

North Logan City Corporation

ADOPTED

Annual Operating Budgets

Fiscal Year 2008-09

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**North Logan City
Proposed Operating Budgets
General and Enterprise Funds
2008-09
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Budget Executive Summary

To the Citizens of North Logan City:

This proposed budget for fiscal year 2008-09 maps out a financial course of action for North Logan City that will continue to keep the city financially healthy. The city always tends to have more legitimate needs than it has funds. It is up to the Mayor and City Council to plan, prioritize and balance identified needs in concert with expected revenue. In recent years the city has been taking special care to maintain the required five to eighteen percent unrestricted fund balance in the General Fund. This year's targeted fund balance is 10% and the budget is set up to achieve that goal. Even though the city anticipates continued growth in revenue from sales tax from a growing retail business base, the city remains cautious and conservative in its estimated sales tax revenue, trying not to rely solely on that revenue source. This budget includes a composite property tax rate of 0.001591, which is the assumed composite rate at the certified tax rate – no rate increase. The composite property tax rate for North Logan includes the general purpose portion of the property tax plus the library tax and the tax to pay off the sewer bond. The total property tax which would go to North Logan, under this proposed budget would have the taxes on a \$200,000 home at \$175.01 – about \$9.68 less than last year – as one assumes a property's assessed value stays the same.

The budget also proposes a reduction in rate for the Energy Sales and Use Tax. This is essentially a sales tax on electricity and natural gas used by customers and is allowed to be as high as 6%. In 2007-2008 the rate was five percent (5%). This budget reduces that rate to four percent (4%) for the coming year. That reduced rate would become effective three months after its approval – October 2008. Reducing this tax rate is anticipated to reduce revenue to the General Fund by about \$110,000 when comparing to the revenue generated in 2007-08.

The largest increases in expenditures for the various departments funded through General Funds in the city are in the police department and the fire department. The increase of about \$77,000 in the police department's budget (an approximate 9% increase) comes mainly from increased expenditures for personnel. About \$20,500 of the increase is for normal raises and about \$33,000 is for administrative adjustments. At the suggestion of the combined North Logan/Hyde Park Police Committee, it was determined that these administrative adjustments be made in order to help retain trained police officers by making their salaries more in line with competing cities' wages. North Logan City's portion of the budget for the fire department is programmed to increase by about \$58,500 or about 13%. The majority of this increase is covering the cost of a full year's salary for the fire marshal. FY2007-2008's budget only included the cost of six months of that position.

Other major changes in expenditures when comparing 2008-09 to 2007-08 are significant reductions in two departments namely streets and economic development. Both of these departments were ambitiously funded in 2007-08. The planned funding for 2008-09 for both departments is more in line with what has been spent historically in these two areas.

The budget for the Library Special Revenue Fund shows little change from 2007-08 to 2008-09. The planned fund balance in the library for 2008-09 will be slightly lower than it was in 2007-08 (15.2% compared to 16.9%). No exceptional changes are planned in the expenditures for the library for library operations for the coming year. The bond for the initial construction of the library was refinanced in FY2007-08 and by so doing it will shorten by two years the time it will take to pay of the remaining funds owed on the library's construction. It should be paid off in eight more years.

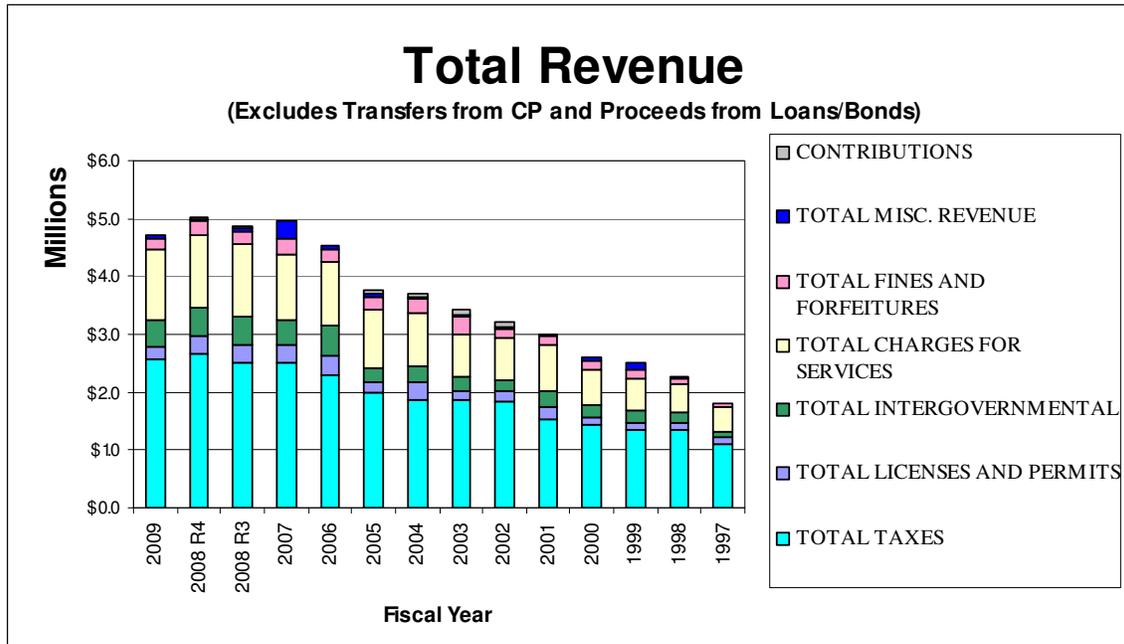
There are no out of the ordinary budget changes in the water or sewer utility funds. These departments' funds stand aside from the general fund and the departments must be self sustaining. Fees received for water and sewer use must be used within their respective departments. Some limited capital projects are planned in these departments this budget year. Excess funds generated within these departments will be available for future needs (beyond 2008-09) which will include for the water department - the development of an additional well, the acquisition of additional water rights, and the construction of additional water mains; and for the sewer department - there will continue to be additional main lines installed in the "city center" part of town.

Personnel costs make up about 44% of the expenditures in the general fund. The budget, as proposed, includes an approximate 3.9% increase in wages. That amount, when including the benefits associated with wage increases such as retirement and social security, means an increased expense of about \$76,000 for all funds combined plus about \$2,000 for raises to bring employees up to the minimum point in their position's wage or salary range. Raises for city employees are merit based therefore an individual employee may receive more or less than this 3.9% increase depending on their performance and how their salary compares with other cities' employees in the same position. Increased health insurance rates for currently benefited employees plus the new benefits for additional authorized positions will cost the city about \$48,000 more than last year.

