

North Logan City Corporation

Approved 6/19/13

Annual Operating Budgets

Fiscal Year 2013-14

Prepared and Presented by:

Lloyd Berentzen
Mayor

Jeff Jorgensen
City Administrator

Scott Bennett
City Recorder

**North Logan City
Proposed Operating Budgets
General and Enterprise Funds
2013-14
Table of Contents**

Table of Contents 2

Budget Executive Summary 3

General Fund Revenues..... 5

General Fund Expenditures 8

City Council 8

City Justice Court 8

Executive Staff 8

Administrative Agencies 8

Non-Departmental (Administration) 8

Facilities Department 8

Police Department 8

Fire Department..... 9

Building Inspection & Engineering..... 9

Roads and Streets 9

Sanitation..... 10

Parks and Park Areas 10

Recreation and Culture 10

Cemetery 11

Community Dev., Planning Comm. and Economic. Dev, 11

Expenditures Summary 11

General Fund Summary..... 12

Reserve Funds 13

Roads Impact Fees..... 13

Liquor Law Enforcement 13

Parks and Recreation Impact Fees..... 13

Shop with a Cop 13

Assigned Funds 14

Equestrian Park..... 14

Little League Funds..... 14

Junior Jazz Funds 14

General Sports Fund..... 14

Cemetery Reserve Fund 14

Library Special Revenue Fund 15

Capital Improvement Fund..... 17

Water Utility Fund..... 18

Sewer Utility Fund 19

Stormwater Management Fund 20

Personnel Wages and Benefits Summary..... 21

Budget Executive Summary

To the Citizens of North Logan City:

This proposed budget for fiscal year 2013-14 was developed with continued uncertainty in the general economy as was the budget for the previous year. Decreasing revenues from sales taxes and construction and development continue to make it more difficult to meet the needs of the city. 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 modest (2.5%) increase in growth in revenue from sales tax and the city remains cautious and conservative in its other revenue, trying not to rely solely on sales tax for its revenue. This budget includes a composite property tax rate of 0.001764, which is the 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 \$242,000 home at \$234.79 ($\$242,000 \text{ home value} * 55\% \text{ primary residence exemption} * 0.001764 \text{ property tax rate} = \234.79) – about the same as last year. If one assumes a property's assessed value stays the same, the property taxes should be about 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 2007-08 the rate was five percent (5%). In the FY2008-09 budget that rate was reduced to three percent (3%) for about half of that year and it is proposed that it not change for the coming year. Maintaining this tax rate at 3% is anticipated to produce revenue about \$272,000 for the General Fund. Prior to FY2012-13 about one-third of the funds generated in the Energy Sales and Use Tax was assigned to the cemetery fund. The City Council expressed a commitment to again do that assignment of funds to the cemetery beginning in FY2013-14 and the adopted budget shows that being done this year. The amount of funds generated through the Energy Sales and Use Tax 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.

Most of the various departments funded through General Funds in the city will show a minor decrease in expenditures for 2013-14 when compared to 2012-13. The largest increase in spending comes in the Streets Department where the budget increased about \$119,000 from 2012-13 to 2013-14. The increase is due to several road repair projects. The department with the next most increase in expenditures within the General Fund is the Cemetery budget where expenditures have been increased by about \$6,000 when compared to 2012-13.

The budget for the Library Special Revenue Fund shows little change from 2012-13 to 2013-14. The funds to be received from the Thorne Endowment are \$150,000. The planned fund balance in the library for 2013-14 will be about 1% lower than it was in the final version of the 2012-13 library budget (about \$6,000). No extraordinary changes are planned in the expenditures for the library for library operations for the coming year.

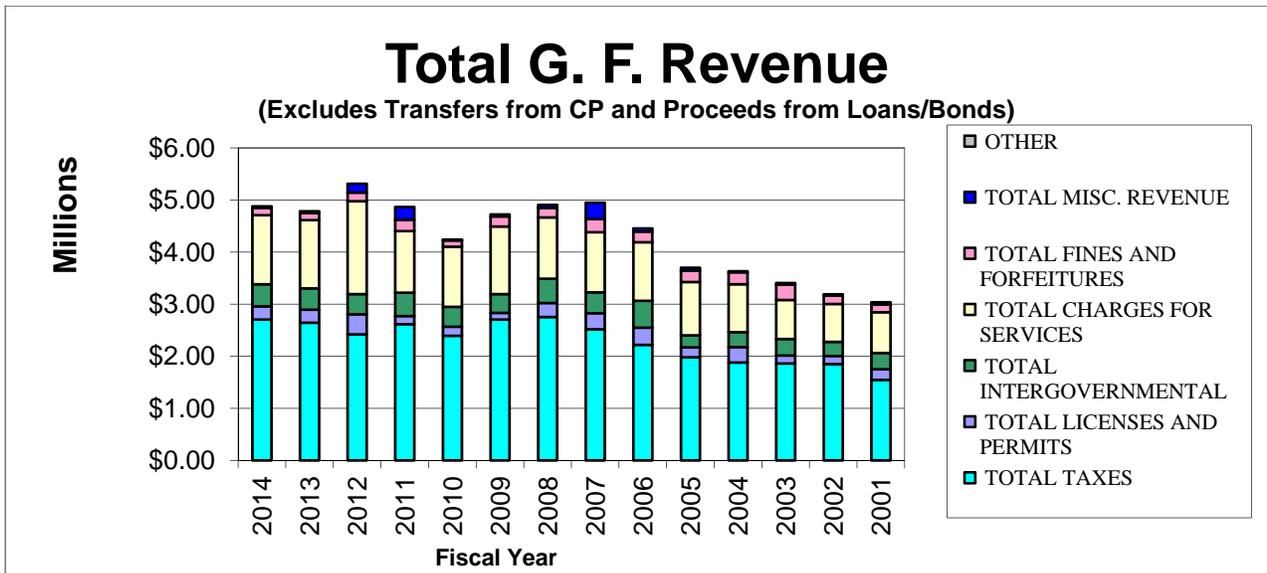
There are no significant budget changes in the water or sewer utility funds. These departments' funds stand aside from the general fund and the departments must be self sustaining. Fees received for water and sewer use must be used within their respective departments. Some limited capital projects are planned in these departments this budget year. Excess funds generated within the two departments will be available for future needs.

Personnel costs make up about 47% of the expenditures in the general fund. The budget, as proposed, includes a 3% increase in wages for 2013-14. For currently benefited employees this year when compared to last year, there was about a 3% increase in health insurance rates for single and couple plans but no increase in rates for the family plan.

