

# North Logan City Corporation

Approved 6/18/14

## **Annual Operating Budgets**

### **Fiscal Year 2014-15**

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**North Logan City  
Proposed Operating Budgets  
General and Enterprise Funds  
2014-15  
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# Budget Executive Summary

## To the Citizens of North Logan City:

This proposed budget for fiscal year 2014-15 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 7% and the budget is set up to achieve that goal. The city anticipates a modest (3.0%) 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 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 about the same as last year. 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 \$326,000 for the General Fund. About one-third of the funds generated in the Energy Sales and Use Tax is to be assigned to the cemetery fund. 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 increase in expenditures for 2014-15 when compared to 2013-14. The largest increase in spending comes in the Streets Department where the budget increased about \$234,000 from 2013-14 to 2014-15. The increase is due to several road repair projects. The department with the next most increase in expenditures within the General Fund is the Park budget where expenditures have been increased by about \$91,000 when compared to 2013-14.

The budget for the Library Special Revenue Fund shows little change from 2013-14 to 2014-15. The funds to be received from the Thorne Endowment are \$160,000. The planned fund balance in the library for 2014-15 will be about 8% higher than it was in the final version of the 2013-14 library budget (about \$9,000). No extraordinary changes are planned in the expenditures for the library for library operations for the coming year.

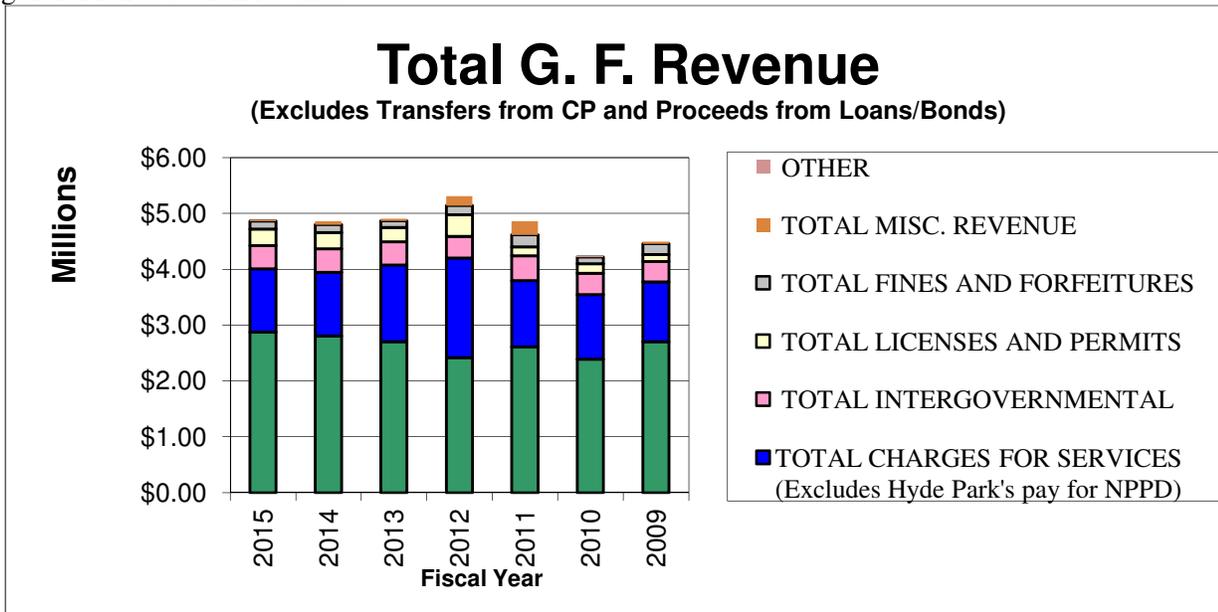
There are no significant budget changes in the water or sewer utility funds. These departments' funds stand aside from the general fund and the departments must be self sustaining. Fees received for water and sewer use must be used within their respective departments. Some limited capital projects are 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 52% of the expenditures in the general fund. The budget, as proposed, includes a 3% increase in wages for 2014-15. For currently benefited employees this year when compared to last year, there was about a 9% increase in health insurance rates for single and couple plans but an increase in rates for the family plan of about 13%. Some of that is due to the new fee charged against each employee's insurance policy under the Affordable Health Care Act.