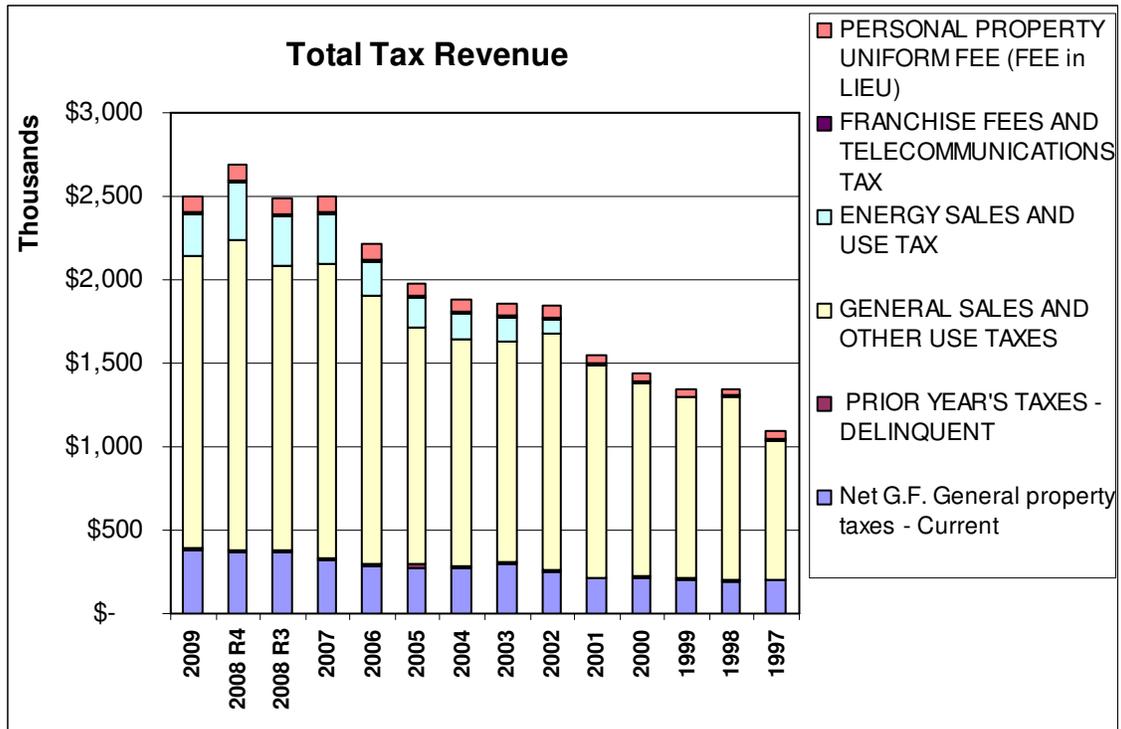
The following pages of this report provide more detailed information about the budget for 2008-09. Direct any comments to Jeff Jorgensen the City Administrator/Recorder. It is the intention of the Mayor and City Council that the public's input in the budget process is important and encouraged.

General Fund Revenues

The following chart shows the total General Fund Revenues as a total and each major element that makes up the city's revenue for the general fund and the trend of the city's revenue over the previous twelve years. Total revenues for the city have steadily increased over those past twelve years. The conservatively estimated revenue for 2008-09 is projected to decrease about \$310,000 compared to 2007-08 which is about a 6.2% decrease. This will tend to be a bit misleading without looking at a couple of details. The majority of the revenue estimates for 2008-09 are generally level when compared to last year except for three areas. One major change in the projected revenue in 2008-09 is because the budget does not include some significant grants that were received in 2007-08 which may or may not be realized in 2008-09. In previous years we have been very successful in receiving significant grants, especially lately for the fire department, but none are included in the budget until they are a sure thing. Revenue that results from construction, namely building permit fees, plan check fees, and impact fees, are also projected to be lower because of the housing slow down. The last major change is the reduction of some segments of expected taxes. The energy sales and use tax rate is to be decreased from 5% to 4% and sales taxes are expected to be lower in 2008-09 than they were in 2007-08 because of the general economic slow down.

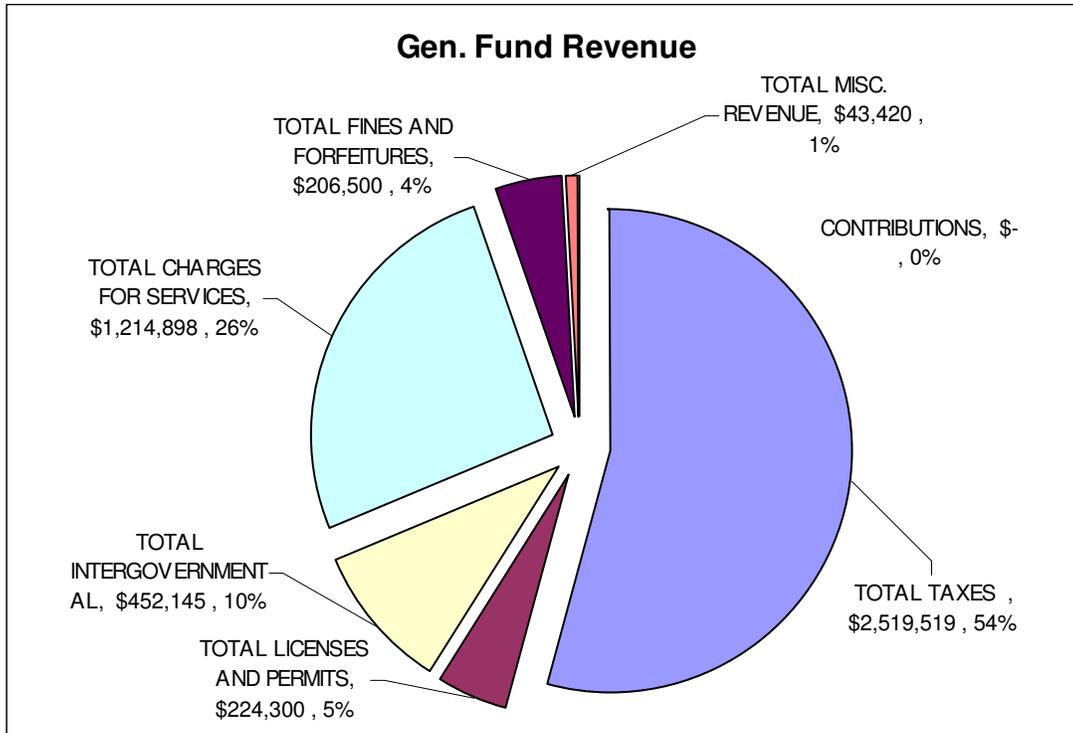


Even with the proposed Composite Property Tax Rate being held at the certified tax rate as set by the State, by doing so the General Purpose portion of the property tax will generate about \$41,500 more in revenue in 2008-09 than it did in 2007-08 because of new growth. The total revenue from all taxes is projected to go down an estimated \$187,000. The energy tax rate is planned to be 4%, two percentage points below the maximum allowed by law which is 6%. That rate (6%) is the rate most cities charge in Cache County.



