

# CITY OF CEDAR HILLS UTAH



## 2020 BUDGET DOCUMENT

July 1, 2019–June 30, 2020





# CITY OF CEDAR HILLS UTAH

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## 2020 BUDGET DOCUMENT

July 1, 2019–June 30, 2020

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# OVERVIEW

Pursuant to §10-6-109, Utah Code Annotated, the following budget for fiscal year 2020, beginning July 1, 2019 and ending June 30 2020, 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 operating expenditures will not exceed governmental operating revenues.

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



## CITY MANAGER MESSAGE

To City Mayor, Council, & Residents:

### 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 decade. Slower growth rates are due to the limitations of available developed property.

Figure O-1

POPULATION EXTRAPOLATION			
Fiscal Year	Population	% Change	Households
2014	10,245	0.4%	2,286
2015	10,189	-0.5%	2,370
2016	10,301	1.1%	2,377
2017	10,313	0.1%	2,410
2018	10,217	-0.9%	2,434
2019	10,217	0.0%	2,458
2020	10,217	0.0%	2,483

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.

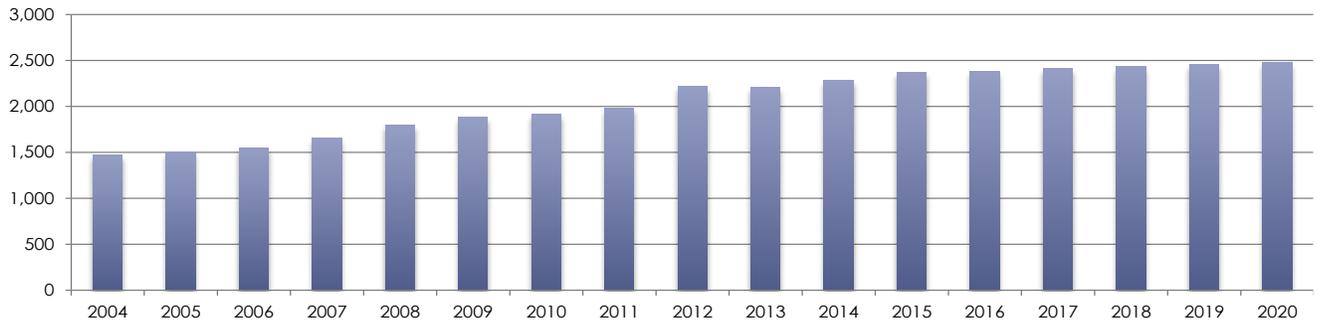
Slower residential growth is expected to continue during the FY 2020 year. Some commercial sector growth may remain, but not of significant volume. Because of the limited growth projections, the budget has been assessed and balanced with very limited growth related revenues being incorporated into the FY 2020 budget. Funds such as building and plan check 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. The city increased fees for recycling to fund the changes occurring in the recycling market. There was a sig-

Figure O-2

### NUMBER OF HOUSEHOLDS IN CEDAR HILLS



nificant decrease in demand for recycled products by China, which has substantially raised the cost to the city. Other line items, such as paramedic fees increased due to recent increases in public safety costs related to fire and emergency services.

#### Personnel

The City of Cedar Hills maintained personnel levels during the 2019 fiscal year; fiscal year 2020 will maintain that level, however a part-time position was promoted to a full-time position. 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 2020, the City will employ more FTEs for growing community services recreation programs and part-time admin staff for passport service coverage. 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-

Figure O-3

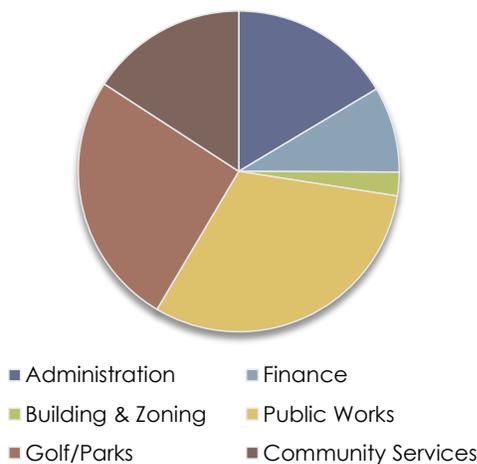
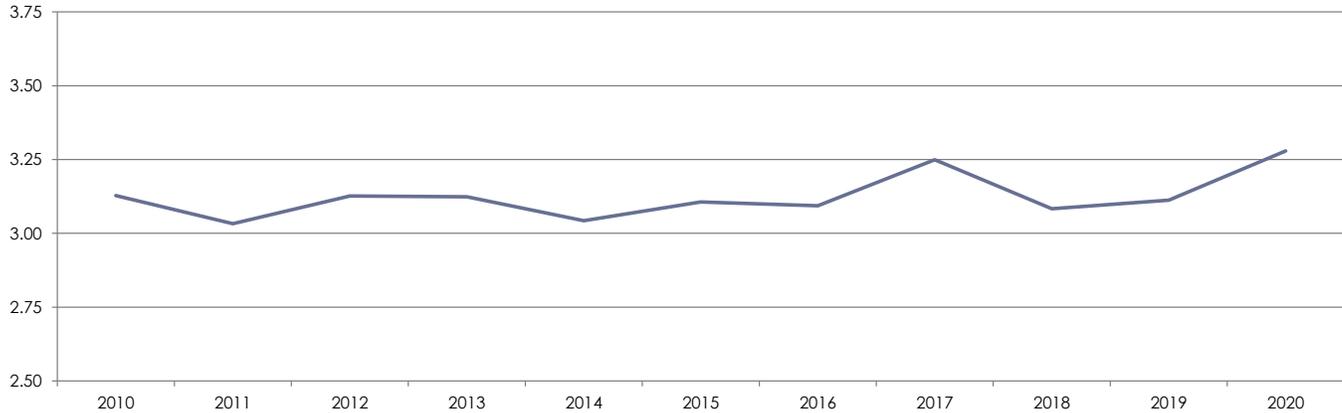


Figure O-4

PERSONNEL SUMMARY			
DEPARTMENT	FY2018	FY2019	FY2020
Administration	5.3	5.3	5.5
Finance	3.1	3.1	2.9
Building & Zoning	0.6	0.9	0.8
Public Works	10.1	10.1	10.4
Golf/Parks	7.3	7.3	8.6
Community Services	5.1	5.1	5.3
<b>TOTAL</b>	<b>31.5</b>	<b>31.8</b>	<b>33.5</b>

### FULL-TIME EMPLOYEES/1000 RESIDENTS



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 seven funds: 1. General fund; 2. Golf fund; 3. Class C Roads 4. Golf Debt Service fund; 5. Capital Projects fund; 6. Water, Sewer, & Storm Drain fund; 7. Motor Pool fund. A brief summary 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 \$12,578,427. 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 2020 sales tax revenues are expected to increase to \$1,381,955.

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 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 2020, which changed the tax rate to 0.1737 percent from 0.1923 percent. The decrease in rate is due to property tax values increasing.

The other tax making the top revenue list are franchise taxes at 10 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.

## 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 **Class C Roads fund** is a special revenue fund used to account for road maintenance funding and the related road and sidewalk maintenance projects.

The **Golf debt service fund** is 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

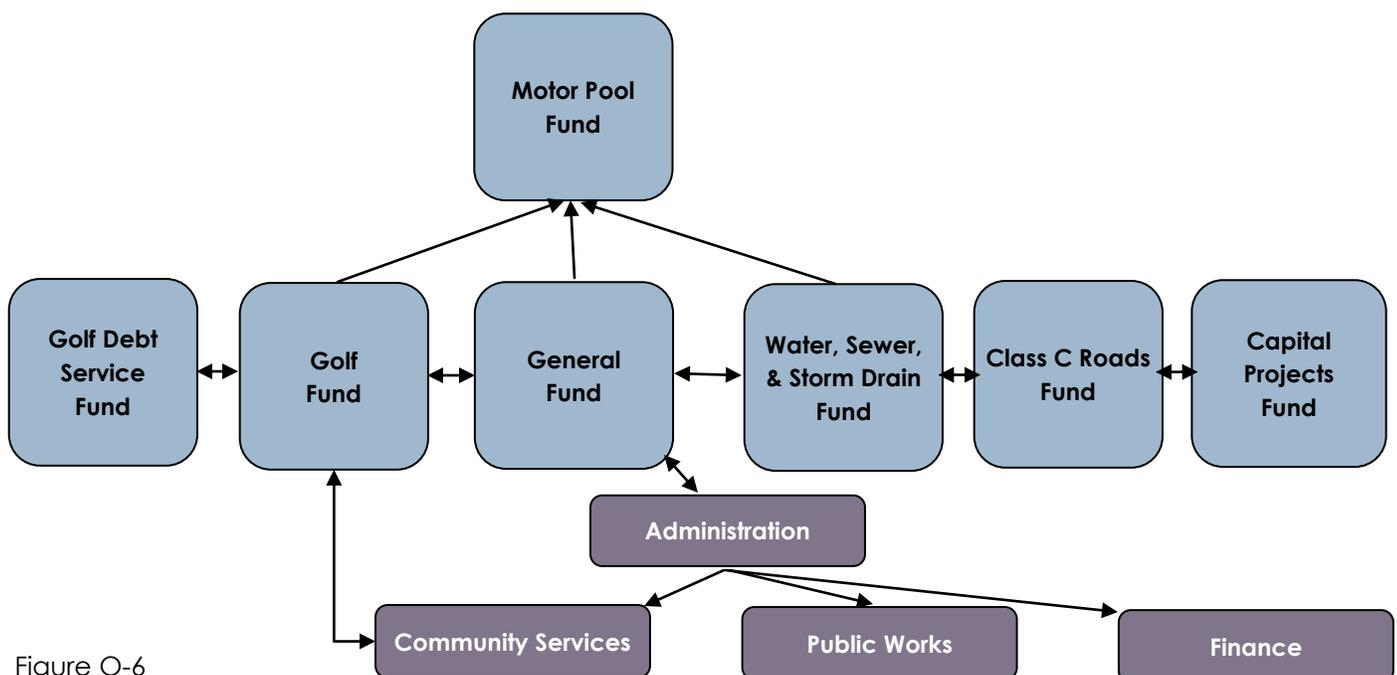
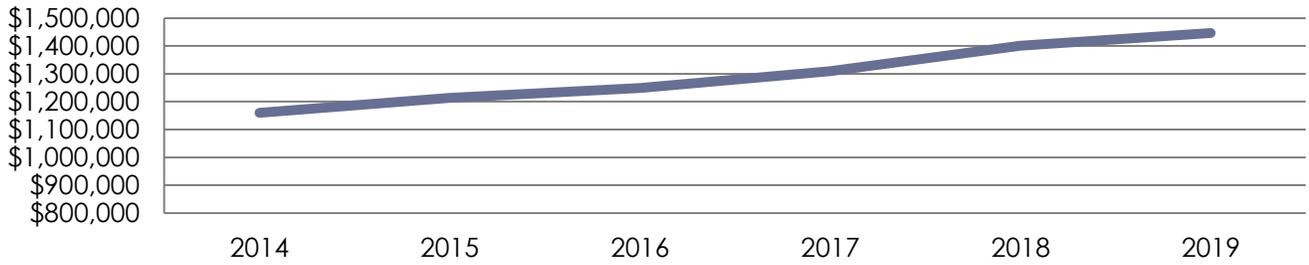


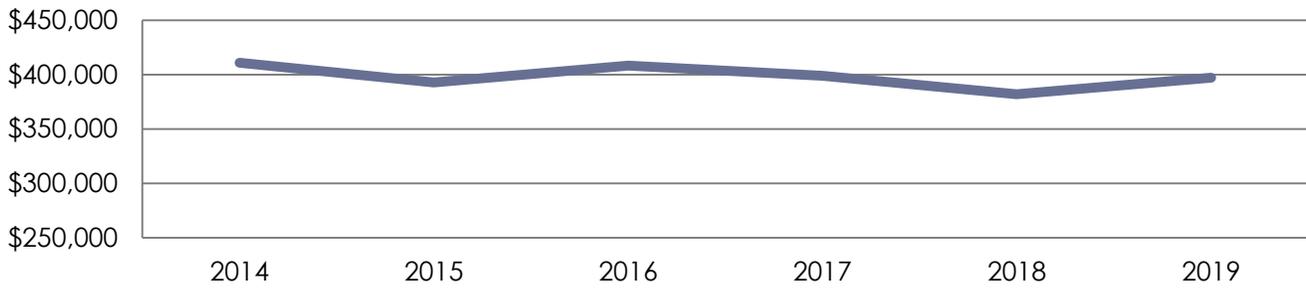
Figure O-6

Figure O-6

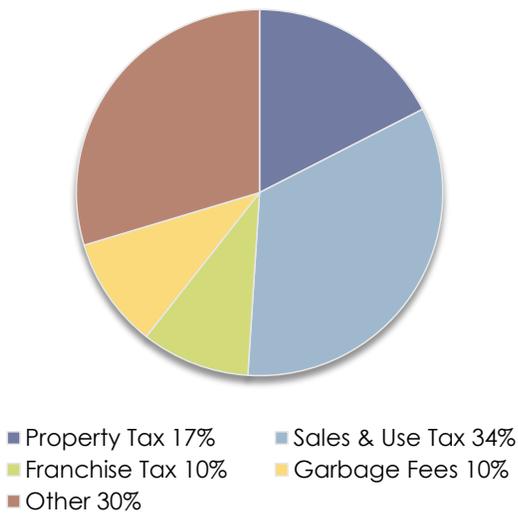
### SALES & USE TAX TREND



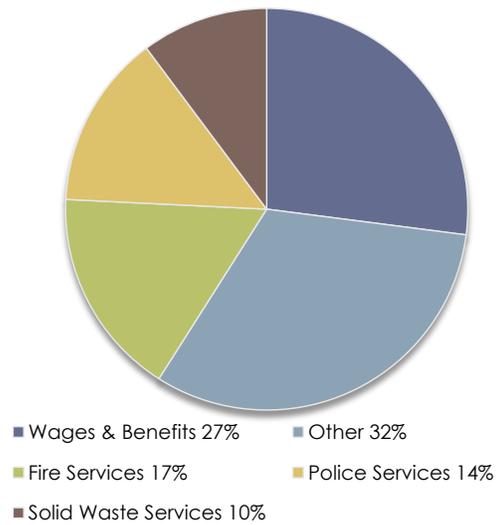
### FRANCHISE TAX TREND



### GENERAL FUND TOP REVENUES



### GENERAL FUND TOP EXPENDITURES



Continued from page 5

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

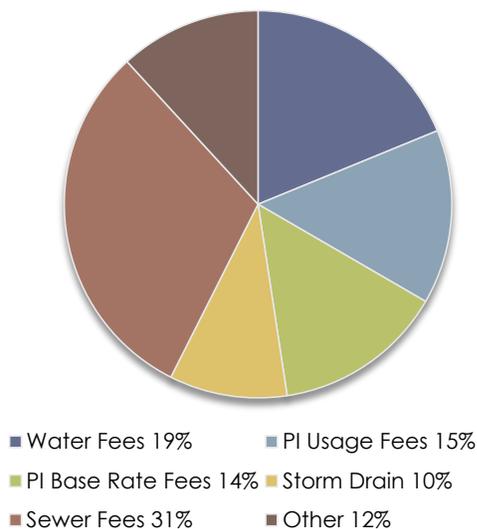
General fund revenues are used to finance many of the day-to-day activities of the City. General fund expenditures are spread over more than 80 different categories and include wages and benefits, public safety services, road maintenance, and solid waste services.

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

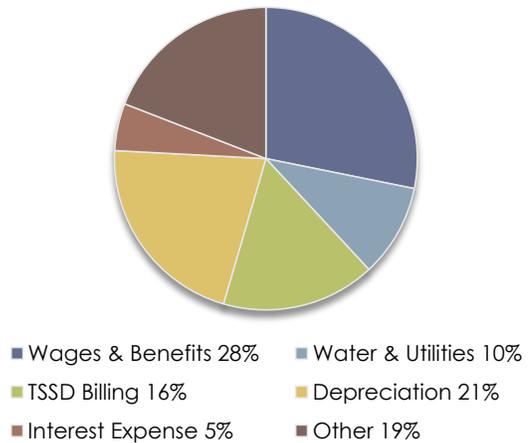
The Water, Sewer, and Storm Drain fund is a proprietary fund that exists to track the revenues and expenditures associated with the provision of water, sewer, and storm drain services. Top revenues in the fund are all fees that are charged to residents for services provided.

At 31 percent, sewer fees are the top revenue source in the fund. Residents are charged a base rate plus a usage rate. The base rate is designed to cover the cost of the infrastructure. The usage rate is calculated once a year and is based on a household's winter-water usage.

### WATER & SEWER FUND TOP REVENUES



### WATER & SEWER FUND TOP EXPENDITURES

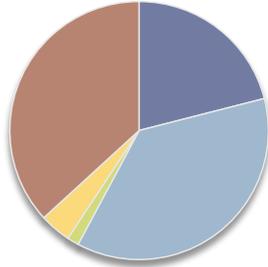


Water fees charged to residents provide 18 percent revenue to the fund. The City Council has implemented a tiered rate structure for culinary water. This means that the unit price for water increases with each higher level, or tier, of consumption. Along with covering the greater impact high-water users have on the system, this rate structure also encourages water conservation.

Pressurized irrigation base rate fees and pressurized irrigation usage fees provide 29 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.

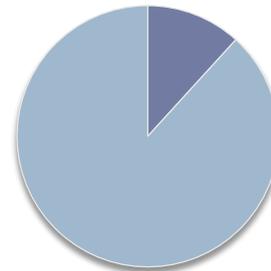
Storm water is an issue that is of increasing importance to the City, and the costs are expected to continue increasing as well. A flat storm drain fee is billed to every household each month. City staff estimates that storm drain revenue will total 10 percent of total fund revenue for fiscal year 2020.

**CAPITAL PROJECTS FUND TOP REVENUES**



- Impact Fees 21%
- PARC Sales Tax Revenue 37%
- Interest Income 1%
- Grant Income 4%
- General Fund Transfer 37%

**CAPITAL PROJECTS FUND TOP EXPENDITURES**



- Street Projects 12%
- Park Projects 88%

Expenditures in the Water, Sewer, and Storm Drain fund are spread over more than 60 different line items. 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 equipment, repairs and maintenance, etc.

Potential projects for 2020 include a pressure reducing valve( PRV) and storm drain work (see the Capital Improvements Plan, Appendix A).

**The Capital Projects Fund**

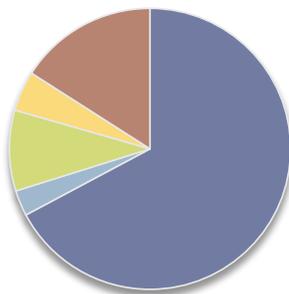
As slow limited growth has become the new normal for the city, major revenues in the Capital Projects fund have transitioned from current-year impact fee revenues to the use of prior-year impact fees held in reserves. Transfers from the General fund and the Water, Sewer, and Storm Drain fund also provide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

Current projects for fiscal year 2020 include the development of Harvey Park land, and widening of Harvey Boulevard. It also includes PARC taxes allocated to Creekside theater. Other projects are detailed in the Capital Improvements Plan (Appendix A).

