.

Long-Range Planning: The City of Cedar Hills supports a financial planning process that assesses the long-term financial

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.

implications of current and proposed operating and capital budgets, budget policies, cash management and investment policies, programs and assumptions.

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

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 throughout the year.

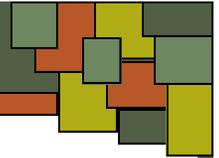
Fees and Charges: Fees and charges are based on the estimated cost of providing an associated service and are evaluated annually.

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

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

Expenditure Policies

Debt: The City continually strives for improvements in the City’s bond rating and will refrain from issuing debt for a period in excess of the expected useful life of a capital project. Total bond obligation will be limited to 12% of the prior year total assessed value for tax pur-



poses of real and personal property as determined by the most recent tax assessment, according to state law.

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

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

Investments: All unused cash is invested in a PTIF account. By so doing, the issues

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

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

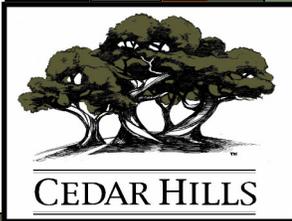
Financial Reporting: Financial reports are printed monthly and distributed to department directors, the City Manager, and Finance Director, who monitor the collection of reve-

nues and all expenditures. Financial reports are reviewed by City Council members at least on a quarterly basis.

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

BUDGET MESSAGE

Administration Department



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Mission

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

Activities

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

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

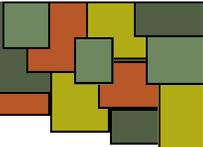
Human Resources also falls under the jurisdiction of the City Manager.

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

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

We feel a responsibility for recruiting, well-trained employees to deliver high-level services to Cedar Hills residents.

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



Council, and provision of public information.

Goals

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

- Serve and advise the Mayor and City Council, prepare analyses and assorted reports for Council consideration, and prepare the annual proposed budget.
- Enforce municipal laws and ordinances.
- Act as Human Resource Director by appointing department directors and hiring qualified, well-trained employees to deliver high-level services to Cedar Hills residents.

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

Objectives

1. Complete large city projects such as: Sidewalk Construction and Maintenance Program, development of Canyon Road Crossing Park, development and RFP Well Construction, commercial development, Public Works Building.
2. Complete Analysis of Aquatics/Recreation/Library, design, development, and RFQ for Canyon Heights Park, RFP process for the Bonneville Trail.
3. Begin Human Resources

improvements such as update city personnel manual, review and update job descriptions, organize personnel files, train and set goals with Department Heads.

Performance Indicators

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

This budget year, the performance indicators were reworked and will serve as baseline data for future comparison.

		FY 06 Estimate
Output	# of executive staff meetings held	24/24
	# of LPPSD meetings attended	12
	# of grants written	3
	# of trainings held	12
	# of City Council meetings attended	95%
Efficiency	% of monthly management reports distributed by the 15th	1
	% of employees receiving their annual performance evaluation	100%

Figure O-8

BUDGET MESSAGE

Finance Department



Contents :

Mission	20
Activities	20
Goals	20
Objectives	21
Performance Indicators	21

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.

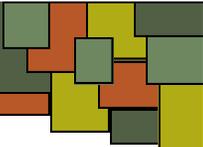
The Finance Department is respon-

sible 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, or at the City offices.

Goals

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

- To produce various significant financial documents which assist the Mayor and City Council with the decision making process.
- To ensure that the budget, utility billing, accounts payable and receivable, payroll, and debt management responsibilities are completed in a timely, accurate manner.
- To create useful documents which



demonstrate public accountability for the honest and efficient use of public funds—such as the budget document.

- To keep financial information updated through the webpage, training, and audits.

Hills Budget Document and make it accessible to residents.

4. Increase documentation of job duties, financial policies, and department training.
5. Increase resident participation in Online Bill Pay.
6. Increase resident participation in ACH.

whether the department has accomplished the objectives and goals listed above.

Objectives

1. Create a CAFR for the FY 2006 budget.
2. Create an online PAFR for the FY 2006 budget.
3. Create the City of Cedar

Performance Indicators

The performance indicators listed (Figure O-9) are set up to help Administration determine

		FY 06 Estimate
Output	# of hours of analysis performed at City Council request per annum	160
	# of hours of analysis performed at management request per month	10
	# of departmental trainings completed month	35
Efficiency	% of year spent on budget approval	58%
	% of General and W&S Fund budgets used to support Finance Department	4%
	# of repeated analyses for City Council	3
	Avg. annual % of past due utility billing receivables greater than 60 days outstanding	34%
	development related receivables greater than 150 days outstanding	86%
Effectiveness	# of copies of citizen's budget distributed to residents	250
	% of cash received through online bill pay	15%
	% of cash received through ACH	10%
	# of scores of 3 or higher on GFOA budget award program	87/93

Figure O-9

BUDGET MESSAGE



CEDAR HILLS

Public Works



Contents :

Mission	22
Activities	22
Goals	23
Objectives	23
Performance Indicators	23

Mission

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

Activities

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

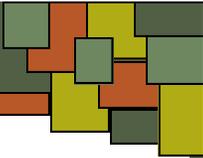
The Public Works Department labors to install, maintain, and repair the City water supply, water transmission, and water distribution systems; it also monitors pump stations, water tanks, and telemeter equipment.

Reports are completed on a daily,

monthly, and yearly basis for a sanitary survey, and for culinary water, pressurized irrigation, and storm water inspection and testing.

Currently, the City owns and operates a water utility system, serving around 1,500 residential connections. This water is provided through City wells and connections with American Fork's water system. Cedar Hills has recently 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. The Public Works Department had a big hand in the recently completed East Harvey Boulevard connection to Canyon Road, creating a second East/West corridor through the City in addition to Cedar Hills Drive.

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 telemeter 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 sumps.

Objectives

1. Design master plans for sign maintenance.
2. Implement sidewalk and street maintenance and storm water management programs.
3. Construct City entry statements and an improved map inventory process.

Performance Indicators

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

	Performance Indicator	FY 06 Estimate
Output	# of meter re-reads	200
	# of water inspections	200
	# of sewer inspections	200
Efficiency	Avg. time to respond to sewer inspection request	2 days
	Avg. time to respond to water inspection request	2 days
	Avg. time to respond to meter re-reads	1 day
	# of repeat broken lines	0
	% of at-fault meter re-reads	2%
Effectiveness	% of roads repair completed per IWORQ schedule	100%
	% of sidewalks repair completed per IWORQ schedule	100%
	% of maps that are updated	100%
	% of meters read electronically	100%
	% of CIP completed on time	90%

Figure O-10

BUDGET MESSAGE



CEDAR HILLS

Community Services



Contents :

Mission	24
Activities	24
Goals	24
Objectives	24
Performance Indicators	25

Mission

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

Activities

The Administration Department recently hired a new community services director to oversee all city services and the Family Festival. In peak preparation periods before the Family Festival extra help is hired to assist in planning and implementation of the festival.

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

The community services director oversees department budget and policies, assure budget compliance, and oversee expenditures. It is the responsibility of the Community Services Department to plan and organize spe-

cial events, especially the Family Festival, as well as summer programs and youth sports. The department continually evaluates its services and develops programs to meet changing community needs and interests.

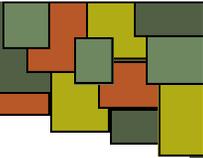
Goals

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

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

Objectives

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



10th Annual
Family Festival



CEDAR HILLS

2006

Performance Indicators

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

	Performance Indicator	FY 06 Estimate
Output	# of executive staff meetings attended	22
	# of trainings/CURPA/URPA meetings attended	12
	# of YCC meetings held	22
	# of leagues put together	4
Efficiency	% of year spent on budget approval	5%
	% saved from 2006 Family Festival	10%

Figure O-13

BUDGET MESSAGE



Building & Zoning



Contents :

Mission	26
Activities	26
Goals	27
Objectives	27
Performance Indicators	27

Mission

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

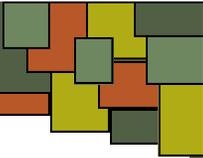
Activities

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

to code. On-site inspections include footings, foundations, walls, underground plumbing, stucco lath, framing, rough electrical, rough heating, rough plumbing, shear nailing, insulation, drywall, and a final occupancy inspection. A written report is created and filed for each inspection.

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

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



violation is tracked, and the proper recourse is pursued.

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

The following goals reflect the needs and priorities of the Building Department:

- Check all building plans for compliance to IBC, IRC, IPC, IMC, IECC, NEC, IFGC, and IFC codes.
- Assist the building process

by checking zoning, calculating permit costs, and performing on-site inspections.

- Finalize building construction inspections on home additions, basement finishes, accessory buildings (shops, sheds, etc.), pools, and pergolas.
- Enforce zoning nuisance violations including property usage, shed location, fencing, and animal rights issues.
- Inspect footings, foundations, walls, underground plumbing, stucco lath, framing, rough electrical, rough heating, rough plumbing, shear nailing, insulation, dry-wall, and final occupancy.

Objectives

1. Complete plan reviews.
2. Revamp the Weed Abate-

ment Program.

3. Increase code enforcement.

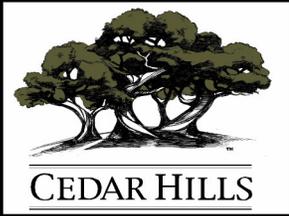
Performance Indicators

The performance indicators listed in Figure O-11 are set up to help Administration determine whether the department has accomplished the objectives and goals listed above.

		FY 06 Estimate
Output	# of inspections completed	215
	# of building permits processed	215
	# of building plans approved	215
	# of code violations detected	780
Efficiency	Avg. # of days to complete inspections from request date	3
	# of days to complete weed abatement	15
Effectiveness	# of household floods, fires, etc. due to improper inspections	0

Figure O-11

BUDGET MESSAGE



Recorders Department



Contents :

Mission	28
Activities	28
Goals	28
Objectives	29
Performance Indicators	29

Mission

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

Activities

The City Recorder Department is responsible for the management and maintenance of all City records, the preparation and execution of City Elections, the issuance of business licenses, the administration of land planning and development issues, the processing of annexations and boundary adjustments, the formal dissemination of information to the public, and the oversight of general administrative functions of the City office.

The City Recorder Department is responsible for the care, maintenance, designation, classification, disposal, and preservation of all City records, including, but not limited to contracts, minutes, ordinances, and resolutions. The Department is responsible for codification of City Code and for keeping record of all official meetings

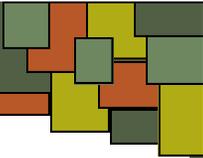
for the City Council, Planning Commission, Board of Adjustment, Site Plan Review Committee, Parks and Trails Committee, Golf Course Advisory Committee, and Municipal Building Authority. Additional duties include the preparation of information and agenda packets and attendance at meetings, recruitment to boards and commissions, attesting documents, administering oaths, and fleet/vehicle management.

Tasks related to the formal dissemination of public information include the compilation and maintenance of City records and history, the City web page, the monthly newsletter, and public notification in accordance with State Code requirements.

Regarding general administrative tasks, the City Recorder Department is responsible for front desk operations, assisting the general public, the organization of monthly staff training, and census management.

Goals

The following goals reflect the



current priorities and needs of the City Recorder Department:

- To educate elected Council members, City employees, and the community through elections, trainings, and recorded information postings.
- To manage records through the creation, maintenance, and destruction processes.
- To provide compliance with state law providing organized history of decisions and city agreements for public, private, and pro-

tected entities.

Objectives

1. Train a new City Council.
2. Offer an organized process for the City elections.
3. Organize monthly staff activities.
4. Cleanup information and files on department computers.
5. Organize all City agreements.
6. Codification of City ordinances, Council meeting procedure policy.

Performance Indicators

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

	Performance Indicator	FY 06 Estimate
Output	# of business licenses processed	200
	# of hours of training provided	4.5
	# of meetings where minutes were	48/48
	# of grants written	1
Efficiency	Avg. # of days required to transcribe City Council minutes	3
	Avg. # of days to have ordinance to codification company	5
	Avg. # of days to update code books	7
	Avg. # of days to have cash receipts prepared for deposit	2
Effectiveness	% of archives (through June 1, 2005) maintained	100%
	% of agreement history completed (1977-1990)	100%
	# of times reached 100% of voters through newsletter regarding General Election	4

Figure O-12

Organizational Chart

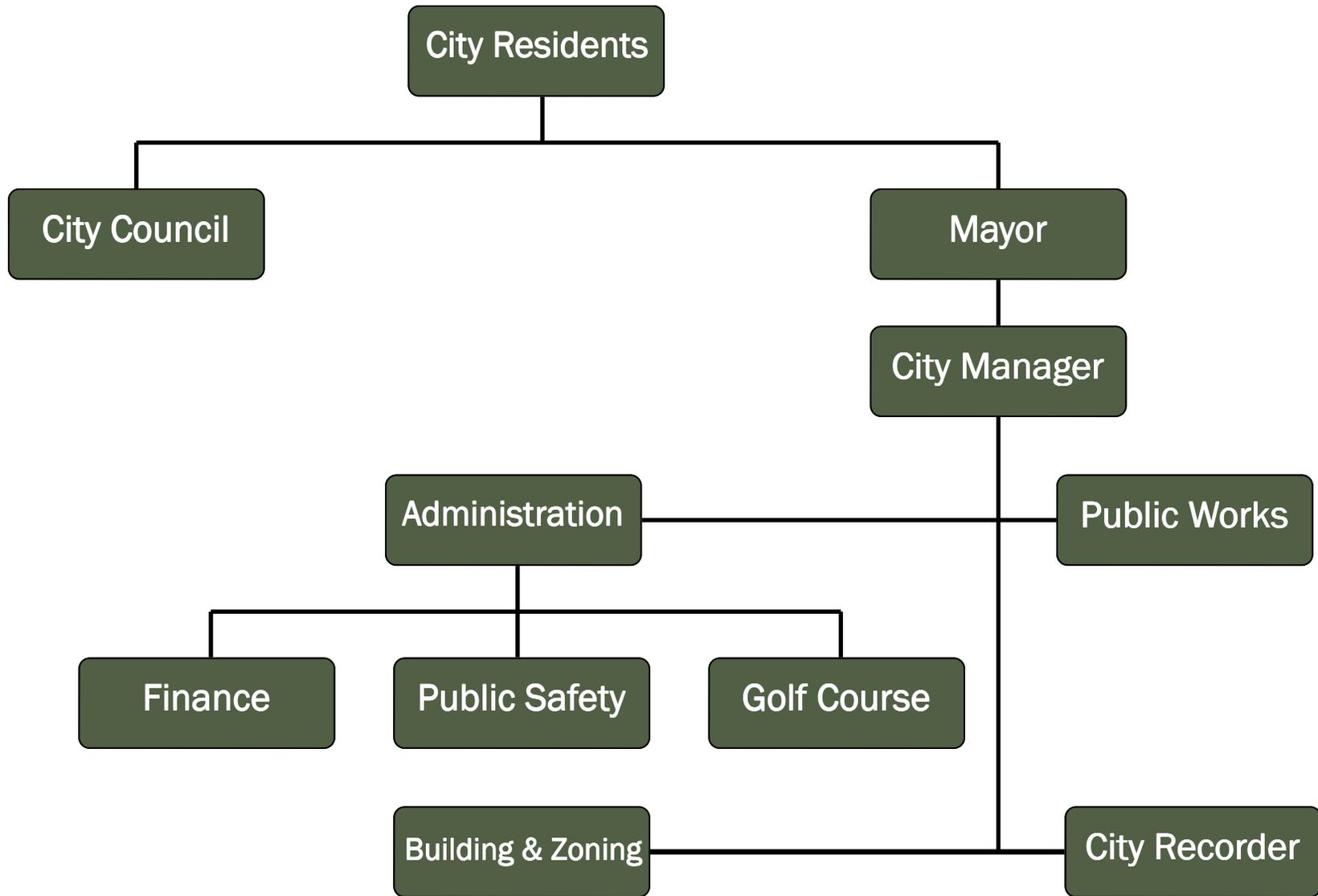
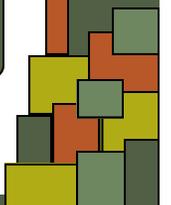


