

ORDINANCE NO. 2012-479

AN ORDINANCE ADOPTING THE 2012-2013 OPERATING FUNDS' BUDGET EXPENDITURES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2012, AND ENDING SEPTEMBER 30, 2013, FOR THE CITY OF CEDAR HILL, TEXAS; AUTHORIZING EXPENDITURES AS SET OUT IN SUCH BUDGET AND PROVIDING FOR EFFECTIVE DATE.

WHEREAS, the City Council of the City of Cedar Hill, Texas, has caused to be prepared for each of the City of Cedar Hill's operating funds a proposed budget covering the expenditures for the fiscal year beginning October 1, 2012, and ending September 30, 2013, pursuant to the laws of the State of Texas.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cedar Hill, Texas that:

Section 1.

The appropriation amounts of each operating fund for the official budget of the City of Cedar Hill for the fiscal year beginning October 1, 2012, and ending September 30, 2013, are hereby fixed as follows:


General Fund	\$29,984,095
Police Forfeiture Fund	\$29,050
Animal Shelter Donation Fund	\$14,250
Library Fund	\$21,000
Hotel Occupancy Tax Fund	\$144,600
Police Reserve Pension Fund	\$19,055
Landscape Beautification Fund	\$1,800,000
Traffic Safety Fund	\$494,200
Community Development Corporation	\$3,131,530
Economic Development Corporation	\$10,821,480
Debt Service Fund	\$7,972,015
Street Construction Fund	\$790,790
Drainage Fund	\$276,895
Building Improvement Fund	\$97,815
Street Impact Fee Fund	\$1,336,425
Water and Sewer Fund	\$17,299,485
Equipment Fund	\$1,205,750
Total	\$75,438,435

Section 2. The City Manager be and is hereby authorized to make intra-departmental and inter-departmental fundtransfers within a fund during the fiscal year as becomes necessary in order to avoid the over-expenditure of a particular object code or department.

Section 3. A true and correct copy of the Official Budget is hereby directed to be filed in the office of the City Secretary, and said Official Budget is made a part of this Ordinance by reference as though fully copied herein verbatim.

Section 4. It being deemed by the City Council that this Ordinance shall go into immediate effect and force after its passage, approval and publication according to law.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cedar Hill, Texas on the 11th day of September, 2012.



Rob Franke, Mayor

ATTEST:



Lyn Hill, City Secretary

ORDINANCE NO. 2012-480

AN ORDINANCE ADOPTING A 2012-2013 CAPITAL BUDGET; AUTHORIZING EXPENDITURES AS SPECIFICALLY DESIGNATED IN SUCH BUDGET; AND PROVIDING FOR IMMEDIATE EFFECT.

WHEREAS, the City Council of the City of Cedar Hill, Texas, has found and determined that it is necessary to adopt a capital budget for the City of Cedar Hill; and


WHEREAS, the City Council of the City of Cedar Hill, Texas, has determined that it is in the best interests of the citizens of the City of Cedar Hill that such provisions and budgets be adopted.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cedar Hill, Texas, that:

Section 1. An Official Capital Budget for the City of Cedar Hill, Texas is hereby adopted as shown in "Exhibit A" attached hereto and incorporated in its entirety as though set out herein.

Section 2. It being deemed by the City Council that this Ordinance shall go into immediate effect and force after its passage, approval and publication, according to law.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Cedar Hill, Texas, on this the 11th day of September, 2012.