**The Golf Fund**

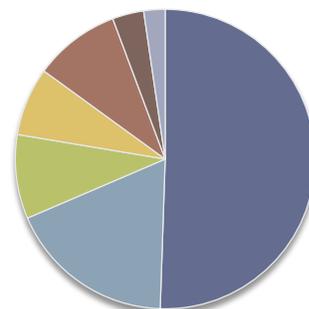
The top revenue in this special revenue fund is green fees which includes tournaments. Pro shop revenues have

**GOLF FUND TOP REVENUES**



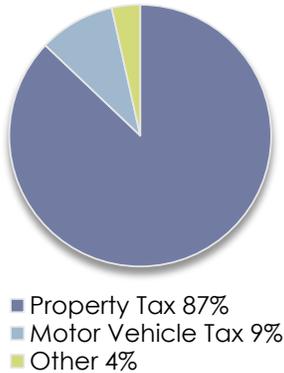
- Green Fees 67%
- Practice Range 3%
- Pro Shop 9%
- Season Passes 5%
- General Fund Subsidy 16%

**GOLF FUND TOP EXPENDITURES**

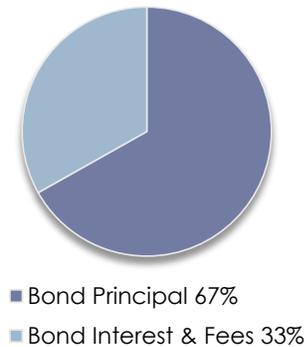


- Wages & Benefits 51%
- Pro Shop 18%
- Course Maintenance 9%
- Equipment Maintenance 7%
- Golf Cart Rental 9%
- Other 3%
- Capital Outlay 2%

### GOLF DEBT SERVICE FUND TOP REVENUES



### GOLF DEBT SERVICE FUND TOP EXPENDITURES



also been growing each year.

When total budgeted expenditures are compared to projected revenues, the golf course is estimated to be in the 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 \$135,000 from the City's General fund. 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 previous page).

### The Class C Roads Fund

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. The funding is used for street and sidewalk maintenance.

### The Golf Debt Service Fund

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 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, 2019, the City had \$4,650,000 of outstanding general obligation debt, and an overall debt limit of \$67,447,832—based on 12% of the 2018 assessed taxable property value, which was \$562,065,264.

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.

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.

# DEBT SERVICE AND LEGAL DEBT LIMITS

## 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. This bond is supported by a mix of general fund and water & sewer fund revenues.

## 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. Due to the growth in the number of households, this well is no longer considered a redundancy, but integral to the day-to-day operation of the City's culinary and pressurized irrigation water systems.

## Pressurized Irrigation Improvements

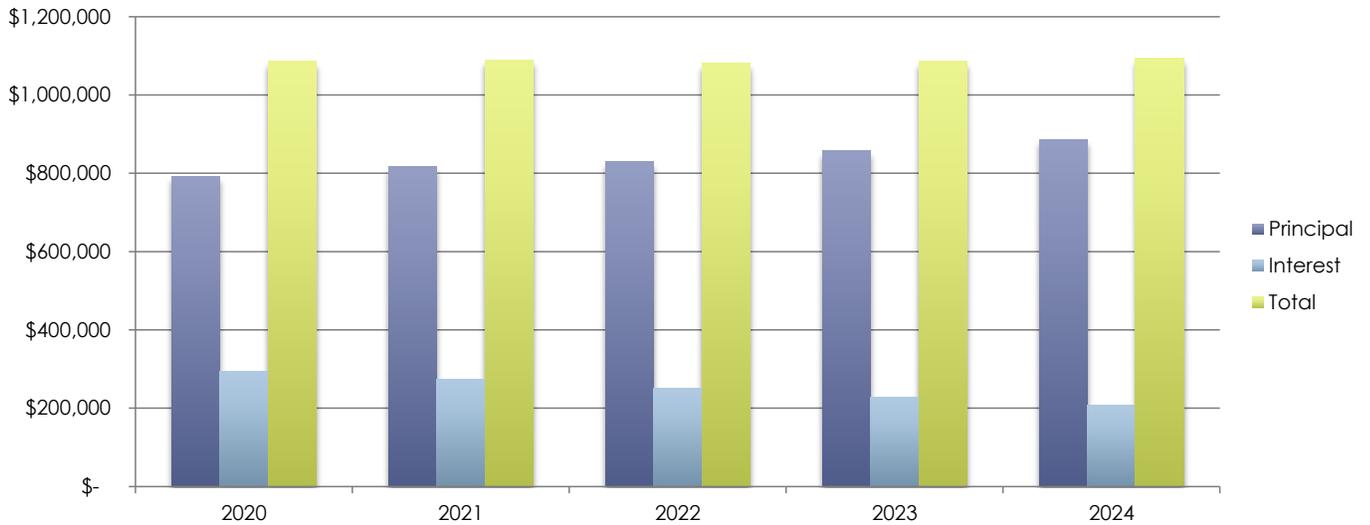
When planning for fiscal year 2009, the City Council decided to upgrade the City's pressurized irrigation system. In order to do so, the City needed a \$930,000 Utility Revenue Bond. This revenue bond is supported by water and sewer revenue. Wells Fargo agreed to lower the interest rate on April 15,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



Cedar Hills Neighborhood

	DATE OF ISSUANCE	TOTAL AMOUNT	BALANCE AS OF 7/1/2019	CURRENT YEAR PAYMENTS	PAYOFF DATE
<b>General Obligation Bonds</b>					
Golf Course	12/20/2012	\$ 5,570,000	\$ 4,650,000	\$ 240,000	2/1/2035
<b>Revenue Bonds</b>					
Pressurized Irrigation	10/29/2014	4,633,000	3,794,000	275,000	3/1/2031
Public Works Building	10/14/2015	1,644,000	1,290,000	125,000	7/1/2028
Cottonwood Well	10/17/2007	2,090,000	1,078,000	107,000	3/1/2028
PI Improvements	3/12/2009	930,000	497,000	45,000	3/1/2029
<b>TOTAL</b>		<b>\$ 14,867,000</b>	<b>\$ 11,309,000</b>	<b>\$ 792,000</b>	

### FIVE-YEAR DEBT PAYMENT SUMMARY



	2020	2021	2022	2023	2024
Principal	\$ 792,000	\$ 816,000	\$ 829,000	\$ 857,000	\$ 886,000
Interest	293,171	273,791	251,256	228,385	207,325
<b>Total</b>	<b>\$ 1,085,171</b>	<b>\$ 1,089,791</b>	<b>\$ 1,080,255</b>	<b>\$ 1,085,385</b>	<b>\$ 1,093,325</b>

# CITY COUNCIL PRIORITIES, GOALS & POLICIES

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

The City of Cedar Hills has adopted a process called “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—Surveys, Townhall Meetings, and Public Comment

A park master plan survey was completed during June 2017, which the governing body reviews and identifies items for the next few budget years that they would like to fund.

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

Once the goals have been created for each division, the City Council meets to prioritize the goals. This

**I** Townhall Meetings and Public Comment

**II** Identify Problems & Needs

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

**IV** Prioritize Goals

**V** Set Objectives

**VI** Evaluate Goals

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.

### Step VI—Evaluate Goal Attainment

The Administration meets periodically with City staff to ensure that objectives are being attained in a

## MAYOR & CITY COUNCIL



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 Works

- Water rights study and water system modeling
- Pressurized irrigation meters preliminary funding plan
- Pleasant Grove Irrigation Company ditch piping project.

### Community Services

- Harvey Park—Funding/Phasing
- Driving range fencing project, cart path and bridge repairs
- New event signage, new holiday banners
- Updated tree inventory and tree management plan by arborist that enhances access to forestry grant funding
- Updated business plans for golf course, events center, and recreation department

### Finance

- Office software upgrade
- IT policies and processes for managing and backing up documents

### Admin/Planning

- Salary range study, keep wages competitive within the Wasatch Front area
- St. Andrews, updated plan and possible rezoning
- Land use code review, tiny homes, single-room occupancy, disaster planning

### 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



Figure O-7

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:** Excess cash is invested in a PTIF account or low risk market accounts and bonds managed by Moreton Asset Management. By using low risk investments, 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 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.

**Financial Reporting:** Financial reports are printed monthly and distributed to department directors and operational managers, the City Manager, and Finance Director, who monitor the collection of revenues and all expenditures. Financial reports are reviewed by City Council members monthly.

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



**Chandler Goodwin**

## CITY MANAGER/CITY PLANNER

### 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.

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. 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.

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.

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.

### *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:

- 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; street and sidewalk maintenance program; develop Harvey Park and the park master plan; 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		2018	2019
<b>OUTPUT</b>	Executive staff meetings held	32	33
	Trainings held	11	11
	City Council meetings attended	95%	100%
	LPPSD Board meetings attended	90%	100%
	Quarterly Budget Review	2	2
<b>EFFICIENCY</b>	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](http://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	2018	2019
Checks processed(A/P)	1,182	1,179
Electronic Fund Transfers Processed	77	74
Payroll Checks and Direct Deposit Vouchers	1,688	1,555
Paper Utility Statements Processed per month	1,257	1,198
Utility Customers (including Landlords in 2018)	2,630	2,738
Average annual % of past due utility billing receivables greater than or equal to 60 days outstanding	12.90%	10.39%
Average annual % of past due utility billing receivables greater than or equal to 150 days outstanding	9.16%	9.41%
Total payments received through online bill pay	85.27%	85.06%
Total payments received through ACH	2520	2436
GFOA Budget Award	Yes	Yes
GFOA Certificate for Excellence in Financial Reporting	Yes	N/A



Jeff Maag

## PUBLIC WORKS DEPARTMENT

### Mission

To provide value driven citizens of Cedar Hills with timely, cost effective, quality public works service; delivered with integrity, by qualified, helpful and dedicated personnel.

### Activities

The Public Works Department is responsible for maintaining the City's infrastructure such as the culinary and secondary water systems, sanitary and storm water, sewers, public streets, sidewalks, parks, trails, signs, basins, native and maintained landscaping areas. Part of the oversight includes ongoing inspections and

testing of the above mentioned areas to increase safety for persons and property.

The Public Works Department priority task focus is maintaining the Cities investments in infrastructure and providing safe services. In addition, they are also directly involved with the installation of new services and infrastructures. This includes the development and installation of parks, trails, structures and equipment.

Substantial efforts are dedicated to the monitoring, inspecting and documenting of the City public works systems. Weekly, monthly and annual reports are generated. Much of this is related to fulfilling Utah State and Federal requirements directed by the State Division of Environmental Quality Department and the Environmental Protection Agency.

The City of Cedar Hills owns and operates a culinary water utility system, serving approximately 2,400 residential and commercial customers. This water is provided by operation of City owned wells and connections with American Fork City water system.

Cedar Hills has constructed a secondary irrigation system throughout the City. The City provides water for this system from varies sources and water rights; including American Fork River water, Central Utah Water Project water, well water and subsidized with City culinary water. While this system is meeting current customer demand staff is studying options for future requirements.

Cedar Hills provides and maintains all existing sanitary sewer lines within the City. Currently, sanitary sewer services are provided to nearly all areas of the City. The public works staff with the assistance of the Timpanogos Special Service District completes regularly scheduled inspections and cleaning of the system.

Storm sewer improvements have been installed by the City and private developers to service most areas. This system includes retention and detention basins, pipe lines, collection devices and pre-treatment devices that assist with the protection of environmental sensitive areas. The public works department technicians provide regular inspections and utilizes a scheduled cleaning program to maintain the system. This with other measures are part of the City Storm Water Management Plan.

The Public Works Department maintains approximately 32 miles of road. Regular reviews of street surface quality are completed to assist with the scheduling of surface treatments and reconstruction projects. Public Works completes regular street maintenance projects annually to provide long term sustainability of quality roads throughout the City. During the winter season public works technicians remove snow and ice from streets to help improve the safety of persons and property.

Recent new services that public works maintains include: 1. online app “Service Request” system provided by iWorQ that enables citizens to forward information/requests to the City using their smart phone 2. ARC GIS software for documenting and mapping city systems. Assistance with this program has been provided by JUB Engineering.

Public Works staff works closely with contracted professional service providers. Currently this includes Bowen Collins and Associates who provide Engineering services to the City and Wilkinson Landscaping who maintains City landscaped areas such as parks.

The Cedar Hills Building Department was merged with the Public Works Department July 1st, 2012. This arrangement has worked favorably for the City. Department office staff services both the building department and public works department.

The building department is responsible for all building, both residential and commercial, within the City. This responsibility includes a plan check of each building permit request received. 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 compliance to building codes. Currently the City contracts most plan review and inspection work with Sunrise Engineering on an as needed basis. Sunrise Engineering works closely with and is in regular contact with the City building department.

The Building Department deals extensively with builders and residents, answering questions regarding all aspects of the building process. Staff also documents and files permits, plans reviews and inspection reports. Continuing education is key to staying current with the regularly updated State adopted codes and requirements.

#### Goals

- To develop and update current and long term plans for the maintenance and improvement of City infrastructure. Considerations for development of these plans include: the safety, welfare and satisfaction of the citizens of Cedar Hills as well as the prudent use of City resources.
- Continue to provide outstanding service maintaining and operating City equipment and systems.



PERFORMANCE INDICATOR		2018	2019
<b>OUTPUT</b>	Water inspections	12	7
	Sewer inspections	14	10
	Inspections completed	634	455
	Building permits processed	101	113
	Building plans approved	94	85
	Zoning violations detected	1120	1341
<b>EFFICIENCY</b>	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	0	0
	At-fault meter re-reads	1%	1%
	Average days to complete inspections from request date	2	1
<b>EFFECTIVENESS</b>	Roads repaired/completed per IWORQ schedule	100%	100%
	Sidewalks repaired/completed per IWORQ schedule	100%	100%
	Maps that are updated	100%	0%
	Meters read electronically	98%	98%
	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 Community events.

The Community Services Department is responsible for the care, maintenance, 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 all golf tournaments, corporate events and weddings.

The Community Services Department is also in charge of general administrative tasks such as assisting the general public with regards to all recreational activities and the Recreation Director is also responsible/honored to work with the Family Festival committee as the treasurer. We also work with our clients in booking the Vista Room located in the Recreation Building for their special day and/or business functions.

### 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 at all times.
- Be fiscally responsible to our residents
- Implement best practices as needed
- Promote participation within the department
- Take ownership of our areas and live it
- Adapt to change as changes are made. Have a positive attitude.

### Objectives

- Aggressively market the Golf Course
- Implement all recreational programs
- Work with companies /groups to book their events in our building



- Work with clients to market and advertise our beautiful reception center and golf course
- To increase participation of sports programs through advertising within the City and also to Highland & Alpine, we evaluate each program as we wrap up to review success' and failures and make necessary changes based on evaluation
- To continue to work with the local schools to build relationships of trust and have a win/win mentality for all parties. Find ways to work together for the benefit of both parties.
- To constantly look for ways to increase event revenue options with staff, also with golf staff

## Community Services

The Community Services Director oversees all City services and is the treasurer for the Family Festival.. Also works closely with the Youth City Council (YCC) and Theater groups and it's leaders. Our sports coordinator continues to work with our supervisors/officials to ensure success in every recreation program. They continue to do an exceptional job in making sure we are effective in our daily tasks. We continue to find ways to increase attendance and work more efficiently day in and day out. We currently cross train in all areas of our department and our team works closely together in all we do, truly a team effort.

The Director is responsible for the completion of short- and long-range community and neighborhood plans and activities including parks, recreation events, and youth sports leagues in conjunction with our Mayor and City Council. The Community Services Director is also required to plan and approve all special events needs that are sent in to the City and coordinates with Utah County on all activities using the Murdock Canal

The department continually evaluates its services and develops programs to meet the changing community needs and interests while staying within our assigned budgets.



## Goals

- Customer Service is our #1 priority, we strive to exceed participants expectations
- Continue working with our partners to assure guest satisfaction
- Keep our Rec1 software up to date with all our current sports programming information. We also now utilize this for our parks reservation system.

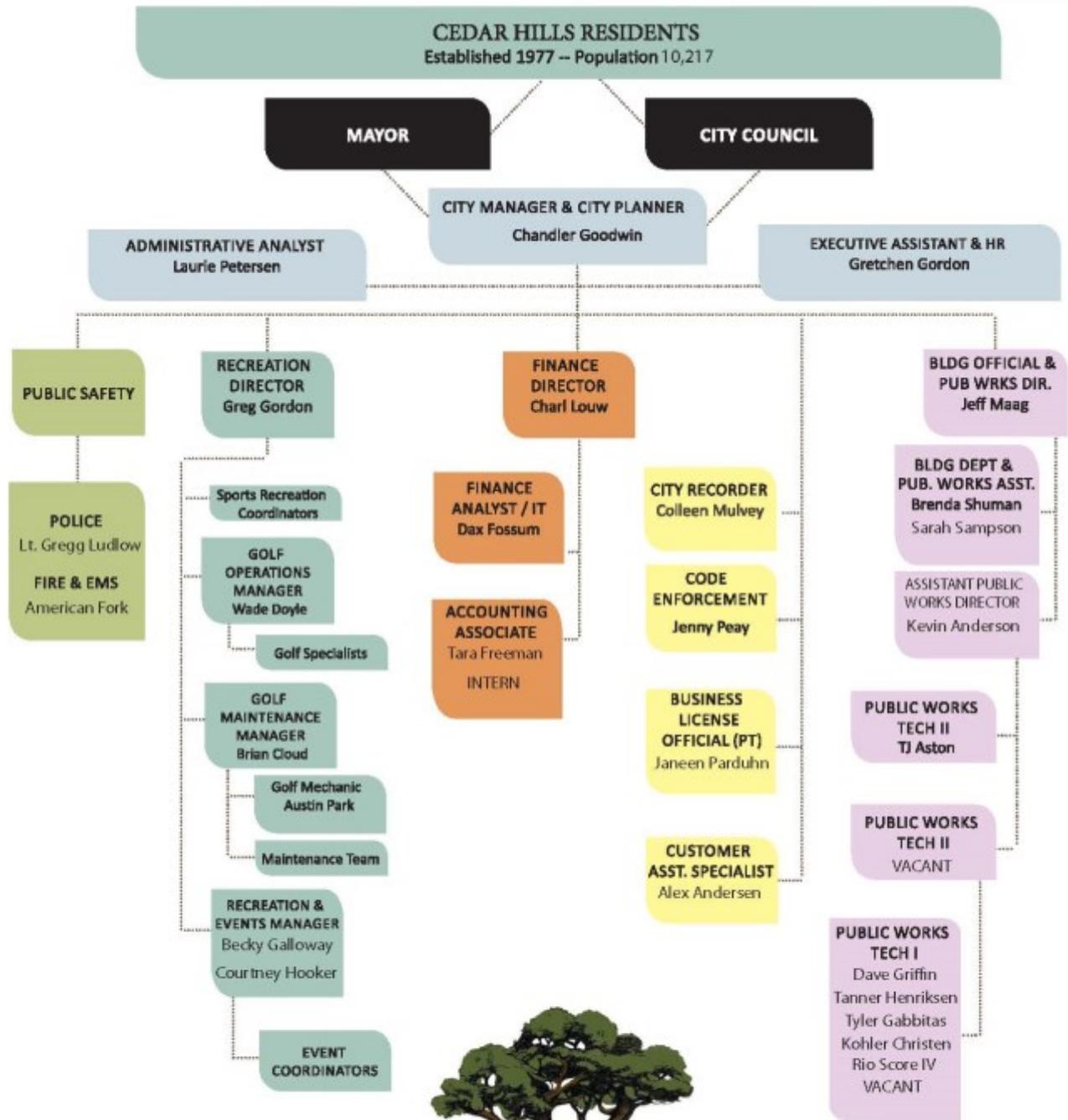
## Objectives

- Continue advertising in local elementary schools outside of the Cedar Hills Community for those residents in other communities that participate in our programs. We continue to count on non-residents to support our programs success
- Maintain the fields properly to ensure a safe and enjoyable experience for sports league participants, be creative in utilizing other venues as much as we can. Work closely with Utah Arsenal with our partnership at Mesquite Park
- Effectively train league supervisors to oversee fields and officiating of all leagues

