

FISCAL YEAR



CEDAR HILLS

2013

- Taxes Explained
- GRAMA Requests
- New Utility Rates
- New Projects Planned for the Fiscal Year 2013

State
OF THE
City



MAYOR'S MESSAGE

GARY R. GYGI

801-787-0342

ggygi@cedarhills.org

Over the past several months the City Council, especially Councilwoman Rees who wrote this report, and I have taken great efforts to compile information and present to you what we believe to be a current State of the City Report. This is a first for our city. Many hours have been spent compiling data, analyzing the data, and meeting together to present to you information that is important for all residents of Cedar Hills to understand.

Our goal is communication and transparency. Communication that is easy to understand and that outlines a plan for moving forward. Transparency in getting all the facts to residents. We want to give you the information that will help you understand the timing of decisions and the reasons why we are moving forward in a particular direction. We also want to receive feedback and suggestions from residents to guide us in making those decisions. Past City Councils have laid the groundwork for these efforts and we are building upon that with this report.

Please take the time to review this report so that all of us are informed and involved in the future of our city. We have compiled reports on property taxes, GRAMA requests, this year's budget, new utility rates, and the additional communication efforts that we have implemented. Cedar Hills is a young and emerging city,

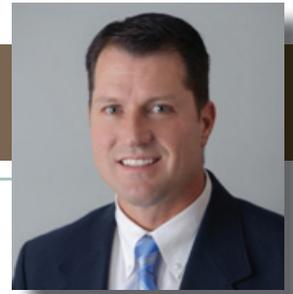
which means that we are paying for the city infrastructure now, such as pressurized irrigation and wells, compared to our older neighboring cities that did so many years ago. We have been growing residentially, but now we are growing commercially as well. Let's work together on creating a city that is well planned and developed in a positive and creative way. We would value your ideas and input on the branding, image and economic development of Cedar Hills today and what we hope for the future. Many of you have already stepped forward and expressed a desire to make a difference and impact with your skills and talents. Thank you. As you review these reports please make notes, ask questions, and make suggestions. This is your city - we want your input. I am looking forward to a bright future that is well planned and effectively and efficiently implemented. Cedar Hills has a plan and I am proud and take great pleasure in presenting to you our first State of the City Report.



Mayor Gygi is available to speak with residents every Thursday from 8:00am to 10:00am. Anyone wishing to speak with Mayor Gygi may find him at the Public Safety Building (fire station), 3925 W. Cedar Hills Drive, in the basement office, which is accessible only by the stairs located on the east side of the building.

OUR GOAL IS
COMMUNICATION
AND TRANSPARENCY

CITY MANAGER



DAVID BUNKER
801-785-9668, ext 101
dbunker@cedarhills.org

What an exciting time for the City of Cedar Hills! In many ways we live a good life here. There are many changes around us and specifically within our City, that are vaulting us forward in new directions. Cedar Hills has seen dramatic residential growth during the previous decade. Currently we are seeing additional development in our commercial sector, with more to come. City services continue to improve, including development of essential infrastructure such as water, sewer, and streets. With the opening of our recreation center, increased extracurricular activities now augment our recreation and parks department.

The Mayor and City Council have put great effort into a new format for informing residents of the issues in our community. I invite you to thoroughly read the State of the City articles. Ask questions, suggest improvements, and be involved. The Mayor and City Council have extended the challenge to all of our

David Bunker took the reins of city manager on July 28, 2012. Prior to his current appointment, Mr. Bunker served as City Engineer and Public Works Director for the City. He has been with the City since 2001 and has been actively involved in making Cedar Hills a better place to live. His past employment has included working for Horrocks Engineering in American Fork and Versar Engineering (currently Civil Science) in Lehi. Mr. Bunker graduated from Brigham Young University in 1995 with a science degree in Civil and Environmental Engineering. He is currently licensed as a Professional Engineer in the State of Utah. He is also certified in water distribution operations and wastewater collection systems. David and his wife of 19 years are proud parents of three children. Together they own three cats, six chickens, nine bunnies and 33 horses. His free time is filled with cleaning cages, trailers, and stalls.

The City Manager is responsible to the Mayor and the City Council for the administrative functions of City government. The City Manager serves as the Chief

residents to become informed about City issues. Citizen engagement is critical in working together to achieve a higher level of understanding and increased resolution for a quality community. We want and need your input as the challenges of change come our way.

Cedar Hills is home to approximately 10,000 people. We are committed to providing a high quality of life for each and every one. Clearly our purpose as a city is the purpose of the citizens in our city. Similar to the dedication of an employee-owned company in the private sector, Cedar Hills is blessed to be a committed citizen-owned city in the public sector. We have great citizens. Many give of their time and talents to making Cedar Hills a better place to call home. Join us and your neighbors as we embrace change and make a positive difference. Together let's enjoy the good life in Cedar Hills.

Administrative Officer for the City and is charged with the day-to-day responsibilities of supervision, coordination and administration of the City Departmental activities including: administration of the budget, development of program and policy alternatives and recommendations for consideration by the Mayor and City Council, and keeping the Mayor and City Council informed regarding the operational and administrative needs and activities of the City. The City Manager also provides long-range planning leadership, provides leadership to the City staff and professional consultants, and administers the programs and policies of the Mayor and Council.

David has enjoyed working for Cedar Hills for the past 11 years and is excited to take on the role of City Manager. His vision for the City includes increasing citizen involvement, effectively communicating the goals and objectives of the Mayor and City Council, and providing more opportunities for residents to become involved with the city through recreation activities.

CITY COUNCIL

YOU CAN
ONLY
GOVERN
MEN BY
SERVING
THEM. THE
RULE IS
WITHOUT
EXCEPTION



SCOTT JACKMAN

801-310-6944
sjackman@cedarhills.org

Responsibilities: Lone Peak Public Safety District, Finance Committee



STEPHANIE MARTINEZ

801-404-2816
smartinez@cedarhills.org

Responsibilities: Youth City Council: Recreation, Parks, and Trails Citizens Advisory Committee; Recreational Programs; Celebrations/Community Events



JENNEY REES

801-358-8730
jrees@cedarhills.org

Responsibilities: Communications, Library Issues, Beautification Citizens Advisory Committee, Community Covenant Program, Board of Adjustment



TRENT AUGUSTUS

801-885-5933
taugustus@cedarhills.org

Responsibilities: Traffic Safety and Livability Oversight Committee, Golf Finance Advisory Committee, Planning Commission



DANIEL ZAPPALA

801-362-3704
dzappala@cedarhills.org

Responsibilities: TBD

CITY COUNCIL MEETINGS

1st and 3rd Tuesdays

7:00 pm

Community Recreation
Center

ORGANIZATION CHART

CEDAR HILLS RESIDENTS
Established 1977 -- Population 9,958

**MAYOR AND
CITY COUNCIL**

CITY MANAGER & CITY ENGINEER
David Bunker
07/23/01

ADMINISTRATIVE ANALYST
Laurie Petersen
08/22/12

HUMAN RESOURCES & EXEC. ASST.
Gretchen Gordon
01/11/97

POLICE
Lt. Sam Liddiard

**RECREATION
DIRECTOR**
Greg Gordon
03/06/08

FIRE & EMS
Brad Freeman

**FINANCE
DIRECTOR**
Charl Louw
08/27/12

**CITY PLANNER
& IT**
Vacant

**BLDG OFFICIAL &
PUB WRKS DIR.**
Jeff Maag
04/21/03

AF CONTRACT

**GOLF
OPERATIONS
MANAGER**
Wade Doyle, 9/5/12

MEMBERS
Lone Peak Public
Safety District

**FINANCE
ANALYSTS**
Dax Fossum
07/22/08
Chandler Goodwin
11/14/10

CITY RECORDER
Colleen Mulvey
07/30/12

**BLDG DEPT &
PUB. WORKS ASST.**
Brenda Shuman
09/06/07

Golf Specialists

**GOLF
MAINTENANCE
MANAGER**
Brian Cloud, 6/8/09

Golf Mechanic
Austin Park
10/23/08

Maintenance Team

**CUSTOMER
ASST. SPECIALIST**
Mike Carson
07/22/02

**CODE
ENFORCEMENT
OFFICER (PT)**
Scott McMahon
08/20/12

**PUBLIC WORKS
OPER. MANAGER**
Dee Howard
04/07/08

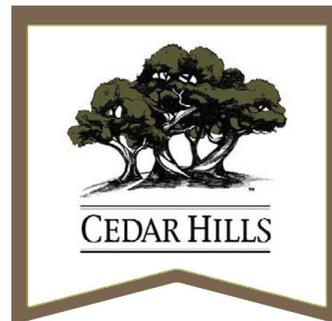
GRILL MANAGER
Kyle Castillo
04/18/12

Grill Staff

**RECREATION &
EVENTS MANAGER**
Kaity Whittaker
01/24/11

Sports Recreation
Coordinator

**EVENT
COORDINATORS**



**BUSINESS
LICENSE
OFFICIAL**
Katherine
Murdoch
08/20/12

**PUBLIC WORKS
TECH III**
Travis Austin
01/03/05

**PUBLIC WORKS
TECH II (Interim)**
TJ Ashton
08/27/07

**PUBLIC WORKS
TECH I**
Zach Fossum
06/03/08
Brian Haskell
04/04/11
Chad Scott
05/23/11

Vacant Position

IMPROVED COMMUNICATION

Communicating with residents and being transparent is a high priority for City staff and officials. This year we have added several new and more effective ways to get information to residents, including:

