

CITY OF CEDAR HILLS UTAH

2017 BUDGET DOCUMENT
July 1, 2016–June 30, 2017



CEDAR HILLS
Golf Club

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CITY OF CEDAR HILLS UTAH

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2017 BUDGET DOCUMENT

July 1, 2016–June 30, 2017

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OVERVIEW

Pursuant to §10-6-109, Utah Code Annotated, the following budget for fiscal year 2017, beginning July 1, 2016 and ending June 30 2917, has been prepared for the City of Cedar Hills using budgetary practices and techniques recommended by the Government Finance Officers Association (GFOA). As required by State law, the proposed budget is balanced, meaning governmental expenditures will not exceed governmental revenues.

Within the framework and policies established by the City Council, this budget has been prepared after analyzing and evaluating detailed requests from each of the City departments. The budget document provides a clear picture of the financial condition of the City and the planning needed to properly manage the financial resources for the coming year. As part of that planning, please consider the following highlights and priorities of this year's budget:

Growth

One of the primary concerns in compiling this budget was the forecasted growth of the City. Both slow growth and rapid growth have potentially equal challenges. As an accurate estimation for growth is vital to proper revenue projections, accurate methods must be employed.

The City experienced rapid growth from 2001 to 2007. Slow growth, as a percentage of population change, has been the trend for the past 8 years. Growth rates are due in part to various pressures including economic environment, and the limitations of available developed property.

These population and growth estimates and their resultant rates serve as one of the drivers for calculating many of the revenue projections in both the General fund and the Water and Sewer fund.

POPULATION EXTRAPOLATION

| Fiscal Year | Population | % Change | Households |
|-------------|------------|----------|------------|
| 2009 | 9,607 | 1.3% | 1,886 |
| 2010 | 9,796 | 2.0% | 1,912 |
| 2011 | 9,943 | 1.5% | 1,983 |
| 2012 | 10,059 | 1.2% | 2,221 |
| 2013 | 10,203 | 1.4% | 2,206 |
| 2014 | 10,299 | 0.9% | 2,286 |
| 2015 | 10,265 | -0.3% | 2,309 |
| 2016 | 10,265 | 0.0% | 2,332 |
| 2017 | 10,265 | 0.0% | 2,355 |

Figure O-1



David Bunker

CITY MANAGER MESSAGE

To City Mayor, Council, & Residents:

Limited to flat residential growth is expected to continue during the FY 2017 year. Some commercial sector growth may remain, but not of significant volume. Because of the limited growth projections, the budget has been assessed and balanced with very limited growth related revenues being incorporated into the FY 2017 budget. Funds such as building permit revenues are an example of where the budget will remain flat or slightly decrease.

General Services

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

NUMBER OF HOUSEHOLDS IN CEDAR HILLS

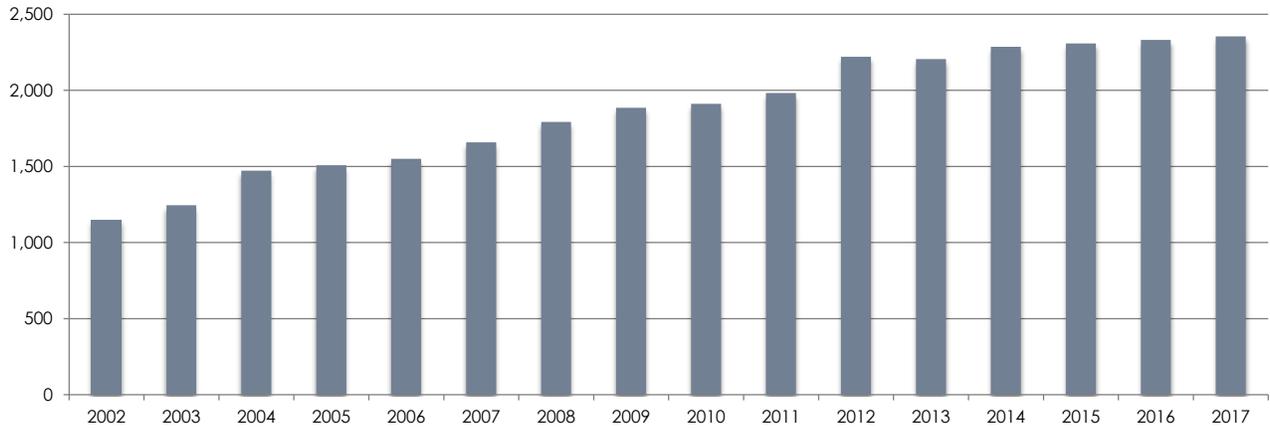


Figure O-2

Personnel

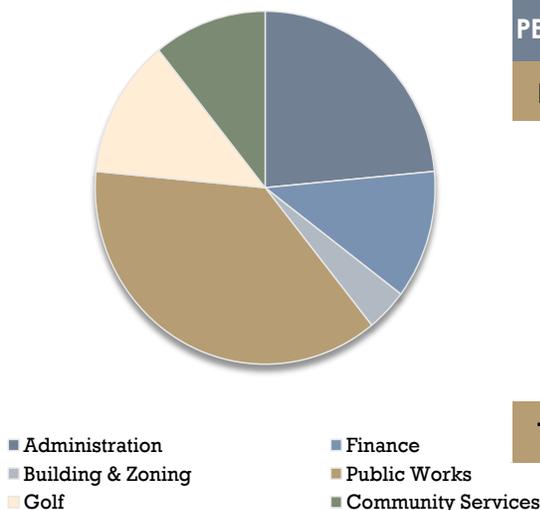
The City of Cedar Hills staff remained constant in size during the 2016 fiscal year. Fiscal year 2017 will be similar. A detailed summary of the City staff by department is provided in Figure O-3.

The City is currently running a lean, low-cost operation. Full-time equivalent employees per 1,000 residents has not significantly changed since 2012. In fiscal year 2017, the City will employ 2.46 FTEs per 1,000 residents compared to 2.50 FTEs in 2010. Figure O-4 depicts the changes in FTEs per capita over time. As the city ages, increased labor needs are expected in some departments such as Public Works due to increased infrastructure maintenance requirements.

Funds Overview

The various funds used for accounting and reporting purposes are the foundation of the City’s financial structure. Similarly, the various departments within the City are the backbone of city operations (see Figure O-5). The City’s departments are groups of similar functions that provide for efficient management. Furthermore, the total appropriation for each department within a given fund is the legal spending limit specified by State law.

The budget is broken down into six major funds: 1. General fund; 2. Golf fund; 3. Golf Debt Service fund; 4. Capital Projects fund; 5. Water, Sewer, & Storm Drain fund; 6. Motor Pool fund. A brief sum-

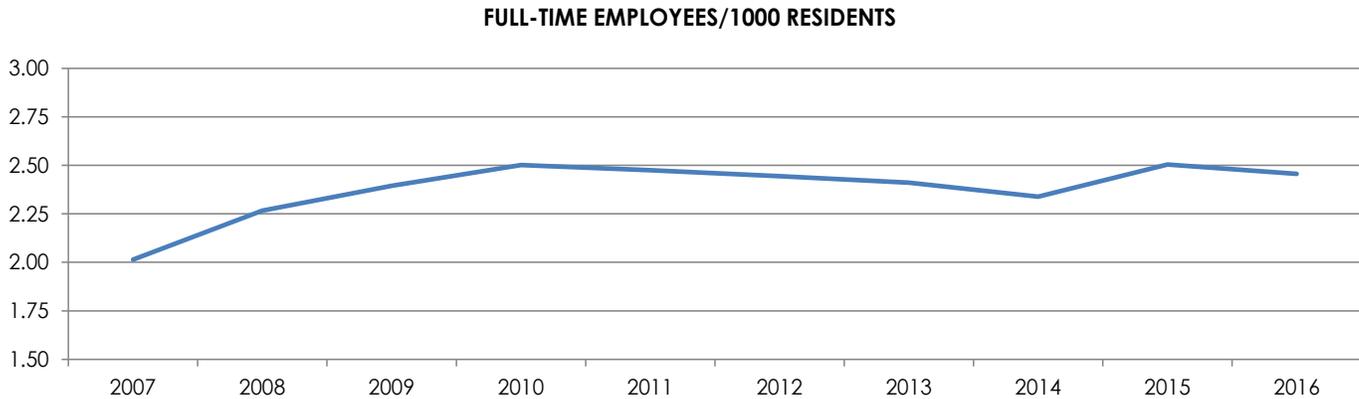


PERSONNEL SUMMARY

| DEPARTMENT | FY 2015 | FY2016 | FY2017 |
|--------------------|-----------|--------------|-------------|
| Administration | 6.5 | 6.25 | 6 |
| Finance | 3 | 3 | 3 |
| Building & Zoning | 1 | 1 | 1 |
| Public Works | 8.5 | 8.5 | 9.5 |
| Golf | 3 | 3 | 3.25 |
| Community Services | 4 | 4 | 2.75 |
| TOTAL | 26 | 25.75 | 25.5 |

Figure O-3

Figure O-4



many of the funds can be found in the chart on page 6. The most significant revenue and expense items for the top five funds are shown in the charts on pages 7–10.

State law requires that the General fund carry a fund balance of no more than 25 percent of the estimated revenues. The total net position in the Motor Pool fund is kept very low as revenues are used to cover expenditures and inflation. The Capital Projects fund, the Water, Sewer, and Storm Drain fund, and the Golf fund carry a fund balance that is under no legal restraint. All excess funds are invested consistent with the State Money Management Act. The resultant interest income is used as an additional revenue source in each fund. The total projected operating, capital, and debt service expenditures and transfers out in the upcoming budget year total \$12,709,811. More information about the City's fund balances can be found on pages 33–37.

The General Fund

As may be expected, the major revenues in the General fund are tax revenues. The single largest revenue source is sales and use tax. In past years, the City of Cedar Hills has relied almost exclusively on sales tax distributed from the state pool. However, an emerging commercial district will allow the City to increase the amount of sales tax collected. FY 2017 sales tax revenues are expected to increase to \$1,207,000.

Budgeted tax revenues are estimated using a trend analysis. Figure O-6 (page 7) shows the five-year trend for sales and use tax and franchise tax. Other factors are also considered including tax rates, the economy, and commercial and residential growth.

Bringing in 17.0 percent of the expected revenue is property tax. With the average assessed value increasing slightly, the City Council voted to accept the Certified Tax Rate set by Utah County for fiscal year 2017, which changed the tax rate to 0.2186 percent from 0.2315 percent. The decrease in rate is due to property tax values increasing.

The other two taxes making the top revenue list are franchise taxes at 9.9 percent and Class C Roads fund at 7.3 percent. State law authorizes cities to collect up to a 6 percent franchise tax on utilities operating within city boundaries. Cedar Hills charges 6 percent for electricity and natural gas, 5 percent for cable television, and 3.5 percent for telecommunication services.

The Class C Roads fund is administered by the Utah Department of Transportation. The City receives a portion of the motor fuel tax collected for the specific use of road maintenance. The amount the City receives is based on population and road mileage.

Garbage fees represent 9.6 percent of total expected revenue. This revenue is determined by the number of households in the City receiving this service, as well as the number of bins located at each address.

General fund revenues are used to finance many of the day-to-day activities of the City. General fund ex-

Continued on page 8

FUND SUMMARIES

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

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

The Golf fund is a special revenue fund used to account for the activity of the golf course and receives a subsidy from the General fund and is managed by the Community Services Director.

The Golf and Excise Debt Service funds are used to account for debt levy receipts, and principal, interest, and trustee payments.

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

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

The Motor Pool fund accounts for the maintenance and acquisition of City vehicles and equipment.

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

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

RELATIONSHIP OF DEPARTMENTS & FUNDS

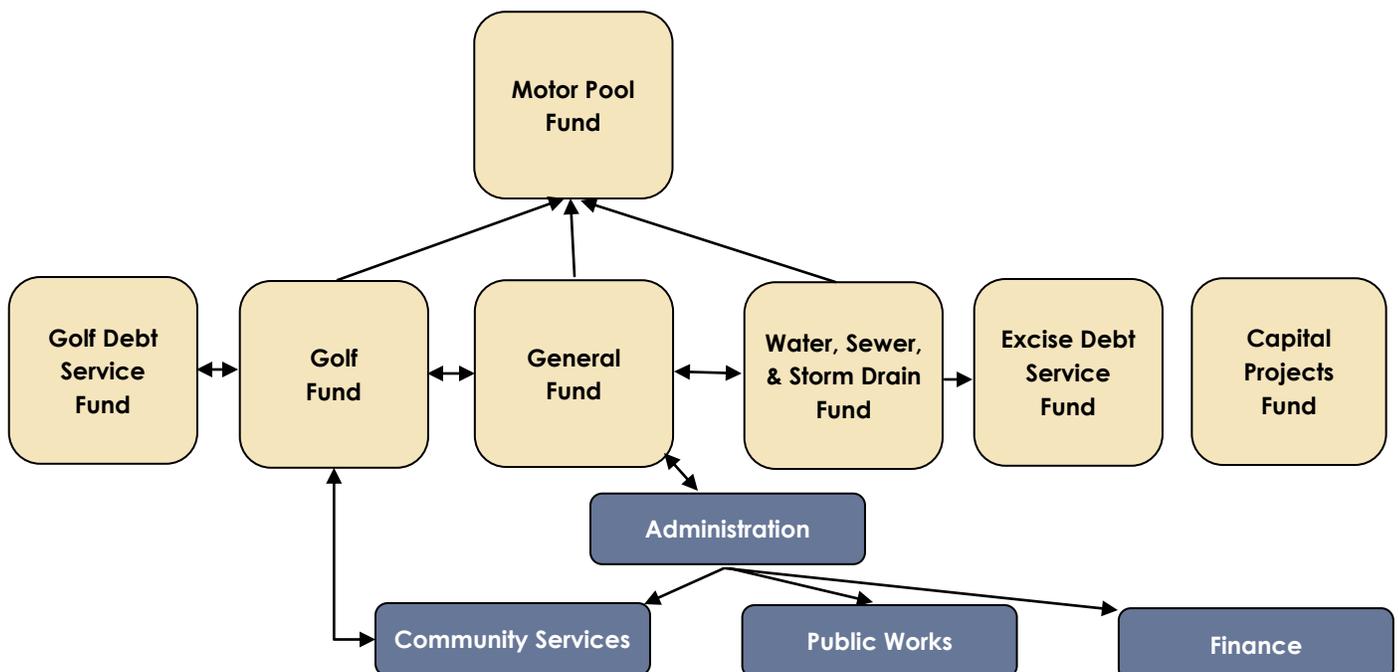
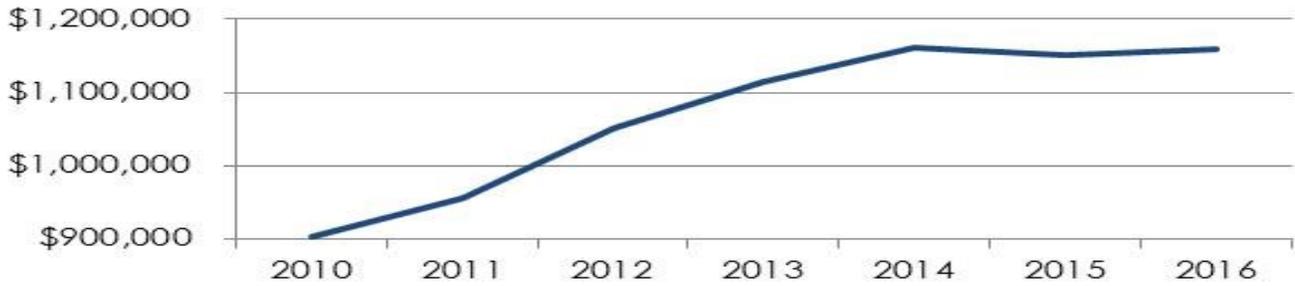


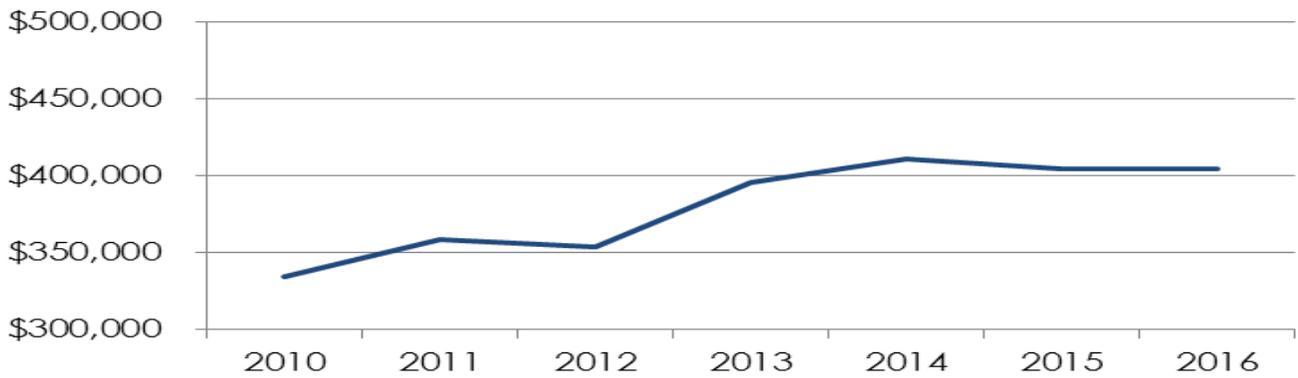
Figure O-5

Figure O-6

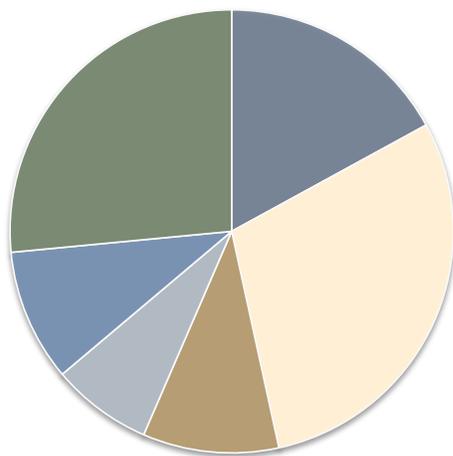
SALES & USE TAX TREND



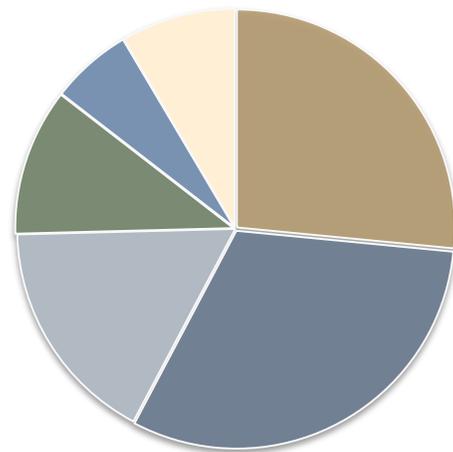
FRANCHISE TAX TREND



GENERAL FUND TOP REVENUES



GENERAL FUND TOP EXPENDITURES



- Property Tax 17%
- Wages & Benefits 26%
- Franchise Tax 10%
- Other 31%
- Garbage Fees 10%
- Fire Services 17%
- Class C Roads Fund 7%
- Police Services 12%
- Other 26%
- Streets Maintenance 6%
- Sales & Use Tax 30%
- Solid Waste Services 9%

Continued from page 5

penditures are spread over more than 80 different categories and include wages and benefits, public safety services, road maintenance, and solid waste services.

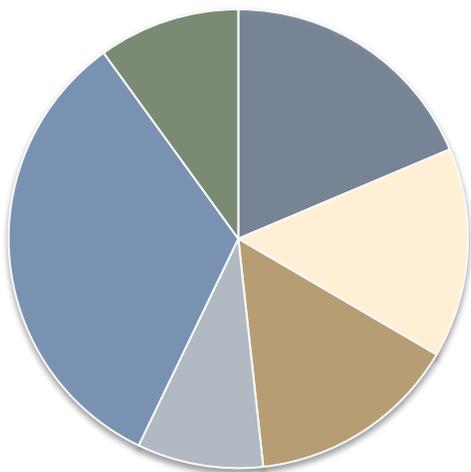
The Water, Sewer, & Storm Drain Fund

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

At 32.9 percent, sewer fees are the top revenue source in the fund. Residents are charged a base rate plus a usage rate. The base rate is designed to cover the cost of the infrastructure. The usage rate is calculated once a year and is based on a household's winter-water usage.

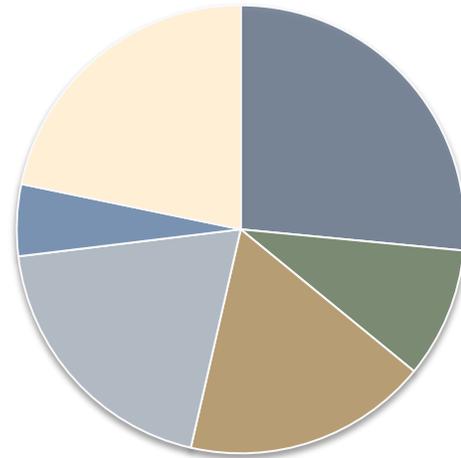
Water fees charged to residents provide 18.2 percent revenue to the fund. The City Council has implemented a tiered rate structure for culinary water. This means that the unit price for water increases with each higher level, or tier, of consumption. Along with covering the greater impact high-water users have on the system, this rate

WATER & SEWER FUND TOP REVENUES



- Sewer Fees 32%
- Water Fees 18%
- PI Base Rate Fees 15%
- PI Usage Fees 15%
- Other 10%
- Storm Drain 9%

WATER & SEWER FUND TOP EXPENDITURES



- Wages & Benefits 27%
- Water Utilities 9%
- TSSD Billing 18%
- Depreciation 19%
- Interest Expense 5%
- Other 22%

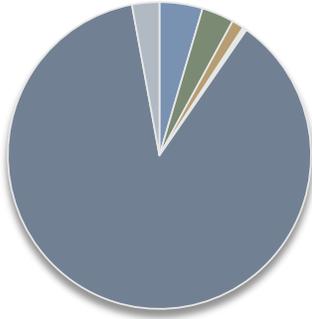
structure also encourages water conservation.

Pressurized irrigation base rate fees and pressurized irrigation usage fees provide 29.6 percent of budgeted revenues. The pressurized irrigation base rate fees cover the infrastructure of the irrigation system. This fee is a flat rate that is billed to every household. If a resident decides to connect to the irrigation system, the resident is billed a pressurized irrigation usage fee. This fee is based on lot size since pressurized irrigation usage is not metered.

Storm water is an issue that is of increasing importance to the City, and the costs are expected to continue increasing as well. A flat storm drain fee is billed to every household each month. City staff estimates that storm drain revenue will total 8.9 percent of total fund revenue for fiscal year 2017.

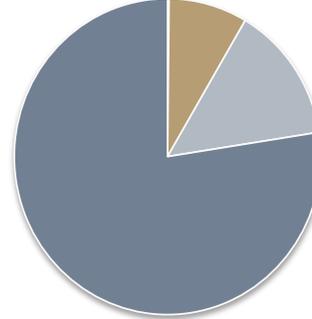
Expenditures in the Water, Sewer, and Storm Drain fund are spread over more than 60 different categories. Major expenditures include wages and benefits, depreciation, Timpanogos Special Services District fees, interest, water utilities, and other expenditures. The "other" category includes dues and subscriptions, training, tools and equip-

CAPITAL PROJECTS FUND TOP REVENUES



- Impact Fees 5%
- Interest Income 1%
- Bond Financing 87%
- CARE Sales Tax 3%
- Grant Income 0%
- General Fund Transfer 3%

CAPITAL PROJECTS FUND TOP EXPENDITURES



- Transfers Out 0%
- Misc. Capital Projects 8%
- Street Projects 14%

ment, repairs and maintenance, etc.