PERFORMANCE INDICATOR		2018	2019
<b>OUTPUT</b>	Season Golf Passes Sold (includes trades)	\$65,312	\$66,250
	Number of Resident Nights on Mondays/Tuesdays	27	36
	Events/Receptions booked in Recreation Center Vista Room	165	165
	Jr. Jazz teams	119	129
	Flag Football teams	39	42
<b>EFFICIENCY</b>	Golf carts function properly	95%	98%
	Golf irrigation system functions properly	98%	98%
	Golf carts are repaired within 24 hours	96%	96%
	Golf maintenance equipment is up and running	97%	98%
	Golf maintenance equipment is repaired within 48 hours	98%	98%
	Percent of year spent on Family Festival (Director only)	5%	4%
<b>EFFECTIVENESS</b>	Total additional sport programs added during fiscal year	5	2
	# of employee accidents during the fiscal year	1	0



# ORGANIZATIONAL CHART



# BUDGET HIGHLIGHTS

## SUMMARY OF FUNDS

Figure BH-1 summarizes the Fiscal Year 2020 Budget for the City of Cedar Hills. The total adopted appropriations reflects a increase from the prior year's estimated figure, but decrease from last year's budgeted amount. Significant changes from prior year's budget include the following:

### General Fund

- **\$85,394 increase in overall revenues & transfers, which were primarily from increases in projected recycling fees, and sales tax revenues.**
- **\$174,210 decrease in overall expenditures & transfers, which were primary from a reduction in transfers out for capital projects.**

### Golf Fund:

- **\$16,000 decrease in revenues and transfers in due to no equipment trade ins and a lower subsidy projected.**
- **\$66,000 decrease in overall expenditures primarily due to the type of capital expenditures planned.**

### Class C Roads Fund:

- **Revenues are projected to increase from gas tax distribution increases**
- **Substantial decreases in street and sidewalk maintenance expenditures are anticipated due to the timing of the road projects and lower fund balance reserves to draw from.**

### Golf Debt Service Fund:

- **\$3,770 overall decrease in revenues is based on a higher reserves from a windfall related to greenbelt payments**
- **\$4,800 overall decrease in expenditures is based on the debt service schedule.**

### Capital Projects Fund:

- **\$192,000 decrease in expenditures is primarily due to progress on Harvey park.**

## FISCAL YEAR 2020 BUDGET SUMMARY

Fund	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
General Fund	\$ 4,488,304	\$ 4,423,169	\$ 4,115,692
Golf Fund	951,883	906,521	870,700
Class C Roads Fund	57,372	346,000	260,000
Golf Debt Service Fund	358,470	363,870	359,070
Capital Projects Fund	2,778,719	1,095,000	3,409,000
Water & Sewer Fund	3,166,298	2,987,642	3,378,965
Motor Pool Fund	128,841	166,537	197,046
<b>TOTALS</b>	<b>\$ 11,929,886</b>	<b>\$ 10,288,739</b>	<b>\$ 12,590,473</b>

Figure BH-1

REVENUES	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET	EXPENDITURES	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>General Fund</b>							
Taxes	\$ 2,721,821	\$ 2,723,300	\$ 2,654,510	General Government	\$ 1,008,517	\$ 1,413,981	\$ 1,413,669
Licenses/Permits	119,368	158,000	98,000	Streets	366,276	-	-
Charges for Services	794,655	887,300	864,300	Public Safety	1,163,075	1,302,841	1,304,964
Intergovernmental	73,743	71,100	13,100	Parks and Recreation	646,040	679,347	714,013
Recreation & Culture	464,806	471,000	437,000	Solid Waste Services	371,154	395,000	421,000
Miscellaneous	57,769	46,500	44,500	Transfers Out	933,233	632,000	262,046
Transfers In	-	9,000	9,000				
	<b>\$ 4,232,162</b>	<b>\$ 4,366,200</b>	<b>\$ 4,120,410</b>		<b>\$ 4,488,304</b>	<b>\$ 4,423,169</b>	<b>\$ 4,115,693</b>
<b>Golf Fund</b>							
Golf Revenue	\$ 750,972	\$ 769,000	\$ 715,700	Salaries, Wages, & Benefits	\$ 398,036	\$ 419,101	\$ 436,623
Transfers In	142,000	156,000	135,000	Materials, Supplies, and Services	443,861	417,420	414,077
				Capital Outlay	109,986	70,000	20,000
	<b>\$ 892,972</b>	<b>\$ 925,000</b>	<b>\$ 850,700</b>		<b>\$ 951,883</b>	<b>\$ 906,521</b>	<b>\$ 870,700</b>
<b>Class C Roads Fund</b>							
Class C Roads	\$ 90,000	\$ 335,000	\$ 445,000	Street Maintenance	\$ 28,809	\$ 180,000	\$ 348,000
Grant Income	-	90,000	-	Sidewalk Maintenance	28,563	115,000	25,000
Interest Income	5,181	-	-	Other	-	51,000	72,000
Transfers In	-	90,000	-				
	<b>\$ 90,000</b>	<b>\$ 425,000</b>	<b>\$ 445,000</b>		<b>\$ 57,372</b>	<b>\$ 346,000</b>	<b>\$ 445,000</b>
<b>Golf Debt Service Fund</b>							
Property Tax	\$ 325,929	\$ 322,000	\$ 306,000	Bond Principal	\$ 230,000	\$ 240,000	\$ 240,000
Motor Vehicle Tax	35,579.9	33,000.0	33,000.0	Bond Interest	128,120.0	123,520.0	118,720.0
Other Fees	15,763.4	12,300.0	12,300.0	Trustee Fees	350.0	350.0	350.0
	<b>\$ 377,272</b>	<b>\$ 367,300</b>	<b>\$ 351,300</b>		<b>\$ 358,470</b>	<b>\$ 363,870</b>	<b>\$ 359,070</b>
<b>Capital Projects Fund</b>							
Transfers In	\$ 715,000	\$ 476,000	\$ 50,000	Park Projects	\$ 2,703,685	\$ 710,000	\$ 3,000,000
Impact Fees	33,760	37,782	28,550	Street Projects	-	200,000	400,000
Other Sources	2,462,739	110,300	57,300	Misc Projects & Debt Service	73,975	176,000	-
				Transfers Out	-	9,000	9,000
	<b>\$ 3,211,499</b>	<b>\$ 624,082</b>	<b>\$ 135,850</b>		<b>\$ 2,777,659</b>	<b>\$ 1,095,000</b>	<b>\$ 3,409,000</b>
<b>Water, Sewer, &amp; Storm Drain Fund</b>							
Water	\$ 1,852,401	\$ 1,879,625	\$ 1,895,914	Water	\$ 1,940,335	\$ 1,723,861	\$ 1,984,936
Sewer	1,139,142	1,173,887	1,145,322	Sewer	882,215	931,678	1,003,121
Storm Drain	327,512	350,000	348,800	Storm Drain	343,748	332,103	390,909
Miscellaneous & Transfers In	189,615	142,000	158,796				
	<b>\$ 3,508,670</b>	<b>\$ 3,545,512</b>	<b>\$ 3,548,831</b>		<b>\$ 3,166,298</b>	<b>\$ 2,987,642</b>	<b>\$ 3,378,965</b>
<b>Motor Pool Fund</b>							
Charges from General Fund	\$ 82,266	\$ 78,809	\$ 87,381	Gas & Maintenance	\$ 26,400	\$ 46,900	\$ 46,550
Charges from Water & Sewer	67,483	64,158	61,738	Insurance	9,436	10,400	17,400
Charges from Golf	15,920	15,570	24,927	Rent Expense	14,750	22,000	14,000
Gain on Sale of Assets	19,435	8,000	23,000	Depreciation	78,255	87,237	119,096
	<b>\$ 185,104</b>	<b>\$ 166,537</b>	<b>\$ 197,046</b>		<b>\$ 128,841</b>	<b>\$ 166,537</b>	<b>\$ 197,046</b>

## Water & Sewer Fund

- **\$53,181 increase in water, and storm drain fees is based on a Bowen, Collins engineering study to fund improvements and repairs.**
- **\$48,844 increase in expenses was due to increased compensation and depreciation expenses.**
- **Capital improvements include storm drain improvement's for Harvey Park of \$300,000 and \$80,000 for pressure reducing valve.**

## Motor Pool Fund:

- **\$8,000 change in rental expense because the city is purchasing a \$100,000 backhoe instead of renting.**
- **Expenditures are anticipated to increase overall by \$30,508 due to new equipment and a vehicle for park maintenance.**

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 2020. 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 2020 General fund and Capital Projects fund budgets are balanced.

## Budget Preparation

Preparation for the fiscal year 2020 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 approval and to ensure it addresses Council priorities. The tentative budget must be presented by the first regularly scheduled meeting in May. After a tentative approval, a public hearing is scheduled for the final budget. The final budget is then adopted by the City Council before June 22 of the current fiscal year. If the City Council chooses to increase property taxes, the deadline is extended to August 17.

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.

2020 BUDGET TIMELINE			
Task	Date to be Completed	Task	Date to be Completed
Fiscal Focus	Jan 28	Golf Fund Revenues	March 17
Capital Improvements Plan	Feb 18	Golf Fund Expenditures	March 17
Capital Projects Fund Revenue Estimates	Feb 18	Water & Sewer Fund Revenue Estimates	March 3
Capital Projects Fund Expenditures	Feb 18	Water & Sewer Fund Expenditures	March 3
Motor Pool Fund Expenditures	Feb 18	Tentative Budget Presentation	May 5
Vehicle Replacement Plan	Feb 18	Certified Tax Rate	June 16
General Fund Revenue Estimates	March 3	Final Budget Approved	June 16
General Fund Expenditures	March 3	Final Budget Submitted to State	June 16
Salaries, Wages, & Benefits	March 3		

Figure BH-3

## 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 a proprietary fund (i.e. Water and Sewer), 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.



## GENERAL FUND - FUND BALANCE

	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Beginning Fund Balance</b>	\$ 994,397	\$ 738,255	\$ 671,286
Revenues			
Taxes	\$ 2,721,821	\$ 2,723,300	\$ 2,654,510
Licenses/Permits	119,368	158,000	98,000
Intergovernmental	73,743	71,100	13,100
Other Fees	794,655	887,300	864,300
Recreation & Culture	464,806	471,000	437,000
Miscellaneous	57,769	46,500	44,500
<b>Total Revenues</b>	<b>4,232,162</b>	<b>4,357,200</b>	<b>4,111,410</b>
Transfers In	-	9,000	9,000
<b>Total Revenues &amp; Transfers In</b>	<b>4,232,162</b>	<b>4,366,200</b>	<b>4,120,410</b>
Expenditures			
General Government	1,008,517	1,050,636	1,082,269
Streets and Public Works	366,276	363,345	331,400
Public Safety	1,163,075	1,302,841	1,294,964
Solid Waste Services	371,154	395,000	421,000
Parks and Recreation	646,040	679,347	689,129
<b>Total Expenditures</b>	<b>3,555,071</b>	<b>3,791,169</b>	<b>3,818,762</b>
Transfers Out	933,233	642,000	262,046
<b>Total Expenditures &amp; Transfers Out</b>	<b>4,488,304</b>	<b>4,433,169</b>	<b>4,080,803</b>
<b>Ending Fund Balance</b>	\$ 738,255	\$ 671,286	\$ 710,893

**GOLF FUND - FUND BALANCE**

	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Fund Balance Beginning of Year</b>	<b>\$ 167,600</b>	<b>\$ 108,689</b>	<b>\$ 127,168</b>
Revenues			
Golf Revenue	750,972	769,000	715,700
<b>Total Revenues</b>	<b>750,972</b>	<b>769,000</b>	<b>715,700</b>
Transfers In	142,000	156,000	135,000
<b>Total Revenues &amp; Transfers</b>	<b>892,972</b>	<b>925,000</b>	<b>850,700</b>
Expenses			
Salaries, Wages, & Benefits	398,036	419,101	436,623
Materials, Supplies, and Services	443,861	417,420	414,077
Capital Outlay	109,986	70,000	20,000
<b>Total Expenses</b>	<b>951,883</b>	<b>906,521</b>	<b>870,700</b>
<b>Ending Fund Balance</b>	<b>\$ 108,689</b>	<b>\$ 127,168</b>	<b>\$ 107,168</b>

**CLASS C FUND - FUND BALANCE**

	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Beginning Fund Balance</b>	\$ -	\$ 282,807	\$ 260,000
Transfers In			
From General Fund	-	90,000	-
<b>Total Transfers</b>	-	90,000	-
Class C Roads	334,997	335,000	445,000
Grant Income	-	90,000	-
Interest Income	5,181	-	-
<b>Total Revenue &amp; Transfer</b>	<b>340,179</b>	<b>515,000</b>	<b>445,000</b>
Expenditures			
Street Maintenance	28,809	180,000	348,000
Sidewalk Maintenance	28,563	115,000	25,000
Other	-	51,000	72,000
<b>Total Expenditures</b>	<b>57,372</b>	<b>346,000</b>	<b>445,000</b>
<b>Ending Fund Balance</b>	\$ <b>282,807</b>	\$ <b>451,807</b>	\$ <b>260,000</b>

**GOLF DEBT SERVICE FUND - FUND BALANCE**

	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Beginning Fund Balance</b>	\$ 53,580	\$ 72,382	\$ 75,812
Revenues			
Property Tax	325,929	322,000	306,000
Motor Vehicle Tax	35,580	33,000	33,000
Other Fees	15,763	12,300	12,300
<b>Total Revenues</b>	<b>377,272</b>	<b>367,300</b>	<b>351,300</b>
Expenditures			
Bond Principal	230,000	240,000	240,000
Bond Interest	128,120	123,520	118,720
Trustee Fees	350	350	350
<b>Total Expenditures</b>	<b>358,470</b>	<b>363,870</b>	<b>359,070</b>
<b>Ending Fund Balance</b>	\$ 72,382	\$ 75,812	\$ 68,042

## CAPITAL PROJECTS FUND - FUND BALANCE

	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Beginning Fund Balance</b>	<b>\$ 3,609,828</b>	<b>\$ 4,042,609</b>	<b>\$ 3,571,691</b>
Revenues & Other Sources			
Impact Fees	33,760	37,782	28,550
Interest Income	15,600	50,000	2,000
CARE & Transit Sales Tax	13,601	55,000	50,000
Grant Income	5,304	5,300	5,300
Proceeds From Sales of Capital Assets	2,428,233	-	-
<b>Total Revenues &amp; Financing Sources</b>	<b>2,496,499</b>	<b>148,082</b>	<b>85,850</b>
Transfers In	715,000	476,000	50,000
<b>Total Revenues, Financing Sources &amp; Transfers</b>	<b>3,211,499</b>	<b>624,082</b>	<b>135,850</b>
Expenditures			
Street Projects	-	200,000	400,000
Park Projects	2,703,685	710,000	3,000,000
Miscellaneous Projects	73,975	176,000	-
Interest Expense	1,059	-	-
<b>Total Expenditures</b>	<b>2,778,719</b>	<b>1,086,000</b>	<b>3,400,000</b>
Transfers Out	-	9,000	9,000
<b>Total Expenditures, Financing Uses &amp; Transfers</b>	<b>2,778,718</b>	<b>1,095,000</b>	<b>3,409,000</b>
<b>Ending Fund Balance</b>	<b>\$ 4,042,609</b>	<b>\$ 3,571,691</b>	<b>\$ 298,541</b>

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

	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Net Position Beginning of Year</b>	<b>\$ 20,839,231</b>	<b>\$ 21,257,835</b>	<b>\$ 21,815,705</b>
Revenues			
Water	1,852,401	1,879,625	1,895,914
Sewer	1,139,142	1,173,887	1,145,322
Storm Drain	327,512	350,000	348,800
Miscellaneous	189,615	142,000	81,750
<b>Total Revenues</b>	<b>3,508,670</b>	<b>3,545,512</b>	<b>3,471,786</b>
Transfers In	76,233	-	77,046
<b>Total Revenues &amp; Transfers</b>	<b>3,584,903</b>	<b>3,545,512</b>	<b>3,548,831</b>
Expenses			
Salaries, Wages, & Benefits	799,442	846,846	952,187
Materials, Supplies, and Services	763,349	619,088	791,888
TSSD Fees	473,392	490,000	555,000
Water Purchases	170,562	161,000	173,000
Bad Debts	2,724	3,250	9,250
Depreciation & Amortization	735,007	675,589	720,589
Interest & Trustee Fees	221,824	191,869	177,051
<b>Total Expenses</b>	<b>3,166,298</b>	<b>2,987,642</b>	<b>3,378,965</b>
<b>Ending Net Position</b>	<b>\$ 21,257,835</b>	<b>\$ 21,815,705</b>	<b>\$ 21,985,571</b>

**MOTOR POOL FUND - FUND BALANCE**

	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Beginning Fund Balance</b>	<b>\$ 648,681</b>	<b>\$ 704,944</b>	<b>\$ 704,944</b>
Revenues			
Charges from General Fund	82,266	78,809	87,381
Charges from Water & Sewer	67,483	64,158	61,738
Charges from Golf	15,920	15,570	24,927
Gain on Sale of Asset	19,435	8,000	23,000
<b>Total Revenues</b>	<b>185,104</b>	<b>166,537</b>	<b>197,046</b>
Expenditures			
Gas & Maintenance	26,400	46,900	46,550
Insurance	9,436	10,400	17,400
Capital Outlay			
Rent Expense	14,750	22,000	14,000
Depreciation	78,255	87,237	119,096
<b>Total Expenditures</b>	<b>128,841</b>	<b>166,537</b>	<b>197,046</b>
<b>Ending Fund Balance</b>	<b>\$ 704,944</b>	<b>\$ 704,944</b>	<b>\$ 704,944</b>



# THE GENERAL FUND

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

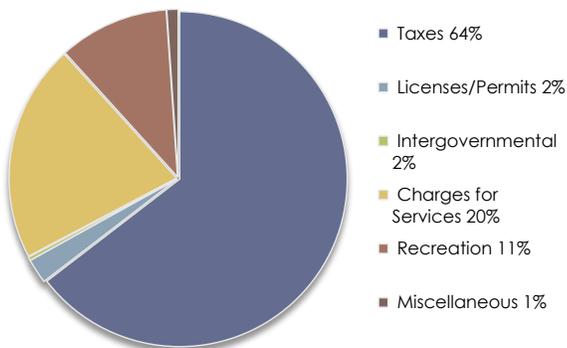
General fund revenues are organized into various categories. Tax revenue, licenses and permits, intergovernmental revenues, charges for services, recreation and cultural revenue, and miscellaneous revenues are the six functional revenue groups in the General fund. As seen in the figure below, taxes make up the greatest portion of expected revenue. 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 31 percent of the Cedar Hills operating budget. Other large expenditure groups include solid waste services. 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 2020 budget totals \$4.1 million. This total reflects a net decrease of 4.1 percent from the fiscal year 2019 budget of \$4.3 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 2020 expenditures remain very consistent with prior years, when compared on a per resident basis.

## GENERAL FUND REVENUES



## Average Property Tax \$ Per Household

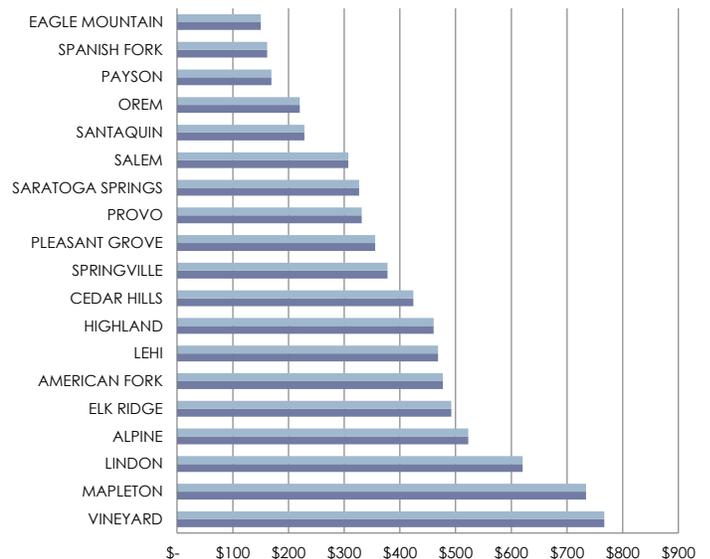


Figure G-1

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. Thirty-four 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 Marco’s Pizza, Great Clips, and Dollar Tree in the last few years.