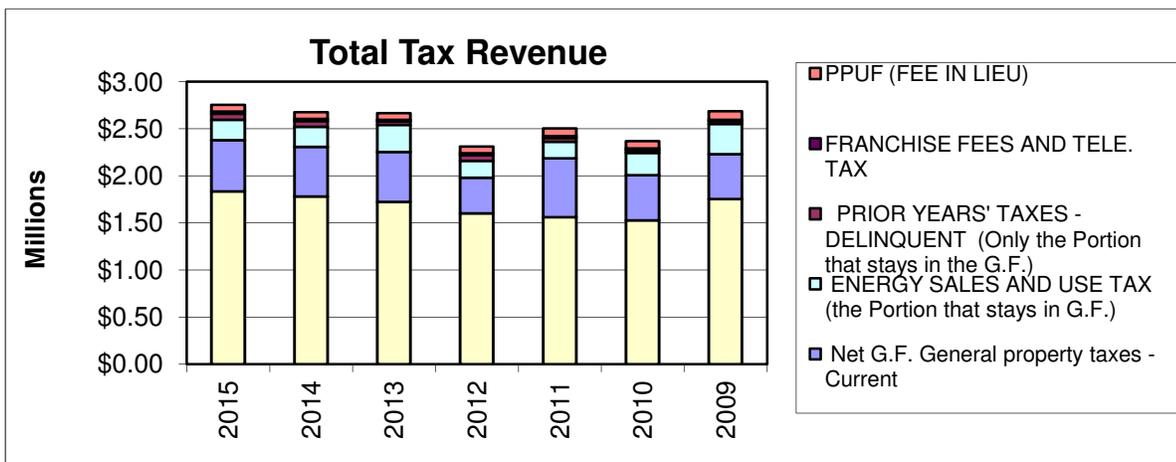
The following pages of this report provide more detailed information about the budget for 2014-15. Direct any comments to Jeff Jorgensen the City Administrator or Scott Bennett the City Recorder. It is the intention of the Mayor and City Council that the public's input in the budget process is important 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 2013-14 projected a very slight decrease in that year but the proposed budget for 2014-15 projects a year of slightly increased revenue. The 2014-15 total general fund revenue is projected to increase about \$25,000 compared to 2013-14 which is about a 2% increase. The sales taxes are expected to only be about \$42,500 higher in 2014-15 than they were in 2013-14 (about 0.5%). This can be a bit misleading, however because of separating the "revenue" from Hyde Park for the newly formed police agency since that revenue is no longer counted towards the general funds overall revenue.