Potential projects for 2017 include a sewer line expansion and storm drain work (see the Capital Improvements Plan, Appendix A).

The Capital Projects Fund

As slow limited growth has become the new normal for the city, major revenues in the Capital Projects fund have transitioned from current-year impact fee revenues to the use of prior-year impact fees held in reserves. Transfers from the General fund and the Water, Sewer, and Storm Drain fund also provide revenue to the Capital Projects fund.

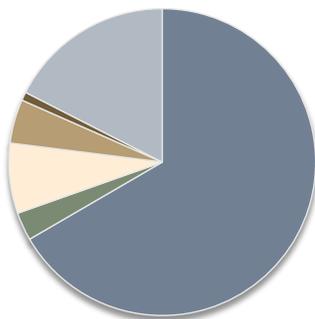
Upcoming projects for fiscal year 2017 include construction of the Bayhill Park. It also includes the design and construction of golf range fencing and a golf maintenance facility. Other projects are detailed in the Capital Improvements Plan (Appendix A).

The Golf Fund

Top revenues in this special revenue include green fees, practice range, and pro shop revenue.

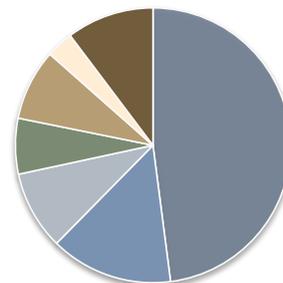
When total budgeted expenditures are compared to projected revenues, the golf course is estimated to be in the

GOLF FUND TOP REVENUES



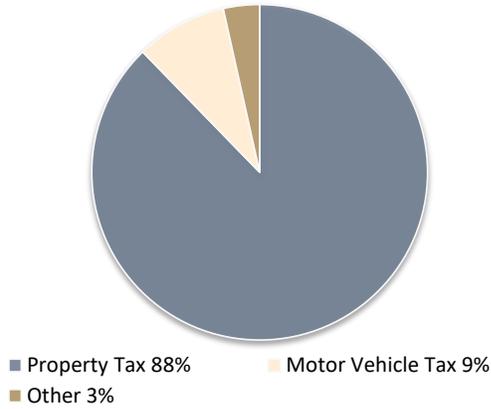
- Green Fees 67%
- Pro Shop 6%
- Other 1%
- Practice Range 3%
- Season Passes 5%
- General Fund Subsidy 17%

GOLF FUND TOP EXPENDITURES

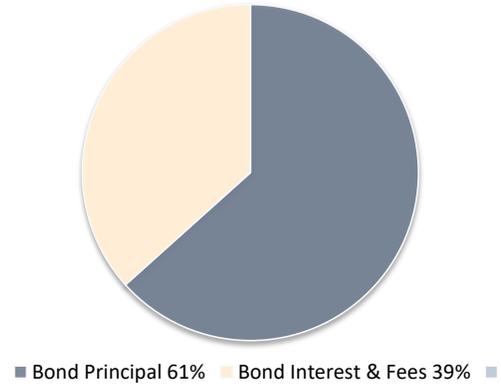


- Wages & Benefits 48%
- Course Maintenance 9%
- Golf Carts 8%
- Capital Outlay 10%
- Pro Shop 14%
- Equipment Maintenance 7%
- Other 3%

GOLF DEBT SERVICE FUND TOP REVENUES



GOLF DEBT SERVICE FUND TOP EXPENDITURES



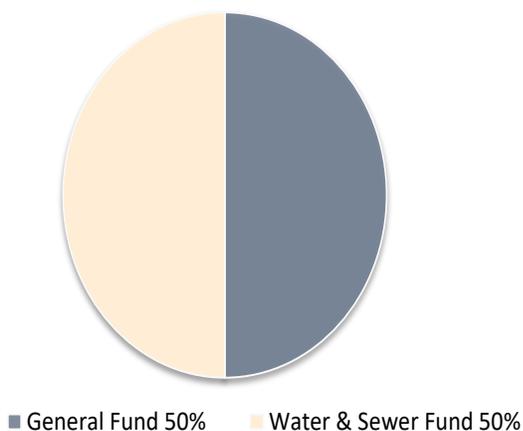
red. This shortfall includes all operating and non-operating expenditures. The cash needed to cover the annual operating cash deficit will be subsidized by approximately \$116,000 from the City’s General fund and \$31,000 from the Water & Sewer fund for the water provided. Expenditures in the Golf fund are spread over several categories. Top expenditures include wages and benefits, golf cart rental, pro shop supplies, equipment, and course maintenance (see the pie chart on next page).

The Debt Service Funds—Golf & Excise Tax Bond

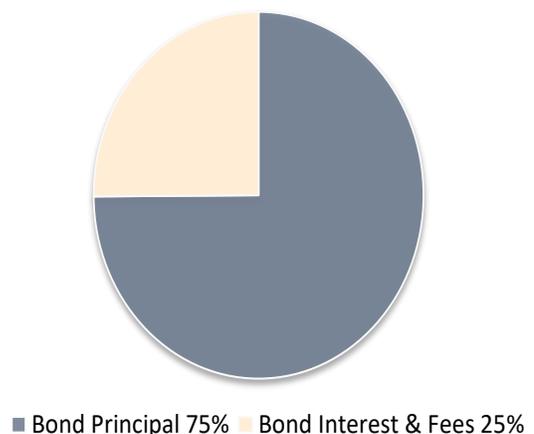
The general obligation refunding bond, series 2012 has scheduled debt service payments through 2035. Expenditures in the Golf Debt Service fund include bond principal and interest payments on the general obligation bonds, and their related annual trustee fees. A property tax is levied to cover most of the debt service payments. The related motor vehicle fee distribution, delinquent taxes, interest, penalties, and prior year’s excess fund balance are also utilized to cover the remaining general obligation debt service expenditures.

The original excise tax bonds were issued in 2006, and refunded in 2015 to reduce a few years of debt service. The original bond proceeds funded the construction of the public works building. The debt service is scheduled to be paid off in 2029. The General fund and Water & Sewer fund contribute an equal amount of funding to cover related principal, interest and trustee costs.

EXCISE DEBT REVENUES



EXCISE DEBT EXPEDITURES



DEBT SERVICE AND LEGAL DEBT LIMITS

A property tax is levied to cover most of the debt service payments. The related motor vehicle fee distribution, delinquent taxes, interest, penalties, and prior year's excess fund balance are also utilized to cover the general obligation debt service. The City uses long-term financing for major capital projects. Utah law states the general obligation legal debt limit is 12% of taxable property in the City—4% for general purposes and 8% for sewer, water, or lighting. As of July 1, 2016, the City had \$5,350,000 of outstanding general obligation debt, and an overall debt limit of \$54,145,164— based on 12% of the 2015 assessed taxable property value, which was \$451,209,701.

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

Golf Course

On November 10, 2005, the City refinanced its golf course line of credit by issuing a \$6,250,000 general obligation bond. The refinancing of the debt was expected during the initial construction of the course. This bond was partially refunded \$5,570,000 December 20, 2012 to take advantage of cash savings of approximately \$500,000 over the life of the loan. The bond is supported by a property tax debt levy and the related motor vehicle fee distribution.

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 partially refunding the bonds during October 29, 2014. The bond is supported by water and sewer revenue.

Public Works Building

The City issued \$2,325,000 in excise tax bonds for the construction of the Public Works Building in 2006. During October 2015, these bonds were refunded for interest savings, which eliminated three years of bond payments. Currently, all City staff except for golf and recreation employees are located in the Public Works Building. This building provides the City with adequate resources to service the residents in a timely manner.

Cottonwood Well

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

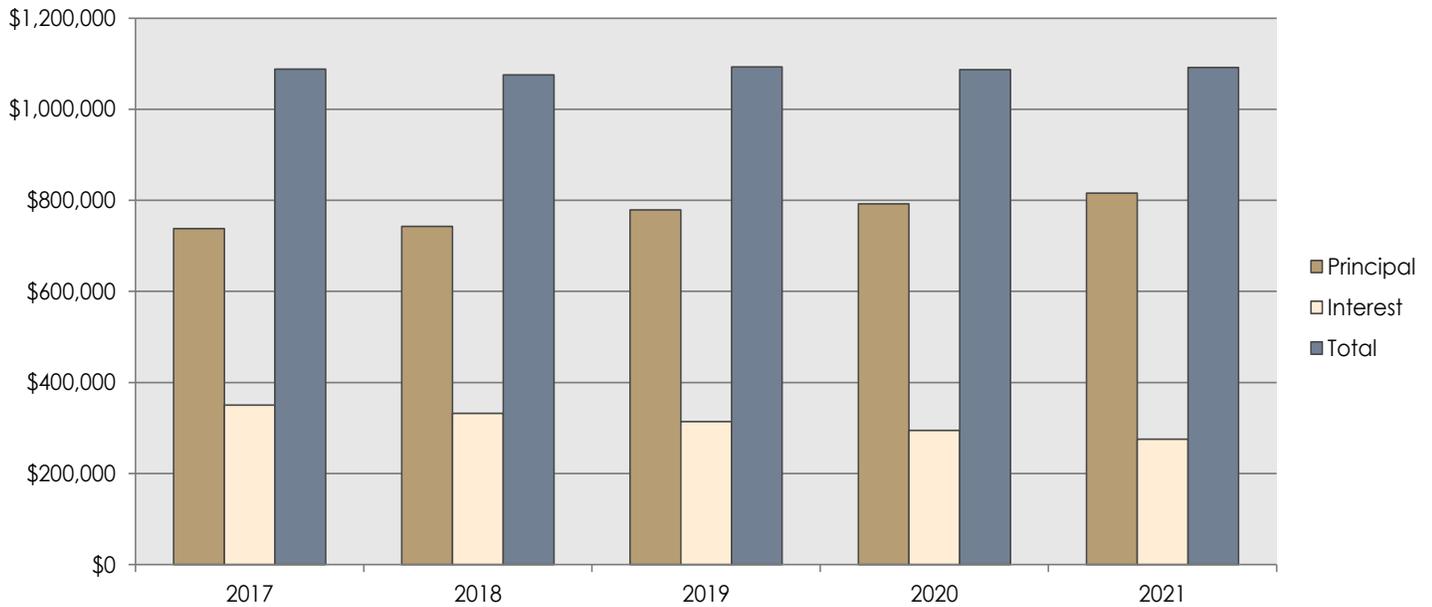
Pressurized Irrigation Improvements

When planning for fiscal year 2009, the City Council decided to upgrade the City's pressurized irrigation system. In order to do so, the City needed a \$930,000 Utility Revenue Bond. This revenue bond is supported by water and sewer revenue. Wells Fargo agreed to lower the interest rate on April 15, 2013 from 5.99% to 3.02%. The city council has opted to pay extra principal payments to match the interest rate savings.



| | DATE OF ISSUANCE | TOTAL AMOUNT | BALANCE AS OF 7/1/2016 | CURRENT YEAR PAYMENTS | PAYOFF DATE |
|---------------------------------|------------------|---------------------|------------------------|-----------------------|-------------|
| General Obligation Bonds | | | | | |
| Golf Course | 12/20/2012 | \$5,570,000 | \$ 5,350,000.00 | \$230,000 | 2/1/2035 |
| Revenue Bonds | | | | | |
| Pressurized Irrigation | 10/29/2014 | \$4,633,000 | \$4,568,000 | \$252,000 | 3/1/2031 |
| Public Works Building | 10/14/2015 | \$1,644,000 | \$1,644,000 | \$117,000 | 7/1/2028 |
| Cottonwood Well | 10/17/2007 | \$2,090,000 | \$1,384,000 | \$99,000 | 3/1/2028 |
| PI Improvements | 3/12/2009 | \$930,000 | \$663,000 | \$40,000 | 3/1/2029 |
| TOTAL | | \$14,867,000 | \$13,609,000 | \$738,000 | |

FIVE-YEAR DEBT PAYMENT SUMMARY



| | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Principal | \$738,000 | \$743,000 | \$779,000 | \$792,000 | \$816,000 |
| Interest | \$350,247 | \$332,243 | \$314,027 | \$294,926 | \$275,546 |
| Total | \$1,088,247 | \$1,075,243 | \$1,093,027 | \$1,086,925 | \$1,091,546 |

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 “Fiscal Focus” for the purpose of creating citizen-based goals and priorities for the community. These goals and priorities are created by Cedar Hills residents and the City Council. The City Administration then develops action plans and measurable objectives in order to reach these goals. This process allows the Council to focus on the larger, city-wide issues by setting organization-driving policies and goals and allows Administration to focus on the implementation of these goals. This keeps the Council from getting bogged down in everyday administrative decisions.

“Fiscal Focus” is divided into two distinct processes: the Goal Setting and Prioritization process and the Administrative Implementation process, each with their own set of distinct steps. These steps are described in the following paragraphs:

Step I—Decision Surveys, Townhall Meetings, and Public Comment

A survey was completed during June 2014, which governing body reviews and identifies issues for the next couple of budget years.

A Townhall Committee has been created to help identify topics for discussion in which residents are most interested. These one-hour meetings are an open forum format whereby anyone in attendance may express their thoughts relative to the community as a whole or particular to their neighborhood.

Additionally, residents are encouraged to attend regular Council meetings and use the public comment portion to give feedback to the Council on any topics that affects residents and/or the City.

Step II—Identify Problems & Needs

During Step II, the City Council typically holds a two-hour budget retreat to identify specific problems and needs in the community, based on input received from residents. These are categorized by type, such as recreation or public works.

Step III—Setting Goals to Resolve Problems & Meet Needs

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

Step IV—Prioritizing Goals



Townhall Meetings and Public Comment



Identify Problems & Needs



Set Goals to Resolve Problems & Meet Needs



Prioritize Goals



Set Objectives



Evaluate 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 by division starting on page 15.

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.

MAYOR & CITY COUNCIL



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. Administration reports to the Council on the progress of each goal, and the Council assesses how well the goals are being realized. The following goals, by division, were identified by the Council as high priority issues for the City to address:

Public Safety

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

- City issue tracking application

Economic Development

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

- Develop commercial retail center

Parks & Recreation

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

- Bayhill trailhead park
- Golf maintenance building
- Swimming pool feasibility phase 2
- Deerfield Park land

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:

- Secondary pressurized irrigation meters

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:

- Update design guidelines and ordinances
- Update open space zoning



Figure O-7

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:

- Improve communications
- Tracking and reporting resident issues
- Track Council priorities

Financial Goals & Policies

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

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

Financial Planning Policies

Balanced Budget: When under normal circumstances, the City of Cedar Hills will adopt a balanced General fund budget by June 22, pursuant to §10-6-109, Utah Code Annotated. A balanced budget means that at the end of the fiscal year (June 30), General fund operating expenditures will not exceed General fund operating revenues.

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

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



Revenue Policies

Revenue Diversification: The City maintains a healthy dependence on a variety of revenue sources to cover expenditures such that short-term fluctuations in any one revenue source will not affect the overall financial health of the City. Throughout the year, the City prepares reports that compare actual to budgeted revenue amounts.

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

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

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

Expenditure Policies

Debt: The City continually strives for improvements in the City's bond rating and will refrain from issuing debt for a period in excess of the expected useful life of a capital project. The total of General Obligation bonds will be limited to 12 percent of the prior-year total assessed value for tax purposes of real and personal property.

Reserve Accounts: The City will maintain a minimum fund balance of at least 16 percent (not to exceed 25 percent) of estimated revenues. If existing reserves exceed the required level, such funds may be used to balance the budget or to meet needs that may arise during the year.

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

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

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

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

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

CITY DEPARTMENTS



CITY MANAGER/CITY ENGINEER

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

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

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

City Recorder

The City Recorder is responsible for the management and maintenance of all City records. Records are indexed and scanned for easy access and retrieval. A record is kept of all official meetings such as City Council, Planning Commission, etc. Records include agendas, minutes, meeting documentation, and audio recordings.

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

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

Goals

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

Mission

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

In addition, the City staff have created the following mission statement—We are committed to efficiently provide professional, reliable service to the community of Cedar Hills that will ensure safety and sustainability, encourage unity and cooperation, and enhance the quality of life.

Activities

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

- Serve and advise the Mayor and City Council, prepare analyses and assorted reports for Council consideration, and prepare the annual proposed budget
- Enforce municipal laws and ordinances
- Act as Human Resources Director by appointing department directors and hiring qualified, well-trained employees to deliver high-level services to Cedar Hills residents
- Supervise all City departments including Finance, Public Safety, Fire and EMT services, Building and Zoning, Administration, Community Services and Public Works
- To provide informative, accurate, and up-to-date reports for the staff, Mayor, Council, and residents

Objectives

- Complete large City projects including the following: market city owned commercial property; market city owned residential lots (Cottonwood Hills Estates); street and sidewalk maintenance program; develop Bayhill Park improvements; develop and construct the golf course maintenance facility; analysis of all current revenue and expenditure sources, etc.
- Continue various Human Resources improvements such as updating City personnel manual, reviewing and updating job descriptions, migrate personnel action notices to paperless files, and training and setting goals with department heads.

| PERFORMANCE INDICATOR | | 2015 | 2016 |
|-----------------------|---|------|------|
| OUTPUT | Executive staff meetings held | 36 | 41 |
| | Trainings held | 11 | 11 |
| | City Council meetings attended | 100% | 95% |
| | LPPSD Board meetings attended | 100% | 100% |
| | Quarterly Budget Review | 2 | 2 |
| EFFICIENCY | Management reports distributed, 12 annually | 100% | 100% |
| | Employees receiving their annual performance evaluation | 100% | 100% |
| | One-on One employee communication meetings held | 100% | 100% |



Charl Louw

FINANCE DEPARTMENT

Mission

To properly manage and safeguard public monies, the City's financial assets, and records 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, 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, the general ledger, monthly financial reporting, year-end audit schedules, budget oversight, bank reconciliations, utility billing, cash receipting, accounts payable and receivable, debt management, and financial policy enforcement. In

addition to these duties, the Finance Department provides pertinent analyses and forecasting documents to administration for assistance with the decision-making process.

The Finance Department is responsible for assorted financial reports and documents intended for use by the Mayor and Council and/or the City staff to assist them in their duties. Information technology support is also coordinated by the finance staff. In addition to these responsibilities, the Finance Department annually produces the City of Cedar Hills award winning Comprehensive Annual Financial Report (CAFR) and Budget Document. These documents provide the big picture of the City's financial position as well as a specific and explicit plan for future financial activity. A copy of the latest CAFR and Budget Document are 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 continue to produce various significant financial documents, like the CAFR and Budget document, and provide detailed budget presentations, which assist the City Staff, Mayor and City Council with the decision making process
- To ensure that the budget, general ledger, utility billing, accounts payable and receivable, payroll, monthly financial statements, and debt management responsibilities are completed in a timely, accurate manner
- To assist in the creation of other useful documents which demonstrate public accountability for the honest and efficient use of public funds—such as the State of the City report
- To ensure the City's financial transactions are compliant with bond covenants, contracts, and state and federal guidelines

Objectives

- To provide accurate, timely accounting and budget information, which is accessible to residents, City staff, and Elect-ed officials.
- To increase documentation of job duties, financial policies, to improve cross training throughout the department
- To decrease the number of delinquent accounts through utility shutoff procedures
- To maintain a better history of resident interaction through the use of the customer notes section in the utility billing software

Performance Indicators

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



| PERFORMANCE INDICATOR | | 2015 | 2016 |
|-----------------------|--|--------|--------|
| OUTPUT | Checks processed(A/P) | 1,354 | 1,152 |
| | Electronic Fund Transfers Processed | 174 | 134 |
| | Payroll Checks and Direct Deposit Vouchers | 2,034 | 1,927 |
| | Paper Utility Statements Processed per month | 2,081 | 1,421 |
| | Electronic Utility Statements Processed per month | 1,414 | 1,545 |
| | Utility Customers | 2,444 | 2,472 |
| | Average annual % of past due utility billing receivables greater than or equal to 60 days outstanding | 16.33% | 14.56% |
| | Average annual % of past due utility billing receivables greater than or equal to 150 days outstanding | 10.05% | 8.97% |
| EFFECTIVENESS | Total payments received through online bill pay | 74.00% | 81.00% |
| | Total payments received through ACH | 10.00% | 10.28% |
| | GFOA Budget Award | Yes | N/A |
| | GFOA Certificate for Excellence in Financial Reporting | Yes | N/A |



Jeff Maag

PUBLIC WORKS DEPARTMENT

Mission

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

Activities

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

The Public Works Department labors to install, maintain, and repair the City water supply, water

transmission, and water distribution systems; the department also monitors pump stations, water tanks, and telemetry equipment.

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

Currently, the City owns and operates a water utility system, serving around 2,400 residential connections. This water is provided through City wells and connections with American Fork's water system. Cedar Hills has constructed a secondary irrigation system throughout the City. The City will 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 drain improvements will be completed in the next ten years and will include the installation of retention and detention basins, installation of storm drain lines, maintenance and improvement of existing storm drain sumps, and possible treatment of storm water.

The Public Works Department is home to the City maps, plans, plats, drawings, project estimates, specifications and contracts relating to public improvements and engineering affairs. Cedar Hills maintains approximately 28 miles of road.

Building

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. After a plan



check is complete, fees are calculated and a permit is issued, at which time the Building Inspector is responsible for on-site inspections of each phase of the building process to ensure adherence to code. On-site inspections include footings, foundations, underground plumbing, weather barrier, framing, electrical, heating, plumbing, shear nailing, insulation, gas, 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.

Record keeping is also a duty of the Building Department. Copies of all building inspections, building permits, fees collected, and plans submitted to the City are kept on permanent record.

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

Goals

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

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

Objectives

- Design master plans for sign maintenance
- Implement sidewalk, street maintenance and GIS mapping management program

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 | 2015 | 2016 |
|----------------------|---|-----------------------|----------|----------|
| OUTPUT | Water inspections | | 15 | 20 |
| | Sewer inspections | | 17 | 24 |
| | Inspections completed | | 619 | 948 |
| | Building permits processed | | 100 | 162 |
| | Building plans approved | | 70 | 154 |
| | Zoning violations detected | | 747 | 1120 |
| EFFICIENCY | Average response time to sewer inspection request | | 0-1 days | 0-1 days |
| | Average response time to water inspection request | | 0-1 days | 0-1 days |
| | Average response time to meter re-reads | | 1 day | 1 day |
| | Repeated broken lines | | 1 | 1 |
| | At-fault meter re-reads | | 1% | 1% |
| | Average days to complete inspections from request date | | 2 | 2 |
| EFFECTIVENESS | Roads repaired/completed per IWORQ schedule | | 100% | 100% |
| | Sidewalks repaired/completed per IWORQ schedule | | 100% | 100% |
| | Maps that are updated | | 100% | 100% |
| | Meters read electronically | | 98% | 98% |
| | CIP completed on time | | 90% | 90% |
| | Household floods, fires, etc. due to improper inspections | | 0% | 0% |





Greg Gordon

COMMUNITY SERVICES DEPARTMENT

Mission

We are committed to efficiently provide professional, reliable, service to the community of Cedar Hills that will ensure safety and sustainability, encourage unity and cooperation, and enhance the quality of life.