While sales tax revenue has increased over the past few years, property tax revenue has been flat. From fiscal year 2010 to fiscal year 2019, the amount of total revenue generated through property taxes for operations is slightly higher due to slow growth. The 2019-2020 assessments on property showed an 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 2020 property tax rate is 0.001737 percent of the taxable value.

**Building Permit Fees:** The lack of land to develop continued to limit growth in Cedar Hills. The 2020 budget is based on five new residential homes. Most building permits were for home renovations and solar 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 2020.

Expenditures

**Wages and Benefits:** A part time admin employee became a full-time employee for the 2020 budget. Employee compensation detail for fiscal year 2020 can be viewed on the State’s website located at [www.transparent.utah.gov](http://www.transparent.utah.gov).

## OPERATING EXPENDITURES AND PUBLIC SAFETY EXPENSE PER RESIDENT

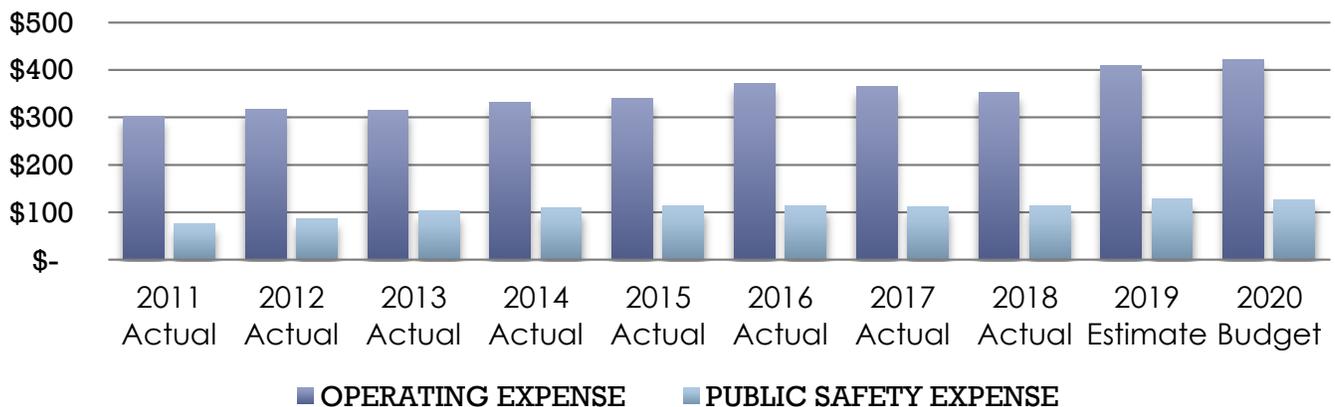
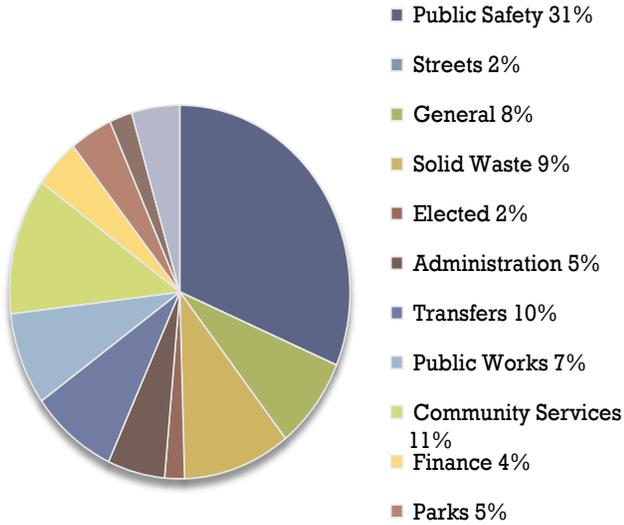


Figure G-2

**GENERAL FUND EXPENDITURES**



**Fire and EMS:** The Lone Peak Public Safety District provides fire service and EMS to the City. For 2020, the City had slight expenditure increases in other areas of the budget in order to not raise rates to compensate for the increased police, 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 - 2020**

Canyon Heights	Bonded Matrix
4600 W	Mill & Grade & Replace
Bayhill Dr	Edge Mill & Overlay
Harvey Blvd	Edge Mill & Overlay
9900 N	Overlay

Figure G-3

GENERAL FUND REVENUES	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Tax Revenue</b>			
Property Tax	\$ 741,515	\$ 740,000	\$ 720,255
Motor Vehicle Tax	80,947	76,000	77,000
Delinquent Taxes	32,861	20,000	20,000
Penalty & Interest	1,304	300	300
Fee in Lieu of Taxes	2,912	5,000	5,000
Sales & Use Tax	1,400,723	1,445,000	1,381,955
Franchise Tax	397,192	382,000	395,000
Telecom Tax	64,367	55,000	55,000
	<b>2,721,821</b>	<b>2,723,300</b>	<b>2,654,510</b>
<b>Licenses &amp; Permits Revenue</b>			
Business Licenses	10,655	10,000	10,000
Building Permits	64,632	80,000	52,000
Plan Check Fees	33,625	40,000	25,000
Miscellaneous Inspection Fees	10,455	28,000	11,000
	<b>119,368</b>	<b>158,000</b>	<b>98,000</b>
<b>Intergovernmental Revenue</b>			
LPPSD Rent	60,252	58,000	-
Emergency Management Grant	7,516	7,500	7,500
State Liquor Tax Allotment	5,975	5,600	5,600
	<b>73,743</b>	<b>71,100</b>	<b>13,100</b>
<b>Charges for Services Revenue</b>			
Garbage Fees	411,296	420,000	402,000
Recycling Fees	72,355	110,000	139,000
Application & Processing Fees	23,128	20,000	20,000
Passport Fees	100,112	120,000	85,000
Zoning Violation Fees	575	-	-
Weed Abatement Fees	-	300	300
Paramedic Fees	187,190	217,000	218,000
	<b>794,655</b>	<b>887,300</b>	<b>864,300</b>
<b>Recreation &amp; Culture Revenue</b>			
Family Festival Income	34,809	39,000	30,000
Youth City Council Fundraisers	426	-	-
Recreation Programs	154,652	170,000	145,000
Fitness Classes	26,281	19,000	23,000
Event Center Rentals	238,172	235,000	229,000
Event Center Concessions	5,400	5,000	5,500
Park Reservations	5,068	3,000	4,500
	<b>464,806</b>	<b>471,000</b>	<b>437,000</b>
<b>Miscellaneous Revenues</b>			
Interest Income	14,633	16,000	16,000
Penalty Fees	1,223	500	500
Construction Bond Forfeiture	13,000	-	-
Other Income	28,913	30,000	28,000
	<b>57,769</b>	<b>46,500</b>	<b>44,500</b>
<b>Transfers &amp; Use of Fund Balance</b>			
Transfer in from Capital Projects	-	9,000	9,000
	<b>-</b>	<b>9,000</b>	<b>9,000</b>
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 4,232,162</b>	<b>\$ 4,366,200</b>	<b>\$ 4,120,410</b>

## GENERAL FUND EXPENDITURES

2018 ACTUAL

2019 ESTIMATE

2020 BUDGET

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## General Government Expenditures

Materials & Supplies	\$ 12,817	\$ 12,000	\$ 12,000
Dues & Subscriptions	10,522	10,000	12,000
Education & Training	3,581	3,500	3,500
Newsletter & Utility Bills	13,052	14,000	13,000
Legal Advertising	2,297	4,000	3,000
Computer Expenses	14,442	22,500	23,000
Repairs & Maintenance	14,416	12,000	15,000
Office Equipment	4,863	7,000	7,000
Motor Pool Charges	8,855	8,982	8,500
Utilities	13,539	14,000	14,500
Postage	9,645	7,000	9,000
Communications & Telephone	7,809	9,500	9,000
Legal Services	191,515	150,000	125,000
Auditing Services	14,500	16,000	16,000
Professional & Technical	24,691	23,000	22,000
Branding	-	1,000	1,000
Other Events	3,066	3,000	3,000
Insurance	24,215	25,000	30,000
Bad Debt	2,665	1,000	1,000
	<b>376,492</b>	<b>343,482</b>	<b>327,500</b>

## Mayor &amp; Council Expenditures

Salary & Wages	50,676	50,676	52,703
Planning Commission	2,500	3,600	3,600
Employee Benefits	6,439	7,293	7,497
Materials & Supplies	823	1,100	1,100
Education & Training	4,328	5,700	6,000
Communications & Telephone	6,300	6,300	6,300
	<b>71,066</b>	<b>74,669</b>	<b>77,200</b>

## Administrative Services Expenditures

Salary & Wages (Full-Time)	117,020	124,433	121,888
Overtime	-	749	779
Salary & Wages (Part-Time)	24,702	28,906	29,687
Employee Benefits	59,077	67,411	66,041
Materials & Supplies	270	1,000	1,000
Dues & Subscriptions	-	1,000	1,000
Education & Training	2,560	3,000	3,000
Communications & Telephone	480	1,000	1,000
	<b>204,110</b>	<b>227,499</b>	<b>224,395</b>

## Recorder Expenditures

Salary & Wages (Full-Time)	38,749	40,530	42,145
Overtime	-	692	719
Employee Benefits	16,243	17,365	25,928
Materials & Supplies	549	500	500
Dues & Subscriptions	520	600	600
Education & Training	2,244	2,200	2,200
Contract Labor	4,070	3,000	4,500
City Code	3,299	2,500	2,500
Document Imaging	-	1,050	1,050
Election Expenses	8,396	-	8,500
	<b>74,069.56</b>	<b>68,437.00</b>	<b>88,642.00</b>

GENERAL FUND EXPENDITURES	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Finance Expenditures</b>			
Salary & Wages (Full-Time)	\$ 93,072	\$ 94,882	\$ 102,168
Overtime	-	574	669
Salary & Wages (Part-Time)	1,653	2,888	3,170
Employee Benefits	52,242	61,253	62,732
Materials & Supplies	891	1,000	1,000
Dues & Subscriptions	485	600	600
Education & Training	2,808	2,750	5,000
Communications & Telephone	745	800	800
	<b>151,896</b>	<b>164,747</b>	<b>176,139</b>
<b>Public Safety Expenditures</b>			
Utilities	-	-	10,000
Fire Services	680,496	783,361	689,700
Police Services	423,259	459,195	542,958
Dispatch Fees	36,057	32,817	34,067
Crossing Guard Services	16,031	19,468	20,239
Animal Control	7,074	7,500	7,500
Bad Debt	158	500	500
	<b>1,163,075</b>	<b>1,302,841</b>	<b>1,304,964</b>
<b>Building &amp; Zoning Expenditures</b>			
Salary & Wages (Full-Time)	23,794	25,092	26,092
Salary & Wages (Part-Time)	40,384	47,284	53,878
Employee Benefits	16,032	46,759	54,855
Materials & Supplies	718	600	600
Dues & Subscriptions	558	500	500
Education & Training	2,206	4,350	4,350
Contract Labor	40,028	40,000	40,000
Tools & Equipment	117	300	300
Motor Pool Charges	6,767	6,317	7,218
Communications & Telephone	280	600	600
	<b>130,884</b>	<b>171,802</b>	<b>188,393</b>
<b>Public Works Expenditures</b>			
Salary & Wages (Full-Time)	115,830	119,524	127,917
Overtime	497	3,235	3,489
Salary & Wages (Part-Time)	3,186	4,751	3,394
Employee Benefits	81,145	91,127	98,562
Materials & Supplies	4,327	4,000	4,400
Dues & Subscriptions	-	500	500
Education & Training	840	2,900	2,900
Tools & Equipment	6,618	7,000	7,000
Motor Pool Charges	61,983	58,808	56,738
Communications & Telephone	2,044	1,500	1,500
Engineering Services	36,028	70,000	25,000
	<b>312,499</b>	<b>363,345</b>	<b>331,400</b>
<b>Streets Expenditures</b>			
Street Light Operation	35,646	-	-
Street Light Maintenance	2,153	-	-
Signs	7,559	-	-
Weed Control	2,245	-	-
Snow Removal	6,175	-	-
	<b>53,778</b>	<b>-</b>	<b>-</b>

GENERAL FUND EXPENDITURES	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Solid Waste Expenditures</b>			
Solid Waste Services	\$ 305,913	\$ 304,000	\$ 310,000
Recycling	64,832	90,000	110,000
Bad Debt	408	1,000	1,000
	<b>371,154</b>	<b>395,000</b>	<b>421,000</b>
<b>Parks Expenditures</b>			
Salary & Wages (FT)	-	-	24,886
Salary & Wages (PT)	377	4,704	23,520
Employee Benefits	29	601	21,996
Tree Pruning, Supplies, Planning	-	-	15,000
Park Supplies & Maintenance	186,446	193,000	98,000
Parks & Trails, Beautification Com	8,459	8,525	8,525
Utilities	12,765	12,500	15,000
Tools & Equipment	-	-	10,000
Motor Pool	-	-	9,157
	<b>208,076</b>	<b>219,330</b>	<b>226,084</b>
<b>Community Services</b>			
Salary & Wages (Full-Time)	56,659	58,742	57,266
Salary & Wages (Part-Time)	98,010	105,000	119,704
Employee Benefits	40,598	52,123	51,241
Materials & Supplies	17,280	21,000	20,000
Dues & Subscriptions	235	250	250
Education & Training	571	1,500	1,500
Utilities	22,954	23,000	23,000
Motor Pool Charges	4,661	4,702	5,768
Communications & Telephone	1,671	2,500	2,500
Fitness Class Expenses	25,002	13,000	22,000
Recreation Program Supplies	51,266	48,000	54,000
Recreation Equipment	2,245	3,000	2,500
Library Expenses	11,585	17,000	17,000
Credit Card Fees	6,867	7,000	8,000
Family Festival Celebration	58,335	55,000	55,000
Other Events	9,543	9,000	9,000
Easter Egg Hunt	1,556	2,000	2,000
Youth City Council	1,543	2,500	2,500
Advertising	2,327	4,500	4,500
Insurance	1,356	1,500	1,500
Building Maintenance	23,700	28,700	28,700
	<b>437,964</b>	<b>460,017</b>	<b>487,929</b>
<b>Other Uses of Funds</b>			
Transfer to Capital Projects Fund	715,000	476,000	50,000
Transfer to Golf Fund	142,000	156,000	135,000
Transfer to Excise Tax Debt Service Fund	76,233	-	-
Transfer to Water & Sewer Fund	-	-	77,046
	<b>933,233</b>	<b>632,000</b>	<b>262,046</b>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 4,488,304</b>	<b>\$ 4,423,169</b>	<b>\$ 4,115,692</b>

# 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. The fund is able to save for equipment after fund balance drawdowns by budgeting revenues conservatively. 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.

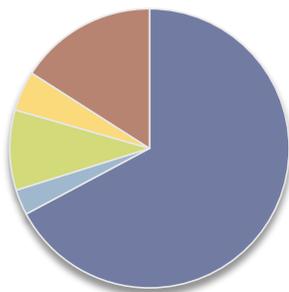
**Green Fees:** This is the principal revenue source in the Golf fund, as it makes up 67 percent of the forecasted revenues & transfers in for fiscal year 2020. Green fee revenue also includes cart fees and tournament revenue.

**Transfers In:** In order to balance the Golf fund, a subsidy from the General fund in the amount of \$135,000 has been budgeted.

## Expenditures

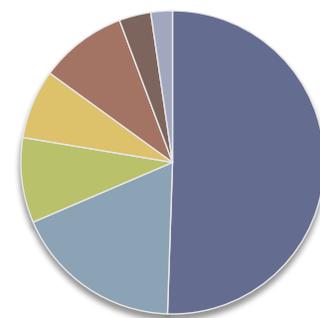
Operating expenditures are expected to rise for utilities and personnel increases. Capital outlays were needed to replace rough mowers, which drawdown from fund balance that is part of the equipment replacement plan. All significant older equipment has now been replaced in the last four years.

### GOLF FUND REVENUES



- Green Fees 67%
- Practice Range 3%
- Pro Shop 9%
- Season Passes 5%
- General Fund Subsidy 16%

### GOLF FUND EXPENDITURES



- Wages & Benefits 51%
- Pro Shop 18%
- Course Maintenance 9%
- Equipment Maintenance 7%
- Golf Cart Rental 9%
- Other 3%
- Capital Outlay 2%

GOLF FUND REVENUES	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Golf Fund Revenues</b>			
Green Fees	\$ 557,530	\$ 572,000	\$ 569,000
Practice Range	24,434	21,000	25,000
Pro Shop	80,118	91,000	78,700
Concessions	4,572	7,000	4,000
Season Passes	70,312	68,000	39,000
Other Income	12,500	10,000	-
Interest Income	1,507	-	-
	<b>750,971</b>	<b>769,000</b>	<b>715,700</b>
<b>Golf Fund Transfers</b>			
Transfer from Other Funds	142,000	156,000	135,000
<b>TOTAL GOLF FUND REVENUES &amp; TRANSFERS</b>	<b>\$ 892,971</b>	<b>\$ 925,000</b>	<b>\$ 850,700</b>



## GOLF FUND EXPENDITURES

2018 ACTUAL

2019 ESTIMATE

2020 BUDGET

## Golf Expenses

Salary & Wages (Full-Time)	\$	175,020	\$	190,000	\$	190,700
Overtime		94		101		115
Salary & Wages (Part-Time)		97,659		94,000		110,762
Employee Benefits		125,263		135,000		135,046
Communications/Telephone		2,070		3,100		3,100
Supplies		10,384		10,000		10,000
Utilities		57,462		60,000		59,000
Professional/Technical		1,236		1,300		1,300
Concessions		2,714		1,500		2,500
Credit Card Expenses		18,526		17,500		21,500
Pro Shop		58,503		60,500		59,500
Building Maintenance		5,953		3,000		3,000
Repairs & Maintenance - Course		68,941		35,000		35,000
Fertilizer & Chemicals		28,323		37,000		29,000
Water Pumping Costs		14,988		16,500		15,500
Petroleum & Oil		9,753		9,000		9,800
Equipment Repairs & Maintenance		17,387		18,000		23,000
Equipment Rental		1,097		1,000		1,000
Insurance		1,453		1,500		2,000
Cart Repairs & Maintenance		6,781		3,000		3,500
Dues & Subscriptions		620		1,250		1,250
Travel & Training		765		2,500		2,500
Licenses & Fees		-		200		200
Computers & Phones		3,760		5,000		5,000
Advertising		37,635		34,000		20,500
Golf Cart Rental		79,590		81,000		81,000
Motor Pool Charges		15,920		15,570		24,927
Capital Outlay		109,986		70,000		20,000

## TOTAL GOLF FUND EXPENDITURES

\$

951,883

\$

906,521

\$

870,700

# THE CLASS C ROADS FUND

The City’s roads and sidewalks in the city are maintained primarily with gas tax distributions from the state. The city also supplements the gas tax distribution with general fund tax revenues and grants depending on the street maintenance plan and the availability of grant funding.