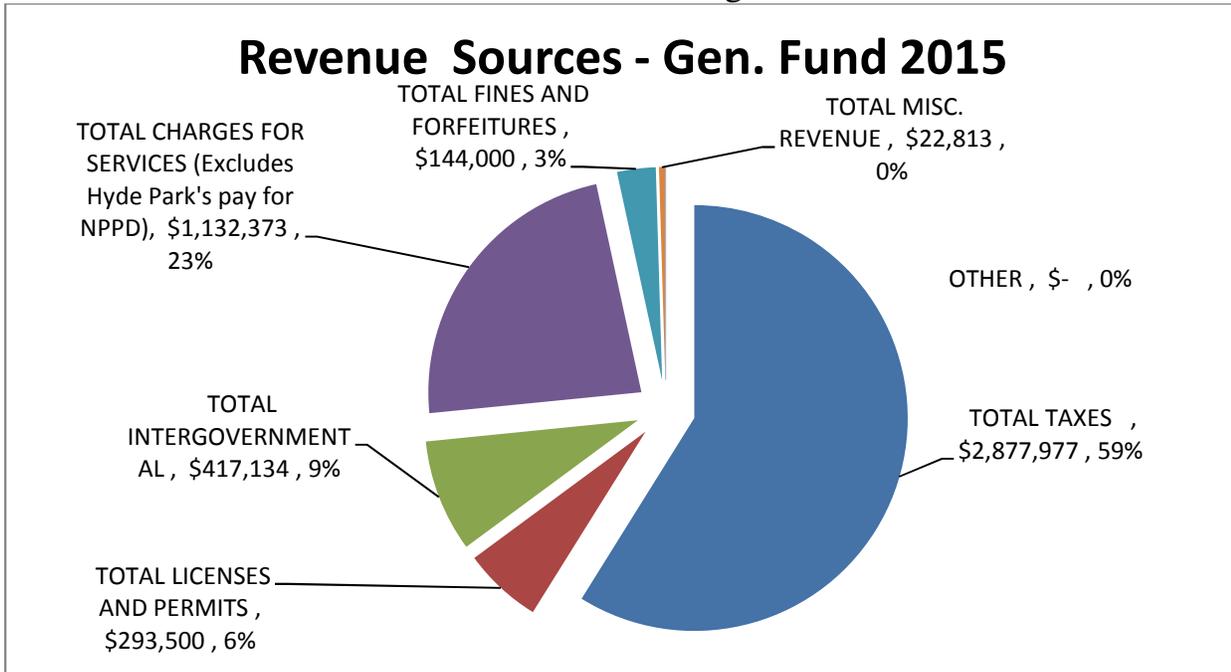


With the proposed Composite Property Tax Rate being held at the certified tax rate as set by the State, the General Purpose portion of the property tax will still however, because of new growth, generate about \$16,700 more in revenue in 2014-15 than it did in 2013-14. The total revenue from all taxes which will stay in the General Fund is projected to go up an estimated \$72,000. 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.



