

CITY OF

CEDAR HILLS

UTAH



2009 FISCAL YEAR BUDGET



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

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City of Cedar Hills

Utah

For the Fiscal Year Beginning

July 1, 2007

Charles S. Cox

President

Jeffrey R. Emery

Executive Director

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2009 FISCAL YEAR BUDGET

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BUDGET MESSAGE

CITY MANAGER MESSAGE

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

Pursuant to §10-6-109, Utah Code Annotated, the following budget for Fiscal Year 2009 has been prepared for the City of Cedar Hills using budgetary practices and techniques recommended by the Governmental Accounting Standards Board (GASB). As required by State law, the proposed budget is balanced, meaning governmental expenditures will not exceed governmental revenues.

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

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

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

Growth

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



Konrad Hildebrandt, City Manager

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

Thus, using procedures outlined by the US Census Bureau, City staff has made efforts to track the growth of the City of Cedar Hills' population over the past ten years. Based on the number of building permits issued each month since the 2000 census, we extrapolate our population to be 9,759 residents or 2198 households as of July 1, 2008, increasing to 2,228 households or 9,892 residents by June 30, 2009. As seen in the Population Extrapolation table (Figure O-1), this represents a 1.4% increase in population from the year before. However, viewing the matter from a different angle, the expected growth will occur at a rate that is 63% slower than the previous year, Fiscal Year 2008. All told, the growth of the City of Cedar Hills has been steady and rapid since 1998, but has significantly leveled out the last couple of years (see Figure O-2).

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

| Population Extrapolation | | | |
|--------------------------|------|----------|------------|
| Fiscal Year | Pop | % Change | Households |
| 1998 | 1845 | | |
| 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 | 8880 | 12.7% | 2000 |
| 2007 | 9404 | 5.9% | 2118 |
| 2008 | 9759 | 3.8% | 2198 |
| 2009 | 9892 | 1.4% | 2228 |

Figure O-1

population at a rate of 1.4% 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 63%. Furthermore, various other revenue and expenditure items that require distinct and often more complex models for projection nevertheless hearken back to these population and growth estimates.

General Services

Always critical to the budget are the general services that the City provides for its residents. Due to current economic conditions, no significant additions have been made to general services. While expenses have increased in some line items,

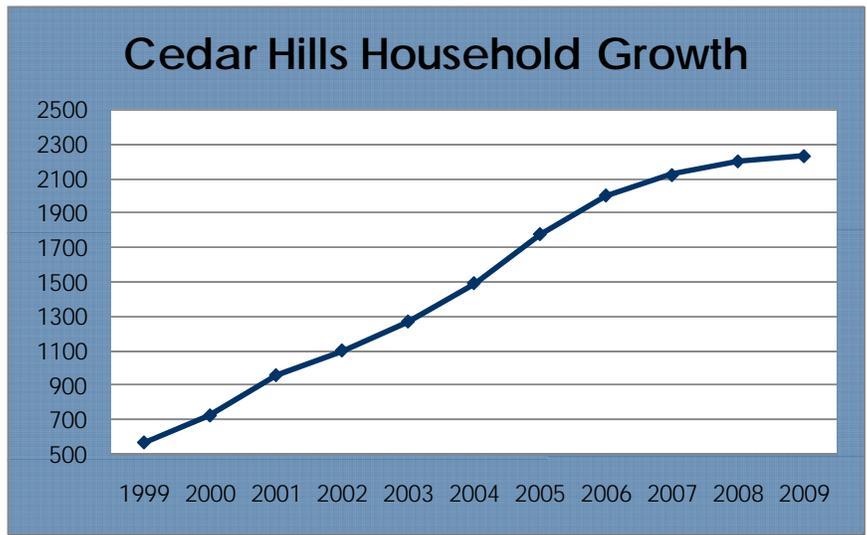


Figure O-2

the increases are generally routine and are not a result of major changes to general services.

Personnel

During the 2009 fiscal year, the City of Cedar Hills staff will increase in total number of employees by 1.5 FTE. This will increase the FTEs from twenty-one and one half to twenty-three. A detailed summary of the City staff by department is provided in Figure O-3.

The 1.5 new FTEs consist of a Public Works Level 1 Technician and a Community Services Intern. The additional Public Works Technician will increase the level of service provided to the residents. The Community Services Department has expanded its activities in recent years,

| Personnel Summary | | | | |
|--------------------|-------------|-------------|-------------|-----------|
| Department | FY06 | FY07 | FY08 | FY09 |
| Administration | 6.5 | 7.5 | 7.5 | 7.5 |
| Public Works | 6 | 7 | 7 | 8 |
| Building & Zoning | 3 | 3 | 3 | 3 |
| Community Services | 0 | 1 | 1 | 1.5 |
| Golf Club | 0 | 0 | 3 | 3 |
| TOTAL | 15.5 | 18.5 | 21.5 | 23 |

Figure O-3

and it is anticipated that it will continue to do so. A Community Service Intern will make continued growth of the department sustainable.

The City is currently running a lean, low-cost operation. Full-time equivalent employees per 1,000 residents has almost continually decreased since 2000. In FY09 the City will employ 2.3 FTEs per 1,000 residents. Figure O-4 depicts the decrease and then slight increase in FTEs per capita over time. The slight increase in FTEs over the past few years is explained by significantly slowed growth, while at the same time increasing level of service to the residents.

Funds Overview

The data in the Funds portion of the budget provides a picture of the current financial standing of the City as well as estimates and plans for revenues and expenditures to occur during FY 2009. 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 most significant revenue and expense items for the three major funds are shown in the figures on pages 9-11. The pie charts illustrate

some of the principal paths of money in and out of each fund. Property tax, sales tax, Class C Roads Funds, garbage fees, and franchise taxes make up the bulk of General Fund revenues, while the major expenses include public safety services, solid waste, salaries, and street expenses. In the Water & Sewer Fund, the most significant revenue sources are water and sewer service fees, pressurized irrigation (PI) fees, and storm drain fees. The corresponding top four expenses in the fund are bond payments, sewer and culinary water expenses, and salaries. The Capital Projects Fund receives its financing largely from current impact fees, the impact fee reserve, and from financing. In FY 2009 the five largest projects/expenses will be various street improvements, the Harvey Land purchase, Harvey Park phase 1 improvement, Bayhill Park, and the completion of a redundant culinary well. 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.

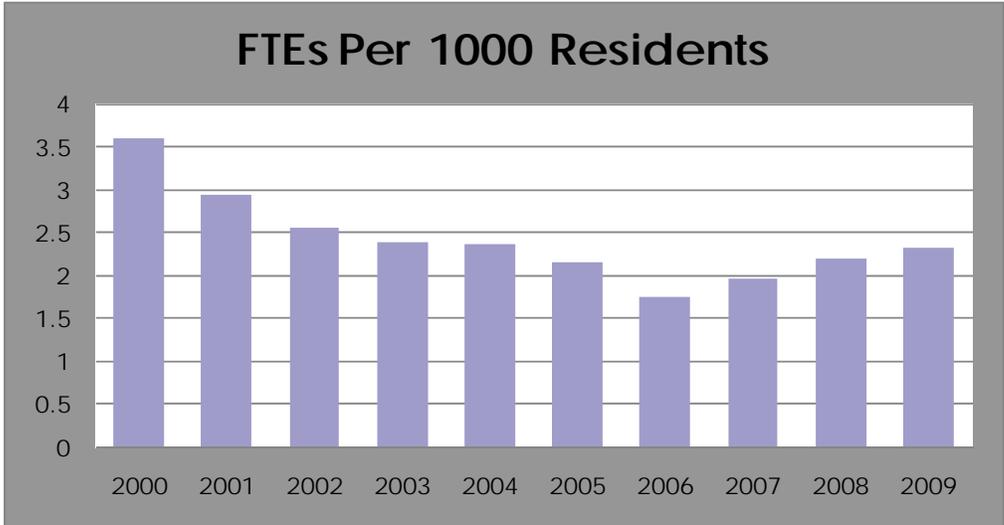
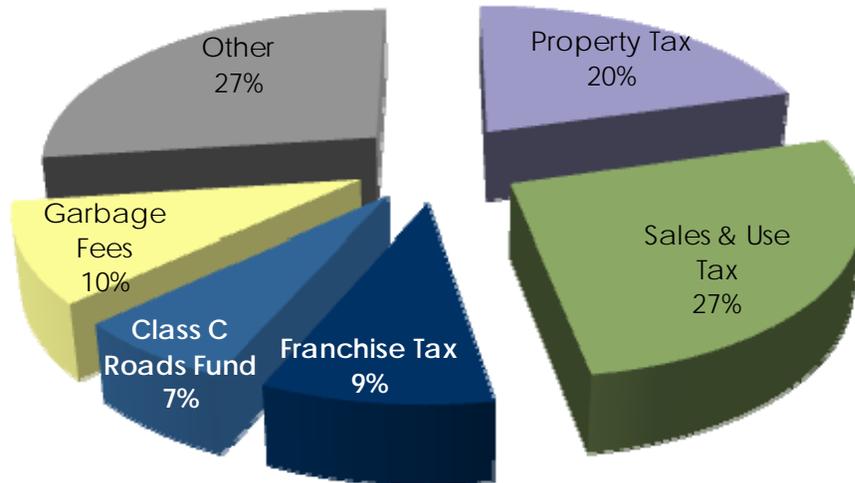


Figure O-4

General Fund Top Revenue Sources



The General Fund

As may be expected, the major revenues in the General Fund are primarily tax revenues. The single largest revenue is Sales & Use Tax. In past years, the City of Cedar Hills has relied almost exclusively on sales tax distributed from the state pool. For FY2009, we are excited to be adding in sales tax revenue collected locally through the emerging commercial district.

Bringing in 20 percent of the expected revenue is property tax. With the average assessed value dropping slightly, and City Council voting to keep the rate the same as FY2008, we actually expect a decrease in

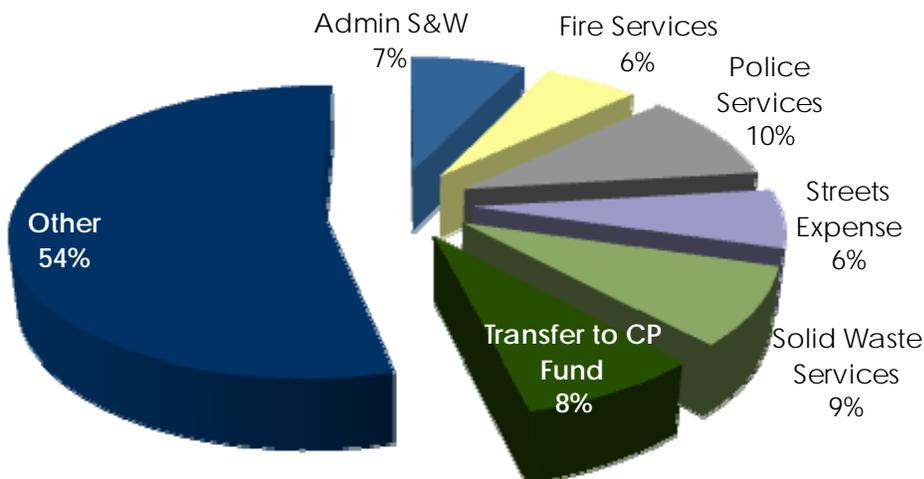
property taxes this year.

The other two taxes making the top revenue list are Franchise Taxes at 9 percent and Class C Roads Fund at 7 percent. Class C Roads fund is a portion of the state gas tax, which is allocated to cities for the specific use of roads maintenance. The portion the City receives is based both on population and also on road mileage.

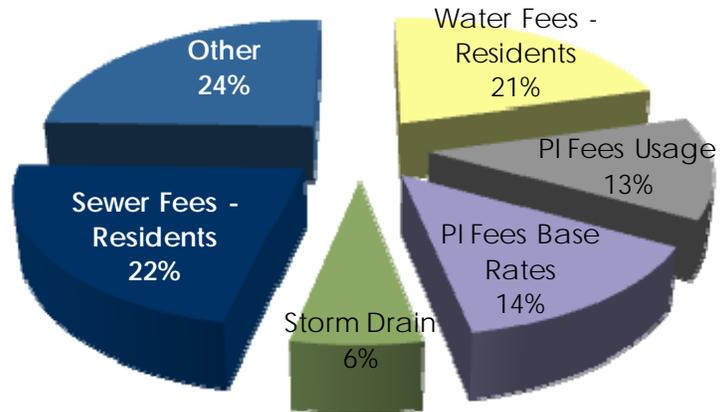
The final major revenue in the General Fund is revenue received for solid waste pickup. This revenue is based solely on the number of households, and the number of garbage cans each household orders.

General Fund expenses are spread amongst a wide variety of

General Fund Top Expenditures



Water & Sewer Fund Top Revenue Sources



categories. Noteworthy services include Public Safety services, the maintenance of roads, and solid waste services.

The Water & Sewer Fund

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

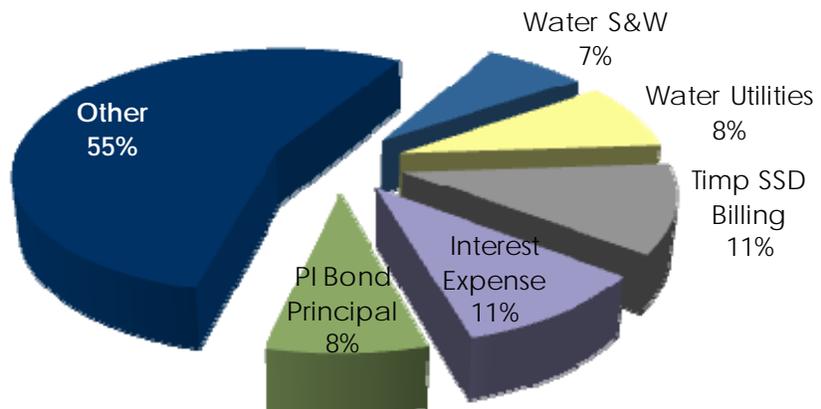
At 22 percent, sewer fees are the top major revenue source to the fund. Residents are charged a base rate plus a usage rate. The base rate is

designed to cover the cost of the infrastructure. The usage rate is calculated once a year and is based on a household's winter water usage.

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

The next two major revenues are closely related: Pressurized Irrigation Base Rate (PIBR) and Pressur-

Water & Sewer Fund Top Expenditures



ized Irrigation Usage (PIU). PIBR covers the infrastructure of the irrigation system. It is billed to every household. If a resident decides to connect to the irrigation system, they are then charged for PIU. This fee is based solely on lot size.

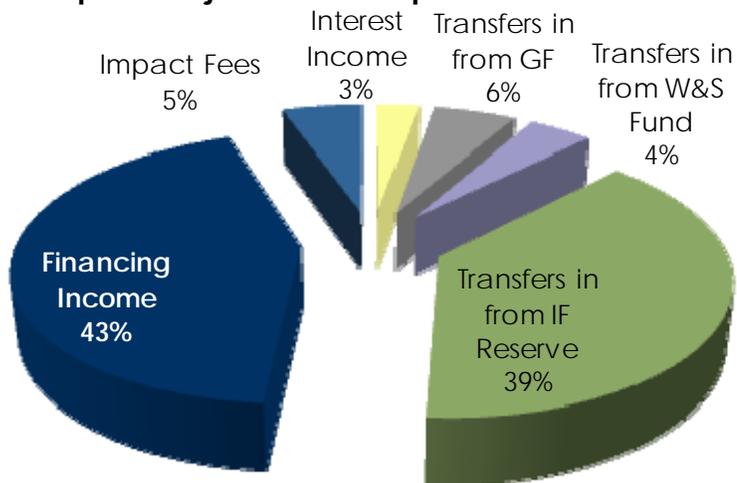
Storm water is an issue that is of increasing importance to the City. The revenue brought into the fund by Storm Drain Fees has also increased in the past year.

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

The Capital Projects Fund

As growth has come to a dramatic slowdown, Capital Projects Fund major revenues has transitioned from current year impact fee revenues (5 percent) to the use of prior year impact fees held in reserves (39 percent). FY2009 top revenue is Financing income. Most of this financing income comes from a bond issued for the construction of the redundant culinary well. We were able to finance this project through the State of Utah Drinking Water Board at a competitive 2.71 percent.

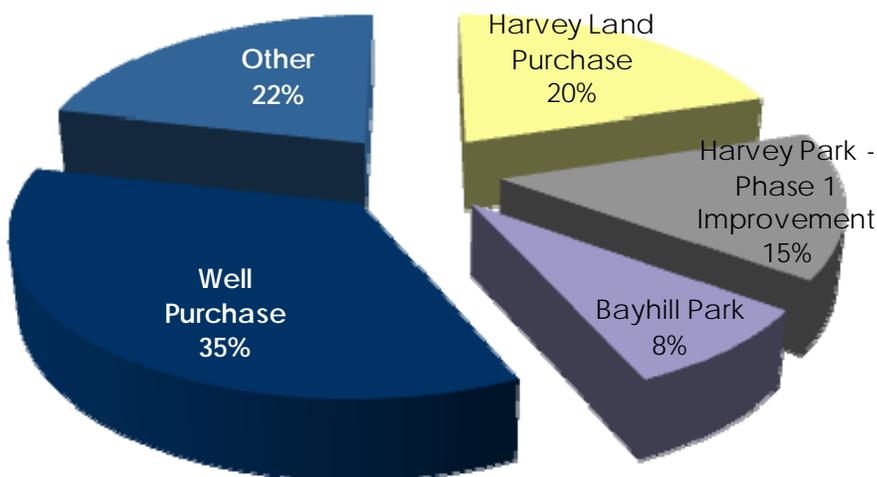
Capital Projects Fund Top Revenue Sources



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

There are 4 major projects planned this year in the Capital Projects Fund. They are explained in more detail in Appendix A, but they involve the construction of two parks and the completion of a redundant culinary well.