## Revenues

**Class C Road funds:** The state distributes gas taxes collected based on the miles of roads maintained by each entity.

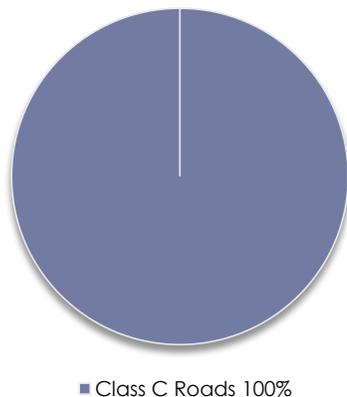
**Interest Income:** Class C Road funding is set aside in an interest bearing account until it is utilized for a street and/or sidewalk maintenance project.

## Expenditures

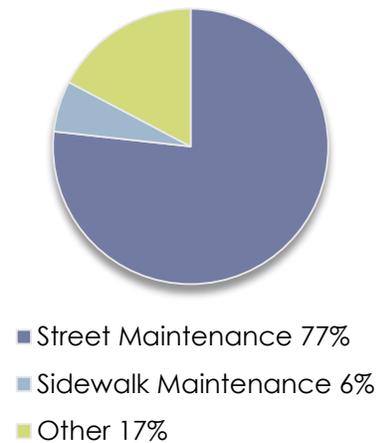
Class C Road funding is set aside for large road maintenance projects throughout the city and sidewalk maintenance projects. This current budget includes a significant sidewalk project that will help the city become more ADA compliant.

CLASS C ROADS FUND REVENUES & TRANSFERS	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
Class C Roads	\$ 334,997	\$ 335,000	\$ 445,000
Grant Income	-	90,000	-
Interest Income	5,181	-	-
<b>Total Fund Revenues</b>	<b>\$ 340,179</b>	<b>\$ 425,000</b>	<b>\$ 445,000</b>

CLASS C FUND REVENUES



CLASS C FUND EXPENDITURES



CLASS C ROADS FUND EXPENDITURES	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
Street Maintenance	\$ 28,809	\$ 180,000	\$ 348,000
Sidewalk Maintenance	28,563	115,000	25,000
Other	-	51,000	72,000
<b>TOTAL FUND EXPENDITURES</b>	<b>\$ 57,372</b>	<b>\$ 346,000</b>	<b>\$ 445,000</b>



# 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.

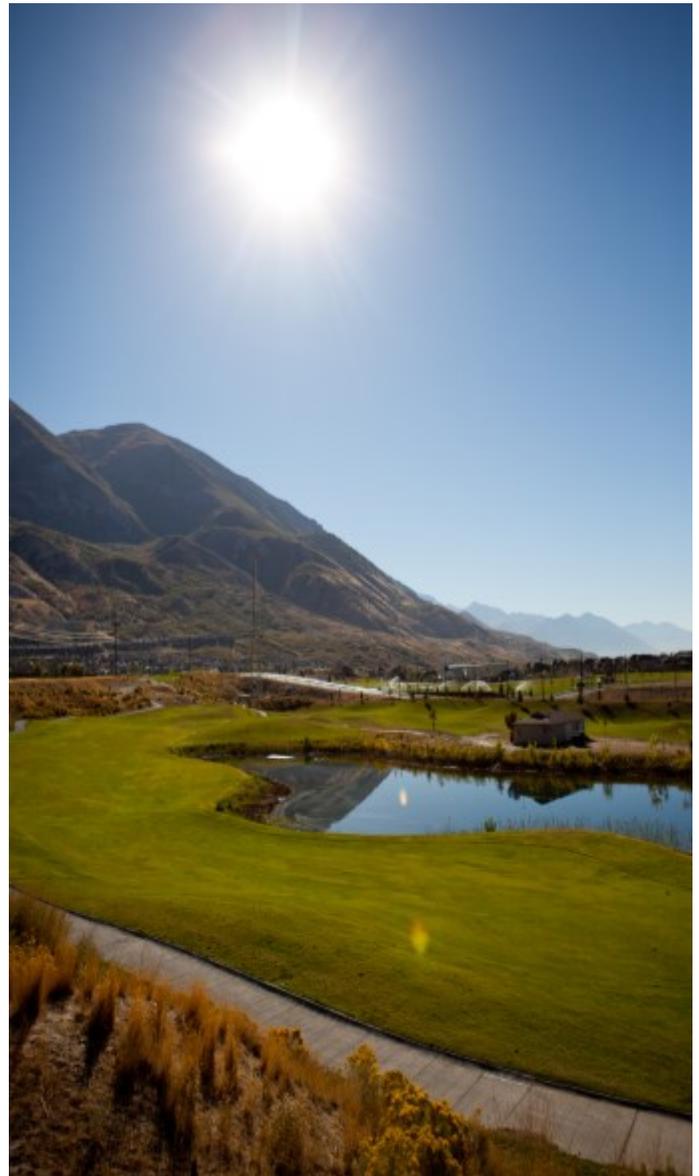
## Revenues

**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.

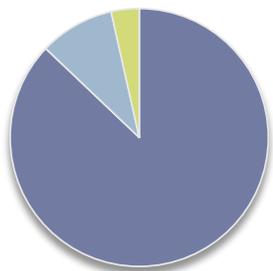
**Motor Vehicle Fees:** Distribution of Motor vehicle fees are based on the property taxes levied by each governmental entity. The proportion of property taxes related to the debt levy is allocated to the Golf Debt Service fund, which reduces the amount of the tax levy necessary to cover the debt service.

## 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.

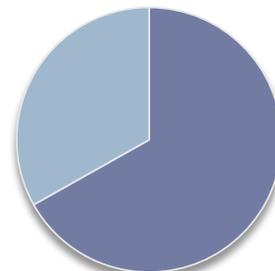


**GOLF DEBT SERVICE FUND REVENUES**



- Property Tax 87%
- Motor Vehicle Tax 9%
- Other 4%

**GOLF DEBT SERVICE FUND EXPENDITURES**



- Bond Principal 67%
- Bond Interest & Fees 33%

<b>GOLF DEBT SERVICE FUND REVENUES</b>	<b>2018 ACTUAL</b>	<b>2019 ESTIMATE</b>	<b>2020 BUDGET</b>
<b>Debt Service Revenues</b>			
2012 GO Bond - Property Tax	\$ 325,929	\$ 322,000	\$ 306,000
Motor Vehicle Tax	35,580	33,000	33,000
Delinquent Tax	14,444	12,000	12,000
Penalty & Interest	573	300	300
Interest Income	747	-	-
<b>TOTAL GOLF DEBT SERVICE FUND REVENUES</b>	<b>\$ 377,272</b>	<b>\$ 367,300</b>	<b>\$ 351,300</b>

<b>GOLF DEBT SERVICE FUND EXPENDITURES</b>	<b>2018 ACTUAL</b>	<b>2019 ESTIMATE</b>	<b>2020 BUDGET</b>
<b>Debt Service Expenses</b>			
2012 GO Bond Principal	230,000	240,000	240,000
2012 GO Bond Interest	128,120	123,520	118,720
Trustee Fees	350	350	350
<b>TOTAL GOLF DEBT SERVICE FUND EXPENDITURES</b>	<b>\$ 358,470</b>	<b>\$ 363,870</b>	<b>\$ 359,070</b>



# 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, which are all restricted for certain types of expenditures.

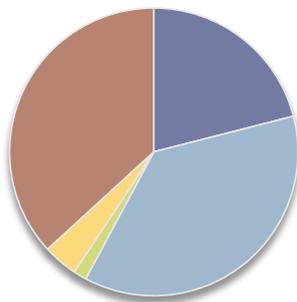
## Expenditures

- \$3,000,000 for Harvey park land improvements
- \$400,000 for Harvey Boulevard widening

Fund balance will be drawdown significantly, but will be replenished in future years by conservative revenue budgeting, modest impact fees, and possibly the sale of city owned commercial land.

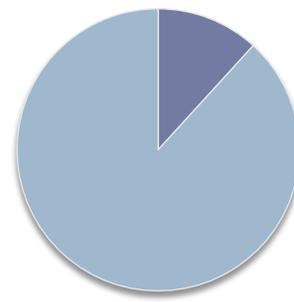
Further explanations of capital projects planned for fiscal year 2020 can be obtained from the Capital Improvements Plan located in Appendix A of this document.

**CAPITAL PROJECTS FUND REVENUES & TRANSFERS**



- Impact Fees 21%
- Interest Income 1%
- General Fund Transfer 37%
- PARC Sales Tax Revenue 37%
- Grant Income 4%

**CAPITAL PROJECTS FUND EXPENDITURES**



- Street Projects 12%
- Park Projects 88%

CAPITAL PROJECTS FUND REVENUES	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Capital Project's Fund Revenues &amp; Other Financing Sources</b>			
Impact Fees - Park Development	22,560	16,000	6,768
Impact Fees - Public Safety	4,951	2,908	2,908
Impact Fees - Streets	6,249	8,124	8,124
Street Improvement Fee	-	10,750	10,750
PARC Sales Tax Revenue	13,601	55,000	50,000
Interest Income	15,600	50,000	2,000
Grant Income	5,304	5,300	5,300
Proceeds from Sale of Capital Assets	2,428,233	-	-
	<u>2,496,499</u>	<u>148,082</u>	<u>85,850</u>
<b>Capital Project's Fund Transfers</b>			
Transfers in from General Fund	715,000	476,000	50,000
<b>TOTAL CAPITAL PROJECTS FUND REVENUES &amp; TRANSFERS</b>	<b>\$ 3,211,499</b>	<b>\$ 624,082</b>	<b>\$ 135,850</b>

CAPITAL PROJECTS FUND EXPENDITURES	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Street Projects</b>			
Harvey Blvd Widening	\$ -	\$ 200,000	\$ 400,000
	<u>-</u>	<u>200,000</u>	<u>400,000</u>
<b>Park Projects</b>			
Deerfield Park - Land Purchase	2,466,969	-	-
Deerfield Park - Development	27,594	700,000	3,000,000
Bayhill Trailhead Park	196,969	-	-
Parks & Recreation Master Plan	12,153	10,000	-
	<u>2,703,685</u>	<u>710,000</u>	<u>3,000,000</u>
<b>Miscellaneous Projects</b>			
Heritage Park Amphitheater Improvements	8,337	-	-
Practice Range Facility	-	176,000	-
Golf Maint. Equipment Facility & Site	65,637	-	-
	<u>73,975</u>	<u>176,000</u>	<u>-</u>
<b>Debt Service &amp; Financing Uses</b>			
Interest Expense	1,059	-	-
	<u>1,059</u>	<u>-</u>	<u>-</u>
<b>Transfers Out</b>			
To the General Fund	-	9,000	9,000
	<u>-</u>	<u>9,000</u>	<u>9,000</u>
<b>TOTAL CAPITAL PROJECTS FUND EXPENDITURES</b>	<b>\$ 2,778,719</b>	<b>\$ 1,095,000</b>	<b>\$ 3,409,000</b>

## 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 2020 totals approximately \$3.6 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 divisions.



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

### Revenues and Transfers In

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 2019-2020.

Less revenue is expected from water impact fees, residential and nonresidential water fees, and storm drain fees. In total, an \$53,181 is budgeted in less revenue and transfers, because of a repaired leak by a large commercial user. This revenue will allow the City to continue to maintain high levels of utility service to residents.

### Expenditures

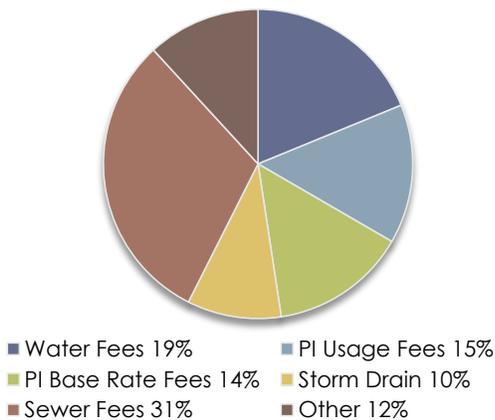
**TSSD Fees:** The Timpanogos Special Service District provides sewage treatment services for many cities in Utah County including Cedar Hills. It was anticipated that TSSD has gradually increased rates the last few years, but the City is still trending lower than the projected costs from the engineering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

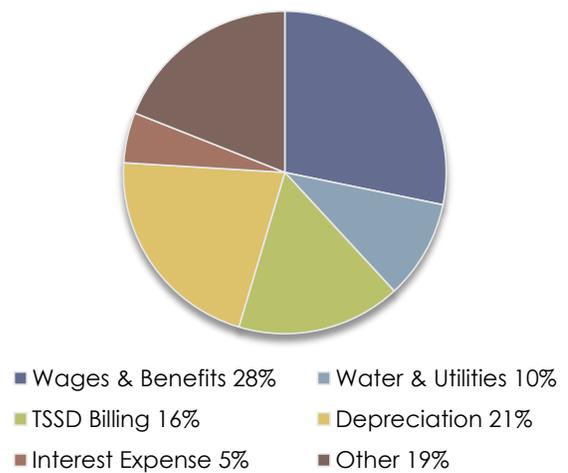
**Utilities:** Cedar Hills sits on a mountain bench. In order to provide water to those residents at higher altitudes, water must be pumped at a high utility cost. Related electricity rates continue to increase gradually.

**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 & SEWER FUND EXPENDITURES**



<b>WATER &amp; SEWER FUND REVENUES</b>	<b>2018 ACTUAL</b>	<b>2019 ESTIMATE</b>	<b>2020 BUDGET</b>
<b>Storm Drain Revenues</b>			
Storm Drain - Residents	\$ 327,512	\$ 350,000	\$ 348,800
	<b>327,512</b>	<b>350,000</b>	<b>348,800</b>
<b>Water Revenues</b>			
Water Fees - Residents	616,813	640,000	656,289
Water Fees - American Fork City	-	10,000	10,000
Water Fees - Contractors	2,870	1,000	1,000
PI Fees - Usage	518,667	517,000	517,000
PI Fees - Base Rate	504,594	505,000	505,000
Central Utah Project Fees	149,128	149,000	149,000
Water Fees from City departments	37,750	37,750	37,750
Water Lateral Inspections	675	1,000	1,000
Water Meters	5,750	5,175	5,175
Water Impact Fees	16,154	13,700	13,700
	<b>1,852,401</b>	<b>1,879,625</b>	<b>1,895,914</b>
<b>Sewer Revenues</b>			
Sewer Fees - Residents	1,091,435	1,120,000	1,091,435
Sewer Fees from City departments	1,750	1,750	1,750
Sewer Fees - Nonresidents	35,844	41,637	41,637
Sewer Lateral Inspections	825	1,100	1,100
Sewer Impact Fees	9,288	9,400	9,400
	<b>1,139,142</b>	<b>1,173,887</b>	<b>1,145,322</b>
<b>Miscellaneous Revenues</b>			
Penalty Fees	41,852	45,000	45,000
Interest Income	40,521	50,000	19,000
Utility Setup Fees	11,500	12,000	12,000
Other Income	220	30,000	750
Contribution Income	95,522	5,000	5,000
	<b>189,615</b>	<b>142,000</b>	<b>81,750</b>
<b>Transfers In</b>			
Transfer In General Fund	76,233	-	77,046
	<b>76,233</b>	<b>-</b>	<b>77,046</b>
<b>TOTAL WATER &amp; SEWER FUND REVENUES</b>	<b>\$ 3,584,903</b>	<b>\$ 3,545,512</b>	<b>\$ 3,548,832</b>

<b>UTILITY RATE CHANGES FISCAL YEAR 2020</b>		
	<b>OLD RATE</b>	<b>EFFECTIVE JULY 1ST</b>
WATER BASE RATE	Per Household = \$8.62	Per Household = \$9.17
WATER USAGE	Per 1K Gallons = \$1.92	Per 1K Gallons = \$2.04
STORM DRAIN	Per Household = \$11.18	Per Household = \$11.90

## WATER &amp; SEWER FUND EXPENDITURES

2017 ACTUAL

2019 ESTIMATE

2020 BUDGET

## Water Expenditures

Salary & Wages (Full-Time)	\$	211,980	\$	210,000	\$	237,159
Overtime		497		3,849		4,582
Salary & Wages (Part-Time)		8,107		11,876		11,615
Employee Benefits		128,151		130,000		167,452
GASB 68 Pension Expense Adjustment		(3,937)		-		-
Water Supplies		802		5,000		5,000
Dues & Subscriptions		1,620		2,200		2,200
Education & Training		3,985		6,000		9,500
Computer Expenses		1,760		3,500		3,500
Office Equipment		-		1,000		1,000
Tools & Equipment		3,947		13,500		10,000
Motor Pool Charges		67,483		64,158		61,738
Utilities		287,610		235,000		335,000
Blue Stakes		1,153		1,200		1,200
Communications & Telephone		2,349		2,000		2,000
Engineering Services		9,751		32,000		35,000
Professional & Technical		9,727		13,850		13,850
Meter Installation & Maintenance		34,152		60,000		65,000
Water Purchases - American Fork		23,909		-		10,000
Water Purchases - Pleasant Grove Irrigation		22,340		23,000		25,000
Water Testing		4,561		6,500		6,500
Insurance		15,275		15,770		16,000
Water Construction Projects		49,757		23,000		55,000
Supplementary Water		124,313		138,000		138,000
Pressurized Irrigation Projects		26,478		40,000		45,000
Credit Card Fees		23,593		25,000		25,000
Trustee Fees		6,450		6,600		6,600
Bond Interest		215,374		185,269		170,451
Depreciation		484,965		440,000		485,000
Amortization		37,256		25,589		25,589
Bad Debt		1,526		-		6,000
Resident Claims		135,400		-		5,000
	\$	<b>1,940,335</b>	\$	<b>1,723,861</b>	\$	<b>1,984,936</b>

## Sewer Expenditures

Salary & Wages (Full-Time)	\$	146,818	\$	149,345	\$	151,612
Overtime		335		2,746		2,793
Salary & Wages (Part-Time)		6,068		8,992		8,727
Employee Benefits		87,447		104,495		108,389
GASB 68 Pension Expense Adjustment		(2,729)		-		-
Sewer Supplies		-		2,000		2,000
Education & Training		510		1,050		1,050
Computer Expenses		935		2,100		2,100
Tools & Equipment		1,125		1,000		1,000
Utilities		131		200		200
Postage		1,200		750		750
Communications & Telephone		1,600		1,500		1,500
Engineering Services		13,542		5,000		5,000
Professional & Technical		1,755		2,500		2,500
TSSD Fees		473,392		490,000		555,000
Sewer Television Expenses		-		2,000		2,000
Sewer Fee - AF		-		1,000		1,000
Insurance		9,202		9,500		10,000
Sewer Maintenance		1,134		2,000		2,000
Sewer Construction Projects		-		3,000		3,000
Depreciation		138,831		140,000		140,000
Bad Debt		921		2,500		2,500
	\$	<b>882,215</b>	\$	<b>931,678</b>	\$	<b>1,003,121</b>

WATER & SEWER FUND EXPENDITURES	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Storm Drain Expenditures</b>			
Salary & Wages (Full-Time)	\$ 132,834	\$ 134,349	\$ 140,378
Overtime	\$ 335	\$ 2,643	\$ 2,808
Salary & Wages (Part-Time)	\$ 4,725	\$ 8,551	\$ 8,283
Employee Benefits	\$ 81,153	\$ 80,000	\$ 108,389
GASB 68 Pension Expense Adjustment	\$ (2,344)	\$ -	\$ -
Storm Drain Supplies	\$ 137	\$ 3,000	\$ 3,000
Dues & Subscriptions	\$ 2,431	\$ 2,400	\$ 2,400
Education & Training	\$ 620	\$ 1,250	\$ 1,250
Computer Expenses	\$ 935	\$ 1,600	\$ 1,600
Tools & Equipment	\$ 2,032	\$ 2,000	\$ 2,000
Communication & Telephone	\$ 1,603	\$ 1,500	\$ 1,500
Engineering Services	\$ -	\$ -	\$ 10,000
Professional & Technical	\$ 3,306	\$ 1,550	\$ 1,550
Testing	\$ -	\$ 200	\$ -
Insurance	\$ 6,112	\$ 6,310	\$ 7,000
Storm Drain Maintenance	\$ 35,636	\$ 16,000	\$ 30,000
Depreciation	\$ 73,955	\$ 70,000	\$ 70,000
Bad Debt	\$ 276	\$ 750	\$ 750
	<b>\$ 343,748</b>	<b>\$ 332,103</b>	<b>\$ 390,909</b>
<b>TOTAL WATER &amp; SEWER FUND EXPENDITURES</b>	<b>\$ 3,166,298</b>	<b>\$ 2,987,642</b>	<b>\$ 3,378,965</b>



# 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 14 vehicles. In addition, the City rents a skid steer. For fiscal year 2019-2020, the City plans to purchase a truck, backhoe, buy park maintenance equipment, and replace three trucks to service the current public works 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.