Rob Franke, Mayor

ATTEST:



Lyn Hill, City Secretary

EXHIBIT A

PROJECT	CURRENT BUDGET	CHANGE IN BUDGET	NEW BUDGET
STREET PROJECTS:			
Lakeridge Parkway Interchange	\$0	\$2,850,000	\$2,850,000
RESTRICTED PARKS PROJECTS:			
Cell 1	\$0	\$9,830	\$9,830
Cell 2	\$0	\$149,087	\$149,087
Cell 3	\$0	\$27,669	\$27,669
Cell 4	\$0	\$208,704	\$208,704
Cell 5	\$0	\$3,509	\$3,509
Cell 6	\$0	\$25,087	\$25,087
Cell 9	\$0	\$3,308	\$3,308
Donation	\$0	\$17,000	\$17,000
LANDSCAPING PROJECTS:			
South Clark Road	\$511,000	\$64,000	\$575,000
COMMUNITY DEVELOPMENT CORPORATION PROJECTS:			
Valley Ridge Shade Structures	\$0	\$129,000	\$129,000
Valley Ridge Irrigation Structures	\$0	\$182,000	\$182,000
WATER AND SEWER PROJECTS:			
Lakeridge Parkway Ground Storage Tank and Water Lines	\$3,575,000	\$(3,000,000)	\$575,000
U.S. Highway 67 Water Line	\$625,000	\$(625,000)	\$0
Ground System Controls Upgrade (SCADA)	\$0	\$250,000	\$250,000
Automatic Meter Reading System- Phase I	\$0	\$750,000	\$750,000
Miscellaneous Line Resizing	\$0	\$300,000	\$300,000
Bee Branch Interceptor	\$200,000	\$250,000	\$450,000
Sanitary Sewer Lift Stations Upgrade	\$350,000	\$130,000	\$480,000
Sub-Basin RO-7 Collector	\$650,000	\$(650,000)	\$0
Videocamera and Monitoring System	\$0	\$125,000	\$125,000
Citywide I&I Rehabilitation Project	\$0	\$300,000	\$300,000
Totals	\$5,911,000	\$1,499,194	\$7,410,194

ORDINANCE NO. 2012-481

AN ORDINANCE OF THE CITY OF CEDAR HILL LEVYING A TAX RATE FOR AD VALOREM TAXES FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT FOR 2012-2013 FISCAL YEAR; PROVIDING FOR REVENUES FOR THE PAYMENT OF CURRENT EXPENSES AND INTEREST AND SINKING FUND REQUIREMENTS; PROVIDING FOR A SAVINGS CLAUSE; AND PROVIDING FOR EFFECTIVE DATE.

WHEREAS, in accordance with the provisions of the laws of the State of Texas, the City Council has conducted a public hearing for the purpose of considering the Budgets for the City of Cedar Hill, Texas; and

WHEREAS, the City Council has by ordinances adopted the budgets for the 2012-2013 fiscal year;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cedar Hill, Texas:

Section 1.

That there be and is hereby levied for the fiscal year beginning October 1, 2012, and ending September 30, 2013, for the use and support of the municipal government of the City of Cedar Hill, Texas upon all property, real, personal, and mixed within the corporate limits of the City of Cedar Hill, Texas, on January 1, 2012, and not exempt by the constitution of the State of Texas and valid State laws, a tax of \$0.69569 per one hundred (\$100) dollars valuation of property, said tax being so levied and apportioned to the specific purposes here set forth:


1. For the maintenance and support of the general government (General Fund), \$0.50963 on each one hundred (\$100) dollars valuation of property; and,
2. For the Interest and Sinking Fund \$0.18606 on each one hundred (\$100) dollars valuation of property.

Section 2: THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

Section 3. It being deemed by the City Council that this ORDINANCE shall go into immediate effect and force after its passage, approval and publication according to law.

Section 4. Should any part of this Ordinance be declared invalid for any reason, that invalidity shall not affect the remainder of this Ordinance, and which remainder shall remain in full force and effect.

PASSED, APPROVED AND ADOPTED this the 11th day of September, 2012, at a regular meeting of the City Council of the City of Cedar Hill, Texas, there being a quorum present, by __ yeas and __ nays, and approved by the Mayor on the date above set.