Capital Projects Fund Top Expenditures



DEBT SERVICE

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

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

| | Date of Issuance | Total Amount | Balance as of 7/1/2008 | Current Year Payments (Principal & Interest) | Payoff Date |
|---------------------------------|------------------|---------------------|---------------------------|-------------------------------------------------|-------------|
| General Obligation Bonds | | | | | |
| Golf Course | 11/10/2005 | \$6,250,000 | \$6,060,000 | \$384,745 | 2/1/2035 |
| Revenue Bonds | | | | | |
| Public Safety Building | 2/15/2000 | \$790,000 | \$515,000 | \$57,360 | 2/15/2019 |
| Road Bond | 12/15/2000 | \$390,000 | \$0 | \$0 | 6/15/2008 |
| Pressurized Irrigation | 3/16/2006 | \$6,215,000 | \$5,795,000 | \$439,550 | 4/1/2031 |
| Culinary Well | 10/17/2007 | 2,090,000 | 2,090,000 | \$136,639 | 3/1/2028 |
| Public Works Building | 6/15/2006 | \$2,325,000 | \$2,275,000 | \$151,462 | 1/1/2032 |
| Totals | | \$18,060,000 | \$16,735,000 | \$1,169,756 | |

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

Brief Explanation of Outstanding Bonds

Golf Course:

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

Road Bond:

This 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. Early in 2008, the benefits to the City of calling this bond became apparent. The bond was called on June 15, 2008.

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 Safety Building:

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

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 provides the City with adequate resources to service the residents in a timely manner. The true interest cost for the bond is 4.4296%. The bond is backed by excise tax revenue.

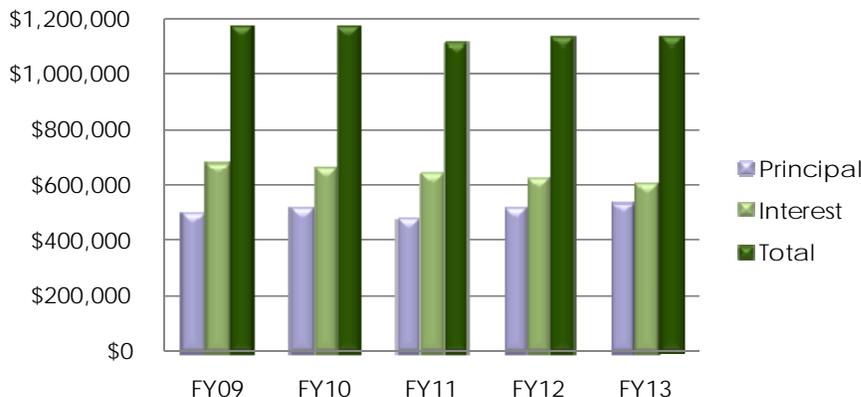
Redundant Culinary Well:

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

5-Year Summary

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

5-Year Debt Payment Summary



BUDGET MESSAGE

CITY COUNCIL PRIORITIES, GOALS, & POLICIES

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

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

“Decisions” is divided into two distinct processes: the Goal Setting and Prioritization process, and the

Administrative Implementation process, each with their own set of distinct steps, as seen in Figure O-5, and as described in the following paragraphs:

Goal Setting and Prioritization

Step I — Neighborhood Meetings and City-wide Survey

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

Step II — Identify Problems and Needs

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

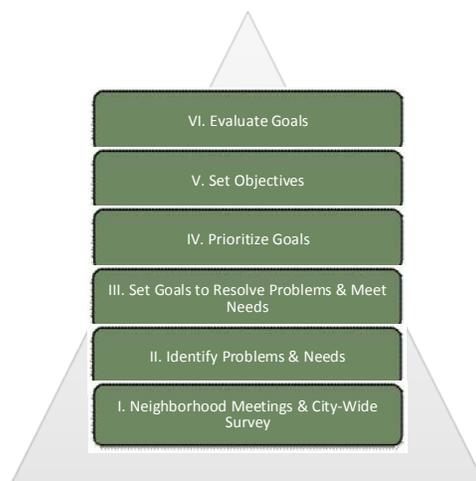


Figure O-5



Mike McGee
Mayor



Charelle Bowman
City Council Member



Eric Richardson
City Council Member



Jim Perry
City Council Member



Ken Kirk
City Council Member



Marisa Wright
City Council Member

Step III — Setting Goals to Resolve Problems and Meet Needs

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

Step IV— Prioritizing Goals

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

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

Administrative Implementation

Step V — Set Objectives

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

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

Step VI — Evaluate Goal Attainment

The Administration meets periodically with City staff to ensure that objectives are being attained in a desirable manner and in an appropriate time frame. Every 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 2008

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

Public Safety

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

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

Economic Development

“The City of Cedar Hills desires to promote and plan for economic development opportunities within the Community in order to maintain and expand current services to residents and to promote a walkable and livable community for all by accomplishing the following:”

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

Parks & Recreation

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

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

Public Infrastructure

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

- Implement Sidewalk Repair & Construction Program
- Design & implement appropriate pressurized irrigation system for

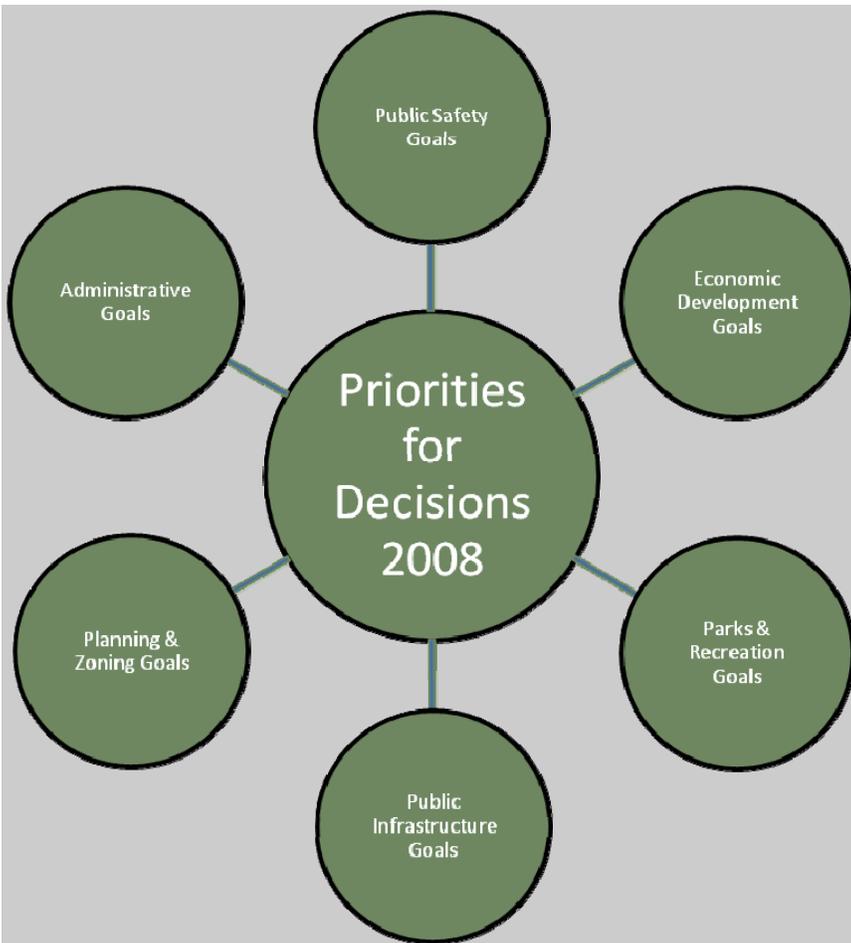


Figure O-6

ultimate build-out

- 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
- Sharpen emergency management plan components and fully train staff.
- Implement Citywide GIS on Infrastructure and public assets
- Further Implementation of city-wide zoning of nuisance enforcement

Administrative

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

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

Financial Goals and Policies

The City of Cedar Hills maintains financial goals during the budget process. A list of these financial goals was compiled into a document entitled “Financial Planning Policies”. This document was re-

viewed and formally adopted by ordinance prior to the creation of this budget document. The “Financial Planning Policies” document serves as a guide for making financial policy decisions for the City of Cedar Hills and is only a general overview of established policy and procedure governing daily operations at the City of Cedar Hills.

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

Financial Planning Policies

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

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

// 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. //

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 percent of the prior year total assessed value for tax purposes of real and personal property as determined by the most recent tax assessment, according to state law.

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

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

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

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

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

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

BUDGET MESSAGE

ADMINISTRATION DEPARTMENT



Konrad Hildebrandt, City Manager

Mission

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

Activities

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

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

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

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

promotions, and other personnel activities of the City.

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

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

Goals

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

- Serve and advise the Mayor and City Council, prepare analyses and assorted reports for Council consideration, and prepare the annual proposed budget.
- Enforce municipal laws and ordinances.

- Act as Human Resource Director by appointing department directors and hiring qualified, well-trained employees to deliver high-level services to Cedar Hills residents.
- Supervise all City departments including the Finance Department, Public Safety Department, Fire and EMT services, and crossing guards.

Objectives

1. Complete large City projects such as: Development and construction of redundant culinary water well; Commercial development – Phillips, Edison, Wal-Mart and Amsource developers; Street and sidewalk construction and maintenance program; Development and construction of Mesquite Soccer Park; Development and construction of Bonneville Shoreline

II trail system; Complete Golf Course Reconfiguration and Debt Service elimination process.

2. Complete Aquatics/Recreation design and feasibility study. Creation of a tri-city (CH, Alpine and Highland) Recreation District – Lone Peak Recreation District. Bond for development and operation facility costs.
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-7) are set up to help Administration determine whether the department has accomplished the objectives and goals listed above.

| | Performance Indicator | FY 08 Estimate |
|-------------------|--------------------------------------------------------------|----------------|
| Output | # of executive staff meetings held | 21 |
| | # of trainings held | 10 |
| | % of City Council meetings attended | 95% |
| | # of LPPSD meetings attended | 10 |
| | # of grants written | 1 |
| Efficiency | % of monthly management reports distributed by the 15th | 100% |
| | % of employees receiving their annual performance evaluation | 100% |

Figure O-7

BUDGET MESSAGE

FINANCE DEPARTMENT



Rachel Brown, Finance Director

Mission

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

Activities

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

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

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

Goals

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

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

updated through the webpage, training, and audits.

Objectives

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

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

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

Performance Indicators

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

| | Performance Indicator | FY 08 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 hours of routine analysis per month | 30 |
| Efficiency | % of year spent on budget approval | 45% |
| | % of General and W&S Fund budgets used to support Finance Department | 3% |
| | # of repeated analyses for City Council | 2 |
| | Avg. annual % of past due utility billing receivables greater than 60 days outstanding | 15% |
| | related receivables greater than 150 days outstanding | 75% |
| Effectiveness | % of cash received through online bill pay | 23% |
| | % of cash received through ACH | 15% |
| | % of cash received through Lockbox Facility | 24% |
| | # of scores of 3 or higher on GFOA budget award program | 91/93 |

Figure O-8

BUDGET MESSAGE

PUBLIC WORKS

Mission

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

Activities

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

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

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

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



David Bunker, City Engineer

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

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

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

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

basins, sewer lines, and sewer sumps.

Goals

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

- Labor to install, maintain, and repair the city water supply and transmission and distribution systems.
- Monitor, inspect, and report on pump stations, water tanks, and telemetry equipment.
- Report on sanitary survey, culinary water inspections, pressurized irrigation inspections, and storm water testing.
- Maintain all existing sewer lines, storm sewers, retention/detention

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-9 are set up to help Administration determine whether the department has accomplished the objectives and goals listed previously.

| | Performance Indicator | FY 08 Estimate |
|----------------------|----------------------------------------------------|----------------|
| Output | # of meter re-reads | 140 |
| | # of water inspections | 35 |
| | # of sewer inspections | 35 |
| Efficiency | Avg. time to respond to sewer inspection request | 1-2 days |
| | Avg. time to respond to water inspection request | 1-2 days |
| | Avg. time to respond to meter re-reads | 1 day |
| | # of repeat broken lines | 0 |
| | % of at-fault meter re-reads | 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-9

BUDGET MESSAGE

COMMUNITY SERVICES



Ashley Vogelsberg,
Community Services Director

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 is in the process of hiring 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, assures budget compliance, and oversees expenditures. It is the responsibility of the Community Services Department to plan and organize special events, especially the Family Festival, as well as summer programs and youth sports. The department continually evaluates its

services and develops programs to meet changing community needs and interests.

Goals

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

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

Objectives

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

Performance Indicators

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

| | Performance Indicator | FY 08 Estimate |
|------------|----------------------------------------|----------------|
| Output | # of executive staff meetings attended | 22 |
| | # of Flag Football teams | 27 |
| | #of Jr. Jazz teams | 34 |
| | # of YCC meetings held | 22 |
| Efficiency | % of year spent on Family Festival | 35% |
| | % saved from 2007 Family Festival | 6% |

Figure O-10

BUDGET MESSAGE

BUILDING & ZONING



Brad Kearl, Chief Building Official

Mission

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

Activities

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

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

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

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

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

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

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

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

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

Goals

- Inspect all building plans and construction for compliance to

IBC, IRC, IPC, IMC, IECC, NEC, IFGC, and IFC codes.

- Improve tracking of Zoning Violations and include in MMR
- Take steps to relinquish the Building Dept. responsibility of handling money and collecting fees.
- Continue a digital record storage system for departments files
- Update City Website for Business Applications and Building/Zoning frequently asked questions and answers.
- Create list for Final inspection requirements for issuance of Certificate of Occupancy.

Objectives

Conducting quality and detailed inspections, ensuring that safe, legal, and appropriate building practices are implemented according to the International Code Council and Utah State Amendments.

To enforce Zoning violations in a fair and expedient manner in order to retain the beautiful city image all the residences enjoy.

To log and track all business activities in the City verifying Code compliance and Zoning requirements.

| | Performance Indicator | FY 08 Estimate |
|---------------|---------------------------------------------------------------|----------------|
| Output | # of inspections completed | 2973 |
| | # of building permits processed | 104 |
| | # of building plans approved | 96 |
| | # of zoning violations detected | 717 |
| Efficiency | Avg. # of days to complete inspections from request date | 1.5 |
| Effectiveness | # of household floods, fires, etc due to improper inspections | 0 |

Figure O-11

BUDGET MESSAGE

RECORDER'S DEPARTMENT



Kim Holindrake, City Recorder

Mission

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

Activities

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

Tasks related to the formal dissemination of public information include the compilation and maintenance

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

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

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

Regarding general administrative tasks, the Department is responsible for front desk operations such

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

Goals

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

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

Objectives

1. Training for the City Council and

the Board of Adjustment.

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

Performance Indicators

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

| | Performance Indicator | FY 08 Estimate |
|---------------|------------------------------------------------------------------------------|----------------|
| Output | # of hours of training provided | 10 |
| | # of meetings where minutes were taken | 40/40 |
| Efficiency | Avg. # of days required to transcribe City Council minutes | 3 |
| | Avg. # of days to have ordinance to codification company & codebooks updated | 7 |
| | Avg. # of days to disseminate information to the public | 2 |
| Effectiveness | % of archives (through June 1, 2006) maintained | 100% |
| | % of agreement history completed (1977-Present) | 100% |
| | % of council minutes scanned(1977-Present) | 90% |

Figure O-12

BUDGET MESSAGE

GOLF DEPARTMENT



Jim Madsen, Director of Golf

Mission

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

Activities

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

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

sions, carts, club house and sunset room.

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

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

Goals

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

- Increase total revenue by 8 percent.



Cedar Hills Golf Course

- Increase Pro Shop Revenue by 5 percent.
 - Increase equivalent 9 hole rounds by 7 percent
 - Have all equipment up and functional.
 - Repair equipment within 48 hours.
 - Repair golf carts within 24 hours.
 - Beautify the course.
3. Work with companies and groups to book events.
 4. Work with partners to market and advertise the Sunset room.
 5. Use multiple vendors for concessions.

Performance 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.