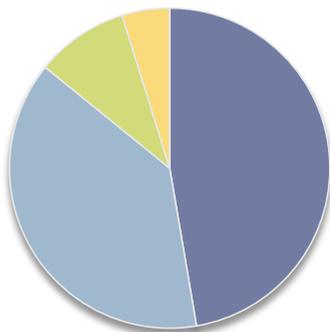
## Expenditures

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

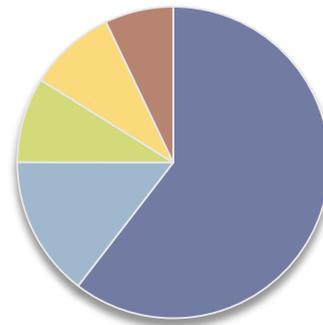
The City buys vehicles on state contract without sales taxes. These vehicles are used for about three years and then sold at a price close to the original purchase price. City staff has performed a detailed analysis of possible replacement schedules which took into account various factors including maintenance 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 47% ■ W&S Fund Transfer 39%  
 ■ Golf Fund Transfer 9% ■ Gain on Sale 5%

**MOTOR POOL FUND EXPENDITURES**



■ Depreciation 60% ■ Gas & Oil 15%  
 ■ Insurance 9% ■ Maintenance 9%  
 ■ Rent Expense 7%

MOTOR POOL FUND REVENUES	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Transfers</b>			
Charges from General Fund	82,266	78,809	87,381
Charges from Water & Sewer Fund	67,483	64,158	61,738
Charge from Golf Fund	15,920	15,570	24,927
Gain on Sale of Assets	19,435	8,000	23,000
<b>TOTAL MOTOR POOL FUND REVENUES</b>	<b>\$ 185,104</b>	<b>\$ 166,537</b>	<b>\$ 197,046</b>

MOTOR POOL FUND EXPENDITURES	2018 ACTUAL	2019 ESTIMATE	2020 BUDGET
<b>Vehicle Expenses</b>			
Gas & Oil - Administration	924	3,250	2,000
Vehicle Maintenance - Administration	119	600	500
Insurance - Administration	1,415	1,500	2,500
Gas & Oil - Building & Zoning	326	750	750
Vehicle Maintenance - Building & Zoning	-	300	300
Insurance - Building & Zoning	472	600	900
Gas & Oil - Public Works	15,894	25,000	24,000
Vehicle Maintenance - Public Works	7,976	15,000	15,000
Insurance - Public Works	7,077	7,750	12,500
Gas & Oil - Golf	792	1,000	2,000
Vehicle Maintenance - Golf	367	1,000	2,000
Insurance - Golf	472	550	1,500
	<b>35,836</b>	<b>57,300</b>	<b>63,950</b>
<b>Equipment Expenses</b>			
Capital Outlay	-	-	-
Rent Expense	14,750	22,000	14,000
Depreciation Expense	78,255	87,238	119,096
	<b>93,005</b>	<b>109,238</b>	<b>133,096</b>
<b>TOTAL MOTOR POOL FUND EXPENDITURES</b>	<b>\$ 128,841</b>	<b>\$ 166,538</b>	<b>\$ 197,046</b>

# APPENDIX A: CAPITAL IMPROVEMENTS

FISCAL YEAR 2020

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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.

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

## SHORT-RANGE HORIZON CAPITAL PROJECTS

*Projects to be completed during  
the 2020 fiscal year*

### WATER

#### Pleasant Grove Irrigation Company Ditch Project

*Cost of Project Fiscal Year 2020*

Estimated \$50,000

*Sources of Funding*

Water and Sewer Fund

*Reasons for Project*

Pleasant Grove Irrigation Company has received grant funding to complete a project that will pipe a portion of their open irrigation ditch. The current ditch traverses a gravel pit, and engineers estimate that there is extensive water loss through conveyance into the ground. In an effort to mitigate this water loss, Pleasant Grove Irrigation Company (PGIC) will be piping a portion of the ditch through the gravel pit. Cedar Hills is a large shareholder of water shares in the PGIC, and has an interest in the development of the project. The proposed project supplies Cedar Hills with a portion of the secondary water used throughout Cedar Hills. Also in conjunction with this project, Cedar Hills is planning on constructing an additional ditch that will convey American Fork water into Cedar Hills secondary water system. This project will have minimal impact on operating budgets.

#### Culinary and Secondary Water System Maintenance

*Cost of Project Fiscal Year 2020*

Estimated \$45,000

*Sources of Funding*

Water and Sewer Fund

*Reasons for Project*

Cedar Hills is built on a hillside, with the storage tanks for both culinary and secondary water systems. Because of the location of the tanks, Cedar Hills must maintain infrastructure that regulates the pressure of water flowing through the system. In order to provide efficient and reliable service, it is necessary to install pressure reduction valves to maintain useable pressures for both the culinary and secondary water system for residents throughout the community. Due to the need for these valves, the City has created various pressure zones. The installation of the pressure reduction valves allows to the City to closely regulate pressures in the zones throughout the City. This project will have minimal impact on operating budgets.

**PARKS****Harvey Park Land Development Phase I***Cost of Project Fiscal Year 2020*

Estimated \$3,000,000

*Sources of Funding*

Park Development and Land Impact Fees, Unrestricted Capital Projects Fund

*Reasons for Project*

The development of the Harvey Park parcel, formerly referred to as the Deerfield Park development is critical to meeting the long-term needs of Cedar Hills recreation programs and resident needs.

The City began the process of conceptually planning the park in the FY2018 budget year, by working with a group to develop a plan for meeting the parks need of the community.

The current concept plans include areas for a splash pad, multi-purpose field, soccer fields, tennis courts, pickle ball courts, basketball courts, playground areas, as well as other amenities such as pavilions and walking trails. Harvey Park will be the flagship park for the city as it will meet be the focal point for all recreation, events, and activities in the community going forward. Development of this project began in Fiscal Year 2019 and will continue into Fiscal Year 2020. This project is requiring the city to evaluate and change its operational structure from contracting park maintenance to hiring additional staff to minimize the impact overall on the operational costs.



## Harvey Park— Phase Two

### *Cost of Project Fiscal Year 2020*

Estimated \$500,000

### *Sources of Funding*

Park Development and Land Impact Fees,  
Unrestricted Capital Projects Fund

### *Reasons for Project*

Construction on Harvey Park Phase One began in Fiscal Year 2019 and will continue into Fiscal Year 2020. Upon the completion of phase one, Cedar Hills will continue with the development of Harvey Park Phase Two improvements. Phase Two may include additional recreational amenities, pavilions, benches, court spaces or landscaping. These projects will require additional seasonal staff to maintain properly.



## Arborist Study Replacement Plan

### *Cost of Project Fiscal Year 2020*

Estimated \$40,000

### *Sources of Funding*

Unrestricted Capital Projects Fund

### *Reasons for Project*

Cedar Hills has been an member of the Arbor Day, Tree City USA program for ten years. The City recognizes the intrinsic value that trees bring to a community. The parks and trails system has been an area of focus for quality development throughout the community. As part of this development, protecting the trees that give aesthetic value to our parks and trails is seen as critical to the overall Parks and Trails Master Plan. As part of this plan, the City must work with an arborist to select a pallet of trees that are suitable for our arid environment, and that can be resilient to the challenges trees face in our area. Also this plan must identify and schedule city-owned trees for removal and replacement. This plan will require more funding for contracted arborist tasks.



## STREETS

## Harvey Boulevard Widening

### *Cost of Project Fiscal Year 2020*

Estimated \$400,000

### *Sources of Funding*

Class C Road Funds Reserves / Water and Sewer Fund

### *Reasons for Project*

This road project is being performed in conjunction with the development of Harvey Park Phase 1. In order to properly develop Harvey Park and in order to plan for adequate parking within the park, it is necessary to widen Harvey Boulevard to accommodate designated on-street parking. Additionally, other portions of the road have reached a residual service level that a resurfacing project has become necessary and timely. As growth in the community has occurred, both within Cedar Hills, and in neighboring communities, Harvey Boulevard will become a major east-west connector road. This will serve residents of the greater community in developing and maintaining healthy traffic patterns. This project has a minimal impact on the street maintenance plan.

## GOLF COURSE

### Hole 6 Bridge Repair/Cart Path Repair

#### *Cost of Project Fiscal Year 2020*

Estimated \$20,000

#### *Sources of Funding*

Capital Projects Fund, Golf Course Fund Balance

#### *Reasons for Project*

The bridge on hole 6 of the Cedar Hills Golf Course traverses a river that is used by local municipalities for irrigation purposes. During high water years, debris and the added water pose a threat to the structural integrity of the bridge. This project is to shore up the footings of the bridge in a way that secures the existing bridge in a cost-effective way.

Also, a section of the golf course path travels up a steep slope that has been continually eroded over the years. The erosion is to a point that it is starting to undercut the existing cart path. Further erosion, which is inevitable, will cause the path to fail. This portion of the project is to either perform erosion control measures or redirect the cart path away from the affected area. The bridge will require will require additional man hours to properly maintain.

## MID-RANGE HORIZON PROJECTS (2021-2022)

Year	Project Description	Project Type	Estimated Cost
2021	Irrigation Pond Liner Replacement	Water	\$ 500,000
2021	Regional Old Town Retention Project	Storm Drain	\$ 400,000
2021	Heritage Park Amphitheater Improvements	Park	\$ 50,000
2021	Bayhill Booster Pump VFD	Water	\$ 15,000
2021	Bayhill Direct System Pump	Water	\$ 30,000
2021	Sewer Trunkline Extension	Sewer	\$ 500,000
2021	City Building Maintenance	Capital Projects	\$ 12,000
2021	Mesquite Park Improvements	Park	\$ 100,000
2022	Cottages Park Development	Park	\$ 100,000
2022	City Building Maintenance	Capital Projects	\$ 25,000

## LONG-RANGE HORIZON PROJECTS (2022-2026)

Year	Project Description	Project Type	Estimated Cost
2023	Community Center Maintenance	Capital Projects	\$ 12,000
2024	Community Center Maintenance	Capital Projects	\$ 60,000
2025	Fieldcrest Park Development	Park	\$ 30,000
2025	Harvey Well Replacement	Water	N/A
2025	Cottonwood Well Chlorination/Treatment Station	Water	\$ 60,000
2025	Harvey Well Chlorination/Treatment Station	Water	\$ 80,000
2026	Community Center Maintenance	Capital Projects	\$ 16,000

# APPENDIX B

FISCAL YEAR 2020

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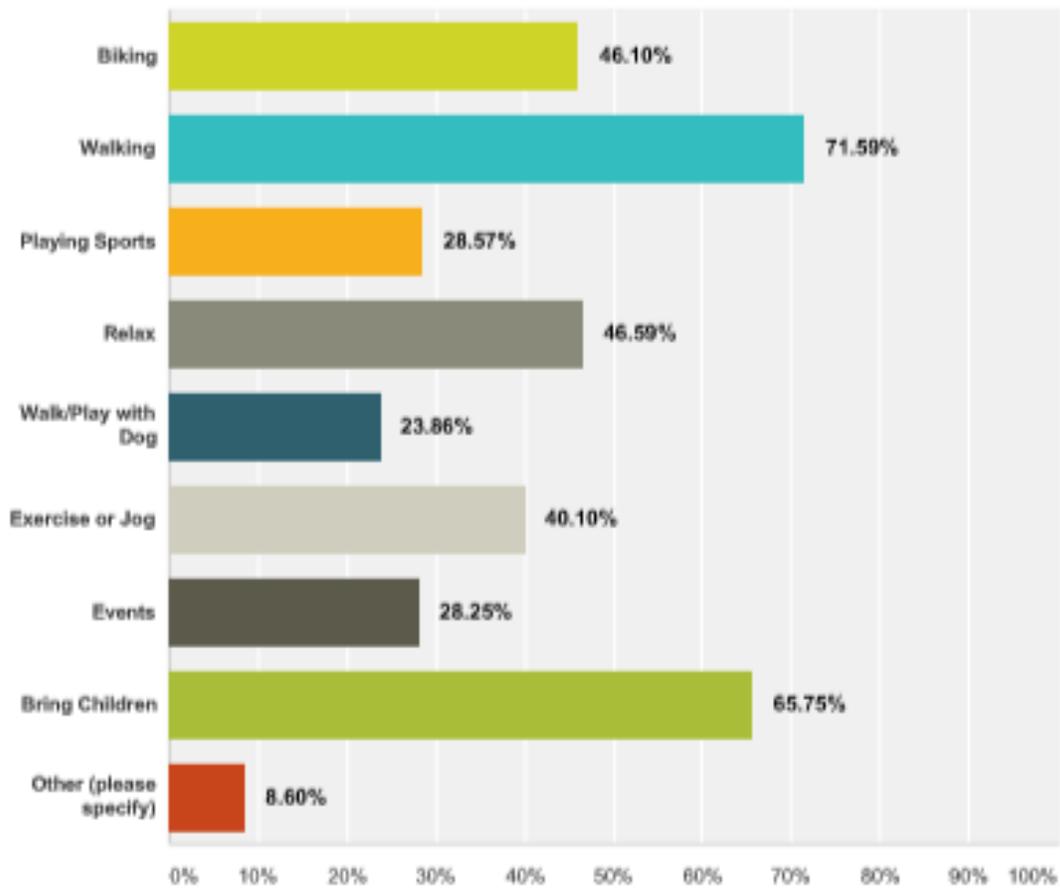
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## In-Site Design Park Master Plan Survey