Activities

The Community Services Department is responsible for the management and maintenance of the Cedar Hills Golf Course, Recreation Center, Youth Sports Leagues, and all City events.

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

Additional duties include the preparation and execution of golf tournaments.

The Community Services Department is also in charge of general administrative tasks such as assisting the general public with regards to recreation activities and to provide reports to the City Manager. Also to work with our clients in booking the Vista Room located in the Recreation Building.

Goals

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

- Provide timely response
- Accentuate positive attitudes
- Give courteous customer service
- Be fiscally responsible
- Implement best practices
- Promote participation
- Take ownership
- Adapt to change

Objectives

- Aggressively market the Golf Course
- Implement all recreational programs
- Work with companies /groups to book events
- Work with clients to market and advertise the new



reception center and golf course

- To increase participation of sports programs through advertising within the City
- To continue to work with the local schools to build relationships of trust and have a win/win mentality for all parties.
- To constantly look for ways to increase event revenue options with staff.

Community Services

The Community Services Director oversees all City services and is the treasurer for the Family Festival. In fiscal year 2015 the sports coordinators took over running the sports programs and work closely with our supervisors/officials to ensure success in every program. They have done an exceptional job in making sure we are effective in all we do. We have found ways to increase attendance and work more efficiently.

The Director is responsible for the completion of short– and long-range community and neighborhood plans and activities including parks, trails, recreation events, and youth sports leagues. The Community Services Director is also required to plan and organize all special events needs that are sent in to the City.

The department continually evaluates its services and develops programs to meet changing community needs and interests while staying within our assigned budget. We also were able to begin a relationship with Celebrations Dance Co. who uses our building for their class needs.

Goals

- Customer Service is our #1 priority, we strive to exceed participants expectations
- Continue working with our partners to assure guest satisfaction
- Keep Sportsites.com up to date with all our current sports programming information

Objectives

- Continue advertising in local elementary schools outside of the Cedar Hills Community
- Maintain the fields properly to ensure a safe and enjoyable experience for sports league participants, be creative in utilizing other venues
- Effectively train league supervisors to oversee fields and officiating of leagues



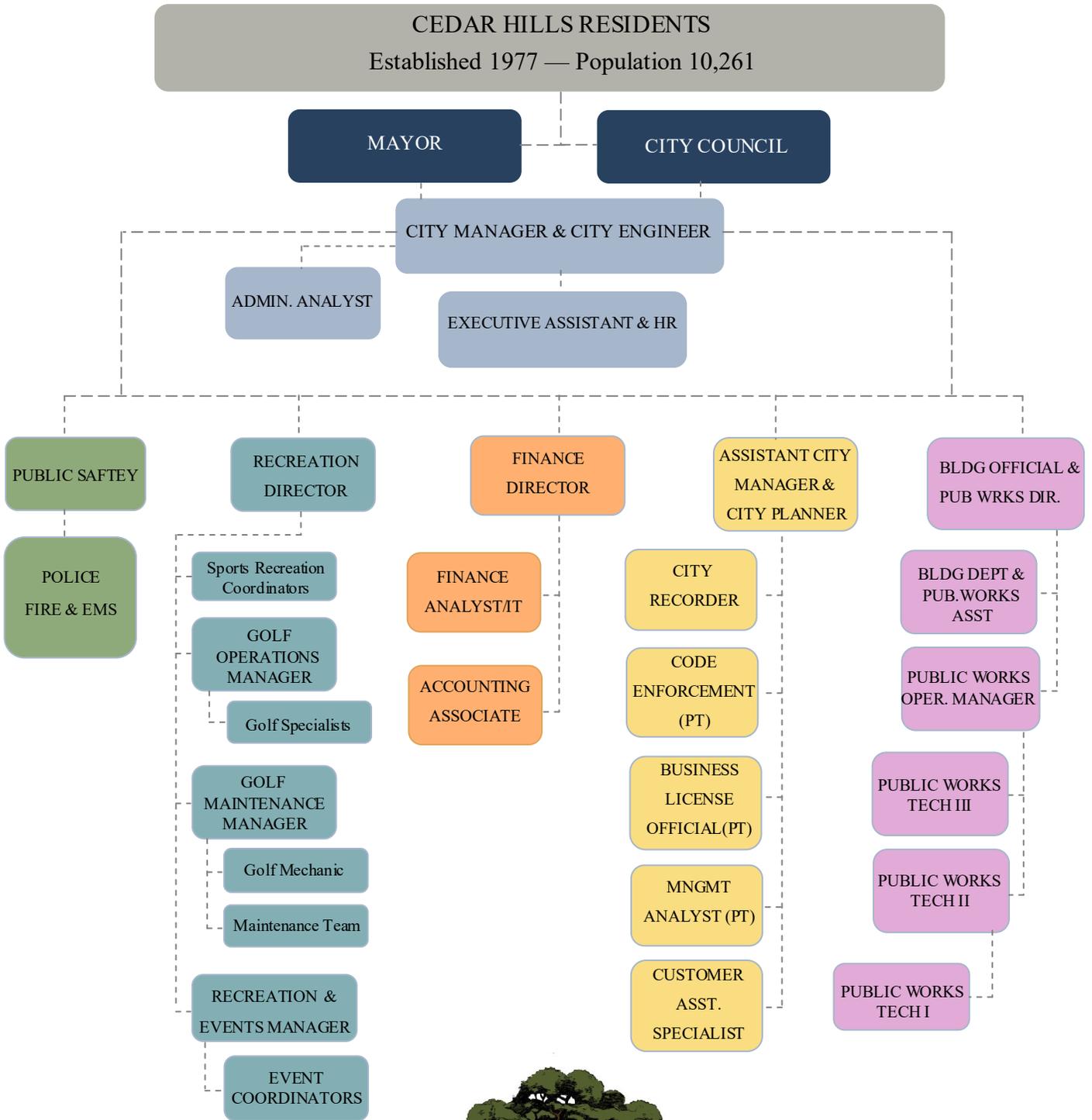
Performance Indicators

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 | 2015 | 2016 |
|----------------------|--|----------|----------|
| OUTPUT | Season Golf Passes Sold (includes trades) | \$75,689 | \$52,148 |
| | Number of Resident Nights on Mondays/Tuesdays | 0 | 34 |
| | Events/Receptions booked in Recreation Center Vista Room | 128 | 129 |
| | Jr. Jazz teams | 87 | 96 |
| | Flag Football teams | 33 | 43 |
| EFFICIENCY | Golf carts function properly | 97% | 91% |
| | Golf irrigation system functions properly | 98% | 98% |
| | Golf carts are repaired within 24 hours | 95% | 94% |
| | Golf maintenance equipment is up and running | 98% | 98% |
| | Golf maintenance equipment is repaired within 48 hours | 95% | 96% |
| | Percent of year spent on Family Festival (Director only) | 17% | 10% |
| EFFECTIVENESS | Total additional sport programs added during fiscal year | 2 | 2 |
| | # of employee accidents during the fiscal year | 0 | 0 |



ORGANIZATIONAL CHART



BUDGET HIGHLIGHTS

SUMMARY OF FUNDS

Figure BH-1 summarizes the Fiscal Year 2017 Budget for the City of Cedar Hills. The total adopted appropriations reflects an increase of \$628,113 from the prior year's estimated figure. Significant changes from prior year's budget include the following:

General Fund

- **\$197,729 increase in overall revenues & transfers, which were primarily from increases in projected event rentals, Class C roads, and sales tax revenues.**
- **\$165,729 increase in overall expenditures & transfers, which were primary from wages & benefit increased costs, public works staffing, street, and events increases.**

Golf Fund:

- **\$11,500 increase in revenues primarily due to increased pro shop sales.**
- **\$108,009 increase in expenditures primarily due to a planned drawdown of fund balance for fairway mowers.**

Golf & Excise Tax Bond Debt Service Funds:

- **\$1,800 overall increase in the revenues & expenses is based on the debt service schedule.**
- **Excise tax bond debt service moved from Capital Projects fund to it's own fund.**

Capital Projects Fund:

- **\$446,224 allocated for Bayhill Trailhead park project, \$211,224 in additional funding.**

Water & Sewer Fund

- **\$111,542 increase in water, sewer, and storm drain fees based on Bowen, Collins engineering study to fund improvements and repairs.**
- **\$500,000 allocation for a sewer line upgrade on 4600 West.**

Motor Pool Fund:

- **\$85,000 for replacement of three public works trucks.**

FISCAL YEAR 2017 BUDGET SUMMARY

| Fund | 2015 Actual | 2016 Estimate | 2017 Budget |
|-----------------------------------|--------------------|---------------------|---------------------|
| General Fund | \$3,956,448 | \$4,623,534 | \$4,084,654 |
| Golf Fund | \$805,085 | \$829,700 | \$939,209 |
| Golf Debt Service Fund | \$358,670 | \$361,270 | \$363,070 |
| Excise Tax Debt Service Bond Fund | \$0 | \$0 | \$156,226 |
| Capital Projects Fund | \$191,494 | \$1,981,650 | \$3,767,049 |
| Water & Sewer Fund | \$3,120,154 | \$3,011,490 | \$3,399,603 |
| Motor Pool Fund | \$155,215 | \$152,800 | \$181,582 |
| TOTALS | \$8,587,066 | \$10,960,444 | \$12,891,393 |

Figure BH-1

| REVENUES | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET | EXPENDITURES | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|---|---------------------|---------------------|---------------------|-----------------------------------|---------------------|---------------------|---------------------|
| General Fund | | | | | | | |
| Taxes | \$ 2,515,563 | \$ 2,523,100 | \$ 2,477,954 | General Government | \$ 1,140,863 | \$ 1,407,433 | \$ 1,346,295 |
| Licenses/Permits | \$ 107,277 | \$ 271,000 | \$ 132,000 | Streets | \$ 285,241 | \$ 298,300 | \$ 355,000 |
| Charges for Services | \$ 638,910 | \$ 671,000 | \$ 649,300 | Public Safety | \$ 1,158,158 | \$ 1,171,731 | \$ 1,151,086 |
| Intergovernmental | \$ 363,695 | \$ 346,200 | \$ 370,400 | Parks and Recreation | \$ 551,371 | \$ 603,071 | \$ 656,909 |
| Recreation & Culture | \$ 439,770 | \$ 444,700 | \$ 399,500 | Solid Waste Services | \$ 328,097 | \$ 364,000 | \$ 347,250 |
| Miscellaneous | \$ 73,875 | \$ 74,400 | \$ 41,000 | Transfers Out | \$ 492,720 | \$ 779,000 | \$ 228,113 |
| Transfers In | \$ 8,500 | \$ 14,500 | \$ 14,500 | | | | |
| | \$ 4,147,590 | \$ 4,344,900 | \$ 4,084,654 | | \$ 3,956,450 | \$ 4,623,535 | \$ 4,084,654 |
| Golf Fund | | | | | | | |
| Golf Revenue | \$ 749,634 | \$ 755,400 | \$ 695,700 | Salaries, Wages, & Benefits | \$ 395,661 | \$ 409,100 | \$ 447,280 |
| Transfers In | \$ 147,863 | \$ 160,000 | \$ 147,000 | Materials, Supplies, and Services | \$ 409,425 | \$ 420,600 | \$ 395,420 |
| | | | | Capital Outlay | \$ - | \$ - | \$ 96,509 |
| | \$ 897,497 | \$ 915,400 | \$ 842,700 | | \$ 805,085 | \$ 829,700 | \$ 939,209 |
| Golf Debt Service Fund | | | | | | | |
| Property Tax | \$ 274,696 | \$ 309,000 | \$ 309,770 | Bond Principal | \$ 210,000 | \$ 220,000 | \$ 230,000 |
| Motor Vehicle Tax | \$ 31,611 | \$ 34,000 | \$ 31,000 | Bond Interest | \$ 147,820 | \$ 140,420 | \$ 132,720 |
| Other Fees | \$ 16,209 | \$ 13,000 | \$ 12,300 | Trustee Fees | \$ 850 | \$ 850 | \$ 350 |
| | \$ 322,516 | \$ 356,000 | \$ 353,070 | | \$ 358,670 | \$ 361,270 | \$ 363,070 |
| Excise Tax Bond Debt Service Fund | | | | | | | |
| Transfers In | \$ - | \$ - | \$ 156,226 | Bond Principal | \$ - | \$ - | \$ 117,000 |
| | | | | Bond Interest | \$ - | \$ - | \$ 37,576 |
| | | | | Trustee Fees | \$ - | \$ - | \$ 1,650 |
| | \$ - | \$ - | \$ 156,226 | | \$ - | \$ - | \$ 156,226 |
| Capital Projects Fund | | | | | | | |
| Transfers In | \$ 454,713 | \$ 727,000 | \$ 34,000 | Park Projects | \$ - | \$ 20,000 | \$ 2,918,224 |
| Impact Fees | \$ 47,911 | \$ 72,900 | \$ 53,723 | Street Projects | \$ 15,004 | \$ - | \$ 530,000 |
| Bond Financing Proceeds | \$ - | \$ 1,644,000 | \$ 1,020,000 | Misc Projects & Debt Service | \$ 176,490 | \$ 1,955,650 | \$ 312,825 |
| Other Sources | \$ 9,632 | \$ 179,810 | \$ 60,000 | Transfers Out | \$ - | \$ 6,000 | \$ 6,000 |
| | \$ 512,256 | \$ 2,623,710 | \$ 1,167,723 | | \$ 191,494 | \$ 1,981,650 | \$ 3,767,049 |
| Water, Sewer, & Storm Drain Fund | | | | | | | |
| Water | \$ 1,773,142 | \$ 1,866,350 | \$ 1,807,172 | Water | \$ 1,734,119 | \$ 1,692,500 | \$ 1,801,409 |
| Sewer | \$ 1,089,386 | \$ 1,125,150 | \$ 1,147,991 | Sewer | \$ 945,652 | \$ 897,300 | \$ 1,041,436 |
| Storm Drain | \$ 264,755 | \$ 285,000 | \$ 295,382 | Storm Drain | \$ 322,027 | \$ 305,190 | \$ 439,146 |
| Miscellaneous | \$ 72,037 | \$ 352,160 | \$ 76,750 | Transfers Out | \$ 118,356 | \$ 116,500 | \$ 117,613 |
| | \$ 3,199,320 | \$ 3,628,660 | \$ 3,327,294 | | \$ 3,120,154 | \$ 3,011,490 | \$ 3,399,603 |
| Motor Pool Fund | | | | | | | |
| Charges from General Fund | \$ 82,198 | \$ 80,682 | \$ 77,227 | Gas & Maintenance | \$ 37,338 | \$ 37,000 | \$ 56,650 |
| Charges from Water & Sewer | \$ 68,376 | \$ 65,782 | \$ 62,656 | Insurance | \$ 9,714 | \$ 9,400 | \$ 10,750 |
| Charges from Golf | \$ 9,500 | \$ 16,020 | \$ 16,020 | Capital Outlay | \$ 7,057 | \$ - | \$ - |
| Gain on Sale of Assets | \$ 56,675 | \$ 41,400 | \$ 25,679 | Rent Expense | \$ 20,182 | \$ 15,000 | \$ 22,000 |
| | | | | Depreciation | \$ 80,924 | \$ 91,400 | \$ 92,182 |
| | \$ 216,749 | \$ 203,885 | \$ 181,582 | | \$ 155,214 | \$ 152,800 | \$ 181,582 |

The Consolidated Summary of Funds on page 30 (Figure BH-2) gives a more in-depth portrayal of City funds as projected for fiscal year 2017. The figure provides a summary of the projected revenues and planned expenditures in each fund as approved by the City Council. All revenues and expenditures are detailed by type and evaluated against prior years. As seen in the Consolidated Summary of Funds and as required by State law, the fiscal year 2017 General fund and Capital Projects fund budgets are balanced.

Budget Preparation

Preparation for the fiscal year 2017 budget was, as always, an intricate and complex process which affords both an interesting and challenging opportunity to reassess the City's plans and overriding goals and evaluate means for achieving them. It is through this effort that the budget becomes the single most important policy document produced each year.

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

Basis of Budgeting and Accounting

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

The City's Governmental funds (i.e. General fund, Golf fund, Golf & Excise Bond Debt Service and Capital Projects funds) are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual; i.e. when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers amounts collected within 60 days after year end to be available. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

Budget Adoption

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

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

Following the Mayor and finance committee's review, the tentative budget is sent to the City Council for ap-

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

Budget Amendments

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

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

Fund Balances & Net Position

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

In proprietary funds (i.e. Water and Sewer and Golf), net position reflect the accumulated balance. Net position include assets purchased by or donated to the proprietary funds less accumulated depreciation.

State law allows cities to accumulate retained earnings or fund balances as appropriate in any fund. However, the law restricts balances in the General fund as follows: (1) Any fund balance less than 5 percent of estimated revenue may be used for working capital, certain emergency expenditures, or to cover an unexpected revenue shortfall that would result in a year-end excess of expenditures over revenues; (2) Fund balance greater than 5 percent but less than 25 percent may be used for budget purposes; and (3) Any fund balance in excess of 25 percent must be included in the appropriations of the next fiscal year.

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

The charts on the next five pages include a several year history of the fund balances and net position for the General fund, the Water, Sewer, and Storm Drain fund, the Capital Projects fund, the Golf fund, and Golf Debt Service fund.

2017 BUDGET TIMELINE

| Task | Date to be Completed | Task | Date to be Completed |
|---|----------------------|--------------------------------------|----------------------|
| Fiscal Focus | Jan 21 | Golf Fund Revenues | March 22 |
| Capital Improvements Plan | Feb 21 | Golf Fund Expenditures | March 22 |
| Capital Projects Fund Revenue Estimates | Feb 21 | Water & Sewer Fund Revenue Estimates | March 7 |
| Capital Projects Fund Expenditures | Feb 21 | Water & Sewer Fund Expenditures | March 7 |
| Motor Pool Fund Expenditures | Feb 21 | Tentative Budget Presentation | May 2 |
| Vehicle Replacement Plan | Feb 16 | Certified Tax Rate | June 20 |
| General Fund Revenue Estimates | March 7 | Final Budget Approved | June 20 |
| General Fund Expenditures | March 7 | Final Budget Submitted to State | June 20 |
| Salaries, Wages, & Benefits | March 7 | | |

GENERAL FUND - FUND BALANCE

| | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|---|------------------|------------------|------------------|
| Beginning Fund Balance | \$ 1,010,006 | \$ 1,201,147 | \$ 922,513 |
| Revenues | | | |
| Taxes | \$ 2,515,563 | \$ 2,523,100 | \$ 2,477,954 |
| Licenses/Permits | 107,277 | 271,000 | 132,000 |
| Intergovernmental | 363,695 | 346,200 | 370,400 |
| Other Fees | 638,910 | 671,000 | 649,300 |
| Recreation & Culture | 439,770 | 444,700 | 399,500 |
| Miscellaneous | 73,875 | 74,400 | 41,000 |
| Total Revenues | 4,139,090 | 4,330,400 | 4,070,154 |
| Transfers In | 8,500 | 14,500 | 14,500 |
| Total Revenues & Transfers In | 4,147,589 | 4,344,900 | 4,084,654 |
| Expenditures | | | |
| General Government | 910,338 | 1,145,125 | 1,053,301 |
| Streets and Public Works | 515,766 | 560,607 | 647,995 |
| Public Safety | 1,158,157 | 1,171,731 | 1,151,086 |
| Solid Waste Services | 328,097 | 364,000 | 347,250 |
| Parks and Recreation | 551,373 | 603,073 | 656,911 |
| Total Expenditures | 3,463,731 | 3,844,536 | 3,856,543 |
| Transfers Out | 492,720 | 779,000 | 228,113 |
| Total Expenditures & Transfers Out | 3,956,448 | 4,623,534 | 4,084,654 |
| Ending Fund Balance | \$ 1,201,147 | \$ 922,513 | \$ 922,513 |

GOLF FUND • FUND BALANCE

| | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|---------------------------------------|----------------|------------------|----------------|
| Fund Balance Beginning of Year | \$ 21,993 | \$ 114,403 | \$ 198,703 |
| Revenues | | | |
| Golf Revenue | 749,633 | 754,000 | 695,700 |
| Total Revenues | 749,633 | 754,000 | 695,700 |
| Transfers In | 147,863 | 160,000 | 147,000 |
| Total Revenues & Transfers | 897,496 | 914,000 | 842,700 |
| Expenses | | | |
| Salaries, Wages, & Benefits | 395,661 | 409,100 | 447,280 |
| Materials, Supplies, and Services | 409,425 | 420,600 | 395,420 |
| Interest Expense | - | - | - |
| Capital Outlay | - | - | 96,509 |
| Total Expenses | 805,086 | 829,700 | 939,209 |
| Ending Fund Balance | \$ 114,403 | \$ 198,703 | \$ 102,194 |

GOLF DEBT SERVICE FUND - FUND BALANCE

| | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|-------------------------------|----------------|------------------|----------------|
| Beginning Fund Balance | \$ 52,250 | \$ 16,096 | \$ 10,826 |
| Revenues | | | |
| Property Tax | 274,696 | 309,000 | 309,770 |
| Motor Vehicle Tax | 31,611 | 34,000 | 31,000 |
| Other Fees | 16,209 | 13,000 | 12,300 |
| Total Revenues | 322,516 | 356,000 | 353,070 |
| Expenditures | | | |
| Bond Principal | 210,000 | 220,000 | 230,000 |
| Bond Interest | 147,820 | 140,420 | 132,720 |
| Trustee Fees | 850 | 850 | 350 |
| Total Expenditures | 358,670 | 361,270 | 363,070 |
| Ending Fund Balance | \$ 16,096 | \$ 10,826 | \$ 826 |

EXCISE DEBT SERVICE FUND - FUND BALANCE

| | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|---------------------------------|----------------|------------------|----------------|
| Beginning Fund Balance | \$ - | \$ - | \$ - |
| Transfers In | | | |
| From General Fund | - | - | 78,113 |
| From Water & Sewer Fund | - | - | 78,113 |
| Total Transfers | - | - | 156,226 |
| Expenditures | | | |
| Interest Expense | - | - | 37,576 |
| 2015 Excise Revenue Bonds - PWB | - | - | 117,000 |
| Trustee Fees | - | - | 1,650 |
| Total Expenditures | - | - | 156,226 |
| Ending Fund Balance | \$ - | \$ - | \$ - |

CAPITAL PROJECTS FUND - FUND BALANCE

| | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|---|---------------------|---------------------|---------------------|
| Beginning Fund Balance | \$ 1,911,727 | \$ 2,232,489 | \$ 2,857,549 |
| Revenues & Other Sources | | | |
| Impact Fees | 47,911 | 72,900 | 53,723 |
| Interest Income | 9,628 | 15,000 | 15,000 |
| CARE & Transit Sales Tax | 4 | 44,010 | 40,000 |
| Grant Income | - | 5,000 | 5,000 |
| Proceeds From Sales of Capital Assets | - | 115,800 | - |
| Bond Financing Proceeds | - | 1,644,000 | 1,020,000 |
| Total Revenues | 57,543 | 1,896,710 | 1,133,723 |
| Transfers In | 454,713 | 727,000 | 34,000 |
| Total Revenues & Transfers | 512,256 | 2,623,710 | 1,167,723 |
| Expenditures | | | |
| Street Projects | 15,004 | - | 530,000 |
| Park Projects | - | 20,000 | 2,918,224 |
| Miscellaneous Projects | 18,777 | 4,000 | 312,825 |
| Debt Service | 157,713 | 1,974,650 | - |
| Total Expenditures | 191,494 | 1,998,650 | 3,761,049 |
| Transfers Out | - | - | 6,000 |
| Total Expenditures & Transfers | 191,493 | 1,998,650 | 3,767,049 |
| Ending Fund Balance | \$ 2,232,489 | \$ 2,857,549 | \$ 258,223 |

WATER, SEWER, & STORM DRAIN FUND - NET POSITION

| | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|---------------------------------------|----------------------|----------------------|----------------------|
| Net Position Beginning of Year | \$ 19,570,692 | \$ 19,649,856 | \$ 20,247,126 |
| Revenues | | | |
| Water | 1,773,142 | 1,866,350 | 1,807,172 |
| Sewer | 1,089,386 | 1,125,150 | 1,147,991 |
| Storm Drain | 264,755 | 285,000 | 295,382 |
| Miscellaneous | 72,037 | 352,160 | 76,750 |
| Total Revenues | 3,199,320 | 3,628,660 | 3,327,295 |
| Expenses | | | |
| Salaries, Wages, & Benefits | 680,741 | 739,390 | 901,372 |
| Materials, Supplies, and Services | 708,583 | 637,500 | 771,036 |
| TSSD Fees | 573,726 | 520,000 | 600,000 |
| Water Purchases | 202,349 | 158,300 | 150,500 |
| Bad Debts | 2,417 | 8,900 | 13,750 |
| Depreciation & Amortization | 635,291 | 657,100 | 662,782 |
| Interest & Trustee Fees | 198,693 | 193,700 | 182,551 |
| Total Expenses | 3,001,800 | 2,914,890 | 3,281,991 |
| Transfers Out | 118,356 | 116,500 | 117,613 |
| Total Expenses & Transfers | 3,120,156 | 3,031,390 | 3,399,603 |
| Ending Net Position | \$ 19,649,856 | \$ 20,247,126 | \$ 20,174,818 |

THE GENERAL FUND

The general operating revenues and expenditures of the City are accounted for in the General fund. These “operating” activities include all those that are generally associated with governmental activity and are not required to be accounted for in another fund (such as an Enterprise fund). Many expenditures for administrative activities, public safety services, recreation programs, and solid waste collection fall under the General fund umbrella. Also, many of the more general government activities (e.g. purchasing supplies or paying utility bills) that are specific to a department take place in the General fund. Departmental activities are explained in more detail in each of the department messages.