- A new website that is easier to navigate and contains up-to-date information. Press releases and City-related updates can be viewed at www.cedarhills.org.
- A new page called “Transparency” on the City website that contains important information for residents, and also helped the City to earn an A+ rating for transparency from the Sutherland Institute.
- A new page called “Council Corner” on the City website where residents can view messages directly from the City Council.
- The addition of the “Mayor’s Minute” and “Council Corner” to the monthly newsletter so residents are getting information directly from the Mayor and Council.
- A new Facebook page and Twitter account for faster updates. Like our page at www.facebook.com/cedarhillsutah or follow us on Twitter at www.twitter.com/CedarHills_Utah.
- Collecting email addresses in order to send out important and/or emergency information to residents. To submit your email address, visit <http://www.cedarhills.org/contact> and select “email address contest” as the category. Please input your address in the message field so we can link your email address correctly.
- Councilmember Rees maintains a personal blog where she includes her notes from every Council meeting. Her notes can be viewed at <http://jenneyreeschcc.blogspot.com>.
- An automated phone notification system to notify residents of important messages. To add your phone number to this notification system, please contact the finance department at 801-785-9668 or email dfossum@cedarhills.org.
- The public comment portion of City Council meeting has been updated so that residents have the option of either making a general comment at the beginning of the meeting or making a comment on a specific agenda item when that item is up for discussion during the meeting.
- This new State of the City newsletter, which will cover a variety of topics and issues that face Cedar Hills. This special newsletter will be created and sent to residents twice each year.

CITY TRANSPARENCY IN PRACTICE

Our transparency page on the website (www.cedarhills.org) will keep you up-to-date. It also earned us an A+ rating from the Sutherland Institute.



In addition, we will be scheduling town hall meetings to discuss a variety of topics and strongly encourage residents to attend. The first town hall meeting will be held on Tuesday, September 25th at 6:00pm to discuss the topics in this State of the City newsletter. This will be held at the Community Recreation Center located at 10640 N. Clubhouse Drive. The second town hall meeting will be held later this year to discuss the findings of the Golf Course Finance Advisory Committee. Future town hall meeting dates will be advertised in the City newsletter, on the City website, and on Facebook and Twitter.

We love to receive comments and feedback on ways we can better communicate with residents. If you have ideas or would like to comment on any communication methods used by the City, please email Councilmember Jenney Rees at jrees@cedarhills.org.



twitter.com/CedarHills_Utah



<http://jenneyreeschcc.blogspot.com>



www.facebook.com/cedarhillsutah



www.cedarhills.org

PROPERTY TAXES

WHERE DOES YOUR MONEY GO?

Each year you receive a Notice of Property Valuation and Tax Changes from the Utah County Auditor. This notice provides the estimated value of your home, the change from the prior year, and lists property taxes you have to pay. For a home in Cedar Hills valued around \$223,000 the breakdown looks similar to this:

CURRENT AND PROPOSED TAXES (Does NOT include Personal Property)					
Taxing Entity	Taxes Last Year	Tax This Year			
		No Budget Change	Proposed Budget	Change in Taxes	Percent
ALPINE SCHOOL DIST (BASIC)	202.92	203.22	203.22	0.00	0.00%
ALPINE SCHOOL DIST (OTHER)	921.00	883.42	883.42	0.00	0.00%
UTAH COUNTY - LOCAL ASSESSING	3.44	3.57	3.57	0.00	0.00%
MULTI COUNTY ASSESSING	21.94	20.68	20.68	0.00	0.00%
CEDAR HILLS CITY BOND	152.54	146.35	146.35	0.00	0.00%
CEDAR HILLS CITY	249.61	245.44	245.44	0.00	0.00%
UTAH COUNTY	145.78	138.72	138.72	0.00	0.00%
CENTRAL UTAH WATER CONS DIST	55.61	56.01	56.01	0.00	0.00%
NORTH UTAH COUNTY WATER DIST	3.57	3.57	3.57	0.00	0.00%
Total Property Tax	1756.42	1700.98	1700.98	0.00	0.00%

Figure Tax.01

Notice only 22.9% of your property tax is City tax. The City has no control over the remaining majority of what you pay to other entities such as the school district, which collects the largest portion. Notice that there are two line items for Cedar Hills. In order to be transparent the City separates the

CITY TRANSPARENCY IN PRACTICE

In Figure Tax.01 and Figure Tax.02, the city separates tax so citizens can see the money paid directly for the golf course bond.

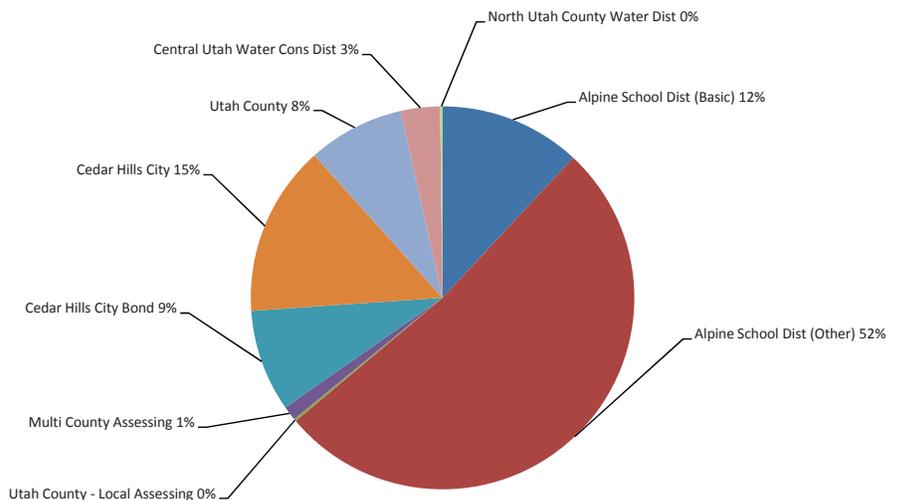


Figure Tax.02

PROPERTY TAXES (continued)

amount due for the golf course bond payment (listed as CEDAR HILLS CITY BOND) from everything else. This way residents can see exactly how much of their property taxes are used to pay the golf course bond.

HOW ARE PROPERTY TAXES ASSESSED?

When it comes to the City's portion there are generally two approaches cities use to determine how much tax you must pay each year. The first and most common approach is for the tax rate (or percentage) to adjust each year as property values change so that the total tax collected by the city is approximately the same every year. Each year the County re-estimates property values and then calculates what this tax rate should be so that the revenue collected by the City remains constant. The benefit of this approach for residents is that you will pay about the same amount of city property tax every year, regardless of the value of your property. The benefit to the City is that revenues stay consistent whether home values go up or down.

The second approach is for the tax rate to stay the same regardless of changes in property values. This means when your property values go up you pay more in taxes and as your property values go down you pay less in taxes. This is how Cedar Hills calculated the city portion of property tax for many years. The benefit to this is that you pay less to the City when your property values have decreased (such as happened during the current recession), and when your property values increase again the City can use that additional revenue to fund maintenance projects and other services instead of having to raise taxes significantly to cover those costs when they are needed.

WHICH TAX OPTION IS CEDAR HILLS USING FOR THE NEW FISCAL YEAR?

While the City has traditionally chosen to keep the tax rate the same, this year the City Council decided to adopt the Utah County calculated tax rate, which means the tax rate will go up from .003153 to .003183. The main reason for this decision was a dramatic increase in legal fees. For the 2012 fiscal year, the Council had to approve a budget adjustment increasing the amount allocated for legal expenses from the anticipated \$75,000 to the actual amount of \$152,474.22. With existing and threatened litigation there is every reason to expect that our legal fees will be at least the same this fiscal year. Home values declined this year so if the City was to keep the tax rate of .003153 the Council would have to look at cutting other services in order to have a balanced budget. We did not want to reduce

COMMUNICATION IN PRACTICE

The City has decided to adopt the Utah County calculated tax rate, which is higher than the current tax rate, due to unexpected increases in legal expenses. Adopting this approach will allow us to maintain the quantity and quality of services provided to Cedar Hills residents.



PROPERTY TAXES (continued)

COMMUNICATION BEHIND OUR TAX RATE

1. Cedar Hills is a young city; experiencing our most rapid growth in the last decade. We've had to bond to pay for necessary infrastructure whereas surrounding cities have had decades to finance these items.

2. Cedar Hills residents voted to bond for the golf course. It is our obligation to pay off the bond, make the course a success, and increase the value of our assets.



the quantity or quality of services provided to residents so decided the best option for this year was to accept the County rate. For most residents this means the city portion of property taxes paid will be very close to the amount paid last year, even though your property value likely went down.

IS IT TRUE THAT CEDAR HILLS HAS THE HIGHEST TAX RATE IN NORTH UTAH COUNTY?