General Fund Budget 2006-2007

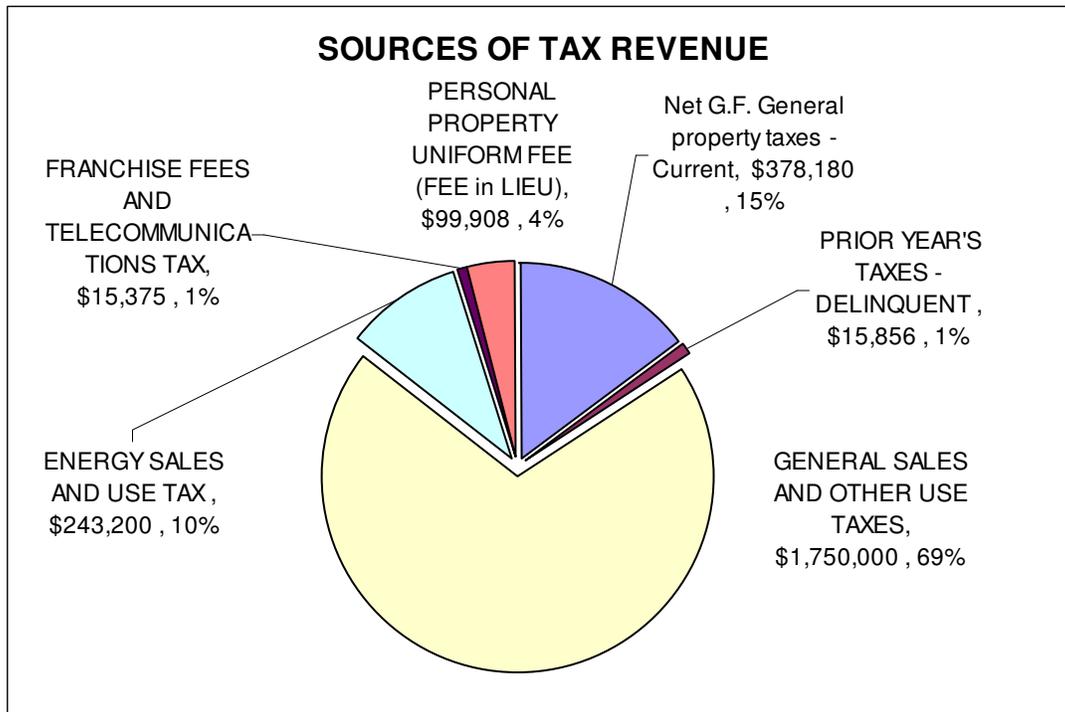
Revenue Percentages



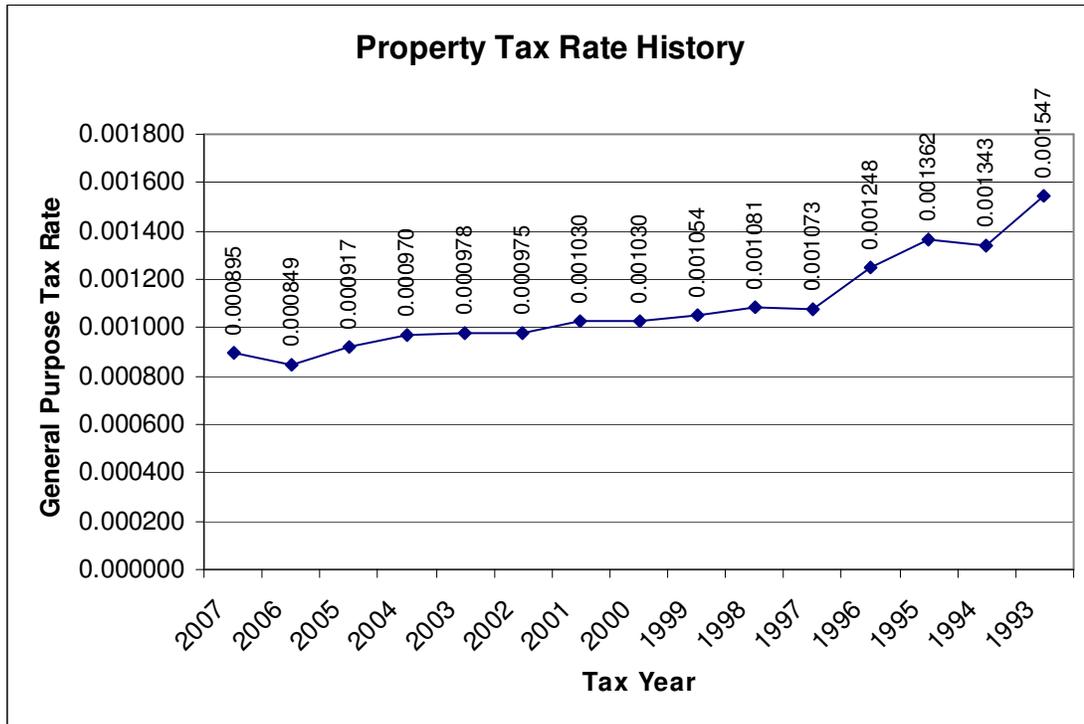
Taxes remain the largest source of General Fund Revenue for 2008-09 (54%). Tax revenues include sales tax, property tax, fee-in-lieu taxes (vehicle taxes), franchise taxes, RAPZ tax, and energy sales and use tax. 'Charges for Services' is the second largest source of revenue (26%) for the general fund and includes refuse collection charges, various zoning and subdivision fees, reimbursement from Hyde Park for police and animal control services, and misc. parks and recreation fees.

The total expected General Fund revenue from all sources for 2008-09 is expected to be about \$4,661,000 compared to \$5,068,000 in 2007-08 (a decrease of about 8.0%).

Tax dollars projected for 2008-09 supply 54% of General Fund revenues which is about the same as it was in 2007-08. Sales tax continues to be the largest source of Tax Revenue, contributing 69% of the total tax dollars. The second largest source of tax revenue is from the general purpose property tax which will bring in about 15% of the total tax revenue for the city. The rate for the Energy Sales and Use Tax will go from 5% to 4% in 2008-09 and is expected to generate about \$107,000 less than last year or about \$243,000. This fund source makes up the third largest revenue source (10%) of taxes brought into the general fund.



The Certified General Purpose Property Tax rate for tax year 2008 (fiscal year 2008-09), since no tax increase is approved, is estimated to drop to 0.000849 compared to 0.000895 for 2007-08. The certified tax rate computed by Cache County is typically not received by the city until after the budget has been approved in June therefore the tax rate in the budget is only an estimate. Once the certified rate is received by the city, or the higher general purpose tax rate is approved in August, the budget would be changed to reflect the new rates. The certified rate is intended to be set at a level that would maintain the same level of revenue less new growth. Since property values increase, the rate tends to decline over time as shown in the following chart. The tax rate is not adjusted to keep up with inflation or increased services, instead there is erosion in the property tax rate such that revenue received does not keep up with the costs of running the city. As costs increase there is more and more reliance on other taxes, especially sales tax, to fund city services.



Until tax year 2007 the General Purpose Property Tax Rate had not been increased in North Logan City since August of 1990 when it was set at 0.002144. The Dedicated Library Tax, after being initially set at 0.000750 in 1994-95, was raised to that level again in 2001-02 and again in 2006-07. The maximum rate allowed by law for the library tax is 0.001000 therefore North Logan’s assumed certified library tax rate of 0.000680 for 2008-09 is 68% of the maximum allowed. The maximum rate allowed by law for the General Purpose Property Tax is 0.007000. Since the General Purpose Tax Rate is not to be increased this year, and assuming the certified tax rate of 0.000849, the tax rate will be only about 12.1% of the level allowed by law.

General Fund Expenditures

City Council

No significant changes for expenditures for the City Council are anticipated in 2008-09. A small portion of the projected expenditures attributed to the City Council are expected to go down due to the fact that there will be no municipal elections in 2008-09. Elections cost the city about \$5,000. The total expenditures for this department are expected to increase by about 4% or about \$3,300.

City Justice Court

Expected changes in expenditures for the justice court (the judge, the court clerk and the bailiffs) will come from the planned personnel costs increases - wages and benefits. There will also be some minor reductions in operating expenses. The expenditures for this department are expected to decrease by about 4% or about \$6,800.

Executive Staff

The expected increases in expenditures for the executive staff (the city administrator and the executive secretary) will also come mainly from the planned personnel costs increases - wages and benefits. The expenditures for this department are expected to increase by about 3.8% or about \$3,500.

Administrative Agencies

The expected changes in expenditures for the administrative agencies (the city treasurer, the deputy recorder, the payroll clerk/personnel clerk, and two half-time secretary/ receptionists) are due to increases in the personnel costs for raises, the adding of an additional authorized position in an accounts payable clerk, and two months of overlap for the retiring deputy recorder to train a new city recorder. The overall expenditures for this department are expected to increase by about 33% or about \$37,100.

Non-Departmental (Administration)

The expenditures for this department are expected to decrease by about 10% or about \$17,000. The changes are due to eliminating the airport allocation of \$5,000 and not budgeting any funds for land or right-of-way as was done in the amount of \$20,000 in 2007-08.

Facilities Department

The expenses in this department are distributed throughout other departments in the city to account for utilities, insurance and repairs and maintenance of city facilities. There are three planned discretionary projects within this department - 1) replace the doors in the city office building (\$11,000); 2) replace the front approach to the fire department's building (\$6,000); and 3) install waterboard insulation in the fire station (\$15,000). The total expenditures for this department are expected to increase by about 9.6% or about \$33,800 above what was spent in 2007-08.

Police Department

No significant changes are planned for the expenditures in the police department with the exception of salary increases. Hyde Park shares in the costs of this department according to a formula that splits the costs based on relative sales taxes received, calls for service, and property valuation upon which taxes are computed. A higher percentage of the costs for the department will be borne by Hyde Park versus North Logan City this coming year due to the relative increase in sales taxes received by Hyde Park when compared to North Logan's sales taxes. Hyde Park will pay 22.7% of the NPPD costs in 2008-09 versus just 21.4% in 2007-08.