Objectives

1. Aggressively market the course.
2. Tap new markets.

| | Performance Indicator | FY 08 Estimate |
|---------------|-------------------------------------------------------------|----------------|
| Output | # of 9 hole rounds played | 34,182 |
| | # of management reports completed | 12 |
| | Landscape projects completed | 1 |
| Efficiency | % of time carts function properly | 90% |
| | % of time irrigation system functions properly | 90% |
| | % of time carts are repaired within 24 hours | 80% |
| | % of time maintenance equipment is up and running | 70% |
| | % of time maintenance equipment is repaired within 48 hours | 65% |
| Effectiveness | total operating revenue increase over FY07 | 23% |
| | Pro Shop revenue increase over FY07 | 287% |

Figure O-13

ORGANIZATIONAL CHART

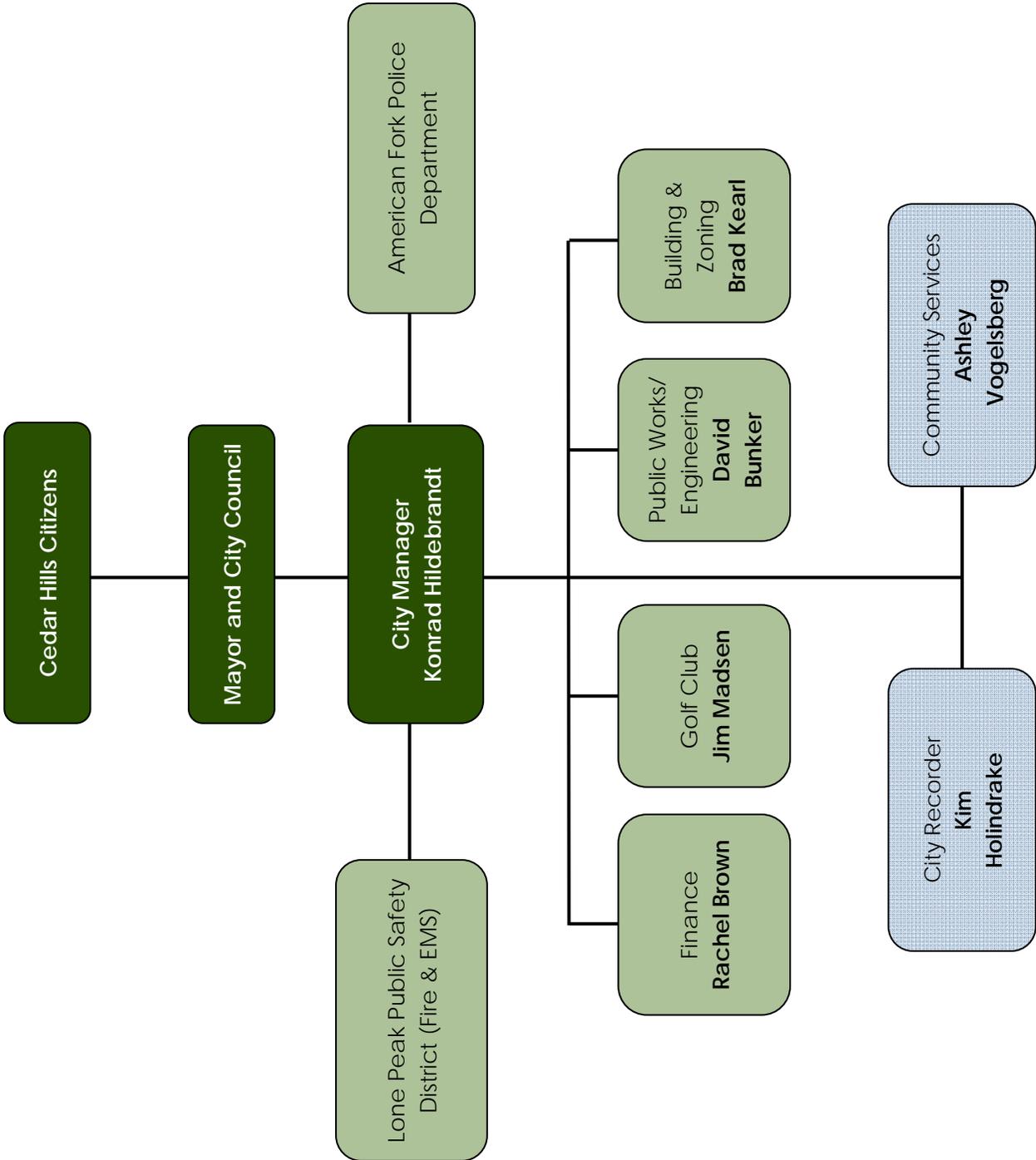


Figure O-14

FUNDS/DEPARTMENT RELATIONSHIP

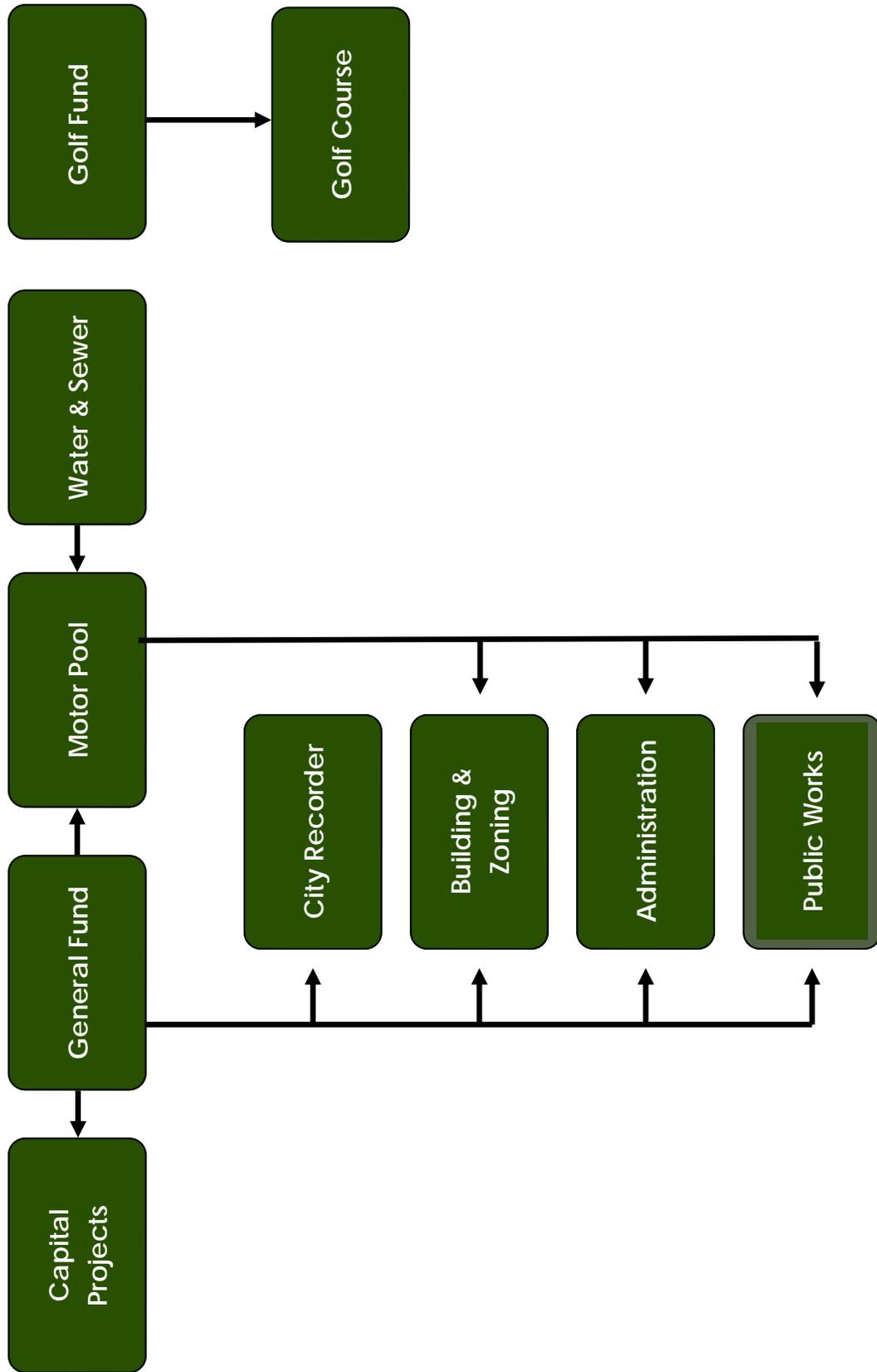


Figure O-15

SUMMARY OF FUNDS

Summary of Funds

The table in Figure BH-1 details the Fiscal Year 2009 Budget for the City of Cedar Hills. The total adopted budget reflects an increase of roughly \$3.09 million from the prior year's estimated figure. Notable additions incorporated in this budget include:

General Fund:

- \$82,430 increase in Salary & Benefits to accommodate for the new Public Works Technician, the new Community Services Intern, and the rising cost of health benefits.
- \$20,000 increase to accommodate the effects of an extreme winter.
- \$55,000 increase Festival Revenue because both the 2008 and 2009 Festivals fall in FY2009
- An increase of \$52,500 in Solid Waste Expenditures to accommodate increased participation in the recycling program and increased rates from Waste Management.

Water & Sewer Fund:

- \$56,350 increase in Salary & Benefits to accommodate for the new Public Works Technician and the rising cost of health benefits.
- \$36,250 increase for utilities.
- \$30,000 to repair drainage issues at the baseball field.

Capital Projects Fund:

- \$972,000 for Harvey Land purchase.
- \$720,000 for Harvey Park Phase 1 improvement.
- \$400,000 for Bayhill Park.
- \$1.7 million for redundant well purchase.
- \$60,000 for a community center feasibility study.

The Consolidated Summary of Funds (Figure BH-2) gives a more in-depth portrayal of City funds as projected for the fiscal year 2009. The figure provides a summary of the

| City of Cedar Hills | | | | |
|---------------------------------|---------------------------|-----------------------------|---------------------------|--|
| Fiscal Year 2009 Budget Summary | | | | |
| <i>Fund</i> | <i>FY 2007 Actual</i> | <i>Fy 2008 Estimate</i> | <i>FY 2009 Budget</i> | |
| General Fund | \$ 2,980,918 | \$ 3,007,777 | \$ 3,375,455 | |
| Water & Sewer Fund | \$ 2,400,155 | \$ 2,163,903 | \$ 2,390,590 | |
| Capital Projects Fund | \$ 3,084,171 | \$ 1,727,343 | \$ 4,828,042 | |
| Motor Pool Fund | \$ 107,666 | \$ 89,702 | \$ 165,700 | |
| Golf Fund | \$ 1,162,443 | \$ 1,734,572 | \$ 1,310,341 | |
| Totals | \$ 9,735,353 | \$ 8,723,297 | \$ 12,070,128 | |

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 2009 General Fund and Capital Projects budget is balanced.

Budget Preparation

Preparation for the Fiscal Year Budget 2009 was, as always, an intricate and complex process. This process, though, affords both an interesting and challenging opportunity to

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

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

| Revenues | FY 2007 Actual | FY 2008 Estimate | FY 2009 Budget | Expenditures | FY 2007 Actual | FY 2008 Estimate | FY 2009 Budget |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | | | | | | | |
| Taxes | \$ 1,893,112 | \$ 1,814,500 | \$ 2,175,855 | Public Safety | \$ 468,442 | \$ 495,570 | \$ 570,473 |
| Licenses/Permits | \$ 264,760 | \$ 224,000 | \$ 144,000 | Public Works | \$ 272,210 | \$ 208,143 | \$ 309,750 |
| Fees | \$ 523,430 | \$ 528,480 | \$ 482,600 | Solid Waste | \$ 267,158 | \$ 328,806 | \$ 330,000 |
| Intergovernmental | \$ 236,966 | \$ 233,000 | \$ 224,000 | Administrative Svcs | \$ 395,251 | \$ 388,740 | \$ 433,555 |
| Other Sources | \$ 244,954 | \$ 333,067 | \$ 349,000 | Transfers/Other | \$ 1,577,856 | \$ 1,586,518 | \$ 1,731,677 |
| | \$ 3,163,222 | \$ 3,133,047 | \$ 3,375,455 | | \$ 2,980,918 | \$ 3,007,777 | \$ 3,375,455 |
| Water & Sewer Fund | | | | | | | |
| Water | \$ 1,066,787 | \$ 1,388,390 | \$ 1,356,650 | Water | \$ 618,167 | \$ 745,170 | \$ 871,370 |
| Sewer | \$ 825,219 | \$ 683,091 | \$ 654,300 | Sewer | \$ 730,488 | \$ 615,377 | \$ 641,360 |
| Storm Drain | \$ 84,725 | \$ 112,530 | \$ 150,000 | Storm Drain | \$ 49,638 | \$ 109,538 | \$ 42,200 |
| Miscellaneous | \$ 297,753 | \$ 143,560 | \$ 229,640 | Other | \$ 1,001,863 | \$ 693,818 | \$ 835,660 |
| | \$ 2,274,484 | \$ 2,327,571 | \$ 2,390,590 | | \$ 2,400,155 | \$ 2,163,903 | \$ 2,390,590 |
| Capital Projects Fund | | | | | | | |
| Transfers | \$ 409,548 | \$ 420,724 | \$ 2,336,602 | Park Projects | \$ 1,384,803 | \$ 625,396 | \$ 2,122,000 |
| Impact Fees | \$ 511,957 | \$ 668,005 | \$ 258,440 | Capital Facilities | \$ 1,513,832 | \$ - | \$ - |
| Interest Income | \$ 362,802 | \$ 284,883 | \$ 133,000 | Street Projects | \$ 31,680 | \$ 51,907 | \$ 64,000 |
| Grant Income | \$ - | \$ 4,932 | \$ - | Water Projects | \$ 10,162 | \$ 559,665 | \$ 1,700,000 |
| Financing Income | \$ - | \$ - | \$ 2,100,000 | Bond Payments | \$ 118,972 | \$ 228,838 | \$ 351,470 |
| | \$ 1,284,307 | \$ 1,378,545 | \$ 4,828,042 | Other | \$ 24,723 | \$ 261,538 | \$ 590,572 |
| | | | | | \$ 3,084,171 | \$ 1,727,343 | \$ 4,828,042 |
| Motor Pool Fund | | | | | | | |
| Transfer from GF | \$ 177,513 | \$ 38,600 | \$ 103,700 | Gas/Oil/Maintenance | \$ 31,792 | \$ 32,964 | \$ 31,500 |
| Transfer from W&S | \$ 61,263 | \$ 50,500 | \$ 62,000 | Insurance | \$ 7,152 | \$ 8,143 | \$ 7,700 |
| | \$ 238,776 | \$ 89,100 | \$ 165,700 | Capital Outlay | \$ - | \$ 40,845 | \$ 115,500 |
| | | | | Rent Expense | \$ 6,547 | \$ 7,750 | \$ 11,000 |
| | | | | Other | \$ 62,175 | \$ - | \$ - |
| | | | | | \$ 107,666 | \$ 89,702 | \$ 165,700 |
| Golf Fund | | | | | | | |
| Green Fees/Passes | \$ 541,142 | \$ 620,795 | \$ 679,000 | Bond/Lease Payment | \$ 336,374 | \$ 462,806 | \$ 563,160 |
| Concession/Pro Shop | \$ 69,756 | \$ 135,035 | \$ 145,127 | Clubhouse MGT | \$ 275,479 | \$ 349,820 | \$ 432,181 |
| Range | \$ 25,110 | \$ 25,729 | \$ 27,000 | Maintenance | \$ 291,680 | \$ 293,605 | \$ 315,000 |
| Other Sources | \$ 401,958 | \$ 405,654 | \$ 401,195 | Depreciation | \$ 258,910 | \$ - | \$ - |
| | \$ 1,037,966 | \$ 1,187,213 | \$ 1,252,322 | Reconfiguration | \$ - | \$ 628,341 | \$ - |
| | | | | | \$ 1,162,443 | \$ 1,734,572 | \$ 1,310,341 |

Figure BH-2

Basis of Budgeting and Accounting

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

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

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

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

Budget Adoption

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

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

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

FY2009 BUDGET TIMELINE

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

Figure BH-3

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

Budget Amendments

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

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

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

FUND BALANCE / NET ASSETS

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

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

nated to the proprietary funds less accumulated depreciation.

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

General Fund

| | FY 2005 Actual | FY 2006 Actual | FY 2007 Actual | FY 2008 Estimate | FY 2009 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Fund Balance | \$ 324,025 | \$ 566,393 | \$ 803,653 | \$ 986,065 | \$ 1,111,334 |
| Revenues | | | | | |
| Taxes | \$ 1,053,292 | \$ 1,384,996 | \$ 1,893,112 | \$ 1,814,500 | \$ 2,175,855 |
| Licenses/Permits | \$ 546,160 | \$ 516,054 | \$ 264,760 | \$ 224,000 | \$ 144,000 |
| Intergovernmental | \$ 197,671 | \$ 195,054 | \$ 236,966 | \$ 233,000 | \$ 224,000 |
| Charges for Services | \$ 603,948 | \$ 598,410 | \$ 523,430 | \$ 528,480 | \$ 482,600 |
| Other Fees and Services | \$ 34,371 | \$ 31,178 | \$ 80,950 | \$ 53,000 | \$ 145,000 |
| Miscellaneous | \$ 34,143 | \$ 83,834 | \$ 33,895 | \$ 64,067 | \$ 60,000 |
| Interest Income | \$ 31,308 | \$ 21,923 | \$ 37,110 | \$ 23,000 | \$ 40,000 |
| Total Revenues | \$ 2,500,893 | \$ 2,831,449 | \$ 3,070,222 | \$ 2,940,047 | \$ 3,271,455 |
| Transfers In | \$ 15,955 | \$ - | \$ 93,000 | \$ 193,000 | \$ 104,000 |
| Total Revenues/Other Sources | \$ 2,516,848 | \$ 2,831,449 | \$ 3,163,222 | \$ 3,133,047 | \$ 3,375,455 |
| Total Resources | \$ 2,840,873 | \$ 3,397,842 | \$ 3,966,875 | \$ 4,119,112 | \$ 4,486,789 |
| Expenditures | | | | | |
| General Government | \$ 1,176,336 | \$ 1,274,996 | \$ 1,435,021 | \$ 1,456,990 | \$ 1,692,745 |
| Streets | \$ 236,503 | \$ 223,541 | \$ 243,659 | \$ 279,552 | \$ 328,500 |
| Public Safety | \$ 366,317 | \$ 415,023 | \$ 468,442 | \$ 495,570 | \$ 570,473 |
| Parks and Recreation | \$ 174,782 | \$ 137,333 | \$ 193,655 | \$ 247,185 | \$ 357,905 |
| Debt Service | \$ 52,555 | \$ 53,353 | \$ 52,973 | \$ 150,974 | \$ - |
| Total Expenditures | \$ 2,006,493 | \$ 2,104,246 | \$ 2,393,750 | \$ 2,630,271 | \$ 2,949,623 |
| Transfers Out | \$ 267,987 | \$ 489,942 | \$ 587,061 | \$ 377,506 | \$ 425,832 |
| Total Expenditures/Other Uses | \$ 2,274,480 | \$ 2,594,188 | \$ 2,980,811 | \$ 3,007,777 | \$ 3,375,455 |
| Ending Fund Balance | \$ 566,393 | \$ 803,654 | \$ 986,065 | \$ 1,111,334 | \$ 1,111,334 |