This statement is technically accurate, but it doesn't tell the entire story. There are several factors that explain this. First, Cedar Hills is a relatively young city that has experienced most of its growth in the last 10 years. This means we have had to bond in recent years for infrastructure such as water facilities and buildings, whereas surrounding cities are older and have had many years to already pay off this debt. Secondly, in 2005 the residents of Cedar Hills voted to bond for the golf course, and the payments for this bond use about 1/3 of our property tax revenue. While some may regret this decision, it is our obligation to pay off this bond and work to make the course as successful as possible, so that we can preserve our open space and the value of our assets. Without this bond, our tax rate would be the 7th lowest among the cities listed below.

GENERAL OPERATIONS				
	2010 POPULATION	2011 TAX REVENUE	2011 TAX RATE	PROPERTY TAX \$/PERSON
PROVO	112,488	\$3,866,728	0.001032	\$34.37
PAYSON	18,294	\$784,556	0.001323	\$42.89
EAGLE MOUNTAIN	21,415	\$918,604	0.001636	\$42.90
SPANISH FORK	34,691	\$1,489,580	0.001186	\$42.94
SANTAQUIN	9,128	\$423,033	0.001682	\$46.34
OREM	88,328	\$4,639,108	0.001325	\$52.52
CEDAR HILLS	9,796	\$630,000	0.001957	\$64.31
PLEASANT GROVE	33,509	\$2,286,071	0.001981	\$68.22
SPRINGVILLE	29,466	\$2,108,596	0.001623	\$71.56
SALEM	6,423	\$525,444	0.002003	\$81.81
HIGHLAND	15,523	\$1,295,202	0.001743	\$83.44
ELK RIDGE	2,436	\$239,029	0.002621	\$98.12
SARATOGA SPRINGS	17,781	\$1,855,196	0.00312	\$104.34
DRAPER	1,742	\$186,125	0.001819	\$106.85
ALPINE	9,555	\$1,040,052	0.00187	\$108.85
LEHI	47,407	\$5,346,248	0.002519	\$112.77
AMERICAN FORK	26,263	\$3,134,420	0.002512	\$119.35
LINDON	10,070	\$1,565,520	0.00208	\$155.46
MAPLETON	7,979	\$1,356,471	0.00357	\$170.01
WOODLAND HILLS	1,344	\$410,356	0.005469	\$305.32

PROPERTY TAXES (continued)

COMMUNICATION BEHIND OUR TAX RATE

It is important to remember to look at the whole picture for City income as there are many types of taxes collected. As other forms of tax increase, property taxes can decrease.



It is also important to remember that the tax rate is only one way to compare property taxes across cities. Another way to compare property taxes is to examine how much revenue is collected per resident. The chart on the previous page shows the property tax collected per resident for cities in Utah County. As you can see, Cedar Hills residents pay less tax per resident than our neighbors Alpine, American Fork, and Lindon!

Finally, the good news is that property taxes only make up only 27% of tax revenue for the city; most of our revenue comes from sales and use taxes. As the city continues to attract commercial development, this will help to reduce our reliance on property tax revenues and allow Cedar Hills to provide services at lower cost to residents.



The Heritage Park (shown above) is one of the many parks Cedar Hills City has completed, funded through tax money, for the service of residents.

NEW UTILITY RATES



UTILITY RATE STUDY

In March the City Council authorized Bowen, Collins & Associates (BC&A) to perform a utility rate analysis study to determine if the City needed to update utility rates to handle changes in demand patterns and cover future maintenance costs. BC&A reviewed culinary water, pressurized irrigation (PI), sewer, and storm drain rates and presented a plan based on the City's primary objectives, which are:

- Maintaining high quality, reliable water, pressurized irrigation, sewer, and storm drain services at affordable prices for customers;
- Encouraging wise use of resources through water conservation;
- Maintaining stable revenue generation adequate to fund system needs;
- Minimizing the City's long-term costs by avoiding debt where possible.

BC&A also looked at the historical and current expenses incurred and revenue generated from each utility in order to determine future usage and funding needs. These expenses include:

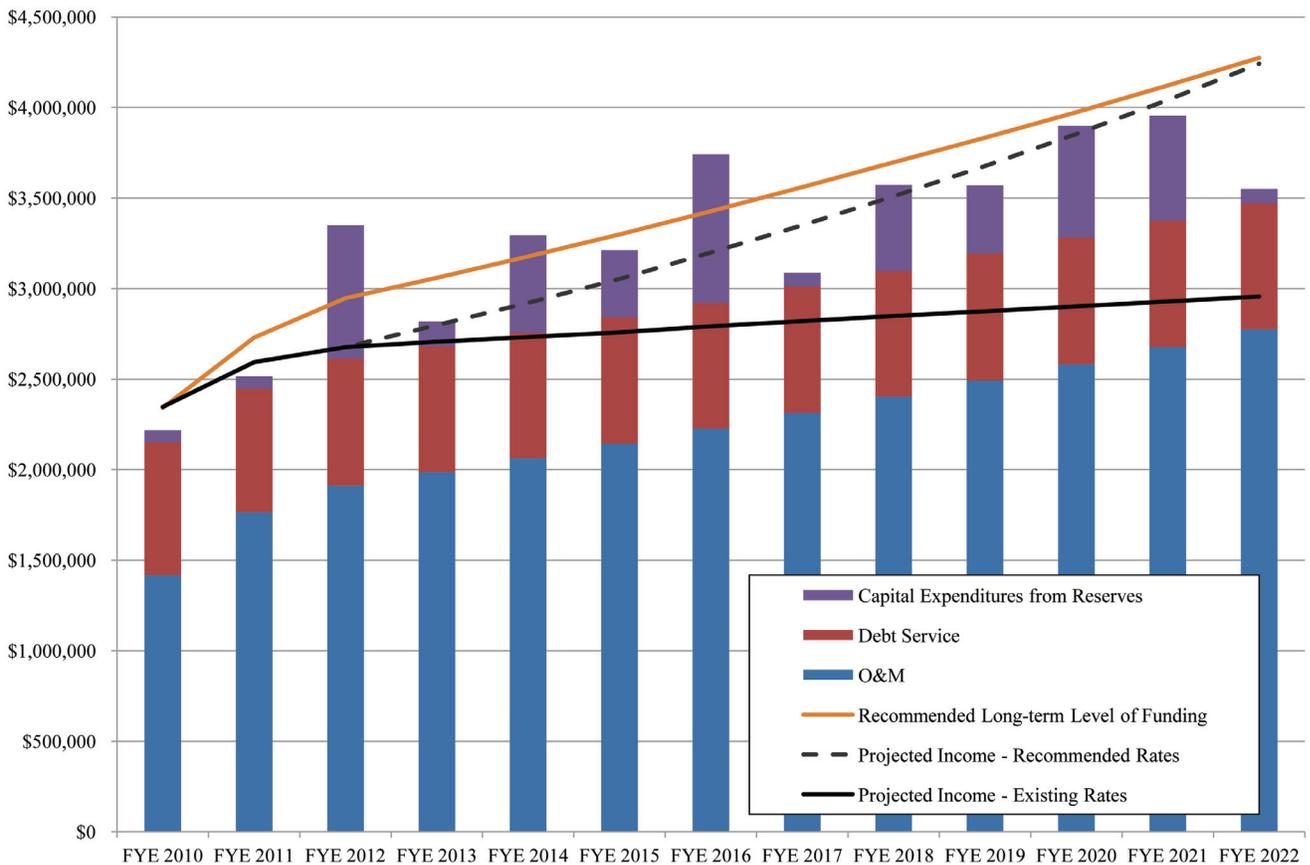


- O&M – Operation and Maintenance expenditures are the annual costs of running the system. They include things such as salary and benefits for staff, equipment and supplies, power costs, and any other costs to provide utility services. Increases tend to follow the rate of inflation. One of the largest O&M costs is the rate charged by Timpanogos Special Services District (TSSD) for sewage and treatment. TSSD has significantly raised rates in recent years, which affects your overall utility bill. The City has no control over TSSD rates.
- Debt Service – These are costs paid towards bonds taken out for utility needs, such as for the redundant culinary water well and for the pressurized irrigation system.
- Capital Improvement Expenditures – These are costs for constructing facilities or equipment within the City. This can include a new facility or replacement of an existing facility, or installing or upgrading equipment such as sewer and water pipelines. Each component of utility services has a finite life. If adequate funds are not set aside for regular system renewal, the system will fall into disrepair and incapable of providing the level of service that residents expect. BC&A determined that the estimated replacement value is \$34.5 million for the water system, \$21 million for the PI system, \$49 million for the sewer system, and \$15 million for the storm drain system.

NEW UTILITY RATES (continued)

On the graph below the black solid line shows the expected revenues if utility rates stay the same, whereas the dotted line shows the expected revenue with rate increases. Projected revenues at the current rate fall short of projected expenditures.