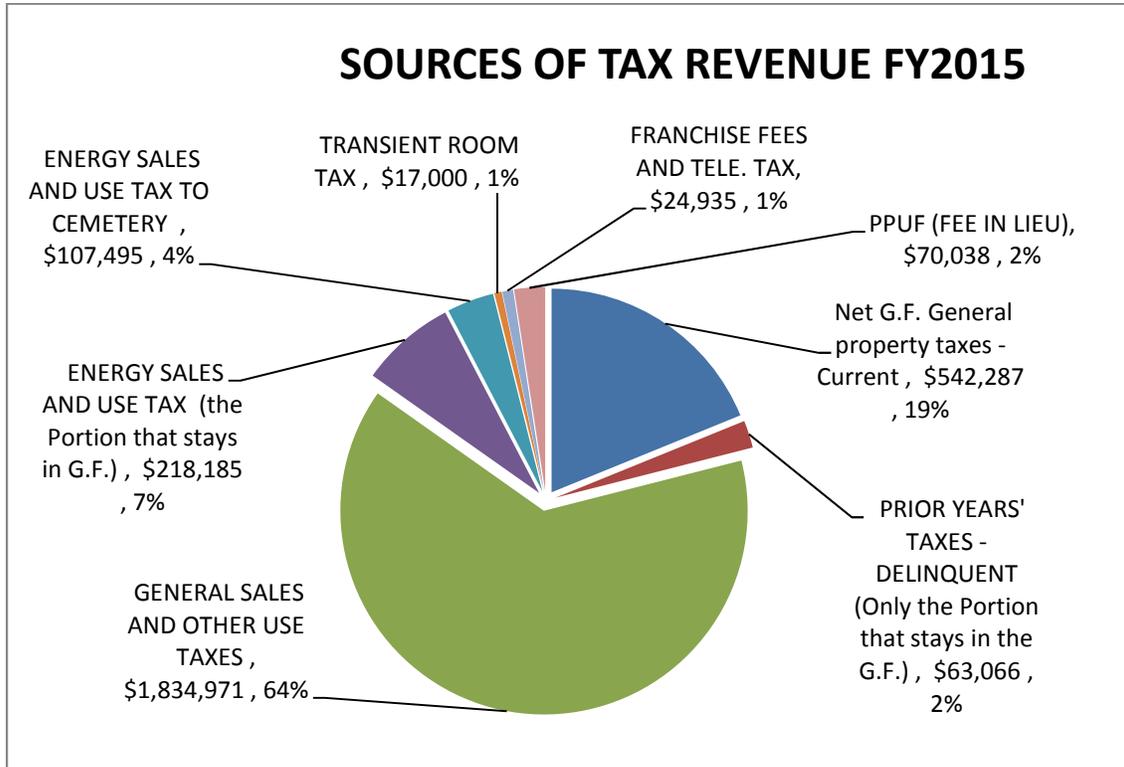
General Fund Budget 2011-2012

Revenue Percentages



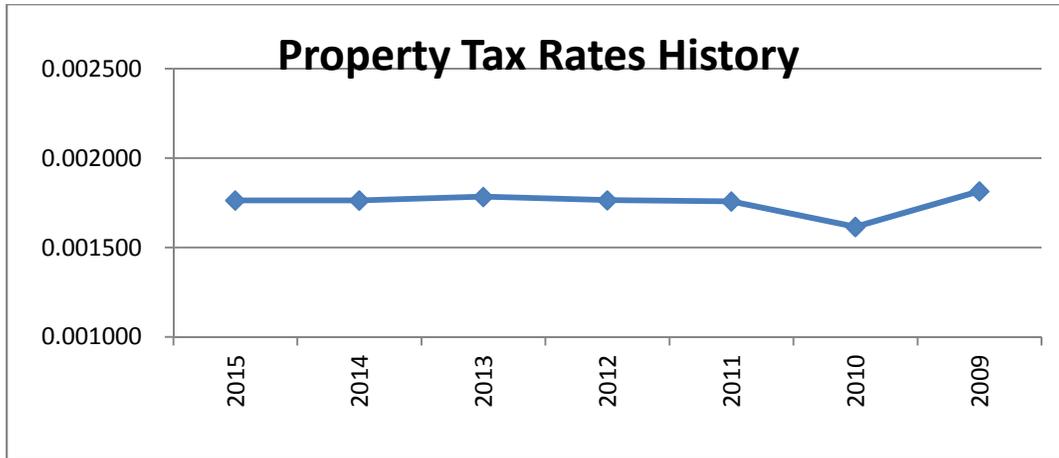
Taxes remain the largest source of General Fund Revenue for 2014-15 (59%). Tax revenues include sales tax, property tax, fee-in-lieu taxes (vehicle taxes), franchise taxes, RAPZ tax, and energy sales and use tax. 'Charges for Services' is the second largest source of revenue (23%) for the general fund and includes refuse collection charges, various zoning and subdivision fees, and misc. parks and recreation fees. This total no longer includes the reimbursement from Hyde Park for police services. The total expected General Fund revenue from all sources for 2014-15 is expected to be about \$4,888,000 compared to \$5,116,000 in 2013-14. About \$250,000 of this decrease is due to not counting Hyde Park's reimbursement here). Tax dollars projected for 2014-15 supply 59% of General Fund revenues which is a higher percentage than it was in 2013-14, when that percentage was 55%, but again that is due to not counting Hyde Park's reimbursement as general fund revenue.

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 19% of the total tax revenue for the city. With the rate for the Energy Sales and Use Tax at 3% in 2014-15, that tax is expected to generate about \$325,000. This fund source makes up the third largest revenue source (11%) of taxes brought into the General Fund.



The Composite Certified Property Tax Rate for 2014-15 will be 0.001780 which includes the General Purpose Property Tax at 0.000966, the dedicated Library Tax at 0.000757 and the Sewer Fund rate of 0.000057.

The General Purpose Property Tax rate for tax year 2014 (fiscal year 2014-15), will be set at the certified tax rate which will be a slight increase to 0.000966 compared to 0.000956 for 2013-14. 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 0.000966, the tax rate will be about 13.8% 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 0.000966 * \$133,100	 \$128.57
NLC's Sinking Sewer Fund Tax = tax rate 0.000057 * \$133,100	\$7.59
<u>NLC's Dedicated Library Tax = tax rate 0.000749 * \$133,100</u>	<u>\$100.76</u>

Total NLC Property Tax = sum of above rates 0.001780\* \$133,100                      \$236.92

*(Note: this compares to computations from last year yielding a total of \$234.78 for a slight increase in actual taxes paid on a \$242,000 home of \$2.14)*

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 19%. It is anticipated that there will be a decrease in the amount of spending on professional and technical services in this department, of about \$15,000. There were some fairly substantial legal fees in 2013-14 which can hopefully be avoided in 2014-15 to make that reduction possible. In 2014-15 there be no municipal election in November 2013 which will save the city about \$9,000. The total expenditures for this department are expected to decrease by about \$21,000.

### 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 3% or about \$5,000.

### Executive Staff

The expected expenditures for the executive staff (the city administrator and the executive secretary) will go up due to increased wages and benefits. The expenditures shown in this department are expected to increase by about 10% or about \$10,400.

### 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 \$5,000 or about 4%.

### 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 decrease by about 15% or about \$27,000. Most of the change is due to not having the cost of a copy machine replacement that was done 2013-14 and now not needed in 2014-15.