The increase of about \$77,000 in the police department's budget comes mainly from increased expenditures for personnel. About \$20,500 of the increase is for normal raises and about \$33,000 is for administrative adjustments. At the suggestion of the combined North Logan/Hyde Park Police Committee, it was determined that these administrative adjustments be made in order to help retain trained police officers by making their salaries more in line with competing cities' wages.

The total expenditures for this department are expected to increase by about 8.8% or about \$77,000 above what was spent in 2007-08. Hyde Park's 22.7% of the total cost of the police department is about \$226,000.

Fire Department

The budget for the fire department for 2008-09 versus 2007-08 shows an increase in costs of about \$58,000 or about 13%. A good share of this increase is covering the cost of a full year's salary for the fire marshal. FY2007-2008's budget only included the cost of six months of that position. The department's overall budget includes an increase of about \$20,000 in the professional and technical services line item. The majority of these increases are for certification and testing as required for the department's safety program (extrication tools, air compressor, SCBA gear testing, ladder truck certification, engine pump testing, OSHA training, and annual physicals and immunizations).

Building Inspection & Engineering

The budget shows a somewhat significant change for expenditures for the Building Inspection and Engineering Department in 2008-09. The expenditures for this department are expected to increase by about 14.3% or about \$38,000. About \$18,000 of that increase within this department is to purchase a vehicle for the Engineering Technician/GIS Specialist. The rest of the increase is for normal wage increases and employee benefits for the inspectors as well as covering the cost of a full year's salary for the GIS Specialist.

Roads and Streets

The budget for the Roads and Streets Department shows a significant decrease for 2008-09. The budget includes the normal costs for wages and benefits increases but the overall budget figure can be a bit misleading. The 2007-08 budget included about \$250,000 spent from road impact fee funds on specific road projects. No funds are currently set aside in the 2008-09 budget for impact fee projects, instead those funds are being held until the design can be completed for some anticipated projects on 200 East and 400 East.

The 2008-09 budget does include \$190,000 for much needed chip sealing of roads and other similar road surface treatments.

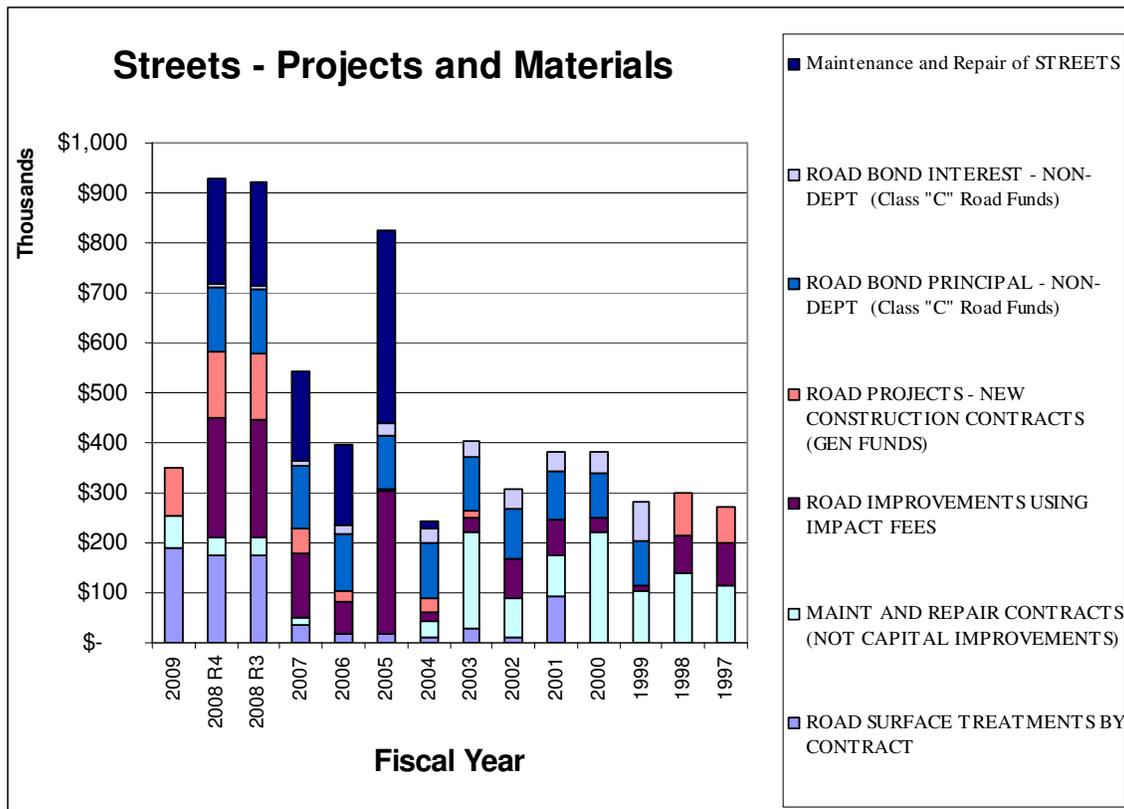
Several projects are planned for this fiscal year's budget for the streets department. They include the following:

- 1) Replacing sidewalks city wide and in particular in the North Village Area. (\$55,000),
- 2) Widening 1800 North between Main and 400 East by installing a pipe for the ditch there and covering it in anticipation of next year's widening of the asphalt surface (\$52,000), and
- 3) Constructing a storage area for salt and sand at the city shops for snow removal operations (\$42,000).

There are no street repair projects planned to be funded in the 2008-09 budget year using roads and streets capital improvement funds.

The overall expenditures for road projects and materials in 2008-09 from all sources (general fund, impact fees, and capital improvement funds) shows a decrease in spending on roads of about \$580,000 when compared to 2007-08, but the \$349,000 expected to be spent on road projects in 2008-09 is within \$1,000 of the average spent during the last ten years, if one does not count 2004-05 and 2007-08 which were exceptionally high years.

The following chart shows how the proposed expenditures in roads and streets projects and maintenance materials for 2008-09 compare to the previous twelve years.



Sanitation

Trash collection costs for 2008-09 are expected to increase by about 3% or \$19,000 when compared to 2007-08. This amount is the fees paid the Logan City for this service. Revenue received in North Logan to cover these costs is also expected to increase by about \$20,000 or 3% compared to 2007-08. These increases in costs and revenue are due to anticipated new growth only. No change in the trash collection fees are planned for this upcoming year.

Parks and Park Areas

Major expenditures for projects considered funded in the Parks Department include:

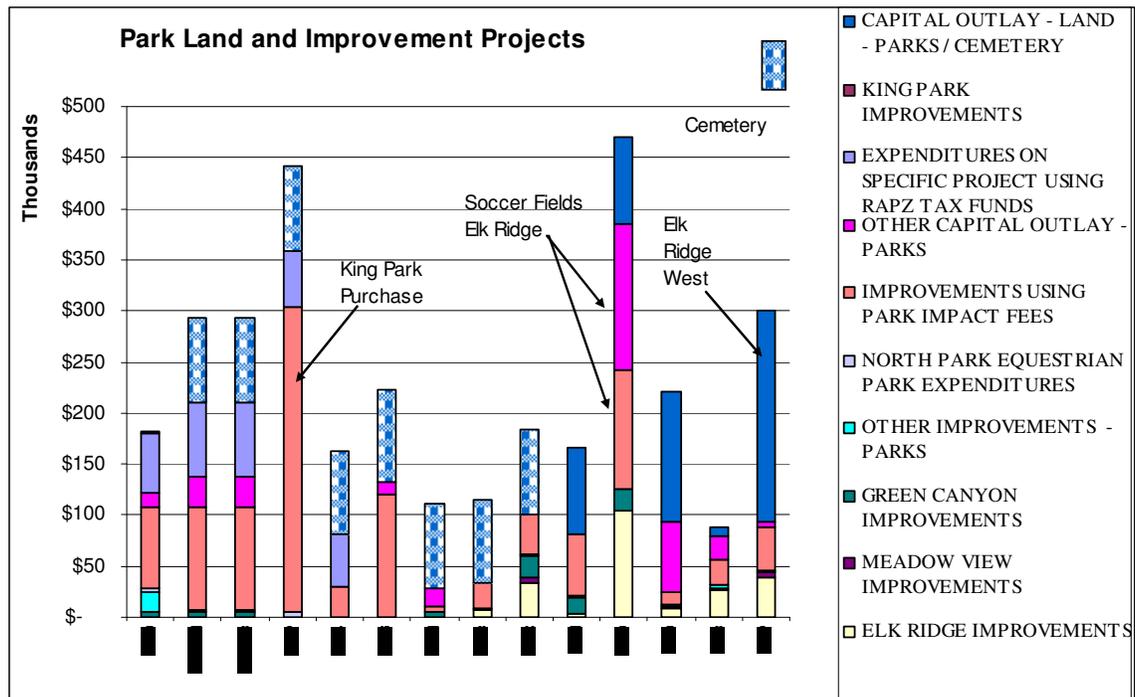
- Lion's Bldg. - Rpl. Door, Floor Covering And Windows - New Chairs \$20,000
- Construct Restroom King Park (RAPZ Project) \$78,000
- Construct Portion of NLC Trail System \$15,000
- Plant More Trees \$ 4,000