Figure O-14



Funds/Department Relationship

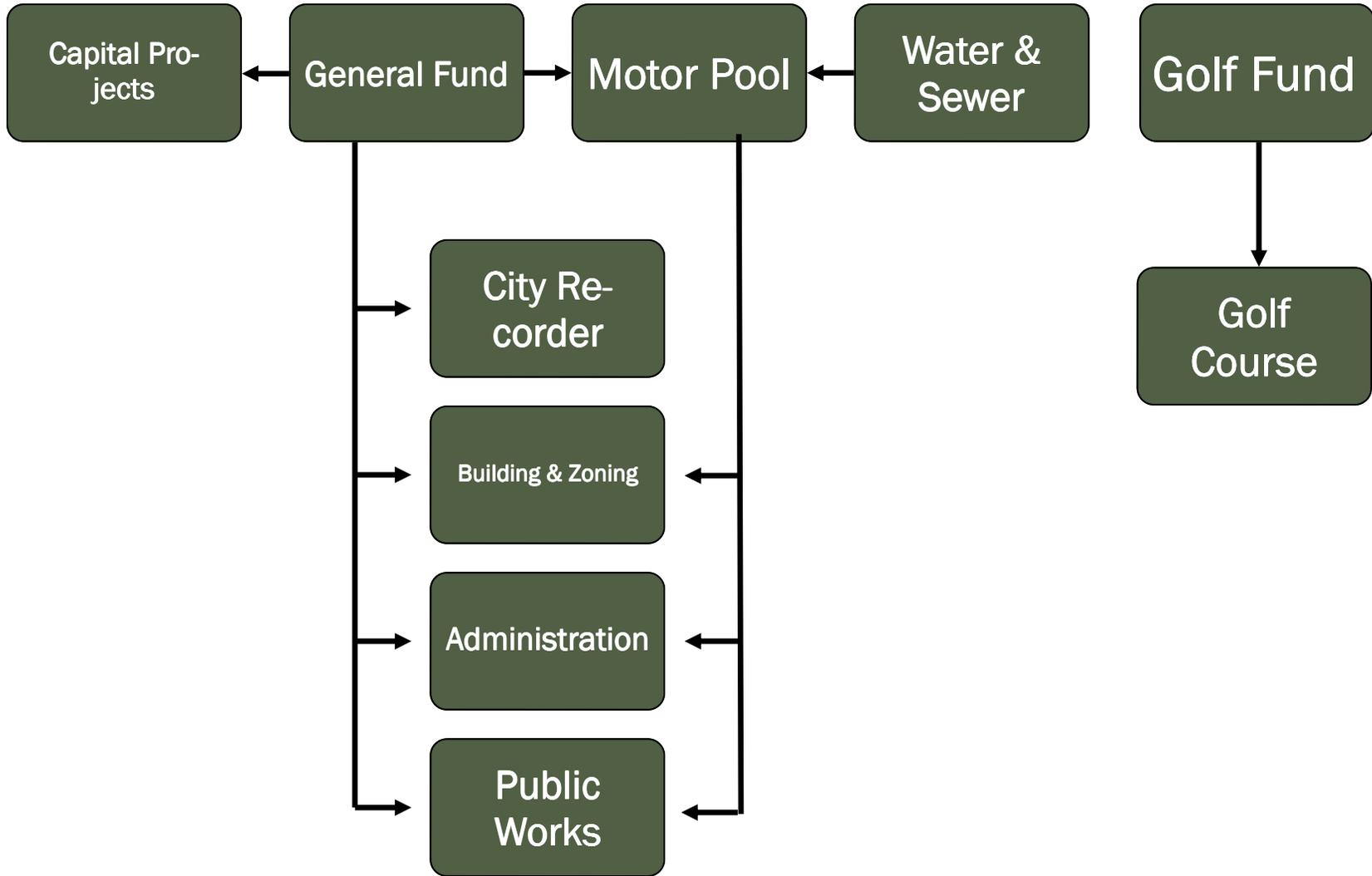
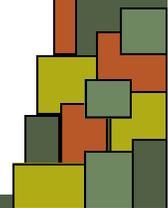


Figure O-15



City of Cedar Hills

Fiscal Year 2007 Budget Summary

Fund	FY 2005 Actual	FY 2006 Estimate	FY 2007 Budget
General Fund	\$2,278,027	\$2,555,491	\$3,234,103
Water & Sewer Fund	\$2,305,968	\$2,214,898	\$2,887,229
Capital Projects Fund	\$1,187,900	\$736,857	\$7,312,571
Motor Pool Fund	\$82,225	\$212,134	\$227,721
Golf Fund	\$1,319,172	\$735,239	\$1,179,306
Totals :	\$7,173,292	\$6,454,619	\$14,840,930

Figure BH-1

Summary of Funds

The table in Figure BH-1 details the Fiscal Year 2007 Budget for the City of Cedar Hills. The total adopted budget reflects an increase of roughly \$8.38 million from the prior year's estimated figure. Notable additions incorporated in this budget include:

General Fund:

- \$33,000 in the Community Services Department for a full time director position.
- \$87,500 in added street improvement expenses
- An increase of \$99,887 for police and fire services
- \$95,000 for a snow removal truck

Water & Sewer Fund

- An increase of \$33,061 in utilities expenses
- \$51,000 for storm drain expenses
- \$18,126 in sewer construction projects

Capital Projects Fund:

- \$2,035,600 for the new Public Works building
- \$1.7 million for a redundant well
- \$430K for the Timpanogous Cove Park
- \$300K for the Bonneville Shoreline Trail land purchase

The Consolidated Summary of Funds (Figure BH-2) gives a more in-depth portrayal of City funds as projected for the fiscal year 2007. 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 told by the Consolidated Summary of Funds and as required by state law, the Fiscal Year 2007 General Fund and Capital Projects budget is balanced.

Budget Preparation

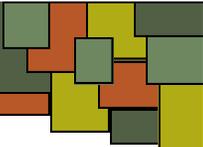
Preparation for the Fiscal Year Budget 2007 was, as always, an intricate and complex process. This process, though, affords both an interesting and challenging opportunity to reassess our plans and over-riding goals and evaluate our means for achieving them. It's through this effort, then, that the budget becomes the single most important policy document produced each year.

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

Consolidated Summary of Funds

Revenues	FY 2005 Actual	FY 2006 Estimate	FY 2007 Budget	Expenditures	FY 2005 Actual	FY 2006 Estimate	FY 2007 Budget
General Fund							
Taxes	\$1,053,292	\$1,325,915	\$1,572,103	Public Safety	\$366,317	\$415,023	\$517,737
Licenses/Permits	\$546,160	\$516,054	\$552,000	Public Works	\$217,717	\$215,942	\$294,578
Fees	\$603,948	\$584,623	\$661,000	Solid Waste	\$239,388	\$270,816	\$277,500
Intergovernmental	\$150,057	\$196,620	\$215,500	Administrative Svcs	\$176,056	\$193,992	\$283,210
Other Sources	\$163,391	\$171,694	\$233,500	Transfers/Other	\$1,278,549	\$1,459,718	\$1,861,078
	\$2,516,848	\$2,794,906	\$3,234,103		\$2,278,027	\$2,555,491	\$3,234,103
Water & Sewer Fund							
Water	\$1,096,497	\$1,252,063	\$1,319,050	Water	\$807,464	\$1,303,036	\$799,499
Sewer	\$1,161,459	\$1,017,683	\$1,074,700	Sewer	\$942,698	\$838,654	\$1,080,838
Storm Drain	\$56,627	\$79,801	\$77,000	Storm Drain	\$478,568	\$14,000	\$56,000
Miscellaneous	\$208,598	\$235,969	\$416,479	Other	\$77,238	\$59,208	\$950,892
	\$2,523,181	\$2,585,516	\$2,887,229		\$2,305,968	\$2,214,898	\$2,887,229
Capital Projects Fund							
Transfers	\$159,719	\$332,883	\$3,090,398	Park Projects	\$752,319	\$230,703	\$2,817,000
Impact Fees	\$1,427,775	\$950,116	\$952,000	Capital Facilities	\$0	\$176,580	\$2,035,600
Financing Income	\$0	\$0	\$3,435,600	Street Projects	\$0	\$203,204	\$87,500
Interest Income	\$101,247	\$192,770	\$134,573	Bond Payment	\$35,000	\$62,674	\$127,500
	\$1,688,741	\$1,475,769	\$7,612,571	Transfers/Other	\$400,581	\$63,696	\$2,244,971
					\$1,187,900	\$736,857	\$7,312,571
Motor Pool Fund							
Transfer from GF	\$32,313	\$157,059	\$172,229	Gas/Oil/Maintenance	\$18,104	\$22,732	\$24,400
Transfer from W&S	\$56,988	\$57,692	\$55,492	Insurance	\$5,368	\$5,810	\$6,321
	\$89,301	\$214,751	\$227,721	Capital Outlay	\$52,303	\$169,175	\$189,000
				Lease	\$6,450	\$14,417	\$8,000
					\$82,225	\$212,134	\$227,721
Golf Fund							
Green Fees/Passes	\$548,567	\$511,286	\$529,100	Lease/Loan Payment	\$517,698	\$194,594	\$582,281
Tournaments	\$27,216	\$28,817	\$35,000	Payroll	\$261,253	\$311,481	\$313,607
Concession/Pro Shop	\$101,194	\$53,414	\$53,000	Maintenance	\$177,504	\$104,248	\$121,938
Range	\$20,787	\$24,419	\$22,700	Other/Misc	\$115,874	\$124,916	\$161,480
Other Sources	\$12,999	\$28,176	\$411,191		\$1,072,329	\$735,239	\$1,179,306
	\$710,763	\$646,112	\$1,050,991				

Figure BH-2



Accounting Basis

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

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

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

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

Budget Adoption

The City budget process begins with departments. Each department prepares and sub-

mits a proposed department budget to the City Manager. These budgets consist of all the operational expenditures, which the department expects to incur during the ensuing budget year.

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

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

Budget Amendments

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

At the request of the City Manager, the City Council may

approve the transfer of funds from one department in a fund to another department in that same fund.

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

FY 2007 BUDGET TIMELINE

Task	Date to Be Completed
General Fund Revenues Estimates	Jan 21
Capital Project Revenue Estimates	Jan 21
Water & Sewer Fund Revenue Estimates	Jan 21
General Fund Expenditures	March 4
Capital Project Expenditures	March 4
Water & Sewer Fund Expenditures	March 4
Motor Pool Fund Expenditures	March 4
Golf Course Revenues & Expenditures	March 11
Vehicle Replacement Plan	March 11
Computer Replacement Plan	March 11
Compensation & Benefits Manual	March 18
Cash Flow Analysis	March 26
Capital Improvement Plan	March 29
Impact Fee Analysis	April 1
Health Insurance Numbers	April 1
Preliminary Budget Done	April 5
Surplus Vehicles	May 1
Supplemental Budget Information	June 30
Have Final Budget Submitted to GFOA & State	Aug 1

Figure BH-3

Fund Balance/Net Assets Tables

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

In the proprietary funds, Water & Sewer and Golf, Net Assets reflect the accumulated balance. Net Assets include assets purchased by or donated to the proprietary funds less accumulated depreciation.

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

General Fund

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Budget
Beginning Fund Balance	\$390,364	\$324,025	\$566,393	\$800,098
Revenues				
Taxes	\$965,359	\$1,053,292	\$1,325,915	\$1,572,103
Licenses/Permits	\$521,704	\$546,160	\$516,054	\$552,000
Impact Fees				
Intergovernmental	\$180,011	\$197,671	\$196,620	\$215,500
Charges for Services	\$507,031	\$603,948	\$589,910	\$666,100
Other Fees and Services	\$19,165	\$34,371	\$31,178	\$26,000
Miscellaneous	\$49,470	\$34,143	\$78,157	\$67,400
Developer Contributions				
Interest Income	\$19,006	\$31,308	\$50,362	\$42,000
Total Revenues	\$2,261,746	\$2,500,893	\$2,788,196	\$3,141,103
Transfers In	\$34,250	\$15,955	\$0	\$93,000
Total Revenues/Other Sources	\$2,295,996	\$2,516,848	\$2,788,196	\$3,234,103
Total Resources	\$2,686,360	\$2,840,873	\$3,354,589	\$4,034,201
Expenditures				
General Government	\$1,062,777	\$1,176,336	\$1,223,461	\$1,607,739
Streets	\$148,188	\$236,503	\$235,056	\$240,300
Public Safety	\$235,382	\$366,317	\$415,023	\$517,737
Parks and Recreation	\$166,901	\$174,782	\$137,332	\$227,100
Debt Service	\$53,120	\$52,555	\$53,777	\$53,000
Total Expenditures	\$1,666,368	\$2,006,493	\$2,064,649	\$2,645,876
Transfers Out	\$695,967	\$267,987	\$489,842	\$588,227
Total Expend./Other Uses	\$2,362,335	\$2,274,480	\$2,554,491	\$3,234,103
Ending Fund Balance	\$324,025	\$566,393	\$800,098	\$800,098
Total Applications	\$2,686,360	\$2,840,873	\$3,354,589	\$4,034,201