### 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 conference room in the library, 2) the repair of the roof at the library, and 3) the replacement of the roof and improvements to the electrical system at the Lion's Building in Elk Ridge Park. The total expenditures for this department are expected to decrease by less than 0.5% or about \$2,000 above what was spent in 2013-14.

### Police Department

In FY 2014-15 North Logan City and Hyde Park have entered into a new interlocal Cooperation Agreement and have established a joint police agency between the two cities. The two cities share in the costs of this agency according to the same formula used for years to splits the police department 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 24.2% of the NPPD costs in 2014-15 versus 23.7% in 2013-14. Hyde Park's 24.2% of the total cost of the police department is about \$279,000, about \$27,000 more than was last year.

The total expenditures for this department are expected to increase by about 6% or about \$71,000 more than what was spent in 2013-14.

## Fire Department

The budget for the fire department for 2014-15 versus 2013-14 shows a decrease in their budget of about \$6,000 or about 1%. 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. \$60,000 is still budgeted to be set aside in the Capital Improvement Fund. 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.

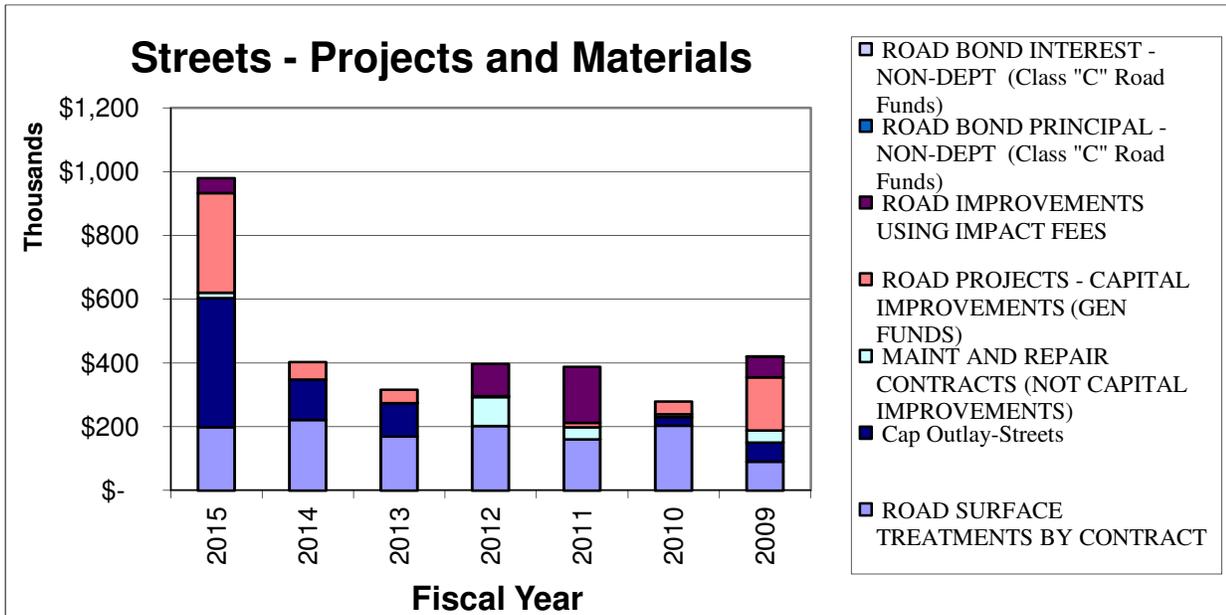
## Building Inspection & Engineering

The budget shows a 25% decrease in expenditures for the Building Inspection and Engineering Department in 2014-15. 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 \$90,000 below what was budgeted in 2013-14.

## Roads and Streets

The General Fund portion of the budget for the Streets Department shows an increase for 2014-15 of about \$350,000 or about 52%. The 2014-15 budget includes \$199,000 for much needed chip sealing of roads and other similar road surface treatments. In addition, the budget provides for two fairly large road repair projects. The first project is for re-doing the road on 1600 North just north of WalMart. The other project is to replace a portion of the road within the Johnson Park Subdivision.

The following chart shows how the proposed expenditures in roads and streets projects and maintenance materials for 2014-15 compare to the previous six years.