In addition, the budget calls for the following funds to be set aside in anticipation of future projects in the Parks Department:

- Set Aside For Double Tennis/Sport Court Meadow View (RAPZ 2012) \$15,000
- Set Aside For Purchase of Park Land in Future \$50,000

Also funded for the Parks Department is about \$15,000 for lawn care equipment.

With all of these changes and planned normal increases in personnel costs the overall budget for the Parks Department is planned to decrease by 2.6% or about \$12,400 when compared to 2007-08. The following chart shows how the proposed expenditures in park land purchases and project improvements for 2008-09 compares to the previous twelve years. The significant decrease for projects for 2008-09 shown by this chart is due to the fact that the payment on the cemetery/memorial park land ended in 2007-08 so it is not included in 2008-09.



Recreation and Culture

Minor changes are planned for the Recreation and Culture Department. The expenditures are planned to increase by about 3.6% or \$1,600 when compared to 2007-08.

Cemetery

The budget for the Cemetery is planned to increase significantly when compared to 2007-08. The expenditures for 2008-09 include \$5,000 for general supplies, \$5,000 for grounds maintenance and \$11,000 for two projects – 1) installing a rock entrance sign (\$1,000) and 2) installing conduits and underground lines for the utilities for a future building on the grounds (\$10,000).

Planning Commission and Community Planning

The Planning Commission's budget is planned for no changes between 2007-08 and 2008-09. The only changes in the Community Planning Department budget are for normal wages and benefits changes. With some other minor adjustments the department budget will decrease about 1% or about \$1,100.

Economic Development

The Economic Development is budgeted to be significantly lower than 2007-08. The overall budget is planned to be reduced about 81% or about \$83,500. Only \$5,000 is budgeted for consulting services in 2008-09 versus \$72,000 in 2007-08. The Community Promotion and Advertising line item is also decreased from \$20,500 to \$3,000.

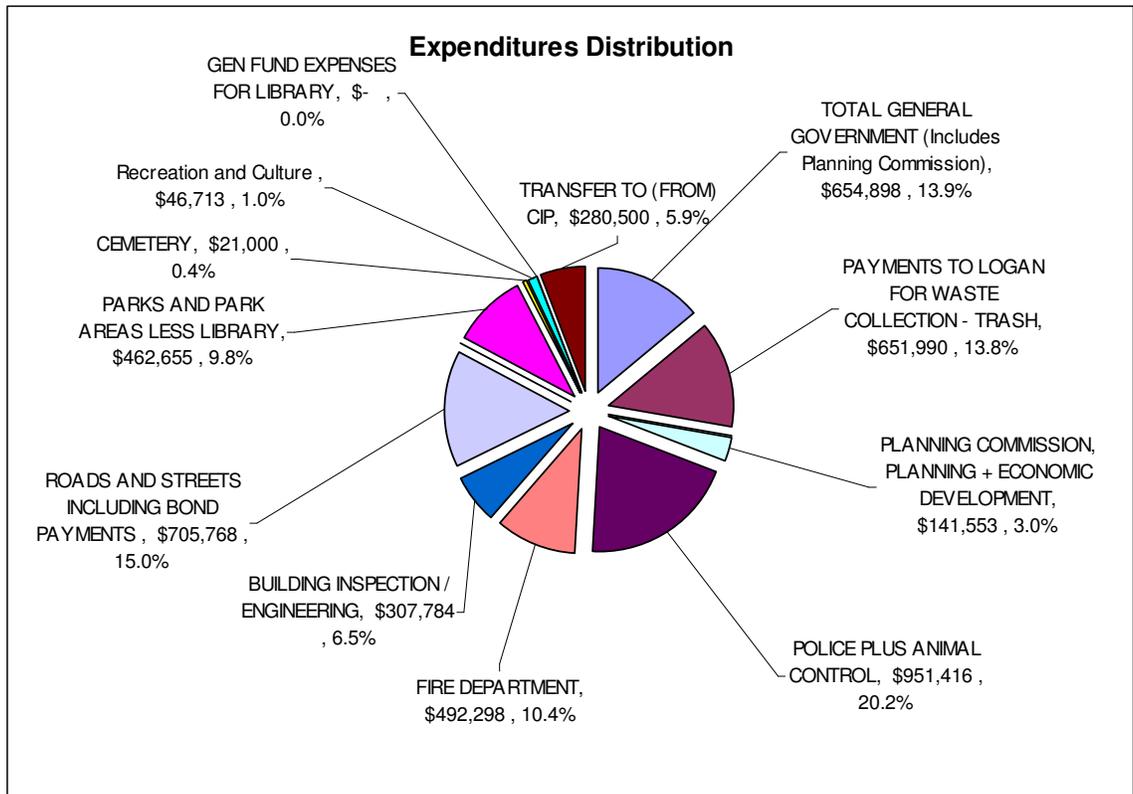
Debt Service

The area of the General Fund budget for debt service is now at zero for 2008-09. The Class "C" Road Fund Bond was paid off in 2007-08. That annual payment of \$136,175 has been eliminated from the budget.

The only remaining bond debts are in the Library, Water, and Sewer funds.

Expenditures Summary

The following chart shows the distribution of expenditures within the General Fund for various categories of spending:



General Fund Summary and Unreserved Fund Balance

The following table gives a summary of the revenue and expenditures for the general fund plus information about the unreserved fund balance for the city. The unreserved fund balance represents funds that are on hand with the city at the end of the fiscal year to ensure continued operation of the General Fund through the first few months of the year fiscal year and to hedge against emergency needs. The year-end percent unreserved fund balance must, by law, be between 5% and 18%.

	FY 2008-09	FY 2007-08 Rev 4
Total General Fund Revenue	\$4,660,782	\$5,067,566
Total General Fund Expenditures (Includes transfers to Capital Improvement Fund and Library SRF)	\$4,702,522	\$5,382,280
Amount Revenues Exceeds [Is Less Than] Expenditures (Includes Transfers)	\$41,740	\$314,714
Total Fund Balance (Reserved and Unreserved)	\$758,603	\$800,342
Total Reserved Funds	\$274,183	\$162,088
Total Unreserved Fund Balance	\$484,419	\$638,254
Percent Unreserved Fund Balance (Compared to the <u>following year's</u> projected revenue)	10.71%	13.69%

Reserve Funds

Reserved Funds are those funds within the General Fund which must be used for specific purposes. They include impact fees, funds received for liquor law enforcement, the little league program and others. Monies left in these accounts at the end of each fiscal year are carried over to the next year and are not included in the unreserved fund balance. Impact fees collected must be spent within six years of their receipt and must be used for projects that are required due to new growth.