**Q1 Why do you visit the small parks and trailheads? (Check all that apply)**

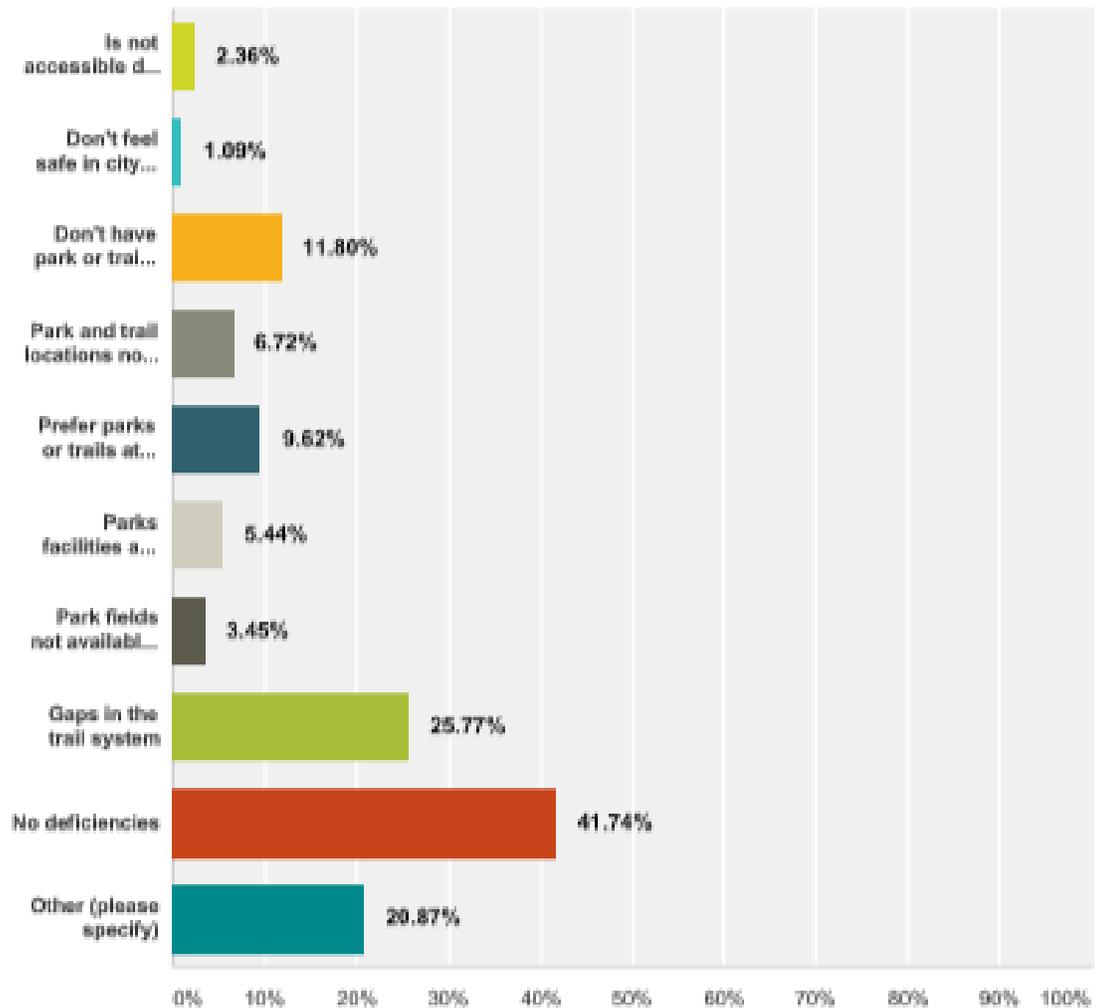
Answered: 616 Skipped: 11



## In-Site Design Park Master Plan Survey Continued

### Q2 Which of the following deficiencies (if any) exist at the small Cedar Hills parks and trails? (Select up to 2)

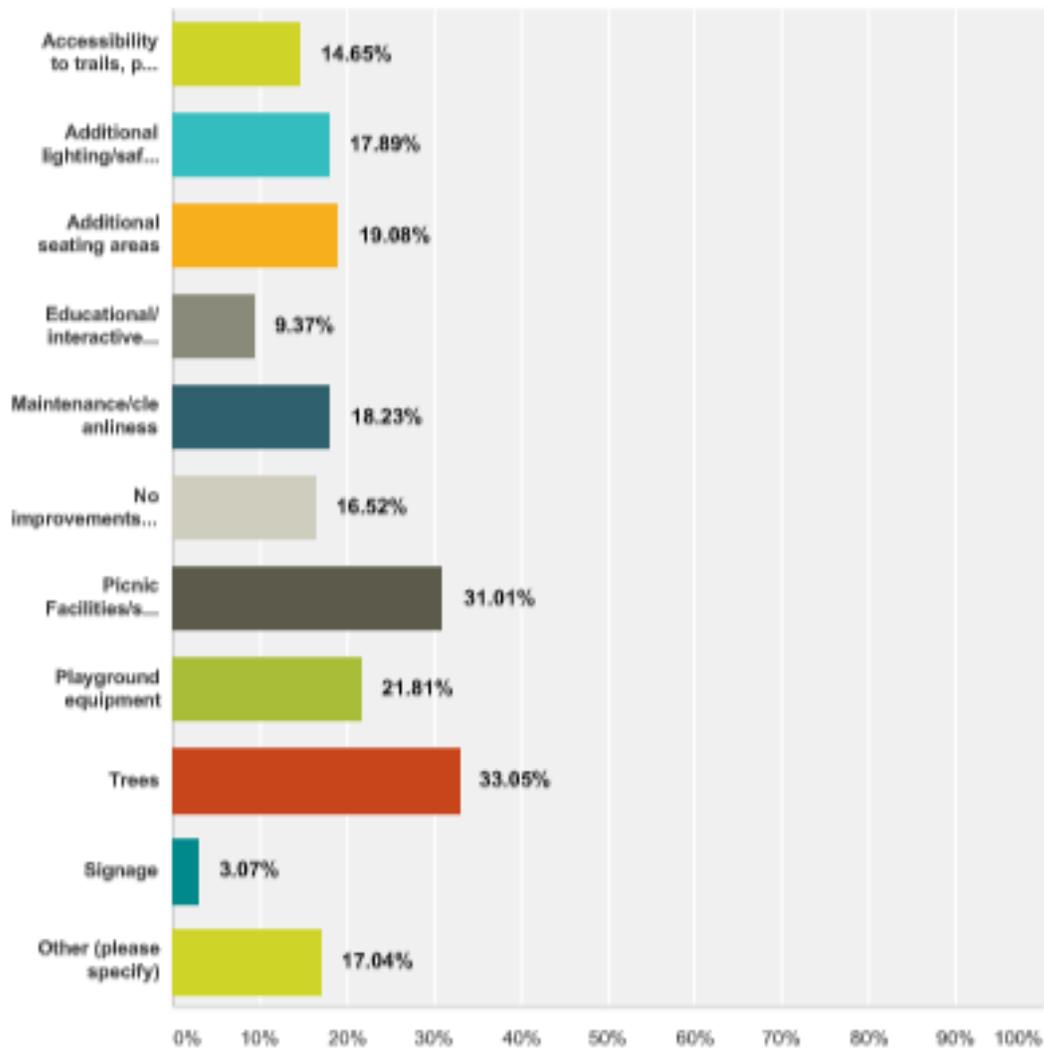
Answered: 551 Skipped: 76



## In-Site Design Park Master Plan Survey Continued

**Q3 What improvements would you spend extra money on at small Cedar Hills parks?  
(Select up to 2)**

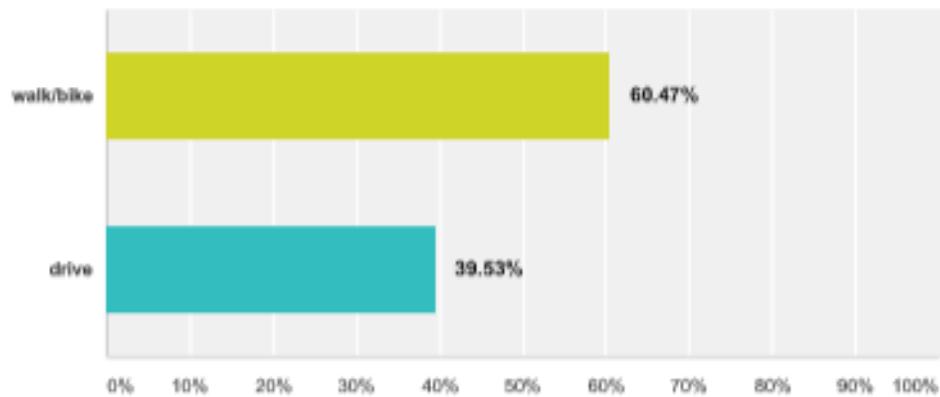
Answered: 587 Skipped: 40



## In-Site Design Park Master Plan Survey Continued

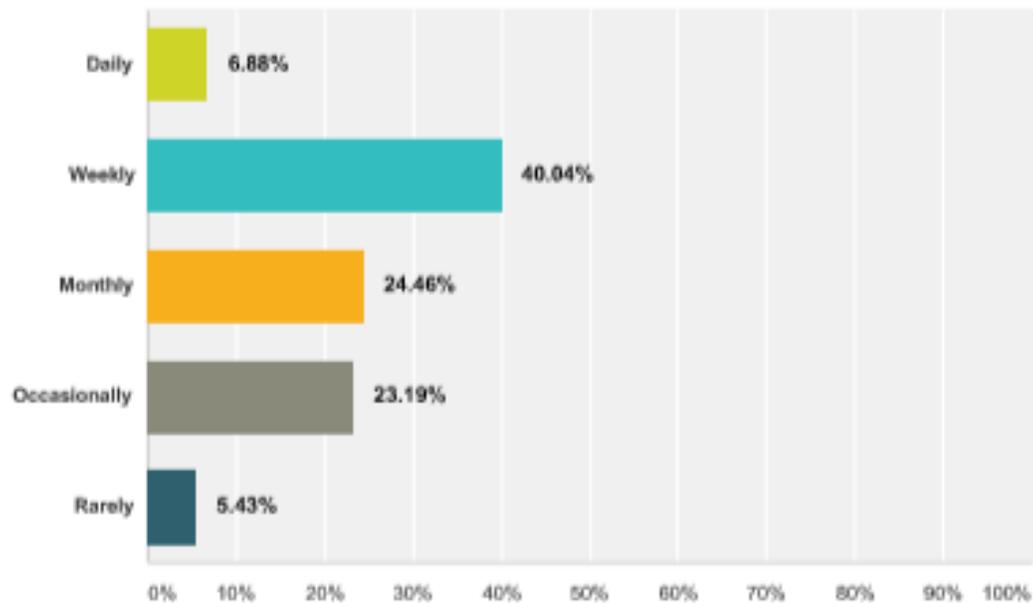
### Q4 Do you Walk/Bike or Drive to a large Cedar Hills park?

Answered: 549 Skipped: 78



### Q5 How often do you use a large Cedar Hills Park?

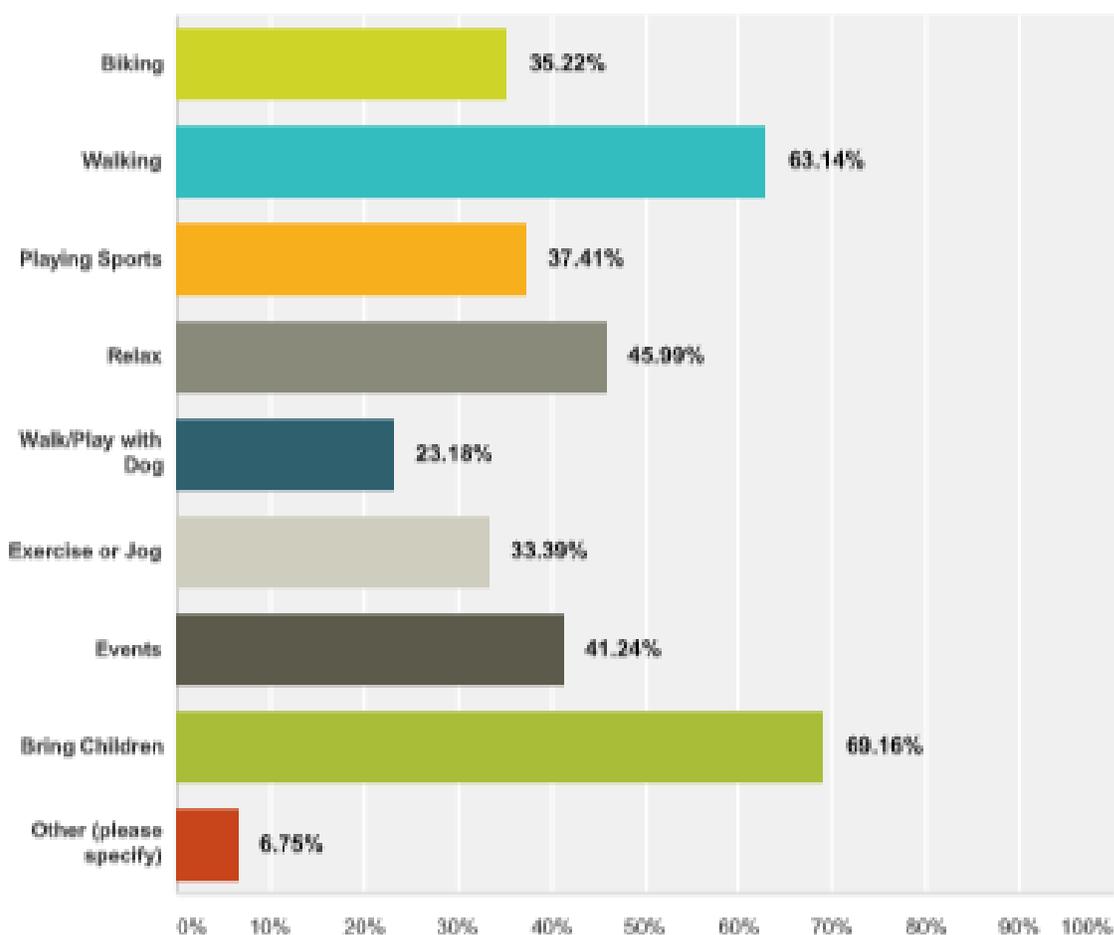
Answered: 552 Skipped: 75



## In-Site Design Park Master Plan Survey Continued

### Q6 Why do you visit the large parks? (Check all that apply)

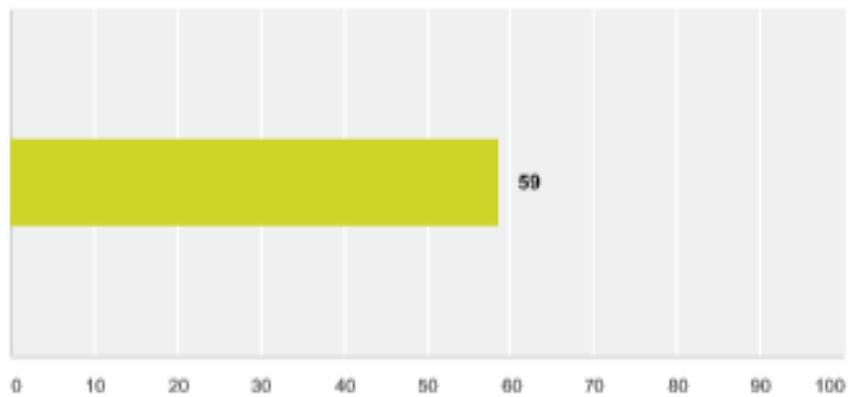
Answered: 648 Skipped: 79



## In-Site Design Park Master Plan Survey Continued

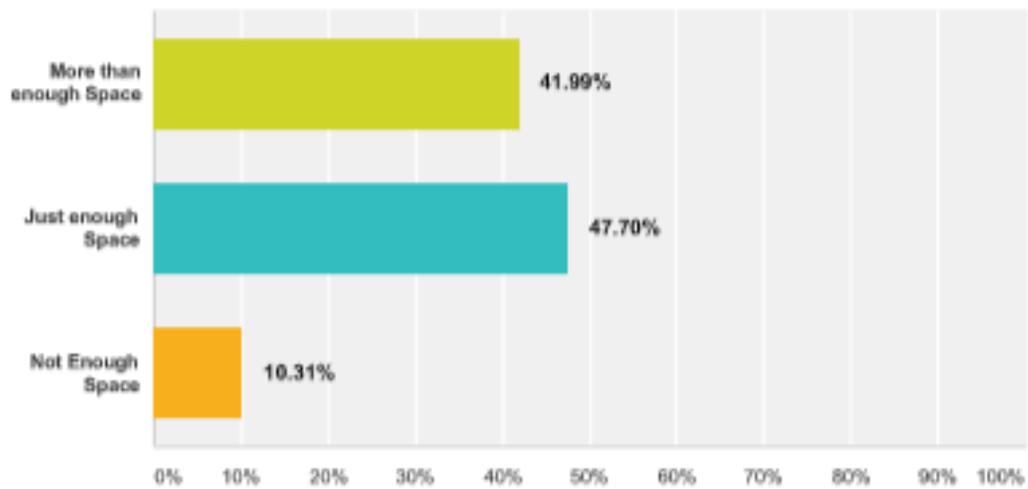
### Q7 Do you or your children find the play equipment at the large parks engaging ?

Answered: 491 Skipped: 136



### Q8 Is there enough space at the large Cedar Hills parks for your activities?

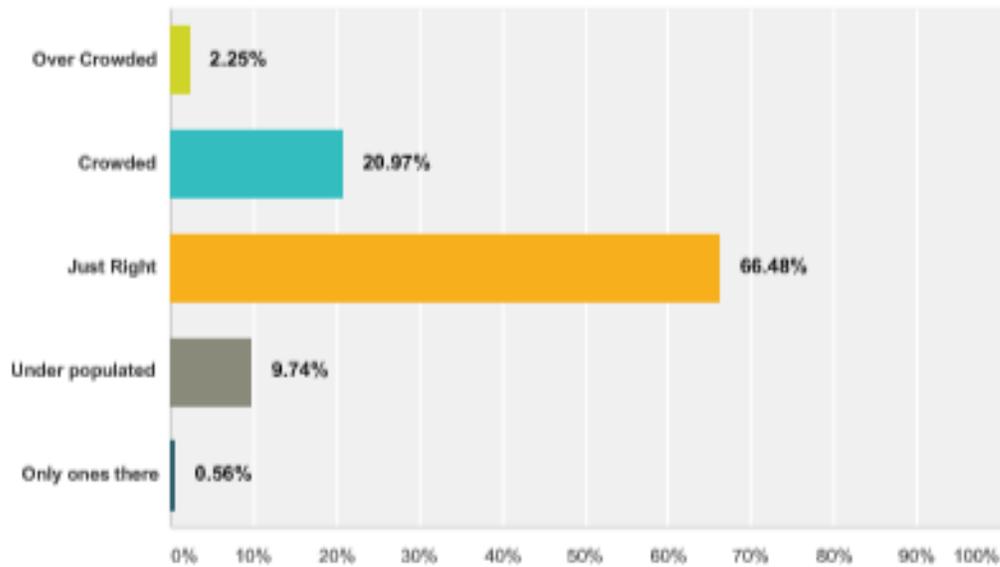
Answered: 543 Skipped: 84



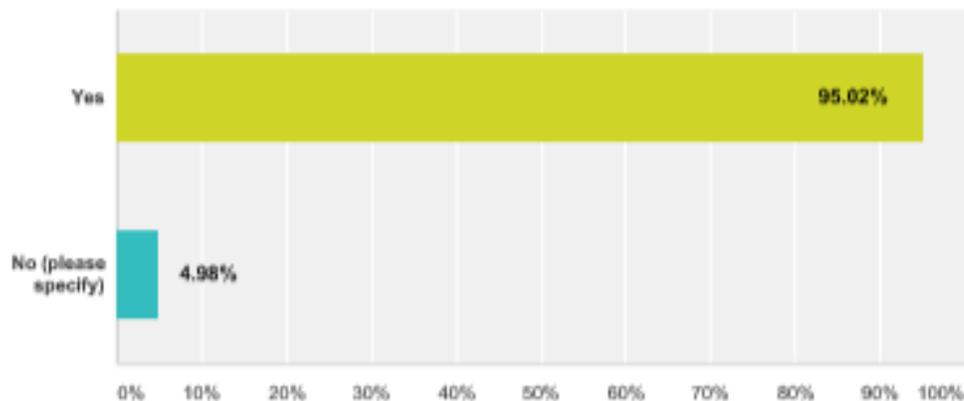
## In-Site Design Park Master Plan Survey Continued