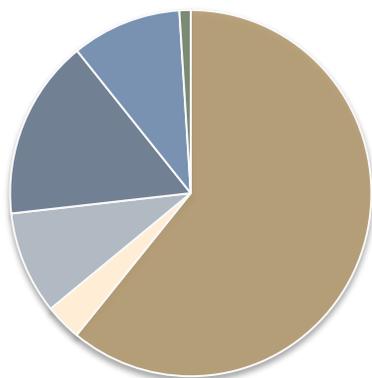
General fund revenues are organized into various categories. Tax revenue, licenses and permits, inter-governmental revenues, charges for services, recreation and cultural revenue, and miscellaneous revenues are the six functional revenue groups in the General fund. As seen in the figure below, taxes make up the greatest portion of expected revenue. Figure G-1 shows that per household, Cedar Hills property tax revenues are in the middle of the pack compared to other Utah County cities.

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

The General fund fiscal year 2017 budget totals \$4.1 million. This total reflects a net increase of 4.2 percent from the fiscal year 2016 budget of \$3.9 million.

The City budgets its long-term expenditures based on projected income from recurring revenue sources. Budgets for one-time expenditures are based on growth-related revenue streams. Figure G-2 demonstrates that operating expenditures per resident have increased for public safety, community services, and road maintenance. Budget projections for fiscal year 2017 expenditures remain very consistent with prior years, when compared on a per resident basis.

GENERAL FUND REVENUES



- Taxes 63%
- Licenses/Permits 3%
- Intergovernmental 9%
- Charges for Services 16%
- Recreation 9%
- Miscellaneous 1%

Property Tax \$ Per Household

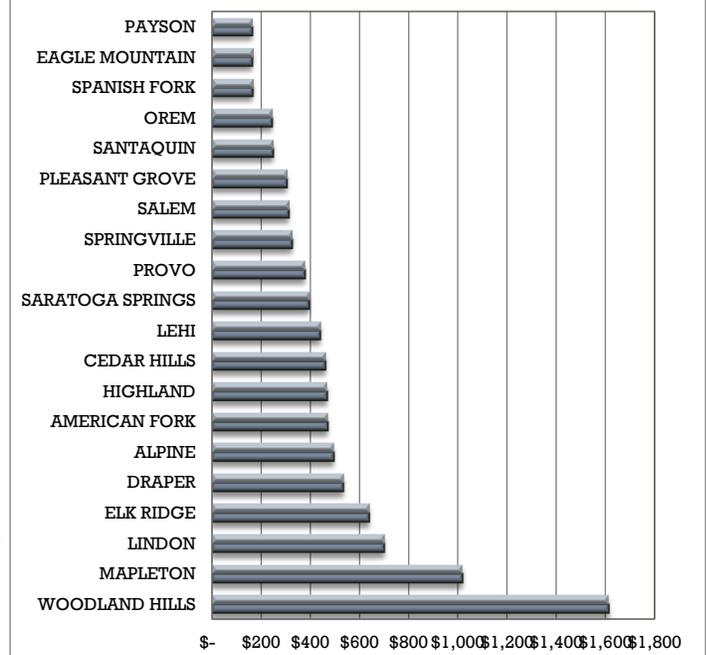


Figure G-1

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

Revenues

Taxes: Over half of the revenue collected in the General fund comes through taxes. Almost thirty percent of revenue collected through taxation comes from sales and use tax. Cedar Hills has an emerging commercial district that has welcomed the addition of Wal-Mart, Chase Bank, McDonalds, and a Hart’s gas station.

While sales tax revenue has increased over the past few years, property tax revenue has been flat. From fiscal year 2010 to fiscal year 2016, the amount of total revenue generated through property taxes for operations has produced mixed results, but slightly. The 2016 assessments on property showed a increase in property values in the City. This means that the calculated tax rate provided by the County decreased leaving our tax base, not including growth, the same as last year. The 2017 property tax rate is 0.2186 percent of the taxable value.

Building Permit Fees: The lack of land to develop continued to limit growth in Cedar Hills. The 2017 budget is based on five new residential homes. Most building permits in 2014 were for home renovations and improvements.

Class “C” Roads fund: Cedar Hills receives revenue from the Utah Department of Transportation to build and maintain roads. This money is generated through fuel taxes and is distributed to cities based on road mileage and population.

Garbage Fees: Currently the City contracts with Waste Management to provide solid waste collection services. Residents with this service are billed a monthly fee. This fee is not expected to increase during fiscal year 2015.

Expenditures

Wages and Benefits: A full-time entry level public works employee was added for the 2017 budget.

OPERATING EXPENDITURES PER RESIDENT

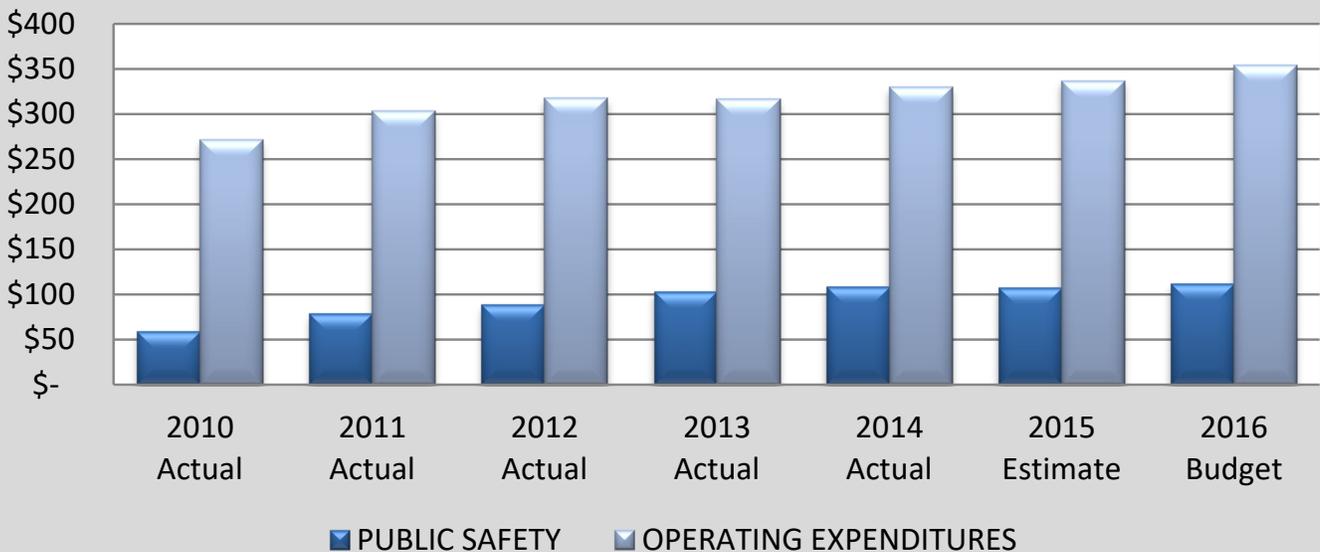
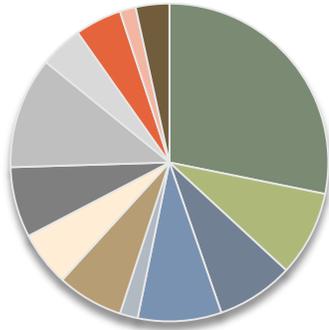


Figure G-2

GENERAL FUND EXPENDITURES



- Public Safety 30%
- Streets 9%
- General 8%
- Solid Waste 9%
- Elected 2%
- Administration 7%
- Transfers 5%
- Public Works 6%
- Community Services 11%
- Finance 4%
- Parks 5%
- Recorder's Office 2%
- Building & Zoning 3%

Employee compensation detail for fiscal year 2016 can be viewed on the State's website located at www.transparent.utah.gov.

Fire and EMS: The Lone Peak Public Safety District provides fire service and EMS to the City. For 2017, the City decreased expenditures in other areas of the budget in order to not raise rates to compensate for the increased fire and EMS expenditures.

Street Maintenance: Street maintenance projects were increased due to more funding from general revenues and flat Class C Road revenues anticipated. A list of the scheduled street projects is included in the chart below, Figure G-3.

Solid Waste: The budget for garbage and recycling is expected to slightly increase based on the historical trend. There is a push by the City's governing body and staff to reduce tonnage through increased recycling.

PLANNED STREET MAINTENANCE - 2017

Cedar Hills Drive

Bonded Matrix Overlay

Box Elder Drive

Bonded Matrix Overlay

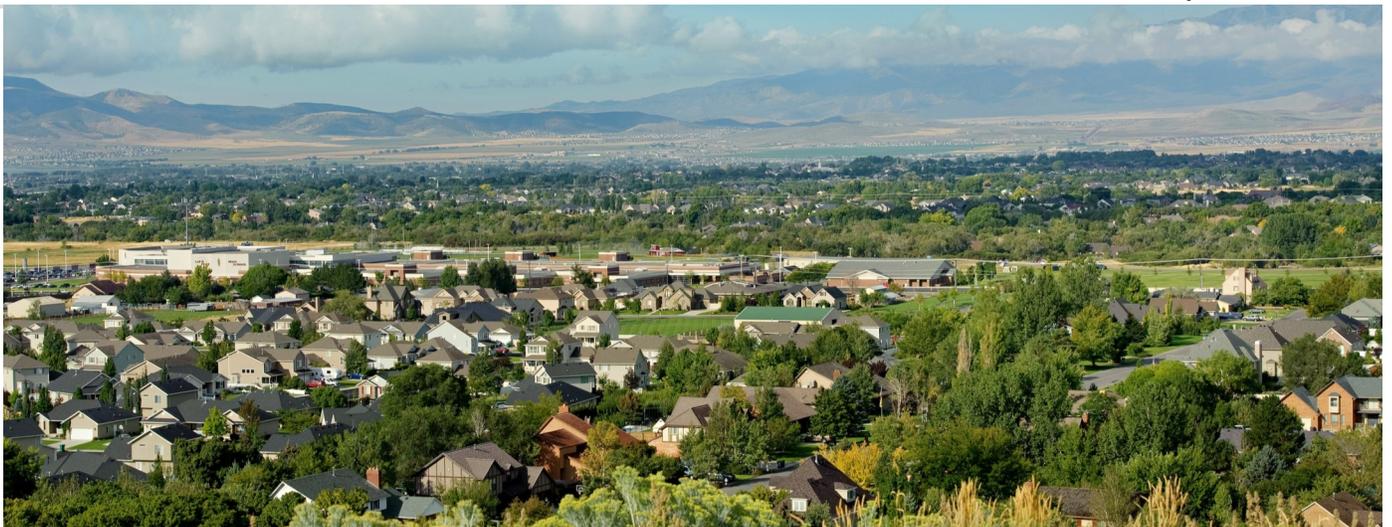


Figure G-3

| GENERAL FUND REVENUES | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|--|---------------------|---------------------|---------------------|
| Tax Revenue | | | |
| Property Tax | \$ 665,452 | \$ 685,065 | \$ 695,654 |
| Motor Vehicle Tax | \$ 76,143 | \$ 70,000 | \$ 75,000 |
| Delinquent Taxes | \$ 37,596 | \$ 20,000 | \$ 20,000 |
| Penalty & Interest | \$ 1,340 | \$ 300 | \$ 300 |
| Fee in Lieu of Taxes | \$ 3,378 | \$ 5,000 | \$ 5,000 |
| Sales & Use Tax | \$ 1,213,288 | \$ 1,250,000 | \$ 1,207,000 |
| CARE Tax | \$ 43,552 | \$ - | \$ - |
| Franchise Tax | \$ 392,939 | \$ 406,000 | \$ 405,000 |
| Telecom Tax | \$ 81,875 | \$ 85,000 | \$ 70,000 |
| | \$ 2,515,563 | \$ 2,521,365 | \$ 2,477,954 |
| Licenses & Permits Revenue | | | |
| Business Licenses | \$ 32,503 | \$ 32,000 | \$ 32,000 |
| Building Permits | \$ 49,030 | \$ 40,000 | \$ 50,000 |
| Plan Check Fees | \$ 20,658 | \$ 20,000 | \$ 25,000 |
| Miscellaneous Inspection Fees | \$ 5,086 | \$ 5,000 | \$ 25,000 |
| | \$ 107,277 | \$ 97,000 | \$ 132,000 |
| Intergovernmental Revenue | | | |
| LPPSD Rent | \$ 57,323 | \$ 57,300 | \$ 57,300 |
| Emergency Management Grant | \$ 17,500 | \$ 7,500 | \$ 7,500 |
| Forestry Grant | \$ 8,000 | \$ - | \$ - |
| Class C Roads Fund | \$ 275,332 | \$ 275,000 | \$ 300,000 |
| State Liquor Tax Allotment | \$ 5,540 | \$ 5,600 | \$ 5,600 |
| | \$ 363,695 | \$ 345,400 | \$ 370,400 |
| Charges for Services Revenue | | | |
| Garbage Fees | \$ 394,196 | \$ 390,000 | \$ 394,000 |
| Recycling Fees | \$ 59,954 | \$ 56,000 | \$ 60,000 |
| Application & Processing Fees | \$ 2,375 | \$ 10,000 | \$ 15,000 |
| Zoning Violation Fees | \$ 140 | \$ - | \$ - |
| Weed Abatement Fees | \$ - | \$ 300 | \$ 300 |
| Paramedic Fees | \$ 182,245 | \$ 180,000 | \$ 180,000 |
| | \$ 638,910 | \$ 636,300 | \$ 649,300 |
| Recreation & Culture Revenue | | | |
| Family Festival Income | \$ 34,796 | \$ 20,000 | \$ 30,000 |
| Youth City Council Fundraisers | \$ 1,464 | \$ - | \$ - |
| Recreation Programs | \$ 112,481 | \$ 95,000 | \$ 115,000 |
| Fitness Classes | \$ 18,168 | \$ 15,000 | \$ 14,000 |
| Event Center Rentals | \$ 257,771 | \$ 180,000 | \$ 230,000 |
| Event Center Concessions | \$ 10,178 | \$ 15,360 | \$ 6,000 |
| Park Reservations | \$ 4,912 | \$ 4,000 | \$ 4,500 |
| | \$ 439,770 | \$ 329,360 | \$ 399,500 |
| Miscellaneous Revenues | | | |
| Interest Income | \$ 5,352 | \$ 4,000 | \$ 10,000 |
| Penalty Fees | \$ 493 | \$ 1,000 | \$ 1,000 |
| Construction Bond Forfeiture | \$ 17,000 | \$ - | \$ - |
| Other Income | \$ 51,030 | \$ 30,000 | \$ 30,000 |
| | \$ 73,875 | \$ 35,000 | \$ 41,000 |
| Transfers & Use of Fund Balance | | | |
| Transfer in from Water & Sewer | \$ 8,500 | \$ 8,500 | \$ 8,500 |
| Transfer in from Capital Projects | \$ - | \$ 6,000 | \$ 6,000 |
| Use of Unrestricted Fund Balance | \$ - | \$ - | \$ - |
| | \$ 8,500 | \$ 14,500 | \$ 14,500 |
| TOTAL GENERAL FUND REVENUES | \$ 4,147,590 | \$ 3,978,925 | \$ 4,084,654 |

| GENERAL FUND EXPENDITURES | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|---|-------------------|-------------------|-------------------|
| General Government Expenditures | | | |
| Materials & Supplies | \$ 14,779 | \$ 7,700 | \$ 10,000 |
| Dues & Subscriptions | \$ 9,162 | \$ 9,800 | \$ 9,900 |
| Education & Training | \$ 3,488 | \$ 3,200 | \$ 3,500 |
| Newsletter & Utility Bills | \$ 20,605 | \$ 14,700 | \$ 15,000 |
| Legal Advertising | \$ 1,959 | \$ 4,300 | \$ 3,500 |
| Computer Expenses | \$ 18,642 | \$ 19,200 | \$ 20,500 |
| Repairs & Maintenance | \$ 11,275 | \$ 21,700 | \$ 12,500 |
| Office Equipment | \$ 8,439 | \$ 9,100 | \$ 8,500 |
| Motor Pool Charges | \$ 16,787 | \$ 17,775 | \$ 17,982 |
| Utilities | \$ 13,273 | \$ 13,200 | \$ 14,000 |
| Postage | \$ 1,948 | \$ 2,500 | \$ 2,500 |
| Communications & Telephone | \$ 8,448 | \$ 9,000 | \$ 9,000 |
| Legal Services | \$ 71,641 | \$ 245,000 | \$ 120,000 |
| Auditing Services | \$ 25,000 | \$ 14,500 | \$ 16,000 |
| Professional & Technical | \$ 27,993 | \$ 18,800 | \$ 25,000 |
| Branding | \$ - | \$ - | \$ 1,000 |
| Decisions Survey | \$ - | \$ - | \$ - |
| Other Events | \$ 2,527 | \$ 2,800 | \$ 3,000 |
| Insurance | \$ 21,139 | \$ 22,000 | \$ 25,000 |
| Bad Debt | \$ - | \$ 600 | \$ 3,000 |
| | \$ 277,105 | \$ 435,875 | \$ 319,882 |
| Mayor & Council Expenditures | | | |
| Salary & Wages | \$ 49,200 | \$ 49,200 | \$ 49,200 |
| Planning Commission | \$ 2,450 | \$ 2,000 | \$ 3,600 |
| Employee Benefits | \$ 7,002 | \$ 7,900 | \$ 8,697 |
| Materials & Supplies | \$ 533 | \$ 600 | \$ 1,100 |
| Education & Training | \$ 806 | \$ 1,200 | \$ 5,700 |
| Communications & Telephone | \$ 6,300 | \$ 6,300 | \$ 6,300 |
| | \$ 66,291 | \$ 67,200 | \$ 74,597 |
| Administrative Services Expenditures | | | |
| Salary & Wages (Full-Time) | \$ 153,370 | \$ 158,800 | \$ 164,484 |
| Overtime | \$ - | \$ - | \$ 703 |
| Salary & Wages (Part-Time) | \$ 15,310 | \$ 15,000 | \$ 15,719 |
| Employee Benefits | \$ 73,563 | \$ 76,000 | \$ 85,669 |
| Materials & Supplies | \$ 353 | \$ 200 | \$ 1,200 |
| Dues & Subscriptions | \$ 403 | \$ 500 | \$ 1,500 |
| Education & Training | \$ 4,511 | \$ 4,000 | \$ 4,500 |
| Communications & Telephone | \$ 1,052 | \$ 800 | \$ 1,250 |
| | \$ 248,562 | \$ 255,300 | \$ 275,024 |
| Recorder Expenditures | | | |
| Salary & Wages (Full-Time) | \$ 34,825 | \$ 36,000 | \$ 37,307 |
| Overtime | \$ 210 | \$ - | \$ 637 |
| Salary & Wages (Part-Time) | \$ - | \$ - | \$ - |
| Employee Benefits | \$ 14,986 | \$ 15,300 | \$ 16,279 |
| Materials & Supplies | \$ 296 | \$ 800 | \$ 1,000 |
| Dues & Subscriptions | \$ 865 | \$ 500 | \$ 550 |
| Education & Training | \$ 1,296 | \$ 1,600 | \$ 1,650 |
| Contract Labor | \$ 2,985 | \$ 4,000 | \$ 3,850 |
| City Code | \$ 1,529 | \$ 1,200 | \$ 2,500 |
| Document Imaging | \$ - | \$ - | \$ 1,050 |
| Other Events | \$ - | \$ - | \$ - |
| Election Expenses | \$ - | \$ 16,900 | \$ 1,500 |
| | \$ 56,992 | \$ 76,300 | \$ 66,323 |

| GENERAL FUND EXPENDITURES | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|---|---------------------|---------------------|---------------------|
| Finance Expenditures | | | |
| Salary & Wages (Full-Time) | \$ 101,636 | \$ 104,000 | \$ 108,058 |
| Overtime | \$ - | \$ - | \$ 522 |
| Salary & Wages (Part-Time) | \$ - | \$ - | \$ - |
| Employee Benefits | \$ 55,104 | \$ 59,500 | \$ 64,239 |
| Materials & Supplies | \$ 1,038 | \$ 1,200 | \$ 1,000 |
| Dues & Subscriptions | \$ 518 | \$ 500 | \$ 550 |
| Education & Training | \$ 2,480 | \$ 2,700 | \$ 2,750 |
| Communications & Telephone | \$ 680 | \$ 800 | \$ 950 |
| | \$ 161,456 | \$ 168,700 | \$ 178,069 |
| Public Safety Expenditures | | | |
| Fire Services | \$ 673,265 | \$ 675,000 | \$ 683,185 |
| Police Services | \$ 387,215 | \$ 406,368 | \$ 406,368 |
| Dispatch Fees | \$ 63,676 | \$ 66,144 | \$ 35,541 |
| Crossing Guard Services | \$ 15,640 | \$ 17,369 | \$ 18,492 |
| Animal Control | \$ 5,711 | \$ 6,350 | \$ 7,000 |
| Other Public Safety | \$ 12,502 | \$ - | \$ - |
| Bad Debt | \$ 148 | \$ 500 | \$ 500 |
| | \$ 1,158,158 | \$ 1,171,731 | \$ 1,151,086 |
| Building & Zoning Expenditures | | | |
| Salary & Wages (Full-Time) | \$ 26,371 | \$ 28,000 | \$ 32,195 |
| Overtime | \$ - | \$ - | \$ 61 |
| Salary & Wages (Part-Time) | \$ 26,142 | \$ 28,000 | \$ 36,181 |
| Employee Benefits | \$ 17,486 | \$ 20,000 | \$ 22,914 |
| Materials & Supplies | \$ 1,047 | \$ 800 | \$ 1,400 |
| Dues & Subscriptions | \$ 480 | \$ 200 | \$ 1,000 |
| Education & Training | \$ 2,219 | \$ 1,500 | \$ 2,750 |
| Contract Labor | \$ 18,772 | \$ 56,000 | \$ 35,000 |
| Tools & Equipment | \$ 378 | \$ 200 | \$ 600 |
| Motor Pool Charges | \$ 6,640 | \$ 6,650 | \$ 6,555 |
| Communications & Telephone | \$ 397 | \$ 400 | \$ 750 |
| | \$ 99,932 | \$ 141,751 | \$ 139,405 |
| Public Works Expenditures | | | |
| Salary & Wages (Full-Time) | \$ 94,689 | \$ 100,000 | \$ 113,298 |
| Overtime | \$ 461 | \$ 100 | \$ 3,088 |
| Salary & Wages (Part-Time) | \$ 6,550 | \$ 1,300 | \$ 3,636 |
| Employee Benefits | \$ 59,432 | \$ 63,000 | \$ 88,594 |
| Materials & Supplies | \$ 4,152 | \$ 3,000 | \$ 4,000 |
| Dues & Subscriptions | \$ - | \$ 100 | \$ 500 |
| Education & Training | \$ 1,581 | \$ 800 | \$ 3,500 |
| Repairs & Maintenance | \$ - | \$ - | \$ - |
| Tools & Equipment | \$ 6,894 | \$ 5,600 | \$ 6,400 |
| Motor Pool Charges | \$ 54,231 | \$ 50,907 | \$ 47,479 |
| Utilities | \$ - | \$ - | \$ - |
| Communications & Telephone | \$ 1,222 | \$ 1,300 | \$ 1,500 |
| Engineering Services | \$ 1,313 | \$ 36,200 | \$ 21,000 |
| | \$ 230,525 | \$ 262,307 | \$ 292,995 |
| Streets Expenditures | | | |
| Street Light Operation | \$ 35,947 | \$ 36,000 | \$ 37,100 |
| Street Light Maintenance | \$ 9,831 | \$ 4,000 | \$ 11,000 |
| Signs | \$ 11,889 | \$ 9,600 | \$ 10,000 |
| Weed Control | \$ 2,680 | \$ 2,100 | \$ 3,500 |
| Streets Expense | \$ 189,928 | \$ 217,000 | \$ 244,000 |
| Snow Removal | \$ 10,526 | \$ 4,600 | \$ 19,400 |
| Street Sweeping | \$ - | \$ - | \$ - |
| Sidewalk Maintenance | \$ 24,440 | \$ 25,000 | \$ 30,000 |
| | \$ 285,241 | \$ 298,300 | \$ 355,000 |