Mayor, Rob Franke

ATTEST:



Lyn Hill, City Secretary

ORDINANCE NO. 2012-485

AN ORDINANCE OF THE CITY OF CEDAR HILL, TEXAS, REPEALING ORDINANCE NO. 2011-449, OF THE CITY OF CEDAR HILL, TEXAS, AND PROVIDING IN ITS PLACE AN ORDINANCE FIXING AND DETERMINING THE WATER AND WASTEWATER RATES TO BE CHARGED FOR RESIDENTIAL CUSTOMERS, AND NON-RESIDENTIAL CUSTOMERS OF THE CITY OF CEDAR HILL, TEXAS; PROVIDING A MAXIMUM WASTEWATER RATE FOR A RESIDENTIAL CUSTOMER IN THE CITY OF CEDAR HILL, TEXAS; PROVIDING A PROVISION REPEALING INCONSISTENT PROVISIONS OF ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Cedar Hill, Texas, finds and determines that it is in the best interest of the health, welfare and safety of the citizens of the City of Cedar Hill, Texas to provide an ordinance which fixes and determines the rates to be charged for water and wastewater service within the City of Cedar Hill, Texas to residential customers, multi-family customers, and commercial customers;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cedar Hill, Texas:

SECTION 1: REPEAL OF ORDINANCE 2011-449.

Ordinance No. 2011-449 of the City of Cedar Hill, Texas is hereby repealed in its entirety, effective October 1, 2012. This ordinance repeals only Ordinance No. 2011-449 and does not repeal any other ordinance of the City of Cedar Hill, Texas, except as such other ordinance or any provision thereof may be in direct conflict with any term or provision of this new ordinance.

That the rates set forth are applicable to each customer for each month for which water is used at the same location. The total monthly fee for a customer shall be the sum of the fixed rate charge plus the variable rate charge.

SECTION 2. DEFINITIONS.

Residential Customers: Customers that are single family or separately metered duplex dwelling units, or other premises containing dwelling units for which each unit is individually metered.

Non-Residential Customers: Customers that do not qualify as a residential customer. This includes commercial and multi-family customers with two (2) or more dwelling units served by a single meter.

SECTION 3. WATER RATES.

Residential customers: That the fixed rate charge established for each residential customer is \$7.50 per connection. The fixed rate charge will entitle the customer to 1,000 gallons of water. The variable rate charge is \$4.98 per 1,000 gallons in excess of 1,000 gallons.

Non-Residential customers: That the fixed rate charge established for each commercial customer is \$7.50 per connection. The fixed rate charge will entitle the customer to 1,000 gallons of water. The variable rate charge is \$4.98 per 1,000 gallons in excess of 1,000 gallons.

SECTION 4. WASTEWATER RATES.

Residential Customers: That the fixed rate charge established for each residential customer is \$7.75 per connection. The fixed rate charge will entitle the customer to 1,000 gallons of wastewater. The variable rate charge is \$6.70 per 1,000 gallons in excess of 1,000 gallons. The monthly volume of wastewater generated by a customer shall be assumed to be equivalent to 90% of the average monthly water consumption for the customer for the preceding November, December, January, and February, exclusive of the month of highest volume of water for the four months. If water consumption records are not available for a customer for these months, the monthly volume of wastewater shall be assumed to be 7,000 gallons. At the customer's request, the assumption of 7,000 gallons of wastewater volume may be reviewed by the Assistant City Manager and the assumption revised to ninety (90) percent of three months' average water volume. Notwithstanding the rates established in this Section, the maximum wastewater charge for any single-family residential dwelling located in the City of Cedar Hill, Texas, shall not exceed \$68.00 per monthly billing cycle.

Non-Residential Customers: That the fixed rate charge established for each commercial customer is \$7.75 per connection. The

monthly volume of wastewater generated by a customer shall be assumed to be equal to the volume of water purchased for that month. The fixed rate charge entitles each commercial customer to 1,000 gallons of wastewater. The variable rate charge is \$6.70 per 1,000 gallons in excess of 1,000 gallons.

SECTION 5.