Fund Balance Table

Capital Projects

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Budget
Beginning Fund Balance	\$4,478,332	\$4,206,381	\$5,006,975	\$5,634,798
Revenues				
Impact Fees	\$1,422,788	\$1,427,775	\$950,116	\$952,000
Intergovernmental Developer Contributions		\$62,632		\$300,000
Interest Income	\$56,304	\$101,247	\$192,770	\$134,573
Total Revenues	\$1,479,092	\$1,591,654	\$1,142,886	\$1,386,573
Proceeds of Long Term Debt				\$3,435,600
Transfers In	\$695,967	\$159,719	\$332,883	\$735,998
Total Revenues/Other Sources	\$2,175,059	\$1,751,373	\$1,475,769	\$5,558,171
Total Resources	\$6,653,391	\$5,957,754	\$6,482,744	\$11,192,969
Expenditures				
General Government	\$27,148		\$63,696	\$115,000
Streets	\$395,037	\$131,994	\$203,204	\$87,500
Parks and Recreation	\$495,716	\$753,584	\$230,703	\$2,817,000
Capital Outlay			\$267,896	\$3,761,150
Debt Service	\$73,479	\$65,201	\$82,447	\$127,500
Total Expenditures	\$991,380	\$950,779	\$847,946	\$6,908,150
Transfers Out	\$1,455,630			
Total Expend./Other Uses	\$2,447,010	\$950,779	\$847,946	\$6,908,150
Ending Fund Balance	\$4,206,381	\$5,006,975	\$5,634,798	\$4,284,819
Total Applications	\$6,653,391	\$5,957,754	\$6,482,744	\$11,192,969

Fund Balance Table

Water & Sewer

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Budget
Net Assets Beginning of Year	\$16,599,495	\$16,856,890	\$17,322,394	\$17,758,145
Revenues				
Charges for Services	\$1,055,639	\$1,353,378	\$1,592,904	\$1,735,000
Interest Income	\$5,847	\$14,452	\$38,373	\$24,000
Total Revenues	\$1,061,486	\$1,367,830	\$1,631,277	\$1,759,000
Capital Contributions	\$459,542	\$520,472	\$489,946	\$658,229
Total Revenues/Other Sources	\$1,521,028	\$1,888,302	\$2,121,223	\$2,417,229
Total Resources	\$18,120,523	\$18,745,192	\$19,443,617	\$20,175,374
Expenditures				
Salaries, Wages, & Benefits	\$240,334	\$287,780	\$311,150	\$376,000
Supplies and Materials	\$160,450	\$149,426	\$277,417	\$438,000
Professional & Technical	\$9,700	\$34,591	\$5,248	\$6,000
Depreciation & Amortization	\$451,857	\$470,674	\$501,520	\$540,000
Other	\$205,443	\$198,635	\$267,285	\$649,497
Interest Expense	\$138,640	\$224,704	\$265,160	\$253,240
Total Expenditures	\$1,206,424	\$1,365,810	\$1,627,780	\$2,262,737
Transfers Out	\$57,209	\$ 56,988	\$57,692	\$154,492
Total Expend./Other Uses	\$1,263,633	\$1,422,798	\$1,685,472	\$2,417,229
Ending Fund Balance	\$16,856,890	\$17,322,394	\$17,758,145	\$17,758,145
Total Applications	\$18,120,523	\$18,745,192	\$19,443,617	\$20,175,374

Fund Balance Table

Golf

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Budget
Net Assets Beginning of Year	\$0	\$4,849,314	\$4,316,582	\$3,995,899
Revenues				
Charges for Services	\$582,906	\$710,763	\$639,623	\$665,200
Interest Income	\$19,300	\$15,998	\$6,489	
Total Revenues	\$602,206	\$726,761	\$646,112	\$665,200
Capital Contributions	\$5,373,155			
Transfer In		\$60,000		
Total Revenues/Other Sources	\$5,975,361	\$786,761	\$646,112	\$665,200
Total Resources	\$5,975,361	\$5,636,075	\$4,962,694	\$4,661,099
Expenditures				
Salaries, Wages, & Benefits	\$288,031	\$261,284	\$181,265	\$185,664
Supplies and Materials	\$250,746	\$398,729	\$259,380	\$370,000
Professional & Technical				
Depreciation & Amortization	\$210,442	\$236,843	\$238,000	\$238,000
Other	\$65,127	\$73,741	\$64,150	\$64,689
Interest Expense	\$311,701	\$348,896	\$224,000	\$320,953
Total Expenditures	\$1,126,047	\$1,319,493	\$966,795	\$1,179,306
Ending Fund Balance	\$4,849,314	\$4,316,582	\$3,995,899	\$3,481,793
Total Applications	\$5,975,361	\$5,636,075	\$4,962,694	\$4,661,099

General Fund Summary

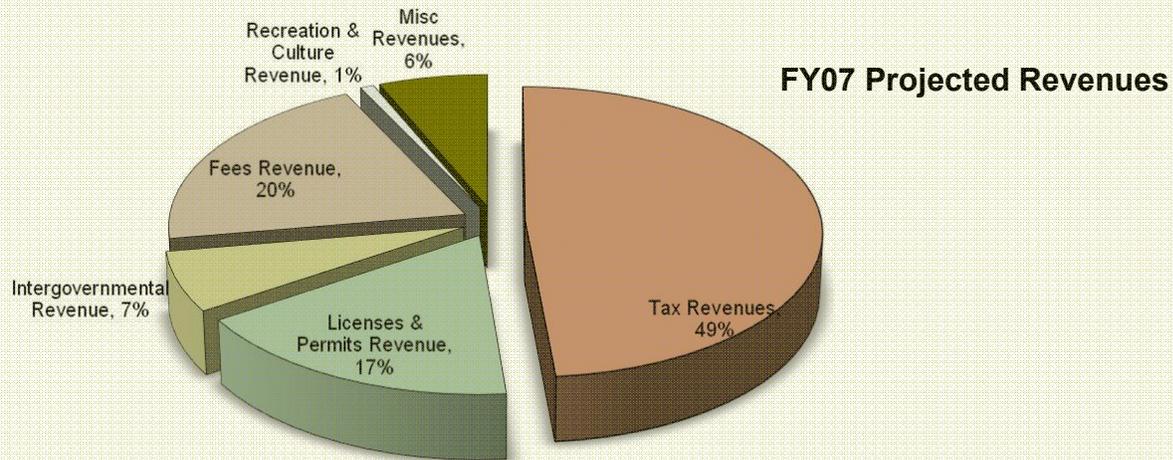


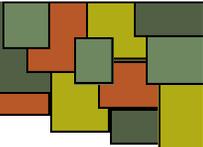
Figure GF-1

The general operating revenues and expenses of the City are accounted for in the General Fund. These “operating” activities include all those that are generally associated with governmental activity and are not required to be accounted for in another fund (such as an enterprise fund). Many administra-

tive activities, public safety expenditures, recreation, etc., fall under the General Fund umbrella. Also, many of the more general government activities (such as purchasing a stapler or paying the electric bill) that are specific to a department (such as the City Recorder Dept. or even the Public Works Dept.)

take place in the General Fund. Each of those departments’ activities are described in more detail in the Budget Message.

General Fund revenues are organized into various categories. Tax Revenue, Licenses and Permits, Intergovernmental Revenues, Fees, Recreation



Revenue, and Miscellaneous Revenues are the six functional revenue groups in the General Fund. As can be seen in Figure GF-1, taxes make up the greatest portion of the expected revenues during this fiscal year. Most of these revenues are forecasted to grow at the same rate that the population is projected to grow (10%).

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 16% of the Cedar Hills operating budget. Other large expenditure groups include Solid Waste Services, Public Works (general expenses), and Streets. The category labeled "Transfers" exists

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

The General Fund has increased 26.6%, more accurately reflecting the population growth of the City.

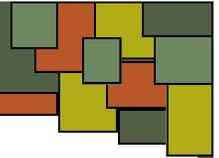
The General Fund Fiscal Year 2007 Budget totals just over \$3.2 million and shows a net increase of \$679,650 or 26.6% from the Fiscal Year 2006 Budget of \$2.55 million. Although the budget has increased, the ongoing expenditures have not increase nearly as much. Many of the expenditures are one time purchases or

transfers. The City budgets its expenditures in the long term based on projected income from recurring revenue sources, and diminishing growth related revenue streams. As the growth related revenues decrease so will the one time expenditures. Furthermore, when looked at over a five year span, the General Fund has increased 26.6%, more accurately reflecting the population growth of the City. Figure GF-2 below demonstrates operating expenditures per resident have also remained in check. Budget projections for FY07 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 unnece-

Figure GF-2 **Operating Expenditures per Resident**





essary or excess spending while continuing to provide the highest level of service funding and resources allowed. Significant and/or noteworthy revenue and expenditure items include the following:

Revenues

Building Permits: The amount of new growth in Cedar Hills during FY06 was very close to the forecasted amount of 12%. We expect the city to grow at a 10% pace this year, that growth is at a rate that is 9% less than the prior year. Hence, we expect Building Permits (as well as related fees such as Plan Check Fees) to decrease this year from the prior year. FY07 will be the first year in recent history that Property Tax will replace Building Permit Revenue as the highest single revenue stream.

Recreation Programs: This revenue item (and accompanying expenditure item) will reach a higher level than the FY06 budget due to the City again funding the Community Services Director (cut in FY06).

Expenditures

Full Time Administrative Wages: Cedar Hills has budgeted for a full-time Assistant to

the City Manager-Planning and GIS. The planner will replace a third party planner, and increase the availability and detail needed. The new position significantly increases this line item.

Professional/Technical: The year 2007 marks the City's 30th year. The budget sets aside money for activities that celebrate this milestone.

Legal Services: Pending legal matters continue to demand more dollars.

Document Imaging: Currently most records are paper documents in the basement. Capturing the electronic image of records will insure their security and improve accessibility.

Library Expense: The City will bring back the practice of reimbursing a portion of residents library cost. This helps compensate for the lack of library services within the city.

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

2007 Fiscal Year Revenue Estimates

Revenue Type	FY05 Actual	FY06 Estimate	FY07 Budget
Tax Revenues			
Property Tax	\$363,255	\$412,227	\$558,903
Motor Vehicle	\$53,447	\$65,949	\$70,000
Delinquent Taxes	\$47,227	\$48,783	\$60,000
Penalty & Interest	\$936	\$3,128	\$3,200
Sales & Use Tax	\$317,747	\$518,712	\$570,000
Franchise Tax	\$270,680	\$225,649	\$255,000
Telecom Tax	\$0	\$51,467	\$55,000
	\$1,053,292	\$1,325,915	\$1,572,103
Licenses & Permits Revenue			
Business License	\$9,360	\$12,922	\$12,000
Building Permits	\$527,828	\$478,567	\$525,000
Misc Licenses & Permits	\$8,972	\$24,565	\$15,000
	\$546,160	\$516,054	\$552,000
Intergovernmental Revenue			
LPPSD Rent		\$8,500	\$8,500
Class C Roads Fund	\$150,057	\$185,788	\$205,000
State Liquor Tax Allotment	\$0	\$2,332	\$2,000
	\$150,057	\$196,620	\$215,500
Fees Revenue			
Engineer Inspection Fees	\$75,849	\$52,054	\$54,000
Garbage Fees	\$249,020	\$283,117	\$320,000
Recycling	\$0	\$0	\$30,000
Service Fees in Lieu of Taxes	\$0	\$2,714	\$18,000
Penalty Fees	\$19,070	\$4,147	\$7,000
Inspection Refees	\$0	\$16,245	\$6,500
Application & Processing Fees	\$8,980	\$3,276	\$500
Plan Check Fees	\$251,029	\$223,070	\$225,000
	\$603,948	\$584,623	\$661,000
Recreation & Culture Revenue			
Festival Income	\$17,140	\$25,206	\$16,000
Recreation Programs	\$17,231	\$5,972	\$10,000
	\$34,371	\$31,178	\$26,000
Misc Revenues			
Interest Income	\$31,308	\$50,363	\$42,000
Sale of Fixed Assets	\$0	\$11,996	\$37,500
Transfer In	\$15,955	\$0	\$93,000
Other Income	\$81,757	\$78,157	\$35,000
	\$129,020	\$140,516	\$207,500
Total Fund Revenues	\$2,516,848	\$2,794,906	\$3,234,103

2007 Fiscal Year Expenditure Projections

Account Description	FY05 Actual	FY06 Estimate	FY07 Budget
General Government Expenditures			
Materials & Supplies	\$14,768	\$11,501	\$15,100
Newsletter/Utility Billing	\$11,187	\$16,066	\$13,500
Legal Advertising	\$3,630	\$2,527	\$3,500
Computer Expenses	\$5,021	\$4,900	\$5,000
Repairs & Maintenance	\$12,799	\$8,620	\$36,575
Office Equipment	\$10,647	\$11,719	\$15,290
Utilities	\$13,428	\$8,460	\$11,000
Postage	\$3,029	\$2,615	\$2,500
Communications/Telephone	\$7,111	\$6,153	\$6,400
Legal Services	\$55,884	\$63,468	\$68,700
Auditing Services	\$25,270	\$31,263	\$30,000
Planning Services	\$12,000	\$12,000	\$0
Professional/Technical	\$21,841	\$32,349	\$54,000
Insurance	\$7,206	\$5,789	\$8,500
Contingencies	\$17,330	\$0	\$10,000
	\$221,151	\$217,430	\$280,065
Mayor/Council Expenditures			
Salary & Wages (FT)	\$14,600	\$15,200	\$15,600
Employee Benefits	\$1,152	\$1,466	\$1,230
Materials & Supplies	\$667	\$646	\$700
Dues & Subscriptions	\$7	\$70	\$100
Education & Training	\$340	\$1,175	\$5,500
Communications/Telephone	\$0	\$0	\$5,400
	\$16,766	\$18,557	\$28,530
Administrative Services Expenditures			
Salary & Wages (FT)	\$112,625	\$114,493	\$181,100
Overtime	\$317	\$263	\$860
Salary & Wages (PT)	\$8,152	\$18,443	\$12,800
Employee Benefits	\$46,832	\$50,995	\$77,300
Materials & Supplies	\$1,695	\$1,179	\$1,350
Dues & Subscriptions	\$1,839	\$679	\$2,000
Education & Training	\$4,005	\$7,014	\$7,000
Communications/Telephone	\$591	\$926	\$800
	\$176,056	\$193,992	\$283,210