GENERAL FUND EXPENDITURES

2015 ACTUAL

2016 ESTIMATE

2017 BUDGET

44

Solid Waste Expenditures

| | | | |
|----------------------|-------------------|-------------------|-------------------|
| Solid Waste Services | \$ 279,967 | \$ 293,000 | \$ 290,000 |
| Recycling | \$ 47,762 | \$ 57,000 | \$ 55,000 |
| Bad Debt | \$ 368 | \$ 14,000 | \$ 2,250 |
| | \$ 328,097 | \$ 364,000 | \$ 347,250 |

Parks Expenditures

| | | | |
|------------------------------------|-------------------|-------------------|-------------------|
| Salary & Wages (PT) | \$ - | \$ 1,200 | \$ 5,200 |
| Employee Benefits | \$ - | \$ 100 | \$ 587 |
| Park Supplies & Maintenance | \$ 142,409.00 | \$ 166,000 | \$ 165,000 |
| Parks & Trails, Beautification Com | \$ 3,992.00 | \$ 5,000 | \$ 10,225 |
| Utilities | \$ 8,500.00 | \$ 12,600 | \$ 12,500 |
| | \$ 154,901 | \$ 184,900 | \$ 193,512 |

Community Services

| | | | |
|-----------------------------|-------------------|-------------------|-------------------|
| Salary & Wages (Full-Time) | \$ 51,276 | \$ 53,300 | \$ 54,556 |
| Overtime | \$ - | \$ - | \$ - |
| Salary & Wages (Part-Time) | \$ 89,130 | \$ 105,000 | \$ 118,345 |
| Employee Benefits | \$ 40,270 | \$ 47,000 | \$ 48,435 |
| Materials & Supplies | \$ 24,363 | \$ 19,200 | \$ 21,000 |
| Dues & Subscriptions | \$ 100 | \$ 100 | \$ 250 |
| Education & Training | \$ 165 | \$ 361 | \$ 2,000 |
| Utilities | \$ 21,406 | \$ 23,460 | \$ 24,500 |
| Motor Pool Charges | \$ 4,541 | \$ 5,350 | \$ 5,211 |
| Communications & Telephone | \$ 2,037 | \$ 2,100 | \$ 4,000 |
| Fitness Class Expenses | \$ 10,964 | \$ 12,000 | \$ 13,000 |
| Recreation Program Supplies | \$ 53,631 | \$ 43,300 | \$ 46,500 |
| Recreation Equipment | \$ 2,239 | \$ 3,100 | \$ 3,000 |
| Library Expenses | \$ 11,344 | \$ 9,800 | \$ 17,000 |
| Credit Card Fees | \$ 3,889 | \$ 3,900 | \$ 5,000 |
| Family Festival Celebration | \$ 49,300 | \$ 52,500 | \$ 55,000 |
| Other Events | \$ 6,054 | \$ 5,200 | \$ 6,000 |
| Easter Egg Hunt | \$ - | \$ 1,400 | \$ 2,000 |
| Youth City Council | \$ 3,540 | \$ 2,600 | \$ 2,500 |
| Advertising | \$ 1,015 | \$ 1,000 | \$ 5,000 |
| Insurance | \$ 1,184 | \$ 1,400 | \$ 1,400 |
| Building Maintenance | \$ 20,022 | \$ 26,100 | \$ 28,700 |
| | \$ 396,470 | \$ 418,171 | \$ 463,397 |

Other Uses of Funds

| | | | |
|--|-------------------|-------------------|-------------------|
| Transfer to Capital Projects Fund | \$ 375,857 | \$ 650,000 | \$ 34,000 |
| Transfer to Motor Pool Fund | \$ - | \$ - | \$ - |
| Transfer to Golf Fund | \$ 116,863 | \$ 129,000 | \$ 116,000 |
| Transfer to Excise Tax Debt Service Fund | \$ - | \$ - | \$ 78,113 |
| | \$ 492,720 | \$ 779,000 | \$ 228,113 |

TOTAL GENERAL FUND EXPENDITURES**\$ 3,956,448****\$ 4,623,534****\$ 4,084,654**

THE GOLF FUND

The City’s golf course is accounted for through the Golf special revenue and debt service funds. All operating revenues related to golf and golf peripherals are received in the Golf fund. Likewise, any expenditures related to the maintenance, upkeep, payroll, and operations of the golf course and its peripherals are also expensed out of the Golf fund.

The Cedar Hills Golf Course is a 6,700-yard, 18-hole, par-72 championship golf course at the mouth of scenic American Fork Canyon. The course is in excellent condition and has even developed a reputation for its greens. Beyond the golf course, and driving range, the City finished building a community recreation center in 2012 and finished the basement in 2013. The facility includes offices, a dance/fitness rooms, a restaurant, a pro shop, meeting spaces, and golf cart storage.

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

Revenues

In the budgeting process, revenues were projected to reflect realistic expectations. Green fees are a good indicator of course performance and primarily drive all other revenues for the course.

Green Fees: This is the principal revenue source in the Golf fund, as it makes up 66.5 percent of the forecasted revenues & transfers in for fiscal year 2017. Green fee revenue also includes cart fees and tournament revenue.

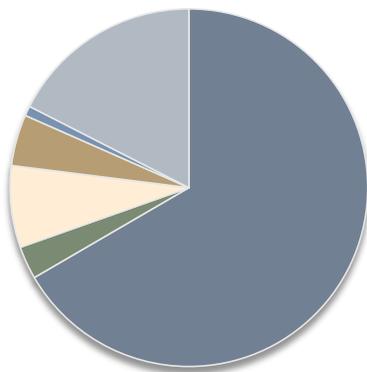
Transfers In: In order to balance the Golf fund, a subsidy from the General fund in the amount of \$147,000 has been budgeted.

Expenditures

Operating expenditures are expected to rise for utilities and personnel increases.

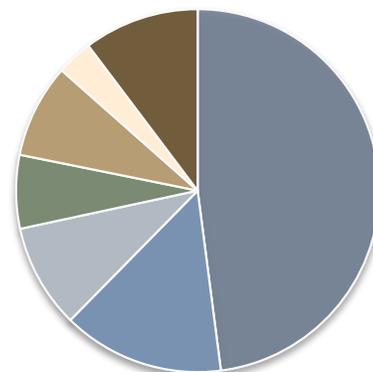
Capital outlays were needed to replace fairway mowers.

GOLF FUND REVENUES



- Green Fees 67%
- Pro Shop 6%
- Other 1%
- Practice Range 3%
- Season Passes 5%
- General Fund Subsidy 17%

GOLF FUND EXPENDITURES



- Wages & Benefits 48%
- Course Maintenance 9%
- Golf Carts 8%
- Capital Outlay 10%
- Pro Shop 14%
- Equipment Maintenance 7%
- Other 3%

| GOLF FUND REVENUES | | | |
|---|-------------------|-------------------|-------------------|
| | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
| Golf Fund Revenues | | | |
| Green Fees | \$ 546,954 | \$ 579,000 | \$ 560,000 |
| Practice Range | \$ 25,228 | \$ 29,000 | \$ 25,000 |
| Pro Shop | \$ 63,501 | \$ 83,000 | \$ 62,200 |
| Concessions | \$ 8,844 | \$ 11,000 | \$ 2,000 |
| Season Passes | \$ 73,132 | \$ 52,000 | \$ 39,000 |
| Other Income | \$ 31,684 | \$ - | \$ 7,500 |
| Interest Income | \$ 291 | \$ 1,400 | \$ - |
| | \$ 749,634 | \$ 755,400 | \$ 695,700 |
| Golf Fund Transfers | | | |
| Transfer from Other Funds | \$ 147,863 | \$ 160,000 | \$ 147,000 |
| TOTAL GOLF FUND REVENUES & TRANSFERS | \$ 897,497 | \$ 915,400 | \$ 842,700 |



GOLF FUND EXPENDITURES

2015 ACTUAL

2016 ESTIMATE

2017 BUDGET

Golf Expenses

| | | | | | | |
|--|----|---------|----|---------|----|---------|
| Salary & Wages (Full-Time) | \$ | 173,949 | \$ | 181,000 | \$ | 188,600 |
| Overtime | \$ | 134 | \$ | 100 | \$ | 97 |
| Salary & Wages (Part-Time) | \$ | 100,251 | \$ | 100,000 | \$ | 118,543 |
| Employee Benefits | \$ | 121,329 | \$ | 128,000 | \$ | 140,040 |
| Communications/Telephone | \$ | 3,078 | \$ | 3,000 | \$ | 3,100 |
| Supplies | \$ | 12,156 | \$ | 8,300 | \$ | 10,000 |
| Non Capitalized Furniture & Equipment | \$ | - | \$ | - | \$ | - |
| Utilities | \$ | 55,650 | \$ | 59,000 | \$ | 56,000 |
| Professional/Technical | \$ | 2,576 | \$ | 1,200 | \$ | 1,300 |
| Miscellaneous Expenses | \$ | - | \$ | - | \$ | - |
| Concessions | \$ | 8,944 | \$ | 7,900 | \$ | 1,500 |
| Credit Card Expenses | \$ | 14,734 | \$ | 16,400 | \$ | 15,000 |
| Pro Shop | \$ | 44,571 | \$ | 65,200 | \$ | 48,500 |
| Building Maintenance | \$ | 1,728 | \$ | 2,300 | \$ | 3,000 |
| Repairs & Maintenance - Course | \$ | 37,220 | \$ | 31,600 | \$ | 42,000 |
| Repairs & Maintenance - Sand | \$ | - | \$ | - | \$ | - |
| Repairs & Maintenance - Trees | \$ | - | \$ | - | \$ | - |
| Fertilizer & Chemicals | \$ | 29,502 | \$ | 28,900 | \$ | 30,000 |
| Water Pumping Costs | \$ | 14,973 | \$ | 16,300 | \$ | 15,000 |
| Petroleum & Oil | \$ | 8,906 | \$ | 4,800 | \$ | 11,000 |
| Equipment Repairs & Maintenance | \$ | 31,953 | \$ | 31,700 | \$ | 27,000 |
| Equipment Rental | \$ | 824 | \$ | 1,000 | \$ | 1,000 |
| Insurance | \$ | 1,268 | \$ | 1,300 | \$ | 1,500 |
| Cart Repairs & Maintenance | \$ | 7,106 | \$ | 7,300 | \$ | 5,000 |
| Dues & Subscriptions | \$ | 2,030 | \$ | 700 | \$ | 2,000 |
| Printing | \$ | - | \$ | - | \$ | - |
| Travel & Training | \$ | 823 | \$ | 1,500 | \$ | 3,000 |
| Branding | \$ | - | \$ | - | \$ | - |
| Licenses & Fees | \$ | - | \$ | - | \$ | 400 |
| Computers & Phones | \$ | 4,540 | \$ | 5,100 | \$ | 4,600 |
| Advertising | \$ | 38,736 | \$ | 33,000 | \$ | 20,000 |
| Clubhouse Lease Payment | \$ | - | \$ | - | \$ | - |
| Golf Cart Rental | \$ | 78,607 | \$ | 78,100 | \$ | 78,500 |
| Motor Pool Charges | \$ | 9,500 | \$ | 16,000 | \$ | 16,020 |
| Cart Lease Payment - Interest | \$ | - | \$ | - | \$ | - |
| Maintenance Equipment Lease - Interest | \$ | - | \$ | - | \$ | - |
| Interest Expense | \$ | - | \$ | - | \$ | - |
| Transfer to Motor Pool | \$ | - | \$ | - | \$ | - |
| Capital Outlay | \$ | - | \$ | - | \$ | 96,509 |

TOTAL GOLF FUND EXPENDITURES

\$

805,085

\$

829,700

\$

939,209

THE GOLF DEBT SERVICE FUND

The City's golf course is accounted for through the Golf special revenue and debt service funds. All debt service transactions related to the golf course 2005 and 2012 general obligation bonds are accounted in the Golf debt service fund.

Revenues

Property Taxes: The golf course was financed with general obligation bonds. The main source of revenue to cover the debt service is collected through property taxes.

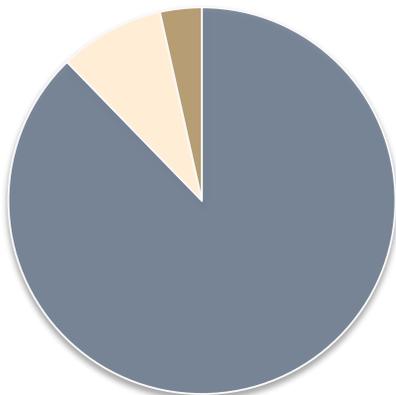
Motor Vehicle Fees: Distribution of Motor vehicle fees are based on the property taxes levied by each governmental entity. The proportion of property taxes related to the debt levy is allocated to the Golf Debt Service fund, which reduces the amount of the tax levy necessary to cover the debt service.

Expenditures

Debt service expenditures include principal, interest and trustee fees for the 2012 general obligation refunding bonds. The 2005 bond was partially refunded during 2012 and paid off during 2016. Other debt service costs like trustee fees are expected to be flat.

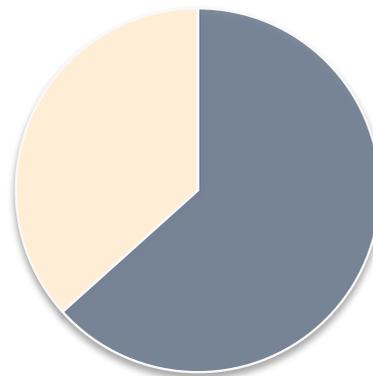


GOLF DEBT SERVICE FUND REVENUES



■ Property Tax 88% ■ Motor Vehicle Tax 9%
 ■ Other 3%

GOLF DEBT SERVICE FUND EXPENDITURES



■ Bond Principal 61% ■ Bond Interest & Fees 39%

GOLF DEBT SERVICE FUND REVENUES**2015 ACTUAL****2016 ESTIMATE****2017 BUDGET****Debt Service Revenues**

| | | | | | | |
|--|-----------|----------------|-----------|----------------|-----------|----------------|
| 2005 GO Bond - Property Tax | \$ | 89,954 | \$ | 118,000 | \$ | - |
| 2012 GO Bond - Property Tax | \$ | 184,742 | \$ | 188,000 | \$ | 309,770 |
| Motor Vehicle Tax | \$ | 31,611 | \$ | 33,500 | \$ | 31,000 |
| Delinquent Tax | \$ | 15,608 | \$ | 11,700 | \$ | 12,000 |
| Penalty & Interest | \$ | 556 | \$ | 300 | \$ | 300 |
| Interest Income | \$ | 45 | \$ | 200 | \$ | - |
| TOTAL GOLF DEBT SERVICE FUND REVENUES | \$ | 322,516 | \$ | 351,500 | \$ | 353,070 |

GOLF DEBT SERVICE FUND EXPENDITURES**2015 ACTUAL****2016 ESTIMATE****2017 BUDGET****Debt Service Expenses**

| | | | | | | |
|--|-----------|----------------|-----------|----------------|-----------|----------------|
| 2005 GO Bond Principal | \$ | 160,000 | \$ | 165,000 | \$ | - |
| 2012 GO Bond Principal | \$ | 50,000 | \$ | 55,000 | \$ | 230,000 |
| 2005 GO Bond Interest | \$ | 13,000 | \$ | 6,600 | \$ | - |
| 2012 GO Bond Interest | \$ | 134,820 | \$ | 133,820 | \$ | 132,720 |
| Trustee Fees | \$ | 850 | \$ | 850 | \$ | 350 |
| TOTAL GOLF DEBT SERVICE FUND EXPENDITURES | \$ | 358,670 | \$ | 361,270 | \$ | 363,070 |



THE EXCISE TAX BONDS DEBT SERVICE FUND

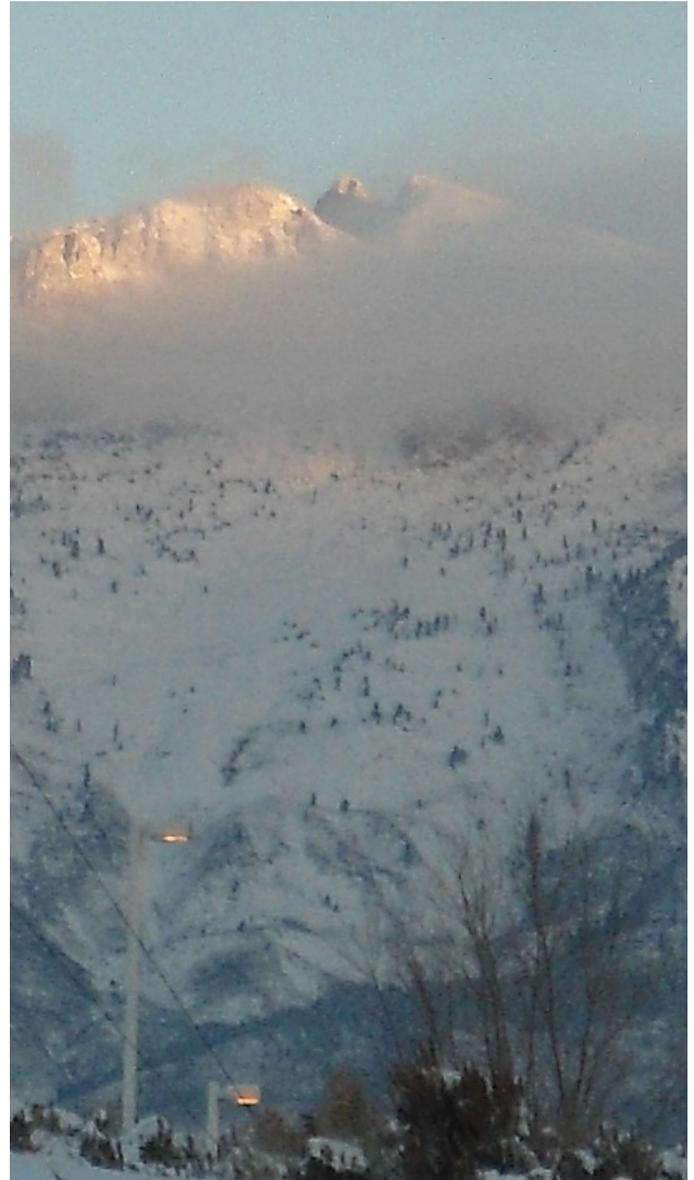
The city's debt related to the public works building was originally accounted for in the capital projects fund from 2006 through 2016. During October 2015 the excise tax bonds were refunded to reduce three years of debt service. Beginning fiscal year 2016-2017 the debt is in its own debt service fund for budget purposes and will be consolidated with the General fund for financial reporting purposes. The current debt service runs through 2029.

Revenues and Transfers In

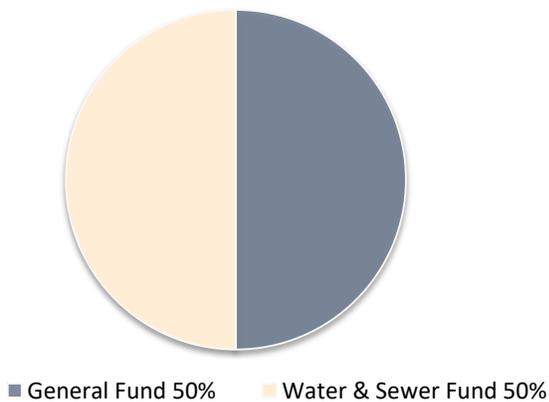
This debt service fund receives 50 percent of its funding from the General fund and 50 percent of its funding from the Water & Sewer fund through transfers in.

Expenditures

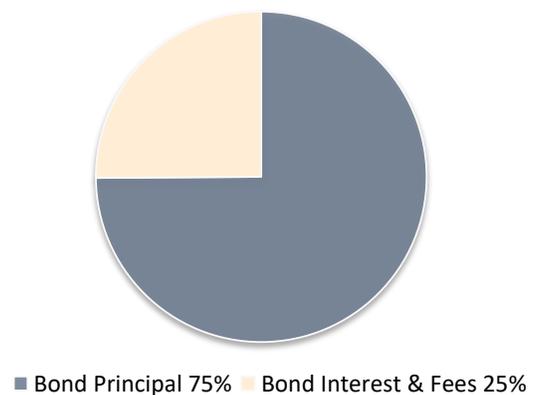
Debt service expenditures include principal, interest and trustee fees for the 2015 excise tax bonds. The 2006 bonds were refunded during 2015 to capture interest savings and reduce three years from the debt service.