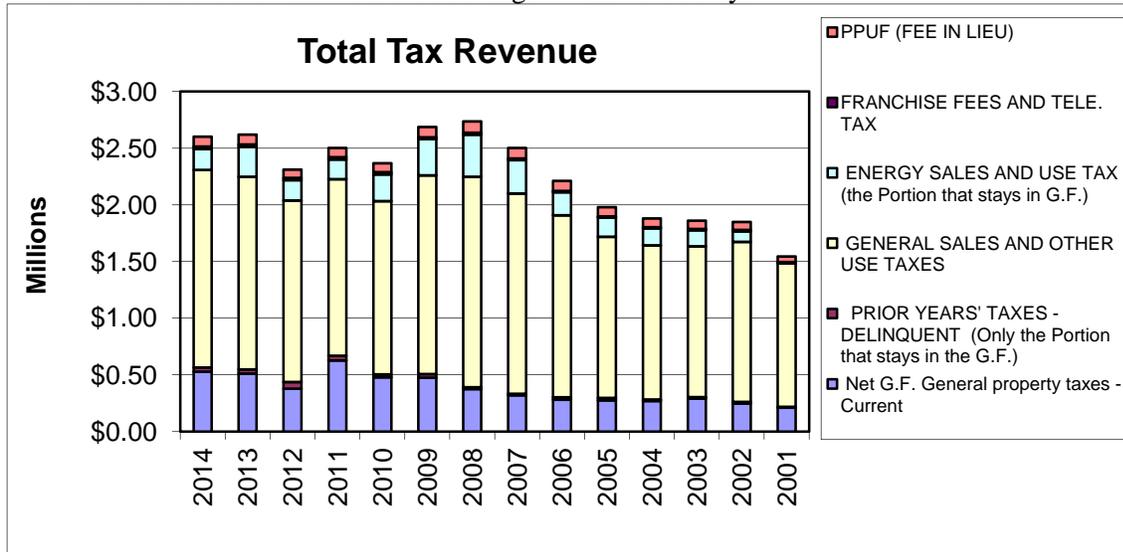
The following pages of this report provide more detailed information about the budget for 2013-14. Direct any comments to Jeff Jorgensen the City Administrator or Scott Bennett the City Recorder. It is the intention of the Mayor and City Council that the public's input in the budget process is important and encouraged.

General Fund Revenues

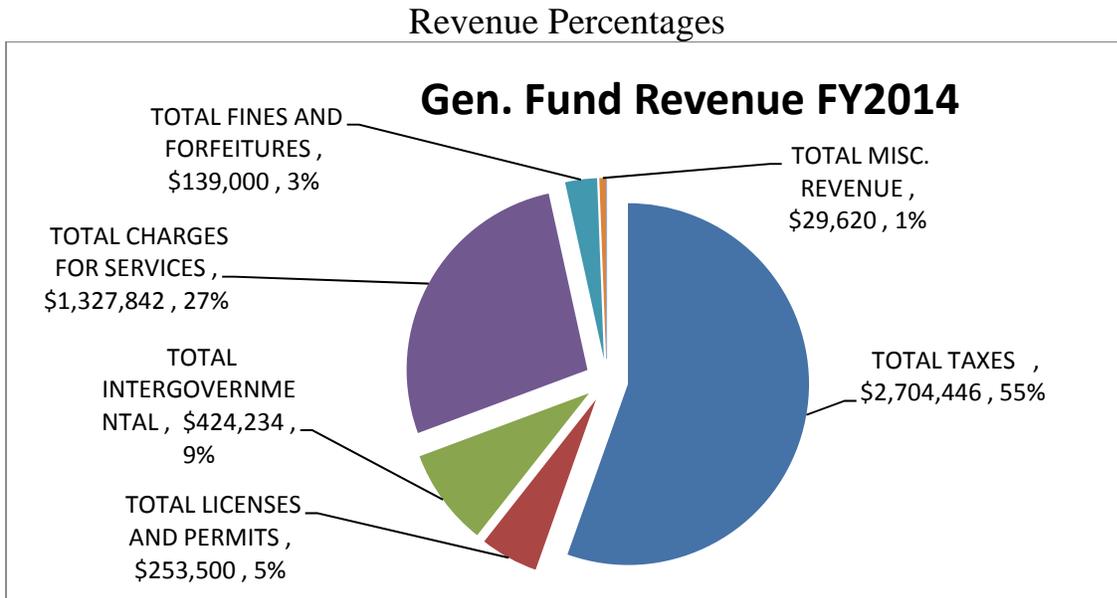
The following chart shows the total General Fund Revenues as a total and each major element that makes up the city's revenue for the general fund and the trend of the city's revenue over the previous thirteen years. Total revenues for the city steadily increased over the seven years from 2001 through 2007 and were approximately level for 2008 through 2010 followed by a slight increase in revenue for both 2011 and 2012. The budget for 2012-13 projected a decrease in that year but the proposed budget for 2013-14 projects a year of slightly increased revenue. The 2013-14 total general fund revenue is projected to increase about \$94,000 compared to 2012-13 which is about a 2% increase. The sales taxes are expected to only be about \$42,500 higher in 2013-14 than they were in 2012-13 (about 2.5%) because of the continuing sluggish economy.



With the proposed Composite Property Tax Rate being held at the certified tax rate as set by the State, the General Purpose portion of the property tax will still however, because of new growth, generate about \$16,300 more in revenue in 2013-14 than it did in 2012-13. The total revenue from all taxes which will stay in the General Fund is projected to go up an estimated \$60,000. 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 of 6% is the rate most cities charge in Cache County.

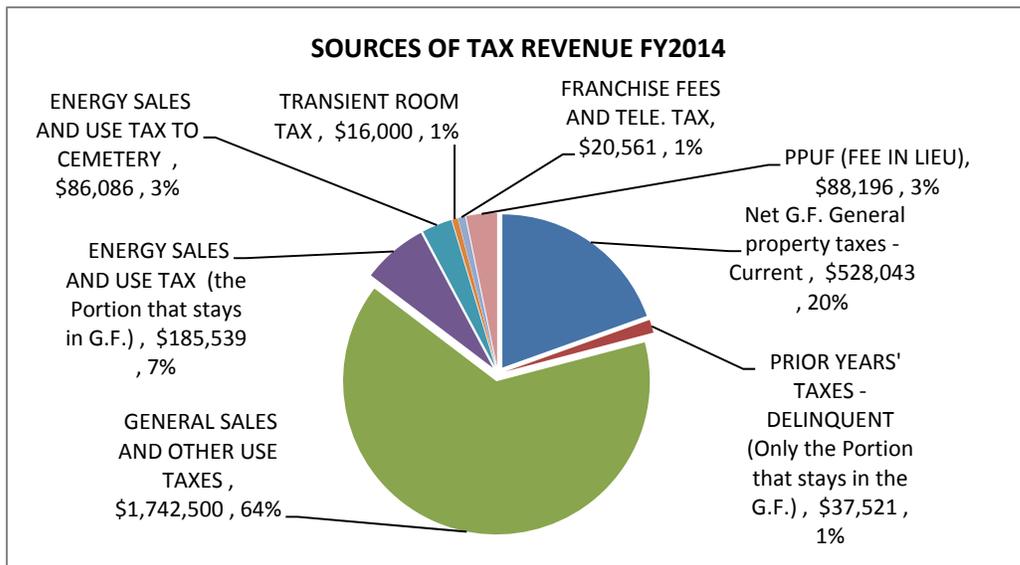


General Fund Budget 2011-2012



Taxes remain the largest source of General Fund Revenue for 2013-14 (55%). 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 (27%) 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 2013-14 is expected to be about \$4,879,000 compared to \$4,785,000 in 2012-13 (an increase of about 2%). Tax dollars projected for 2013-14 supply 55.4% of General Fund revenues which is about the same percentage as it was in 2012-13, when that percentage was 55.3%.

Sales tax continues to be the largest source of Tax Revenue, contributing 64% of the total tax dollars. The second largest source of tax revenue is from the general purpose property tax which will bring in about 20% of the total tax revenue for the city. With the rate for the Energy Sales and Use Tax at 3% in 2013-14, that tax is expected to generate about \$272,000. This fund source makes up the third largest revenue source (10%) of taxes brought into the General Fund.



The Composite Certified Property Tax Rate for 2013-14 will be 0.001764 which includes the General Purpose Property Tax at 0.000956, the dedicated Library Tax at 0.000749 and the Sewer Fund rate of 0.000059.

The General Purpose Property Tax rate for tax year 2012 (fiscal year 2013-14), since no tax increase is approved, will actually drop to 0.000956 compared to 0.000966 for 2012-13. The certified rate is intended to be set at a level that would maintain the same level of revenue as the previous year plus new growth. Since property values typically increase, the rate would tend to decline over time but as shown in the following chart, the property tax rate for North Logan City has remained fairly constant over the past twelve years. 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. With the General Purpose Tax Rate at the certified tax rate of 0.000956, the tax rate will be about 13.7% of the level allowed by state law.