2007 Fiscal Year Expenditures Cont.

Account Description	FY05 Actual	FY06 Estimate	FY07 Budget
City Recorder Expenditures			
Salary & Wages (FT)	\$47,785	\$47,982	\$49,719
Overtime	\$1,043	\$657	\$600
Salary & Wages (PT)	\$17,731	\$18,454	\$19,851
Employee Benefits	\$24,101	\$26,879	\$34,734
Materials & Supplies	\$1,077	\$1,403	\$1,000
Dues & Subscriptions	\$585	\$396	\$555
Education & Training	\$3,937	\$4,696	\$4,200
City Code	\$0	\$938	\$2,000
Document Imaging	\$0	\$0	\$20,000
Election Expenses	\$13,475	\$8,402	\$0
	\$109,734	\$109,807	\$132,659
Public Safety Expenditures			
Fire Services	\$108,266	\$124,936	\$172,000
Police Services	\$249,416	\$281,689	\$334,512
Crossing Guard Expenses	\$8,635	\$8,398	\$11,225
	\$366,317	\$415,023	\$517,737
Building & Zoning Expenditures			
Salary & Wages (FT)	\$116,858	\$122,771	\$128,655
Overtime	\$858	\$823	\$1,500
Employee Benefits	\$52,826	\$2,728	\$7,500
Materials & Supplies	\$2,815	\$51,763	\$59,242
Dues & Subscriptions	\$5,563	\$3,138	\$2,700
Building Permit Surcharge	\$0	\$3,345	\$3,800
Education & Training	\$2,499	\$829	\$1,800
Contract Labor	\$12,041	\$1,105	\$3,000
Office Equipment	\$591	\$7,295	\$7,000
Tools & Equipment	\$129	\$794	\$500
Communications/Telephone	\$1,346	\$2,323	\$1,800
	\$195,526	\$196,914	\$217,497
Public Works Expenditures			
Salary & Wages (FT)	\$75,720	\$101,937	\$129,062
Overtime	\$1,337	\$1,781	\$2,600
Salary & Wages (PT)	\$3,146	\$2,952	\$8,000
Employee Benefits	\$36,566	\$57,849	\$82,616
Materials & Supplies	\$1,147	\$1,164	\$2,900
Dues & Subscriptions	\$360	\$210	\$500
Education & Training	\$893	\$780	\$2,000

2007 Fiscal Year Expenditures Cont.

Account Description	FY05 Actual	FY06 Estimate	FY07 Budget
Tools & Equipment	\$174	\$567	\$1,000
Communications/Telephone	\$992	\$1,607	\$900
Engineering Services	\$97,382	\$47,095	\$65,000
	\$217,717	\$215,942	\$294,578
Streets Expenditures			
Street Lights	\$30,234	\$34,955	\$40,000
Signs	\$10,406	\$16,419	\$20,000
Weed Control	\$3,941	\$3,263	\$5,000
Streets Expense	\$163,634	\$157,966	\$150,000
Snow Removal	\$15,817	\$17,258	\$5,000
Street Sweeping	\$5,175	\$2,138	\$6,000
Sidewalk Maintenance	\$7,296	\$3,059	\$15,000
	\$236,503	\$235,058	\$241,000
Solid Waste Expenditures			
Solid Waste Services	\$239,388	\$270,816	\$247,500
Recycling	\$0	\$0	\$30,000
	\$239,388	\$270,816	\$277,500
Parks Expenditures			
Park Supplies & Maintenance	\$68,312	\$73,717	\$90,000
	\$68,312	\$73,717	\$90,000
Community Services			
Salary and Wages (FT)	\$24,567	\$0	\$33,000
Overtime	\$763	\$0	\$200
Employee Benefits	\$7,165	\$0	\$21,700
Dues & Subscriptions	\$0	\$0	\$500
Education & Training	\$100	\$0	\$1,500
Recreation Expenses	\$14,025	\$3,461	\$1,000
Library Expenses	\$15,000	\$0	
Recreation Programs	\$5,303	\$944	\$10,000
Cultural Arts	\$562	\$0	\$250
Library Expenses	\$14,983	\$0	\$26,200
Family Festival Celebration	\$35,157	\$51,099	\$35,000
Other Events	\$7,945	\$9,012	\$7,000
Youth City Council			\$750
	\$125,570	\$64,516	\$137,100

2007 Fiscal Year Expenditures Cont.

Account Description	FY05 Actual	FY06 Estimate	FY07 Budget
Non-Operating Expenditures			
Bond Payments	\$37,000	\$53,777	\$53,000
	\$37,000	\$53,777	\$53,000
Other Uses of Funds			
Transfer to CP Fund	\$159,719	\$332,883	\$415,998
Transfer to Motor Pool Fund	\$48,268	\$157,059	\$172,229
Transfer to Reserves	\$0	\$0	\$93,000
Transfer to Golf Fund	\$60,000	\$0	\$0
	\$267,987	\$489,942	\$681,227
Total Expenses in General Fund	\$2,278,027	\$2,555,491	\$3,234,103

Water & Sewer Fund Summary

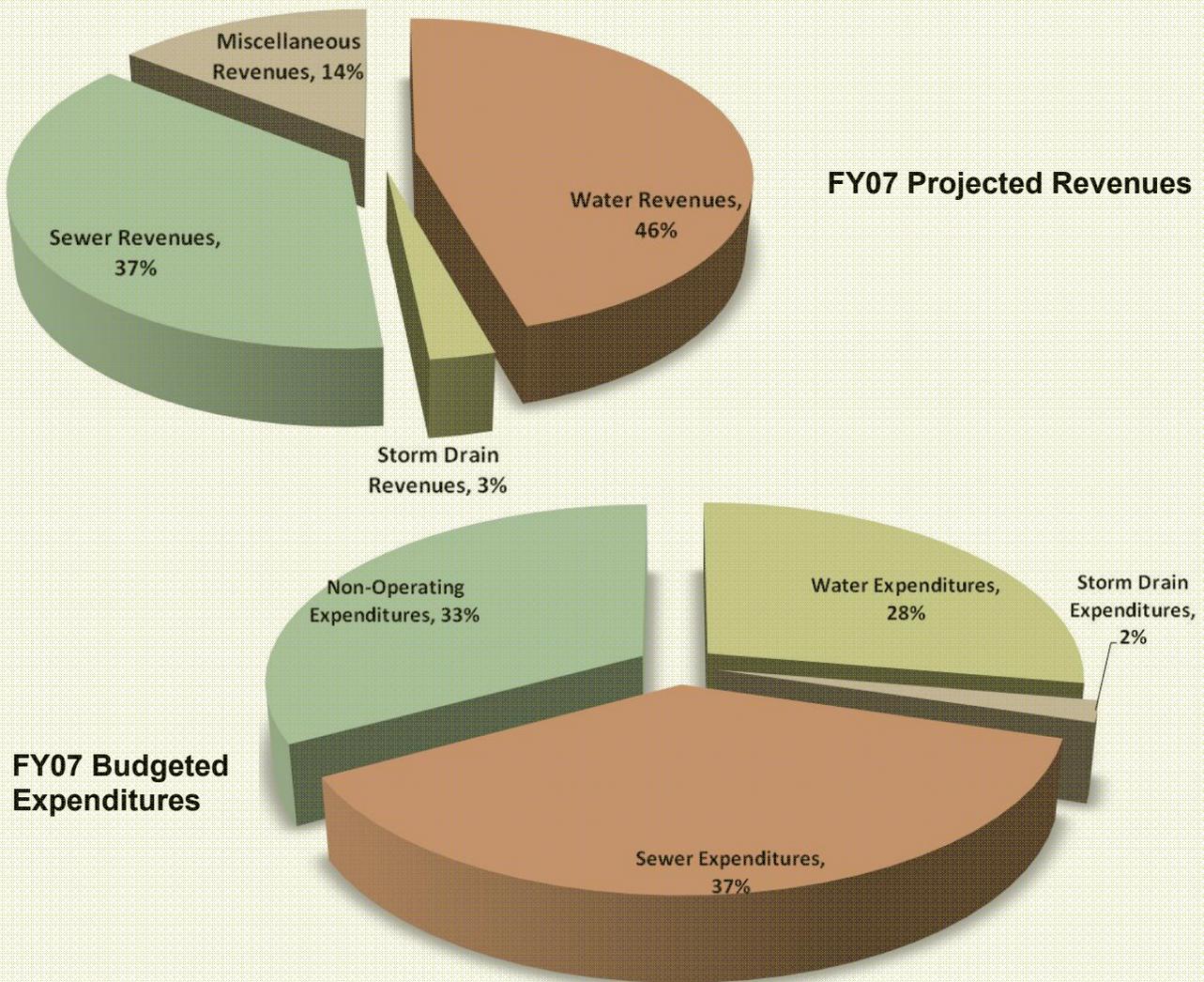
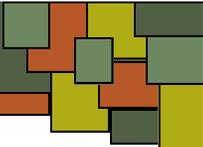


Figure WF-1

The provision of water, sewer, and storm drain services fall under the jurisdiction of the Public Works Department. The water services function provides for the planning and operation of all systems related to the sources, treatment, storage, and distribution of culinary and pressurized irrigation water for

the community. This includes construction of new water lines, maintenance of existing water lines, and the maintenance and operations of the pumps, valves and tanks that make up the Cedar Hills water system. While sewer treatment is handled through the Timpanogos Special Service District, the Public

Works Department still provides for the adequate planning, installation, and maintenance of all sanitary sewer collection systems within the community. Additionally, as the community has expanded, further need has arisen relative to the provision of adequate facilities for storm-water effluent. The monthly



storm-water fee assessed to citizens funds the planning, expansion, installation, and on-going operations and maintenance of storm-water systems necessary for the collection and control of storm-water.

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

The City of Cedar Hills owns and operates a water storage and distribution system including a culinary well, a 1.5 million gallon tank, pump station, and approximately 21.9 miles of water lines. This system services approximately 2000 households.

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

The Water & Sewer Fund Fiscal Year 2007 Budget totals \$2.89 million and is partitioned

into three functional categories: Water Department, Storm Drain Department, and Sewer Department. Figure WF-1 shows the portions of both revenues and expenditures that belong to each of the three departments.

The Fiscal Year 2007 Budget represents a net increase in the Water & Sewer Fund of \$672,331 or 30.4% from the Fiscal Year 2006 Budget of \$2.2 million. The budget was developed to encourage effi-

Timpanogous Special Service District handles the sewage treatment function for Cedar Hills sewage effluent.

cient spending while providing effective programs and maintaining an excellent level of service. Significant and/or noteworthy revenue and expenditure items include the following:

Water & Sewer Department

Pressurized Irrigation Usage : The Usage Rate is expected to increase as City residents hook up to Pressurized Irrigation. The calculation used to formulate this projection was based on 90% of residents with available PI connections.

Utilities: Rising costs for utilities and growth continues to pressure the fund. The budg-

eted increase this year is 30%.

PI Expense: Two expense items have been taken out and added to a two new expense accounts—Supplementary Water and Utility Revenue Bond 2006. This division will more clearly depict the pressurized irrigation expenses.

Storm Drain Department

Storm Drain Expense: This year’s budget accounts for maintenance, and the purchase of a Ditch Witch.

2007 Fiscal Year Revenue Estimates

Revenue Type	FY05 Actual	FY06 Estimate	FY07 Budget
Water Revenues			
Water Fees - Residents	\$272,804	\$382,276	\$400,000
Water Fees - American Fork	\$0	\$25,264	\$20,000
Water Fees - Contractor	\$28,569	\$28,350	\$26,500
PI Fees - Usage Rates	\$166,828	\$242,818	\$280,000
PI Fees - Base Rates	\$246,447	\$292,703	\$315,000
Water Lateral Inspection	\$9,009	\$7,415	\$6,800
Subdivision Inspection Fees	\$3,332	\$475	\$750
Water Meters	\$81,828	\$67,854	\$68,000
Water Impact Fees	\$232,245	\$163,997	\$162,000
Well/Source Development I.F.	\$55,435	\$40,911	\$40,000
	\$1,096,497	\$1,252,063	\$1,319,050
Storm Drain Revenues			
Storm Drain - Residents	\$56,627	\$74,859	\$77,000
Recycling Fees		\$4,942	
	\$56,627	\$79,801	\$77,000
Sewer Revenues			
Sewer Fees - Residents	\$456,162	\$515,704	\$570,000
Sewer Lateral Inspection	\$8,960	\$7,450	\$6,700
Subdivision Inspection Fees	\$826	\$300	\$350
Sewer Impact Fees - 80 Rod	\$16,594	\$14,783	\$15,150
Sewer Impact Fees - S Aqua	\$44,037	\$18,166	\$12,500
Sewer Impact Fees - TSSD	\$634,880	\$461,280	\$470,000
	\$1,161,459	\$1,017,683	\$1,074,700
Miscellaneous Revenues			
Contribution From Develop	\$172,161		
Interest Income	\$14,452	\$40,997	\$24,000
Utility Setup Fees	\$0	\$25,950	\$20,000
Transfer in from IF Reserves	\$0	\$0	\$370,479
Other Income	\$21,985	\$137,822	\$2,000
Contribution Income	\$0	\$31,200	
	\$208,598	\$235,969	\$416,479
Total Fund Revenues	\$2,523,181	\$2,585,516	\$2,887,229