FUND BALANCE TABLE

Capital Projects

| | FY 2005 Actual | FY 2006 Actual | FY 2007 Actual | FY 2008 Estimate | FY 2009 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Beginning Fund Balance | \$ 4,206,381 | \$ 5,006,975 | \$ 7,779,472 | \$ 5,979,607 | \$ 6,190,473 |
| Revenues | | | | | |
| Impact Fees | \$ 1,427,775 | \$ 950,581 | \$ 511,957 | \$ 668,005 | \$ 258,440 |
| Intergovernmental | \$ - | \$ - | \$ - | \$ 4,932 | \$ - |
| Developer Contributions | \$ 62,632 | \$ - | \$ - | \$ - | \$ - |
| Interest Income | \$ 101,247 | \$ 220,455 | \$ 362,802 | \$ 284,883 | \$ 133,000 |
| Total Revenue | \$ 1,591,654 | \$ 1,171,036 | \$ 874,759 | \$ 957,820 | \$ 391,440 |
| Proceeds of Long Term Debt | \$ - | \$ 2,325,000 | \$ - | \$ 559,665 | \$ 2,100,000 |
| Transfers In | \$ 159,719 | \$ 332,883 | \$ 409,548 | \$ 420,724 | \$ 2,336,602 |
| Total Revenues/Other Sources | \$ 1,751,373 | \$ 3,828,919 | \$ 1,284,307 | \$ 1,938,210 | \$ 4,828,042 |
| Total Resources | \$ 5,957,754 | \$ 8,835,894 | \$ 9,063,779 | \$ 7,917,816 | \$ 11,018,515 |
| Expenditures | | | | | |
| General Government | \$ - | \$ 65,040 | \$ 24,629 | \$ 161,538 | \$ 80,000 |
| Streets | \$ 131,994 | \$ 203,204 | \$ 31,680 | \$ 51,907 | \$ 64,000 |
| Parks and Recreation | \$ 753,584 | \$ 234,399 | \$ 1,388,023 | \$ 625,396 | \$ 2,122,000 |
| Water and Sewer | \$ - | \$ - | \$ 10,162 | \$ 559,665 | \$ 1,700,000 |
| Capital Outlay | \$ - | \$ 476,372 | \$ 1,513,832 | \$ - | \$ - |
| Debt Service | \$ 65,201 | \$ 77,408 | \$ 115,846 | \$ 228,838 | \$ 351,470 |
| Total Expenditures | \$ 950,779 | \$ 1,056,423 | \$ 3,084,171 | \$ 1,627,343 | \$ 4,317,470 |
| Transfers Out | \$ - | \$ - | \$ - | \$ 100,000 | \$ 510,572 |
| Total Expenditures/Other Uses | \$ 950,779 | \$ 1,056,423 | \$ 3,084,171 | \$ 1,727,343 | \$ 4,828,042 |
| Ending Fund Balance | \$ 5,006,975 | \$ 7,779,471 | \$ 5,979,607 | \$ 6,190,473 | \$ 6,190,473 |

FUND BALANCE TABLE

Water & Sewer

| | FY 2005 Actual | FY 2006 Actual | FY 2007 Actual | FY 2008 Estimate | FY 2009 Budget |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Net Assets Beginning of Year | \$ 16,856,890 | \$ 17,322,394 | \$ 19,360,040 | \$ 19,234,367 | \$ 19,398,035 |
| Revenues | | | | | |
| Charges for Services | \$ 1,353,378 | \$ 1,678,168 | \$ 1,618,393 | \$ 2,029,435 | \$ 1,964,950 |
| Interest Income | \$ 14,452 | \$ 54,318 | \$ 77,700 | \$ 46,102 | \$ 24,000 |
| Total Revenues | \$ 1,367,830 | \$ 1,732,486 | \$ 1,696,094 | \$ 2,075,537 | \$ 1,988,950 |
| Capital Contributions | \$ 520,472 | \$ 2,037,900 | \$ 289,990 | \$ 105,394 | \$ 83,000 |
| Total Revenues/Other Sources | \$ 1,888,302 | \$ 3,770,386 | \$ 1,986,084 | \$ 2,180,931 | \$ 2,071,950 |
| Total Resources | \$ 18,745,192 | \$ 21,092,780 | \$ 21,346,124 | \$ 21,415,297 | \$ 21,469,985 |
| Expenditures | | | | | |
| Salaries, Wages, & Benefits | \$ 287,780 | \$ 336,294 | \$ 380,009 | \$ 366,133 | \$ 478,750 |
| Supplies and Materials | \$ 149,426 | \$ 247,268 | \$ 468,787 | \$ 686,178 | \$ 686,680 |
| Professional & Technical | \$ 34,591 | \$ 18,924 | \$ 6,666 | \$ 6,191 | \$ 6,500 |
| Depreciation & Amortization | \$ 470,674 | \$ 513,611 | \$ 587,871 | \$ - | \$ - |
| Other | \$ 198,635 | \$ 299,506 | \$ 254,430 | \$ 264,943 | \$ 270,000 |
| Interest Expense | \$ 224,704 | \$ 259,448 | \$ 259,730 | \$ 256,900 | \$ 249,550 |
| Bond Principal Payment | \$ - | \$ - | \$ - | \$ 211,600 | \$ 192,000 |
| Total Expenditures | \$ 1,365,810 | \$ 1,675,051 | \$ 1,957,495 | \$ 1,791,945 | \$ 1,883,480 |
| Transfers Out | \$ 56,988 | \$ 57,692 | \$ 154,263 | \$ 225,318 | \$ 394,110 |
| Total Expenditures/Other Uses | \$ 1,422,798 | \$ 1,732,743 | \$ 2,111,757 | \$ 2,017,263 | \$ 2,277,590 |
| Ending Net Assets | \$ 17,322,394 | \$ 19,360,037 | \$ 19,234,367 | \$ 19,398,035 | \$ 19,192,395 |
| Total Applications | \$ 18,745,192 | \$ 21,092,780 | \$ 21,346,124 | \$ 21,415,297 | \$ 21,469,985 |

FUND BALANCE TABLE

Golf

| | FY 2005 Actual | FY 2006 Actual | FY 2007 Actual | FY 2008 Estimate | FY 2009 Budget |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net Assets Beginning of Year | \$ 4,849,314 | \$ 4,316,582 | \$ 3,729,762 | \$ 4,767,729 | \$ 5,954,942 |
| Revenues | | | | | |
| Charges for Services | \$ 710,763 | \$ 639,625 | \$ 652,176 | \$ 800,268 | \$ 867,127 |
| Interest Income | \$ 15,998 | \$ 6,489 | \$ - | \$ - | \$ - |
| GO Bond | \$ - | \$ - | \$ 385,791 | \$ 386,945 | \$ 385,195 |
| Total Revenues | \$ 726,761 | \$ 646,114 | \$ 1,037,967 | \$ 1,187,213 | \$ 1,252,322 |
| Transfer In | \$ 60,000 | \$ - | \$ - | \$ - | \$ - |
| Total Revenues/Other Sources | \$ 786,761 | \$ 646,114 | \$ 1,037,967 | \$ 1,187,213 | \$ 1,252,322 |
| Total Resources | \$ 5,636,075 | \$ 4,962,696 | \$ 4,767,729 | \$ 5,954,942 | \$ 7,207,264 |
| Expenditures | | | | | |
| Salaries, Wages, & Benefits | \$ 261,284 | \$ 311,481 | \$ 295,733 | \$ 344,556 | \$ 423,405 |
| Supplies and Materials | \$ 398,729 | \$ 229,165 | \$ 271,427 | \$ 298,869 | \$ 323,776 |
| Depreciation & Amortization | \$ 236,843 | \$ 240,054 | \$ 243,092 | \$ - | \$ - |
| Non-Operating Expenses | \$ 73,741 | \$ 72,160 | \$ 71,032 | \$ 831,265 | \$ 308,415 |
| Interest Expense | \$ 348,896 | \$ 380,074 | \$ 265,342 | \$ 259,883 | \$ 254,745 |
| Loss on Sale of Asset | \$ - | \$ - | \$ 15,818 | \$ - | \$ - |
| Total Expenditures | \$ 1,319,493 | \$ 1,232,934 | \$ 1,162,444 | \$ 1,734,572 | \$ 1,310,341 |
| Ending Net Assets | \$ 4,316,582 | \$ 3,729,762 | \$ 3,605,285 | \$ 4,220,370 | \$ 5,896,923 |
| Total Applications | \$ 5,636,075 | \$ 4,962,696 | \$ 4,767,729 | \$ 5,954,942 | \$ 7,207,264 |

FUND SUMMARY

GENERAL FUND

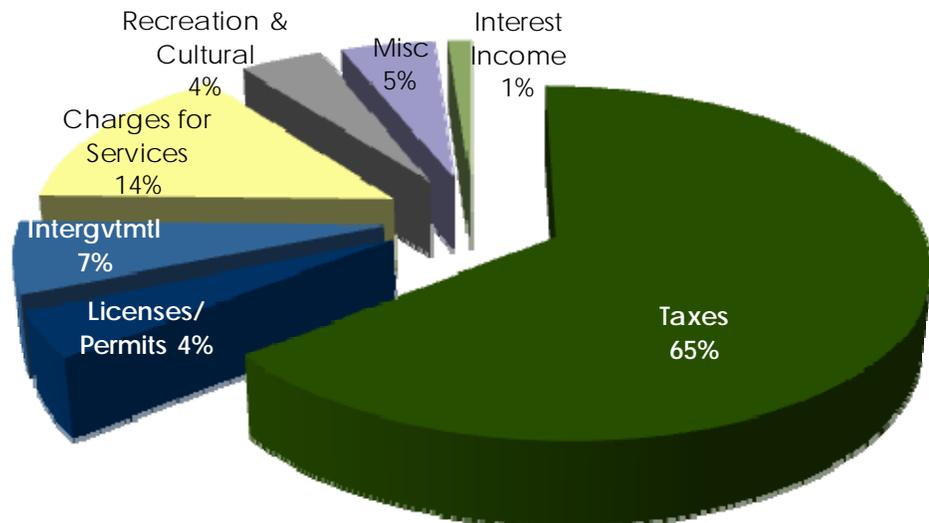
The general operating revenues and expenses of the City are accounted for in the General Fund. These “operating” activities include all those that are generally associated with governmental activity and are not required to be accounted for in another fund (such as an enterprise fund). Many administrative activities, public safety expenditures, recreation, etc., fall under the General Fund umbrella. Also, many of the more general government activities (such as purchasing a stapler or paying the electric bill) that are specific to a department (such as the 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, In-

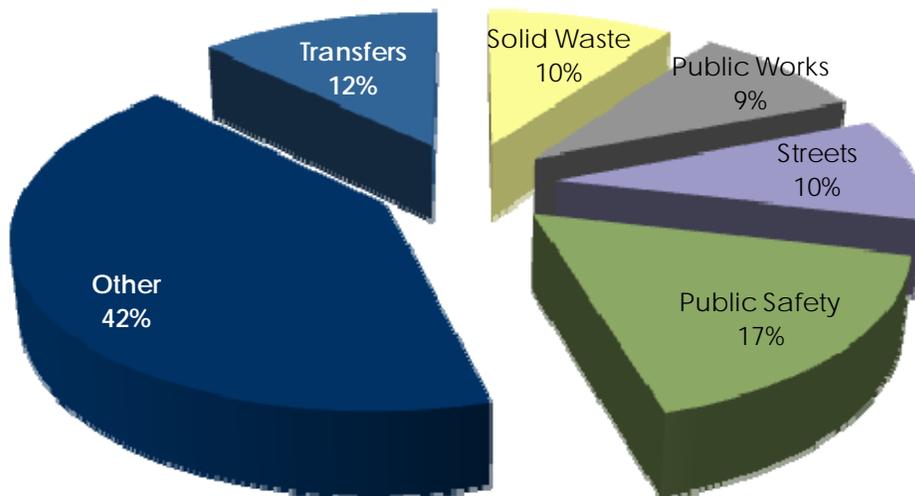
tergovernmental Revenues, Charges for Services, Recreation & Cultural Revenue, and Miscellaneous Revenue are the six functional revenue groups in the General Fund. As can be seen in the figure below, taxes make up the greatest portion of the expected revenues during this fiscal year. Most of these revenues are forecasted to grow at the same rate that the population is projected to grow (1.4%).

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 17% 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 operating revenues that

FY09 Projected Revenues



FY08 Budgeted Expenditures



come into the General Fund and then out to other governmental funds, such as the Motor Pool Fund or Capital Projects Fund.

The General Fund Fiscal Year 2009 Budget totals just over \$3.32 million and shows a net decrease of \$28,842 or .86% from the Fiscal Year 2008 Budget of \$3.35 million. This slight decrease is largely due to the net effect increasing costs of health care benefits, dramatically slowed growth, increased solid waste expenses, and the elimination of a bond payment. The City budgets its expenditures in the long term based on projected income from recurring revenue sources, and diminishing growth related revenue streams. As the growth related revenues have decrease so have the one time expenditures. The figure above demonstrates operating expenditures per resident have also remained in check. Budget projections for FY09 expenditures remain very consistent with prior years, when compared on a per resident basis.

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

items include the following:

Revenues

Building Permits: Difficulties in the housing market hit the City pretty hard. New home building permits pulled in FY2008 amounted to only 25—The budget anticipated three times as many. The budget, did not however, take into account the building of a Wal-Mart in Cedar Hills. The Wal-Mart building permit helped make up for much of the anticipated revenue. The FY2009 budget calls for a similar to FY2008 new home construction. Without the significant commercial revenue, however, Building Permits (as well as related fees such as Plan Check Fees) will decrease.

Sales Tax: FY2008 sales & use tax revenue was nearly \$100,000 over the budgeted revenue. This conservative budgeting is characteristic of the City's budgeting policies and also filled in the gaps where growth revenue fell short.

Property Tax: The 2008 assessments on property showed a slight decrease in property values in the City. This meant that the calculated tax rate provided by the County increased, leaving our tax base, not including growth, the same as last

year. City Council members voted to leave the certified tax rate the same as last year, providing a tax decrease. This means we will receive about \$17,000 less in revenue than if the calculated rate had been adopted.

Expenditures

Election Expenses: FY2009 does not include an election year. As such, the budget for an election was eliminated.

Salary & Wages: In the Building & Zoning Department, the department assistant position was previously setup as a job share between two part time employees. This position has been filled by a full time employee. As such, full time benefits are warranted, increasing the Employee Benefits in this department by nearly \$20,000.

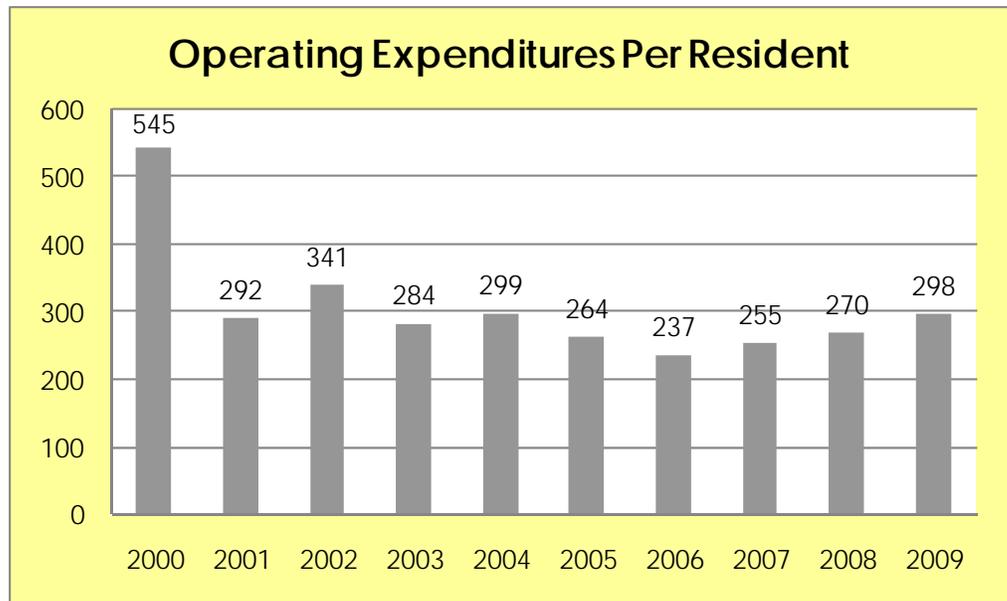
Street Expense: As with several parts of the country, Cedar Hills experienced an extreme winter this year. The effects of the weather have been severe on City streets. The

budget was increased 10 percent to keep up with the need for street maintenance.

Solid Waste Services: The City has experienced increased participation in the curbside recycling program, as well as rising costs overall in solid waste services. In response, the budget was increased by a significant \$52,500 in this department.

Family Festival Celebration: Every summer, Cedar Hills holds City celebration days which include a 5k and fun run, Battle of the Bands, a parade, a carnival, dinner & a movie, and fireworks. The 2009 event has been moved from July to June, meaning two events fall in FY2009. \$55,000 has been added to the budget for this purpose.

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.



