

North Logan City Corporation

ADOPTED

Annual Operating Budgets

Fiscal Year 2009-10

Prepared and Presented by:

Cary Watkins
Mayor

Jeff Jorgensen
City Administrator

Scott Bennett
City Recorder

**North Logan City
Proposed Operating Budgets
General and Enterprise Funds
2009-10
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Budget Executive Summary

To the Citizens of North Logan City:

This proposed budget for fiscal year 2009-10 was developed in the midst of some uncertainty in the general economy. Decreasing revenues from sales taxes and construction and development have made it more difficult to meet the needs of the city. The city always tends to have more legitimate needs than it has funds but this year the differential will be exaggerated. 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 again 10% and the budget is set up to achieve that goal. The city anticipates a decrease in growth in revenue from sales tax and the city remains cautious and conservative in its other revenue sources, trying not to rely solely on sales tax for its revenue source. This budget includes a composite property tax rate of 0.001616, 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 \$177.76– about \$21.89 less than last year – if one assumes a property's assessed value stays the same.

The budget also proposes keeping the same rate for the Energy Sales and Use Tax as was set in 2008-09. 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%). Last year's budget reduced that rate to three percent (3%) for about half of last year and it is proposed that it not change for the coming year. Maintaining this tax rate at 3% is anticipated to produce revenue to the General Fund of about \$241,000. This figure is hard to predict since it relies on how much energy (electric and natural gas) is consumed by the residents in the city. For example, a hard winter produces more energy tax revenue than a mild winter.

Almost all of the various departments funded through General Funds in the city will show a decrease in expenditures for 2009-10 when compared to 2008-09. The largest decrease in spending comes in the Streets Department due to the lack of money available to fund what has for the past several years been a fairly robust street repair and maintenance program. The Streets Department's expenditures have been cut about \$369,000 when compared to 2008-09. The Cemetery budget has been decreased significantly as well. This is due to the expectation that very few more cemetery plots will be sold this year compared to last year when the cemetery was first opened. Most of last year's cemetery expenditures came from projects such as putting in the road to and within the cemetery and were one-time expenditures matched with one-time revenues. Other major changes in expenditures when comparing 2009-10 to 2008-09 are significant reductions in expenditures in Parks (\$110,000 less) and the Fire Department (\$69,000 less).

The budget for the Library Special Revenue Fund shows some change from 2008-09 to 2009-10, mostly from an expected decrease in funds from the Thorne Endowment of about \$50,000. The planned fund balance in the library for 2009-10 will be considerably lower than it was in 2009-09 (16% compared to 24%). No exceptional changes are planned in the expenditures for the library for library operations for the coming year.

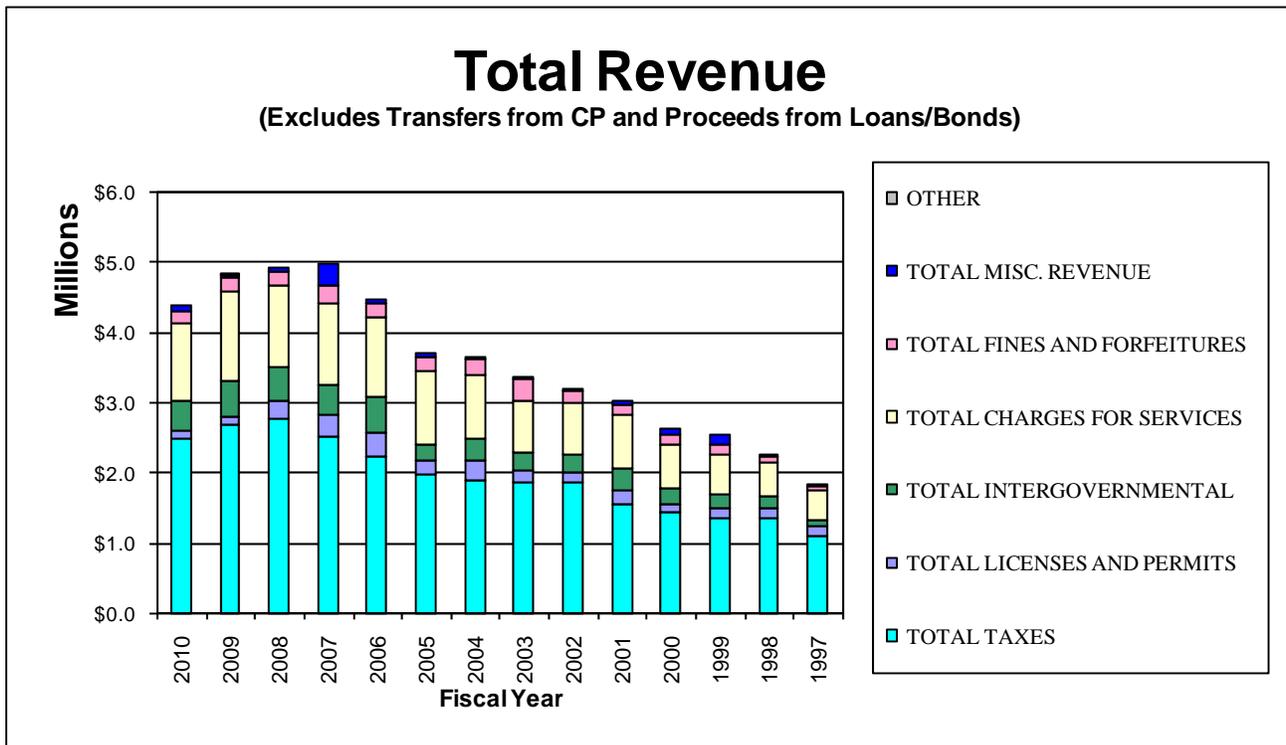
There are no out of the ordinary budget changes in the water or sewer utility funds. These departments' funds stand aside from the general fund and the departments must be self sustaining. Fees received for water and sewer use must be used within their respective departments. Some limited capital projects are planned in these departments this budget year. Excess funds generated within these departments will be available for future needs (beyond 2009-10) 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 47.7% of the expenditures in the general fund. The budget, as proposed, includes no increase in wages for 2009-10. Increased health insurance rates for currently benefited employees plus the new benefits for additional authorized positions will cost the city about \$59,000 more than last year.