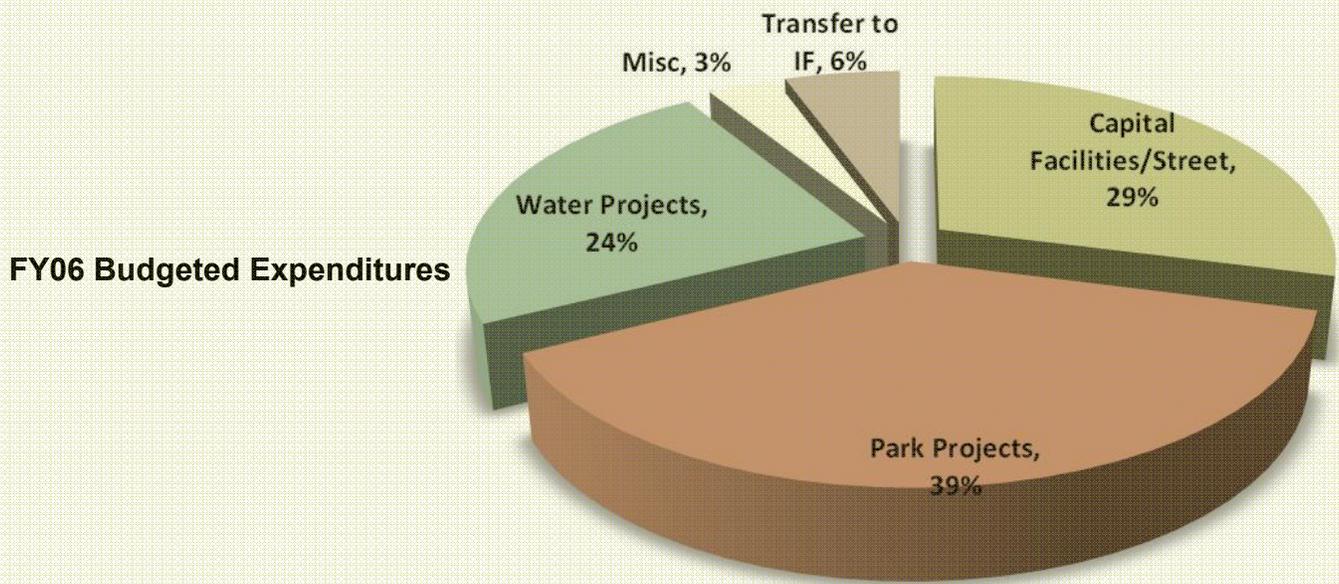
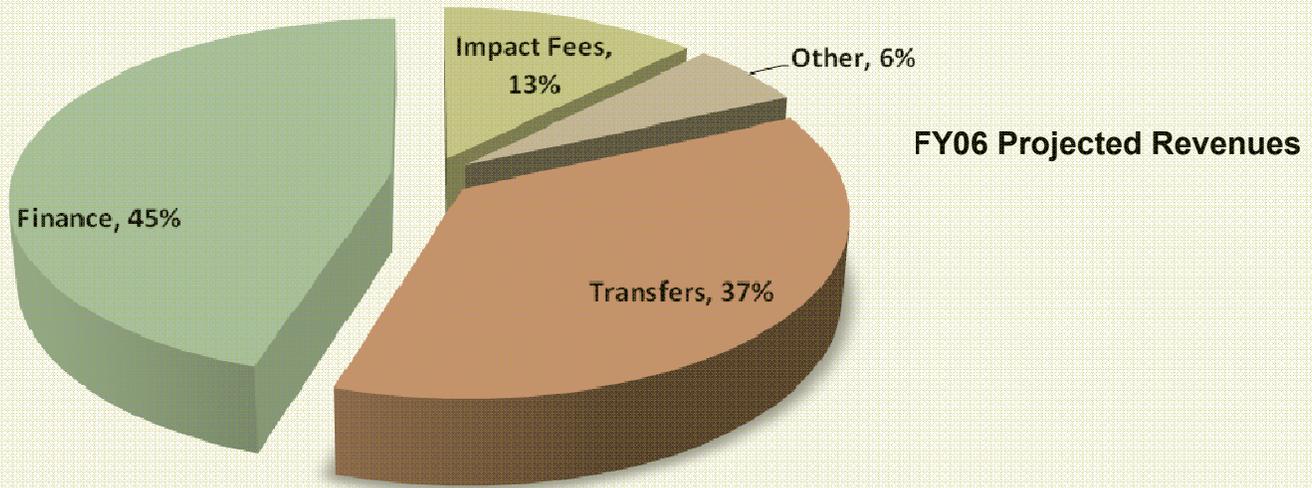
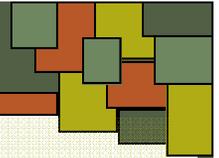
2007 Fiscal Year Expenditure Projections

Account Description	FY05 Actual	FY06 Estimate	FY07 Budget
Water Expenditures			
Salary & Wages (FT)	\$105,428	\$122,384	\$148,900
Overtime	\$2,112	\$1,523	\$2,200
Salary & Wages (PT)	\$7,964	\$9,076	\$7,000
Employee Benefits	\$49,310	\$65,194	\$79,528
Water Supplies	\$5,182	\$3,860	\$5,000
Dues & Subscriptions	\$1,638	\$1,700	\$1,680
Education & Training	\$2,523	\$2,328	\$2,500
Computer Expenses	\$2,808	\$5,000	\$6,000
Office Equipment	\$19	\$0	\$700
Tools & Equipment	\$4,508	\$429	\$5,000
Utilities	\$100,635	\$111,939	\$145,000
Blue Stakes	\$993	\$1,008	\$1,000
Communications/Telephone	\$2,167	\$1,389	\$4,000
Engineering Services	\$3,915	\$6,167	\$6,000
Professional/Technical	\$28,916	\$3,583	\$4,000
New meter Installation	\$0	\$123,240	\$100,000
Water Purchases - AF	\$14,608	\$0	\$3,700
Water Purchases - PG	\$10,767	\$12,486	\$11,000
Water Testing	\$1,807	\$1,368	\$6,000
Jordan Irrigation Assessments	\$1,640	\$388	\$2,341
Insurance	\$5,765	\$7,350	\$7,350
Contingencies	\$1,290	\$0	\$3,000
Water Const Projects/Repair	\$0	\$45,755	\$20,000
Supplementary Water	\$0	\$0	\$60,000
PR Irrigation Expenses	\$334,602	\$774,629	\$29,600
Well Purchase/Construction	\$13,867	\$0	\$27,000
Reim LPL for Water Tank-Culi	\$105,000	\$0	\$105,000
Credit Card Fees	\$0	\$2,240	\$6,000
	\$807,464	\$1,303,036	\$799,499
Storm Drain Expenditures			
Storm Drain Expense	\$8,568	\$5,538	\$51,000
Storm Drain Expansion	\$470,000	\$8,462	\$5,000
	\$478,568	\$14,000	\$56,000

2007 Fiscal Year Expenditures Cont.

Account Description	FY05 Actual	FY06 Estimate	FY07 Budget
Sewer Expenditures			
Salary & Wages (FT)	\$78,840	\$82,891	\$96,530
Overtime	\$1,536	\$1,053	\$1,650
Salary & Wages (PT)	\$6,730	\$8,995	\$7,000
Employee Benefits	\$35,860	\$45,180	\$52,358
Sewer Supplies	\$0	\$468	\$1,500
Education & Training	\$1,220	\$602	\$2,000
Contract Labor	\$0	\$0	\$2,500
Computer Expenses	\$2,489	\$5,000	\$6,000
Office Equipment	\$0	\$0	\$200
Tools & Equipment	\$0	\$1,829	\$3,500
Utilities	\$206	\$152	\$500
Postage	\$735	\$2,025	\$2,250
Blue Stakes	\$576	\$528	\$1,000
Communications/Telephone	\$1,520	\$1,336	\$4,000
Professional/Technical	\$1,359	\$1,665	\$2,000
Engineering Services	\$400	\$7,359	\$1,000
TIMP SSD Billiing	\$169,763	\$226,427	\$245,000
Timp SSD Impact Fees	\$634,880	\$443,920	\$550,000
Sewer Television Expenses	\$0	\$0	\$2,000
Insurance	\$5,765	\$7,350	\$7,350
Contingencies	\$819	\$0	\$2,500
Sewer Construction Projects	\$0	\$1,874	\$20,000
Reimburse - PRI Sewer Agreement	\$0	\$0	\$70,000
	\$942,698	\$838,654	\$1,080,838
Non-Operating Expenditures			
Interest Expense	\$1,500	\$1,516	\$0
Utility Rev Bond 2006	\$0	\$0	\$467,400
Transfer to Reserve	\$0	\$0	\$15,000
Transfer to General Fund	\$18,750	\$0	\$93,000
Transfer to Capital Projects	\$0	\$0	\$320,000
Transfer to Motor Pool Fund	\$56,988	\$57,692	\$55,492
	\$77,238	\$59,208	\$950,892
Total Fund Expenditures	\$2,305,968	\$2,214,898	\$2,887,229

Capital Projects Fund Summary

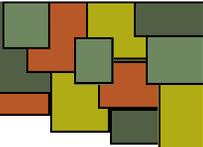


The Capital Projects Fund is used to account for the acquisition, construction, or improvement of major capital facilities or equipment. It is not an enterprise fund and therefore not intended to be self-sustaining. The Capital Projects Fund is provided revenues through transfers from other funds,

mainly the General Fund and the Water & Sewer Fund. In turn, the capital equipment and facilities generated in the Capital Projects Fund aid and support activities carried out through the General and Water & Sewer funds. Thus, the Capital Projects Fund exists foremost as an accounting tool to

assist the General Fund and the Water & Sewer Fund.

Because the Capital Projects Fund deals with a relatively few long-term projects of varying costs, although high, this Fund is of a somewhat irregular nature. Unlike the other funds, the Capital Projects Fund does not have repeating annual or



monthly costs that make the fund similar from year to year. The Capital Projects Fund, then, tends to vary dramatically from year to year.

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

Revenues

Transfers to the Capital Projects Fund from other funds are comprised of earmarked revenues, reserve funds intended for a capital project, and excess revenues over expenditures. Often, a certain revenue might be “earmarked” or set aside for a specific type of expenditure. For example, liquor taxes are earmarked for police expenses. Occasionally, monies accounted for as revenues in the General Fund are earmarked revenues that are set aside for building roads, parks, etc., and must be transferred to the Capital Projects Fund. Also, monies from reserve accounts (sometimes earmarked) are transferred into the General Fund before they

are sent to the Capital Projects Fund. Finally, the strategic surplus from the General Fund are transferred to the Capital Projects Fund and either used in one time projects or remain in the Capital Project’s reserves.

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

Expenditures

Some of the more significant planned capital projects expenditures include:

- \$2 million for the new public works building
- \$375,000 for improvements on Cottonwood Dr.
- \$1.7 for a redundant well
- \$455,000 for Canyon Heights Park
- \$100,000 Hayes Park Improvement
- \$100,000 Bonneville Shoreline Trail Land

The following changes in operating costs are anticipated for FY07 as a result of these capital projects:

- A net increase of \$100/

month for utilities at the Public Works Building

- A net increase of \$150/month for cleaning the Public Works Building
- An additional \$40/month for utilities at Canyon Heights Park
- An additional \$70/month for grounds maintenance at Canyon Heights Park
- An additional \$500/month for utilities for the new well

Further explanations of capital projects expenditures planned for fiscal 07, as well as long-term capital projects plans, can be obtained from the CIP, located in Appendix A of this Budget Document.

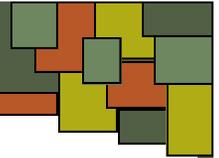
All excess revenues over expenditures are scheduled to be transferred to reserves and PTIF accounts.

2007 Fiscal Year Revenue Estimates

Account Description	FY05 Actual	FY06 Estimate	FY07 Budget
Impact Fees - Park Development	\$282,350	\$208,288	\$226,400
Impact Fees - Park Land	\$414,468	\$244,572	\$183,200
Impact Fees - Recreation	\$406,927	\$301,140	\$328,000
Impact Fees - Public Safety	\$120,902	\$84,651	\$91,400
Impact Fees - Streets	\$203,128	\$111,930	\$123,000
Interest Income	\$98,173	\$148,011	\$134,573
Grant Income	\$0	\$0	\$300,000
Transfers in from General Fund	\$159,719	\$332,883	\$415,998
Transfers in from W&S Fund	\$0	\$0	\$320,000
Transfers in from IF Reserve	\$0	\$0	\$2,054,400
Financing Income	\$0	\$0	\$3,435,600
	\$1,685,667	\$1,431,475	\$7,612,571
Miscellaneous Revenue			
Interest Income	\$3,074	\$44,759	
	\$3,074	\$44,759	\$0
Total Revenues	\$1,688,741	\$1,476,234	\$7,612,571

2007 Fiscal Year Expenditures Cont.

Account Description	FY05 Actual	FY06 Estimate	FY07 Budget
Capital Facilities			
Public Works Building	\$0	\$176,580	\$2,035,600
Street Projects			
Sidewalk Projects	\$0	\$0	\$15,000
Cottonwood Drive	\$0	\$176,596	\$0
Turn Signal - 4800 W	\$0	\$26,608	\$0
Speed Table	\$0	\$0	\$40,000
Street Lights	\$0	\$0	\$32,500
	\$0	\$203,204	\$87,500
Park Projects			
Harvey Land Purchase	\$0	\$0	\$912,000
Harvey Park - Phase 1 Improvement	\$0	\$0	\$720,000
Canyon Road Crossing Park	\$2,319	\$72,722	\$50,000
Hayes Park Land	\$750,000	\$0	\$0
Hayes Park Improvement	\$0	\$16,941	\$150,000
Cedars West-LeDoux Land	\$0	\$6,031	\$75,000
Cedars West-LeDoux Improvement	\$0	\$11,053	\$0
Cedar Run - Development	\$0	\$16,787	\$75,000
Timpanogos Cove Park	\$0	\$0	\$430,000
Bonneville Shoreline Trail Land	\$0	\$50,290	\$300,000
Canyon Heights Retention Park/Trail	\$0	\$56,879	\$30,000
NE Bench Park/Pumphouse - Park #9	\$0	\$0	\$75,000
	\$752,319	\$230,703	\$2,817,000
Miscellaneous Capital Projects			
Prior Year Projects	\$0	\$3,696	\$20,000
Impact Fee Analysis	\$0	\$60,000	\$70,000
Recreation Feasibility Study	\$0	\$0	\$25,000
	\$0	\$63,696	\$115,000
Water Projects			
Well Purchase	\$0	\$0	\$1,700,000
Telemetry System (Remaining)	\$0	\$0	\$25,550
	\$0	\$0	\$1,725,550
Bond Payments			
MBA Bond Payment-PSB	\$35,000	\$62,674	\$71,500
PW Building Excise Tax Bond 06	\$0	\$0	\$56,000
	\$35,000	\$62,674	\$127,500
Other Uses			
Transfer to IF Reserve	\$400,581	\$0	\$404,421
Total Fund Expenditures	\$1,187,900	\$560,277	\$7,312,571



Motor Pool Fund Summary

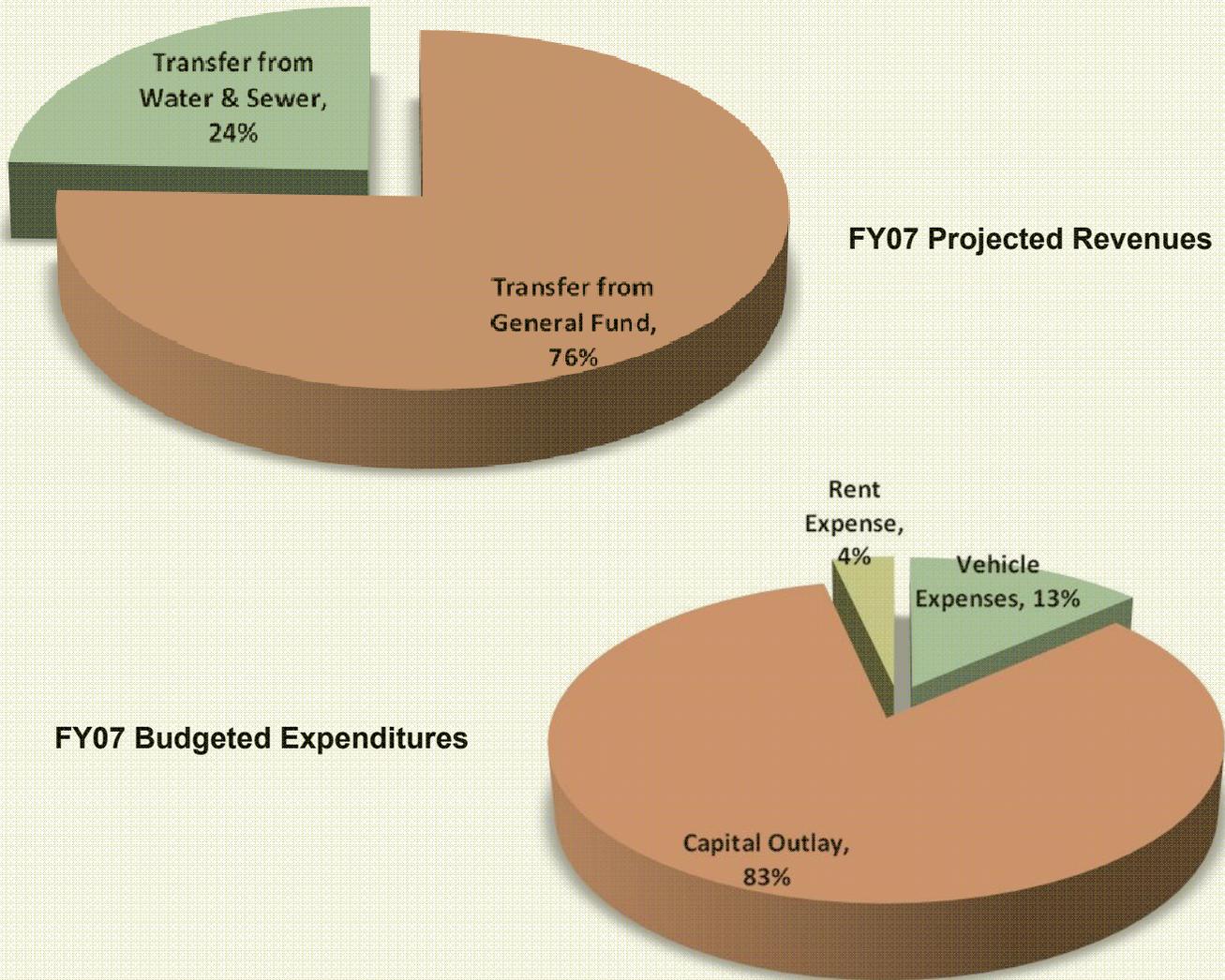


Figure MP-1

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

The City of Cedar Hills cur-

rently has a fleet of ten vehicles as well as a backhoe. For fiscal year 2007, the City has budgeted to replace a Public Works truck and purchase a new Public Works Truck. The City also plans to purchase a second Bobtail. The Bobtail's main function will be to reduce dependency on private companies for

snow removal. Moving snow removal in house will reduce costs, increase the response time and will guarantee availability.