Figure 1-5
10-Year Revenue and Expenditures - All Utilities



After doing an in depth review of each utility service and determining future needs, BC&A suggested a rate increase for each year over the next ten years. Doing a small increase each year is preferred in order to minimize the hardship on residents. The rate increases will be for culinary water, sewer, and storm drain. There is no increase proposed for the PI system. The overall utility increase for each year ranges from 3.7% to 4.3%, which is just above normal inflation rates. The City Council approved the recommended rate increases. (Shown on the next page)

NEW UTILITY RATES (continued)

CHANGES IN CALCULATIONS

Table 1-1
Recommended Annual Rate Revenue Increase for 10-Year Budget Plan

Year	Culinary Water Percent Increase	Sewer Percent Increase	Storm Drain Percent Increase	Total Utility Increase
2013	6.4%	5.5%	6.5%	3.7%
2014	6.4%	5.5%	6.5%	3.7%
2015	6.4%	5.5%	6.5%	3.8%
2016	6.4%	5.5%	6.5%	3.9%
2017	6.4%	5.5%	6.5%	4.0%
2018	6.4%	5.5%	6.5%	4.1%
2019	6.4%	5.5%	6.5%	4.1%
2020	6.4%	5.5%	6.5%	4.2%
2021	6.4%	5.5%	6.5%	4.3%
2022	6.4%	5.5%	6.5%	4.3%

*Note: No increase proposed for pressurized irrigation

In addition to changing utility rates, BC&A recommended the City restructure how rates are calculated for each utility service.

WATER

The City has traditionally used a block rate structure for water rates, with a base fee being calculated by equivalent residential unit (ERU) and then a volume rate based on usage. BC&A recommended changing from ERU's to a base rate determined by meter size. ERU's are cumbersome because it requires the City to recalculate ERU's each year based on water usage from the prior year, and is inconsistent with cost-of-service principles. Calculating the base rate by meter size is a better method as it is based on the capacity to use water. It was also recommended that the first volume block be reduced from 10,000 gallons to 8,000 gallons, which is closer to the average residential monthly use of 6,100 gallons.

There are three separate categories for determining volume rates.

- Water, PI Connected – These rates are for culinary water usage for residents that have access to the PI system and are connected to it.
- Water, No PI Available – These rates are for culinary water usage for residents who do not have access to the PI system. The rates for the first two blocks are the same as those who have access to the PI system, but the rate is lower for the third and fourth blocks. This was done so as not to unfairly burden those residents who utilize more culinary water

COMMUNICATION ON NEW UTILITY RATES

Calculations were based on Equivalent Residential Unit (ERU) and then volume usage. We are changing to a base rate by meter size and volume to more accurately charge based on capacity and usage of water.



NEW UTILITY RATES (continued)

because they do not have access to pressurized irrigation water.

- Water, PI Not Connected – These rates are for culinary water usage for residents who do have access to the PI system but choose not to connect to it. The volume rates are higher than for other water users. This is setup to encourage residents to connect to the PI system to conserve culinary water resources

COMMUNICATION ON NEW UTILITY RATES

If you are uncertain as to what meter size you have or what category you are in, please contact the City at 801-785-9668



**Table 6-1
Recommended Culinary Water Rates**

Monthly Base Rate (\$/month)

Meter Size	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
3/4 and smaller	\$6.06	\$6.41	\$6.80	\$7.21	\$7.68	\$8.10
1	\$7.57	\$8.01	\$8.51	\$9.02	\$9.60	\$10.14
1 1/2	\$9.59	\$10.15	\$10.79	\$11.43	\$12.17	\$12.86
2	\$15.15	\$16.04	\$17.06	\$18.07	\$19.23	\$20.32
3	\$56.05	\$59.38	\$63.24	\$66.92	\$71.22	\$75.31
4	\$71.21	\$75.43	\$80.35	\$85.01	\$90.47	\$95.68
6	\$106.56	\$112.88	\$120.26	\$127.23	\$135.40	\$143.20
8	\$146.96	\$155.68	\$165.88	\$175.48	\$186.74	\$197.51
10	\$202.51	\$214.53	\$228.60	\$241.82	\$257.34	\$272.19

Block Volume Rates (\$/kgal)

Customers Connected to Pressurized Irrigation System

	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
Block 1 Rate	\$1.31	\$1.40	\$1.49	\$1.59	\$1.69	\$1.80
Block 2 Rate	\$2.15	\$2.31	\$2.45	\$2.63	\$2.79	\$2.99
Block 3 Rate	\$3.18	\$3.41	\$3.62	\$3.89	\$4.13	\$4.43
Block 4 Rate	\$4.21	\$4.51	\$4.79	\$5.15	\$5.48	\$5.88

Customers with No Pressurized Irrigation Available

	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
Block 1 Rate	\$1.31	\$1.40	\$1.49	\$1.59	\$1.69	\$1.80
Block 2 Rate	\$2.15	\$2.31	\$2.45	\$2.63	\$2.79	\$2.99
Block 3 Rate	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
Block 4 Rate	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50

Customers Not Connected to Pressurized Irrigation System

	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
Block 1 Rate	\$2.10	\$2.24	\$2.38	\$2.54	\$2.70	\$2.88
Block 2 Rate	\$3.23	\$3.47	\$3.68	\$3.95	\$4.19	\$4.49
Block 3 Rate	\$4.24	\$4.55	\$4.83	\$5.19	\$5.51	\$5.91
Block 4 Rate	\$5.26	\$5.64	\$5.99	\$6.44	\$6.85	\$7.35

NEW UTILITY RATES (continued)

PRESSURIZED IRRIGATION

The City has been charging a monthly base rate determined by lot size. BC&A recommended changing the base rate to be determined by connection size to better reflect cost-of-service. Additional volume rates will continue to be based on lot size.

COMMUNICATION ON NEW UTILITY RATES

Pressurized irrigation has been changed to a base rate by connection size. Volume rates based on lot size have not changed.



Table 3-8
Recommended Pressurized Irrigation Rates

Utility Fees (per month)	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
Base Rate						
1-inch connection	\$15.95	\$15.95	\$15.95	\$15.95	\$15.95	\$15.95
1 1/2-inch connection	\$31.90	\$31.90	\$31.90	\$31.90	\$31.90	\$31.90
2-inch connection	\$51.04	\$51.04	\$51.04	\$51.04	\$51.04	\$51.04
3-inch connection	\$95.70	\$95.70	\$95.70	\$95.70	\$95.70	\$95.70
4-inch connection	\$159.50	\$159.50	\$159.50	\$159.50	\$159.50	\$159.50
Lot size-1/4 acre or less	\$12.98	\$12.98	\$12.98	\$12.98	\$12.98	\$12.98
1/4 acre to 1/3 acre	\$17.30	\$17.30	\$17.30	\$17.30	\$17.30	\$17.30
1/3 acre to 1/2 acre	\$25.95	\$25.95	\$25.95	\$25.95	\$25.95	\$25.95
Larger lots (\$/acre)	\$51.90	\$51.90	\$51.90	\$51.90	\$51.90	\$51.90

SEWER

The City has been charging a monthly rate based on ERU's, similar to the way culinary water rates have been determined. BC&A recommended changing the rate to be based on meter size, just as with the water rates. This better reflects the cost-of-service as the rate is based on the capacity to produce wastewater.

COMMUNICATION ON NEW UTILITY RATES

Sewer rates will mirror the new water rate structure.



Table 4-11
Recommended Sewer Rates

Monthly Base Rate	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
3/4-inch water meter	\$13.50	\$13.50	\$13.50	\$13.50	\$13.50	\$13.56
1-inch water meter	\$17.18	\$17.18	\$17.18	\$17.18	\$17.18	\$17.26
1 1/2-inch water meter	\$22.09	\$22.09	\$22.09	\$22.09	\$22.09	\$22.20
2-inch water meter	\$35.59	\$35.59	\$35.59	\$35.59	\$35.59	\$35.76
3-inch water meter	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.64
4-inch water meter	\$171.82	\$171.82	\$171.82	\$171.82	\$171.82	\$172.63
6-inch water meter	\$257.73	\$257.73	\$257.73	\$257.73	\$257.73	\$258.95
8-inch water meter	\$355.91	\$355.91	\$355.91	\$355.91	\$355.91	\$357.60
10-inch water meter	\$490.91	\$490.91	\$490.91	\$490.91	\$490.91	\$493.24
Total Volume Rate (\$/kgal)						
All Customers	\$3.13	\$3.43	\$3.74	\$4.06	\$4.41	\$4.77

NEW UTILITY RATES (continued)

STORM DRAIN

The City has been charging a flat rate per ERU for all customer classes. BC&A recommended continuing to charge a base rate to all residential customers and for commercial or institutional customers on a lot 0.3 acres or less. On larger commercial and institutional lots the recommendation is to charge the base rate plus a volume rate based on lot size to distribute costs more fairly to those entities that require more expensive infrastructure to handle storm runoff.

COMMUNICATION ON NEW UTILITY RATES

The new methods used for calculating rates for each utility better reflect the cost-of-service to all customers and more fairly distribute those costs.