The Assistant City Manager shall, upon the request of a customer, and subject to the conditions established below, authorize wastewater rates based upon 90% of the average monthly water consumption for the customer for the preceding November, December, January and February, exclusive of the month of highest water volume. If water consumption records are not available for a customer for these months, the monthly volume of wastewater shall be the average of the first three months of consumption. This charge shall be retroactively adjusted at the end of the three-month period. The commercial customer must satisfy the following conditions to qualify for the averaging method.

- 1) The meter is not used to provide water for the production of a product or as an integral part of their business, and
- 2) The meter under consideration must provide both structural and irrigation services, and
- 3) The meter maintains and irrigates a minimum of 2,000 square feet of landscaping or turf serviced, and
- 4) The meter operates continuously throughout the year. Seasonal businesses are specifically excluded from the averaging process.
- 5) The Assistant City Manager's determination of eligibility of the request for averaging cannot be appealed, subject to modifications of ordinances by the City Council. The Assistant City Manager may review and change this authorization at any time.

SECTION 6.

The Assistant City Manager shall have the authority to decide any question that may arise and to determine any adjustments to any charge and his decision in such cases shall be final.

SECTION 7. That all ordinances of the City of Cedar Hill, Texas in conflict with the provisions of this ordinance be, and the same are hereby, repealed and all other ordinances of the City of Cedar Hill, Texas not in conflict with the provision of this ordinance shall remain in full force and effect.

SECTION 8. That should any section, paragraph, sentence, clause, or phrase of this ordinance be held or determined to be unconstitutional or invalid for any reason, such holding or determination shall not affect the remaining provisions hereof, which are declared to be severable.

SECTION 9. Because of the nature of the interest and safeguards sought to be protected by this Ordinance, and in the interest of the City of Cedar Hill, Texas, this Ordinance shall take effect October 1, 2011, after passage approval and publication, as required by law. The City Secretary is hereby authorized and directed to cause publication of the descriptive caption and penalty clause hereof as an alternative method of publication provided by law.

PASSED, ADOPTED and APPROVED by the City Council of the City of Cedar Hill, Texas, on this the 11th day of September, 2012.


Rob Franke, Mayor

ATTEST:


Lyn Hill, City Secretary

CITY OF CEDAR HILL

FINANCIAL POLICIES RELATING TO THE ANNUAL OPERATING BUDGET

I. PURPOSE STATEMENT

The policies set forth below provide guidelines to enable the City staff to achieve a long-term, stable financial condition while conducting daily operations and providing services that are consistent with the Council-Manager form of government established in the City Charter. The Budget Team follows these policies while developing the annual operating budget. The scopes of the policies cover accounting, auditing, financial reporting; internal controls, operating and capital budgeting, revenue management, cash management, financial condition and reserve, expenditure control and debt management.

II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

- Accounting - The City's Accounting Manager is responsible for establishing the chart of accounts and for properly recording financial transactions.
- External Auditing - The City will be audited annually by outside independent accountants (auditors). The auditors must be a CPA firm and must demonstrate significant experience in the field of local government auditing. They must conduct the City's audit in accordance with generally accepted auditing standards and be knowledgeable in the Government Finance Officers Association Certificate of Achievement Program. The auditors' report on the City's financial statements will be completed within six months of the City's fiscal year end.
- Auditor Rotation - The City will require requests for proposal for audit services every five years.
- External Financial Reporting - The City will prepare and publish a Comprehensive Annual Financial Report (CAFR). The CAFR will be prepared in accordance with generally accepted accounting principles and will be presented annually to the Government Finance Officers Association (GFOA) for evaluation and awarding of the Certificate of Achievement for Excellence in Financial Reporting.
- Internal Financial Reporting - The Finance Department will prepare internal financial reports sufficient for management to plan, monitor and control the City's financial affairs.