Roads Impact Fees

Revenue from Road Impact Fees is expected to generate about \$90,000. No projects are currently planned in this budget which will use road impact fee funds.

Liquor Law Enforcement

The proposed budget shows similar usage of the money in this reserved fund for the year 2008-09 when compared to other years. These funds are received from taxes on the sale of alcoholic beverages and the funds must be used for alcoholic beverage law enforcement. The fund balance in this reserved fund is expected to increase from \$5,482 at the end of 2007-08 to \$6,902 at the end of 2008-09.

Parks and Recreation Impact Fees

Revenue from Park Impact Fees is expected to generate about \$85,000. Projects planned which will use park impact fee funds include:

- Construct Portion Of NLC Trail System \$15,000
- Set Aside For Double Tennis/Sport Court Meadow View (RAPZ 2012) \$15,000
- Set Aside For Purchase Of Park Land in Future \$50,000

The fund balance in this reserved fund is expected to increase from \$70,371 at the end of 2007-08 to \$83,371 at the end of 2008-09.

Equestrian Park

This fund contains monies intended for use at the Equestrian Park on Meadow View Park. There are no specific plans for this fund this year. The Equestrian Park is to be moved in the not too distant future and there is little interest in putting more money than is necessary into the park at its current location.

Little League Funds

This fund is used to track revenue from fees paid for participating in the Little League program. Funds are used to purchase supplies for the program such as bats, balls, other equipment and payments to umpires. The fund balance for this fund is expected to increase from \$4,011 at the end of 2007-08 to \$4,626 at the end of 2008-09. This fund should remain revenue neutral and accumulated funds may be used to purchase extra equipment as needed for the little league program.

The following funds are not considered part of the reserve funds for the purposes of computing the unreserved fund balance for the general fund, but they are similar to those reserve funds in that the monies received and reserved in these two areas must be reserved for the library in the case of the library bond fund and the funds allocated through RAPZ tax must be used to fund the specific RAPZ project for which the monies were awarded.

Library Bond Reserve Fund

This fund was made up of the funds remaining from the money borrowed to build the library after construction was complete. When the library bond was refinanced in FY2008 the funds in this account were applied against the initial bond as it was paid off. The budget shows no money remaining in this fund.

RAPZ Tax Specified Project

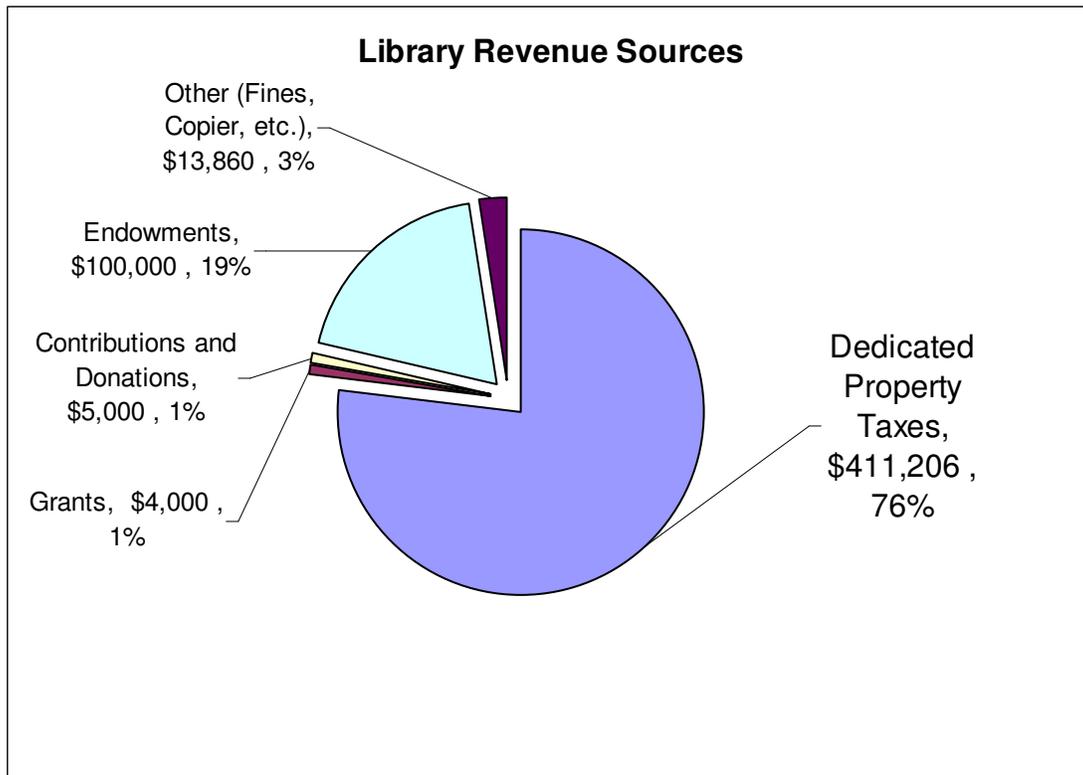
North Logan City was again successful in obtaining project specific funds from the county's Recreation, Arts, Parks, and Zoo tax for 2008-09. Those funds will be used to construct a restroom facility at King Nature Park. The anticipated cost of that project is about \$75,000 of which \$55,945 will come from the County RAPZ tax. The remaining matching funds are budgeted to come from the Parks Department within the General Fund.

Library Special Revenue Fund

This fund is separate from the General Fund and provides for the operation of the North Logan City Library. The majority of the revenue for the library comes from a dedicated property tax. The 2008-09 budget includes no increase in the library's dedicated property tax.

The second largest revenue source for the library is the Thorne Endowment (Endowment herein). The proceeds from the property donated through the Thorne Endowment will generate about \$95,000 in 2008-09 plus there will be about \$10,000 contributed by a combination of donations from citizens in Hyde Park and the Endowment. As a result of the Endowment and contributions from Hyde Park, North Logan City allows the use of the library by the residents of Hyde Park.

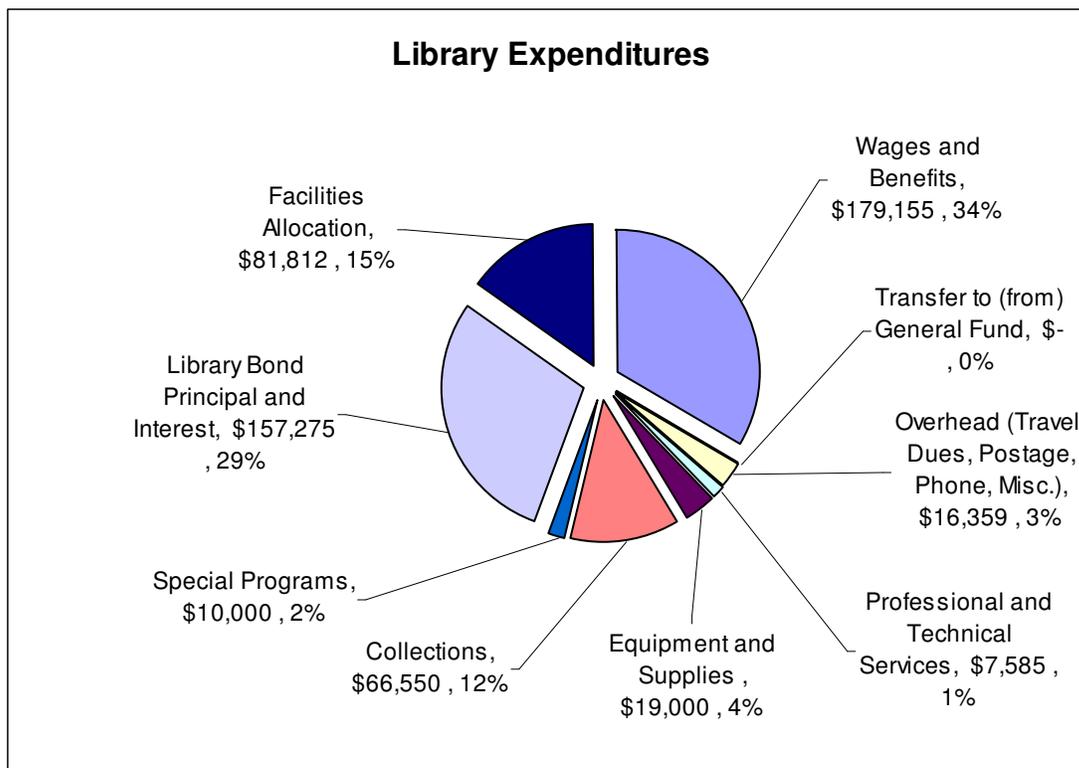
The following chart shows the various general sources of revenue for the library:



Most of the expenses for library operations are the wages and benefits for the library staff. With the payment of the library bond now coming out of the library fund, that expense becomes the second highest cost to this fund. The library's facility allocation covers the cost of utilities, insurance and maintenance of the library and is the next highest expenditure for the library. Collections (namely books, videos, magazines, and the processing of same) represents the fourth largest category of expenditures for the library.