A primary residence is taxed at 55% of its assessed value. To compute one's property tax attributed to North Logan City's portion of their property tax use the following example:

Assumed Assessed Value (assumed average home value)	\$242,000
Taxable Value (55% of Assessed value – 0.55 * 242,000)	\$133,100
NLC's General Purpose Tax = tax rate 0.000956 * \$133,100	\$127.24
NLC's Sinking Sewer Fund Tax = tax rate 0.000059 * \$133,100	\$7.85
<u>NLC's Dedicated Library Tax = tax rate 0.000749 * \$133,100</u>	<u>\$99.69</u>
Total NLC Property Tax = sum of above rates 0.001764* \$133,100	\$234.78

Note that a resident's total property tax includes not only North Logan's portion outlined above, but it also includes other property taxes not addressed here, which pay for statewide and local schools, a variety of countywide taxes, and in some parts of North Logan a property tax for the Hyde Park Cemetery District.

General Fund Expenditures

City Council

The expenditures for the City Council are anticipated to reduce by about 23%. It is anticipated that there will be a decrease in the amount of spending on professional and technical services in this department, of about \$21,000. There were some fairly substantial legal fees in 2012-13 which can hopefully be avoided in 2013-14 to make that reduction possible. In 2013-14 there will however be the need to fund a municipal election in November 2013 which will cost the city about \$5,000. The total expenditures for this department are expected to decrease by about \$24,000.

City Justice Court

The expected expenditures for the justice court including the judge, the court clerk and the bailiffs, make up this part of the city's budget. The overall expenditures for this department are expected to decrease by about 5% or about \$9,000.

Executive Staff

The expected expenditures for the executive staff (the city administrator and the executive secretary) will go up slightly due to increased wages and benefits. The expenditures shown in this department are expected to increase by about 4% or about \$3,400.

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 the secretary/receptionist) are mostly due to increased wages and benefits. This department's budget is expected to increase about \$4,000 or about 3%.

Non-Departmental (Administration)

Most of the normal costs for this portion of the budget are unchanged between last year and this year but the overall expenditures for this department are expected to increase by about 7% or about \$11,000. Most of the change is due to \$10,000 for a copy machine replacement that was originally planned for in 2012-13 but has been moved to 2013-14.

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 several funded projects planned for this department the largest of which are: 1) an upgrade to the mechanical control systems for the library, 2) the repair of the roof at the library, and 3) the replacement of the roof at the Lion's Building in Elk Ridge Park. The total expenditures for this department are expected to increase by less than 0.5% or about \$1,500 above what was spent in 2012-13.

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 amount of the costs for the department will be borne by Hyde Park versus North Logan City this coming year. Hyde Park will pay 23.7% of the NPPD costs in 2013-14 versus 24.1% in 2012-13. Hyde Park's 23.7% of the total cost of the police department is about \$252,000, about the same as it was last year.

The total expenditures for this department are expected to decrease by about 2% or about \$25,000 less than what was spent in 2012-13.

Fire Department

The budget for the fire department for 2013-14 versus 2012-13 shows a decrease in their budget of about \$37,300 or about 8%. This decrease in costs come from no funds being budgeted for wildland fire expenditures in 2012-13 compared to about \$32,000 spent in 2012-13. Expenditures for wildland fires normally bring in a corresponding revenue to the general fund which more than offsets any expenditure in the fire department's budget. However, until those revenues are known, the budget does not reflect either the revenue nor the corresponding costs of going off and fighting these outside fires. One major purchase is planned with the Fire Department's portions of the Capital Improvement Fund. About \$35,000 is planned for a system to divert engine exhaust from the vehicles while they are running within the fire department's garage area. \$35,000 is still budgeted to be set aside in the Capital Improvement Fund but all of that will be used up this year for the exhaust system. These set-aside funds do not show up in the department's regular portion of the budget, but are shown in the Capital Improvement Fund.

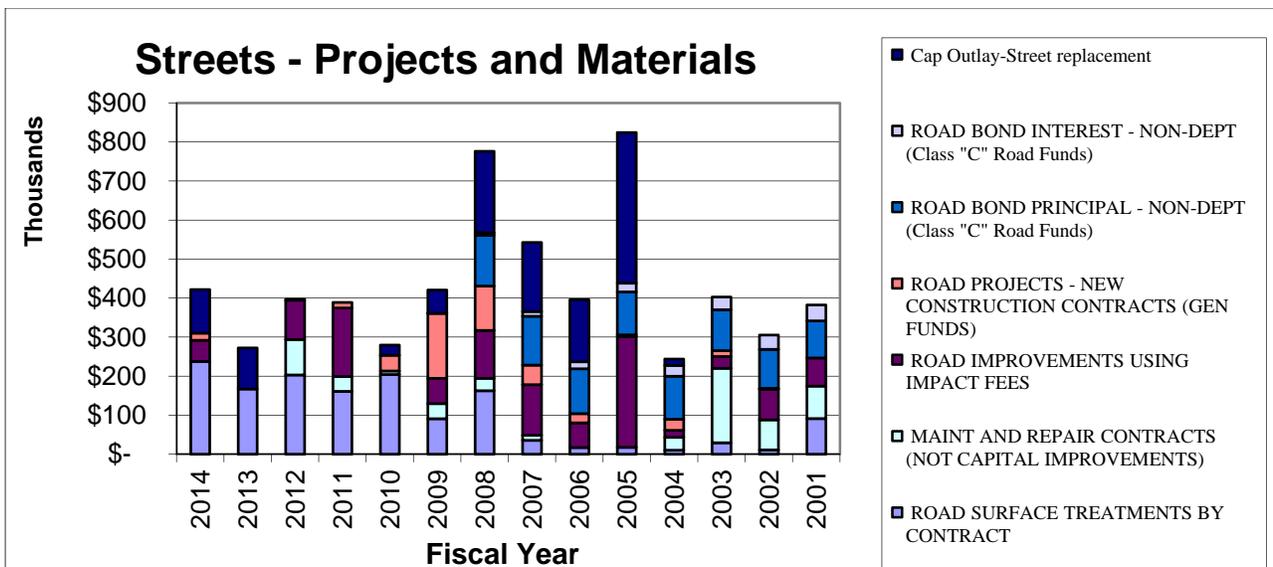
Building Inspection & Engineering

The budget shows a 10% decrease in expenditures for the Building Inspection and Engineering Department in 2013-14. Almost all of the reduction in costs is a result of one of the department's employee's retiring on January 1, 2014 and the cost savings resulting from not replacing this individual at this time, a reduction in wages and benefits costs of about \$31,000. The total expenditures for this department are expected to decrease by about \$30,000 below what was budgeted in 2012-13.

Roads and Streets

The General Fund portion of the budget for the Streets Department shows an increase for 2013-14 of about \$119,000 or about 20%. The 2013-14 budget includes \$238,000 for much needed chip sealing of roads and other similar road surface treatments. In addition, the budget provides for a fairly large road repair project funded through this fiscal year's Capital Improvement Fund. The project is for re-doing the roads and sidewalks within the Country Estates Subdivision south of 2100 North at about 1255 East. About \$112,000 of the work to be done in this project comes from the Street's CIF plus there will be about \$30,000 from the Stormwater Fund for the curb and gutter repairs and stormwater control facilities in the subdivision.

The following chart shows how the proposed expenditures in roads and streets projects and maintenance materials for 2013-14 compare to the previous thirteen years.