III. INTERNAL CONTROLS

- Written Procedures - The Finance Director is responsible for developing written guidelines on accounting, cash handling and other financial matters. The Finance Department will assist Department Directors, as needed, in tailoring such guidelines to fit each department's requirements.
- Department Directors' Responsibility - Each Department Director is responsible to the City Manager to ensure that proper internal controls are followed throughout his or her department, that all guidelines on accounting and internal controls are implemented and that all independent auditor control recommendations are addressed.

IV. OPERATING BUDGET

- Preparation - The City's annual operating budget will be prepared by the Budget Team consisting of the City Manager, the Deputy City Manager, the Assistant City Manager, the Finance Director, the Human Resources Director, the Accounting Manager, the Budget Analyst and other staff members appointed by the City Manager. A budget preparation calendar and timetable will be established and followed in accordance with state law.
- Balanced Budget - Current operating revenue will be sufficient to support current operating expenditures. Annually recurring revenue will not be less than annually recurring operating budget expenditures (operating budget minus capital outlay). Debt or bond financing will not be used to finance current expenditures.
- Encumbrances - The City will not encumber funds for operating use at year-end.
- Budget Amendments - The Finance Department will monitor all financial operations. If the Finance Director identifies the need to amend the current year budget, he will present his findings to the City Manager for his review. The City Manager will decide whether or not to proceed with the budget amendment and, if proceeding, will then present the matter to the City Council. If the City Council decides a budget amendment is necessary, the amendment will be adopted in ordinance format, and the necessary budgetary changes will then be made.
- Reporting - Monthly financial reports will be prepared by the Finance Department and made available for department directors to review, utilizing an internal reporting system. Information obtained from financial reports and other operating reports is to be used by department directors to monitor and control the budget as authorized by the City Manager.
- Performance Measures and Productivity Indicators - Where appropriate, performance measures and productivity indicators will be used as guidelines and reviewed for efficiency and effectiveness.

V. CAPITAL BUDGETS

- Preparation - The capital budget will include all Capital Projects Funds and all capital resources. The capital budget will be prepared annually and will be presented to the City Council during multiple Capital Budget Workshops.
- Control - All capital project expenditures will be appropriated in the capital budget. The Finance Director will certify the availability of such appropriations or the availability of resources so that an appropriation may be made before a capital project is approved by the City Council.
- Encumbrances - Funds for capital projects will be encumbered until the project is complete.
- Alternate Resources - Where applicable, assessments, impact fees, pro-rata charges or other user-based fees will be appropriated to fund capital projects that have a primary benefit to specific property owners.
- Debt Financing - If and when debt is issued, the proceeds will be used to acquire major assets with expected lives that equal or exceed the term of the debt issue. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects and small component parts that are attached to major equipment purchases.
- Reporting - Monthly financial reports will be prepared by the Finance Department and made available for department directors to review, utilizing an internal reporting system. Information obtained from financial reports and other operating reports is to be used by department directors to monitor and control the budget as authorized by the City Manager.

VI. REVENUE MANAGEMENT

- **Simplicity** - The City will strive to keep the revenue system simple, resulting in a decrease of compliance costs for the taxpayer or service recipient and a corresponding decrease in tax avoidance.
- **Certainty** - The City will strive to understand its revenue sources and predict the reliability of revenue streams. The City will enact consistent collection policies so that management may be reasonably assured that certain revenues will materialize according to budgets, plans and programs.
- **Equity** - The City will strive to maintain equity in the revenue system structure. That is, the City will seek to minimize or eliminate all forms of subsidization among entities, funds, services, utilities and customers.
- **Administration** - The benefits of revenue will exceed the cost of producing the revenue. The cost of collection will be reviewed periodically for cost effectiveness and efficiency.
- **Property Tax** - Property shall be assessed at 100% of the fair market value as appraised by Dallas County Appraisal District and Ellis County Appraisal District. Reappraisal and reassessment will be done regularly as required by state law. A collection of 100% of current assessments from current assessments, delinquent assessments, penalties and interest will serve as the goal for tax collections.
- **User-Based Fees** - For services associated with a user fee or charge, the direct and indirect costs of that service will be offset by a fee. There will be periodic reviews of fees and charges to ensure that fees adequately cover the cost of services.
- **Inter-fund Administrative Charges** - Enterprise Funds and certain special revenue funds will pay the General Fund for direct services rendered.
- **Utility Rates** - The City will review and adopt utility rates annually that will generate revenues required to fully cover operating expenditures, meet the legal restriction of all applicable bond covenants and provide adequate working capital. The rates will allow the Water and Sewer Fund to meet the fund balance (working capital) requirements of 25% of operations.
- **Interest Income** - Interest earned from investment of available monies, whether or not pooled, will be in accordance with the equity balances of the fund from which monies to be invested were provided.
- **Revenue Monitoring** - Revenues actually received will be compared to budgeted revenues, and variances will be investigated monthly.