Table 5-7
Recommended Storm Drain Rates

Utility Fees (per month)	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
Residential	\$7.69	\$8.18	\$8.71	\$9.27	\$9.86	\$10.50
Commercial & Institutional						
0.3 acres or less	\$7.69	\$8.18	\$8.71	\$9.27	\$9.86	\$10.50
Larger lots						
Base Rate	\$3.37	\$3.46	\$3.55	\$3.64	\$3.74	\$3.83
\$/acre based on lot size	\$14.40	\$15.74	\$17.19	\$18.75	\$20.42	\$22.21

I USED TO BE A MANILA WATER USER. WHY HAVE MY RATES GONE UP SO MUCH?

Residents who live in the Manila area used to be part of the Manila Water Company. When this company dissolved all Pleasant Grove residents were switched to Pleasant Grove's water system and Cedar Hills residents were switched to Cedar Hills' water system. Residents in both cities saw an increase in their water rates. This is because Manila Water Company was subsidizing water rates for their users, which is a big part of the reason why the company was forced to close. The rates being charged by the City reflect the actual costs of providing water services to residents.

COMMUNICATION ON NEW UTILITY RATES

The full Utility Rate Study can be viewed on the City's website at <http://www.cedarhills.org/sites/default/files/utility-rate-study-2012.pdf>.

We encourage you to read it and be involved in our discussions.



PROJECTS FOR FY 2013

PROJECT	DESCRIPTION	COMPLETION DATE
CAPITAL PROJECTS		
Sidewalks	Place new sidewalk at corner of Cedar Hills Drive and 4000 West	Installation to be completed in June 2014
Street Lights		Installation to be completed in Spring 2014
Harvey Blvd Widening	Complete Harvey Blvd from Ferguson Road to 4800 West	2013 Depending on right of way acquisition
CULINARY WATER		
Upper Booster Station	Install equipment to provide emergency power to pumps with a generator	Completion of Phase I by 5/1/14
Manila Water Disconnect Project	Convert Manila water connections to City connections	Est. completion date, 10/1/13
PARKS		
Mesquite restroom and storage	New building with mens/womens restrooms & storage	Completion Spring 2014
Utah County Trailhead Park	City connections and maintenance	Near completion - on County schedule
Drinking Fountain	Heritage Park @ pavilion and basketball court	Complete 10/1/13
Pickle ball courts	Heritage Park / Timp Park on basketball courts	Complete 11/1/13
SEWER		
Relocation of 4800 metering station	Moved from Cedar Hills Drive during 4800 W reconstruction	Scheduled with road construction (near completion)
American Fork Outfall Upgrades		
SIGNS		
Upgrade Street signs	Street signs are on a program for upgrading to meet new visibility requirements	Complete by 2015
STREETS		
Micro surface Redwood and Briggs/Nielsen	New wear and surface protection applied to extend road life	Fall 2013 or Spring 2014 (weather and contractor dependent)
Various street maintenance	Crack sealing and repair work	Crack seal during cool months and repair as needed
Commercial Street Feasibility Study		
SIDEWALKS		
Replace various walks	Replace sidewalks that fail to meet City standards and/or are hazardous to pedestrians	Currently in progress until weather conditions prohibit concrete placement and will resume in Spring 2014
STORM DRAIN		
Pollution protection upgrades	Addition of sump and snout to restrict pollution entering waters of the State (Lakeview Drive and 9220 North)	Lakeview Drive in November 2013, 9220 North in May 2014
MISCELLANEOUS		
Community Recreation Center	Phase II - Design of basement currently underway	Completion by June 2014

GRAMA REQUESTS

WHAT IS GRAMA?

The Government Records Access and Management Act (GRAMA) allows the public access to public records while at the same time protecting certain records that are considered private, controlled, or protected. Most records are public and are available to anyone who requests a record. The person requesting records is required to describe the desired documents with reasonable specificity.

The City generally is allowed up to ten business days to provide records once a GRAMA request has been submitted; however, the City is allowed to exceed the ten days under extraordinary circumstances, such as if the request contains a voluminous quantity of records, or if the City is processing a large number of requests all at the same time.

CAN THE CITY CHARGE A FEE?

The City may charge a reasonable fee to cover the actual cost of providing a record. If the City compiles a record in a form other than that normally maintained by the City then the fee may include:

- the cost of staff time to compile the data,
- the cost of staff time to search and retrieve the records contained in the request,
- in the case that the record is the result of a computer output other than word processing, the actual incremental cost of providing the record together with a reasonable portion of the costs associated with formatting or interfacing the information.

WHAT RECORDS ARE NOT PUBLIC?

Some records are considered private, controlled, or protected. The City is not allowed to provide access to any record that fits into these three categories and any person who knowingly does provide these records can be subject to criminal penalties.

Private Records – Examples of private records include, but are not limited to records about a person’s welfare benefits; medical history; library records; current and former employee’s home addresses, social security numbers, and marital status; email addresses; and driver license numbers.

Controlled Records – Examples of controlled records include records that contain medical, psychiatric, or psychological data about an individual.

COMMUNICATION ON GRAMA REQUEST PROCESS

GRAMA allows for the public to have access to Government Records. The exceptions are: private (i.e. financial or employment), controlled (i.e. medical), or protected (i.e. trade secrets) records.



GRAMA REQUESTS (continued)

Protected Records – Examples of protected records include, but are not limited to trade secrets; test questions and answers used for licensing or employment; records that contain information which, if disclosed, would impair governmental procurement proceedings; records that contain information which, if disclosed, would impair the acquisition of property; information on security systems; records prepared for or by an attorney; and records involving a criminal investigation.

WHAT IS THE HISTORY BEHIND A RECENT REQUEST FOR COUNCILMEMBER AND MAYOR EMAILS?

COMMUNICATION ON RECENT GRAMA REQUEST:

Cedar Hills has agreed to provide all emails considered public record from former City Manager and former Mayor. The following timeline will address progression of this request.



On March 5, 2012, a GRAMA request was filed requesting all emails from former city manager, Konrad Hildebrandt, and former mayor, Eric Richardson, to each other, and/or to any councilmember using whatever email address, from January 1, 2011 to present. The City agreed to provide all emails in its possession that fell within the scope of the request and informed the requestor that he would be responsible for the cost to supply these records. According to GRAMA laws, a city may require prepayment before fulfilling a request if the cost will exceed \$50; however, in the spirit of cooperation the City began to comply and gather the emails.

In April, the City Recorder sent the requestor an email making him aware that a portion of Mr. Hildebrandt's emails had been gathered and were available, that the cost for this portion was \$66.75, and asked if he would like to continue with this request knowing the cost for the overall request would be significant. On April 24, 2012 the requestor replied to the City Recorder asking that the request be put on hold; however, he went to the City Offices and reviewed what had been compiled then left without paying for the work that had been done. After this, the requestor was notified by the City that it would no longer continue to fulfill this request unless prepayment was made, in accordance with GRAMA laws. On May 2, 2012, the requestor paid the \$66.75 and received a copy of the emails that had been gathered to date. He refused to pay any additional money for this request, and instead chose to file a complaint with the Utah State Records Committee.

On May 18, 2012, City representatives met with the requestor and the Utah State Records Ombudsman to discuss this request. During this mediation the City again agreed to provide the requestor with all emails within its possession within the scope of the request once he prepaid for the cost of fulfilling this request.

GRAMA REQUESTS (continued)

RECENT GRAMA REQUEST TIMELINE:

- March 5, 2012: Request for records made.
- April 2012: City Recorder notified requestor some emails had been gathered, and the cost for this portion was \$66.75.
- April 24, 2012: Requestor asked the request be put on hold; then came in and looked at compiled data without paying.
- May 2, 2012: Requestor paid \$66.75 for emails collected thus far; and filed a complaint with the Utah State Records Committee.
- May 18, 2012: City and Ombudsman meet to discuss request.
- June 26, 2012: Utah State Records Committee made a decision after hearing from both parties.
- July 6, 2012: Requestor paid \$500 to continue GRAMA request.

(Continued on next page)



One concern the requestor brought up was with regards to emails that may exist on the personal accounts of the former mayor and current and former councilmembers. Because elected officials did not have access to the City network, their city email accounts were setup to automatically forward any emails received at their city account to their personal account, and these were not stored on the City server. The City agreed this was a legitimate concern and has corrected this by requiring elected officials to remotely access the network and all incoming and outgoing emails on these accounts are stored on the City server. The City also reached out to existing and former councilmembers and requested that any city-related emails that were stored on personal accounts be sent to the City for classification and retention purposes. Each councilmember who had city-related emails on their personal accounts complied with this request and provided to the City all city-related emails in their possession.

The requestor continued with his appeal to the Utah State Records Committee. In addition to requesting these emails, the requestor claimed that he should not be required to pay for this request as he felt it was in the interest of the public for him to receive these emails. The City had previously denied this appeal to waive the cost. On June 15, 2012 the Utah State Records Committee heard from City representatives and the requestor. On June 26, 2012 the Committee made a decision stating that:

1. Because the requested emails are not normally maintained in the format being requested, Cedar Hills may charge for the search and compilation to locate and make the documents available to the requestor;
2. Since the estimated cost of fulfilling the request would exceed \$50, Cedar Hills may require pre-payment of its estimated fees;
3. After paying the fees, the requestor was entitled to receive public records from Cedar Hills of all correspondence between Konrad Hildebrandt and Eric Richardson and/or to any member of the City Council, using whatever email address since March 5, 2011; and
4. After providing a reasonable estimate and collection of pre-payment of estimated fees, the requestor should be allowed to view the records relevant to his request or receive paper copies.