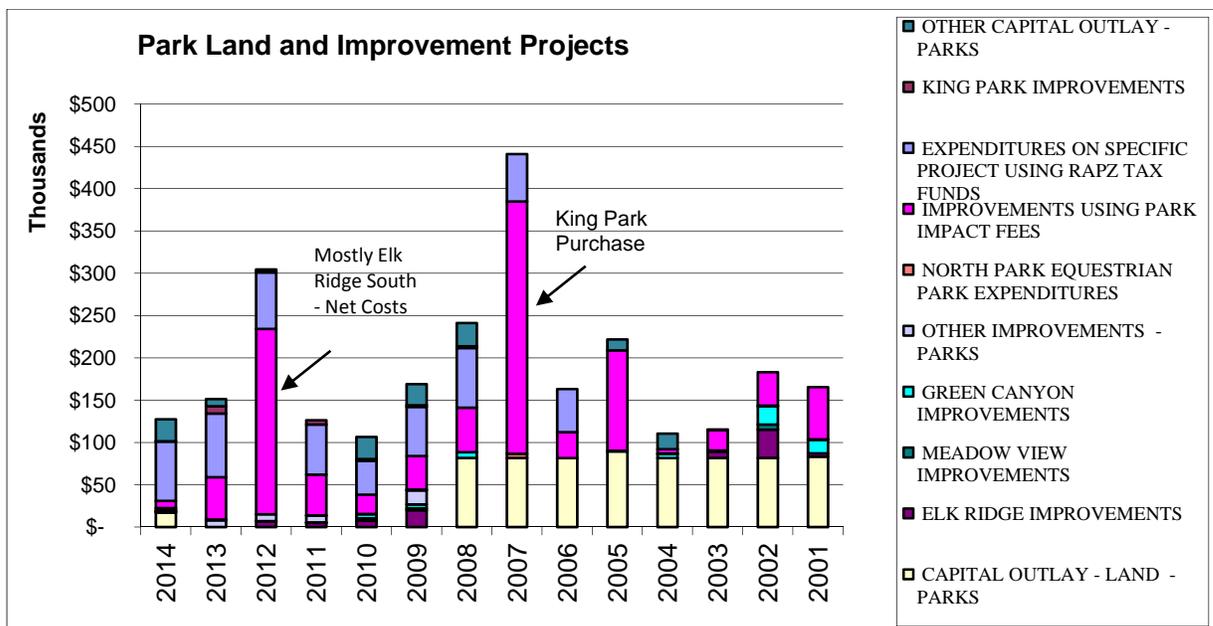


Sanitation

Trash collection costs for 2013-14 are expected to be the same as they were in 2012-13. The fees paid to Logan City for this service is budgeted at \$660,000. Revenue budgeted to be received in North Logan to cover these costs is assumed to be about \$733,000, enough to cover the associated cost of Logan City's picking up the trash and cover some of the administrative costs the city has to incur for this service. This differential works out to be about 10% of the budgeted revenue. Any changes in costs or 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 expenditure for projects considered funded in the Parks Department is to begin the process of developing the recently purchased land south of Elk Ridge. \$70,000 was received from RAPZ taxes to get the land leveled for the future construction of ball fields on most of the area. There are also a number of smaller projects for the Parks Department. The overall budget for the Parks Department is planned to decrease by 4% or about \$16,600 when compared to 2012-13. The following chart shows how the proposed expenditures in park land purchases and project improvements for 2013-14 compare to the previous thirteen years.



Recreation and Culture

There is a fairly significant change planned for the Recreation and Culture Department. The total planned decrease for this department is about \$8,900 or about 15% of the departmental budget when compared to 2012-13. Most of the reduction comes from reducing the wages and benefits for the department's employees by having some of their work done by others.

Cemetery

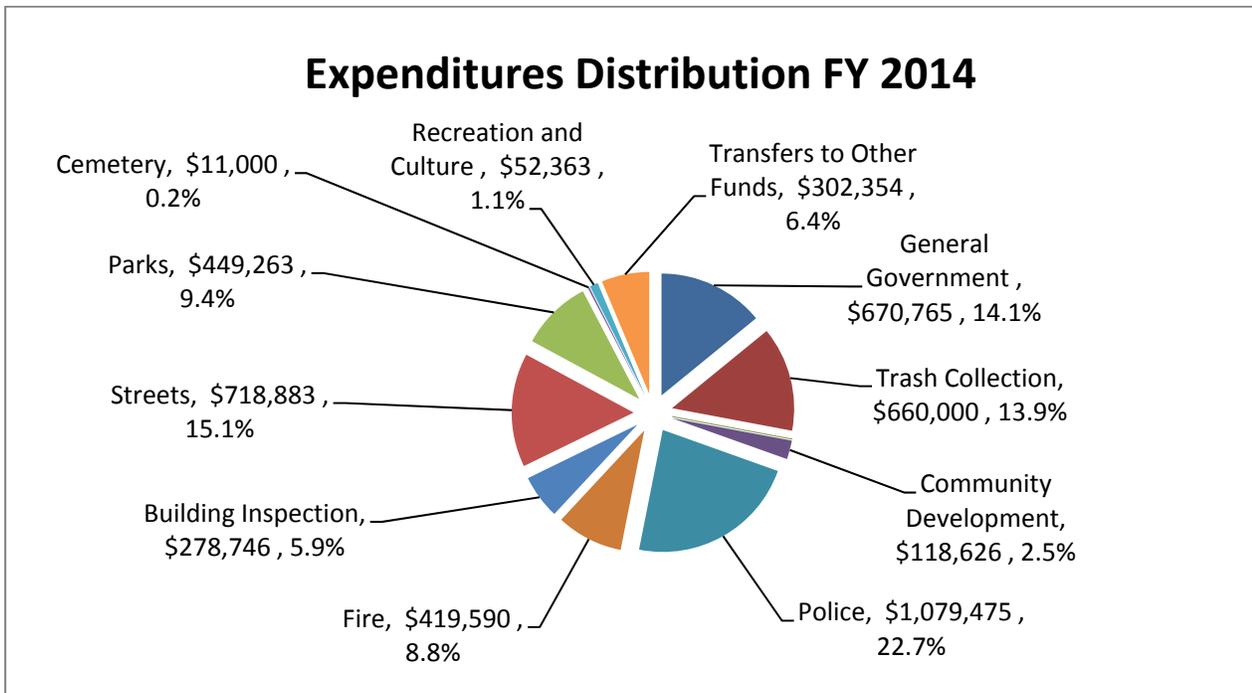
The budget for the Cemetery is planned to remain almost the same when compared to 2012-13. Improvements planned for 2013-14 include continued work to finish the grass in phase two of the cemetery, some of which was moved to this budget from 2012-13 so comparing the two budget years ends up showing a significant increase in spending for 2013-14. Expenditures for the cemetery for 2013-14 are budgeted at \$11,000 compared to \$5,000 in 2012-13, an increase in spending of about over 120% but basically at the same level as 2011-12 budget. With a portion of the energy sales and use taxes to be dedicated to the cemetery in 2013-14, the funds assigned to the cemetery will increase to about \$255,700 at the end of 2013-14.

Community Development, Planning Commission, and Economic Development

The Community Development portion of the budget is decreased by about \$2,600 compared to 2012-13. The Planning Commission portion of the budget is planned for about \$3,299 increase in 2013-14 versus 2012-13, mostly attributed to increased funding for Planning Commission members' travel and training. Economic Development is budgeted to about \$3,000 more than what was planned in 2012-13. The overall Community Development and Economic Development 2013-14 budget is planned to be decreased from about \$134,000 to about \$131,000 or about 2% when compared to the closeout version of the 2012-13 budget.