Vehicle Replacement

The City of Cedar Hills currently has a fleet of ten vehi-



Figure MP-2

cles. The crux of the vehicle replacement plan is the city buys vehicles on state contract at a significantly cheaper price, then sells the used vehicles at a price close to the original purchase price. The City staff has performed a detailed analysis of possible replacement schedules for that fleet. The study also took into account various factors including maintenance costs before and after the warranty, insurance, inflation, the decreasing marginal return on resale, etc.

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

costs around \$100,000 over 6 years rather than, for example, \$160,000 for a 5-year replacement schedule.

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

Revenues

The Motor Pool Fund receives some of its funding through contributions from the General Fund and from the Water & Sewer Fund. The required expenditures are determined and the burden of funding of those expenditures is divided between the two aforementioned funds. An analysis is done on the activities of the vehicles and the departments and/or funds to which those activities are related. From that analysis certain percentages are derived and assigned to the General Fund and

the Water & Sewer Fund in order to establish the amount of funding each will contribute to the Motor Pool Fund.

Expenditures

The 2007 Fiscal Year Budget represents a net increase in the Motor Pool Fund of \$15,587 from the 2006 Budget Estimate of \$212,134. This is the second year in a row of purchasing a Bobtail. The FY08 Budget should have a drastic decrease.

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

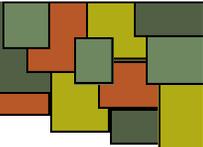
Cedar Hills does not allow excess revenues over expenditures to roll over into the fund balance of the Motor Pool Fund. Hence, the fund balance for the Motor Pool Fund is zero and is budgeted to remain zero. There are no excess revenues over expenditures since revenues are only transferred into the Motor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

2007 Fiscal Year Revenue Estimates

Account Description	FY05 Actual	FY06 Estimate	FY07 Budget
Transfers			
Transfer from General Fund	\$32,313	\$157,059	\$172,229
Transfer from Water & Sewer	\$56,988	\$57,692	\$55,492
	\$89,301	\$214,751	\$227,721
Total Revenue	\$89,301	\$214,751	\$227,721

2007 Fiscal Year Expenditure Projections

Account Description	FY05 Actual	FY06 Estimate	FY07 Budget
Vehicle Expenses			
Gas & Oil - Admin	\$3,369	\$3,991	\$3,500
Vehicle Maintenance - Admin	\$85	\$592	\$500
Insurance - Admin	\$705	\$0	\$1,321
Gas & Oil - Bldg/Zoning	\$1,670	\$2,341	\$2,500
Vehicle Maintenance - Bldg/Zoning	\$167	\$406	\$400
Insurance - Bldg/Zoning	\$1,410	\$2,510	\$1,700
Gas & Oil - PW	\$8,927	\$12,256	\$15,000
Vehicle Maintenance - PW	\$3,886	\$3,146	\$1,500
Insurance - PW	\$3,253	\$3,300	\$3,300
Contingency	\$0	\$0	\$1,000
	\$23,472	\$28,542	\$30,721
Capital Outlay			
Capital Outlay	\$52,303	\$169,175	\$189,000
Vehicle Lease Payments	\$0	\$7,967	\$0
Rent Expense	\$6,450	\$6,450	\$8,000
	\$58,753	\$183,592	\$197,000
Total Fund Expenditures	\$82,225	\$212,134	\$227,721



Golf Fund Summary

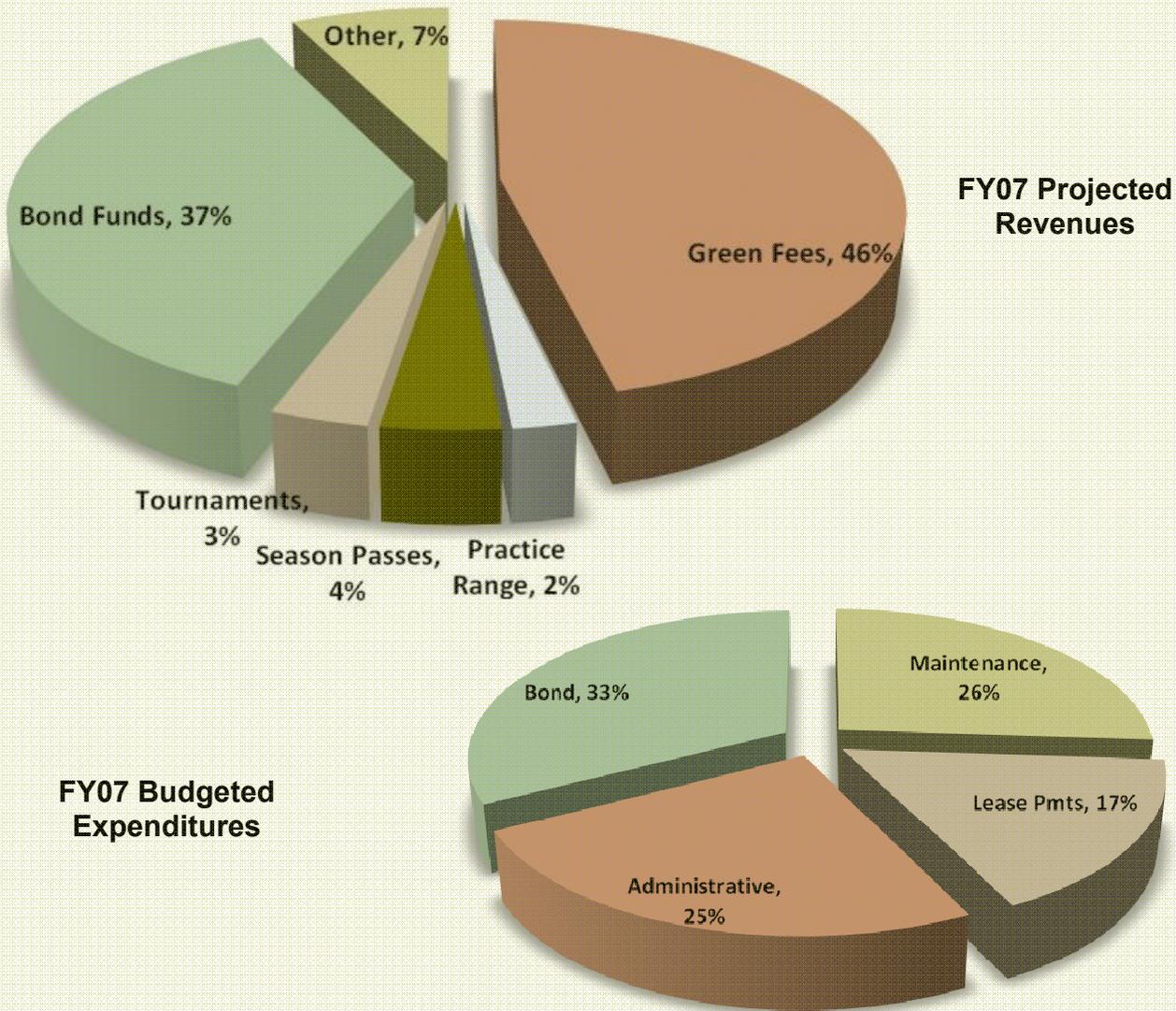
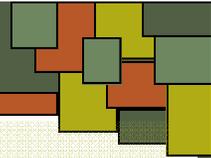


Figure GO-1

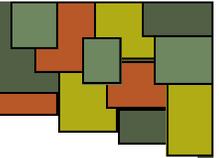
The Cedar Hills Golf Club is 6,700 yard, 18 hole, par 72 championship golf course at the mouth of scenic American Fork Canyon. Positive feedback received from golfers on the City’s unique course abounds. The course is in excellent condition and has even developed a reputation for its “superior

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 fourth year of operation, as a result, staff enjoyed two full

years of operational data to rely on when forecasting revenues and expenditures. The projections are more accurate and realistic than prior year projections.

The City of Cedar Hills Municipal Golf Course is accounted for through the Golf



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

The Fiscal Year 2007 Budget represents a net increase in the Golf Fund of \$444,067 or 60.4% from the Fiscal Year 2006 estimate of \$735,239. A large portion of this increase is a result of the \$385,791 bond payment coming due in calendar year 2007.

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

Revenues

Green Fees: This is the principal revenue in the Golf Fund as it makes up 46% of the forecasted earnings for FY07. The \$486,800 projected green fees represents a 7.4% increase over the prior year estimate. Starting in fiscal year 2006, the recording of green fee revenue was lumped with cart fee revenue to create one budget line item.

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.

The budget was developed to encourage efficient spending while maintaining an excellent public golf course.

Expenditures

When the sum of the operational expenses and leases are compared to the projected revenues, the golf course is projected to be in the red roughly \$128,000. This shortfall includes all operating and non-operating expenditures and bond payments. This year's bond payment will be covered by Cedar Hills residents, as a result of the course being financed with a general obligation bond.

All operational expenditures

have remained closely the same as Fiscal Year 2006. The only major budget increase is the management fee paid to the course management team. Other increases were for payroll (inflation adjustment) and other management expenses.

Non-Operating expenditures include lease payments for the carts, clubhouse, cart barn, sunset room, and maintenance equipment. The majority of these leases expire in 2008, and the City will maintain ownership of the carts, and maintenance equipment upon expiration. The City will be able to realize a cost savings as this occurs.

2007 Fiscal Year Revenue Estimates

Account Description	FY05 Actual	FY06 Estimate	FY07 Budget
G.C. Operating Revenues			
Green Fees	\$320,535	\$453,409	\$486,800
Cart Rental	\$193,232	\$0	\$0
Practice Range	\$20,787	\$24,419	\$22,700
Pro Shop Revenue	\$58,907	\$4,273	\$6,000
Concessions	\$42,287	\$49,141	\$47,000
Season Passes	\$34,800	\$57,877	\$42,300
Tournaments	\$27,216	\$28,817	\$35,000
Sunset Room Rental	\$12,399	\$21,727	\$25,000
Other Income	\$600	\$40	\$400
	\$710,763	\$639,623	\$665,200
G.C. Non-Operating Revenues			
MBA Bond Funds		\$6,489	\$385,791
	\$0	\$6,489	\$385,791
Total Fund Revenues	\$710,763	\$646,112	\$1,050,991

2007 Fiscal Year Expenditure Projections

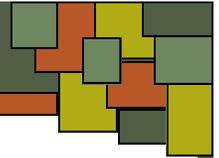
Account Description	FY05 Actual	FY06 Estimate	FY07 Budget
G.C. Clubhouse Payroll			
Payroll - Clubhouse	\$77,876	\$117,550	\$114,897
Payroll Taxes/fees - Clubhouse	\$12,541	\$12,666	\$13,046
	\$90,417	\$130,216	\$127,943
G.C. Maintenance Payroll			
Payroll - Maintenance	\$154,247	\$163,317	\$164,878
Payroll Taxes - Maintenance	\$15,141	\$16,563	\$19,786
Miscellaneous	\$1,448	\$1,385	\$1,000
	\$170,836	\$181,265	\$185,664
Clubhouse Expenses			
Supplies	\$6,031	\$3,861	\$9,150
Utilities	\$11,109	\$21,246	\$19,310
Miscellaneous Expenses	\$4,984	\$1,556	\$2,220
Concessions	\$35,723	\$56,923	\$42,000
Credit Card Expenses	\$9,125	\$9,053	\$8,000
	\$66,972	\$92,639	\$80,680

2007 Fiscal Year Expenditures Cont.

Account Description	FY05 Actual	FY06 Estimate	FY07 Budget
Golf Course Operating Expense			
GC Repairs/Maintenance/Misc	\$98,236	\$30,268	\$27,486
Fertilizer & Chemicals	\$30,336	\$31,697	\$31,000
Water & Pumping Costs	\$21,892	\$4,000	\$28,872
Petroleum/Oil	\$7,769	\$13,123	\$13,500
Equipment Repair/Replacement	\$18,075	\$20,736	\$17,080
Equipment Rental	\$1,196	\$4,424	\$4,000
	\$177,504	\$104,248	\$121,938
Management Expenses			
Supplies/Dues/Subscription	\$4,455	\$5,662	\$3,700
Printing	\$429	\$447	\$2,500
Travel/Training	\$218	\$1,302	\$1,600
Licenses/Fees	\$2,709	\$1,395	\$3,500
Computers/Phones	\$4,435	\$4,315	\$5,500
Advertising	\$36,656	\$19,156	\$40,000
Management Expense	\$0	\$0	\$24,000
	\$48,902	\$32,277	\$80,800
Miscellaneous Expenses			
Restroom Water Hookup	\$10,000	\$0	\$0
	\$10,000	\$0	\$0
Total Operating	\$564,631	\$540,645	\$597,025
Non Operating Expenses			
Cart Barn & Events Tent Lease	\$46,678	\$46,677	\$46,668
Clubhouse Lease Payment	\$27,064	\$25,483	\$25,872
Cart Lease payment	\$8,326	\$47,204	\$48,450
Maintenance Equipment Lease	\$13,641	\$75,230	\$75,500
MBA Bond	\$326,639	\$0	\$385,791
Depreciation Expense	\$236,843	\$0	\$0
Management Fees	\$95,350	\$0	\$0
	\$754,541	\$194,594	\$582,281
Total Expenditures	\$1,319,172	\$735,239	\$1,179,306

Appendix A





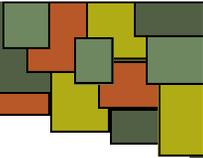


CAPITAL IMPROVEMENTS PLAN FISCAL YEAR 2006

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- Appendix I Summary of Projected Needs vs. Resources
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PURPOSE IN VIEW

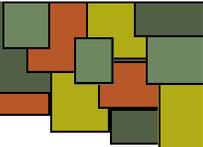
The City of Cedar Hills' Capital Improvements Plan is a long-range plan for the construction and financing of major projects which represent significant contributions to the City's overall inventory of physical assets. The Plan is divided into three different time frames, the short-range horizon of projects undertaken and/or completed within the current fiscal year, the mid-range horizon of projects undertaken and/or completed within a 2 to 6 year time period, and the long-range horizon of projects undertaken and/or completed within a 7 year or greater time period. The CIP plans for all major capital purchases and/or projects for both the General Fund and the Water/Sewer Fund. Capital purchases can include expenditures such as vehicle purchases, computer purchases, or other types of equipment purchases. Capital projects generally include building, repairing, or improving streets, sidewalks, public facilities, parks, and water/sewer lines and facilities.