This decision aligns with what the City had agreed to all along – that the requestor would receive copies of the emails in the City’s possession that pertain to the GRAMA request, that the requestor was responsible to pay for the cost of this request, and that the City would not continue to fulfill the request until prepayment was received as the cost would exceed \$50.

GRAMA REQUESTS (continued)

RECENT GRAMA REQUEST TIMELINE:

(Continued from previous page)

- July 11, 2012: City informed requestor an additional \$200 would be needed to compile the 5000+ pages of emails.
- July 13, 2012: City communicated with requestor the request would take longer than 10 days.
- July 23, 2012: Requestor paid \$200.
- July 27, 2012: A CD was provided with all the emails in the City's possession.
- July 30, 2012: The City requests the CD back as non-public records were inadvertently included. The requestor indicated data had already been disseminated.
- July 30-Aug 6, 2012: The City attorney reached out to requestor on several occasions asking for the return of the CD and the destruction or return of distributed copies.

(Continued on next page)



Having been notified of the estimated cost, the requestor made a prepayment of \$500 to the City on July 6, 2012. At that time the City immediately began to compile the remaining records. On July 11, 2012 the City notified the requestor that his request would cost an additional \$200 as the request consisted of over 5,000 pages of emails. The requestor paid the additional \$200 on July 23, 2012. During this time, on July 13, 2012 the City also sent the requestor a letter indicating that due to the size of his request, the City would need longer than ten days to complete the request and estimated it would take another two weeks. This is allowed under GRAMA laws.

On July 27, 2012 the City had gathered all the emails within its possession at that time and provided the requestor with a CD of these public records. However, the City soon realized that some protected documents were inadvertently provided and on July 30, 2012 the City contacted the requestor and asked that the CD be returned so that the protected information could be properly redacted. The City Attorney reached out to the requestor on several occasions asking for the return of the CD and indicated that any distribution of copies should be returned or destroyed. On August 6, 2012 the requestor responded to the City Attorney stating he would first seek legal advice before returning and/or destroying any protected information. He did return the CD to the City, but stated that he had already disseminated the information.

On August 21, 2012, the City provided the requestor with thousands of pages of emails in paper copy as it was determined that was the best way to prevent protected records from inadvertently being disclosed. The requestor was upset with receiving paper copies and asked to receive electronic copies. The City Attorney has notified the requestor that once he has returned all copies of inadvertently disclosed records from the CD provided on July 27, 2012, or destroyed these records, the City will be willing to provide all additional emails in an electronic format.

In mid-August the City received additional emails from former mayor Eric Richardson that fell within the scope of this request. However, the emails were illegible in part. The City notified Mr. Richardson's representative of the need for better copies and notified the requestor that additional emails had been received and would be provided as soon as clear copies were provided to the City. On September 6th the City received legible copies of those emails and began redacting protected information. These additional emails that are considered public will be provided to the requestor.

GRAMA REQUESTS (continued)

- August 6, 2012: The requestor responded to the City stating he would seek legal advice on the return of the information.
- August 21, 2012: The City provided the requestor with paper copies of request to better ensure protected data was redacted. The City has agreed to provide electronic copies of all data once previously provided records requested on July 27, 2012 have been returned.
- Mid-August: the City received additional emails from former mayor that fall within the scope of this request. The City has notified the requestor that additional emails have been received and will be provided as soon as clear copies are provided to the City.
- September 6, 2012: The City received a legible copy to the emails.
- To date: The GRAMA request has been fulfilled. The issue was payment for this request, which was fair to the citizens as it took many hours to complete. The requestor continues to dispute the request and has filed an appeal for refunding of fees.



This issue was never about the City's willingness to provide the emails requested. The City agreed to provide all emails in its possession within the scope of the request, and City officials agreed to provide any city-related emails that could be obtained that may be stored on personal accounts.

The issue was payment for this request. Due to the size of this request the City felt it was only fair to residents to charge the requestor for the compilation of this request, which took many hours to complete. The requestor continues to dispute this and has filed yet another appeal with the Utah State Records Committee requesting a refund of fees he has paid.

For more information on GRAMA please visit:
<http://www.cedarhills.org/public-records>



FISCAL YEAR 2013 BUDGET

WHAT IS IN THE BUDGET?

The budget consists of five separate funds that are in three different categories.



CATEGORY 1 – GOVERNMENTAL FUNDS include activities that comprise the City's basic services. The two governmental funds are the General Fund and the Capital Projects Fund.

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

The Capital Projects Fund accounts for the resources used to acquire, construct, and improve major capital facilities, other than those financed by proprietary funds.

CATEGORY 2 – 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 only internal service fund is the Motor Pool Fund.

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



CATEGORY 3 – ENTERPRISE FUNDS are used to separate funding for activities that use fees to cover most or all of their costs.

The Water, Sewer, and Storm Drain Fund is used to account for the revenues and expenses associated with the operation of the City's water, sewer, and storm drain utilities. The fees assessed to residents are a pass through to cover costs.

The Community Recreation Fund is used to account for the revenues and expenses associated with the golf course and Community Recreation Center.

BUDGET (continued)

RELATIONSHIP OF DEPARTMENTS & FUNDS

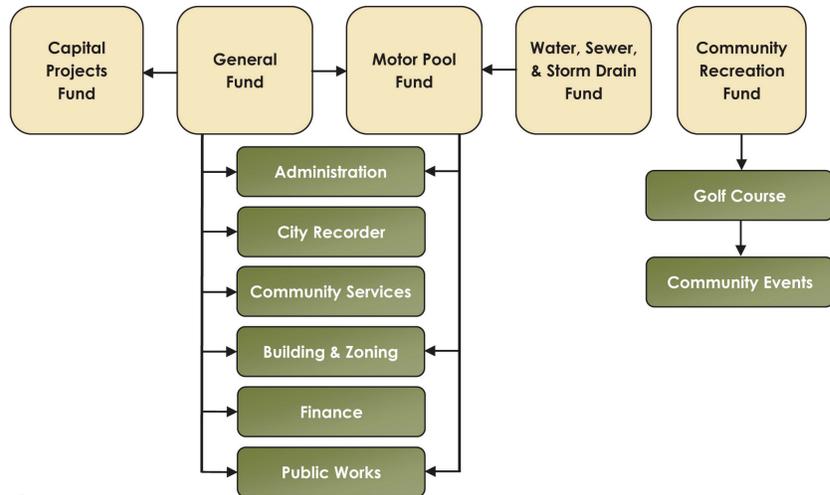


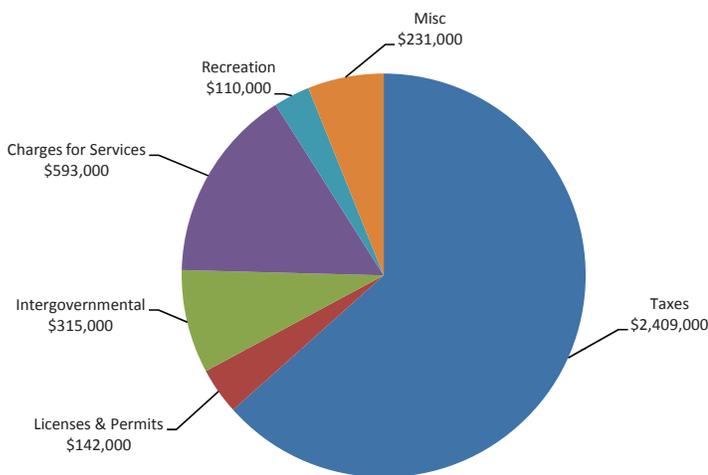
Figure O-5

GENERAL FUND

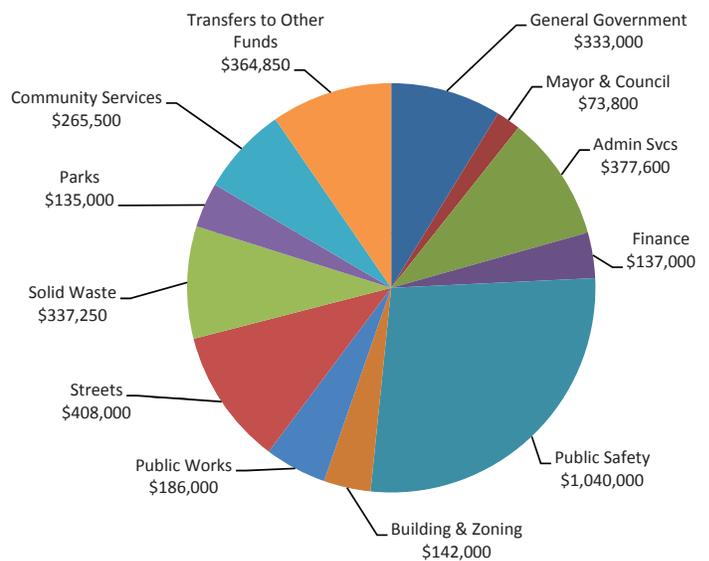
The chief operating fund for the City

Revenues for this fund mainly come from taxes and charges for services. Expenditures include most of the necessary expenses incurred to run the City including materials, public safety expenditures, maintenance of parks and streets, and wages and benefits that are not part of an Enterprise Fund.