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 2012-13 (FY2012R2) and 2013-14 (FY2011R0).

Revenue	FY2013-14	FY2012-13 R4
TOTAL TAXES	\$ 2,704,446	\$ 2,644,834
TOTAL LICENSES AND PERMITS	\$ 253,500	\$ 248,500
TOTAL INTERGOVERNMENTAL	\$ 424,234	\$ 408,854
TOTAL CHARGES FOR SERVICES	\$ 1,327,842	\$ 1,311,456
TOTAL FINES AND FORFEITURES	\$ 139,000	\$ 134,000
TOTAL MISC. REVENUE	\$ 29,620	\$ 37,029
OTHER	\$ -	\$ -
Total Revenue	\$ 4,878,642	\$ 4,784,673
Expenditures		
General Government	\$ 670,765	\$ 682,206
Trash Collection	\$ 660,000	\$ 660,000
Other (misc. land and ROW purchases)	\$ -	\$ -
Community Development	\$ 118,626	\$ 124,460
Police	\$ 1,079,475	\$ 1,104,286
Fire	\$ 419,590	\$ 456,896
Building Inspection	\$ 278,746	\$ 308,670
Streets	\$ 718,883	\$ 599,800
Parks	\$ 449,263	\$ 465,917
Cemetery	\$ 11,000	\$ 5,000
Recreation and Culture	\$ 52,363	\$ 61,282
Transfers to Other Funds	\$ 302,354	\$ 115,181
Total Expenditures (Sum of Above)	\$ 4,761,065	\$ 4,583,697

Reserved/Restricted and Assigned Funds

Reserved, restricted, and assigned funds are those funds within the General Fund which must be used for specific purposes.

- *Reserved or restricted funds* in the General Fund include parks and road impact fees, and funds received for liquor law enforcement and “Shop with a Cop”. Reserved funds are not counted towards the city’s 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.
- *Assigned funds* are funds set aside within the city for a specific purpose but are not required to be accounted for separately by some specific state law. Assigned funds include the cemetery fund, the little league program and all other sports programs’ funds. Monies left in these accounts at the end of each fiscal year are carried over to the next year and are included in the unreserved fund balance.

Reserved/Restricted Funds

Roads Impact Fees

Revenue from Road Impact Fees is expected to generate about \$60,000 new funds in 2012-13. The budget includes using about \$42,700 of the road impact fees to construct some new sections of sidewalks within the city. Also to be funded with road impact fees is a study to have the impact fees re-evaluated to better conform to new laws. The fund balance in the road impact fee funds at the end of 2013-14 is projected to be about \$118,400.

Liquor Law Enforcement

The proposed budget shows similar usage of the money in this reserved fund for the year 2013-14 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 and can include additional pay to police officers working liquor law enforcement issues. The fund balance in this reserved fund is expected to increase from \$16,800 at the end of 2012-13 to \$17,600 at the end of 2013-14.

Parks and Recreation Impact Fees

Revenue from Park Impact Fees is expected to generate about \$50,000. The only project budgeted for the use of Park Impact Fees is the study to have the impact fees re-evaluated to better conform to new laws. The fund balance in this reserved fund is expected to increase from \$224,000 at the end of 2012-13 to \$267,000 at the end of 2013-14.

Shop With A Cop

Funds donated to the city from the public for the police department’s annual “Shop With A Cop” are accounted for in a separate restricted fund and only used for their intended purpose, that being providing donated funds for children to purchase gifts for their parents during the Christmas Season. It is anticipated that about \$8,000 will be collected in 2013-14 and essentially all those funds will be spent during that upcoming fiscal year as well. About \$3,300 was donated in 2012-13 for Shop With A Cop.

Assigned Funds

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 \$12,000 at the end of 2012-13 to \$12,600 at the end of 2013-14. 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

Similar to 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 \$3,300 at the end of 2013-14.

Cemetery Reserve Fund

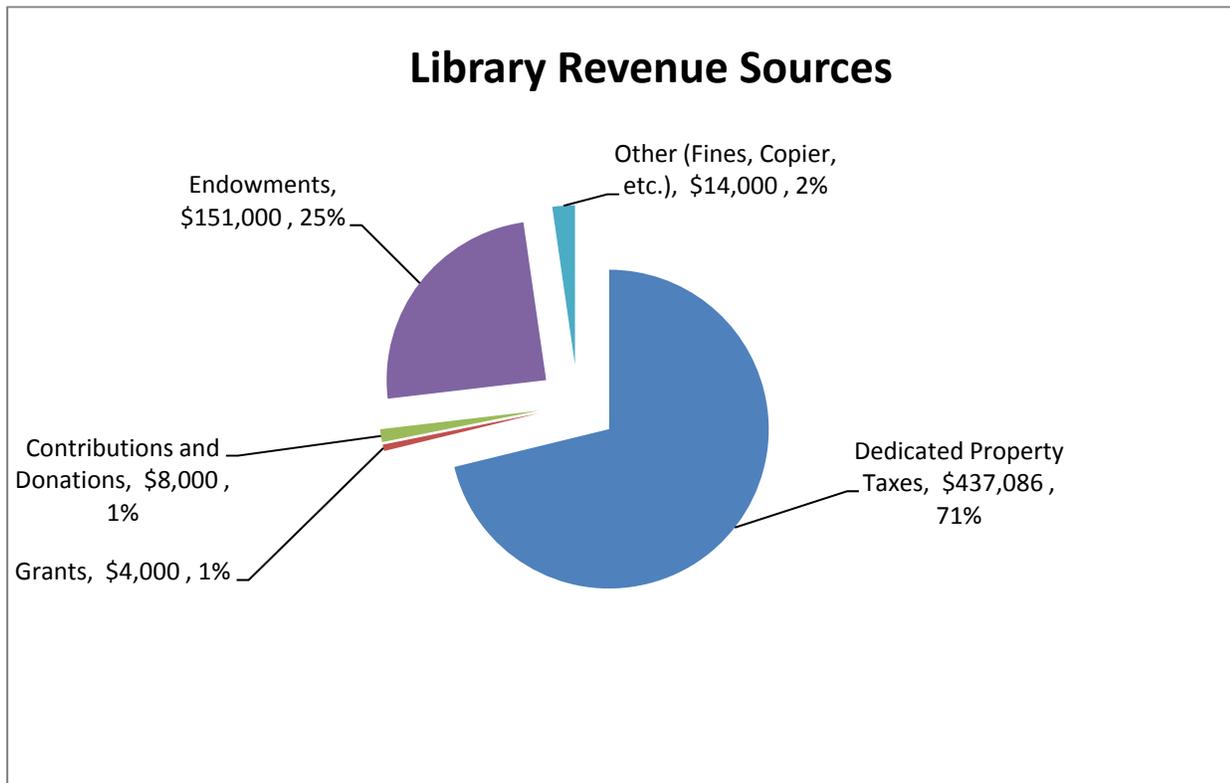
This fund is to hold money received from the sale of cemetery plots and this fund will also receive an assigned portion of the Energy Sales and Use Tax in 2013-14. These funds together are intended to be used solely for the operation and maintenance of the cemetery. The fund balance for this fund is expected to increase from \$176,500 at the end of 2012-13 to \$255,700 at the end of 2013-14. Expenditures for the cemetery will, for the most part, include planting grass in Phase II of the cemetery.

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 2013-14 budget includes no increase in the library's dedicated property tax rate.