2009 FISCAL YEAR REVENUE ESTIMATES

| Revenue Type | FY07 Actual | FY08 Estimate | FY09 Budget |
|-----------------------------------------|---------------------|---------------------|---------------------|
| Tax Revenues | | | |
| Property Tax | \$ 614,644 | \$ 608,500 | \$ 692,188 |
| Motor Vehicle | \$ 160,984 | \$ 85,000 | \$ 120,000 |
| Delinquent Taxes | \$ 64,793 | \$ 60,000 | \$ 60,000 |
| Penalty & Interest | \$ 1,578 | \$ 4,000 | \$ 3,000 |
| Sales & Use Tax | \$ 770,586 | \$ 725,000 | \$ 905,667 |
| Franchise Tax | \$ 215,893 | \$ 270,000 | \$ 310,000 |
| Telecom Tax | \$ 64,634 | \$ 62,000 | \$ 85,000 |
| | \$ 1,893,112 | \$ 1,814,500 | \$ 2,175,855 |
| Licenses & Permits Revenue | | | |
| Business License | \$ 13,842 | \$ 14,000 | \$ 14,000 |
| Building Permits | \$ 236,625 | \$ 200,000 | \$ 125,000 |
| Misc Licenses & Permits | \$ 14,293 | \$ 10,000 | \$ 5,000 |
| | \$ 264,760 | \$ 224,000 | \$ 144,000 |
| Intergovernmental Revenue | | | |
| LPPSD Rent | \$ 8,500 | \$ 15,480 | \$ 16,200 |
| Class C Roads Fund | \$ 233,532 | \$ 230,000 | \$ 220,000 |
| State Liquor Tax Allotment | \$ 3,435 | \$ 3,000 | \$ 4,000 |
| | \$ 245,466 | \$ 248,480 | \$ 240,200 |
| Fees Revenue | | | |
| Engineer Inspection Fees | \$ 31,215 | \$ 28,000 | \$ 7,500 |
| Garbage Fees | \$ 305,614 | \$ 323,000 | \$ 332,500 |
| Recycling | \$ 27,774 | \$ 29,000 | \$ 33,400 |
| Fees in Lieu of Taxes | \$ 14,400 | \$ 13,000 | \$ 9,000 |
| Penalty Fees | \$ (1,077) | \$ 4,000 | \$ 3,000 |
| Inspection Refees | \$ 19,882 | \$ 15,000 | \$ 10,000 |
| Application & Processing Fees | \$ 2,204 | \$ 1,000 | \$ 1,000 |
| Plan Check Fees | \$ 114,917 | \$ 100,000 | \$ 70,000 |
| | \$ 514,930 | \$ 513,000 | \$ 466,400 |
| Recreation & Culture Revenue | | | |
| Festival Income | \$ 23,781 | \$ 18,000 | \$ 100,000 |
| Recreation Programs | \$ 57,169 | \$ 35,000 | \$ 43,000 |
| Other Recreation Revenue | \$ - | \$ - | \$ 2,000 |
| | \$ 80,950 | \$ 53,000 | \$ 145,000 |
| Misc Revenues | | | |
| Interest Income | \$ 37,110 | \$ 23,000 | \$ 40,000 |
| Sale of Fixed Assets | \$ - | \$ 35,000 | \$ 35,000 |
| Transfer In | \$ 93,000 | \$ 193,000 | \$ 104,000 |
| Other Income | \$ 33,895 | \$ 29,067 | \$ 25,000 |
| | \$ 164,004 | \$ 280,067 | \$ 204,000 |
| Total Revenues | \$ 3,163,222 | \$ 3,133,047 | \$ 3,375,455 |

2009 FISCAL YEAR EXPENDITURE PROJECTIONS

| Expenditures | FY07 Actual | FY08 Estimate | FY09 Budget |
|---------------------------------------------|-------------------|-------------------|-------------------|
| General Government Expenditures | | | |
| Materials & Supplies | \$ 11,736 | \$ 8,936 | \$ 12,600 |
| Newsletter/Utility Billing | \$ 15,250 | \$ 19,866 | \$ 21,000 |
| Legal Advertising | \$ 5,133 | \$ 6,925 | \$ 5,000 |
| Computer Expenses | \$ 5,032 | \$ 5,354 | \$ 5,000 |
| Repairs & Maintenance | \$ 34,491 | \$ 14,338 | \$ 12,575 |
| Office Equipment | \$ 7,337 | \$ 14,443 | \$ 11,390 |
| Utilities | \$ 9,826 | \$ 18,676 | \$ 12,360 |
| Postage | \$ 2,001 | \$ 1,189 | \$ 2,500 |
| Communications/Telephone | \$ 6,878 | \$ 7,068 | \$ 7,500 |
| Legal Services | \$ 87,524 | \$ 108,498 | \$ 74,000 |
| Auditing Services | \$ 35,900 | \$ 25,000 | \$ 25,000 |
| Planning Services | \$ 36,209 | \$ - | \$ - |
| Professional/Technical | \$ 15,309 | \$ 28,606 | \$ 51,015 |
| Insurance | \$ - | \$ 13,590 | \$ 15,000 |
| Contingencies | \$ 982 | \$ - | \$ 10,000 |
| | \$ 273,607 | \$ 272,489 | \$ 264,940 |
| Mayor/Council Expenditures | | | |
| Salary & Wages (FT) | \$ 19,000 | \$ 27,000 | \$ 27,000 |
| Planning Commission | \$ - | \$ 3,450 | \$ 4,900 |
| Employee Benefits | \$ 2,085 | \$ 2,529 | \$ 2,850 |
| Materials & Supplies | \$ 706 | \$ 1,340 | \$ 1,000 |
| Dues & Subscriptions | \$ - | \$ - | \$ 100 |
| Education & Training | \$ 310 | \$ 4,250 | \$ 5,500 |
| Communications/Telephone | \$ 5,084 | \$ 5,212 | \$ 7,200 |
| Miscellaneous Expenses | \$ - | \$ - | \$ 72,000 |
| | \$ 27,185 | \$ 43,782 | \$ 120,550 |
| Administrative Services Expenditures | | | |
| Salary & Wages (FT) | \$ 197,614 | \$ 237,470 | \$ 241,800 |
| Overtime | \$ 344 | \$ 3,315 | \$ 2,150 |
| Salary & Wages (PT) | \$ 38,048 | \$ 17,532 | \$ 28,900 |
| Employee Benefits | \$ 121,177 | \$ 100,290 | \$ 134,750 |
| Materials & Supplies | \$ 6,097 | \$ 7,569 | \$ 2,450 |
| Dues & Subscriptions | \$ 752 | \$ 1,331 | \$ 2,505 |
| Education & Training | \$ 6,729 | \$ 8,669 | \$ 12,000 |
| Contract Labor | \$ 2,660 | \$ 3,866 | \$ 4,000 |
| City Code | \$ 1,658 | \$ 3,874 | \$ 3,000 |
| Document Imaging | \$ 19,231 | \$ - | \$ 1,200 |
| Election Expenses | \$ - | \$ 3,953 | \$ - |
| Communications/Telephone | \$ 941 | \$ 872 | \$ 800 |
| | \$ 395,251 | \$ 388,740 | \$ 433,555 |
| Public Safety Expenditures | | | |
| Fire Services | \$ 178,015 | \$ 203,673 | \$ 199,885 |
| Police Services | \$ 276,944 | \$ 274,661 | \$ 336,500 |
| Crossing Guard Expenses | \$ 13,483 | \$ 14,220 | \$ 13,500 |
| Animal Control | \$ - | \$ 3,015 | \$ 5,000 |
| Other Public Safety | \$ - | \$ - | \$ 15,588 |
| | \$ 468,442 | \$ 495,570 | \$ 570,473 |
| Building & Zoning Expenditures | | | |
| Salary & Wages (FT) | \$ 100,745 | \$ 131,817 | \$ 134,200 |
| Overtime | \$ 570 | \$ - | \$ 1,500 |
| Salary & Wages (PT) | \$ 29,771 | \$ - | \$ - |
| Employee Benefits | \$ 56,825 | \$ 74,994 | \$ 86,200 |
| Materials & Supplies | \$ 2,690 | \$ 1,989 | \$ 2,700 |
| Building Permit Surcharge | \$ 3,290 | \$ 1,064 | \$ 1,250 |
| Dues & Subscriptions | \$ 999 | \$ 618 | \$ 1,800 |
| Education & Training | \$ 1,943 | \$ 2,842 | \$ 4,000 |
| Contract Labor | \$ 335 | \$ 900 | \$ - |
| Tools & Equipment | \$ 970 | \$ 32 | \$ 500 |
| Communications/Telephone | \$ 1,578 | \$ 774 | \$ 1,800 |
| | \$ 199,716 | \$ 215,030 | \$ 233,950 |

2009 FISCAL YEAR EXPENDITURE CONTINUED

| Expenditures | FY07 Actual | FY08 Estimate | FY09 Budget |
|-----------------------------------|---------------------|---------------------|---------------------|
| Public Works Expenditures | | | |
| Salary & Wages (FT) | \$ 107,897 | \$ 105,641 | \$ 159,000 |
| Overtime | \$ 1,809 | \$ 687 | \$ 3,000 |
| Salary & Wages (PT) | \$ 7,842 | \$ 9,768 | \$ 6,800 |
| Employee Benefits | \$ 69,878 | \$ 59,476 | \$ 102,000 |
| Materials & Supplies | \$ 3,323 | \$ 2,700 | \$ 2,900 |
| Dues & Subscriptions | \$ 1,422 | \$ 215 | \$ 500 |
| Education & Training | \$ 1,634 | \$ 942 | \$ 2,000 |
| Repairs & Maintenance | \$ - | \$ - | \$ 6,000 |
| Tools & Equipment | \$ 1,067 | \$ 2,900 | \$ 7,000 |
| Communications/Telephone | \$ 1,003 | \$ 959 | \$ 1,050 |
| Engineering Services | \$ 76,335 | \$ 24,856 | \$ 19,500 |
| | \$ 272,210 | \$ 208,143 | \$ 309,750 |
| Streets Expenditures | | | |
| Street Lights | \$ 30,855 | \$ 34,518 | \$ 40,000 |
| Signs | \$ 19,622 | \$ 20,924 | \$ 20,000 |
| Weed Control | \$ 4,857 | \$ 1,051 | \$ 2,500 |
| Streets Expense | \$ 159,852 | \$ 172,367 | \$ 220,000 |
| Snow Removal | \$ 12,504 | \$ 32,823 | \$ 20,000 |
| Street Sweeping | \$ 5,983 | \$ 6,075 | \$ 6,000 |
| Sidewalk Maintenance | \$ 9,988 | \$ 11,794 | \$ 20,000 |
| | \$ 243,659 | \$ 279,552 | \$ 328,500 |
| Solid Waste Expenditures | | | |
| Solid Waste Services | \$ 237,918 | \$ 292,215 | \$ 290,000 |
| Recycling | \$ 29,240 | \$ 36,591 | \$ 40,000 |
| | \$ 267,158 | \$ 328,806 | \$ 330,000 |
| Parks Expenditures | | | |
| Park Supplies & Maintenance | \$ 81,590 | \$ 105,801 | \$ 105,000 |
| Trees Maintenance | \$ - | \$ - | \$ 5,000 |
| | \$ 81,590 | \$ 105,801 | \$ 110,000 |
| Community Services | | | |
| Salary & Wages (FT) | \$ 28,795 | \$ 32,339 | \$ 33,000 |
| Overtime | \$ - | \$ 116 | \$ 500 |
| Salary & Wages (PT) | \$ - | \$ - | \$ 5,280 |
| Employee Benefits | \$ 9,347 | \$ 7,476 | \$ 16,500 |
| Dues & Subscriptions | \$ 145 | \$ 45 | \$ 250 |
| Education & Training | \$ 124 | \$ 736 | \$ 1,500 |
| Recreation Expenses | \$ 73 | \$ 387 | \$ 500 |
| Recreation Programs | \$ 18,921 | \$ 16,164 | \$ 43,000 |
| Cultural Arts | \$ - | \$ 25 | \$ 500 |
| Library Expenses | \$ 13,870 | \$ 11,884 | \$ 13,625 |
| Family Festival Celebration | \$ 34,749 | \$ 55,526 | \$ 110,000 |
| Other Events | \$ 5,106 | \$ 14,665 | \$ 21,500 |
| Youth City Council | \$ 935 | \$ 2,021 | \$ 1,750 |
| | \$ 112,065 | \$ 141,384 | \$ 247,905 |
| Non-Operating Expenditures | | | |
| Bond Payments-B&C | \$ 42,000 | \$ 142,500 | |
| Bond Interest Payment - B&C | \$ 10,973 | \$ 8,474 | |
| | \$ 52,973 | \$ 150,974 | \$ - |
| Other Uses of Funds | | | |
| Transfer to CP Fund | \$ 409,548 | \$ 338,906 | \$ 269,132 |
| Transfer to Motor Pool Fund | \$ 177,513 | \$ 38,600 | \$ 103,700 |
| Transfer to Reserves | \$ - | \$ - | \$ 53,000 |
| | \$ 587,061 | \$ 377,506 | \$ 425,832 |
| Total Expenditures | \$ 2,980,918 | \$ 3,007,777 | \$ 3,375,455 |

FUND SUMMARY

WATER & SEWER FUND

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

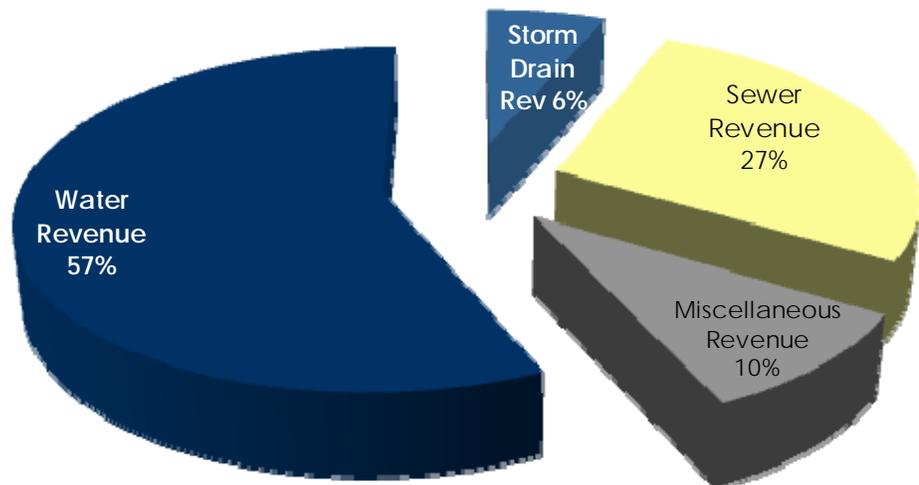
monthly storm-water fee assessed to citizens funds the planning, expansion, installation, and on-going operations and maintenance of storm-water systems necessary for the collection and control of storm-water.

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

The City of Cedar Hills owns and operates a water storage and distribution system including a culinary well, a 1.5 million gallon tank, pump station, and approximately 22 miles of water lines. This system services approximately 2,200 households.

Timpanogos Special Service District handles the sewage treatment

FY09 Projected Revenues

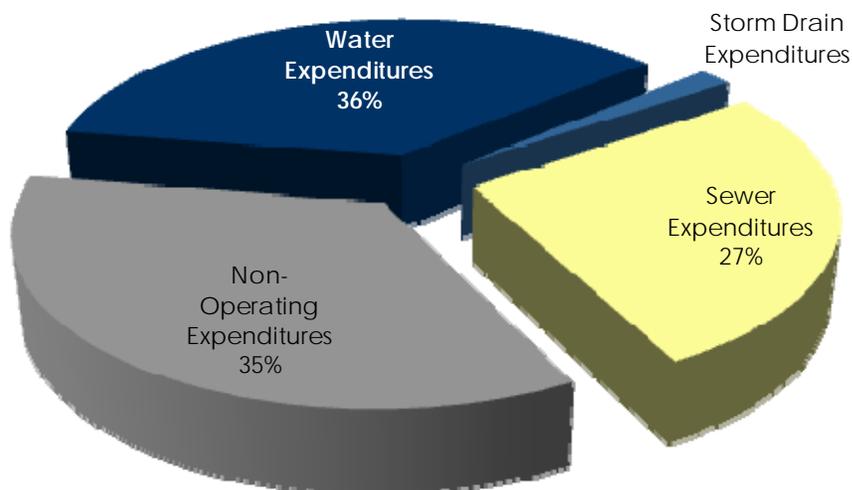


function for Cedar Hills sewage effluent. The City is responsible for 21 miles of the sewage collection system. Additionally, any capital expenditures toward upgrading or enlarging the system are the responsibility of the City.

The Water & Sewer Fund Fiscal Year 2009 Budget totals \$2.39 million and is partitioned into three functional categories: Water Department, Storm Drain Department, and Sewer Department. The figures on pages 48-49 show the portions of both revenues and expenditures that belong to each of the three departments.

The Fiscal Year 2009 Budget represents a net decrease in the Water & Sewer Fund of \$256,260 or – 9.7% from the Fiscal Year 2008 Budget of \$2.65 million. This decrease is due to better management, slowed growth, and a significant de-

FY08 Budgeted Expenditures



crease in transfer to Capital Projects Fund. In order to provide water to those residents at higher altitudes, water must be pumped up, at a high utility cost. Electricity rates continue to increase.

PI Expense:

We continue to have a Supplementary Water and Utility Revenue Bond 2006 account to more clearly depict the pressurized irrigation expenses.

Sewer TSSD Impact Fees:

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

Storm Drain Department

Storm Drain Revenue: Due to several past, current, and future storm water projects, the fee charged to residents was recently increased by \$2.50 per month. This will bring in a projected \$65,000 increase in revenue.

Storm Drain Expense: FY2009 budget provides for the resolution of a drainage problem at the City baseball diamond.

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

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

Water & Sewer Department

Pressurized Irrigation Usage : The City provides a pressurized irrigation system to its residents. In the last months of FY2008, several residents connected to the system. As such, this revenue is expected to increase modestly.