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

- Information for individual 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; and
- A source of information for potential developers.

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

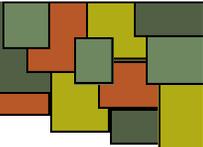
Capital project planning is an ongoing process. Each year, the CIP is updated, with the deletion of the "prior year" and the addition of a new planning year, in order to maintain the full time frame of the program. Projects that have been tentatively scheduled in previous CIP's are re-assessed, along 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 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 is revealed. This will occur more often as Cedar Hills expands, however, it is important to take this aspect into account now. For example, the process can coordinate the timing of projects in the same location so as to avoid paving a street one year and tearing it up the next to lay a sewer or water line.
8. An overview of current and future capital requests is provided, which enables an assessment of all capital expenditures and establishes priorities in a comprehensive framework rather than through many piecemeal decisions.



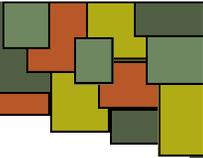
PLANNING SCHEDULE FOR CAPITAL IMPROVEMENTS

The City's proposed schedule of planning for capital improvements is as follows:

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

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

1. Staff prepares a comprehensive list of future capital facilities and/or projects. This list is reviewed by the City Council. The Council will then add to or delete from the list and prioritize the projects. Additionally, the City Council will indicate which types of funding sources would be preferred to fund each facility (i.e. impact fees, franchise fees, property taxes, etc.). Prioritization is based on two factors:
 - a.) Is the project one which will be undertaken in the current fiscal year, within the two to six year horizon, or within the seven year+ horizon? What are the estimated dates of construction?
 - b.) 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 produced a tentative capital improvements plan that includes a capital budget for the coming year and a capital plan for the two to six year horizon and the seven year+ horizon. This plan will include future funding projections for each of the funding sources preferred by the Council and show the link between the *available sources* and *planned uses*. For example, if the City Council 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 that will then be accepted by the City Council. This plan will become the document that helps direct the City in future capital facility projects.



SHORT RANGE HORIZON

Projects to be completed during the 2007 Fiscal Year

Capital Projects

Facilities

1. Public Works Facility - Building

A 2 acre public works storage/maintenance facility that includes a small office area (2-3 offices), bays and a shop/warehouse area. Used to service/store City equipment and vehicles. Base of operations for Public Works, including water and sewer functions. City has 2-3 sites in mind of where to put the building.

- a.) Cost of Construction in FY2007
\$875,500
- b.) Sources of Funding
\$875,500 from bond/loan proceeds. Repaid through franchise fees and water & sewer fund sources.
- c.) Need for Project
Current facilities are too small to house all of the public works supplies and equipment. This will also help in extending life of the Public Safety Building which is at capacity.

Parks

2. Harvey Park - Land Acquisition

Approximately 12 acres in size, this park will include major recreation facilities such as baseball diamonds, soccer fields, etc. Cost includes \$75,000/acre for land.

- a.) Cost of Aquisition in FY2007
\$939,360
- b.) Sources of Funding
\$939,360 from Park Land Impact Fees
- c.) Need for Project
Along with providing open space, beautification, recreation opportunities and improving residents' quality of life, this will help the City meet its park element objective as outlined in the General Plan and Parks & Trails Master Plan. The current level of service in the General Plan requires 44 acres of park land (5.5 acres of park per 1,000 residents; current population is 7,943 residents.) Currently there are approximately 26.5 acres of park leaving the City with a current deficiency of 17.5 acres.

3. Harvey Park Development 1

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

- a.) Cost of Project in FY2007
\$741,600
- b.) Sources of Funding
\$656,000 from Park Development Impact Fees and \$86,400 from General Fund
- c.) Need for Project
Along with providing open space, beautification, recreation opportunities and improving residents' quality of life, this will help the City meet its park element objective as outlined in the General Plan and Parks & Trails Master Plan. The Harvey Park is proposed to be a 12 acre sports park.

4. Canyon Road Crossing Park

Project includes landscaping and improving land along pedestrian trail that crosses under Canyon Road at Bayhill Drive

- a.) Cost of Project in FY2007
\$30,000
- b.) Sources of Funding
\$30,000 from Park Development Impact Fees
- c.) Reasons for Project

This will beautify the land around the trail crossing which is visible along one of the City’s main collectors. This land was traded for another small lot the City owned for a pocket park.

5. Hayes Park Improvement

Improving Hayes Park

- a.) Cost of Project in FY2007
\$100,000
- b.) Sources of Funding
\$100,000 from Park Development Impact Fees
- c.) Reasons for Project
To beautify Hayes Park

6. Cedars West-LeDoux Land

Buying land for Cedars West-LeDoux

- a.) Cost of Project FY2007
TBA
- b.) Sources of Funding
TBA from Park Land Impact Fees
- c.) Reasons for Project
To beautify Cedars West

7. Cedars West-LeDoux Improvement

Improving Cedars West-LeDoux

- a.) Cost of Project FY2007
\$20,000
- b.) Sources of Funding
\$20,000 from Park Development Impact Fees
- c.) Reasons for Project
To beautify Cedars West



Hayes Park

8. Cedar Run-Development

Developing Cedar Run

- a.) Cost of Project FY2007
\$12,000
- b.) Sources of Funding
\$12,000 from Park Development Impact Fees
- c.) Reasons for Project
To develop Cedar Run

9. Canyon Heights Park - #4

Developing Canyon Heights Park

- a.) Cost of Project FY2007
\$455,000

- a.) Sources of Funding
\$455,000 from Park Development Impact Fees
- b.) Reasons for Project
To develop Canyon Heights Park

10. Bonneville Shoreline Trail Land

Development for Bonneville Shoreline Trail

- a.) Cost of Project FY2007
\$100,000
- b.) Sources of Funding
\$100,000 from Park Land Impact Fees
- c.) Reasons for Project
To create Bonneville Shoreline Trail

Miscellaneous

11. Sidewalk Projects

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

- a.) Cost of Project FY2007
\$15,000
- b.) Sources of Funding
\$15,000 from General Fund
- c.) Reasons for Project
Beautifies city, storm water alleviation, safety, ADA Compliance

12. Impact Fee Analysis

Analyze the City's future impact fees

- a.) Cost of Project FY2007
\$70,000
- b.) Sources of Funding
\$10,000 from each Impact Fee
- c.) Reasons for Project
To improve the City's impact fee analysis

13. Turn Signal – 4800 W.

Create a turn signal at 4800 W.

- a.) Cost of Project FY2007
\$50,000
- b.) Sources of Funding
\$50,000 from B&C Road
- c.) Reasons for Project
To improve the City's road safety



Bonneville Shoreline Trail

14. Speed Table

Put in a speed table

- a.) Cost of Project FY2007
\$30,000
- b.) Sources of Funding
\$30,000 from B&C Road
- c.) Reasons for Project
To improve the City's road safety

Water & Sewer Fund Projects

Water

1. Well Purchase

This will entail the purchase of an existing well or the construction of a new one

- a.) Cost of Construction in FY2007
\$1,200,000
- b.) Sources of Funding
\$280,000 from Well & Source Development Impact Fees for cost of financing, \$1,200,000 from bond proceeds
- c.) Reasons for Project
Provide City with an additional water source, increasing redundancy and reliability and decreasing our dependency on others.

MID-RANGE HORIZON

Projects to be completed between 2007 and 2011

Capital Projects Fund

<u>Project</u>	<u>Date</u>	<u>Total Cost</u>
Cemetery-Phase 1	2007	\$ 400,000
Community Center (City Hall, Rec Center, Pool, Library)	2009	\$5,071,824
Oak Road/Sage Road Park Land	2009	\$ 200,000
Oak Road/Sage Road Park	2009	\$ 115,927
Public Safety Building Remodel	2010	\$ 585,086
Harvey Blvd. Widening	2011	<u>\$ 491,950</u>
	TOTAL	\$6,864,787

Water/Sewer Fund

<u>Project</u>	<u>Date</u>	<u>Total Cost</u>
Canyon Road 1 Sewer Line	2007	\$ 101,296
Telemetry System (Remaining)	2007	\$ 25,535
4000 West Sewer Line	2010	<u>\$ 246,691</u>
	TOTAL	\$ 373,522

Summary of Uses Table

	2007	2008	2009	2010	2011	Totals
Gen. Fund	\$385,000	\$0	\$109,200	\$ 173,668	\$ 133,760	\$ 801,628
Cap Proj Fd	\$ 15,000	\$0	\$800,800	\$3,647,847	\$ 979,596	\$5,443,243
Financing	\$0	\$0	\$0	\$1,566,036	\$0	\$1,566,036
Water/Sewer	\$0	\$126,831	\$0	\$0	\$246,691	\$ 373,522
TOTALS	\$400,000	\$126,831	\$910,000	\$5,387,551	\$1,360,047	\$8,184,429

LONG-RANGE HORIZON
Projects to be completed after 2011

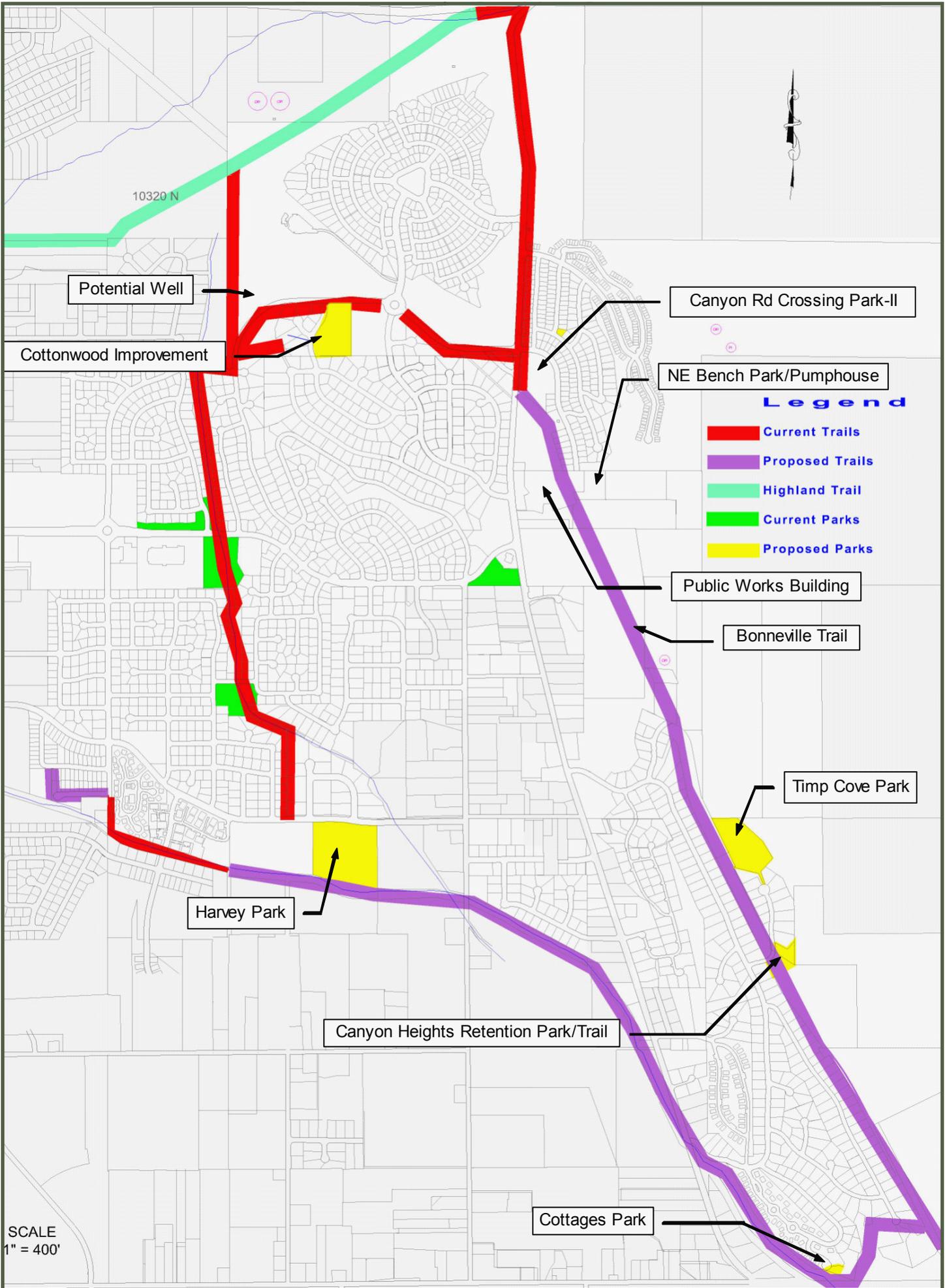
The projects planned for the Long-range Horizon do not have a timetable for completion. Rather, they are a plan of long-range projects that are foreseen to be constructed in the future when the need exists and resources are available.