VII. EXPENDITURE CONTROL

- Appropriations - The City Manager's level of budgetary control is at the fund level for all operating funds. The department director's level of budgetary control is at the department level. When a budget adjustment or amendment among funds is necessary, it must be approved by the City Council.
- Contingency Reserve - The General Fund will maintain an undesignated balance of at least 20% of budgeted expenditures. Only one month of sales tax receivable will be considered in determining fund balance.
- Purchasing - All purchases shall be in accordance with both the City's purchasing policy and state law.
- Prompt Payment - All invoices will be paid within 30 days of receipt in accordance with state law. Procedures will be used to take advantage of all cost effective purchase discounts. Payments will be processed to maximize the City's investable cash.

VIII. CASH/ASSET MANAGEMENT

- Investments - The City's investment practices will be conducted in accordance with the investment policy approved by the City Council.
- Cash Management - The City's cash flow will be managed to maximize the invest- able cash.
- Investment Performance - As per state law, the Finance Director will issue quarterly reports on investment activity to the City Council.
- Fixed Assets and Inventory - Such assets will be reasonably safeguarded, properly accounted for and prudently insured. The fixed asset inventory will be updated regularly.

IX. FINANCIAL CONDITION AND RESERVE

- Operating Reserves - The General Fund will maintain an undesignated fund balance of at least 25% of budgeted expenditures. Only one month of sales tax receivable will be considered in determining fund balance.
- The Water and Sewer Fund will maintain working capital of at least 25% of estimated expenditures.
- The Debt Service Fund will maintain a fund balance of at least 15% of budgeted expenditures.
- The 4A (EDC) will maintain a fund balance of at least 15% of estimated revenues.
- The 4B (CDC) will maintain a fund balance of at least 25% of estimated revenues.
- Risk Management - The City will pursue every opportunity to provide for the public's and City employees' safety. Health insurance coverage and property and casualty insurance coverage will be reviewed annually regarding the amount of coverage and cost effectiveness.
- Loss Financing - The City will maintain property, liability and workman's compensation coverage through participation in the Texas Municipal League's Intergovernmental Risk Pool. The pool maintains reinsurance coverage to protect the pool in the event of excessive losses.

X. DEBT MANAGEMENT

- Long-Term Debt - For operating purposes, long-term debt will not be used. The life of the bonds will not exceed the useful life of the financed projects.
- Self-Supporting Debt - When appropriate, self-supporting revenues will pay debt service in lieu of tax revenues.
- Ratings - Full disclosure of operations will be made to the bond rating agencies. City staff, with the assistance of financial advisors and bond counsel, will prepare the necessary materials for and presentation to the rating agencies.
- Water and Wastewater Bond Coverage Ratios - The City will maintain a coverage rate of 1.25 times in the Water and Sewer Utility Fund although only 1.20 is required by the bond covenants.
- Federal Requirements - The City will maintain procedures that comply with arbitrage rebate and other federal requirements.
- Legal Debt Limit - The City will limit general obligation debt expenditures to 50% of General Fund expenditures.
- Debt Service Reserves - The City will maintain a fund balance of at least 15% of budgeted expenditures in the Debt Service Fund.