Utilities:

Cedar Hills sits on a mountain

2009 FISCAL YEAR REVENUE ESTIMATES

| Revenue Type | FY07 Actual | FY08 Estimate | FY09 Budget |
|-------------------------------|---------------------|---------------------|---------------------|
| Water Revenues | | | |
| Water Fees - Residents | \$ 319,887 | \$ 482,558 | \$ 493,900 |
| Water Fees - American Fork | \$ 10,028 | \$ 16,000 | \$ 10,000 |
| Water Fees - Contractor | \$ 14,550 | \$ 7,725 | \$ 5,000 |
| PI Fees - Usage Rates | \$ 265,279 | \$ 288,651 | \$ 300,000 |
| PI Fees - Base Rates | \$ 292,049 | \$ 344,731 | \$ 330,000 |
| CUP | \$ - | \$ 133,746 | \$ 130,000 |
| Water Lateral Inspection | \$ 7,115 | \$ 3,938 | \$ 2,000 |
| Subdivision Inspection Fees | \$ 160 | \$ - | \$ 750 |
| Water Meters | \$ 36,375 | \$ 13,924 | \$ 10,000 |
| Water Impact Fees | \$ 101,704 | \$ 97,118 | \$ 75,000 |
| Well/Source Development I.F. | \$ 19,640 | \$ - | \$ - |
| | \$ 1,066,787 | \$ 1,388,390 | \$ 1,356,650 |
| Storm Drain Revenues | | | |
| Storm Drain - Residents | \$ 84,725 | \$ 112,530 | \$ 150,000 |
| | \$ 84,725 | \$ 112,530 | \$ 150,000 |
| Sewer Revenues | | | |
| Sewer Fees - Residents | \$ 508,363 | \$ 524,163 | \$ 530,000 |
| Sewer Lateral Inspection | \$ 7,340 | \$ 4,013 | \$ 3,000 |
| Subdivision Inspection Fees | \$ 60 | \$ - | \$ 300 |
| Sewer Impact Fees - 80 Rod | \$ 6,992 | \$ 4,174 | \$ 3,000 |
| Sewer Impact Fees - S Aqua | \$ 14,064 | \$ 4,102 | \$ 5,000 |
| Sewer Impact Fees - TSSD | \$ 288,400 | \$ 146,640 | \$ 113,000 |
| | \$ 825,219 | \$ 683,091 | \$ 654,300 |
| Miscellaneous Revenues | | | |
| Penalty Fees | \$ 44,340 | \$ 56,946 | \$ 50,000 |
| Interest Income | \$ 77,700 | \$ 46,102 | \$ 24,000 |
| Utility Setup Fees | \$ 22,000 | \$ 15,350 | \$ 15,000 |
| Transfer in from IF Reserves | \$ - | \$ - | \$ 138,640 |
| Other Income | \$ 6,122 | \$ 25,162 | \$ 2,000 |
| Contribution Income | \$ 147,590 | \$ - | \$ - |
| | \$ 297,753 | \$ 143,560 | \$ 229,640 |
| Total Fund Revenues | \$ 2,274,484 | \$ 2,327,571 | \$ 2,390,590 |

2009 FISCAL YEAR EXPENDITURE PROJECTIONS

| Expenditures | FY07 Actual | FY08 Estimate | FY09 Budget |
|---------------------------------|-------------------|-------------------|-------------------|
| Water Expenditures | | | |
| Salary & Wages (FT) | \$ 125,589 | \$ 132,284 | \$ 172,500 |
| Overtime | \$ 1,335 | \$ 1,196 | \$ 2,000 |
| Salary & Wages (PT) | \$ 18,300 | \$ 9,799 | \$ 10,500 |
| Employee Benefits | \$ 78,244 | \$ 70,715 | \$ 101,500 |
| Water Supplies | \$ 4,064 | \$ 2,528 | \$ 5,000 |
| Dues & Subscriptions | \$ 1,220 | \$ 1,475 | \$ 1,680 |
| Education & Training | \$ 747 | \$ 2,633 | \$ 2,500 |
| Computer Expenses | \$ 6,000 | \$ 3,082 | \$ 3,000 |
| Office Equipment | \$ - | \$ 246 | \$ 700 |
| Tools & Equipment | \$ 2,972 | \$ 8,450 | \$ 2,000 |
| Utilities | \$ 172,965 | \$ 184,334 | \$ 200,650 |
| Postage | \$ 500 | \$ - | \$ - |
| Blue Stakes | \$ 1,024 | \$ 655 | \$ 1,000 |
| Communications/Telephone | \$ 2,807 | \$ 2,120 | \$ 4,000 |
| Engineering Services | \$ - | \$ 2,261 | \$ 4,000 |
| Professional/Technical | \$ 2,882 | \$ 4,224 | \$ 4,000 |
| New meter Installation | \$ 53,227 | \$ 58,329 | \$ 30,000 |
| Water Purchases - AF | \$ 571 | \$ 571 | \$ 5,000 |
| Water Purchases - PG | \$ 14,450 | \$ 14,450 | \$ 15,000 |
| Water Testing | \$ 4,369 | \$ 5,002 | \$ 7,000 |
| Insurance | \$ 9,499 | \$ 12,580 | \$ 13,000 |
| Contingencies | \$ - | \$ - | \$ 2,500 |
| Water Const Projects/Repair | \$ 38,732 | \$ 12,574 | \$ 20,000 |
| Supplementary Water | \$ 62,447 | \$ 159,631 | \$ 125,000 |
| PI Expenses | \$ 12,310 | \$ 50,118 | \$ 80,000 |
| Well Purchase/Construction | \$ - | \$ - | \$ 10,000 |
| Reim LPL for Water Tank-Culi | \$ - | \$ - | \$ 43,340 |
| Credit Card Fees | \$ 3,913 | \$ 5,912 | \$ 5,500 |
| | \$ 618,167 | \$ 745,170 | \$ 871,370 |
| Storm Drain Expenditures | | | |
| Storm Drain Expense | \$ 49,638 | \$ 109,538 | \$ 42,200 |
| | \$ 49,638 | \$ 109,538 | \$ 42,200 |

2009 FISCAL YEAR EXPENDITURE PROJECTIONS CONTINUED

| Expenditures | FY07 Actual | FY08 Estimate | FY09 Budget |
|-----------------------------------|---------------------|---------------------|---------------------|
| Sewer Expenditures | | | |
| Salary & Wages (FT) | \$ 83,540 | \$ 93,921 | \$ 114,200 |
| Overtime | \$ 903 | \$ 1,205 | \$ 1,800 |
| Salary & Wages (PT) | \$ 17,248 | \$ 8,200 | \$ 8,250 |
| Employee Benefits | \$ 54,850 | \$ 48,812 | \$ 68,000 |
| Sewer Supplies | \$ 1,023 | \$ 1,177 | \$ 2,000 |
| Education & Training | \$ 99 | \$ 72 | \$ 1,500 |
| Computer Expenses | \$ 5,350 | \$ 2,568 | \$ 3,000 |
| Office Equipment | \$ - | \$ - | \$ 200 |
| Tools & Equipment | \$ 3,968 | \$ - | \$ 700 |
| Utilities | \$ 1,234 | \$ 1,979 | \$ 2,000 |
| Postage | \$ 2,945 | \$ 1,508 | \$ 2,500 |
| Blue Stakes | \$ - | \$ 35 | \$ 1,000 |
| Communications/Telephone | \$ 608 | \$ 2,398 | \$ 4,000 |
| Professional/Technical | \$ 3,784 | \$ 1,967 | \$ 2,500 |
| Engineering Services | \$ - | \$ - | \$ 1,000 |
| TSSD Billing | \$ 254,430 | \$ 264,943 | \$ 270,000 |
| TSSD Impact Fees | \$ 288,400 | \$ 146,640 | \$ 113,000 |
| Sewer Television Expenses | \$ - | \$ - | \$ 2,000 |
| Insurance | \$ 9,499 | \$ 12,580 | \$ 13,000 |
| Contingencies | \$ - | \$ - | \$ 3,000 |
| Sewer Construction Projects | \$ - | \$ 27,373 | \$ 10,000 |
| Reimburse - PRI Sewer Agreement | \$ - | \$ - | \$ 17,710 |
| Bad Debt | \$ 2,608 | \$ - | \$ - |
| | \$ 730,488 | \$ 615,377 | \$ 641,360 |
| Non-Operating Expenditures | | | |
| Bond Interest | \$ 259,730 | \$ 256,900 | \$ 249,550 |
| Utility Rev Bond 2006 Principal | \$ - | \$ 211,600 | \$ 192,000 |
| Depreciation Water | \$ 339,097 | \$ - | \$ - |
| Depreciation Sewer | \$ 188,276 | \$ - | \$ - |
| Amortization Bond Costs | \$ 60,498 | \$ - | \$ - |
| Transfer to Reserve IF | \$ - | \$ - | \$ 102,000 |
| Transfer to General Fund | \$ 93,000 | \$ 93,000 | \$ 23,000 |
| Transfer to Capital Projects | \$ - | \$ 81,818 | \$ 207,110 |
| Transfer to Motor Pool Fund | \$ 61,263 | \$ 50,500 | \$ 62,000 |
| | \$ 1,001,863 | \$ 693,818 | \$ 835,660 |
| Total Fund Expenditures | \$ 2,400,155 | \$ 2,163,903 | \$ 2,390,590 |

FUND SUMMARY

CAPITAL PROJECTS FUND

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

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

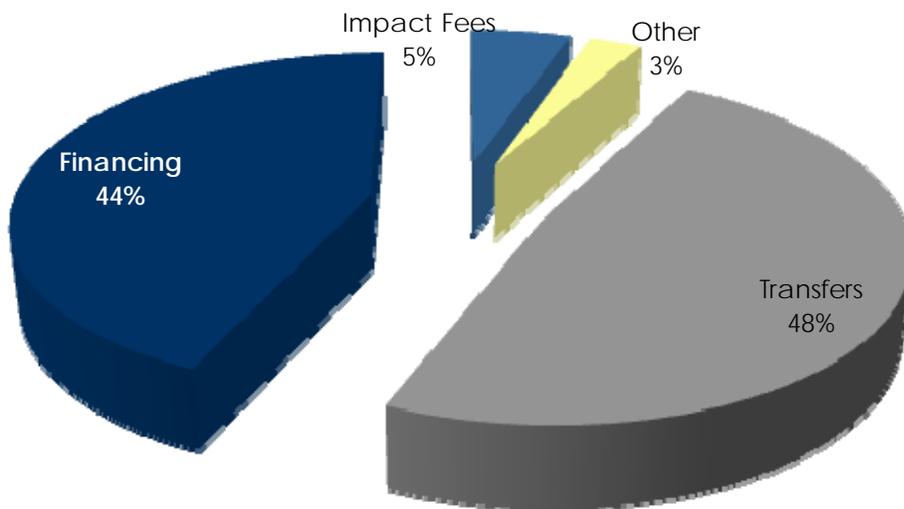
other funds, the Capital Projects Fund does not have repeating annual or monthly costs that make the fund similar from year to year. The Capital Projects Fund, then, tends to vary dramatically from year to year.

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

Revenues

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

FY09 Projected Revenues



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

Expenditures

Some of the more significant planned capital projects expenditures include:

- \$972,000 for Harvey Park land acquisition
- \$720,000 for improvements on Harvey Park.

- \$1.7 million for the completion of a redundant culinary well
- \$400,000 for the development of Bayhill Park.

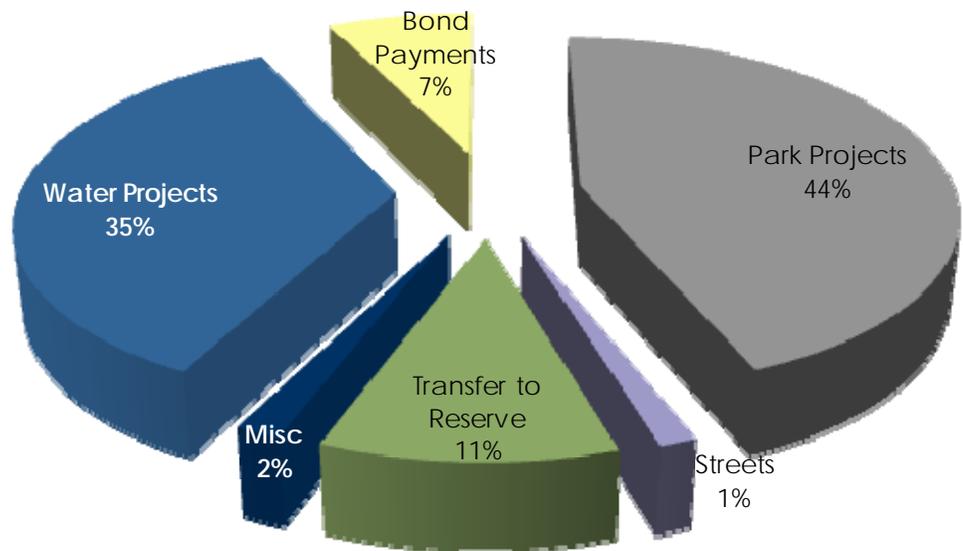
The following changes in operating costs are anticipated for FY09 as a result of these capital projects:

- An additional \$1,500/month for utilities and maintenance at Harvey Park
- An additional \$200/month for grounds maintenance at Bayhill Park
- An additional \$1,500/month for utilities for the new well

Further explanations of capital projects expenditures planned for fiscal 09, 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.

FY08 Budgeted Expenditures



2009 FISCAL YEAR REVENUE ESTIMATES

| Revenue Type | FY07 Actual | FY08 Estimate | FY09 Budget |
|--------------------------------|---------------------|---------------------|---------------------|
| Impact Fees - Park Development | \$ 110,023 | \$ 25,208 | \$ 35,100 |
| Impact Fees - Park Land | \$ 133,278 | \$ 54,260 | \$ 131,340 |
| Impact Fees - Recreation | \$ 159,080 | \$ 36,080 | \$ 57,000 |
| Impact Fees - Public Safety | \$ 44,329 | \$ 55,676 | \$ 15,000 |
| Impact Fees - Streets | \$ 65,247 | \$ 496,781 | \$ 20,000 |
| Interest Income | \$ 362,802 | \$ 284,883 | \$ 133,000 |
| Grant Income | \$ - | \$ 4,932 | \$ - |
| Transfers in from General Fund | \$ 409,548 | \$ 338,906 | \$ 269,132 |
| Transfers in from W&S Fund | \$ - | \$ 81,818 | \$ 207,110 |
| Transfers in from IF Reserve | \$ - | \$ - | \$ 1,860,360 |
| Financing Income | \$ - | \$ - | \$ 2,100,000 |
| Total Revenues | \$ 1,284,307 | \$ 1,378,545 | \$ 4,828,042 |

2009 FISCAL YEAR EXPENDITURE PROJECTIONS

| Account Description | FY07 Actual | FY08 Estimate | FY09 Budget |
|---------------------------------------|---------------------|---------------------|---------------------|
| Capital Facilities | | | |
| Public Works Building | \$ 1,513,832 | \$ - | \$ - |
| Street Projects | | | |
| Sidewalk Projects | \$ 5,687 | \$ 1,383 | \$ 15,000 |
| Speed Table | \$ 18,750 | \$ 28,974 | \$ 24,000 |
| Street Lights | \$ 7,243 | \$ 21,550 | \$ 25,000 |
| | \$ 31,680 | \$ 51,907 | \$ 64,000 |
| Park Projects | | | |
| Harvey Land Purchase | \$ - | \$ - | \$ 972,000 |
| Harvey Park - Phase 1 Improvement | \$ - | \$ - | \$ 720,000 |
| Canyon Road Crossing Park | \$ - | \$ 49,914 | \$ - |
| Hayes Park Improvement | \$ 150 | \$ - | \$ - |
| Cedars West - Ledoux Land | \$ 14,103 | \$ - | \$ - |
| Cedar Run - Development | \$ 1,017 | \$ - | \$ - |
| Timpanogos Cove Park | \$ 1,343,833 | \$ 70,630 | \$ - |
| Bonneville Shoreline Trail | \$ 25,535 | \$ 12,201 | \$ - |
| Bayhill Drive Park | \$ - | \$ - | \$ 400,000 |
| Mesquite Soccer Park | \$ 165 | \$ 492,651 | \$ - |
| Fieldcrest Dr Pocket Park | \$ - | \$ - | \$ 30,000 |
| | \$ 1,384,803 | \$ 625,396 | \$ 2,122,000 |
| Miscellaneous Capital Projects | | | |
| Prior Year Projects | \$ 3,220 | \$ 25,774 | \$ 20,000 |
| Recreation Feasibility Study | \$ 21,503 | \$ - | \$ - |
| Waterline Service Road Improvement | \$ - | \$ 135,763 | \$ - |
| Comm. Center/City Hall Feasibility | \$ - | \$ - | \$ 60,000 |
| | \$ 24,723 | \$ 161,538 | \$ 80,000 |
| Water Projects | | | |
| Well Purchase | \$ 10,162 | \$ 559,665 | \$ 1,700,000 |
| | \$ 10,162 | \$ 559,665 | \$ 1,700,000 |
| Bond Payments | | | |
| MBA Bond Payment-PSB | \$ 40,000 | \$ 40,000 | \$ 40,000 |
| Excise Rev Bond-PW Building | \$ - | \$ 50,000 | \$ 55,000 |
| Interest Expense | \$ 75,846 | \$ 134,818 | \$ 170,470 |
| Trustee Fees | \$ 3,126 | \$ 4,020 | \$ 6,000 |
| Well Bond Payment - Principal | \$ - | \$ - | \$ 80,000 |
| | \$ 118,972 | \$ 228,838 | \$ 351,470 |
| Other Uses | | | |
| Transfer to IF Reserve | \$ - | \$ - | \$ 510,572 |
| TX to General Fund | \$ - | \$ 100,000 | \$ - |
| | \$ - | \$ 100,000 | \$ 510,572 |
| Total Fund Expenditures | \$ 3,084,171 | \$ 1,727,343 | \$ 4,828,042 |

FUND SUMMARY

MOTOR POOL FUND

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

The City of Cedar Hills currently has a fleet of 11 vehicles as well as a backhoe. For fiscal year 2009, the City has budgeted to replace a Public Works truck and purchase an additional Public Works Truck. In addition, a truck in the Building & Zoning Department will be replaced, as well as the City pool car.

Vehicle Replacement

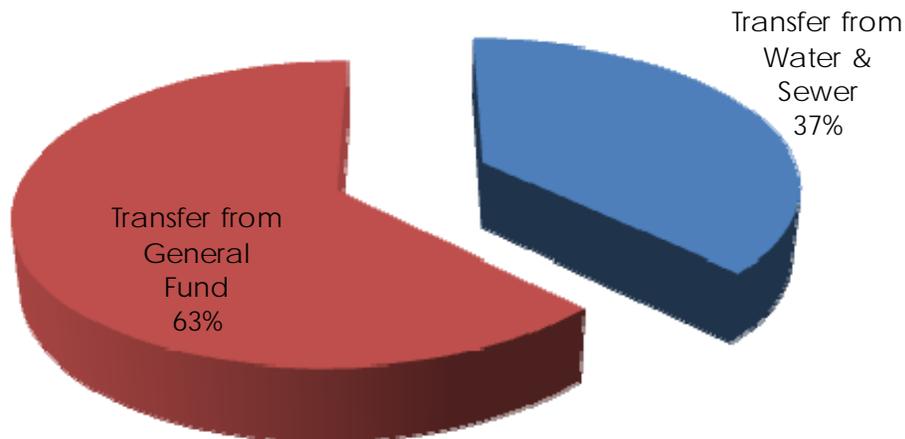
The City of Cedar Hills currently has a fleet of 11 vehicles. The crux of the vehicle replacement plan is the city buys vehicles on state contract at a significantly cheaper price, then sells the used vehicles at a price close



to the original purchase price. The City staff has performed a detailed analysis of possible replacement schedules for that fleet. The study also took into account various factors including maintenance costs before and after the warranty, insurance, inflation, the decreasing marginal return on resale, etc.