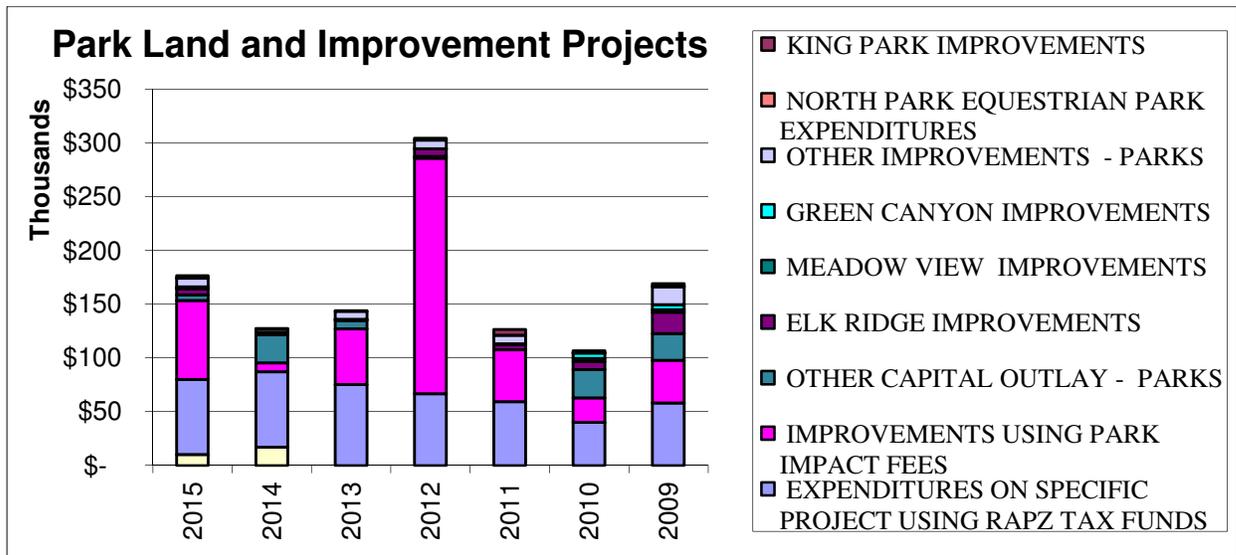


## Sanitation

Trash collection costs for 2014-15 are expected to be the same as they were in 2013-14. The fees paid to Logan City for this service is budgeted at \$750,000. Revenue budgeted to be received in North Logan to cover these costs is assumed to be about \$774,000, 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 3% 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 acquisition of the land east of Elk Ridge as part of the Elk Ridge East Subdivision. Additionally about \$70,000 was received from RAPZ taxes to get the land at the southwest part of Elk Ridge into grass. There are also a number of smaller projects for the Parks Department. The overall budget for the Parks Department is planned to increase by 20% or about \$90,000 when compared to 2013-14. The following chart shows how the proposed expenditures in park land purchases and project improvements for 2014-15 compare to the previous six years.



## Recreation and Culture

There is a planned increase for the Recreation and Culture Department. The total planned increase for this department is about \$7,700 or about 12% of the departmental budget when compared to 2013-14. Some of the increase comes from increase costs of the seniors' lunch program plus the addition of some costs for the recreational soccer program which should be offset by soccer participants' fees.