EXCISE TAX BONDS FUND TRANSFERS IN



EXCISE TAX BONDS FUND EXPENDITURES



51 **EXCISE TAX BOND DEBT SERVICE FUND REVENUES & TRANSFERS**

**2015
ACTUAL**

**2016
ESTIMATE**

**2017
BUDGET**

Excise Debt Service Revenues & Transfers In

| | | | |
|--|-------------|-------------|-------------------|
| Transfers in from General Fund | \$ - | \$ - | \$ 78,113 |
| Transfers in from Water & Sewer Fund | \$ - | \$ 200 | \$ 78,113 |
| Total Excise Debt Service Fund Revenues | \$ - | \$ - | \$ 156,226 |

EXCISE TAX BOND DEBT SERVICE FUND EXPENDITURES

2015 ACTUAL

2016 ESTIMATE

2017 BUDGET

Debt Service Expenses

| | | | |
|---------------------------------|------|------|------------|
| Interest Expense | \$ - | \$ - | \$ 37,576 |
| 2015 Excise Revenue Bonds - PWB | \$ - | \$ - | \$ 117,000 |
| Trustee Fees | \$ - | \$ - | \$ 1,650 |

| | | | |
|---|-------------|-------------|-------------------|
| TOTAL EXCISE TAX BOND DEBT SERVICE FUND EXPENDITURES | \$ - | \$ - | \$ 156,226 |
|---|-------------|-------------|-------------------|



THE CAPITAL PROJECTS FUND

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

Because the Capital Projects fund deals with longer-term projects of varying costs, this fund is of a somewhat irregular nature. Unlike the other funds, the Capital Projects fund does not have repeating annual or monthly costs that make the fund similar from year to year. Therefore, the budget for the Capital Projects fund tends to vary dramatically.

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

Revenues

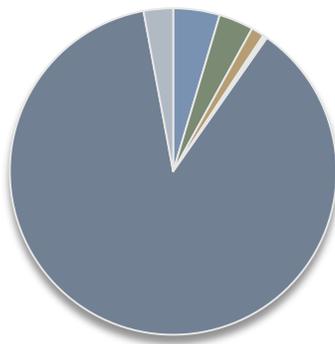
A large source of funding in the Capital Projects fund is generated by transfers from the General fund. The revenues exceeding expenditures are transferred to the Capital Projects fund to pay for one-time projects and expenditures. Also, the capital projects fund receives impact fees, County Tourism recreation grant, and CARE sale taxes, which are all restricted for certain types of expenditures.

Expenditures

- \$30,000 for street light improvements
- \$446, 224 for Bayhill Trailhead Park
- \$200,000 for golf maintenance building
- \$37,825 for golf practice range fencing
- \$50,000 for Heritage park amphitheater improvements

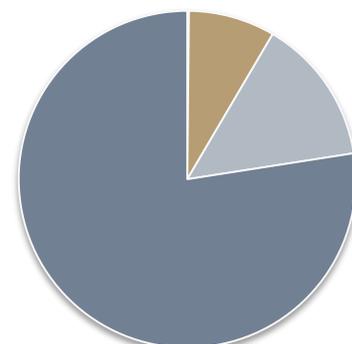
Further explanations of capital projects planned for fiscal year 2017 can be obtained from the Capital Improvements Plan located in Appendix A of this document.

CAPITAL PROJECTS FUND REVENUES



- Impact Fees 5%
- Interest Income 1%
- Bond Financing 87%
- CARE Sales Tax 3%
- Grant Income 0%
- General Fund Transfer 3%

CAPITAL PROJECTS FUND EXPENDITURES



- Transfers Out 0%
- Misc. Capital Projects 8%
- Street Projects 14%

| CAPITAL PROJECTS FUND REVENUES | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|--|-------------------|---------------------|---------------------|
| Capital Project's Fund Revenues & Other Financing Sources | | | |
| Impact Fees - Park Development | \$ 32,268 | \$ 34,500 | \$ 11,280 |
| Impact Fees - Public Safety | \$ 7,922 | \$ 13,500 | \$ 5,320 |
| Impact Fees - Streets | \$ 7,721 | \$ 12,900 | \$ 15,623 |
| Street Improvement Fee | \$ - | \$ 12,000 | \$ 21,500 |
| Mass Transit Sales Tax Revenues | \$ 4 | \$ 10 | \$ - |
| CARE Sales Tax Revenues | \$ - | \$ 44,000 | \$ 40,000 |
| Interest Income | \$ 9,628 | \$ 15,000 | \$ 15,000 |
| Grant Income | \$ - | \$ 5,000 | \$ 5,000 |
| Proceeds from Sale of Capital Assets | \$ - | \$ 115,800 | \$ - |
| Bond Financing Proceeds | \$ - | \$ 1,644,000 | \$ 1,020,000 |
| | \$ 57,543 | \$ 1,896,710 | \$ 1,133,723 |
| Capital Project's Fund Transfers | | | |
| Transfers in from General Fund | \$ 375,857 | \$ 650,000 | \$ 34,000 |
| Transfers in from Water & Sewer Fund | \$ 78,856 | \$ 77,000 | \$ - |
| | \$ 454,713 | \$ 727,000 | \$ 34,000 |
| TOTAL CAPITAL PROJECTS FUND REVENUES & TRANSFERS | \$ 512,256 | \$ 2,623,710 | \$ 1,167,723 |
| CAPITAL PROJECTS FUND EXPENDITURES | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
| Street Projects | | | |
| Mass Transit | \$ 4 | \$ - | \$ - |
| Sidewalk Projects | \$ - | \$ - | \$ - |
| Harvey Construction/Reconfiguration | \$ - | \$ - | \$ - |
| Sign Projects | \$ 15,000 | \$ - | \$ - |
| Street Lights | \$ - | \$ - | \$ 30,000 |
| Harvey Blvd Widening | \$ - | \$ - | \$ 500,000 |
| | \$ 15,004 | \$ - | \$ 530,000 |
| Park Projects | | | |
| Deerfield Park - Land Purchase | \$ - | \$ - | \$ 972,000 |
| Deerfield Park - Development | \$ - | \$ - | \$ 1,500,000 |
| Bayhill Trailhead Park | \$ - | \$ 20,000 | \$ 446,224 |
| | \$ - | \$ 20,000 | \$ 2,918,224 |
| Miscellaneous Projects | | | |
| Cottonwood Electric, Gas, Exca | \$ 15,877 | \$ 4,000 | \$ - |
| Heritage Park Amphitheater Improvements | \$ - | \$ - | \$ 50,000 |
| Fencing for Public Works Building | \$ - | \$ - | \$ 25,000 |
| Practice Range Facility | \$ - | \$ - | \$ 37,825 |
| Golf Maint. Equipment Facility & Site | \$ 2,900 | \$ - | \$ 200,000 |
| | \$ 18,777 | \$ 4,000 | \$ 312,825 |
| Debt Service | | | |
| 2006 Excise Revenue Bond - PWB | \$ 75,000 | \$ 75,000 | \$ - |
| Interest Expense | \$ 81,063 | \$ 48,000 | \$ - |
| Trustee Fees | \$ 1,650 | \$ 1,650 | \$ - |
| Other Financing Use- Payment to Escrow | \$ - | \$ 1,827,000 | \$ - |
| Bond Issuance Costs | \$ - | \$ 23,000 | \$ - |
| | \$ 157,713 | \$ 1,951,650 | \$ - |
| Transfers Out | | | |
| To the General Fund | \$ - | \$ 6,000 | \$ 6,000 |
| | \$ - | \$ 6,000 | \$ 6,000 |
| TOTAL CAPITAL PROJECTS FUND EXPENDITURES | \$ 191,494 | \$ 1,981,650 | \$ 3,767,049 |

THE WATER, SEWER, & STORM DRAIN FUND

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

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

The City of Cedar Hills owns and operates a water storage and distribution system including a culinary well, a 1-million gallon tank, a 1.5-million gallon tank, pump station, and approximately 22 miles of water lines. This system services approximately 2,400 households. In addition, the City has a redundant culinary well. The well produces approximately 1,750 gallons of water per minute and has the capability of running off a standby generator. In addition, the well has the ability to deliver water to both the culinary and pressurized irrigation systems.

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

The budget for the Water, Sewer and Storm Drain fund for fiscal year 2017 totals approximately \$3.4 million and is partitioned into three functional divisions: Water, Sewer, and Storm Drain. The figures on pages 54–56 show the portions of both revenues and expenditures that belong to each of the three divi-



sions.

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

Revenues

In February 2012, Cedar Hills hired Bowen, Collins & Associates to prepare a utility rate study on our services. The study was completed in May 2012, and updated in 2016. The comprehensive study laid out an analysis that spanned the next ten years. Based on the recommendations of Bowen, Collins and Associates, the City adopted several new utility rate structures for fiscal year 2017.

Added revenue is expected from water impact fees, residential and nonresidential water fees, and storm drain fees. In total, an additional \$111,542 is budgeted in additional revenue. This added revenue will allow the City to continue to maintain high levels of utility service to residents.

Expenditures

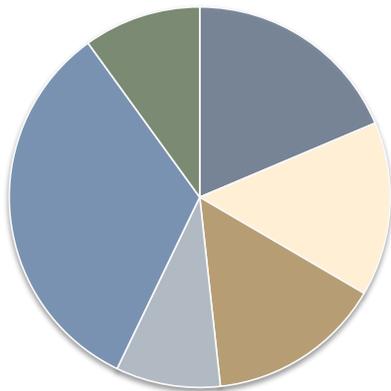
TSSD Fees: The Timpanogos Special Service District provides sewage treatment services for many cities in Utah County including Cedar Hills. It was anticipated that TSSD has gradually increased rates the last few years, but the City is still trending lower than the projected costs from the engineering study.

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

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

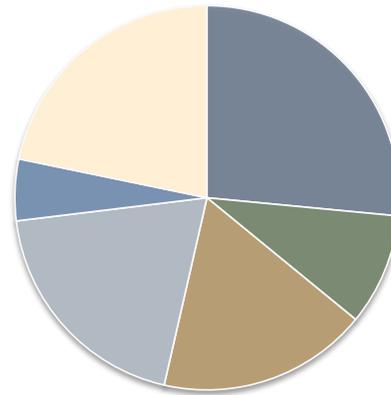
Capital Projects: The City has capital projects planned to storm drain improvements for the maintenance building, and a sewer line improvement. For details review the Capital Improvements Plan (see Appendix A).

WATER & SEWER FUND REVENUES



- Water Fees 18%
- PI Usage Fees 15%
- PI Base Rate Fees 15%
- Storm Drain 9%
- Sewer Fees 32%
- Other 10%

WATER & SEWER FUND EXPENDITURES



- Wages & Benefits 27%
- Water Utilities 9%
- TSSD Billing 18%
- Depreciation 19%
- Interest Expense 5%
- Other 22%

| WATER & SEWER FUND REVENUES | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|--|---------------------|----------------------|---------------------|
| Storm Drain Revenues | | | |
| Storm Drain - Residents | \$ 264,755 | \$ 285,000 | \$ 295,382 |
| | \$ 264,755 | \$ 285,000 | \$ 295,382 |
| Water Revenues | | | |
| Water Fees - Residents | \$ 557,980 | \$ 604,500 | \$ 606,397 |
| Water Fees - American Fork City | \$ 606 | \$ 600 | \$ 10,000 |
| Water Fees - Contractors | \$ 2,550 | \$ 5,000 | \$ 3,600 |
| PI Fees - Usage | \$ 502,095 | \$ 514,000 | \$ 492,150 |
| PI Fees - Base Rate | \$ 496,797 | \$ 517,000 | \$ 493,800 |
| Central Utah Project Fees | \$ 145,014 | \$ 146,000 | \$ 143,000 |
| Water Fees from City departments | \$ 37,750 | \$ 37,750 | \$ 37,750 |
| Water Lateral Inspections | \$ 1,275 | \$ 1,800 | \$ 1,600 |
| Water Meters | \$ 9,775 | \$ 13,300 | \$ 5,175 |
| Water Impact Fees | \$ 19,300 | \$ 26,400 | \$ 13,700 |
| | \$ 1,773,142 | \$ 1,866,350 | \$ 1,807,172 |
| Sewer Revenues | | | |
| Sewer Fees - Residents | \$ 996,340 | \$ 1,060,000 | \$ 1,094,104 |
| Sewer Fees from City departments | \$ 1,750 | \$ 1,750 | \$ 1,750 |
| Sewer Fees - Nonresidents | \$ 35,472 | \$ 36,200 | \$ 41,637 |
| Sewer Lateral Inspections | \$ 1,275 | \$ 2,100 | \$ 1,100 |
| Sewer Impact Fees - 80 Rod | \$ - | \$ - | \$ - |
| Sewer Impact Fees | \$ 14,861 | \$ 25,100 | \$ 9,400 |
| Sewer Impact Fees - TSSD | \$ 39,688 | \$ - | \$ - |
| | \$ 1,089,386 | \$ 1,125,150 | \$ 1,147,991 |
| Miscellaneous Revenues | | | |
| Penalty Fees | \$ 48,585 | \$ 45,200 | \$ 51,000 |
| Interest Income | \$ 9,351 | \$ 19,600 | \$ 8,000 |
| Utility Setup Fees | \$ 13,900 | \$ 12,000 | \$ 12,000 |
| Other Income | \$ 201 | \$ 750 | \$ 750 |
| Contribution Income | \$ - | \$ 274,610 | \$ 5,000 |
| | \$ 72,037 | \$ 352,160 | \$ 76,750 |
| TOTAL WATER & SEWER FUND REVENUES | \$ 3,199,320 | \$ 3,628,660 | \$ 3,327,294 |

| UTILITY RATE CHANGES FISCAL YEAR 2017 | | |
|--|-------------------------|---------------------------|
| | OLD RATE | EFFECTIVE JULY 1ST |
| WATER BASE RATE | Per Household = \$7.21 | Per Household = \$7.68 |
| WATER USAGE | Per 1K Gallons = \$1.59 | Per 1K Gallons = \$1.69 |
| STORM DRAIN | Per Household = \$9.27 | Per Household = \$9.86 |

| | WATER & SEWER FUND EXPENDITURES | | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|---|---------------------------------|------------------|-------------|------------------|---------------------|
| Water Expenditures | | | | | |
| Salary & Wages (Full-Time) | \$ | 191,837 | \$ | 202,000 | \$ 217,554 |
| Overtime | \$ | 506 | \$ | 100 | \$ 3,674 |
| Salary & Wages (Part-Time) | \$ | 7,399 | \$ | 2,000 | \$ 3,636 |
| Employee Benefits | \$ | 107,017 | \$ | 115,000 | \$ 145,736 |
| GASB 68 Pension Expense Adjustment | \$ | (13,092) | \$ | (8,600) | \$ - |
| Water Supplies | \$ | 1,008 | \$ | 3,500 | \$ 3,500 |
| Dues & Subscriptions | \$ | 1,500 | \$ | 1,500 | \$ 2,000 |
| Education & Training | \$ | 1,842 | \$ | 3,700 | \$ 6,000 |
| Computer Expenses | \$ | 3,000 | \$ | 3,500 | \$ 3,000 |
| Office Equipment | \$ | 766 | \$ | 2,700 | \$ 1,000 |
| Tools & Equipment | \$ | 12,947 | \$ | 7,800 | \$ 13,500 |
| Motor Pool Charges | \$ | 68,376 | \$ | 65,800 | \$ 62,656 |
| Utilities | \$ | 293,905 | \$ | 314,400 | \$ 320,000 |
| Blue Stakes | \$ | 689 | \$ | 1,000 | \$ 1,000 |
| Communications & Telephone | \$ | 1,846 | \$ | 2,000 | \$ 2,000 |
| Engineering Services | \$ | - | \$ | 1,000 | \$ 1,000 |
| Professional & Technical | \$ | 66,075 | \$ | 20,500 | \$ 48,850 |
| Meter Installation & Maintenance | \$ | 59,140 | \$ | 41,700 | \$ 42,000 |
| Water Purchases - American Fork | \$ | 64,680 | \$ | 18,000 | \$ - |
| Water Purchases - Pleasant Grove Irrigation | \$ | 18,004 | \$ | 20,300 | \$ 18,500 |
| Water Testing | \$ | 4,753 | \$ | 5,700 | \$ 6,500 |
| Insurance | \$ | 13,334 | \$ | 14,000 | \$ 15,770 |
| Water Construction Projects | \$ | 24,938 | \$ | 39,900 | \$ 45,000 |
| Supplementary Water | \$ | 119,665 | \$ | 120,000 | \$ 132,000 |
| Pressurized Irrigation Projects | \$ | 29,467 | \$ | 10,300 | \$ 45,200 |
| Credit Card Fees | \$ | 18,762 | \$ | 28,600 | \$ 19,000 |
| Trustee Fees | \$ | 4,950 | \$ | 5,000 | \$ 6,600 |
| Bond Interest | \$ | 193,743 | \$ | 188,700 | \$ 175,951 |
| Depreciation | \$ | 410,024 | \$ | 425,400 | \$ 420,000 |
| Amortization | \$ | 25,616 | \$ | 31,900 | \$ 29,782 |
| Bad Debt | \$ | 1,396 | \$ | 5,100 | \$ 10,000 |
| Resident Claims | \$ | 29 | \$ | - | \$ - |
| | \$ | 1,734,119 | \$ | 1,692,500 | \$ 1,801,409 |
| Sewer Expenditures | | | | | |
| Salary & Wages (Full-Time) | \$ | 137,001 | \$ | 144,200 | \$ 155,162 |
| Overtime | \$ | 344 | \$ | 50 | \$ 2,674 |
| Salary & Wages (Part-Time) | \$ | 5,436 | \$ | 1,800 | \$ 3,636 |
| Employee Benefits | \$ | 76,376 | \$ | 82,700 | \$ 103,914 |
| GASB 68 Pension Expense Adjustment | \$ | (9,360) | \$ | (6,200) | \$ - |
| Sewer Supplies | \$ | 124 | \$ | - | \$ 1,000 |
| Education & Training | \$ | 630 | \$ | - | \$ 1,050 |
| Computer Expenses | \$ | 1,800 | \$ | 2,400 | \$ 1,800 |
| Tools & Equipment | \$ | 691 | \$ | 300 | \$ 1,000 |
| Utilities | \$ | 132 | \$ | 150 | \$ 200 |
| Postage | \$ | 1,485 | \$ | 500 | \$ 1,500 |
| Communications & Telephone | \$ | 1,322 | \$ | 1,400 | \$ 1,500 |
| Engineering Services | \$ | - | \$ | - | \$ 1,000 |
| Professional & Technical | \$ | 1,693 | \$ | 1,700 | \$ 2,500 |
| TSSD Fees | \$ | 534,038 | \$ | 520,000 | \$ 600,000 |
| TSSD Impact Fees | \$ | 39,688 | \$ | - | \$ - |
| Sewer Television Expenses | \$ | - | \$ | - | \$ 2,000 |
| Sewer Fee - AF | \$ | - | \$ | - | \$ 1,000 |
| Insurance | \$ | 8,033 | \$ | 8,400 | \$ 9,500 |
| Sewer Maintenance | \$ | 802 | \$ | 300 | \$ 3,000 |
| Sewer Construction Projects | \$ | 8,100 | \$ | - | \$ 1,000 |
| Depreciation | \$ | 136,509 | \$ | 136,600 | \$ 145,000 |
| Bad Debt | \$ | 806 | \$ | 3,000 | \$ 3,000 |
| | \$ | 945,652 | \$ | 897,300 | \$ 1,041,436 |

| WATER & SEWER FUND EXPENDITURES | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|--|---------------------|---------------------|---------------------|
| Storm Drain Expenditures | | | |
| Salary & Wages (Full-Time) | \$ 114,589 | \$ 119,700 | \$ 155,162 |
| Overtime | \$ 329 | \$ 50 | \$ 2,674 |
| Salary & Wages (Part-Time) | \$ 4,614 | \$ 1,190 | \$ 3,636 |
| Employee Benefits | \$ 65,583 | \$ 70,600 | \$ 103,914 |
| GASB 68 Pension Expense Adjustment | \$ (7,838) | \$ (5,100) | \$ - |
| Storm Drain Supplies | \$ 1,495 | \$ 600 | \$ 3,000 |
| Dues & Subscriptions | \$ 1,864 | \$ 1,800 | \$ 2,000 |
| Education & Training | \$ 42 | \$ 1,500 | \$ 750 |
| Computer Expenses | \$ 1,200 | \$ 1,800 | \$ 1,200 |
| Tools & Equipment | \$ 1,032 | \$ 1,300 | \$ 3,000 |
| Communication & Telephone | \$ 1,194 | \$ 1,200 | \$ 1,500 |
| Professional & Technical | \$ 1,129 | \$ 3,500 | \$ 1,550 |
| Testing | \$ - | \$ - | \$ 200 |
| Insurance | \$ 5,335 | \$ 5,600 | \$ 6,310 |
| Storm Drain Maintenance | \$ 68,103 | \$ 37,450 | \$ 85,500 |
| Depreciation | \$ 63,142 | \$ 63,200 | \$ 68,000 |
| Bad Debt | \$ 215 | \$ 800 | \$ 750 |
| | \$ 322,027 | \$ 305,190 | \$ 439,146 |
| Non-Operating Expenditures | | | |
| Transfer to General Fund | \$ 8,500 | \$ 8,500 | \$ 8,500 |
| Transfer to Capital Projects | \$ 78,856 | \$ 77,000 | \$ - |
| Transfer to Excise Tax Debt Service | \$ - | \$ - | \$ 78,113 |
| Transfer to Golf Fund | \$ 31,000 | \$ 31,000 | \$ 31,000 |
| | \$ 118,356 | \$ 116,500 | \$ 117,613 |
| TOTAL WATER & SEWER FUND EXPENDITURES | \$ 3,120,154 | \$ 3,011,490 | \$ 3,399,603 |



THE MOTOR POOL FUND

The Motor Pool fund accounts for the City's vehicle expenses and purchases. The fund includes expenditures for vehicle maintenance, gasoline, insurance, and vehicle purchases. The City currently has a fleet of 13 vehicles. In addition, the City rents a skid steer and a backhoe. For fiscal year 2017, the City plans to replace three trucks to service the current fleet without making any additions to the fleet.

Revenues

The Motor Pool fund receives most of its revenue through contributions from the General fund, the Water and Sewer fund, and the Golf fund. The required expenditures are determined and the burden of funding the expenditures is divided between the three aforementioned funds. An analysis is done on the activities of the vehicles and the departments and/or funds to which those activities are related. From this analysis, certain percentages are derived and assigned to the various funds to determine the amount each fund will contribute to the Motor Pool fund.

Motor fund charges are only made to cover the replacement costs of vehicles, equipment, and related maintenance. It also covers the related rental charges on specialized equipment.