Analysis results have determined it is most cost-effective to replace vehicles during the first three years, as seen in Figure MP-2. According to the data collected, minimal maintenance cost to the city is achieved by

FY09 Projected Revenues



Fleet Replacement Costs

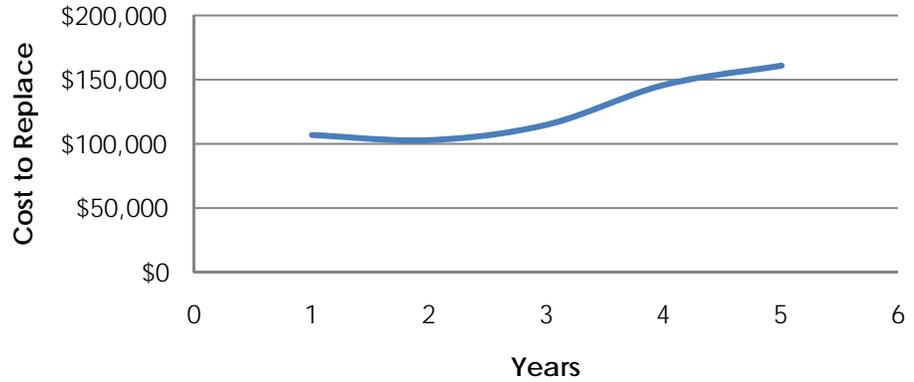


Figure MP-2

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 contribu-

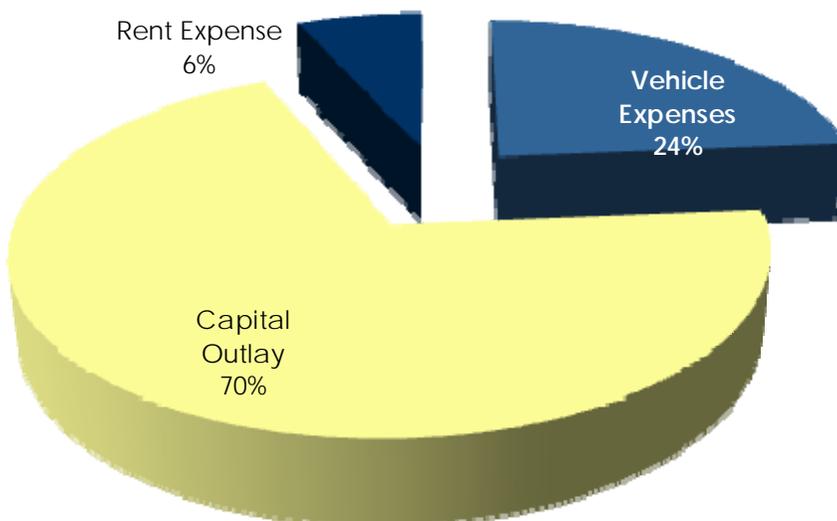
tions from the General Fund and from the Water & Sewer Fund. The required expenditures are determined and the burden of funding of those expenditures is divided between the two aforementioned funds. An analysis is done on the activities of the vehicles and the departments and/or funds to which those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

Expenditures

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

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

FY08 Budgeted Expenditures



2009 FISCAL YEAR REVENUE ESTIMATES

| Revenue Type | FY07 Actual | FY08 Estimate | FY09 Budget |
|-----------------------------|-------------------|------------------|-------------------|
| Transfers | | | |
| Transfer from General Fund | \$ 177,513 | \$ 38,600 | \$ 103,700 |
| Transfer from Water & Sewer | \$ 61,263 | \$ 50,500 | \$ 62,000 |
| Total Revenue | \$ 238,775 | \$ 89,100 | \$ 165,700 |

2009 FISCAL YEAR EXPENDITURE PROJECTIONS

| Account Description | FY07 Actual | FY08 Estimate | FY09 Budget |
|-----------------------------------|-------------------|------------------|-------------------|
| Vehicle Expenses | | | |
| Gas & Oil - Admin | \$ 4,791 | \$ 4,188 | \$ 4,600 |
| Vehicle Maintenance - Admin | \$ 424 | \$ 1,114 | \$ 600 |
| Insurance - Admin | \$ 1,321 | \$ 1,500 | \$ 1,600 |
| Gas & Oil - Bldg/Zoning | \$ 2,821 | \$ 2,577 | \$ 2,800 |
| Vehicle Maintenance - Bldg/Zoning | \$ 358 | \$ 473 | \$ 500 |
| Insurance - Bldg/Zoning | \$ 1,700 | \$ 1,598 | \$ 1,700 |
| Gas & Oil - PW | \$ 17,023 | \$ 20,771 | \$ 20,000 |
| Vehicle Maintenance - PW | \$ 6,375 | \$ 3,841 | \$ 2,000 |
| Insurance - PW | \$ 4,131 | \$ 5,045 | \$ 4,400 |
| Contingency | \$ - | \$ - | \$ 1,000 |
| | \$ 38,944 | \$ 41,107 | \$ 39,200 |
| Capital Outlay | | | |
| Capital Outlay | \$ - | \$ 40,845 | \$ 115,500 |
| Rent Expense | \$ 6,547 | \$ 7,750 | \$ 11,000 |
| Depreciation Expense | \$ 65,563 | \$ - | \$ - |
| Loss on Sale of Assets | \$ (3,388) | \$ - | \$ - |
| | \$ 68,722 | \$ 48,595 | \$ 126,500 |
| Total Expenditures | \$ 107,666 | \$ 89,702 | \$ 165,700 |

FUND SUMMARY

GOLF FUND

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 fifth year of operation, as a result, staff enjoyed three full years of operational data to rely on when forecasting revenues and expenditures. The projections are more accurate and realistic than prior year projections.

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

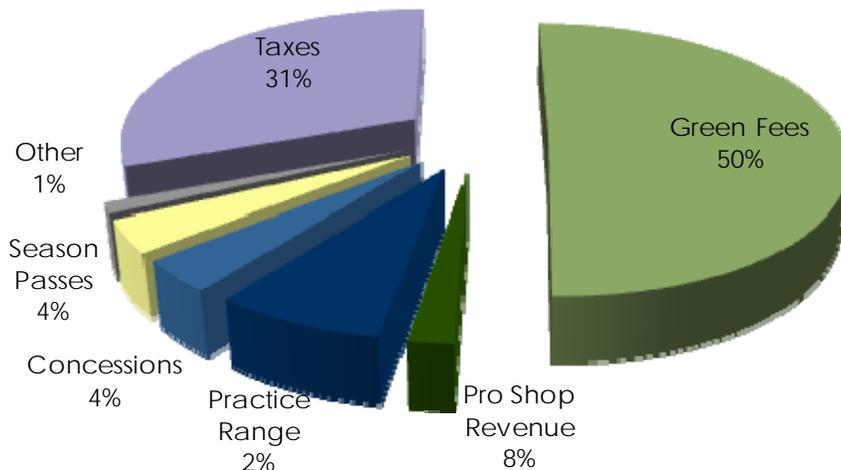
any expenditures related to the maintenance, upkeep, payroll, and operations of the golf course and its peripherals are expensed out of the Golf Fund.

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

Revenues

Green Fees: This is the principal revenue in the Golf Fund as it makes up 50% of the forecasted earnings for FY09. The \$631,750 projected green fees represents a 8.7% increase over the prior year estimate. This anticipated increase is due to anticipated increase in rounds and a one dollar per nine hole increase in fee. Also included in green fees are cart fees and tournament revenue, which at different points in the past where accounted for separately.

FY09 Projected Revenues



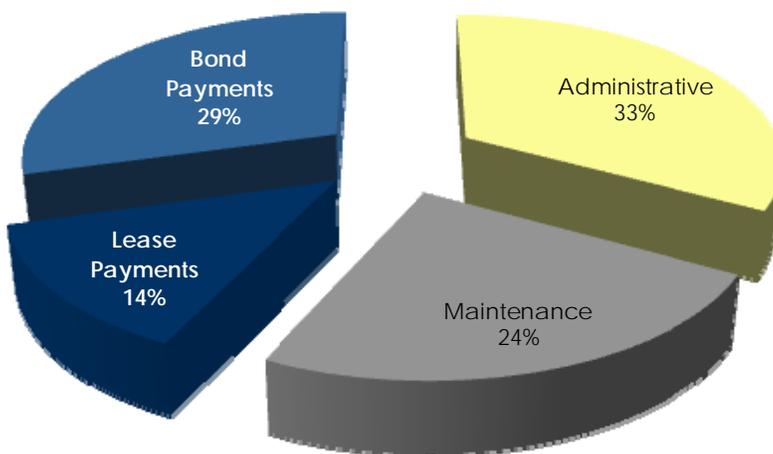
In the budgeting process, revenues were projected to reflect realistic expectations. Green fees are a good indicator of course performance and primarily drive all other revenues for the course. However, the ultimate revenue generator for the course is rounds played, which drives green fees. Most of the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

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

Expenditures

When the sum of the operational expenses and leases are compared to the projected revenues, the golf course is projected to be in the red roughly \$58,019. 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.

FY08 Budgeted Expenditures



All operational expenditures have remained closely the same as Fiscal Year 2008. The only major budget increase are payroll expenses. This accounts for market adjustments, performance increases, and increased benefit costs.

Non-Operating expenditures include lease payments for the carts, clubhouse, cart barn, sunset room, and maintenance equipment. The expiration of some leases related to maintenance equipment brings a \$33,000 decrease in non-operating expenditures.

2009 FISCAL YEAR REVENUE ESTIMATES

| Revenue Type | FY07 Actual | FY08 Estimate | FY09 Budget |
|------------------------------------|---------------------|---------------------|---------------------|
| G.C. Operating Revenues | | | |
| Green Fees | \$ 512,832 | \$ 581,090 | \$ 631,750 |
| Practice Range | \$ 25,110 | \$ 25,729 | \$ 27,000 |
| Pro Shop Revenue | \$ 24,341 | \$ 94,145 | \$ 98,127 |
| Concessions | \$ 45,415 | \$ 40,889 | \$ 47,000 |
| Season Passes | \$ 28,310 | \$ 39,705 | \$ 47,250 |
| Sunset Room Rental | \$ 12,740 | \$ 18,709 | \$ 16,000 |
| Other Income | \$ 3,427 | \$ - | \$ - |
| | \$ 652,175 | \$ 800,268 | \$ 867,127 |
| G.C. Non-Operating Revenues | | | |
| GO Bond Fee | \$ 385,791 | \$ 386,945 | \$ 385,195 |
| | \$ 385,791 | \$ 386,945 | \$ 385,195 |
| Total Fund Revenues | \$ 1,037,966 | \$ 1,187,213 | \$ 1,252,322 |

2009 FISCAL YEAR EXPENDITURE PROJECTIONS

| Account Description | FY07 Actual | FY08 Estimate | FY09 Budget |
|--------------------------------------|-------------------|-------------------|-------------------|
| G.C. Clubhouse Payroll | | | |
| Salary & Wages (FT) | \$ 107,348 | \$ 76,929 | \$ 171,000 |
| Overtime | \$ - | \$ 9,638 | \$ 500 |
| Salary & Wages (PT) | \$ 9,262 | \$ 39,151 | \$ 155,905 |
| Employee Benefits | \$ 6,418 | \$ 37,888 | \$ 96,000 |
| | \$ 123,028 | \$ 163,605 | \$ 423,405 |
| G.C. Maintenance Payroll | | | |
| Salary & Wages (FT) | \$ 149,863 | \$ 71,021 | |
| Overtime | \$ - | \$ 1,294 | |
| Salary & Wages (PT) | \$ - | \$ 73,456 | |
| Payroll Taxes-Maintenance | \$ 10,208 | \$ - | |
| Employee Benefits | \$ 11,845 | \$ 34,244 | |
| Miscellaneous | \$ 788 | \$ 935 | |
| | \$ 172,704 | \$ 180,950 | |
| Clubhouse Expenses | | | |
| Supplies | \$ 18,588 | \$ 11,100 | \$ 10,000 |
| Utilities | \$ 22,260 | \$ 19,771 | \$ 25,000 |
| Miscellaneous Expenses | \$ 2,518 | \$ 1,238 | \$ 2,500 |
| Concessions | \$ 36,472 | \$ 24,707 | \$ 30,000 |
| Credit Card Expenses | \$ 9,440 | \$ 11,770 | \$ 13,876 |
| Pro Shop | \$ 16,284 | \$ 65,939 | \$ 65,000 |
| Sunset Room | \$ 488 | \$ 993 | \$ 4,000 |
| | \$ 106,049 | \$ 135,516 | \$ 150,376 |
| Golf Course Operating Expense | | | |
| GC Repairs/Maintenance/Misc | \$ 28,301 | \$ 30,463 | \$ 27,500 |
| Fertilizer & Chemicals | \$ 24,503 | \$ 23,131 | \$ 25,800 |
| Water & Pumping Costs | \$ 14,001 | \$ 13,729 | \$ 28,870 |
| Petroleum/Oil | \$ 14,838 | \$ 17,199 | \$ 18,500 |
| Equipment Repair/Replacement | \$ 33,317 | \$ 23,416 | \$ 22,080 |
| Equipment Rental | \$ 4,015 | \$ 4,717 | \$ 2,250 |
| | \$ 118,976 | \$ 112,655 | \$ 125,000 |
| Management Expenses | | | |
| Supplies/Dues/Subscription | \$ 2,403 | \$ 4,191 | \$ 3,700 |
| Printing | \$ - | \$ 1,519 | \$ 2,500 |
| Travel/Training | \$ 1,213 | \$ 734 | \$ 2,500 |
| Licenses/Fees | \$ 1,146 | \$ 1,168 | \$ 3,500 |
| Computers/Phones | \$ 4,571 | \$ 3,932 | \$ 4,200 |
| Advertising | \$ 19,069 | \$ 39,155 | \$ 32,000 |
| Management Fee | \$ 18,000 | \$ - | \$ - |
| | \$ 46,402 | \$ 50,698 | \$ 48,400 |
| Total Operating | \$ 567,159 | \$ 643,425 | \$ 747,181 |

2009 FISCAL YEAR EXPENDITURE PROJECTIONS CONTINUED

| Account Description | FY07 Actual | FY08 Estimate | FY09 Budget |
|-------------------------------|---------------------|---------------------|---------------------|
| Non-Operating Expenses | | | |
| Cart Barn & Events Tent Lease | \$ 46,677 | \$ 46,677 | \$ 46,668 |
| Clubhouse Lease Payment | \$ 24,355 | \$ 22,031 | \$ 30,000 |
| Cart Lease Payment | \$ - | \$ 59,297 | \$ 59,297 |
| Maintenance Equipment Lease | \$ - | \$ 74,918 | \$ 42,000 |
| MBA Bond Payment | \$ - | \$ - | \$ 130,450 |
| Amortization Expense | \$ 4,097 | \$ - | \$ - |
| Interest Expense | \$ 265,342 | \$ 259,883 | \$ 254,745 |
| Depreciation Expense | \$ 238,995 | \$ - | \$ - |
| Loss/Gain on Sale of Asset | \$ 15,818 | \$ - | \$ - |
| Golf Course Reconfiguration | \$ - | \$ 628,341 | \$ - |
| | \$ 595,284 | \$ 1,091,147 | \$ 563,160 |
| Total Expenditures | \$ 1,162,443 | \$ 1,734,572 | \$ 1,310,341 |

APPENDIX A

CAPITAL IMPROVEMENTS PLAN

Fiscal Year 2008

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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 communi-

ties, and various civic groups interested in the City's growth and development;

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

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

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

BENEFITS OF CAPITAL IMPROVEMENTS PLAN

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

1. The CIP eliminates or reduces the need for "crash programs" to finance the construction of City improvements and facilities.

2. The CIP helps to provide for an orderly replacement of capital facilities and equipment.

3. Budgeting may take place within a system which assures that capital projects will be built according to a predetermined priority system while planning in ad-

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

4. Advanced planning is permitted to ensure that projects are well thought-out in advance of construction.
5. Major purchases may be scheduled to benefit from favorable market conditions.
6. Coordination with the operating budget is maximized. An important aspect of capital improvement planning is the effect capital expenditures have upon the annual operating cost of the City. When a new facility is established, it must be maintained and staffed, and obligations which begin when it is made operational will become continuous.
7. Interrelationships among projects overlooked by departments 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 listed in Figure B-1.

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

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

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

Figure B-1

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

2. Staff revises the list of future capital facilities and 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 de-

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

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

SHORT-RANGE HORIZON CAPITAL PROJECTS

Projects to be completed during the 2009 Fiscal Year

Facilities

1. Community Center/City Hall Feasibility

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

Cost of Project in FY2009:

\$60,000

Sources of Funding:

\$30,000 from Recreation Impact Fees, \$15,000 Public Safety Impact Fees, and \$15,000 from the General Fund

Description of Project:

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

Impact on Operating Budget:

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

2. 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 \$81,000/acre for land.

Cost of Acquisition in FY2009

\$972,000

Sources of Funding

\$972,000 from Park Land Impact Fees

Need for Project

Along with providing open space, beautification, recreation opportunities and improving residents' quality of life, this will help the City meet its park element objective as outlined in the General Plan and Parks & Trails Master Plan. The current level of service in the General Plan requires 54 acres of park land (5.5 acres of park per 1,000 residents; June 2009 population is estimated at 9,892 residents.) Currently there are approximately 34 acres of park, leaving the City with a current deficiency of 20 acres.

Impact on Operating Budget

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

3. Harvey Park Development 1

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

Cost of Project in FY2009:

\$720,000

Sources of Funding

\$720,000 from Park Development Impact Fees

Need for Project

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

Impact on Operating Budget

This project is anticipated to be completed toward the end of the fiscal year. As a result, the impact on the operating budget will likely not be realized in FY09. However, it is anticipated that the main impact of the new park on the operating budget will be an increase in park grounds maintenance costs of about \$1,000 per month. Electric costs are anticipated as high as \$500 per month.



Land for Harvey Park

4. Bayhill Park

Development of approximately 1 acre of park land

Cost of Project in FY 2009:

\$400,000

Sources of Funding:

\$400,000 from Financing Income

Reason for Project:

Providing open space, beautification, recreation opportunities and improving residents' quality of life. Specifically Bayhill Park will provide immediate access to the City's trail system, as well as functioning as an equestrian gateway to the mountains.

Impact on Operating Budget

Bayhill Park will consist of a grassy area, playground equipment, and a parking lot. Maintenance on the park will be minimal, as will its impact on the operating budget. It is anticipated that the operating budget will be impacted by less than \$50 per month.