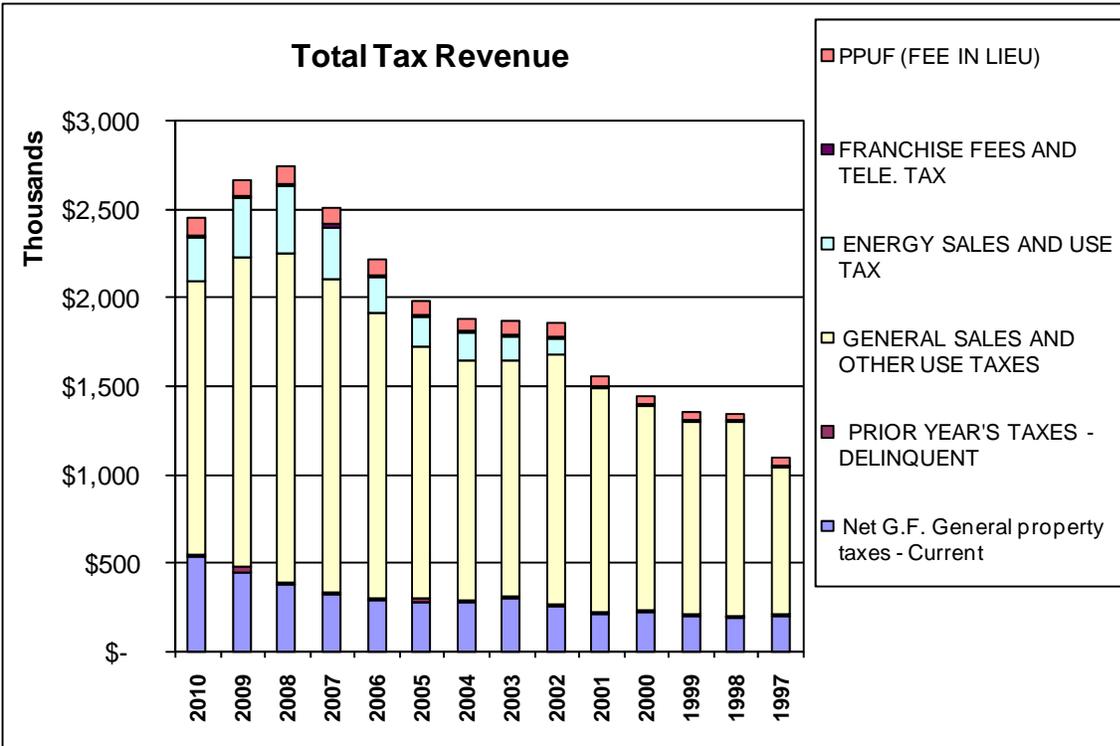
The following pages of this report provide more detailed information about the budget for 2009-10. Direct any comments to Jeff Jorgensen the City Administrator or Scott Bennett the City Recorder. It is the intention of the Mayor and City Council that the public's input in the budget process is important 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 steadily increased over the eleven years from 1997 through 2007 but are projected to decline for 2008-09 and 2009-10. The conservatively estimated revenue for 2009-10 is projected to decrease about \$455,000 compared to 2008-09 which is about an 9.4% decrease. 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. Another major change is the reduction of some segments of expected taxes. The sales taxes are expected to be about \$206,000 lower in 2009-10 than they were in 2008-09 because of the general economic slowdown and some projected loss in business at the North Logan Wal Mart when the Logan Wal Mart opens.

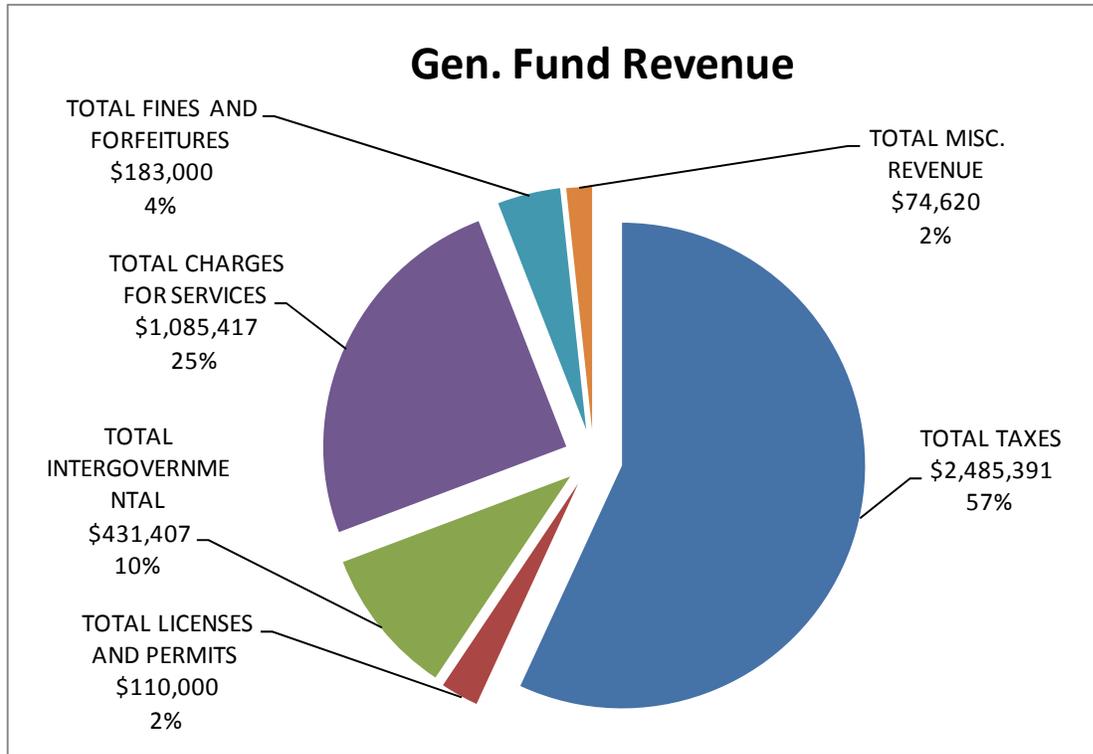


Even with the proposed Composite Property Tax Rate being held at the certified tax rate as set by the State, by doing so the General Purpose portion of the property tax will generate about \$87,000 more in revenue in 2009-10 than it did in 2008-09 because of new growth. Even though new home and business starts are projected down for this coming year, construction started before the slow down should be coming into the tax inventory now and the city should see some increase in property tax from new growth this coming year. The total revenue from all taxes is projected to go down an estimated \$191,500. The energy tax rate is planned to be held at 3%, three 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