The second largest revenue source for the library is the Thorne Endowment. The budget lists proceeds from the property donated to the Thorne Endowment will be \$105,000 in 2013-14 for general library operations plus an additional \$46,000 in funds to be used for special Library Board and Friends of the Library projects. As a result of the Endowment and contributions from Hyde Park, North Logan City allowed the use of the library by the residents of Hyde Park until July of 2011. After that date non-North Logan City residents wanting to use the library are provided that opportunity through a non-resident library card priced at \$90 per family. If paid by the quarter this amount is \$24 per quarter/\$96 for the year.

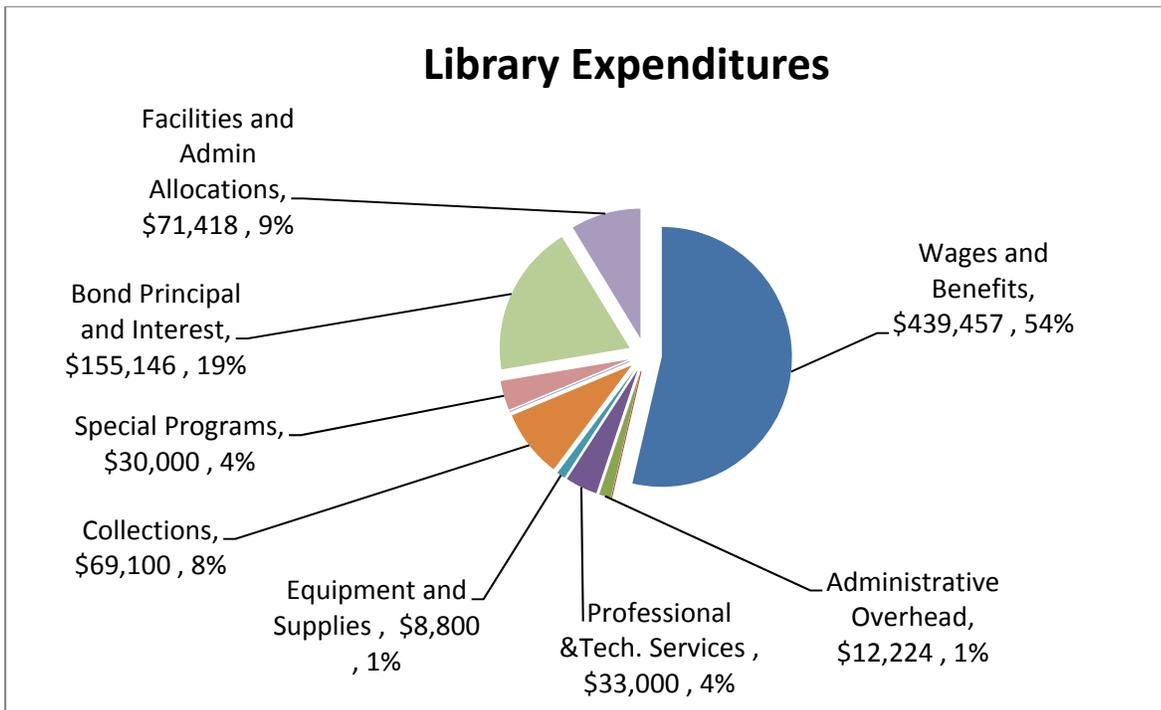
The following chart shows the various general sources of revenue for the library:



Just over half (54%) 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 (\$155,000 or about 19%). 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 (\$71,400 or 9%). Collections (namely books, videos, magazines, and the processing of same) represents the fourth largest category of expenditures for the library at about \$69,100 or 8%.

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 projected fund balance for 2013-14 for the library is budgeted to be \$123,500 or 21.5% of the anticipated 2014-15 budget.



Capital Improvement Fund

The Capital Improvement Fund (CIF) is intended to provide for capital expenditures, primarily through replacement of assets. Funds transferred from the General Fund which can be considered '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 should be funded at about \$1,300,000 into the Capital Improvement Fund each year. This budget, as presented, sets aside, through transfers, only about \$295,000 or about 22% of what should be set aside or dedicated to replacement of capital assets. In this budget, capital improvement funds to be set aside are \$133,000 for general use (buildings/facilities), \$15,000 for police department vehicle replacement, \$112,000 for streets replacements, and \$35,000 for Fire Department equipment/facilities.

The expected total fund balance for the Capital Improvement Fund at the end of 2013-14 is essentially zero since the planned deficit in the Buildings, Facilities and Land portion of the CIF [\$485,000] resulting from the construction of the new NPPD Building, is essentially covered by the \$465,000 set aside in the CIF for the continued construction of 200 East. The following table shows for which subcategory these funds are intended to be set aside:

CIF subcategory	FY2013-14	FY2012-13
Buildings, Facilities and Land	-485,210	235,682
Equipment	-	-
Parks	-	-
Misc Capital (Non-NPPD Vehicles)	-	-
NPPD vehicles	15,000	-
AC vehicles	-	-
Street replacement	4,497	4,497
Library facilities	-	-
Fire Department	600	-
200 East Project	465,140	465,140
Total Accumulated Interest	-	-
CIF Total	27	705,318

Water Utility Fund

Planned revenue and expenditures for the Water Utility Fund for 2013-14 is projected as follows (with comparison to 2012-13):

Water Fund Summary

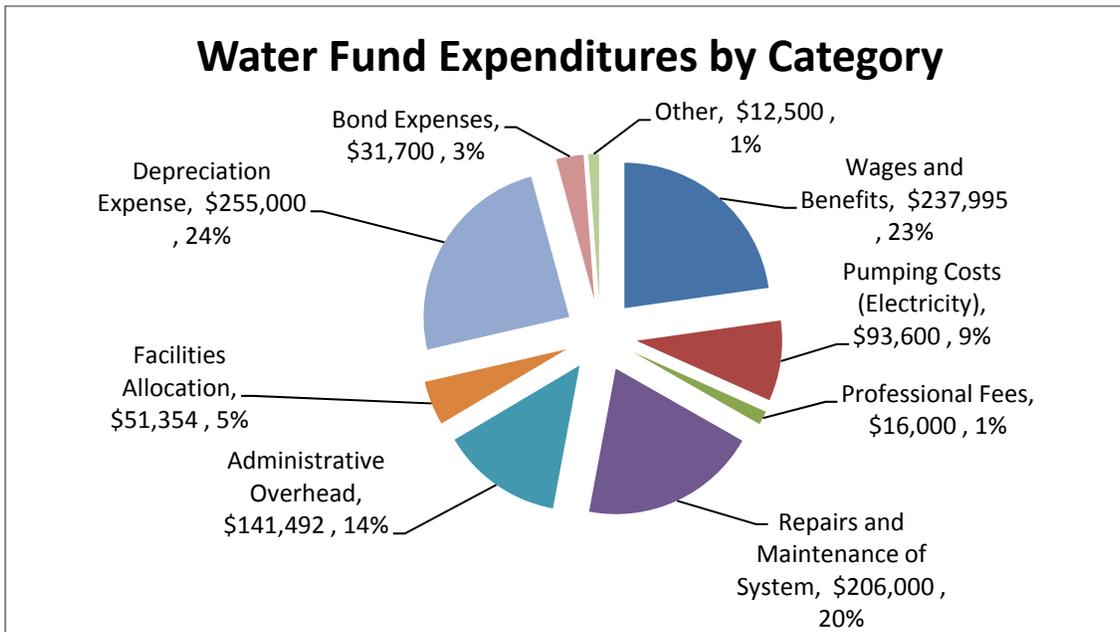
Revenue

	FY2013-14	FY2012-13
Charge for Services (Metered Water Sales)	\$ (1,005,502)	\$ (985,786)
Impact Fees Collected (New Services)	\$ (80,000)	\$ (80,000)
Interest Income	\$ (9,000)	\$ (9,000)
Other	\$ (3,000)	\$ (3,000)
Total	\$ (1,097,502)	\$ (1,077,786)

Expenditures

Wages and Benefits	\$ 237,995	\$ 274,003
Pumping Costs (Electricity)	\$ 93,600	\$ 90,000
Professional Fees	\$ 16,000	\$ 16,000
Repairs and Maintenance of System	\$ 206,000	\$ 200,653
Administrative Overhead	\$ 141,492	\$ 135,469
Facilities Allocation	\$ 51,354	\$ 51,141
Depreciation Expense	\$ 255,000	\$ 250,000
Bond Expenses	\$ 31,700	\$ 34,700
Other	\$ 12,500	\$ 12,500
Total	\$ 1,045,641	\$ 1,064,466

This budget shows a projected \$20,000 increase in revenue when compared to 2012-13 or about 2%. The budgeted increase in revenue is from the expected increase in charge for services – basically increased water sales from new growth. With this expected slight increase in projected metered water sales, the operational revenue should continue to cover the operational expenditures within the water fund. The expenditures for the year 2013-14 are less than the revenue by about \$52,000.