Grants are typically received by the library each year. This budget will show no grant money until the grants are specifically received at which time the budget will be modified accordingly.

The following chart indicates the various categories of expenditures for the library fund. The library tries to maintain an end-of-year reserve fund balance within the library fund even though there is no statutory requirement to do so. The library board attempts to maintain a fund balance of about ten to twenty percent. The projected unreserved fund balance for 2008-09 for the library is budgeted to be \$83,936 or 15.5%.



Capital Improvement Fund

The Capital Improvement Fund is intended to provide for capital expenditures, primarily through replacement of assets. Funds transferred from the General Fund representing 'depreciation costs' become the revenue source for the Capital Improvement Fund. Expenditures from this fund should be limited to replacement of infrastructure such as roads, bridges, sidewalks, buildings and elements of buildings for which replacement significantly extends the life of the building such as a total roof replacement, vehicle replacement, and other capital equipment replacement. The depreciation schedule for capital assets would have the city transfer about \$1,185,500 into the Capital Improvement Fund. This budget, as presented sets aside through transfers only about \$280,500 or about 24% of that amount into the following subcategories of the Capital Improvement fund:

	FUNDED TRANSFERS	UNFUNDED TRANSFERS
1. Building Replacement & Capital Improvements to Facilities	\$60,000	\$30,000
2. Replacement of General Fund Vehicles (Non-NPPPD)	\$24,000	\$66,000
3. Park Facilities Capital Repairs and Replacement	\$0	\$9,000
4. Replacement of Capital Equipment	\$79,500	
5. Replacement of NPPD Vehicles (incl. Animal Control)	\$52,000	
6. Capital Repairs to Streets	\$0	\$750,000
7. Capital Improvements for Library	\$0	\$50,000
8. Replacement of Fire Dept Equipment	<u>\$65,000</u>	<u>.....</u>
Total	\$280,500	\$905,000

Planned expenditures in the Capital Improvement Fund are as follows:

1. Replace Facilities Dept. pickup truck	\$24,000
2. Replace sander on the 94 International dump truck	\$19,500
3. Replace Police Durango	\$32,060
4. Replace Police Chief's vehicle	\$16,025
5. Replace 1992 1 Ton – Fire Dept's medical squad	<u>\$65,000</u>
Total	\$156,585

The expected total fund balance for the Capital Improvement Fund at the end of 2008-09 is \$592,843.

Water Utility Fund

Planned revenue and expenditures for the Water Utility Fund for 2008-09 is projected as follows (with comparison to 2007-08):

Water Fund Summary

Revenue

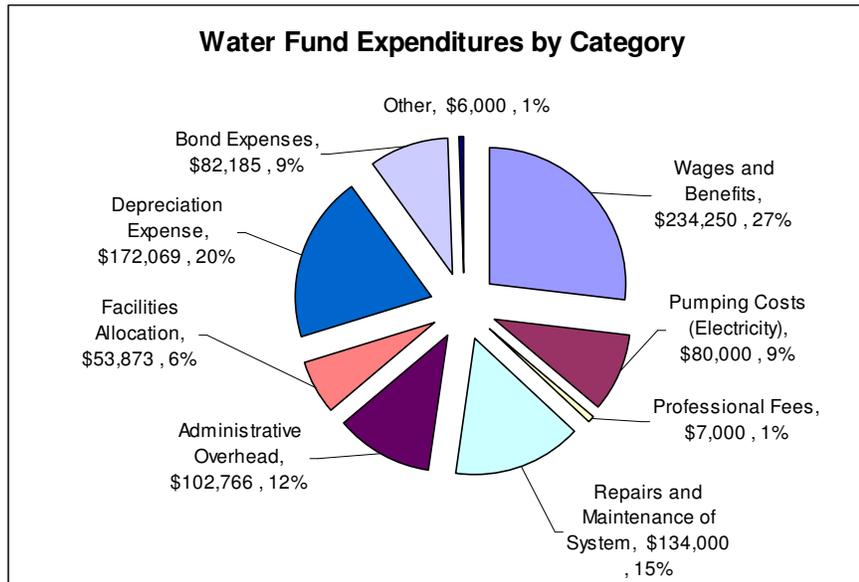
	FY2008-09	FY2007-08
Charge for Services (Metered Water Sales)	\$ (790,000)	\$ (790,000)
Impact Fees Collected (New Services)	\$ (180,250)	\$ (250,000)
Interest Income	\$ (51,650)	\$ (63,500)
Other	\$ (3,000)	\$ (3,000)
Total	\$ (1,024,900)	\$ (1,106,500)

Expenditures

Wages and Benefits	\$ 234,250	\$ 147,828
Pumping Costs (Electricity)	\$ 80,000	\$ 88,000
Professional Fees	\$ 7,000	\$ 8,000
Repairs and Maintenance of System	\$ 134,000	\$ 328,000
Administrative Overhead	\$ 102,766	\$ 84,395
Facilities Allocation	\$ 53,873	\$ 49,161
Depreciation Expense	\$ 172,069	\$ 172,069
Bond Expenses	\$ 82,185	\$ 87,788
Other	\$ 6,000	\$ 6,000
Total	\$ 872,143	\$ 971,241

Net Change (Increase) in Assets \$ (152,757) \$ (135,260)

This budget shows a projected \$81,600 increase in revenue over 2007-08 or about 7%. The revenue for the year 2008-09 exceeds the expenditures for a net increase in assets for the Water Fund of \$152,757 compared to \$135,260 for 2007-08.



Specific capital expenditures planned for the Water Fund include constructing new water mains along 200 East from 1800 to 2500 North and adding backup generators for the Beef Hollow Booster Pump and the well near Jack's Tire and Oil. There will also be some continuation of the design work done for the well in the King Nature Park.