### Cemetery

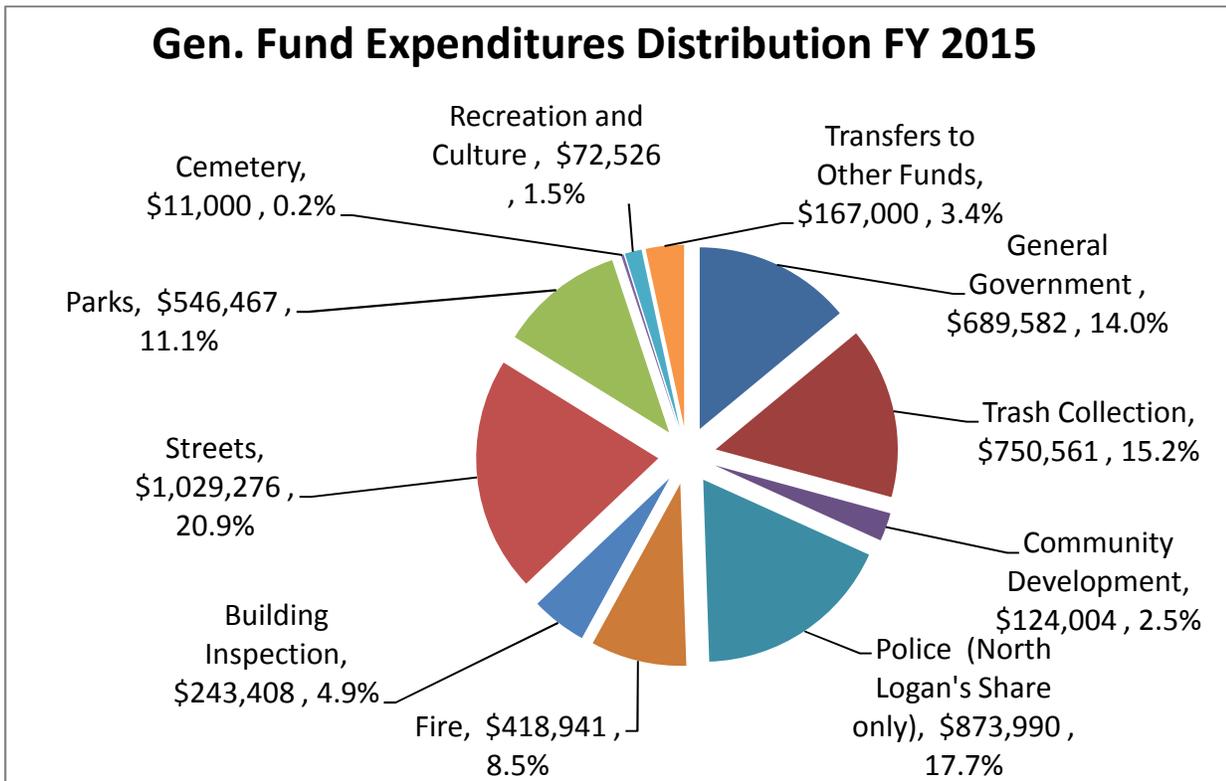
The budget for the Cemetery is planned to increase some when compared to 2013-14. Improvements planned for 2014-15 include continued work to finish the grass in phase two of the cemetery, some of which was moved to this budget from 2013-14 so comparing the two budget years ends up showing a significant increase in spending for 2014-15. Expenditures for the cemetery for 2014-15 are budgeted at \$11,000 compared to \$4,000 in 2013-14. With a portion of the energy sales and use taxes to be dedicated to the cemetery in 2014-15, the funds assigned to the cemetery will increase to about \$410,200 at the end of 2014-15.

### Community Development, Planning Commission, and Economic Development

The Community Development portion of the budget is increased by about \$10,000 compared to 2013-14. The Planning Commission portion of the budget is planned for about \$1,000 increase in 2014-15 versus 2013-14. Economic Development is budgeted to about \$2,500 more than what was planned in 2013-14 but there is about \$25,000 being considered (currently unfunded) to be used to hire an economic development specialist to assist the city with this type of work. The overall Community Development and Economic Development 2014-15 budget is planned to be increased from about \$114,000 to about \$124,000 or about 8% when compared to the closeout version of the 2013-14 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 2013-14 (FY2012R2) and 2014-15 (FY2011R0).

<b>Revenue</b>	<b>FY2014-15</b>	<b>FY2013-14 R4</b>
TOTAL TAXES	\$ 2,877,977	\$ 2,806,139
TOTAL LICENSES AND PERMITS	\$ 293,500	\$ 292,266
TOTAL INTERGOVERNMENTAL	\$ 417,134	\$ 422,586
TOTAL CHARGES FOR SERVICES (Excludes Hyde Park's pay for NPPD)	\$ 1,132,373	\$ 1,139,546
TOTAL FINES AND FORFEITURES	\$ 144,000	\$ 139,785
TOTAL MISC. REVENUE	\$ 22,813	\$ 62,169
OTHER	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 4,887,796</b>	<b>\$ 4,862,491</b>
<b>Expenditures</b>		
General Government	\$ 689,582	\$ 726,804
Trash Collection	\$ 750,561	\$ 728,700
Other (misc. land and ROW purchases)	\$ -	\$ -
Community Development	\$ 124,004	\$ 114,907
Police (North Logan's Share only)	\$ 873,990	\$ 1,108,080
Fire	\$ 418,941	\$ 424,957
Building Inspection	\$ 243,408	\$ 325,257
Streets	\$ 1,029,276	\$ 678,448
Parks	\$ 546,467	\$ 455,546
Cemetery	\$ 11,000	\$ 4,000
Recreation and Culture	\$ 72,526	\$ 64,835
Transfers to Other Funds	\$ 167,000	\$ 379,000
<b>Total Expenditures (Sum of Above)</b>	<b>\$ 4,926,755</b>	<b>\$ 5,010,534</b>

## 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. 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 \$75,000 new funds in 2014-15. The budget includes using about \$47,200 of the road impact fees to construct a new section of 1200 East 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 2014-15 is projected to be about \$243,800.