Sewer Utility Fund

Planned revenue and expenditures for the Sewer Utility Fund for 2013-14 is projected as follows (with comparison to 2012-13):

Sewer Fund Summary

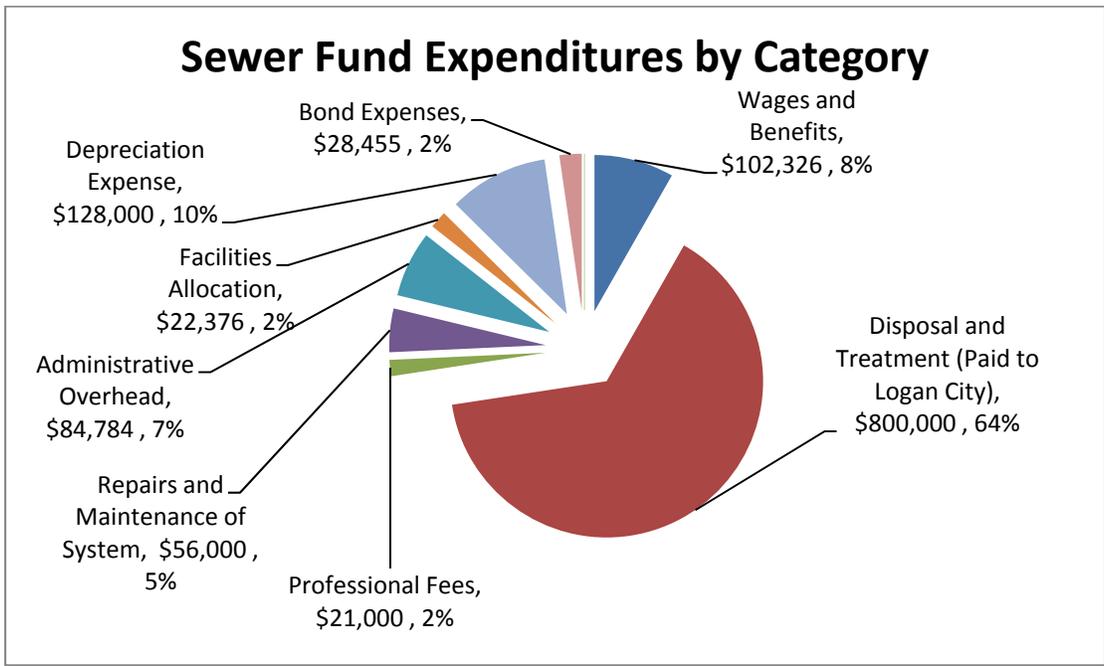
Revenue

	FY2013-14	FY2012-13
Charge for Services (Service Fees)	\$ (1,130,529)	\$ (1,108,361)
Impact Fees Collected (New Services)	\$ (40,000)	\$ (40,000)
Interest Income	\$ (1,250)	\$ (1,250)
Sewer Bond Taxes Received	\$ (32,911)	\$ (32,911)
Total	\$ (1,204,690)	\$ (1,182,522)

Expenditures

	FY2013-14	FY2012-13
Wages and Benefits	\$ 102,326	\$ 104,409
Disposal and Treatment (Paid to Logan City)	\$ 800,000	\$ 750,000
Professional Fees	\$ 21,000	\$ 1,000
Repairs and Maintenance of System	\$ 56,000	\$ 55,455
Administrative Overhead	\$ 84,784	\$ 80,894
Facilities Allocation	\$ 22,376	\$ 22,283
Depreciation Expense	\$ 128,000	\$ 120,000
Bond Expenses	\$ 28,455	\$ 31,515
Other	\$ -	\$ -
Total	\$ 1,242,941	\$ 1,165,555

Like the Water Fund, the Sewer Fund’s expected revenue is projected slightly higher for 2013-14. This budget shows a projected \$22,000 increase in revenue compared to 2012-13 or about 2%. The operational revenue does not quite cover the operational expenditures within the sewer fund. But the expenditures, if one excludes the depreciation expense, for the year 2013-14 are less than the revenue charges for services. The result is a slight net decrease in net funds available for non-impact fee sewer department improvements of about \$10,000. This assumes a conservative level of revenue and a higher than last year disposal and treatment expense to Logan City. There are no expected rates changes for North Logan City customers nor is there expected to be a rate change in what Logan City charges for disposal.

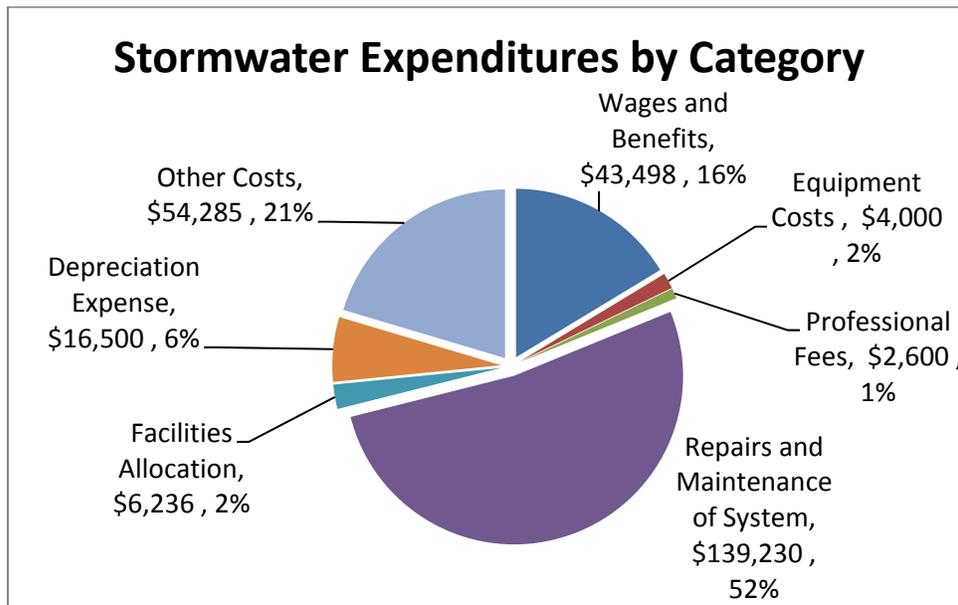


Stormwater Management Fund

This enterprise fund has been part of the budget since FY2006. Expenditures related to stormwater management prior to that were for the most part in the Roads and Streets Department budget. The costs shown in this department include all the costs for the road sweeper; ten percent of the costs for wages and benefits for the Streets Department and five percent of the same for the Sewer Department. Along with the estimated \$180,000 anticipated in revenue from the stormwater utility, about \$266,000 in expenditures is planned including depreciation. Planned revenue and expenditures for the Stormwater Utility Fund for 2013-14 is projected as follows (with comparison to 2012-13):