5. Fieldcrest Pocket Park

Cost of Project in FY 2009:

\$30,000

Sources of Funding:

\$30,000 from the General Fund

Reason for Project:

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

Impact on Operating Budget

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

Miscellaneous

6. Sidewalk Projects

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

Cost of Project FY2009:

\$15,000

Sources of Funding:

\$15,000 from Streets Impact Fees

Reasons for Project:

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

Impact on Operating Budget:

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

Water & Sewer Fund Projects

7. Culinary Well Development

Cost of Project FY2009:

\$1,700,000

Sources of Funding:

\$1,700,000 Bond Proceeds

Reasons for Project:

The development of this well will provide Cedar Hills with redundancy and reliability in its water system. Not only will this provide water for the City through buildout projections, but also it will provide a backup should

the other well go down. This well will further serve as a backup system to the secondary water system, mentioned previously in this document as the Pressurized Irrigation System.

Impact on Operating Budget

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

8. South CUP Booster Station

Cost of Project in FY2009:

\$80,000

Sources of Funding:

Water Revenue

Reasons for Project:

Central Utah Project (CUP) serves as a major source for the City's secondary water. As more cities have turned to CUP for their water needs, the pressure available at the City of Cedar Hills' turnout has decreased dramatically. At this time, it has become necessary to create a booster station to pump the water into the City's water system.

Impact on Operating Budget:

As with all projects that require significant electricity, this booster station will have a relatively significant impact of the City's operating budget. It is anticipated that during the months of operation (April – October), water utility costs will increase by about \$2,500 per month.



Cottonwood Well

MID-RANGE HORIZON CAPITAL PROJECTS

Projects to be completed between 2010 and 2012

| Project | Date | Total Cost |
|--------------------------------|------|----------------------|
| Capital Projects Fund | | |
| Community Center/City Hall | 2010 | \$ 15,000,000 |
| Bonneville Shoreline Trail III | 2010 | \$ 250,000 |
| Cottages Park | 2010 | \$ 100,000 |
| Public Safety Building Remodel | 2011 | \$ 490,000 |
| Harvey Blvd. Widening | 2012 | \$ 500,000 |
| | | \$ 16,340,000 |

| Water & Sewer Fund | | |
|-------------------------------|------|-------------------|
| Canyon Road 1 Sewer Line | 2010 | \$ 150,000 |
| 4000 West Sewer Line | 2011 | \$ 250,000 |
| | | \$ 400,000 |

| Golf Fund | | |
|------------------|------|---------------------|
| Golf Club House | 2010 | \$ 1,000,000 |
| | | \$ 1,000,000 |

| Summary of Uses Table | | | | |
|------------------------------|----------------------|-------------------|-------------------|----------------------|
| | 2010 | 2011 | 2012 | Totals |
| Capital Projects Fund | \$ 4,695,000 | \$ 625,000 | \$ 500,000 | \$ 5,820,000 |
| Financing | \$ 12,805,000 | \$ - | \$ - | \$ 12,805,000 |
| Water/Sewer Fund | \$ - | \$ 115,000 | \$ - | \$ 115,000 |
| TOTALS | \$ 17,500,000 | \$ 740,000 | \$ 500,000 | \$ 18,740,000 |

CITY OF CEDAR HILLS
September 2008



10320 N

Well Site

Bayhill Drive
Park

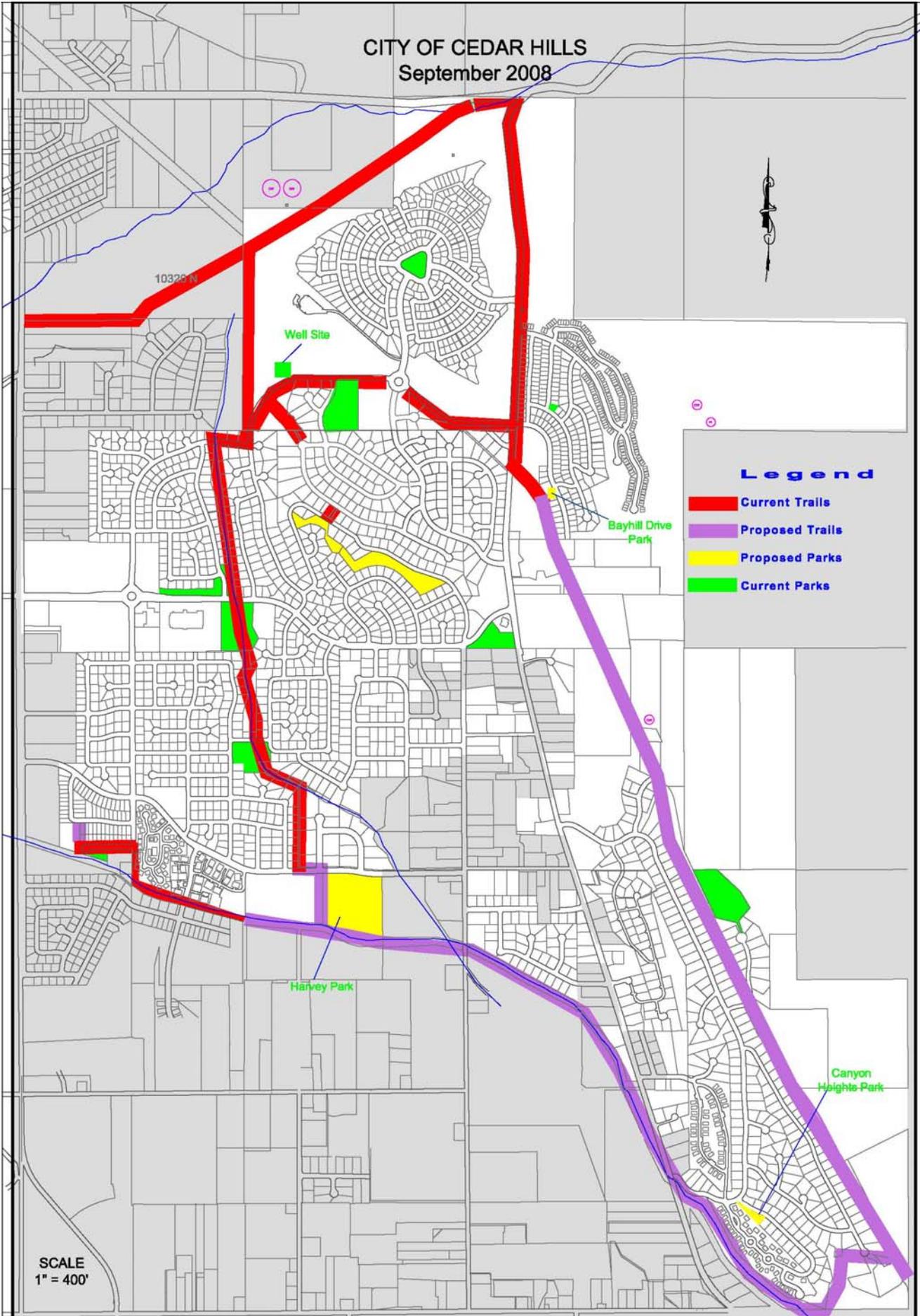
Harvey Park

Canyon
Heights Park

Legend

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

SCALE
1" = 400'



Appendix A - Projected Needs FY 2009

| Streets | Construction | | Funding Source(s) | | | | Storm | Other |
|-----------------------------------------------|--------------|---------------|-------------------|--------------|--------------|--------------|---------------|--------------|
| | Year | Cost | Fran | B&C | Impact Fees | Fund Bal. | | |
| Harvey Blvd. Widening | FY12 | \$ 500,000 | | | \$ 500,000 | | | |
| Speed Tables | FY09 | \$ 24,000 | | | \$ 24,000 | | | |
| Sidewalk Projects | FY09 | \$ 15,000 | | | \$ 15,000 | | | |
| Facilities | | | | | | | | |
| Community Center/City Hall-Feasibility | FY09 | \$ 60,000 | | | \$ 45,000 | \$ 15,000 | | |
| Community Center/City Hall | FY10 | \$ 15,000,000 | | | \$ 3,545,000 | \$ - | \$ 11,455,000 | 9 acre trade |
| Public Safety Building Remodel | FY11 | \$ 490,000 | | | \$ 490,000 | | | |
| Parks | | | | | | | | |
| | | | Acres | | | | | |
| Harvey Park Land | FY09 | \$ 972,000 | | | \$ 972,000 | | \$ - | |
| Harvey Park - Park Development 1 | FY09 | \$ 720,000 | | | \$ 720,000 | | | |
| Bonneville Shoreline Trail | FY09 | \$ 242,000 | | | | | \$ 242,000 | |
| BOSH III | FY10 | \$ 250,000 | | | | | \$ 250,000 | |
| Cottages Park | FY10 | \$ 100,000 | | | \$ - | | \$ 100,000 | \$ 25,000 |
| Bayhill Park | FY09 | \$ 400,000 | | | | | \$ 400,000 | |
| Fieldcrest Dr Pocket Park | FY09 | \$ 30,000 | | | | \$ 30,000 | | |
| Water | | | | | | | | |
| Well Purchase | FY09 | \$ 1,700,000 | | | \$ - | | \$ 1,700,000 | |
| South CUP Booster Station (PI) | FY09 | \$ 80,000 | | | | | | \$ 80,000 |
| Sewer | | | | | | | | |
| Canyon Road 1 Sewer Line | FY10 | \$ 150,000 | | | \$ 150,000 | | | |
| 4000 West Sewer Line | FY11 | \$ 250,000 | | | \$ 135,000 | \$ 115,000 | | |
| Golf | | | | | | | | |
| Clubhouse | FY10 | | \$ 1,000,000 | | | | \$ 1,000,000 | |
| FY 09 TOTALS | | \$ 4,243,000 | | \$ 1,776,000 | \$ 45,000 | \$ 2,342,000 | \$ - | \$ 80,000 |

PREVIOUS CAPITAL PROJECTS

Projects completed during the 2008 Fiscal Year

Streets

1. Speed Tables

Cost of Project in FY2008:

\$29,000

Sources of Funding:

\$29,000 from Street Impact Fees

Reasons for Project:

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

Impact on Operating Budget:

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

Parks

2. Mesquite Soccer Park

Cost of Project in FY2008:

\$493,000

Sources of Funding:

\$493,000 from Park Development Impact Fees



Speed Tables



Mesquite Soccer Park

Reasons for Project:

Providing open space, beautification, recreation opportunities, and improving residents' quality of life. Specifically Mesquite Park provides soccer fields to residents and the community as a whole. In addition to soccer fields, Mesquite Park is home to a relatively large playground set. This addition allows all residents the opportunity to enjoy the park. Mesquite Park also added about seven acres towards the City's overall park plan..

Impact on Operating Budget

As with all City parks, Mesquite Park is maintained by Wilkinson Outdoor Maintenance. This additional acreage impacts the operating budget by about \$500 a month. Additionally power to the sprinkler system runs at about \$10 per month.

Water & Sewer

3. Redundant Culinary Well

This is the first phase of the project. It consists mostly of the engineering and drilling costs.

Cost of Project in FY2008:

\$560,000

Sources of Funding:

Bond Proceeds

Reasons for Project:

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

Impact on Operating Budget

This portion of the project did not have an impact on the operating budget, however, upon completion in FY09, a significant impact will be realized in the water utility expenses.

APPENDIX B

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FINANCIAL PLANNING POLICIES DOCUMENT

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

Financial Planning Policies

Balanced Budget:

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

Long-Range Planning:

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

Asset Inventory:

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

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

Revenue Policies

Revenue Diversification:

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

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

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

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

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

Fees and Charges:

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

Use of One-time Revenues:

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

Use of Unpredictable Revenues:

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

Expenditure Policies

Debt Capacity, Issuance, and Management:

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

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

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

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

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

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

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

Reserve or Stabilization Accounts:

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

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

The fund balance in excess of the

10% reserve can only be transferred to another account with City Council approval of a budget amendment.

Operating/Capital Expenditure Accountability:

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

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

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

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

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

Investment and Cash Management Policy:

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

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

The City deposits all receipts as per state law.

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

Capital Improvement Policy:

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

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

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

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

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

The City will seek Federal, State, and other funding to assist in financing capital projects and capital improvements.

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

Financial Reporting Policy:

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

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

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

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

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

CITY HISTORY

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

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

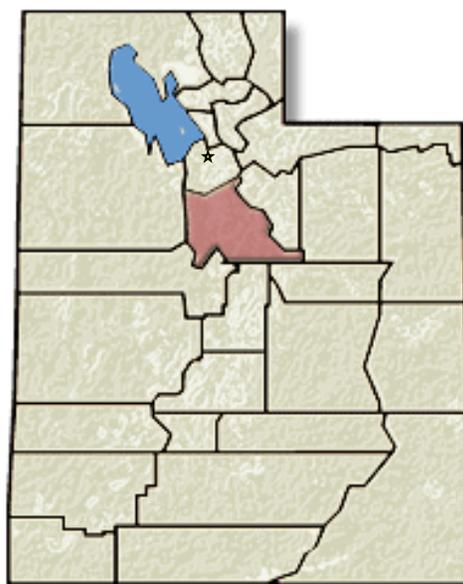
The dry bench upon which Cedar Hills is located provided little attraction to Native Americans. They preferred camping near streams, such as in American Fork Canyon. Several Native American artifacts were found upon the bench, however, including an Indian bowl (discovered by Paul Adams and currently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

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

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

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

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



DEMOGRAPHICS

The word has certainly spread about what a great place Cedar Hills is to live! Our City has experienced phenomenal growth over the last few years and the City population is expected to exceed 9,800 residents during 2009. The following gives a picture of the demographics and other important notes and numbers for the City:

Incorporated and Established:

November 2, 1977

Recognized as City of the Third Class:

August 3, 1999

Altitude:

5,280 ft.

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

the Cedar Hills Golf Club is named the Mile High hole because it (#14) is actually at 5,280 ft. above sea level.

Land Area:

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

Location:

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

Public Safety/Healthcare:

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

Utilities:

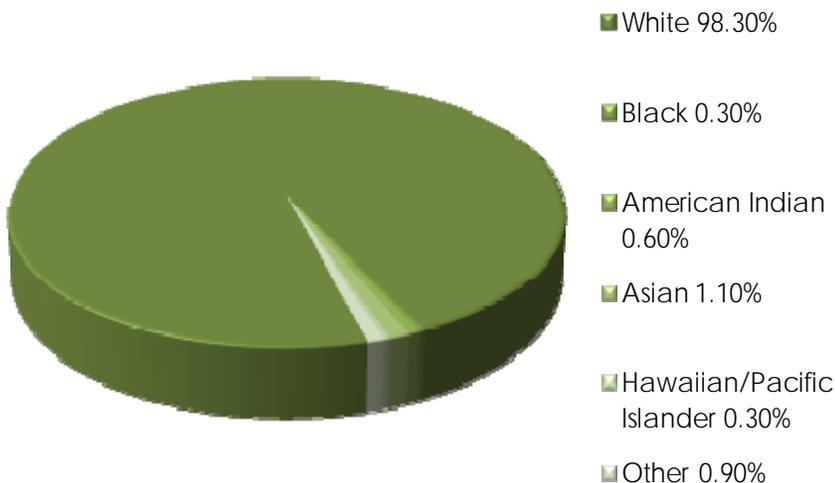
The City provides water, sewer, garbage, recycling, and pressurized irrigation services to its residents. The City also bills for storm drain fees. Electricity is provided by Rocky Mountain Power, gas by Questar Gas, telephone by Qwest, and cable by Comcast.

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.



| | Summary of Significant Demographic Statistics | | | | | | | |
|-------------------------------------------|-----------------------------------------------|--------|--------|--------|----------|-------|-------|-------|
| Statistic | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Population * | 4,271 | 4,920 | 5,710 | 6,727 | 7,943 | 8,445 | 9,262 | 9,759 |
| Household Median Adjusted Gross Income ** | 67,469 | 64,589 | 64,457 | 67,579 | \$63,167 | NA | NA | NA |
| County AGI ** | 36,334 | 35,024 | 35,633 | 36,216 | NA | NA | NA | NA |
| Unemployment Rate *** | 3.78% | 5.85% | 4.64% | 3.82% | 4.10% | 2.90% | NA | NA |

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

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.

| 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% |

DID YOU KNOW?

- Over the last ten years, the population of the City has grown 572% or an average of 19% 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.



GLOSSARY

ACCOUNTING PERIOD :

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

ACCRUAL BASIS OF ACCOUNTING:

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

ANNUALIZATION:

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

APPROPRIATION:

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

BALANCED BUDGET:

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

BOND:

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

BOND, GENERAL OBLIGATION:

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

BOND PROCEEDS:

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

BUDGET:

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

BUDGET PREPARATION TIME-LINE:

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

BUDGET DOCUMENT:

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

CAPITAL IMPROVEMENTS PLAN (CIP):

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

CAPITAL IMPROVEMENT PROJECT:

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

CAPITAL OUTLAY:

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

CASH BASIS OF ACCOUNTING:

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

CITY MANAGER'S BUDGET MESSAGE:

The City Manager's memorandum to

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

CONTINGENCIES:

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):

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

COMPUTER REPLACEMENT PROGRAM:

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

DEBT SERVICE:

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

DEPARTMENT:

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

ENTERPRISE FUNDS:

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

EXPENDITURE:

The actual outlay of monies from the

City Treasury.

EXTRAPOLATION:

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

FISCAL YEAR (FY):

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

FIDUCIARY:

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

FULL TIME EQUIVALENT (FTE)

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

FUND:

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

FUND BALANCE (EQUITY):

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

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP):

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

GENERAL FUND:

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

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) DISTINGUISHED BUDGET AWARD:

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

GROWTH RATE:

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

INTERGOVERNMENTAL REVENUE:

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

MMR:

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

MODIFIED ACCRUAL BASIS OF ACCOUNTING:

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

MODIFIED CASH BASIS OF ACCOUNTING:

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

OPERATING BUDGET:

Authorized expenditures for ongoing municipal services (e.g., police protection, 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.

PIBR:

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

PIU:

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

PROPERTY TAX:

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

PROPOSED BUDGET:

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

RESERVE:

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

REVENUE:

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

SIGNAGE:

A system of signs.

TRANSFERS:

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

VEHICLE REPLACEMENT PROGRAM:

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