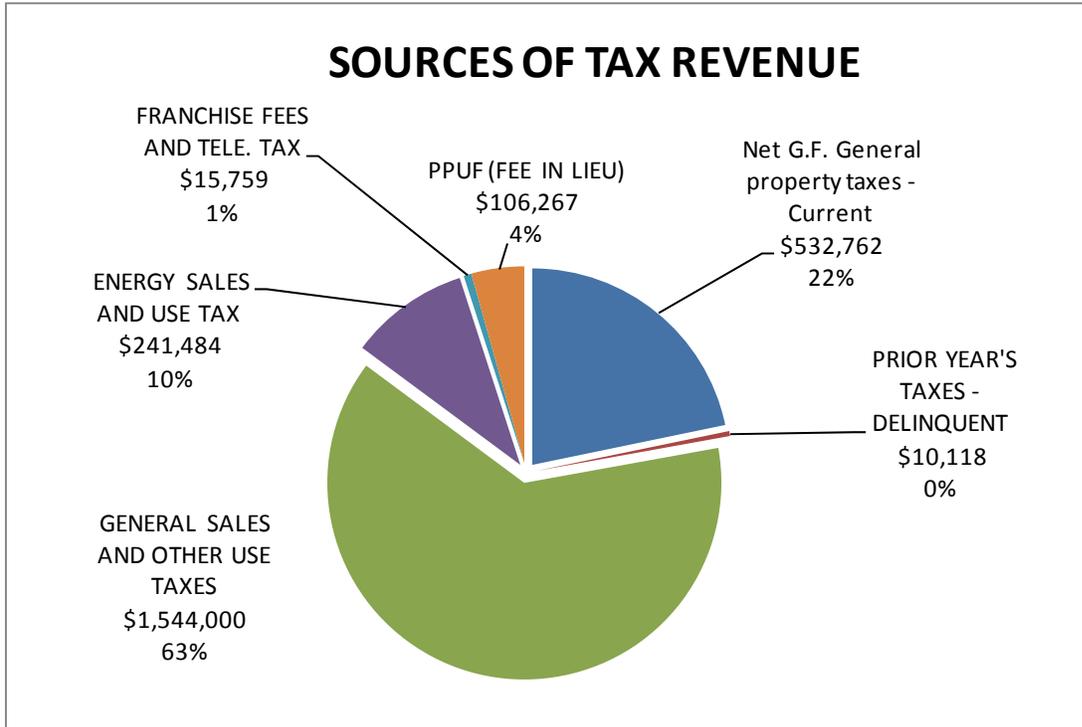
Revenue Percentages



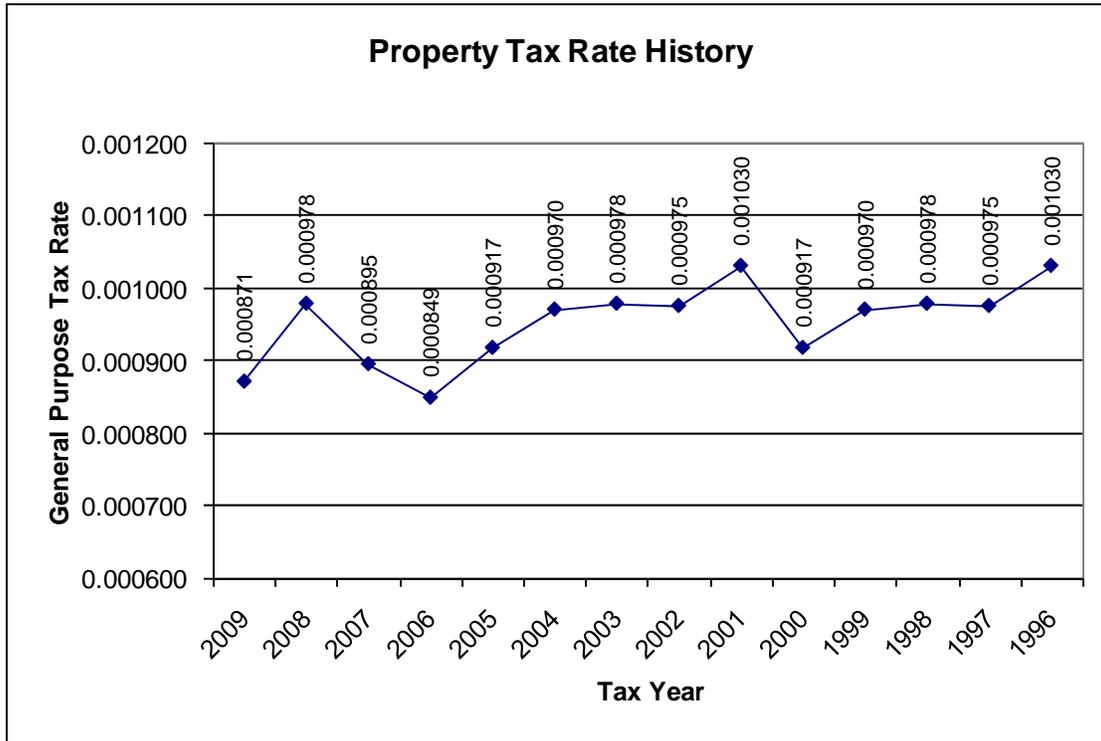
Taxes remain the largest source of General Fund Revenue for 2009-10 (57%). Tax revenues include sales tax, property tax, fee-in-lieu taxes (vehicle taxes), franchise taxes, RAPZ tax, and energy sales and use tax. 'Charges for Services' is the second largest source of revenue (25%) for the general fund 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 2009-10 is expected to be about \$4,369,000 compared to \$4,825,000 in 2008-09 (a decrease of about 9.4%).

Tax dollars projected for 2009-10 supply 57% of General Fund revenues which is about 3 percentage points higher than it was in 2008-09. Sales tax continues to be the largest source of Tax Revenue, contributing 63% of the total tax dollars. The second largest source of tax revenue is from the general purpose property tax which will bring in about 22% of the total tax revenue for the city. With the rate for the Energy Sales and Use Tax at 3% in 2009-10, that tax is expected to generate about \$241,500. 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 2009 (fiscal year 2009-10), since no tax increase is approved, is estimated to drop to 0.000871 compared to 0.000978 for 2008-09. The certified rate is intended to be set at a level that would maintain the same level of revenue plus 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.



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 using the certified tax rate of 0.000871, the tax rate will be only about 12.4% of the level allowed by state law.

General Fund Expenditures

City Council

The only significant change for expenditures for the City Council anticipated in 2009-10 is the funding of the municipal elections to held in 2009. Elections this year cost the city about \$6,000 assuming both a primary and the general election are to be held. The total expenditures for this department are expected to increase by about 6% or about \$5,800.

City Justice Court

Expected changes in expenditures for the justice court (the judge, the court clerk and the bailiffs) will come from some minor personnel costs decreases - wages and benefits resulting from more consolidating resources with Hyde Park. The expenditures for this department are expected to decrease by about 6% or about \$9,800.

Executive Staff

The expected expenditures for the executive staff (the city administrator and the executive secretary) will go down slightly. This is mostly due to the fact that more allocation of administrative overhead is being charged to the police and library departments as a result of some different accounting procedures. The expenditures shown in this department are expected to decrease by about 3% or about \$2,900.

Administrative Agencies

The expected changes in expenditures for the administrative agencies (the city treasurer, the city recorder, the payroll clerk/personnel clerk, the accounts payable clerk, and two half-time secretary/ receptionists) are due to changes in the personnel costs. Differences between 2008-09 and 2009-10 come as a result of the new positions hired in 2009 now include a full year rather than a part of a year and the elimination of the deputy recorder position. There are also changes due to the administrative allocation being charged to the police and library departments as was pointed out in the Executive Staff department. The overall expenditures for this department are expected to decrease by about 12% or about \$17,500.

Non-Departmental (Administration)

The expenditures for this department are expected to decrease by about 4% or about \$7,000. The changes are due a variety of minor changes.

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. The only funded discretionary projects within this department are some minor maintenance and repair projects including replacing some locks with some that are more secure, replacing some heat tape, some painting, and some generator repairs at the fire station. The total expenditures for this department are expected to decrease by about 14% or about \$57,000 below what was spent in 2008-09.

Police Department

Significant reductions are planned for the expenditures in the police department. 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. About the same percentage of the costs for the department will be borne by Hyde Park versus North Logan City this coming year due to the relative North Logan's share. Hyde Park will pay 22.8% of the NPPD costs in 2009-10 versus just 22.7% in 2008-09.

There is a net increase of about \$23,000 in the police department's budget in expenditures for personnel. About \$57,200 of the increase is for hiring an additional police officer with funds from a federal grant. That increase will be totally paid for by the grant (wages and benefits) for the first three years on the new officer's employment. There is also an offset to personnel costs since the shifts now being covered by reserve officers will be covered by this new officer and the hours budgeted for reserve officers will be reduced. Thus, with the grant money, there is a net decrease in costs for personnel if the money for a new officer is granted. Other parts of the police department's budget have been reduced, especially special department supplies. Added to the department's budget this year is an administrative allocation charge of about \$19,000 to allow the shared costs of the department to include overhead costs (Executive Staff, and Administrative Agencies salaries) not previously charged to the NPPD.

The net expenditures for this department (taking in the credit for the COPS Grant) are expected to decrease by about 3% or about \$20,000 below what was spent in 2008-09. Hyde Park's 22.8% of the total cost of the police department is about \$226,000, about \$50 more than it was last year.

Fire Department

The budget for the fire department for 2009-10 versus 2008-09 shows a decrease in costs of about \$69,000 or about 14%. The majority of this decrease comes from not spending as much on fire department vehicles. Two fire vehicles were purchased as replacements in 2008-09 but in 2009-10 no major purchases are planned but \$60,000 is still planned to be set aside for future purchases. The budget also includes some reductions in training costs as well as fire operations equipment.