General Fund Revenues



General Fund Expenditures



BUDGET (continued)

Highlights:

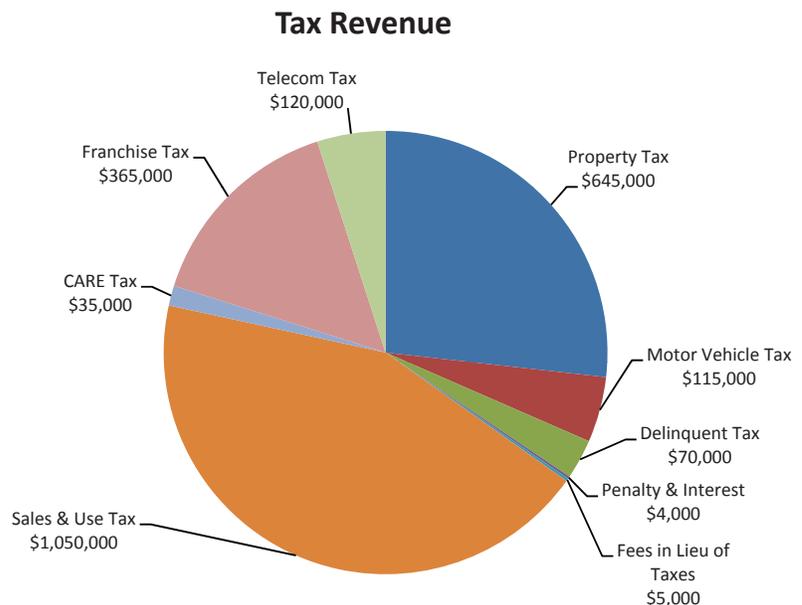
- Significant changes in revenue for FY 2013 include an expected increase in Sales & Use Tax and an expected increase in revenue from new recreation programs.
- Legal expenses increased by \$77,000 in FY 2012. Due to continued and threatened litigation against the City there is reason to believe legal expenses will be at least the same for FY 2013.
- The Lone Peak Public Safety District Board has changed the methodology used to determine costs for each of the three cities in the district and this is causing an increase of \$130,000 that we pay for fire and paramedic services.
- There is a planned subsidy of \$65,000 to be transferred to the golf course to cover losses.

GENERAL FUND FUNCTION

Revenues come from taxes and service charges to pay for City materials, public safety, maintenance of assets, employee wages and benefits.



The majority of tax revenue comes from Sales & Use Tax while Property Tax makes up 27% of the overall tax revenue



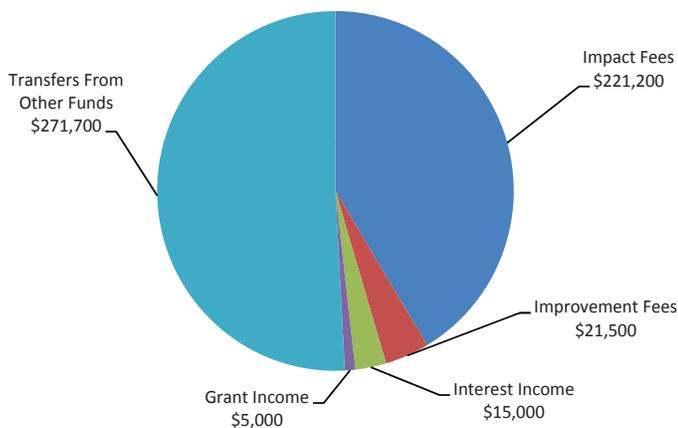
BUDGET (continued)

CAPITAL PROJECTS FUND

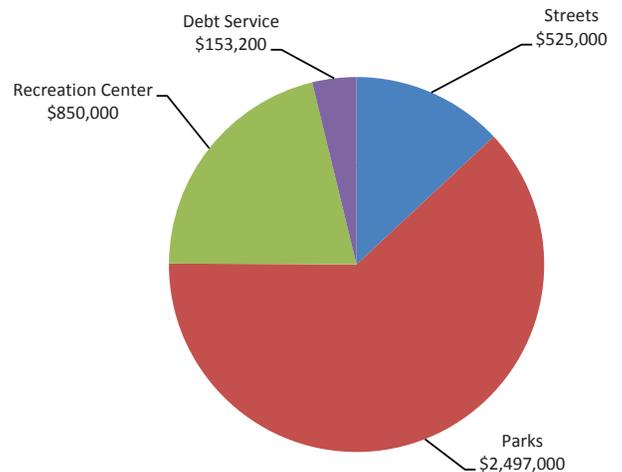
These funds are used for projects such as new buildings, parks, trails, and streets.

The principal sources of funding are impact fees, transfers from the General Fund, grants, and bond proceeds. Expenditures include items such as street projects; acquisition, building, and improving parks; and city buildings.

Capital Project Fund Revenues



Capital Projects Expenditures



Highlights:

- There are three large projects being discussed for FY 2013:
 - Restrooms and storage building at Mesquite Park.
 - Completion of the Community Recreation Center basement, which will include additional room for recreation classes, a cardio and weight room, and a climbing wall.
 - A splash pad – location not yet determined.
- There are two projects included in the budget that are long term plans and will not be completed in FY 2013.
 - The acquisition and development of Deerfield Park, located next to Deerfield Elementary. The City has been in litigation with the Harvey family over this piece of land for some time and it is not yet known when this dispute will be settled. However, we are required to budget and plan for this project each year in the event that the dispute is settled in our favor.

CAPITAL PROJECTS FUND FUNCTION

Revenue for new buildings, parks, trails and streets comes from impact fees, grants, bonds and monies from the General Fund.



BUDGET (continued)

- The second is the widening of Harvey Boulevard, which would occur in conjunction with the Deerfield Park project.

MOTOR POOL FUND FUNCTION

Revenue comes from other funds and the sale of City fleet and pays for motor vehicle operation, maintenance and depreciation.



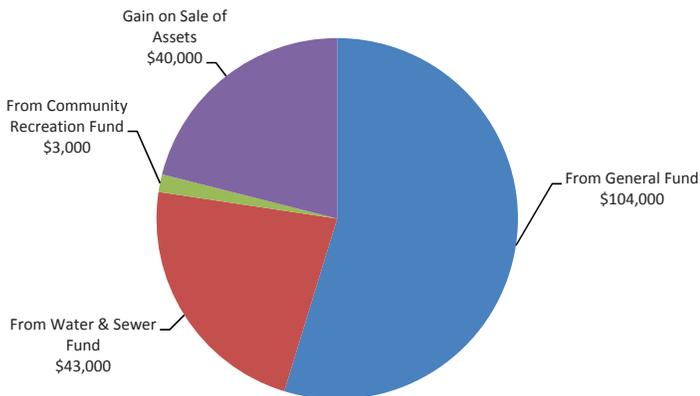
- Payments made on the bond obtained for the Public Works building also come out of this fund. The bond for the Public Safety Building was paid off in FY 2012.

MOTOR POOL FUND

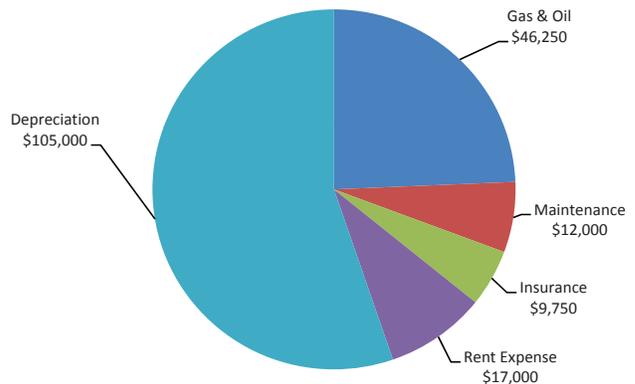
This fund is for the acquisition, maintenance, and use of City-owned vehicles.

The main source of revenue for this fund comes from transfers from other City funds, though any gain on the sale of City-owned vehicles is also included in the revenue. Expenditures include gas, oil, maintenance, insurance, and depreciation.

Motor Pool Revenues



Motor Pool Expenditures



Highlights:

- There are no significant changes to the Motor Pool Fund for FY 2013.