Stormwater Fund Summary	FY2013-14	FY2012-13
Revenue		
Charge for Services (Service Fees)	\$ (180,227)	\$ (178,443)
Interest Income	\$ (100)	\$ (100)
Other Income	\$ -	\$ -
Total	\$ (180,327)	\$ (178,543)
Expenditures		
Wages and Benefits	\$ 43,498	\$ 45,757
Equipment Costs	\$ 4,000	\$ 4,000
Professional Fees	\$ 2,600	\$ 2,600
Repairs and Maintenance of System	\$ 139,230	\$ 42,800
Facilities Allocation	\$ 6,236	\$ 6,210
Depreciation Expense	\$ 16,500	\$ 16,500
Other Costs	\$ 54,285	\$ 54,328
Total	\$ 266,349	\$ 172,195

No stormwater fee rate change is anticipated this coming fiscal year. The expenditures for the year 2013-14 exceeds the planned revenue for a net decrease in fund balance for the Stormwater Fund of \$82,000. The majority of the reason for this is due to about \$119,000 in stormwater projects for this year. In spite of these projects, the cash or cash equivalents in the stormwater fund is projected to still be about \$126,000 for the end of 2013-14.



Personnel Wages and Benefits Summary

The following chart compares 2013-14 versus 2012-13 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 2013-14	FY 2012-13
City Council	\$ 39,100	\$ 47,142
City Justice Court	\$ 89,425	\$ 87,671
Executive Staff	\$ 133,364	\$ 130,689
Administrative Agencies	\$ 233,580	\$ 243,794
Facilities	\$ 95,262	\$ 115,031
Planning Commission	\$ 8,240	\$ 8,405
Police Department (NLC's Portion only)	\$ 619,164	\$ 611,431
Fire Department	\$ 220,599	\$ 210,465
Building Inspection/Engineering	\$ 247,266	\$ 278,390
Public Works	\$ 129,324	\$ 135,069
Streets Department	\$ 161,475	\$ 168,404
Parks and Recreation	\$ 187,300	\$ 179,590
Community Plan & Econ. Dev.	\$ 97,926	\$ 95,960
Library	\$ 219,728	\$ 213,086
Water Department	\$ 237,995	\$ 274,003
Sewer Department	\$ 102,326	\$ 104,409
Stormwater Department	\$ 43,498	\$ 45,757
Total	\$ 2,865,572	\$ 2,949,295
General Fund Only	\$ 2,262,025	\$ 2,312,041
Percent Personnel Costs versus Total Exp. G.F. Only	47.2%	49.9%
Percent Increase (General Fund Only)	-2.16%	9.15%
Percent Increase (All Funds)	-2.84%	10.73%
Dollars Increase (decrease) over previous year (All Funds)	\$ (83,723)	\$ 285,828
Percent Total Personnel Costs vs. Total Expenditures in All Funds	35%	38%
FTEs - All Departments, (All Funds)	50.9200	51.9900
Percent Increase in FTEs - (All Funds)	-2.06%	1.01%

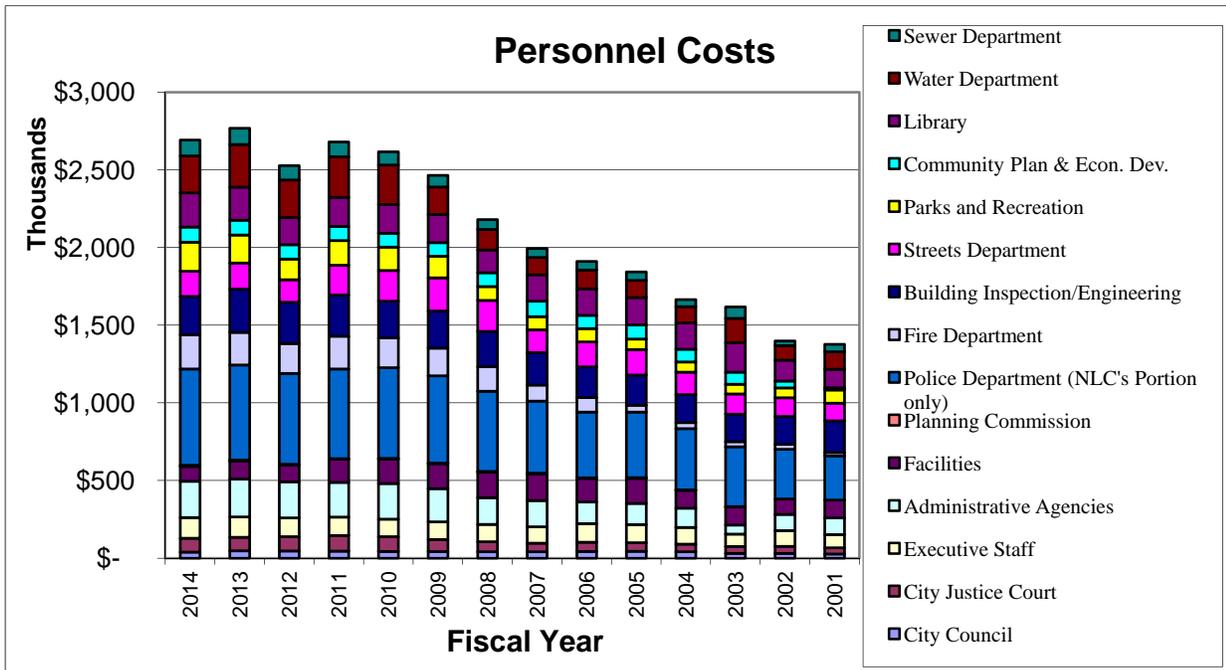
This budget shows a projected decrease of about \$84,000 in total personnel costs over 2012-13 or about 2.84%. This includes wages and benefits in all funds and some planned decreases in FTEs (full-time equivalents). The net decrease of 1.07 FTEs in the city, when comparing to the number of hours authorized in the FY2012-13 budget, includes the following:

1. The retirement on January 1, 2014 of the Chief Building Official (without replacement). This reduces the total FTEs by 0.5 for this year but a full 1.0 FTE after this year.
2. There are a few more hours for the Secretary/Receptionist position as the city changes from one full time employee with 2040 hours per year to two part time employees with 1,235 hours each per year. Doing this allows that position to be filled prior to the city office opening at 8:00 am, through the lunch hour, and a little past closing time for the office at 5:00 pm. The net increase of 0.178 FTEs for FY2013-14 is a result.
3. The Library's total FTEs go up by a net 0.062 FTEs for multiple changes resulting from rearranging the library staff and their hours.
4. There are also some misc. change in hours authorized within Public Works resulting in a net decrease in FTEs there of about 0.99 FTEs. The details of these changes were still being worked out when this report was written.
5. About 0.18 FTEs of additional volunteer fire fighter pay was also put into the mix.

The budget includes sufficient funds for about 3% raise in employees' wages split between a cost-of-living increase of 1% and the rest to be divided among the various departments, to adjust wages and salaries in a case-by-case, merit-based manner.

Health insurance costs for the city's employees went up by 3.17% for single employees, 3.22% for the couple rate but there was no change in the rate for the family plan for this year. The employee pays 12.5% of the cost of their health insurance plan.

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



Historically, personnel costs have been about 34% percent of the city’s total expenditures, ranging from 29% in 2001 to a high of 39% in 2010. The budget for 2013-14 has the percent of personnel costs close to that average – that number for 2013-14 being 35%.