**Q9 In your opinion how busy are the large Cedar Hills parks?**

Answered: 534 Skipped: 93

**Q10 Do you feel safe at the large Cedar Hills parks?**

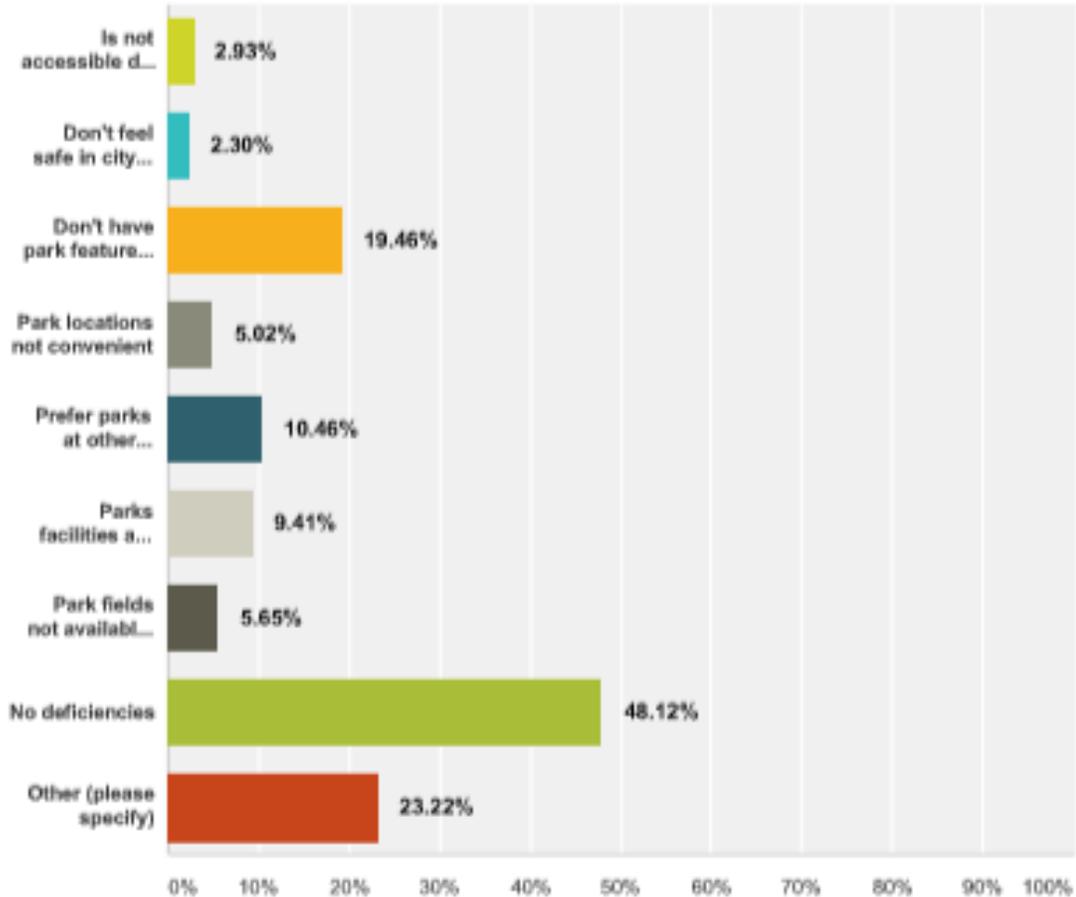
Answered: 542 Skipped: 85



## In-Site Design Park Master Plan Survey Continued

**Q11 Which of the following deficiencies (if any) exist at the large Cedar Hills parks?  
(Select up to 2)**

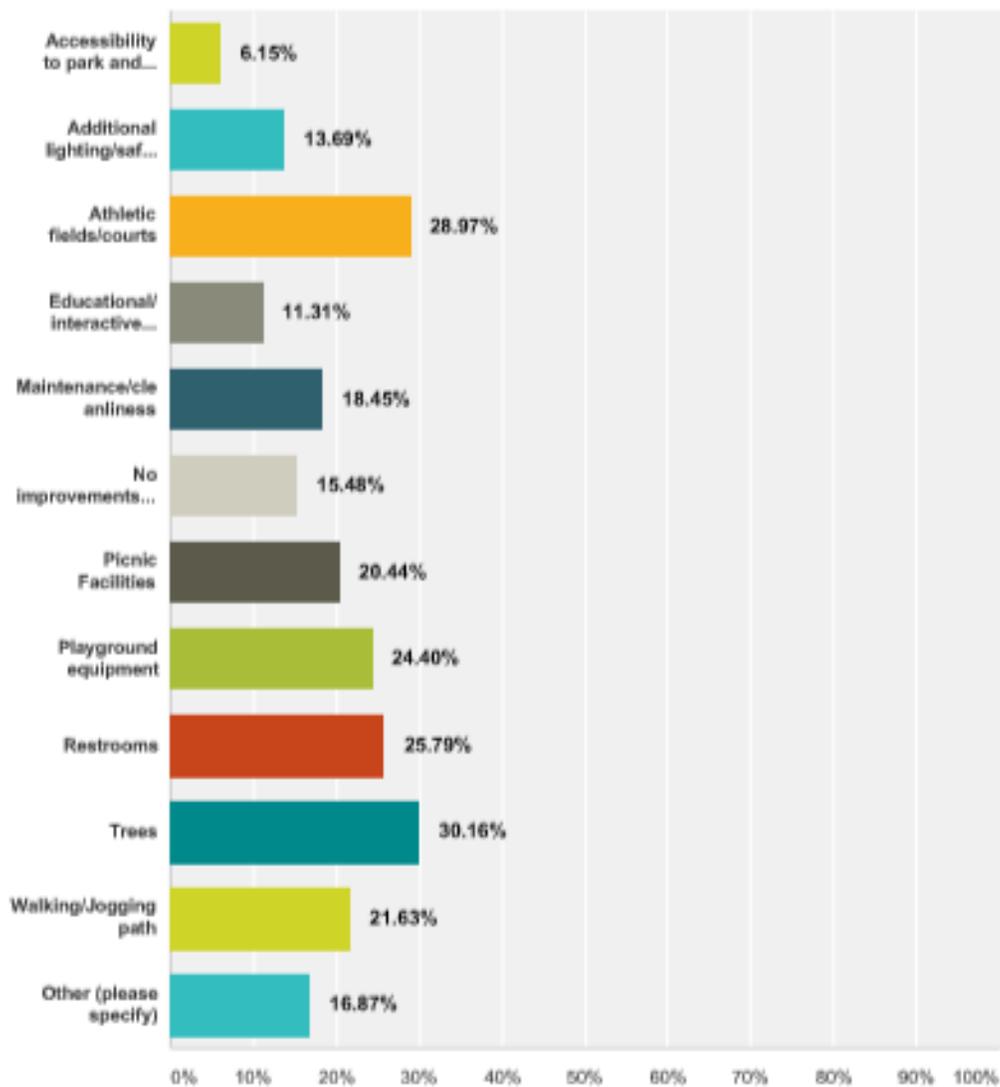
Answered: 478 Skipped: 149



## In-Site Design Park Master Plan Survey Continued

**Q12 What improvements would you spend extra money on at large Cedar Hills parks?  
(Select up to 3)**

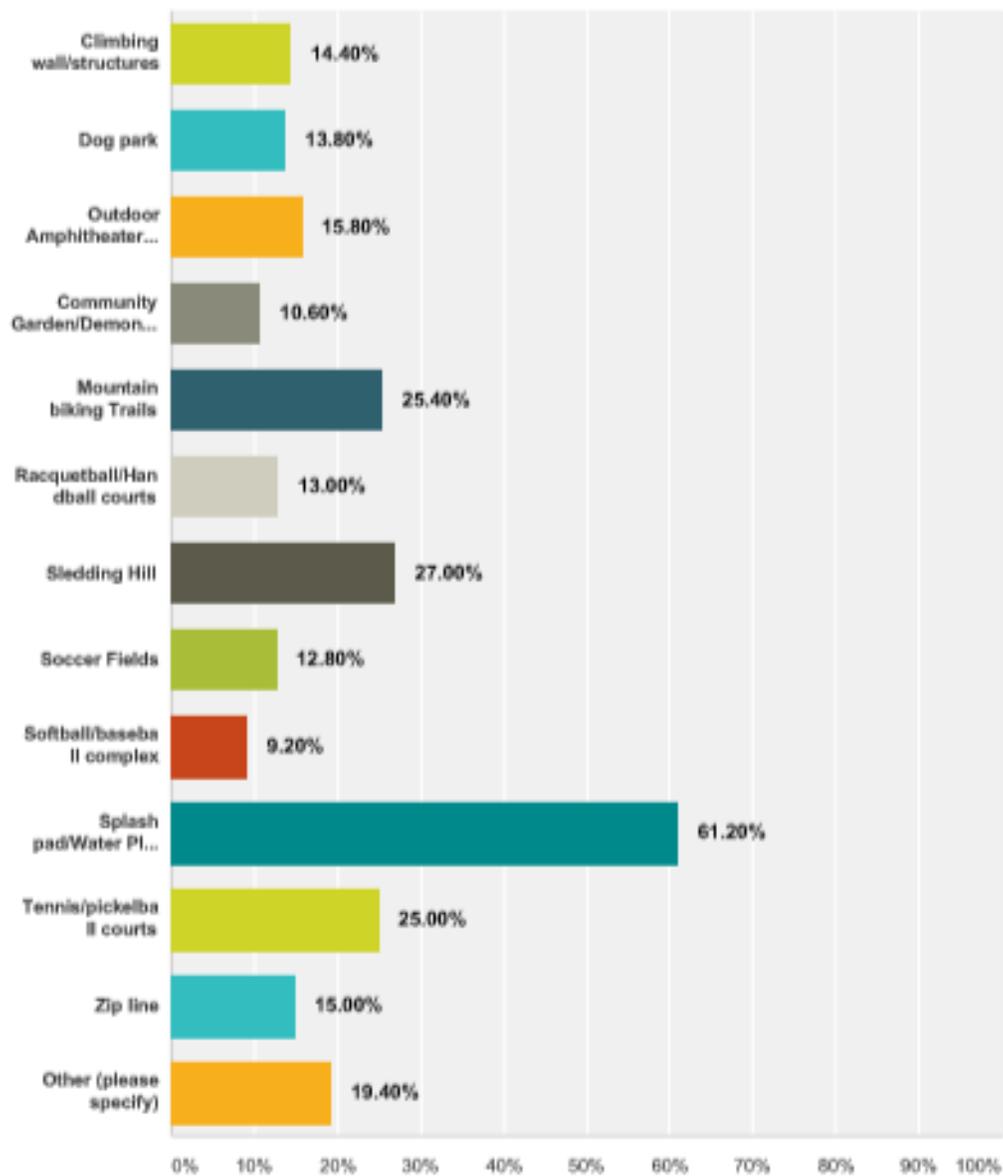
Answered: 504 Skipped: 123



## In-Site Design Park Master Plan Survey Continued

### Q13 What items would you, as a citizen support through a bond or other tax initiatives? (Select up to 2)

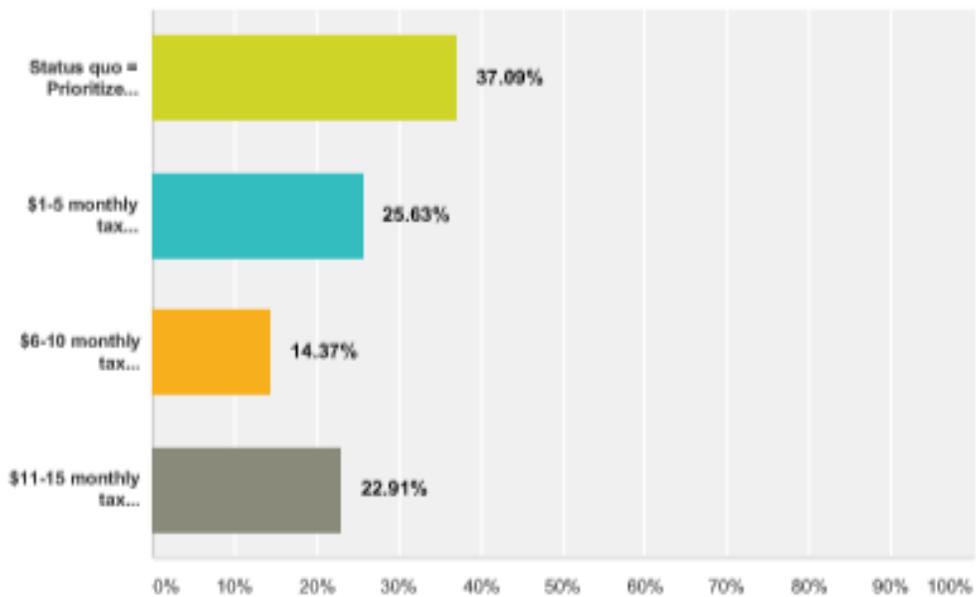
Answered: 500 Skipped: 127



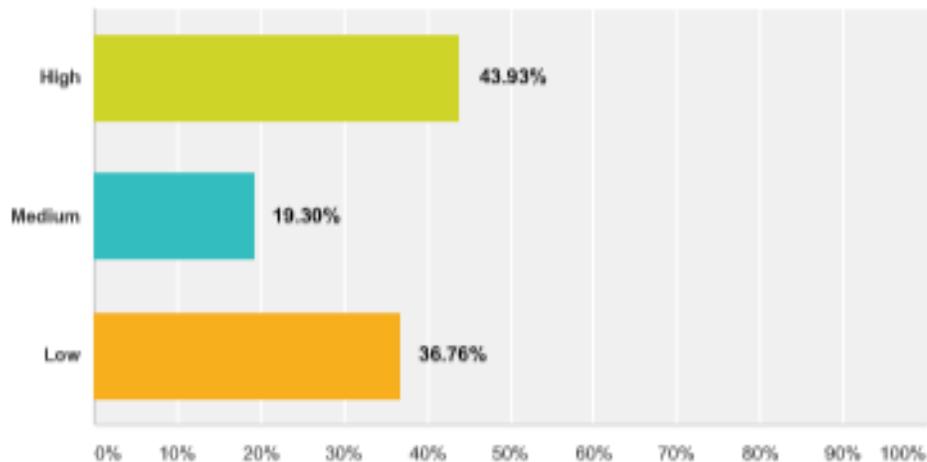
## In-Site Design Park Master Plan Survey Continued

**Q14 Would you be willing to support pay as you go or a 10 year bond for the following items?**

Answered: 515 Skipped: 112

**Q15 Interest level in an aquatic facility?**

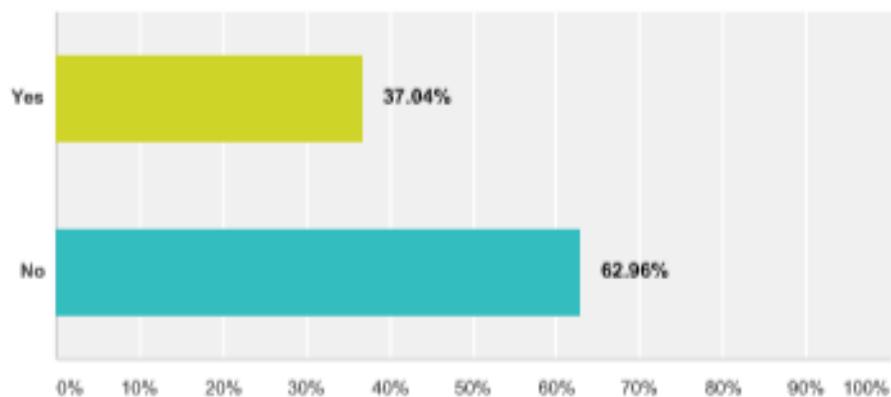
Answered: 544 Skipped: 83



## In-Site Design Park Master Plan Survey Continued

**Q16 Estimating an aquatic facility like Manti's would cost \$5 million plus a minimum of \$150,000 in operational costs, would you be willing to support a 30-year bond for an Aquatic Center and operational costs with a \$9 monthly tax contribution per household for the bond, additional \$5+ a month for operations and an entrance fee?**

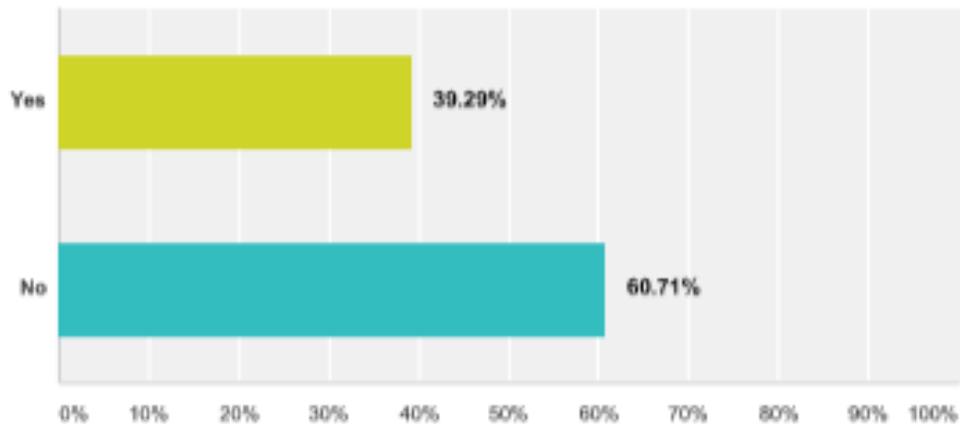
Answered: 540 Skipped: 87



## In-Site Design Park Master Plan Survey Continued

**Q17 Estimating an aquatic facility like Rexburg's would cost \$9 million plus a minimum of \$150,000 in operational costs, would you be willing to support a 30-year bond for an Aquatic Center and operational costs with a \$17 monthly tax contribution per household for the bond, an additional \$5+ a month for operations and an entrance fee?**

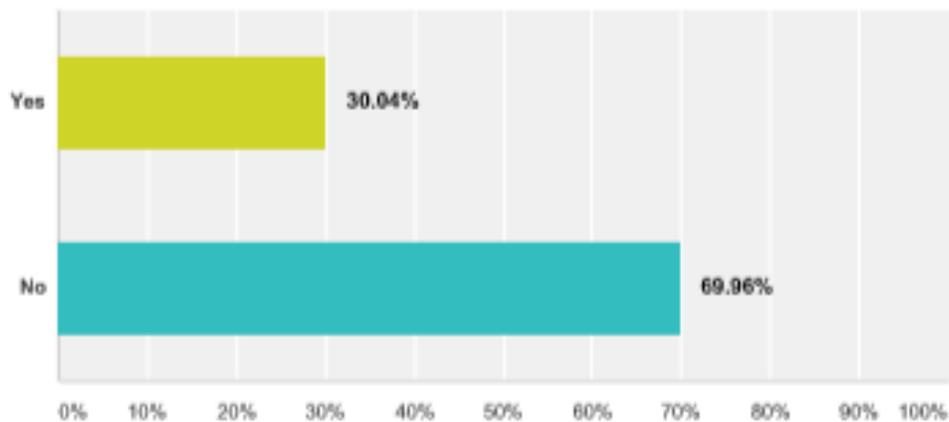
Answered: 537 Skipped: 90



## In-Site Design Park Master Plan Survey Continued

**Q18 Estimating an aquatic facility like Payson's would cost \$12 million plus a minimum of \$150,000, would you be willing to support a 30-year bond for an Aquatic Center and operational costs with a \$22 monthly tax contribution per household for the bond, an additional \$5+ a month for operations and an entrance fee?**

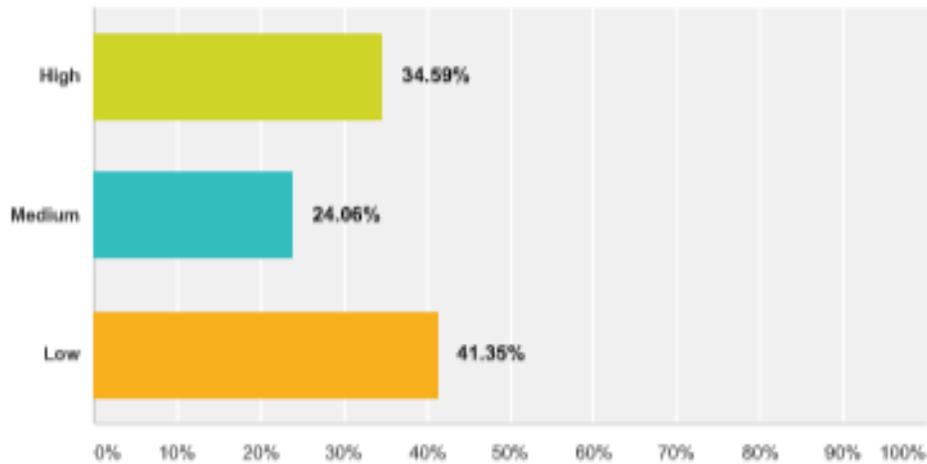
Answered: 536 Skipped: 91



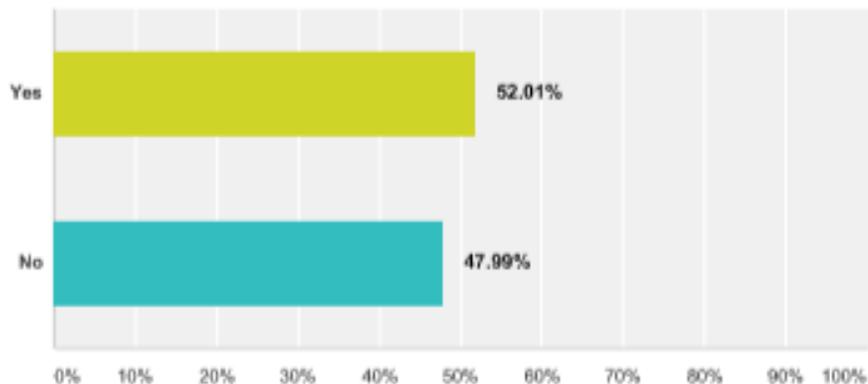
## In-Site Design Park Master Plan Survey Continued

**Q19 Interest level in a splash pad?**

Answered: 532 Skipped: 95

**Q20 Estimating a splash park like Highland would cost 1.5 million plus a minimum of \$50,000 in operational cost, would you be willing to fund a 15 year bond for a splash park and operational costs with a \$3.50 monthly tax contribution per household for the bond and an additional \$2 a month for operations?**

Answered: 546 Skipped: 81



## 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	2011	2012	2013	2014	2015	2016	2017	2018	2019
Population *	9,947	10,055	10,162	10,245	10,189	10,301	10,313	10,217	N/A
Household Median Adjusted Gross Income **	\$79,375	\$79,415	\$82,828	\$85,244	\$87,555	\$87,086	\$89,388	N/A	N/A
County Household Median Adjusted Gross Income **	\$43,977	\$46,068	\$47,521	\$49,251	\$50,683	\$64,321	\$54,694	N/A	N/A
Unemployment Rate ***	6.6%	5.2%	4.3%	3.5%	3.2%	3.1%	2.9%	2.8%	2.6%

*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.

*Accounting Period*

## GLOSSARY

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.

*Audit*

An official inspection of an individual's or organization's accounts, typically by an independent body.

*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.

*Major Fund*

A major fund is one that comprises 10% of the total assets plus deferred outflows, or liabilities plus deferred in-

flows, revenues, or expenditures/expenses (excluding extraordinary items) for its fund category (governmental or enterprise funds) and one that comprises at least 5% of the corresponding total for all governmental and enterprise funds combined.

#### *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.

#### *Non-Major Fund*

Does not meet the criteria of a major fund. These funds do not pass the 10% and 5% tests.

#### *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.

### *Retained Earnings*

Retained earnings are the cumulative net earnings or profit of a firm after accounting of dividends-some people refer to them as earnings surplus. Retained earnings are the net earnings after dividends that are available reinvestment in the company's core business or to pay does its debt.

### *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.

### *Working Capital*

Working capital, also known as net working capital, is the difference between a company's current assets, like cash, accounts receivable (customers' unpaid bills) and inventories of raw materials and finished goods, and its current liabilities, like accounts payable.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Cedar Hills, Utah for its annual budget for the fiscal year beginning July 1, 2018. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Cedar Hills  
Utah**

For the Fiscal Year Beginning

**July 1, 2018**

*Christopher P. Morill*

Executive Director