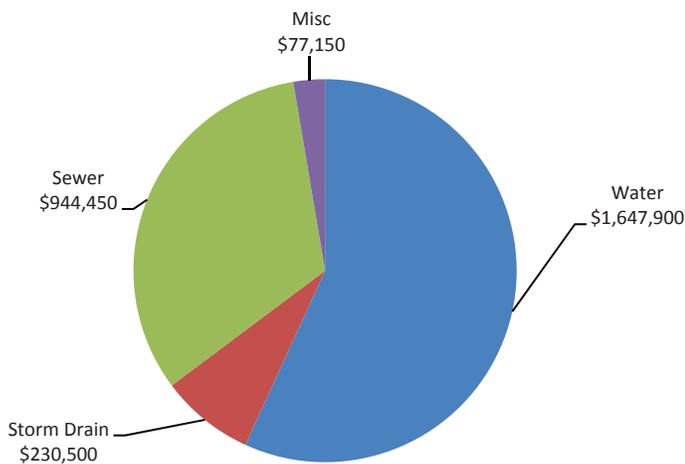
BUDGET (continued)

WATER, SEWER, AND STORM DRAIN FUND

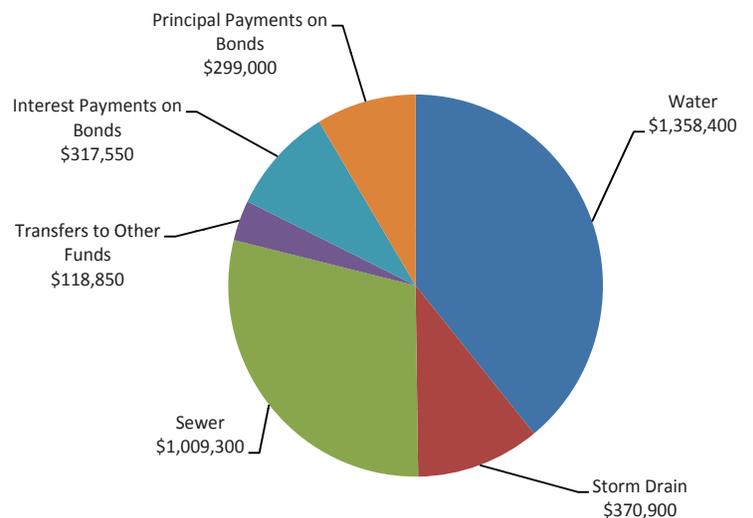
Revenues and expenses associated with providing water, sewer, and storm drain services.

Revenues for this fund come from fees paid for the use of water, sewer, and storm drain services. Expenditures include everything required to supply these services, including employee salary and benefits, materials, and maintenance

Water, Sewer & Storm Drain Revenue



Water, Sewer, & Storm Drain Expenditures



WATER, SEWER AND STORM DRAIN FUND FUNCTION

Revenue comes from fees patrons pay to use these services and pay for expenditures used to provide these services.



Highlights:

- Increases in revenue for FY 2013 are mainly due to a 3.7% overall increase in utility rates, which was recommended in the Utility Rate study performed in 2012.
- The payments for three bonds come out of this fund. Two are for the pressurized irrigation system and one is for the redundant culinary well.

COMMUNITY RECREATION FUND

The fund for the golf course, grill, recreation, and events.

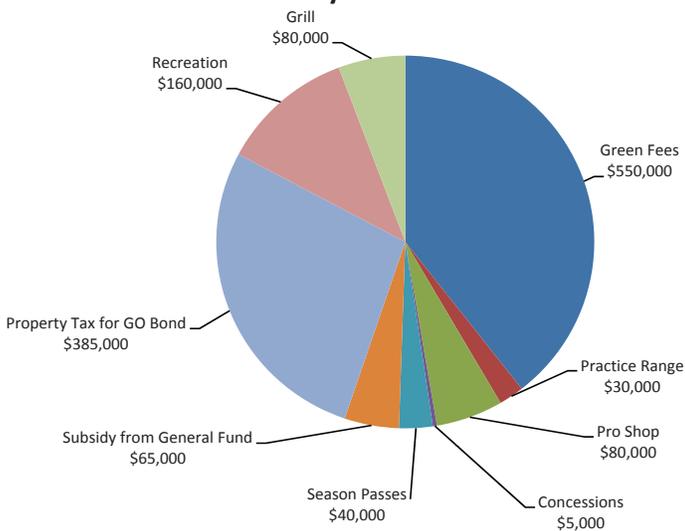
Sources of funding for the golf course include revenue generated from golf activities (i.e., green fees, season passes, concessions, pro shop sales), property taxes, and any needed transfers from the General Fund to cover

BUDGET (continued)

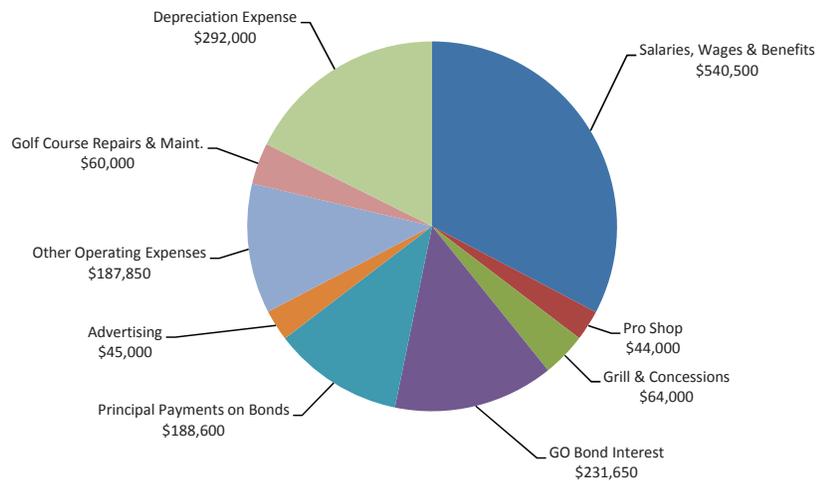
losses. Expenditures include everything needed to maintain and operate the golf course.

Funding for recreation programs and the grill comes from revenue generated from services and goods provided by both groups. Expenses include everything needed to operate the grill and recreation programs, including salaries and benefits, and materials.

Community Recreation Revenues



Community Recreation Expenditures



COMMUNITY RECREATION FUND FUNCTION

Revenue comes from golf income and General Fund transfers to pay for operation and maintenance of the golf course.



Highlights:

- 100% of the property tax revenue for this fund is used to pay the Golf Course bond.
- The expected subsidy to cover losses for FY 2013 is \$65,000.

BUDGET (continued)

HOW MUCH DOES THE CITY OWE?

The City has five outstanding bonds and two capital leases.

	Date Issued	Original Amount	Balance as of 7/1/2012
General Obligation Bonds			
Golf Course	11/10/2005	\$6,250,000	\$5,510,000
Revenue Bonds			
Pressurized Irrigation (PI1)	3/16/2006	\$6,215,000	\$5,080,000
Public Works Building	6/15/2006	\$2,325,000	\$2,035,000
Cottonwood Well	10/17/2007	\$2,090,000	\$1,756,000
PI Improvements (PI2)	3/12/2009	\$930,000	\$845,000
Capital Leases			
10 Golf Carts	7/1/2009	\$40,570	\$17,381
36 Golf Carts	5/1/2010	\$142,987	\$103,270
Total		\$17,993,557	\$15,346,651

COMMUNICATION ON THE CITY BUDGET

These bonds have all been issued in the last six years and attest to the great growth Cedar Hills has experienced in the last decade. These bonds were voted upon by the citizens to increase the quality of services and conveniences available to City patrons. We have made remarkable progress at eliminating these line items from our debt services. We are budgeted to make great progress again in the 2013 fiscal year.



Golf Course – This bond was voted for by residents in 2005. This bond is paid for with property taxes. A separate line item on property tax statements shows how much is collected from each household specifically for the payment of this bond.

Pressurized Irrigation – This bond was issued in 2006 to pay for a city-wide pressurized irrigation system. Prior to this residents used culinary water to water yards and lawns. Having a pressurized irrigation system saves residents hundreds of dollars every year in water fees. This bond is supported by water and sewer revenue.

Public Works Building – This bond was issued in 2006 to construct the Public Works Building. This building serves as the workplace for the majority of City staff and houses all of the Public Works equipment needed to provide services to residents. This bond is backed by excise tax revenue.

Cottonwood Well – This bond was issued in 2007 for a redundant well to ensure that residents have an adequate supply of culinary water. This bond is supported by water and sewer revenue.

PI Improvements – This bond was issued in 2009 to upgrade the city-wide pressurized irrigation system. This bond is supported by water and sewer revenue.

BUDGET (continued)

COMMUNICATION ON THE CITY BUDGET

The City has great success in paying down on our financial obligations. The overall debt of the City was reduced over \$1 million dollars in just one fiscal year.

Paying off the Public Safety Building SEVEN years early was a great accomplishment for our City during this past year's budget.

We look forward to making the same great progress on our financial obligations during the 2013 fiscal year.



Highlights:

- The Public Safety Building was paid off in 2012, which is seven years early!
- Four capital leases for golf carts and equipment were paid off in 2012.
- The overall debt of the city was reduced by \$1,070,903 during FY 2012.

WHERE CAN I VIEW THE BUDGET?

Budget documents can be found on the City website at <http://www.cedarhills.org/finance-documents/budget>. In September of each year the Finance team works on a very comprehensive report that includes details of the budget and capital projects plan. The complete budget document for FY 2013 will be available in September; however, the approved budget is available on the website.



CEDAR HILLS

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