Sewer Utility Fund

Planned revenue and expenditures for the Sewer Utility Fund for 2008-09 is projected as follows (with comparison to 2007-08):

Sewer Fund Summary

Revenue

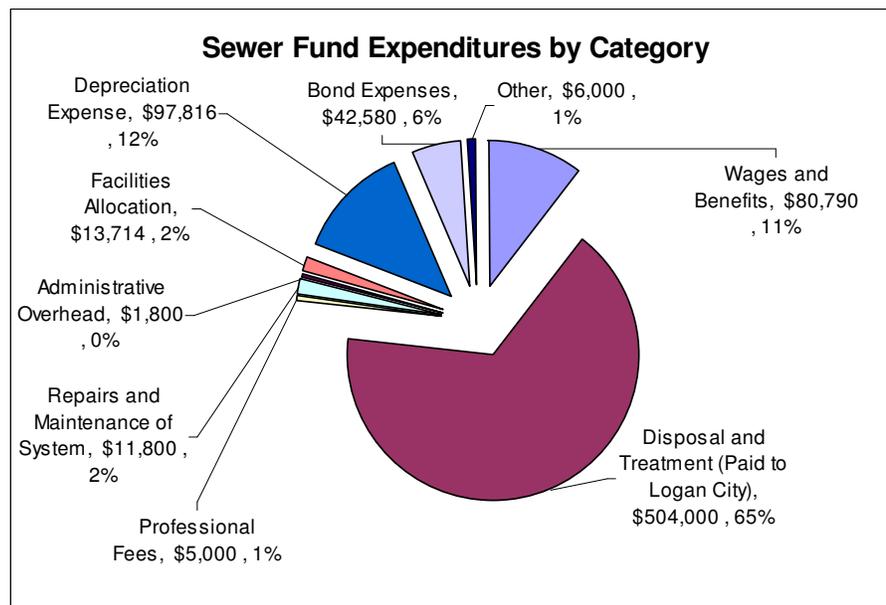
	FY2008-09	FY2007-08
Charge for Services (Service Fees)	\$ (568,050)	\$ (541,000)
Impact Fees Collected (New Services)	\$ (123,600)	\$ (130,000)
Interest Income	\$ (17,900)	\$ (17,900)
Sewer Bond Taxes Received	\$ (32,911)	\$ (32,911)
Total	\$ (742,461)	\$ (721,811)

Expenditures

Wages and Benefits	\$ 80,790	\$ 67,527
Disposal and Treatment (Paid to Logan City)	\$ 504,000	\$ 480,000
Professional Fees	\$ 5,000	\$ 5,000
Repairs and Maintenance of System	\$ 11,800	\$ 11,500
Administrative Overhead	\$ 1,800	\$ 1,800
Facilities Allocation	\$ 13,714	\$ 12,514
Depreciation Expense	\$ 97,816	\$ 97,816
Bond Expenses	\$ 42,580	\$ 45,743
Other	\$ 6,000	\$ 6,000
Total	\$ 763,500	\$ 727,900

Net Change (Increase) in Assets \$ 21,039 \$ 6,089

This budget shows a projected \$20,650 increase in revenue over 2007-08 or 2.9%. The expenditures for the year 2008-09 exceed the revenue for a net decrease in income for the Sewer Fund of \$21,039 compared to a net decrease in 2007-08 of \$6,089.



Specific capital expenditures planned for the Sewer Fund include replacing the Utilities Department's 1996 Ford pickup truck and installing about \$110,000 worth of sewer main lines in the City Center area along 200 East. Once the design of the 200 East sewer main project is complete, more sewer impact fee funds may be able to be set aside for the sewer's construction - above and beyond the \$110,000.

Stormwater Management Fund

This enterprise fund was new to the FY 2006-07 budget. Expenditures related to stormwater management in the past have been accounted for mostly in the Roads and Streets Department budget. Adding a new Stormwater Utility Fund allows the city to collect costs associated with an EPA mandated stormwater management and water quality protection program. The costs shown in this department include all the costs for the road sweeper; one-third of the costs for wages and benefits for the Streets Department's four full-time employees; one-third the facilities allocation for the Streets Department plus miscellaneous overhead costs. Of the estimated \$123,600 anticipated in revenue from the stormwater utility, about \$123,342 in expenditures is shown here. Planned revenue and expenditures for the Stormwater Utility Fund for 2008-09 is projected as follows (with comparison to 2007-08):

Stormwater Fund Summary

Revenue

	FY2008-09	FY2007-08
Charge for Services (Service Fees)	\$ (123,600)	\$ (140,000)
Interest Income		
Other Income	\$ -	\$ -
Total	\$ (123,600)	\$ (140,000)

Expenditures

Wages and Benefits	\$ 36,306	\$ 31,760
Equipment Costs	\$ 30,106	\$ 30,106
Professional Fees	\$ 20,000	\$ 20,000
Repairs and Maintenance of System	\$ 27,000	\$ 7,000
Facilities Allocation	\$ 9,131	\$ 8,332
Depreciation Expense	\$ -	\$ -
Other	\$ 800	\$ 800
Total	\$ 123,342	\$ 97,998
Net Change (Increase) in Assets	\$ (258)	\$ (42,002)

More historical data is needed to better project changes. No fee rate change is anticipated this coming fiscal year. The revenue for the year 2008-09 exceeds the planned expenditures for a net increase in assets for the Stormwater Fund of \$258 compared to \$42,002 for 2007-08.

Personnel Wages and Benefits Summary

The following chart compares 2007-08 versus 2008-09 personnel expenditures for all funds for North Logan City. Since Hyde Park pays about one-fourth of the costs for the police department and animal control, that department's costs were adjusted to only reflect North Logan City's costs.

Personnel Expenditures (All Funds)	FY2008-09	FY2007-08
City Council	\$ 43,446	\$ 41,194
City Justice Court	\$ 67,427	\$ 70,239
Executive Staff	\$ 118,771	\$ 114,075
Administrative Agencies	\$ 242,108	\$ 167,962
Facilities	\$ 125,994	\$ 150,342
Planning Commission	\$ 8,053	\$ 8,053
Police Department (NLC's Portion only)	\$ 565,735	\$ 508,413
Fire Department	\$ 209,033	\$ 168,044
Building Inspection/Engineering	\$ 248,044	\$ 228,495
Streets Department	\$ 188,006	\$ 182,422
Parks and Recreation	\$ 171,021	\$ 95,733
Community Plan & Econ. Dev.	\$ 87,000	\$ 91,104
Library	\$ 179,155	\$ 165,681
Water Department	\$ 234,250	\$ 147,828
Sewer Department	\$ 80,790	\$ 67,527
Stormwater Department	\$ -	\$ -
Total	\$ 2,568,833	\$ 2,207,112
General Fund Only	\$ 2,074,638	\$ 1,826,076
Percent Personnel Costs versus Total Exp. G.F. Only	44.1%	33.9%
Percent Increase (General Fund Only)	13.61%	-0.14%
Percent Increase (All Funds)	16.39%	-1.46%
Dollars Increase over previous year (All Funds)	\$ 361,721	\$ (32,608)
FTEs - All Departments, (All Funds)	52.64	48.64
Percent Increase in FTEs - (All Funds)	8.22%	4.67%

This budget shows a projected increase of about \$362,000 in total personnel costs over 2007-08. This includes wages and benefits in all funds and any planned increases in FTEs (full-time equivalents). The projected increase of 4.00 FTEs includes the following:

- + 0.50 FTE for one full-time assistant fire chief/fire marshal for a full year rather than just the half year that was funded in 2007-08.
- + 0.50 FTE for one full-time engineering technician/GIS Specialist for a full year rather than just the half year for 2007-08.
- + 1.00 FTE for a new authorization for an account payables clerk.
- + 1.00 FTE for a new authorization for a parks/cemetery maintenance worker.
- + 1.00 FTE for a new authorization for a water treatment plan supervisor.
- Note: The new authorization for a Parks, Recreation, and Facilities Director will replace the Facilities Superintendent authorization for no net increase in FTEs.

Approximately \$78,600 is planned for wage increases and the benefits associated with raises. This includes approximately \$2,300 to bring employees up to the minimum point in their position's grade range plus an approximate \$76,300 for a 3.91% general raise allocated based on merit. Actual individual raises are merit-based using comparisons with other cities statewide. The computation of a particular employee's raise is made through a combination of an individual's rating score and a comparison of that individual's current wages with the actual wages of employees in similar positions in similar cities. About \$35,900 has also been budgeted for administrative salary adjustments, mostly for the Police Department

Health insurance costs continued to rise about 7% over the previous year. There is a possibility that an alternative health insurance plan may be acquired for 2008-09. The city is investigating the merits of a high deductible plan combined with a health reimbursement account. If this plan is not ready to be adopted for 2008-09 without major disruption to the employees, this type of plan may be used next fiscal year.

The following chart shows the relative changes in personnel costs for North Logan City over the past twelve years. The largest increases in 2008-09 versus 2007-08 are in the Police, Parks, and Water, and Administrative Agencies Departments.