Building Inspection & Engineering

The budget shows a minor increase in expenditures for the Building Inspection and Engineering Department in 2009-10. The expenditures for this department are expected to increase by about 2% or about \$4,600. About \$4,000 of that increase within this department is to replace a computer, pay for some significant maintenance items for the printer/plotter, and to upgrade some of the computer programs used within the department. The rest of the increase is for covering the cost of Engineering Technician/GIS Specialist work to be done by contract through a local engineering firm.

Roads and Streets

The budget for the Roads and Streets Department shows a significant decrease for 2009-10. The budget is being reduced from about \$941,000 in 2008-09 to about \$572,000 in 2009-2010. These figures can be a bit misleading, however, without looking at some of the details. Last year's budget included over \$100,000 for the design of the construction of 200 East from 1800 to 2200 North. The city is anticipating that that project will be funded for construction in 2009-10 and if so the road construction effort for this coming year will exceed last year.

The 2009-10 budget does include \$153,000 for much needed chip sealing of roads and other similar road surface treatments. Some small projects are planned for this fiscal year's budget for the streets department. They include the following:

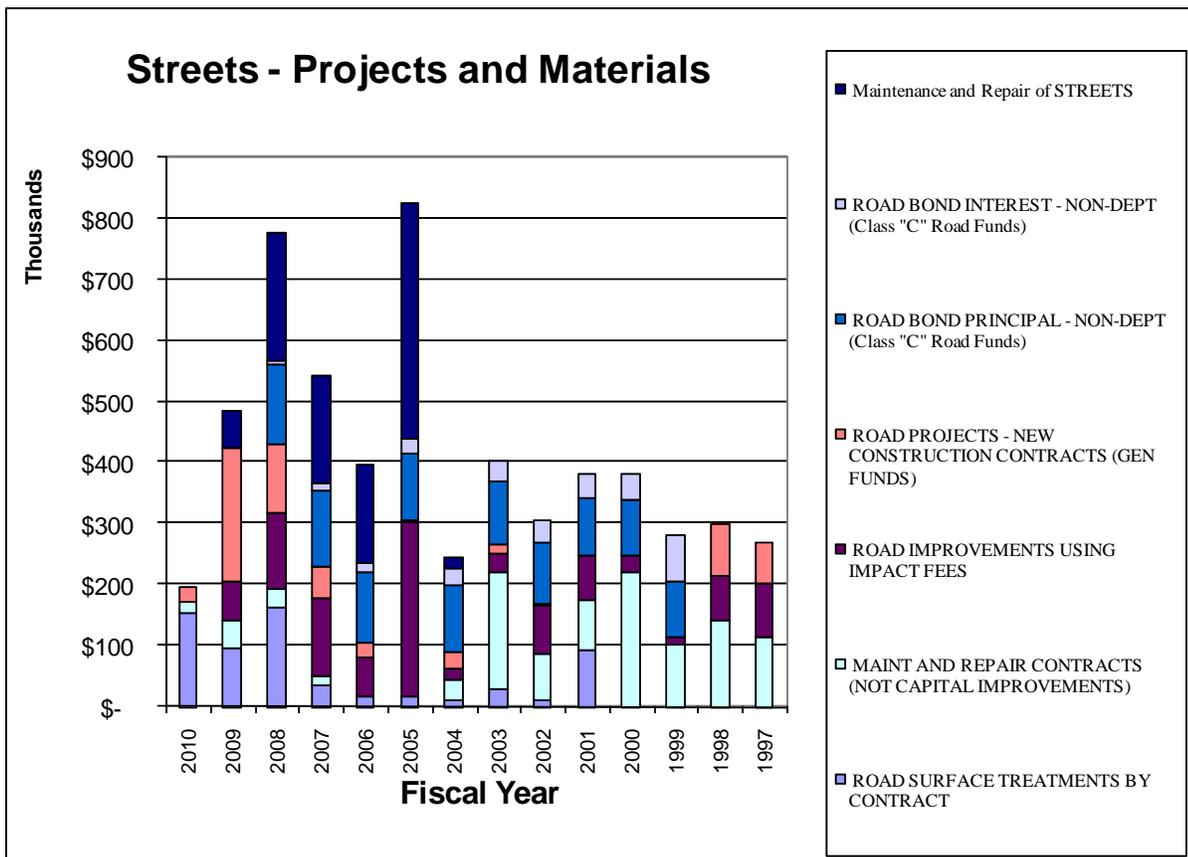
- 1) A cross drain/curb repair & replacement 600 E near 1900 N (\$10,000),

- 2) Widening 2500 North just east of 800 East in conjunction with a subdivision being built at that intersection (\$12,000), and
- 3) Piping the ditch and widening 1800 N - Main to 375 East. (\$52,000 with no asphalt). This project was supposed to have been done in 2008-09 but may be pushed forward to this budget year.

There are no major street repair projects planned to be funded in the 2009-10 budget year using roads and streets funds. About \$683,000 in unfunded, valid road projects have been identified by the Streets Department. They include:

Curb, Gutter and Sidewalk Repair - City Wide	20,000
Curb, Gutter and Sidewalk Repair - North Village Area	45,000
Phase I Widen 600 E 1800 to 2200 N. Road base only.	95,000
Grind and Re-Lay 2600 N 200 to 400 E	125,000
Widen, Grind and Re-lay 1200 E 3100 to 3400 N	105,000
Widen, Grind and Re-lay 1600 E 2700 to 3100 N	150,000
Rebuild road 2700 N 1250 to 1600 N, including re-do intersection at 1600 E	88,000
Build south half of 2500 N 900 E to bridge (with Park Place Subdivision)	55,000

The following chart shows how the proposed expenditures in roads and streets projects and maintenance materials for 2009-10 compare to the previous twelve years.