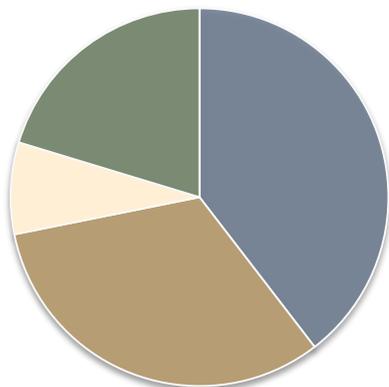
Expenditures

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

Vehicle Replacement

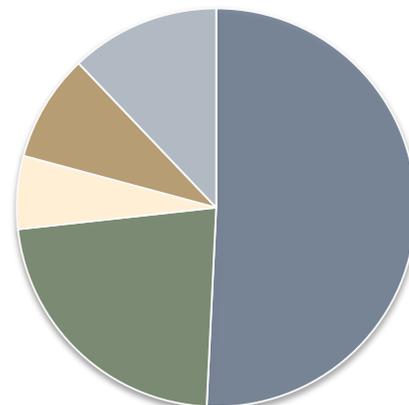
The City buys vehicles on state contract without sales taxes. These vehicles are used for about three years and then sold at a price close to the original purchase price. City staff has performed a detailed analysis of possible replacement schedules which took into account various factors including maintenance costs, insurance, inflation, resale values, etc. According to the analysis, the most cost-effective time to replace vehicles is after about three years of use. The City uses a different replacement schedule for specialized equipment and vehicles like bobtails and 10-wheel trucks. These vehicles are replaced when they are no longer usable.

MOTOR POOL FUND REVENUES



■ General Fund Transfer 45% ■ W&S Fund Transfer 37%
 ■ Golf Fund Transfer 9% ■ Gain on Sale 9%

MOTOR POOL FUND EXPENDITURES



■ Depreciation 51% ■ Gas & Oil 22%
 ■ Insurance 6% ■ Maintenance 9%
 ■ Rent Expense 12%

| MOTOR POOL FUND REVENUES | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|---------------------------------------|-------------------|-------------------|-------------------|
| Transfers | | | |
| Charges from General Fund | \$ 82,198 | \$ 80,682 | \$ 77,227 |
| Charges from Water & Sewer Fund | \$ 68,376 | \$ 65,782 | \$ 62,656 |
| Charge from Golf Fund | \$ 9,500 | \$ 16,020 | \$ 16,020 |
| Gain on Sale of Assets | \$ 56,675 | \$ 41,400 | \$ 25,679 |
| TOTAL MOTOR POOL FUND REVENUES | \$ 216,749 | \$ 203,885 | \$ 181,582 |

| MOTOR POOL FUND EXPENDITURES | 2015 ACTUAL | 2016 ESTIMATE | 2017 BUDGET |
|---|-------------------|-------------------|-------------------|
| Vehicle Expenses | | | |
| Gas & Oil - Administration | \$ 6,098 | \$ 5,300 | \$ 8,100 |
| Vehicle Maintenance - Administration | \$ 1,247 | \$ 2,000 | \$ 1,300 |
| Insurance - Administration | \$ 1,457 | \$ 1,400 | \$ 1,600 |
| Gas & Oil - Building & Zoning | \$ 382 | \$ 500 | \$ 1,250 |
| Vehicle Maintenance - Building & Zoning | \$ 44 | \$ 200 | \$ 500 |
| Insurance - Building & Zoning | \$ 486 | \$ 500 | \$ 900 |
| Gas & Oil - Public Works | \$ 16,487 | \$ 14,000 | \$ 30,000 |
| Vehicle Maintenance - Public Works | \$ 11,578 | \$ 13,300 | \$ 13,000 |
| Insurance - Public Works | \$ 7,285 | \$ 7,000 | \$ 7,750 |
| Gas & Oil - Golf | \$ 889 | \$ 900 | \$ 1,500 |
| Vehicle Maintenance - Golf | \$ 613 | \$ 800 | \$ 1,000 |
| Insurance - Golf | \$ 486 | \$ 500 | \$ 500 |
| | \$ 47,052 | \$ 46,400 | \$ 67,400 |
| Equipment Expenses | | | |
| Capital Outlay | \$ 7,057 | \$ - | \$ - |
| Rent Expense | \$ 20,182 | \$ 15,000 | \$ 22,000 |
| Depreciation Expense | \$ 80,924 | \$ 91,400 | \$ 92,182 |
| | \$ 108,163 | \$ 106,400 | \$ 114,182 |
| TOTAL MOTOR POOL FUND EXPENDITURES | \$ 155,215 | \$ 152,800 | \$ 181,582 |

APPENDIX A: CAPITAL IMPROVEMENTS

FISCAL YEAR 2017

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PURPOSES IN VIEW

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

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

- Information for individual taxpayers, neighboring communities, and various civic groups interested in the City's growth and development
- A statement of intention for federal and state agencies who provide grants-in-aid to the City
- A source of information for potential developers

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

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

BENEFITS OF A CAPITAL IMPROVEMENTS PLAN

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

1. The CIP eliminates or reduces the need for "crash programs" to finance the construction of City improvements and facilities.
2. The CIP helps to provide for an orderly replacement of capital facilities and equipment.
3. Budgeting may take place within a system which assures that capital projects will be built according to a predetermined priority system while planning in advance for the revenue needed to finance and complete these capital projects.
4. Advanced planning is permitted to ensure that projects are well thought out in advance of construction.
5. Major purchases may be scheduled to benefit from favorable market conditions.
6. Coordination with the operating budget is maximized. An important aspect of capital improvement planning is the effect capital expenditures have up-

on the annual operating cost of the City. When a new facility is established, it must be maintained and staffed, and obligations which begin when it is made operational will become continuous.

7. Interrelationships among projects overlooked by departments are revealed. This will occur more often as Cedar Hills expands; however, it is important to take this aspect into account now. For example, the process can coordinate the timing of projects in the same location so as to avoid paving a street one year and tearing it up the next to lay a sewer or water line.
8. An overview of current and future capital requests is provided, which enables an assessment of all capital expenditures and establishes priorities in a comprehensive framework rather than through many piecemeal decisions

PLANNING SCHEDULE FOR CAPITAL IMPROVEMENTS

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

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

1. Staff prepares a comprehensive list of future capital facilities and/or projects. This list is reviewed by the City Council. The Council will then add to or delete from the list and prioritize the projects. Additionally, the City Council will indicate which types of funding sources would be preferred to fund each facility (i.e. impact fees, franchise fees, property taxes, etc.). Prioritization is based on two factors:

- Is the project one which will be undertaken in the current fiscal year, the two- to six- year horizon, or after six years? What are the estimated dates of construction?
- Is the project one which is vital to ensure current municipal services (priority 1); one which is important but completion is based upon timing of available resources (priority 2); or one which is necessary, but timing is based upon future growth requirements (priority 3)?

2. Staff revises the list of future capital facilities and produces a tentative capital improvements plan which includes a capital budget for the coming year and a capital plan for the mid- and long-range horizons. This plan will include future funding projections for each of the funding sources preferred by the Council and show the link between the *available sources* and *planned uses*. For example, if the City Council determines that it would like to build a \$500,000 park facility within three years with impact fees, the plan will show what impact fees will be available, as well as the amounts required from other funding sources, if necessary. The City Council will then review this plan and make final decisions.

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

NOVEMBER

Preliminary planning session with Mayor, City Manager, and key staff.

FEBRUARY

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.

SHORT-RANGE HORIZON CAPITAL PROJECTS

FACILITIES

Golf Maintenance Equipment Facility & Site

Cost of Project Fiscal Year 2016
 Estimated \$300,000

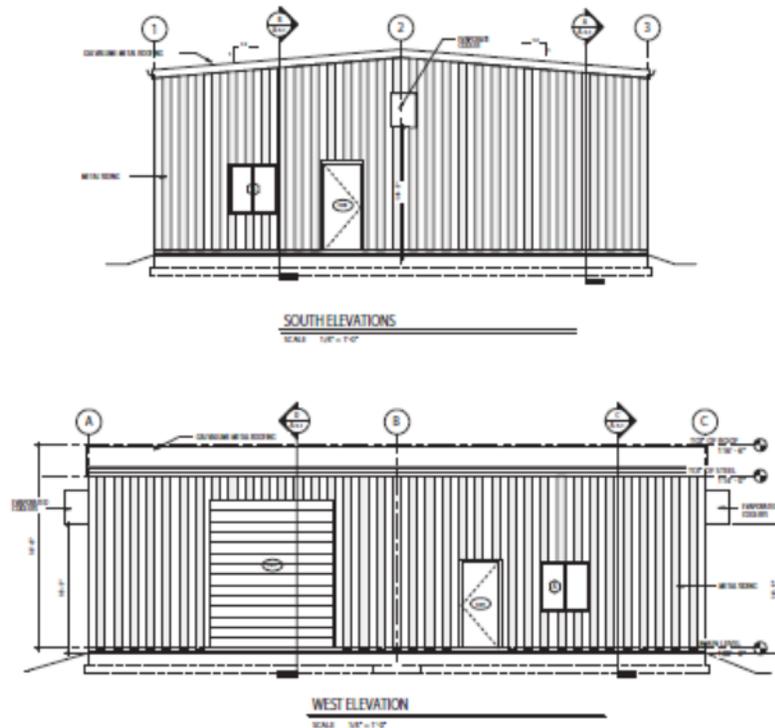
Sources of Funding

- \$200,000 Capital Projects fund Balance
- \$100,000 Water & Sewer fund Balance

Projects to be completed during the 2017 fiscal year

Reasons for Project

The current golf course maintenance shed has been constructed by joining storage units and running power to the units. The current layout is hazardous and needs to be improved in order to create a safe work environment. The new facility would be located at the end of the driving range, and would need to feature some architectural elements from adjacent residential neighborhoods. The facility will house equipment, store chemicals and fertilizer, and store tools and machinery. Additionally, the facility will have an area for employees to have breaks or hold trainings.



Golf Course Driving Range Net Extension

Cost of Project Fiscal Year 2017

Estimated \$37,825

Sources of Funding

Unrestricted Capital Projects fund balance & vendor trades.

Reasons for Project

The Cedar Hills Golf Course Driving Range is adjacent to a collector street, a City park, and a neighborhood. Due to the number of golf balls that are hit over the existing fence and into the surrounding areas, the City Council has decided to raise the existing nets in an effort to reduce the amount of golf balls being hit over the fence. The project will replace all of the current netting, and raise the current poles from a height of 30' to 50'. It is anticipated that this will drastically reduce the number of golf balls that are hit outside of the driving range.

Impact on the Operating Budget

The majority of the funding for the project will come from the unrestricted capital projects fund (approximately \$30,000) with the remainder of the funding coming from vendor trades for services (approximately \$8,000).



Cedar Hills Golf Course Driving Range

PARKS

Deerfield Park Land Purchase & Development

Cost of Project Fiscal Year 2017

Estimated \$2,472,000

Sources of Funding

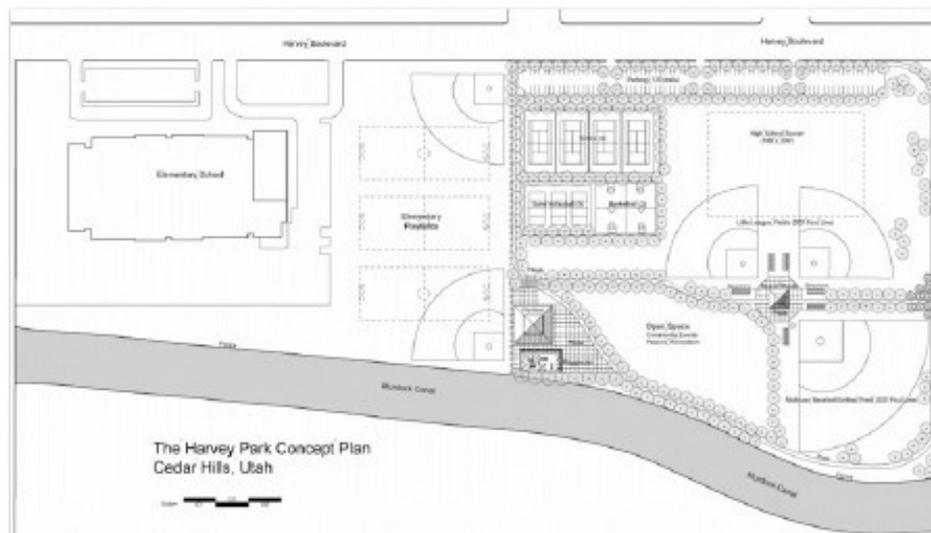
Park Development and Land Impact Fees

Reasons for Project

This parcel, adjacent to Deerfield Elementary, at 12.4 acres is vitally important for accommodating recreation in the City of Cedar Hills. It is the only large piece of flat ground available for recreation. It can easily be connected by trail to Sunset Park and Forest Creek Park/Trail, as well as the newly constructed Murdoch Canal Trail. It has been designed to accommodate one regulation-size high school football field, one pony-size baseball diamond, two little league baseball/softball diamonds, four tennis courts, two volleyball courts, three basketball courts, a passive recreation and picnic area with picnic tables and pavilions, including an indoor pavilion with a small restroom and kitchenette, one large playground, restrooms, snack shack, storage, a jogging loop, and parking.

Impact on the Operating Budget

This project is anticipated to be completed toward the end of the fiscal year. As a result, the impact on the operating budget will likely not be realized in fiscal year 2015. 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 \$40,000 per year. Electricity costs will also increase.



Bayhill Trailhead Park Restroom/Storage

Cost of Project Fiscal Year 2017

Estimated \$446,224

Sources of Funding

Park Development and Land Impact Fees

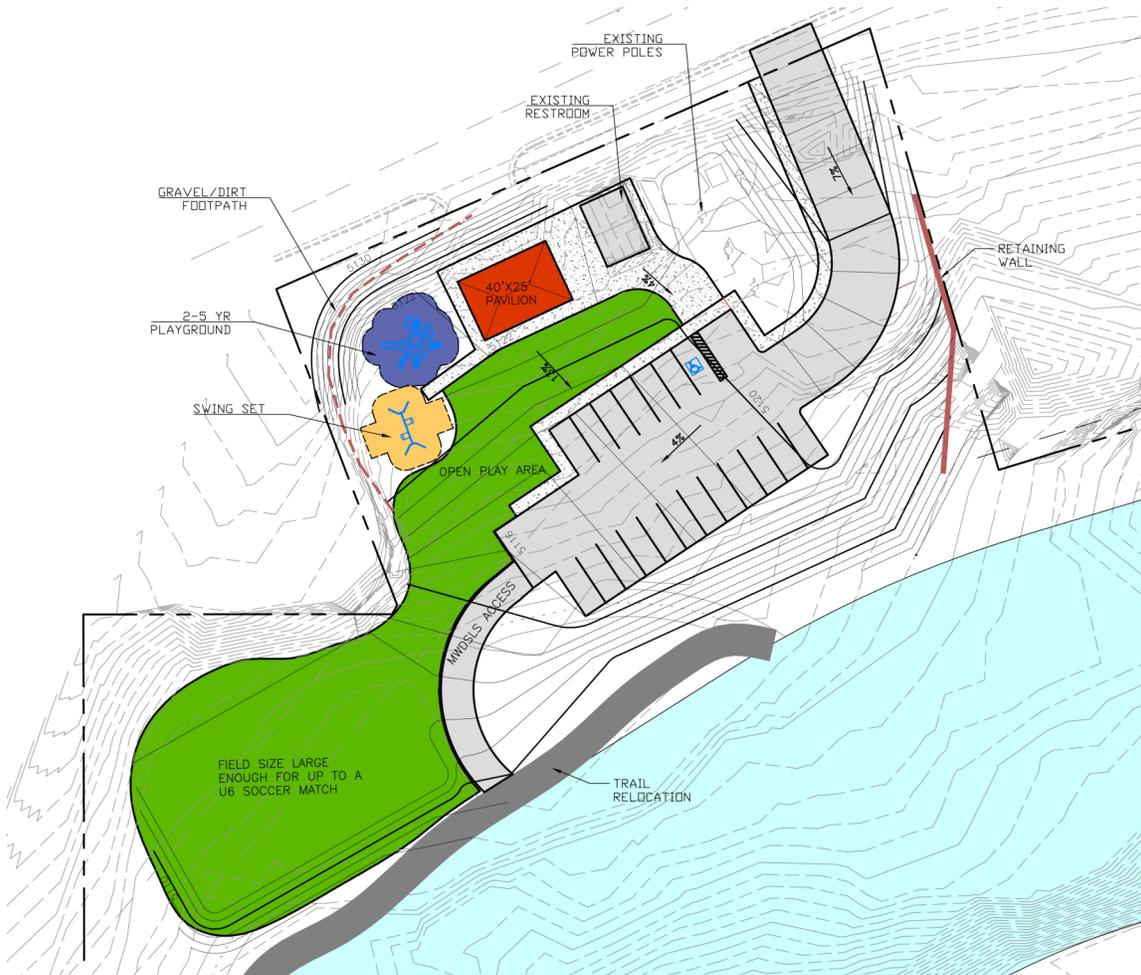
C.A.R.E. grant revenues

Unrestricted fund balance

The park is projected to have recreational equipment, including a climbing area, slides as well as a pavilion. A new concept drawing of the park has also included a grass area for recreational activities. The park will have approximately twenty parking stalls, as the park will still need to serve as an access point for those looking use the Bonneville Shoreline Trail.

Reasons for Project

The proposed Bayhill park is located on the east bench of Cedar Hills. The park will be developed as a pocket park, serving smaller, neighborhood uses. These pocket parks are located throughout the various subdivisions in the City.



PUBLIC INFRASTRUCTURE

Canyon Road Sidewalk

Cost of Project Fiscal Year 2016

\$15,000

Sources of Funding

Capital Project Fund

Reasons for Project:

The sidewalk will be placed in front of the City Offices, where there is not a sidewalk currently. The sidewalk will connect with a new development, and allow for pedestrians to access portions of the City's trail system form a pedestrian walkway.

Impact on Operating Budget

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

STREETS

Harvey Blvd Widening

Cost of Project Fiscal Year 2015

\$500,000

Sources of Funding

Street Impact Fees

Reasons for Project

A main traffic collector for the east/west traffic in the City, Harvey Blvd narrows to 24 feet for a short distance near 4800 W. Once this property is incorporated into Cedar Hills, it will be necessary to widen this road to the uniform 52-foot road width.

Impact on Operating Budget

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



Harvey Boulevard

Cedar Hills Drive & Road Maintenance

Cost of Project Fiscal Year 2017

\$229,000 Bonded matrix surface treatment

\$12,000 Crack seal maintenance

Sources of Funding

General Fund Street Projects

Reasons for Project

Cedar Hills Drive is the main east west connector for residents. The project will be a bonded matrix surface treatment, meant to extend the level of service on the road.

The crack seal project is an annual effort to maintain roads in order to lengthen the useful life of the asset. With the freeze thaw cycle the roads go through in the winter, it is imperative that a crack seal treatment occur in order to limit water infiltration into the road surface as much as possible.

Impact on Operating Budget

Project has been budgeted for in the General Fund as part of the City's street expenditures.



Cedar Hills Drive—Bonded Matrix Surface Treatment

MID-RANGE HORIZON PROJECTS (2018-2019)

| Year | Project Description | Project Type | Estimated Cost |
|------|------------------------------|--------------|----------------|
| 2018 | Cottages Park Development | Park | \$ 100,000 |
| 2018 | 4600 West Sewer Upgrade | Sewer | \$ 400,000 |
| 2019 | Irrigation Pump Pond 10 & 12 | Water | \$ 300,000 |

LONG-RANGE HORIZON PROJECTS (2019 & LATER)

| Year | Project Description | Project Type | Estimated Cost |
|------|--|--------------|----------------|
| 2020 | Harvey Well Chlorination/Treatment Station | Water | \$ 80,000 |
| 2020 | Cottonwood Well Chlorination/Treatment Station | Water | \$ 60,000 |
| 2020 | Regional Old Town Retention Project | Storm Drain | \$ 400,000 |
| 2020 | 4000 West Sewer Line | Sewer | \$ 250,000 |
| 2021 | Sewer Trunkline Extension | Sewer | \$ 500,000 |
| 2025 | Oak Road Park Land Purchase and Development | Park | N/A |
| 2025 | Fieldcrest Park Development | Park | \$ 30,000 |
| 2025 | Harvey Well Replacement | Water | |



Trent Augustus
Photo by: Trent Augustus

APPENDIX B

FISCAL YEAR 2016

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Cedar Hills – Decisions Survey 2014

Questionnaire

June 9 – 26, 2014

RESEARCH OUTLINE

Research Objectives:

1. Determine how the City of Cedar Hills residents feel about the city
2. Identify city improvements residents feel the city is in need of
3. Identify revenue options, economic development, golf performance perception

Sample Specifications and Quotas:

1. Phone: n=325 interviews
2. Email and Postcard: n=468 surveys

Project Assumptions:

1. City of Cedar Hills provided Cicero with phone numbers and emails for all residents
~2,200 households
2. Cicero designed postcards, and the City of Cedar Hills sent postcards to all households of the city
3. Survey length averaged 12.6 minutes
4. Numbers reflect reasonable best efforts based on the sample size available

Survey Outline:

1. Quality of Life
2. Communications
3. Current City Services
4. Public Safety and Public Works
5. Recreational Services
6. Community Events
7. Commercial Development
8. Emergency Preparedness
9. Overall
10. Demographics

QUALITY OF LIFE

Thank you for taking the time to complete this survey. Responses will be used by Cedar Hills leaders to influence future city decisions.