Capital Projects Fund

Current Dollars

Hayes Annexation Park - Park #8 - 10 Acres	\$ 907,554
NorthEast Bench Park - Park #9 - 4 Acres	\$ 181,511
Cemetery Phase II	\$ 242,014
TOTAL	\$1,331,079

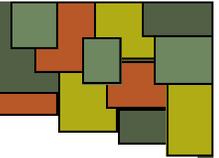




Appendix A - Projected Needs FY 2007

Streets	Construction		Funding Source(s)						
	Year	Cost	Fran	B&C	Impact Fees	Fund Bal.	Finance	Storm	Other
Harvey Blvd. Widening	FY12	\$ 500,000			\$ 500,000				
Sidewalk Projects	FY07	\$ 15,000			\$ 15,000				
Facilities									
Public Works Facility - Building	FY07	\$ 2,140,000					\$ 2,140,000		
Community Center/City Hall	FY08	\$ 5,025,000			\$ 3,349,820	\$ 100,000	\$ 1,575,180		
Public Safety Building Remodel	FY11	\$ 490,000			\$ 490,000				
Parks									
	Acres								
Harvey Park Land	12.0	FY07	\$ 912,000		\$ 912,000				
Harvey Park - Park Development 1		FY07	\$ 720,000		\$ 720,000				
Canyon Road Crossing Park-Phase II		FY07	\$ 50,000		\$ 50,000				
Cottonwood Park Improvement		FY07	\$ 150,000		\$ 100,000	\$ 50,000			
Cedars West-LeDoux Land		FY07							
Bonneville Shoreline Trail Land		FY07	\$ 300,000		\$ 300,000				
Timpanogos Cove		FY07	\$ 430,000		\$ 430,000				
Cottages Park Development	2.0	FY07	\$ 75,000		\$ 75,000				
NE Bench Park/Pumphouse - Park #9	2.0	FY07	\$ 100,000		\$ 75,000				\$ 25,000
Canyon Heights Retention Park/Trail		FY07	\$ 30,000		\$ 30,000				
Miscellaneous									
Impact Fee Analysis		FY07	\$ 70,000		\$ 70,000				
Cemetery-Phase 1		FY08	\$ 400,000	\$ 15,000		\$ 205,000			\$ 180,000
Cemetery (remaining)		FY19	\$ 160,000						\$ 242,014
Water									
Well Purchase		FY07	\$ 1,700,000		\$ 300,000		\$ 1,400,000		
Telemetry System (Remaining)		FY07	\$ 23,368			\$ 25,535			
Sewer									
Canyon Road 1 Sewer Line		FY08	\$ 101,296		\$ 101,296				
4000 West Sewer Line		FY11	\$ 246,691		\$ 131,607	\$ 115,084			
FY 07 TOTALS			\$ 7,124,549		\$ 3,062,000	\$ 75,535	\$ 3,540,000		\$ 447,014

CIP Appendix I—Projected Needs vs. Resources



Appendix B



FPPD

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



CEDAR HILLS

Financial Planning Policies

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

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

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

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

Revenue Policies

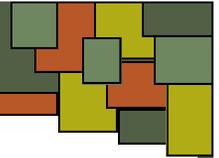
Revenue Diversification: The City maintains a healthy dependence on a variety of revenue sources to cover expenditures. The burden of supporting City non-enterprise services will be equitably distributed and will protect the City from short-term fluctuations in any one revenue source.

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

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

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

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



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

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

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

Expenditure Policies

Debt Capacity, Issuance, and Management: The City maintains a policy of full disclosure on financial reports and bond prospectus.

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

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

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

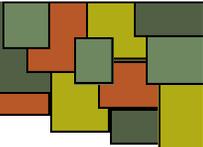
The City uses special assessment revenue or other self-supporting bonds instead of general obligation bonds, when feasible.

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

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

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

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



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

Operating/Capital Expenditure Accountability: Basic and essential services provided by the City will receive first priority funding.

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

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

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

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

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

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

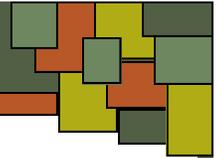
The City deposits all receipts as per state law.

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

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

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

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



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

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

The City will seek Federal, State, and other funding to assist in 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 and rabbits can still be seen around Cedar Hills.

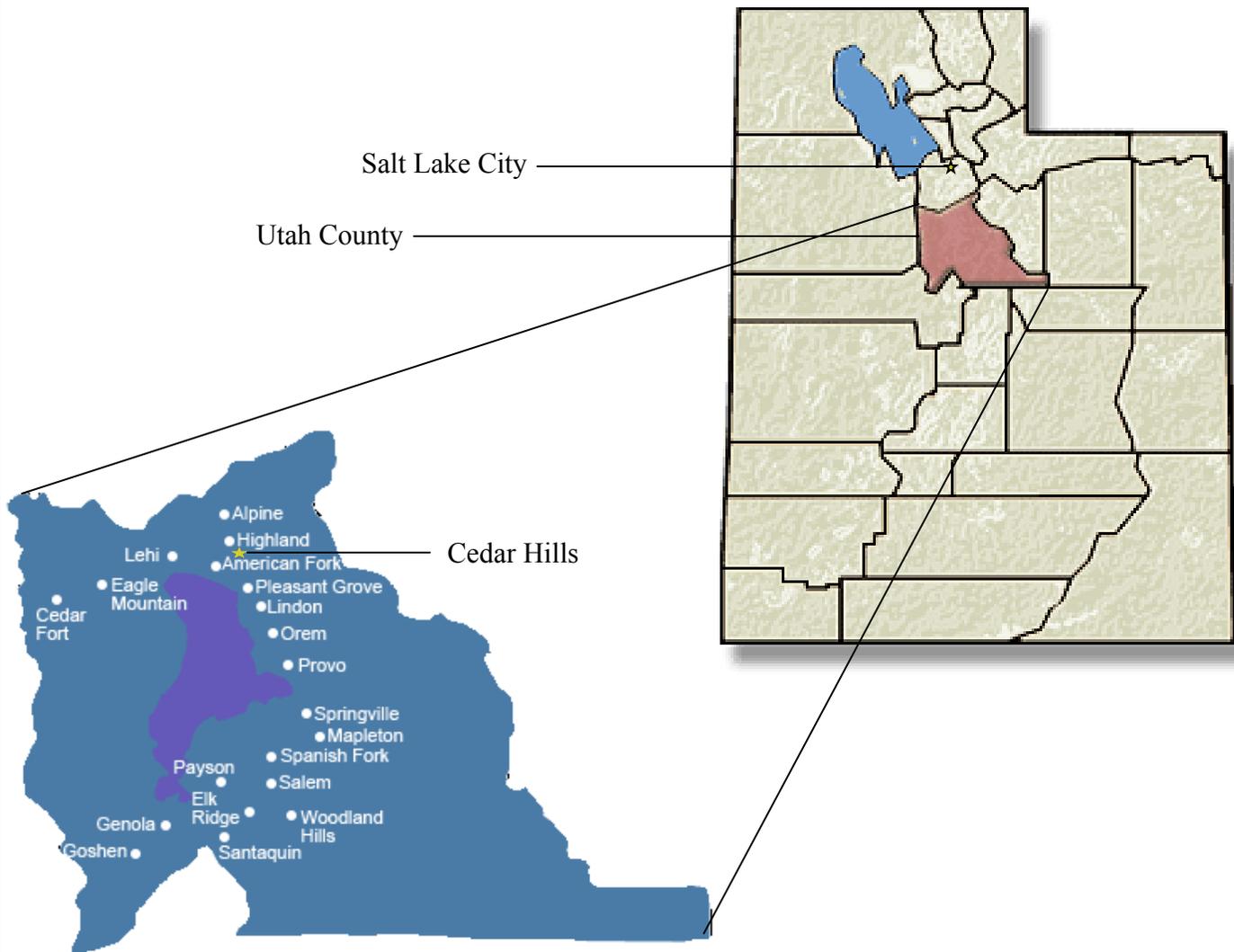


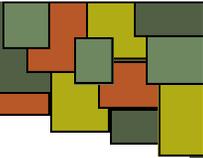
The dry bench upon which Cedar Hills is located provided little attraction to Native Americans. They preferred camping near streams, such as in American Fork Canyon. Several Native American artifacts were found upon the bench, however, including an Indian bowl (discovered by Paul Adams and currently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

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

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

Cedar Hills is located 35 miles south of Salt Lake City, eight miles north of the Orem/Provo area, and east of [Alpine](#) and [Highland](#) on the slopes of [Mount Timpanogos](#). The population was 3,094, at the 2000 census and by [2005](#) was estimated at 7,790. The city began growing rapidly during the [1990s](#) and this rapid growth continues to this day. The population today is now 8,445. It had the largest growth rate in Utah during the [1990s](#) based on percentage. In [1990](#) it had a population of just 708. From 2000 to 2005, the town rose from the 82nd largest incorporated place in Utah to the 54th largest.





Demographics

The word has certainly spread about what a great place Cedar Hills is to live! Our City has experienced phenomenal growth over the last few years and the City population is expected to exceed 9,000 residents during 2007. The following gives a picture of the demographics and other important notes and numbers for the City:

Incorporated and Established: November 2, 1977

Recognized as City of the Third Class: August 3, 1999

Altitude: 5,280 ft.

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

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

Location: The City of Cedar Hills is located in northern Utah County, is bordered by Highland City and Alpine City on the northwest, Pleasant Gove City and American Fork City on the south, and Wasatch National Forest on the east. The City is located approximately 30 miles south of metropolitan Salt Lake City and approximately 10 miles north of Orem City.

Public Safety/Healthcare: The City is serviced by American Fork Hospital and the Lone Peak Fire and Ambulance Department. Cedar Hills also has two full time police sergeants 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 Utah Power, gas by Questar Gas, telephone by Qwest, and cable by Comcast.

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

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

Recreation: The City's proximity to the Wasatch mountains and Utah Lake provide for many outdoor recreational activities such as snow skiing, hiking, biking, and mountaineering. The City owns Cedar Hills Golf Club and has other recreational activities in conjunction with other cities in the valley like baseball, football, and soccer.

Major Industries: The City of Cedar Hills is a bedroom community with few employers. The City is located in very close proximity to the major employers in Utah County and Salt Lake County. The top three employers in Utah County are Brigham Young University, Utah Valley Regional Medical Center, and the local school districts. Utah County is a center for technology-oriented firms which are drawn to the area by the highly educated workforce and the area's high-quality universities.

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

Summary of Significant Demographic Statistics

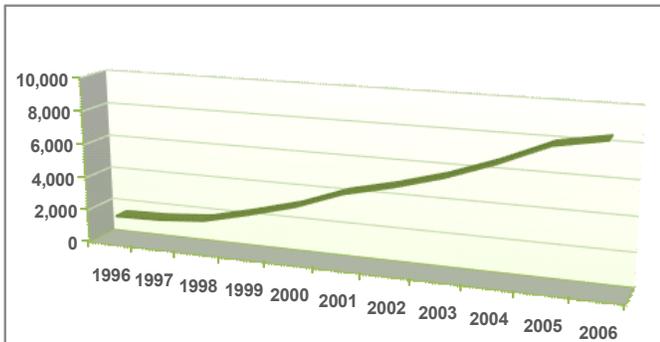
Statistic	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Population *	1,550	1,620	1,845	2,504	3,246	4,271	4,920	5,710	6,727	7,943	8,445
Household Median Adjusted Gross Income **	46,352	52,890	56,166	61,150	63,368	67,469	64,589	64,457	67,579	na	na
County AGI **	31,447	31,114	32,723	33,763	35,772	36,334	35,024	35,633	36,216	na	na
Unemployment Rate ***	2.93%	2.59%	3.15%	3.14%	2.59%	3.78%	5.85%	4.64%	3.82%	na	na

* Source: City of Cedar Hills

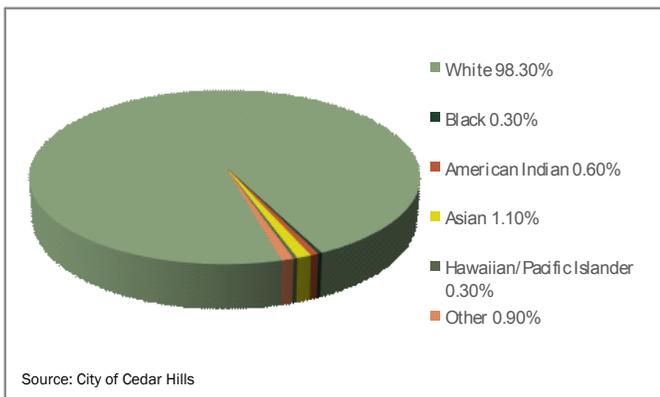
** Source: Utah State Tax Commission

*** Source: Department of Workforce Services, (Represents Utah County Data)

Population



Source: City of Cedar Hills



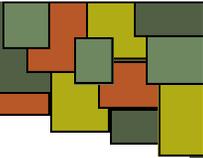
Source: City of Cedar Hills

Age Distribution

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

Source: 2000 US Census

- Over the last ten years, the population of the City has grown 445% or an average of 20% per year.
- The City estimates that it will reach substantial build-out in 2012 with an estimated population of 13,000.
- At \$67,579, the Household Median Adjusted Gross Income in Cedar Hills is significantly higher than Utah County's AGI which was \$35,216 in 2004.
- From 1996 to 2003, the City experienced a 39% growth in household median adjusted income.
- The City of Cedar Hills ranks second in the State of Utah's cities in median income - \$58,320.



ACCOUNTING PERIOD – The fiscal year is divided into 13 accounting periods. Each accounting period includes two bi-weekly pay-rolls, 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.

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.

ENTERPRISE FUNDS – Funds established to account for specific services funded directly by fees and charges to users. These funds are intended to be self-supporting. For more information about enterprise funds, refer to the City Funds section in Volume I of the Budget Document.

EXPENDITURE – The actual outlay of monies from the City Treasury.

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

FISCAL YEAR (FY) - Twelve-month term designating the beginning and ending period for recording financial transactions. The City of Cedar Hills has specified

July 1 through June 30 as the fiscal year.

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

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

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

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

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

GENERAL FUND – The City’s main operating fund that is used to pay for basic City services that utilize most tax dollars and is also supported by fees from licenses and permits, fines, and investment earnings. For more information about the General Fund, refer to the General Fund section of the Budget Document.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) DISTINGUISHED BUDGET AWARD – Highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by the management, staff, and elected officials of recipients. Budgets are evaluated for effectiveness as a policy document, a financial plan, an operations guide, and as a communication device.

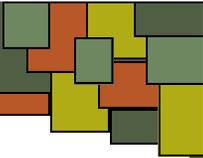
GROWTH RATE – The level at which expenditures and revenues are expected to increase annually.

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

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, street maintenance, and records storage).

PERFORMANCE MEASURE

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

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

PROPOSED BUDGET – The City Manager’s recommendation

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

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

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

SIGNAGE – A system of signs.

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

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

ACRONYMS

CIP	Capital Improvement Plan
FA	Finance Assistant
FTE	Full Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
IF	Impact Fee
MBA	Municipal Building Authority
PI	Pressurized Irrigation
PTIF	Public Treasurers Investment Fund