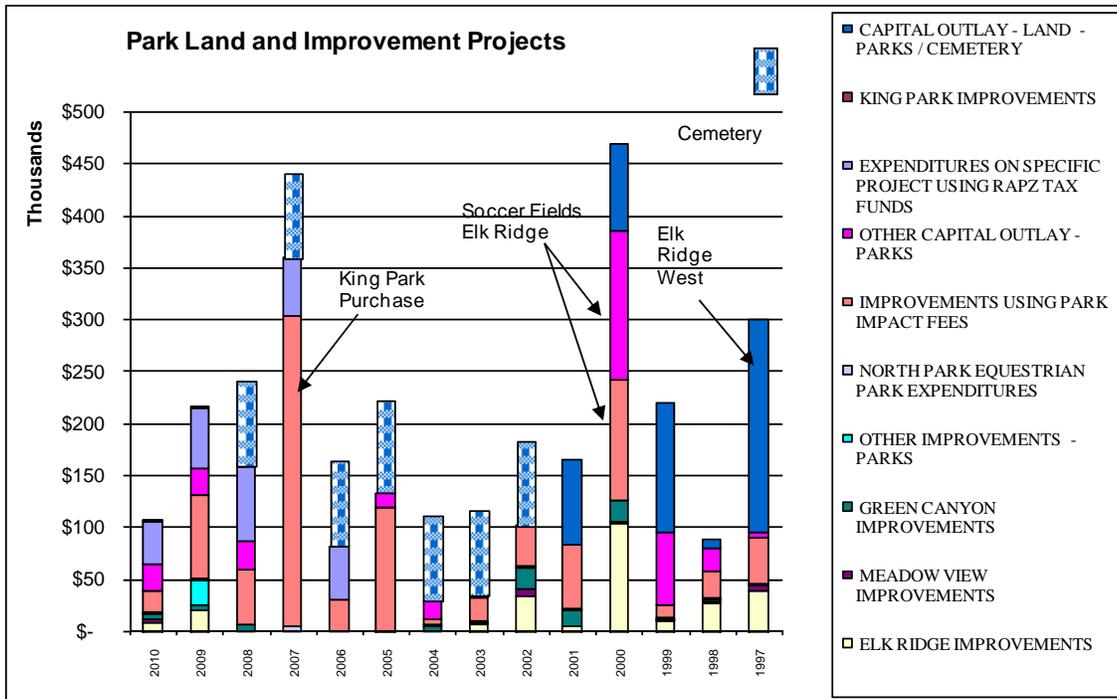


Sanitation

Trash collection costs for 2009-10 are expected to increase by about 2% or \$15,000 when compared to 2008-09. This amount is the fees paid the Logan City for this service. Revenue received in North Logan to cover these costs is conservatively assumed to increase by a little less than the associated costs - about \$13,800 or 2% when compared to 2008-09. 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

The only major expenditures for projects considered funded in the Parks Department is to construct a pavilion at King Park (RAPZ Project) for \$60,000. Also funded for the Parks Department is about \$16,000 for lawn care equipment. The overall budget for the Parks Department is planned to decrease by 21% or about \$110,000 when compared to 2008-09. The following chart shows how the proposed expenditures in park land purchases and project improvements for 2009-10 compares to the previous thirteen years.



Recreation and Culture

Essentially no changes are planned for the Recreation and Culture Department. The expenditures are planned to decrease by about 3% or \$1,500 when compared to 2008-09.

Cemetery

The budget for the Cemetery is planned to decrease significantly when compared to 2008-09. The expenditures for 2008-09 included about \$136,000 for the road and parking at the cemetery and a variety of other one-time projects to finish off the initial construction of the new cemetery. The only expenditures planned for the cemetery in 2009-10 other than normal maintenance are for some equipment to allow the crews to be less destructive to the sod as they dig graves plus there are some additional funds for more trees. Expenditures for the cemetery for 2009-10 are budgeted at \$20,000 compared to \$180,500 in 2008-09, an 89% decrease.

Community Planning and the Planning Commission

The Community Planning portion of the budget (the City Planner) is decreased by about \$5,000 compared to 2008-09, most of which is in a reduced budget for general “supplies, gas, and phone”. The budget does include about \$2,000 for a community survey to be conducted. The Planning Commission portion of the budget is planned for no changes in 2009-10 versus 2008-09. This element of the budget is about \$14,000, about half of which is for “wages” to the members of the planning commission. The rest of the expenditures are for travel and training for the commission and some funds set aside for legal advice if needed.

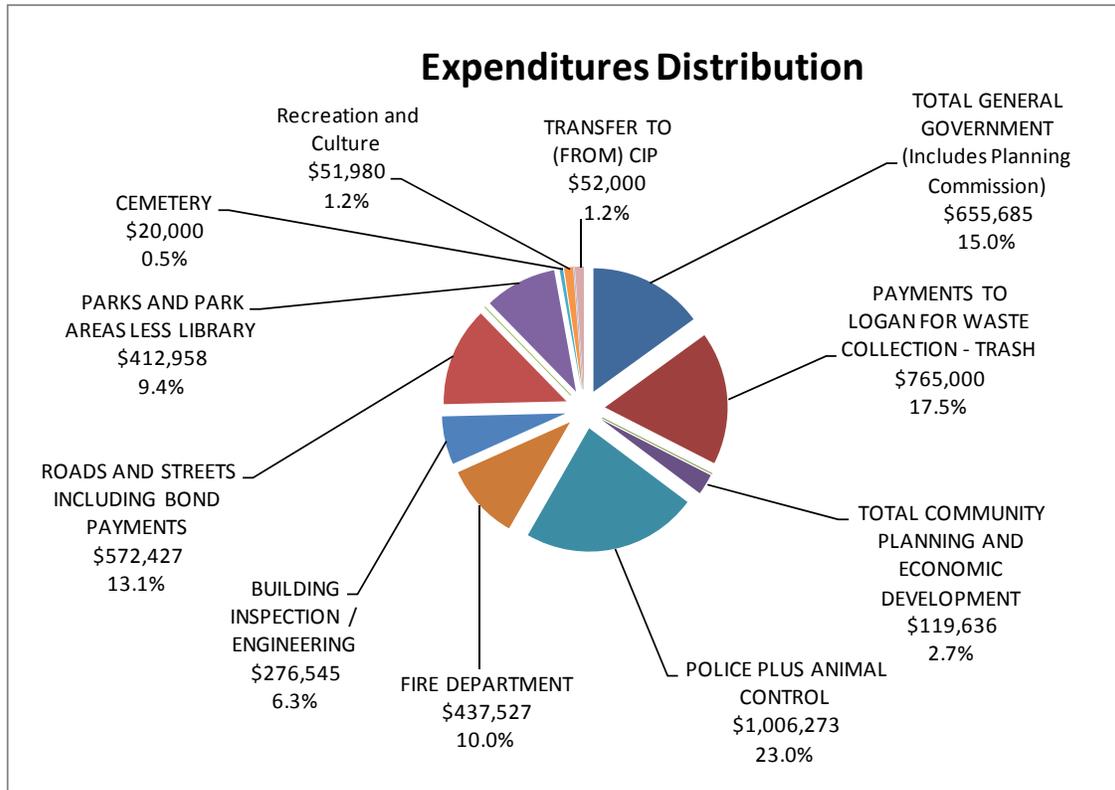
Economic Development

The Economic Development is budgeted to again be reduced from the previous year. Only \$3,000 is budgeted for consulting services in 2009-10 versus \$72,000 in 2007-08.

The overall planning and economic development budget is planned to be reduced about 5% or about \$7,000.

Expenditures Summary

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



General Fund Summary

The following table gives a summary of revenue and expenditures for the General Fund with a comparison between 2008-09 (FY2009R2) and 2009-10 (FY2010R0).

	Approved FY2009R3 (6/17/09)	Approved FY2010R0 (6/17/09)	percent increase (decrease)
Revenue by Category			
Net G.F. Property Taxes (Includes PPUF and	\$ (568,530)	\$ (649,147)	14%
General Sales and Use Taxes (includes	\$ (2,093,000)	\$ (1,820,484)	-13%
Misc Other Taxes	\$ (15,375)	\$ (15,759)	2%
Licenses and Permits	\$ (121,650)	\$ (110,000)	-10%
Intergovernmental Revenue (excluding money	\$ (382,382)	\$ (373,442)	-2%
Charges for Services	\$ (1,281,190)	\$ (1,085,417)	-15%
Fines and Forfeitures	\$ (198,500)	\$ (183,000)	-8%
Misc. Revenue	\$ (50,162)	\$ (74,620)	49%
Total General Fund Revenue	\$ (4,825,189)	\$ (4,369,835)	-9%
Expenditures by Department			
City Council	\$ 88,246	\$ 94,009	7%
Justice Court	\$ 170,850	\$ 161,036	-6%
Executive Staff	\$ 95,689	\$ 92,759	-3%
Administrative Agencies	\$ 152,007	\$ 134,462	-12%
Non-Departmental	\$ 166,666	\$ 159,365	-4%
Planning Commission	\$ 10,053	\$ 14,053	40%
Community Planning	\$ 112,080	\$ 107,136	-4%
Economic Development	\$ 14,500	\$ 12,500	-14%
Facilities	\$ 406,238	\$ 349,353	-14%
Police Department (Net NLC cost)	\$ 786,341	\$ 764,800	-3%
Fire Department	\$ 506,503	\$ 437,527	-14%
Building Inspection/Engineering	\$ 271,968	\$ 276,545	2%
Roads and Streets	\$ 941,162	\$ 572,427	-39%
Sanitation (Trash Collection pay to Logan)	\$ 750,000	\$ 765,000	2%
Parks	\$ 523,201	\$ 412,958	-21%
Recreation and Culture	\$ 53,480	\$ 51,980	-3%
Cemetery	\$ 180,503	\$ 20,000	-89%
Transfers to Capital Improvement Funds	\$ 117,000	\$ 52,000	-56%
Total G. F. Expenditures (incl. transfers)	\$ 5,131,154	\$ 4,370,031	-15%

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 \$21,500. 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 2009-10 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 \$17,000 at the end of 2008-09 to \$17,600 at the end of 2009-10.