1. First of all, please rate the following reasons for living in Cedar Hills on a 1 to 5 scale, with 1 meaning it is “not a significant reason” and 5 meaning it is a “very significant reason” contributing to your decision to live in Cedar Hills.

| | Not a Significant Reason 1 | 2 | 3 | 4 | Very Significant Reason 5 | Don't Know | Mean Score |
|---------------------------|-------------------------------|-----|-----|-----|------------------------------|------------|------------|
| High quality of life | 2% | 4% | 11% | 33% | 50% | 0% | 4.26 |
| Good schools | 9% | 3% | 12% | 24% | 49% | 3% | 4.03 |
| Small city atmosphere | 6% | 9% | 19% | 30% | 36% | 1% | 3.81 |
| Low crime rate | 3% | 2% | 11% | 28% | 56% | 1% | 4.35 |
| Location | 3% | 5% | 15% | 28% | 49% | 0% | 4.15 |
| Affordable housing | 8% | 11% | 34% | 28% | 19% | 1% | 3.41 |
| Family-friendly community | 3% | 3% | 8% | 26% | 59% | 0% | 4.36 |

2. If you were Mayor for a day, what would be the top issue or item that you would address to make the City a better place to live, work, and play?

| | Total |
|--|-------|
| Commercial Development | 18% |
| Golf Course Issues | 12% |
| Build a Recreation Center / Expand City Programs | 7% |
| Balance Budget / Debt | 6% |
| Maintain Unique / Small City Atmosphere | 5% |
| Build a Library | 5% |
| Beautification / Open Space | 5% |
| Better Roads / Traffic Issues | 4% |
| Communicate with Residents | 4% |
| Tax Issues | 4% |
| Build a Pool / Splash Pad | 3% |
| Improve Utilities / Lower Costs | 2% |
| Enforce Regulations / Codes | 2% |
| Less Regulation / Smaller Govt. | 2% |
| Water Issues | 2% |
| Nothing / Satisfied | 2% |
| Public Safety / Crime / Emergency Services | 2% |
| Improve / Build Schools | 1% |
| Other | 3% |
| NA / NC | 3% |
| Don't Know | 8% |



COMMUNICATIONS

3. For the following, please rate the following methods of communication from the City on a 1 to 5 scale, with 1 meaning it is "not at all preferred" and 5 meaning it is "very preferred."

| | Not at all Preferred 1 | 2 | 3 | 4 | Very Preferred 5 | Don't Know | Mean Score |
|------------------------|---------------------------|-----|-----|-----|---------------------|------------|------------|
| City Newsletter | 5% | 8% | 23% | 32% | 32% | 0% | 3.77 |
| City Website | 9% | 10% | 25% | 27% | 28% | 1% | 3.56 |
| E-mail | 5% | 4% | 13% | 29% | 27% | 1% | 4.09 |
| Public Meetings | 11% | 20% | 34% | 20% | 12% | 1% | 3.02 |
| Facebook | 40% | 16% | 21% | 12% | 10% | 2% | 2.34 |
| Twitter | 70% | 13% | 10% | 2% | 2% | 3% | 1.50 |
| Automated Phone Call | 25% | 12% | 21% | 22% | 18% | 1% | 2.94 |
| Automated Text Message | 22% | 11% | 19% | 24% | 22% | 2% | 3.14 |

4. On a scale of 1 to 5, with 1 meaning "not at all well" and 5 meaning "very well," how well do you feel that your voice is heard by the city when you have a concern?

| Not at all Well 1 | 2 | 3 | 4 | Very Well 5 | Don't Know | Mean Score |
|----------------------|-----|-----|-----|----------------|------------|------------|
| 10% | 16% | 42% | 24% | 8% | 0% | 3.02 |

5. On a scale of 1 to 5, with 1 meaning "doesn't try at all" and 5 meaning "tries very hard," how would you rate the city on attempting to communicate with its residents?

| Doesn't Try At All 1 | 2 | 3 | 4 | Tries Very Hard 5 | Don't Know | Mean Score |
|-------------------------|-----|-----|-----|----------------------|------------|------------|
| 3% | 10% | 29% | 39% | 19% | 0% | 3.61 |

CURRENT CITY SERVICES & PUBLIC WORKS

6. On a scale of 1 to 5, with 1 being the "poorest" and 5 being the "best," how would you rate each of the following services in Cedar Hills?

| | Poorest 1 | 2 | 3 | 4 | Best 5 | Don't Know | Mean Score |
|---------------------------------|--------------|----|-----|-----|-----------|------------|------------|
| Garbage Collection and Disposal | 0% | 3% | 12% | 45% | 39% | 1% | 4.21 |
| Pressurized Irrigation | 3% | 7% | 22% | 41% | 23% | 4% | 3.78 |
| City Management Staff | 3% | 6% | 31% | 34% | 14% | 12% | 3.56 |
| Utility and Billing Department | 2% | 5% | 27% | 41% | 22% | 3% | 3.79 |



| | | | | | | | |
|-----------------------------------|----|-----|-----|-----|-----|-----|------|
| Enforcement of Nuisance Ordinance | 6% | 10% | 33% | 25% | 6% | 20% | 3.20 |
| Zoning and Building Department | 6% | 12% | 33% | 25% | 6% | 18% | 3.14 |
| City Council and the Mayor | 4% | 9% | 30% | 38% | 12% | 8% | 3.49 |
| Street Construction & Maintenance | 6% | 14% | 29% | 39% | 10% | 2% | 3.35 |
| Snow Removal | 6% | 13% | 27% | 36% | 16% | 2% | 3.43 |
| Recreation Services | 9% | 16% | 31% | 27% | 10% | 6% | 3.14 |
| Emergency Services | 1% | 4% | 19% | 37% | 23% | 15% | 3.91 |

PUBLIC SAFETY & PUBLIC WORKS

7. Lone Peak Public Safety District (LPPSD) has discussed becoming a taxing entity. This means that instead of the city budgeting and paying for Fire and Emergency Medical Services (EMS), LPPSD would have their own taxing structure, and it would show up as a separate line item on your property tax notice. The city property tax rate would then go down, however, the overall rate would not decrease. With this, Fire/EMS funds would be directly assessed and managed by LPPSD instead of by the cities and would no longer impact the city budget.

Would you favor or oppose this option?

| | Total |
|-----------------|-------|
| Strongly Oppose | 15% |
| Somewhat Oppose | 13% |
| Somewhat Favor | 36% |
| Strongly Favor | 16% |
| Don't Know | 20% |

RECREATIONAL SERVICES

8. The city currently owns land on North County Blvd, north of the mortuary and south of Harts. Should the City sell all of this land for commercial development or retain a portion of the land and build a city pool, splash pad, or other recreational facility?

| | Total |
|--|-------|
| Sell all of the land for commercial development | 28% |
| Retain a portion of the land for a recreational facility | 60% |
| Other (Please specify) | 12% |

8_Other. The city currently owns land on North County Blvd, north of the mortuary and south of Harts. Should the city sell all of this land for commercial development or retain a portion of the land and build a city pool, splash pad, or other recreational facility?

Total (n=96)



| | |
|--|-----|
| Retain for pool | 14% |
| Retain for library | 14% |
| Sell for development | 14% |
| Both | 11% |
| Depends on type of development | 11% |
| Retain for recreation / community center | 10% |
| Retain for open space | 7% |
| Retain (General) | 4% |
| Other | 14% |
| NA / NC | 9% |
| Don't Know / Unsure | 9% |

9. Costs for building a pool, estimated at \$5-10 million, and the costs for operating a pool may need to be funded through property taxes. Knowing that, how much more in property taxes would you be willing to pay to build and operate a seasonal pool?

| | Total |
|------------------------|-------|
| None at all | 39% |
| \$10 per month | 34% |
| \$20 per month | 13% |
| \$30 per month | 2% |
| \$40 or more per month | 3% |
| Other (Please specify) | 8% |

9_Other. How much more in property taxes would you be willing to pay to build and operate a seasonal pool?

| | Total |
|--|-------|
| None at all / Don't want a pool | 25% |
| Sell golf course / Use golf course profits to pay for pool | 12% |
| \$1 - \$10 per month | 11% |
| Sell passes / memberships to pay for pool | 11% |
| Depends on cost / fees | 9% |
| \$11 - \$20 per month | 5% |
| Depends on type of pool | 5% |
| Use other city funds | 5% |
| Other | 14% |
| NA / Doesn't pay property taxes | 3% |
| Don't Know / Unsure | 6% |

10. The recreation center basement currently has one unprogrammed room. Please rate your level of interest in the following possible uses of this space on a scale of 1 to 5, with 1 meaning "not at all interested" and 5 meaning "very interested."

| | Not at all Interested 1 | 2 | 3 | 4 | Very Interested 5 | Don't Know | Mean Score |
|---------|----------------------------|----|-----|-----|----------------------|------------|------------|
| Library | 17% | 7% | 15% | 18% | 40% | 2% | 3.59 |



| | | | | | | | |
|---|-----|-----|-----|-----|-----|----|------|
| Children's Library | 18% | 8% | 17% | 21% | 35% | 2% | 3.49 |
| Fitness Area | 29% | 14% | 20% | 17% | 18% | 2% | 2.81 |
| Teen Game Room | 49% | 17% | 19% | 8% | 5% | 2% | 2.02 |
| Robotics and other hands-on classes for youth | 32% | 17% | 23% | 16% | 10% | 2% | 2.56 |

| 11. How much more in property taxes would you be willing to pay for additional staffing needed for a library, fitness area, or other use of the recreation center basement? | |
|---|-------|
| | Total |
| None at all | 36% |
| \$5 per month | 36% |
| \$10 per month | 16% |
| \$15 per month | 3% |
| More than \$15 per month | 2% |
| Other (Please specify) | 6% |

| 11_ Other. How much more in property taxes would you be willing to pay for additional staffing needed for a library, fitness area, or other use of the recreation center basement? | |
|--|-------|
| | Total |
| Depends on type of service | 25% |
| Sell golf course / Use golf course profits to pay for staffing | 15% |
| None at all / Don't want additional services | 13% |
| \$1 - \$10 per month | 10% |
| Depends on cost / fees | 10% |
| Use other city funds | 6% |
| Sell passes / memberships to pay for staffing | 4% |
| \$11 - \$20 per month | 2% |
| Other | 10% |
| NA / Doesn't pay property taxes | 4% |
| Don't Know / Unsure | 4% |

COMMUNITY EVENTS

| 12. On a scale of 1 to 5, with 1 meaning "not at all interested" and 5 meaning "very interested," please indicate how interested you and your family are in the following Cedar Hills Family Festival Days activities: | | | | | | |
|--|----------------------------|----|----|-----|----------------------|------------|
| | Not at all Interested 1 | 2 | 3 | 4 | Very Interested 5 | Mean Score |
| Fireworks | 5% | 3% | 9% | 18% | 64% | 4.33 |

Cicero

| | | | | | | |
|---------------------|-----|-----|-----|-----|-----|------|
| Parade | 18% | 13% | 20% | 24% | 25% | 3.25 |
| 5K and Mile Fun Run | 32% | 16% | 24% | 17% | 11% | 2.59 |
| Dinner and Movie | 24% | 18% | 26% | 19% | 14% | 2.80 |
| Golf Tournament | 63% | 14% | 11% | 6% | 6% | 1.77 |
| Carnival | 20% | 17% | 25% | 21% | 17% | 2.99 |
| Swim Night | 38% | 18% | 22% | 12% | 9% | 2.35 |

13. Please rate your level of interest in each of the following Cedar Hills community events, using a 1 to 5 scale with 1 meaning "not at all interested" and 5 "meaning very interested:"

| | Not at all Interested 1 | 2 | 3 | 4 | Very Interested 5 | Mean Score |
|--------------------------|----------------------------|-----|-----|-----|----------------------|------------|
| Summer Pancake Breakfast | 31% | 17% | 25% | 16% | 12% | 2.62 |
| Summer Concert Series | 13% | 10% | 26% | 28% | 23% | 3.38 |
| Night with Santa | 38% | 17% | 20% | 14% | 11% | 2.44 |

OVERALL

14. During your residency, has the city improved, remained the same, or become worse in providing services?

| | Total |
|-------------------|-------|
| Become worse | 6% |
| Remained the same | 55% |
| Improved | 38% |

15. What do you feel is the most important issue facing Cedar Hills?

| | Total |
|--|-------|
| Commercial Development | 21% |
| Golf Course Issues | 14% |
| Balance Budget / Debt | 12% |
| Tax Issues | 10% |
| Dealing Undeveloped Land | 6% |
| Maintain Unique / Small City Atmosphere | 5% |
| Communicate with Residents | 4% |
| Public Safety / Crime / Emergency Services | 3% |
| Build a Recreation Center / Expand City Programs | 3% |
| Water Issues | 3% |
| Better Roads / Traffic Issues | 2% |
| Beautification / Open Space | 2% |
| Improve Utilities / Lower Costs | 1% |
| Improve / Build Schools | 1% |
| Less Regulation / Smaller Govt. | 1% |

| | |
|---------------------|----|
| Other | 4% |
| NA / NC | 3% |
| Don't Know / Unsure | 6% |

16. How would you like to see this issue addressed?

| | Total |
|---|-------|
| Encourage Commercial Development | 22% |
| Improve Communication / Public Meetings | 17% |
| Sell / Close the Golf Course | 11% |
| Better Budgeting / Lower Taxes & Utility Costs | 9% |
| Keep the City Small / Unique | 8% |
| Build a Recreation Center / Library | 6% |
| Make the Golf Course More Attractive / Profitable | 4% |
| Build a Pool / Splash Pad | 3% |
| As it currently is | 3% |
| Fix the Roads | 3% |
| Beautify the City / Create More Parks or Open Space | 2% |
| Reduce size of Government / Less Regulation | 2% |
| Improve City Services / Infrastructure / Schools | 2% |
| Water Meters / Assigned Watering Times | 2% |
| Change City Government / Leaders | 1% |
| Enforce City Codes / Regulations | 1% |
| Hire More Police Officers | 1% |
| Home More Community Events | 1% |
| Other | 5% |
| NA / NC | 6% |
| Don't Know / Unsure | 8% |

DEMOGRAPHICS
17. Finally, we have just a few questions to help us categorize the data. First of all, for how many years have you lived in Cedar Hills?

| | Total |
|----------------------|-------|
| Less than 3 years | 18% |
| 3 - 7 years | 24% |
| More than 7 years | 58% |
| Prefer not to answer | 0% |

18. Do you rent or own your home?

| | Total |
|------------------------|-------|
| Rent | 5% |
| Own | 94% |
| Other (please specify) | 0% |
| Prefer not to answer | 1% |


19. Including yourself, how many people reside in your home?

| | Total |
|----------------------|-------|
| One | 3% |
| Two | 17% |
| Three | 12% |
| Four | 19% |
| Five | 18% |
| Six | 17% |
| Seven or more | 12% |
| Prefer not to answer | 1% |

20. What is your age?

| | Total |
|----------------------|-------|
| 18-24 | 0% |
| 25-34 | 15% |
| 35-44 | 34% |
| 45-54 | 26% |
| 55-64 | 12% |
| 65 or older | 12% |
| Prefer not to answer | 2% |

21. What is your gender?

| | Total |
|----------------------|-------|
| Male | 52% |
| Female | 46% |
| Prefer not to answer | 2% |

22. Which of the following ranges best describes your annual household income?

| | Total |
|------------------------|-------|
| Less than \$39,999 | 3% |
| \$40,000 to \$69,999 | 14% |
| \$70,000 to \$99,999 | 28% |
| \$100,000 to \$139,999 | 24% |
| \$140,000 or more | 19% |
| Prefer not to answer | 12% |

FINANCIAL PLANNING POLICIES

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

Balanced Budget

Pursuant to §10-6-109, Utah Code Annotated, the City of Cedar Hills will adopt a balanced General fund budget under normal circumstances by June 22. Full disclosure will be provided via public notice any time deviation from this policy is planned or occurs.

Long-Range Planning

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

Asset Inventory

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

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

Revenue Policies

Revenue Diversification

The City maintains a healthy dependence on a variety of revenue sources to cover expenditures. The burden of supporting City non-enterprise services will be equitably distributed and will protect the City from short-term fluctuations in any one revenue source. The City maintains timely collection systems and implements necessary enforcement strategies to collect revenues from available sources. The City actively supports economic development, recruitment, and retention efforts to provide for a solid revenue base. With regard to revenues, the City budgets conservatively and forecasts accurately, such that actual revenues meet or exceed budgeted revenues. The City maintains a budgetary control system and prepares reports that compare actual revenues to budgeted amounts throughout the year.

Fees and Charges

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

Use of One-Time Revenues

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

Use of Unpredictable Revenues

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

Expenditure Policies

Debt Capacity, Issuance, and Management

The City maintains a policy of full disclosure on financial reports and bond prospectus. The City communicates with bond rating agencies and continually strives for improvements in the City's bond rating. The City pays for all capital projects and capital improvements on a pay-as-you-go basis using current revenues whenever possible and practical. If a project or improvement cannot be financed with current revenues, debt will be considered. The City refrains from issuing debt for a period in excess of the expected useful life of the capital project. The City uses special assessment revenue or other self-supporting bonds instead of general obligation bonds, when feasible. The City will seek refinancing of outstanding debt if it is determined that the City will benefit by reduced interest expense over the remaining life of the debt. The City will comply with state law which limits total bond obligation to 8 percent of the prior year's total assessed value for tax purposes of real and personal property, as determined by the most recent tax assessment.

Reserve or Stabilization Accounts

The City will maintain a minimum fund balance of at least 16 percent (not to exceed 25 percent) of estimated revenues. If existing reserves exceed the required level, such funds may be used to balance the budget or to meet needs that may arise during the year. The City will use monies from the reserve only in times of emergency or fiscal and economic hardship. The fund balance in excess of the 5 percent reserve can only be transferred to another account with City Council approval of a budget amendment.

Operating/Capital Expenditure Accountability

Basic and essential services provided by the City will receive first-priority funding. The City will continue to establish performance measurements for all departments. These measures will reflect the demand, workload capability, and projected outcomes for the department to accomplish its objectives. The City will adopt a balanced budget, in which anticipated revenues equal the budgeted expenditures. The City may utilize the unallocated fund balance to achieve a balanced budget. The City will maintain a budgetary control system to ensure adherence to the adopted budget and will prepare monthly reports that compare actual expenditures to budgeted amounts. The City has an established Purchasing Policy that regulates the procurement process. All procurements not otherwise budgeted, and those in excess of \$25,000 that have undergone the requisite competitive bidding process, must first be approved by the City Council.

Investment and Cash Management Policy

All unused cash is invested in a PTIF account. By so doing, the issues of safety, liquidity, and yield (in that order of priority) are addressed. The PTIF is managed by state investment officers who diversify the pool based on maturity date so as to protect against market fluctuations. Interest earned from investment of available cash is distributed to budgetary funds according to ownership of the investments and are reflected in the annual budget. The City deposits all receipts as per State law. Investments made by the City are in conformance with all requirements of the State of Utah Money Management Act and City ordinances.

Capital Improvement Policy

Each year the City Council adopts a five-year Capital Improvements Plan (CIP) which serves as a plan to provide for the orderly maintenance, replacement, and expansion of capital assets. Each year after budget adoption, the CIP will be reviewed and revised to reflect the impact of the adopted budget and to add a year to the CIP. The replacement of existing capital that is worn out, broken, or costly to maintain, will not be deferred, except in unusual circumstances. The costs to defer would usually result in greater total expenditures over time. The City

budgets for depreciation annually as per GASB 34. Vehicles are considered for replacement based on age and/or miles in accordance with the City's Vehicle Replacement Plan.

The CIP identifies long-range capital projects and capital improvements of all types; many of which have been identified through the Capital Facility Planning process requisite in the development of City-wide impact fees. All projects/improvements will be coordinated with the annual operating budget to maintain full utilization of available revenue sources. While reviewing and updating the CIP, the City will seek to identify all viable capital projects and capital improvements required during the subsequent five-year period. These projects and improvements will be prioritized by year. Future operating costs associated with a project or an improvement will also be given consideration in the establishment of priorities. The City will seek Federal, State, and other funding to assist in financing capital projects and capital improvements. The City will incorporate the reasonable findings and recommendations of various City boards, commissions, committees, and citizen task forces, as they relate to the establishment of projects and project priorities.

Financial Reporting Policy

The City's accounting system will maintain records in accordance with accounting standards and principles outlined in the Governmental Accounting Standards Board (GASB), Financial Accounting Standards Board (FASB), and the State of Utah. Financial reports are printed monthly and distributed to department directors, the City Manager, and Finance Director, who monitor the collection of revenues and all expenditures. Financial reports are reviewed by City Council members at least on a quarterly basis. The City will employ an independent accounting firm to perform an annual audit of the City's finances, and make the annual audit available to all required and interested parties. The audit shall be completed and submitted to the State of Utah within 180 days of the close of the fiscal year. The City will prepare an annual budget document that provides a basic understanding of the City's planned financial operations for the coming fiscal year. Copies of the budget will be made available to all interested parties. The City will seek annually to qualify for the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award.

CITY HISTORY

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

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

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

Between 1849 and 1850, early settlers began to make their homes in settlements around Cedar Hills. A large portion of Cedar Hills was used for dry farming, which proved to be unsuccessful. A few planted plots existed among the sage brush. Much of the area was used to pasture livestock. Other forms of 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 7,943. The City began growing rapidly during the 1990’s, but has leveled off today. The population today is now 10,063. It had the largest growth rate in Utah during the 1990’s based on percentage. In 1990 it had a population of just 708. From 2000 to 2005, the town rose from the 82nd largest incorporated place in Utah to the 54th largest.

DEMOGRAPHICS

The word has certainly spread about what a great place Cedar Hills is to live! Our City has experienced slower growth over the last few years, and the City population is expected to be flat for 2017. The following gives 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, Land Area, & Location

5,280 ft. The topography of the City of Cedar Hills varies significantly. With the many annexations of land from both the lower areas and the hillside zone into Cedar Hills in the past eight years, the City's elevation ranges both above and below 5,280 feet, so the elevation *could* be listed at several heights. Choosing the altitude of 5,280 ft. is more for notoriety than substance—we are Utah's Mile High City. Also, one of the holes (14) at the Cedar Hills Golf Club is named the Mile High hole because it is actually at 5,280 feet above sea level. The City covers approximately 3.5 square miles, or 2,240 acres. The City of Cedar Hills is located in northern Utah County, is bordered by Highland City and Alpine City on the northwest, Pleasant Gove City and American Fork City on the south, and Wasatch National Forest on the east. The City is located approximately 35 miles south of metropolitan Salt Lake City and approximately 8 miles north of Orem City.

Public Safety/Healthcare

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

Utilities

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

Schools

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

SUMMARY OF SIGNIFICANT DEMOGRAPHIC STATISTICS

| STATISTIC | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|----------|----------|----------|----------|----------|----------|--------|------|
| Population * | 9,756 | 9,796 | 9,943 | 10,059 | 10,203 | 10,299 | 10,265 | N/A |
| Household Median Adjusted Gross Income ** | \$74,951 | \$76,545 | \$79,375 | \$79,415 | \$82,828 | \$85,244 | N/A | N/A |
| County Household Median Adjusted Gross Income ** | \$42,280 | \$42,897 | \$43,977 | \$46,068 | \$47,521 | \$49,251 | N/A | N/A |
| Unemployment Rate *** | 7.4% | 8.0% | 6.6% | 5.2% | 4.3% | 3.5% | 3.2% | N/A |

* US Census Bureau ** Source: Utah State Tax Commission *** Source: Department of Workforce Services, County Historical Data Annual

Average

**Table 13 & 14

Culture & Recreation

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

Major Industries

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

Top Taxpayers

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

GLOSSARY

Accounting Period

The fiscal year is divided into 12 accounting periods or months. Each accounting period generally includes two bi-weekly payrolls, except for two periods that include three bi-weekly payrolls.

Accrual Basis of Accounting

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

Amortization

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

Annualization

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

Appropriation

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

Balanced Budget

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

Bond

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

Bond 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 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.

Class B&C Roads

County roads are class B roads and City streets are class C roads.

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.

Debt Service

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

Department

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

Depreciation

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

Enterprise Funds

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

Expenditure

The actual outlay of monies from the City Treasury.

Extrapolation

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

Fiscal Year (FY)

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

Fiduciary

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

Full-Time Equivalent (FTE)

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

Fund

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

Fund Balance (Equity)

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

Generally Accepted Accounting Principles (GAAP)

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

General Fund

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

Geographic Information Systems (GIS)

A computer system designed to capture, store, manipulate, analyze, manage, and present all types of geographical data.

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.

Government Records Access & Management Act (GRAMA)

Records request from government entities.

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.

IWORQ

Work management program for municipalities.

Lone Peak Public Safety District (LPPSD)

A fire district serving Cedar Hills, Alpine, and Highland.

Monthly Management Report (MMR)

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

Modified Accrual Basis of Accounting

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

Modified Cash Basis of Accounting

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

Operating Budget

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

Performance Measure

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

Pressurized Irrigation (PI) Base Rate

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

Pressurized Irrigation (PI) Usage

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

Property Tax

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

Proposed Budget

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

Restricted Fund Balance

An account used to indicate that a restricted portion of reserves or a fund’s balance earmarked 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.

Timpanogos Special Service District (TSSD)

A sewer district that serves northern Utah County.

Transfers

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Cedar Hills

Utah

For the Fiscal Year Beginning

July 1, 2015

Executive Director