Parks and Recreation Impact Fees

Revenue from Park Impact Fees is expected to generate about \$21,500. The only projects planned which will use park impact fee funds will be the City's matching funds towards the RAPZ project to construct a pavilion at King Park - \$20,000 out of the total project cost of about \$60,000. The fund balance in this reserved fund is expected to increase from \$34,600 at the end of 2008-09 to \$37,700 at the end of 2009-10.

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 \$3,500 at the end of 2008-09 to \$4,100 at the end of 2009-10. This fund should remain revenue neutral and accumulated funds may be used to purchase extra equipment as needed for the little league program.

Junior Jazz Funds

Like the Little League fund, this fund is used to track revenue from fees paid for participating in the Junior Jazz basketball program. Funds are used to purchase supplies for the program and payments to referees. The fund balance for this fund is expected to be about \$100 at the end of 2009-10.

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.

Cemetery Reserve Fund

This fund is used to show the comparison of money received from the sale of cemetery plats to expenditures for operation and maintenance of the cemetery. The fund balance for this fund is expected to decrease from \$34,100 at the end of 2008-09 to \$24,200 at the end of 2009-10. Expenditures for the cemetery will exceed estimated revenue from the sale of plats by about \$10,000.

RAPZ Tax Specified Project

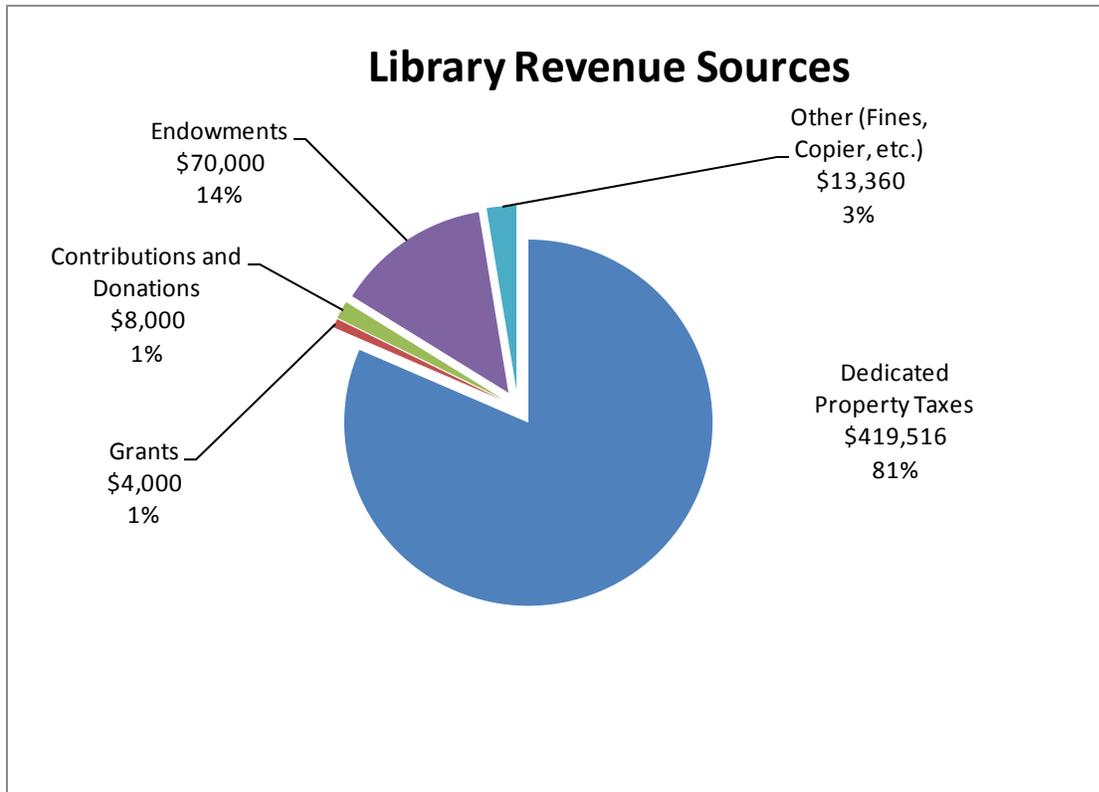
The current budget includes the fact that North Logan City was again successful in obtaining project specific funds from the county's Recreation, Arts, Parks, and Zoo tax for 2009-10. Those funds will be used to construct a pavilion at King Nature Park. The anticipated cost of that project is about \$60,000 of which \$40,000 will come from the County RAPZ tax. The remaining matching funds (\$20,000) are budgeted to come from impact fees in 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 2009-10 budget includes no increase in the library's dedicated property tax rate.

The second largest revenue source for the library is the Thorne Endowment (Endowment herein). The budget assumes proceeds from the property donated to the Thorne Endowment will generate about \$70,000 in 2009-10. 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.

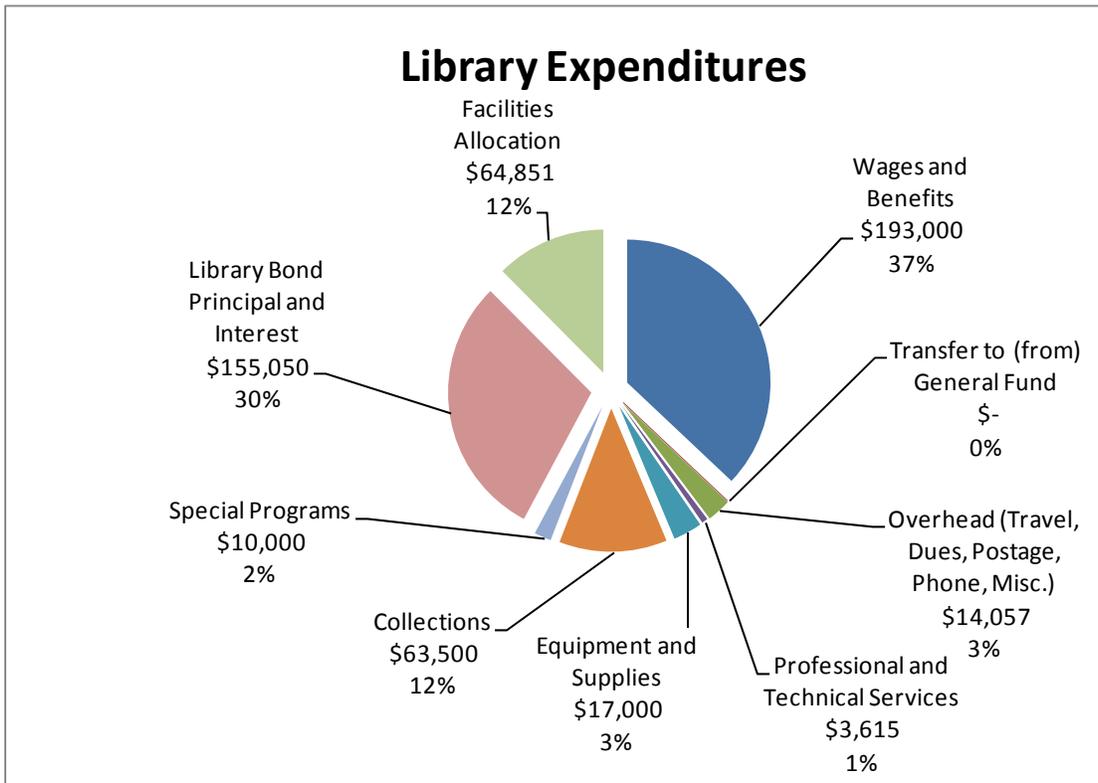
The following chart shows the various general sources of revenue for the library:



About one-third (35%) 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 (\$155,050). 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 2009-10 for the library is budgeted to be \$37,500 or 16%.



Capital Improvement Fund

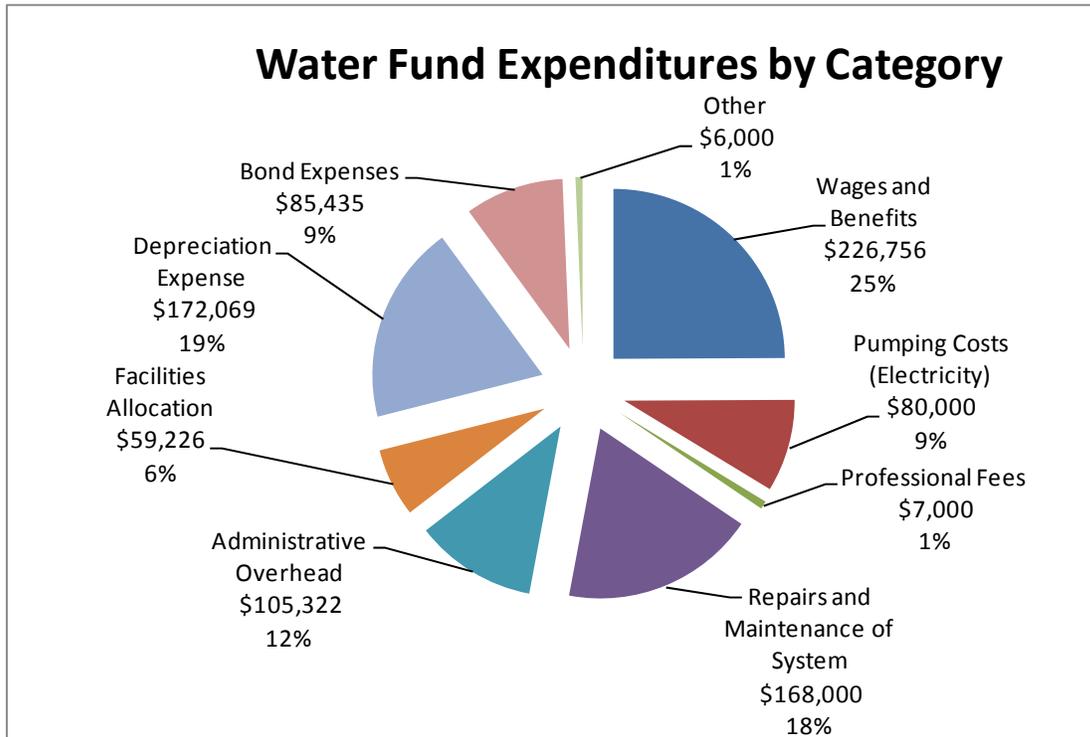
The Capital Improvement Fund is intended to provide for capital expenditures, primarily through replacement of assets. Funds transferred from the General Fund representing 'depreciation costs' become the revenue source for the Capital Improvement Fund. Expenditures from this fund should be limited to 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 \$1,300,000 into the Capital Improvement Fund. This budget, as presented, sets aside, through transfers, only about \$52,000 or about 4% of what should be set aside or dedicated to replacement of capital assets. In this budget, the only funded capital improvement funds to be set aside are \$50,000 for general police department vehicle replacements and \$2,000 for an animal control vehicle replacement. The expected total fund balance for the Capital Improvement Fund at the end of 2009-10 is about \$360,000.

Water Utility Fund

Planned revenue and expenditures for the Water Utility Fund for 2009-10 is projected as follows (with comparison to 2008-09):

Water Fund Summary	FY2009-10	FY2008-09
Revenue		
Charge for Services (Metered Water Sales)	\$ (813,700)	\$ (832,109)
Impact Fees Collected (New Services)	\$ (40,000)	\$ (79,863)
Interest Income	\$ (35,000)	\$ (37,000)
Other	\$ (3,000)	\$ (3,000)
Total	\$ (891,700)	\$ (951,972)
Expenditures		
Wages and Benefits	\$ 226,756	\$ 234,501
Pumping Costs (Electricity)	\$ 80,000	\$ 100,000
Professional Fees	\$ 7,000	\$ 7,000
Repairs and Maintenance of System	\$ 168,000	\$ 164,000
Administrative Overhead	\$ 105,322	\$ 103,561
Facilities Allocation	\$ 59,226	\$ 68,870
Depreciation Expense	\$ 172,069	\$ 172,069
Bond Expenses	\$ 85,435	\$ 82,185
Other	\$ 6,000	\$ 6,000
Total	\$ 909,808	\$ 938,186
Net Change (Increase) in Assets	\$ 18,108	\$ (13,786)

This budget shows a projected \$60,272 decrease in revenue over 2008-09 or about 6%. The expenditures for the year 2009-10 exceed the revenue for a net decrease in net assets for the Water Fund of about \$18,100 compared to an increase of \$13,800 for 2008-09.

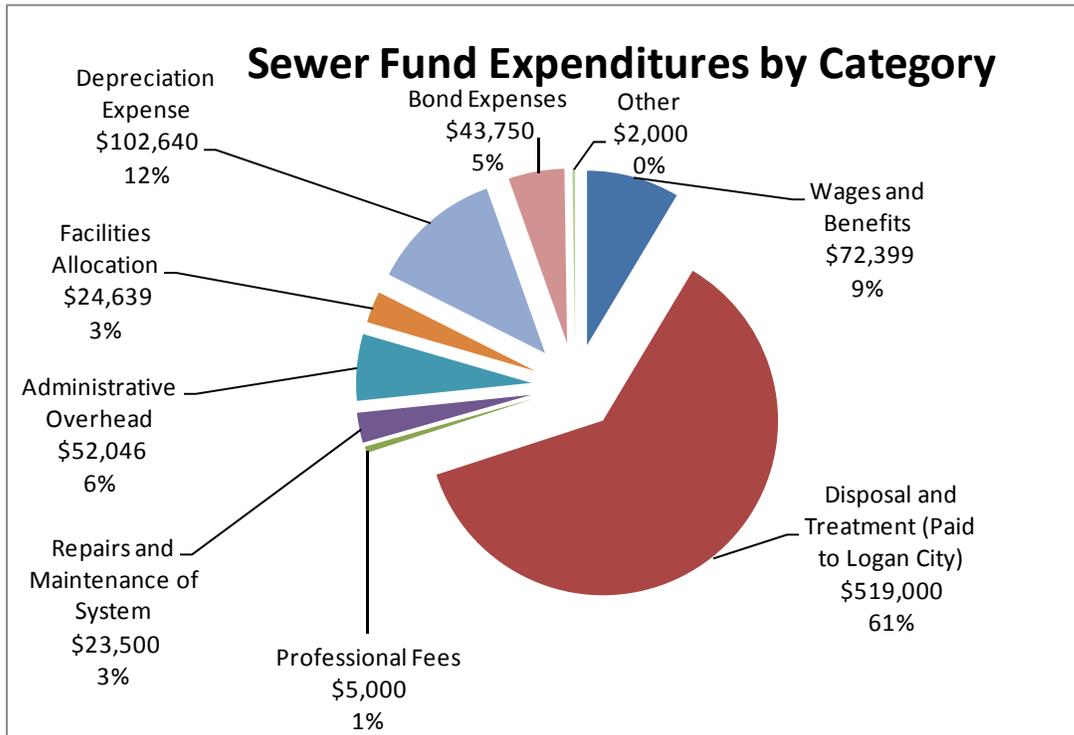


Sewer Utility Fund

Planned revenue and expenditures for the Sewer Utility Fund for 2009-10 is projected as follows (with comparison to 2008-09):

Sewer Fund Summary	FY2009-10	FY2008-09
Revenue		
Charge for Services (Service Fees)	\$ (609,960)	\$ (598,000)
Impact Fees Collected (New Services)	\$ (16,000)	\$ (18,000)
Interest Income	\$ (16,900)	\$ (17,900)
Sewer Bond Taxes Received	\$ (32,911)	\$ (32,911)
Total	\$ (675,771)	\$ (666,811)
Expenditures		
Wages and Benefits	\$ 72,399	\$ 80,963
Disposal and Treatment (Paid to Logan City)	\$ 519,000	\$ 504,000
Professional Fees	\$ 5,000	\$ 5,000
Repairs and Maintenance of System	\$ 23,500	\$ 11,800
Administrative Overhead	\$ 52,046	\$ 55,967
Facilities Allocation	\$ 24,639	\$ 28,651
Depreciation Expense	\$ 102,640	\$ 97,816
Bond Expenses	\$ 43,750	\$ 42,580
Other	\$ 2,000	\$ 6,000
Total	\$ 844,974	\$ 832,777
Net Change (Increase) in Assets		
	\$ 169,203	\$ 165,966

This budget shows a projected \$9,000 increase in revenue compared to 2008-09 or 1%. The expenditures for the year 2009-10 exceed the revenue for a net decrease in income for the Sewer Fund of \$169,000 compared to a net decrease in 2008-09 of \$166,000.



Stormwater Management Fund

This enterprise fund has been part of the budget since FY 2006. Expenditures related to stormwater management in the past have been accounted for mostly in the Roads and Streets Department budget. 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 \$127,400 anticipated in revenue from the stormwater utility, about \$123,850 in expenditures is shown here. Planned revenue and expenditures for the Stormwater Utility Fund for 2009-10 is projected as follows (with comparison to 2008-09):

Stormwater Fund Summary	FY2009-10	FY2008-09
Revenue		
Charge for Services (Service Fees)	\$ (127,300)	\$ (153,708)
Interest Income	\$ (100)	\$ (100)
Other Income	\$ -	\$ -
Total	\$ (127,400)	\$ (153,808)
Expenditures		
Wages and Benefits	\$ 20,358	\$ 20,358
Equipment Costs	\$ 30,106	\$ 30,106
Professional Fees	\$ 25,000	\$ 20,000
Repairs and Maintenance of System	\$ 36,000	\$ 30,000
Facilities Allocation	\$ 7,238	\$ 8,416
Depreciation Expense	\$ -	\$ -
Other	\$ 5,148	\$ 17,214
Total	\$ 123,850	\$ 126,094
Net Change (Increase) in Assets	\$ (3,550)	\$ (27,714)

Stormwater projects planned for 2009-10 include the following two projects. The first is phase two of a regional stormwater plan being collectively funded by many of the cities in the valley. The second funded project is the installation of a flow metering station on the Logan, Hyde Park, Smithfield Canal. Each of the cities along the canal will be putting in a meter on the canal where the canal exist their city in order to gather data on storm water being introduced into the canal as it passes through each city.

The budget identifies another stormwater project, but it is unfunded in the current year because of unavailability of funds. This project would be to install the debris basin just northwest of the Rocky Mountain Electrical Substation near 1900 North and 2100 East. This project needs to be done as a part of the stormwater control for water coming from Green Canyon but it does not necessarily need to be done immediately.

No fee rate change is anticipated this coming fiscal year. The revenue for the year 2009-10 exceeds the planned expenditures for a net increase in fund balance for the Stormwater Fund of \$3,550.

Personnel Wages and Benefits Summary

The following chart compares 2007-08 versus 2009-10 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)	FY 2009-10	FY 2008-09
City Council	\$ 43,709	\$ 43,446
City Justice Court	\$ 69,536	\$ 79,350
Executive Staff	\$ 119,971	\$ 118,919
Administrative Agencies	\$ 237,128	\$ 242,813
Facilities	\$ 125,463	\$ 162,238
Planning Commission	\$ 8,053	\$ 8,053
Police Department (NLC's Portion only)	\$ 597,863	\$ 584,420
Fire Department	\$ 191,223	\$ 184,737
Building Inspection/Engineering	\$ 230,840	\$ 233,788
Streets Department	\$ 190,952	\$ 198,601
Parks and Recreation	\$ 179,733	\$ 171,441
Community Plan & Econ. Dev.	\$ 88,136	\$ 87,080
Library	\$ 193,000	\$ 190,000
Water Department	\$ 226,756	\$ 234,501
Sewer Department	\$ 72,399	\$ 80,963
Stormwater Department		
Total	\$ 2,574,762	\$ 2,620,350
General Fund Only	\$ 2,082,607	\$ 2,114,886
Percent Personnel Costs versus Total Exp. G.F. Only	47.7%	41.2%
Percent Increase (General Fund Only)	-1.53%	14.81%
Percent Increase (All Funds)	-1.74%	19.98%
Dollars Increase over previous year (All Funds)	\$ (45,588)	\$ 436,325
FTEs - All Departments, (All Funds)	51.45	51.39
Percent Increase in FTEs - (All Funds)	0.11%	5.66%

This budget shows a projected increase of about \$46,000 in total personnel costs over 2008-09. This includes wages and benefits in all funds and any planned increases in FTEs (full-time equivalents). The projected net increase of 0.06 FTEs includes the following:

- + 0.25 net FTE for the combination of having a new city recorder and accounts payable clerk but no longer having a deputy recorder full the full year versus what the city had during 2008-09 for these three positions.
- + 0.08 net FTE replacing two part time utility laborers in the utilities Department with one full time position.
- + 0.78 net FTE for a new authorization for a full time police officer (funded through a COPS grant. There will be an accompanying reduction in hours for the reserve officers if this new officer is hired.
- - 1.05 FTE for expected reductions in the number of hours budgeted for the volunteer fire and rescue department.

No funds are planned for wage increases and the benefits associated with raises. This includes no funds to bring employees up to the minimum point in their position's grade range.

Health insurance costs for the city's family plan will rise about 9% over the previous year. That increase means about \$31,000 for all of the employees in the city.

The following chart shows the relative changes in personnel costs for North Logan City over the past thirteen years.