### Parks and Recreation Impact Fees

Revenue from Park Impact Fees is expected to generate about \$75,000. The budget includes using about \$73,000 of the park impact fees to acquire a new piece of park land adjacent to Elk Ridge Park. The fund balance in this reserved fund is expected to increase from \$308,000 at the end of 2013-14 to \$310,000 at the end of 2014-15.

## 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 \$9,400 at the end of 2013-14 to \$10,100 at the end of 2014-15. 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 \$5,100 at the end of 2014-15.

### 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 2014-15. These funds together are intended to be used solely for the operation and maintenance of the cemetery. The fund

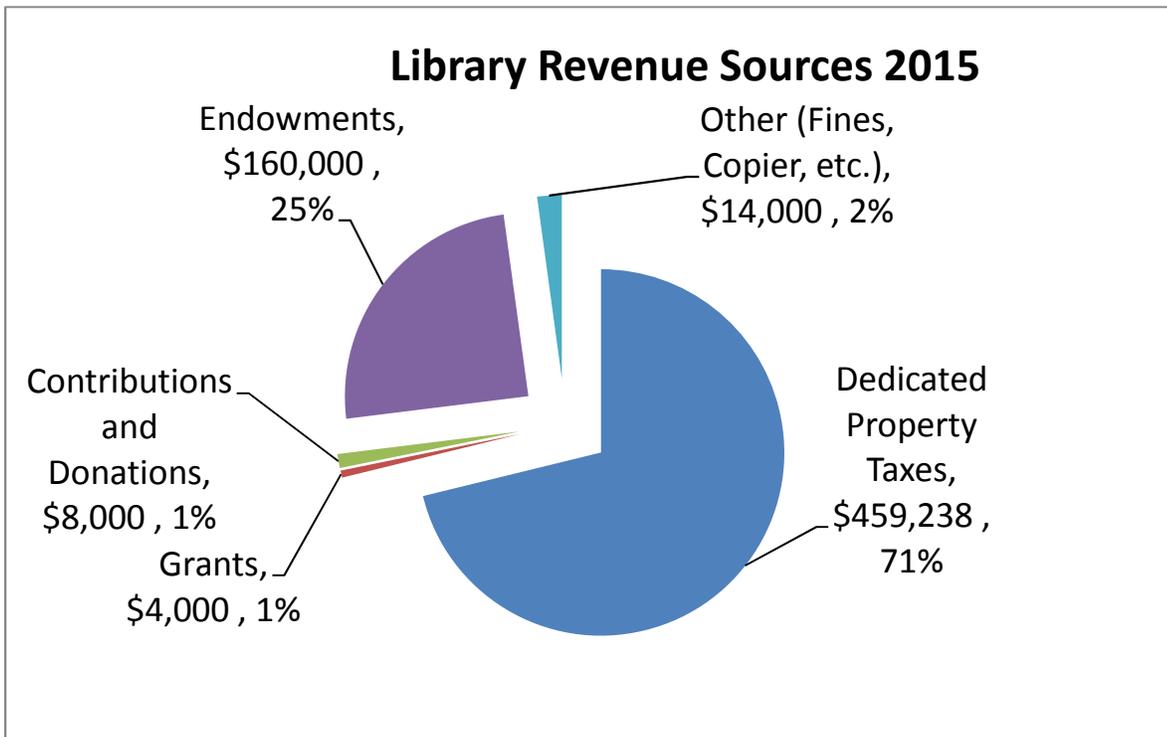
balance for this fund is expected to increase from \$309,500 at the end of 2013-14 to \$410,200 at the end of 2014-15. Expenditures for the cemetery will, for the most part, include planting grass in Phase II of the cemetery.

## 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 2014-15 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 \$112,000 in 2014-15 for general library operations plus an additional \$48,000 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.

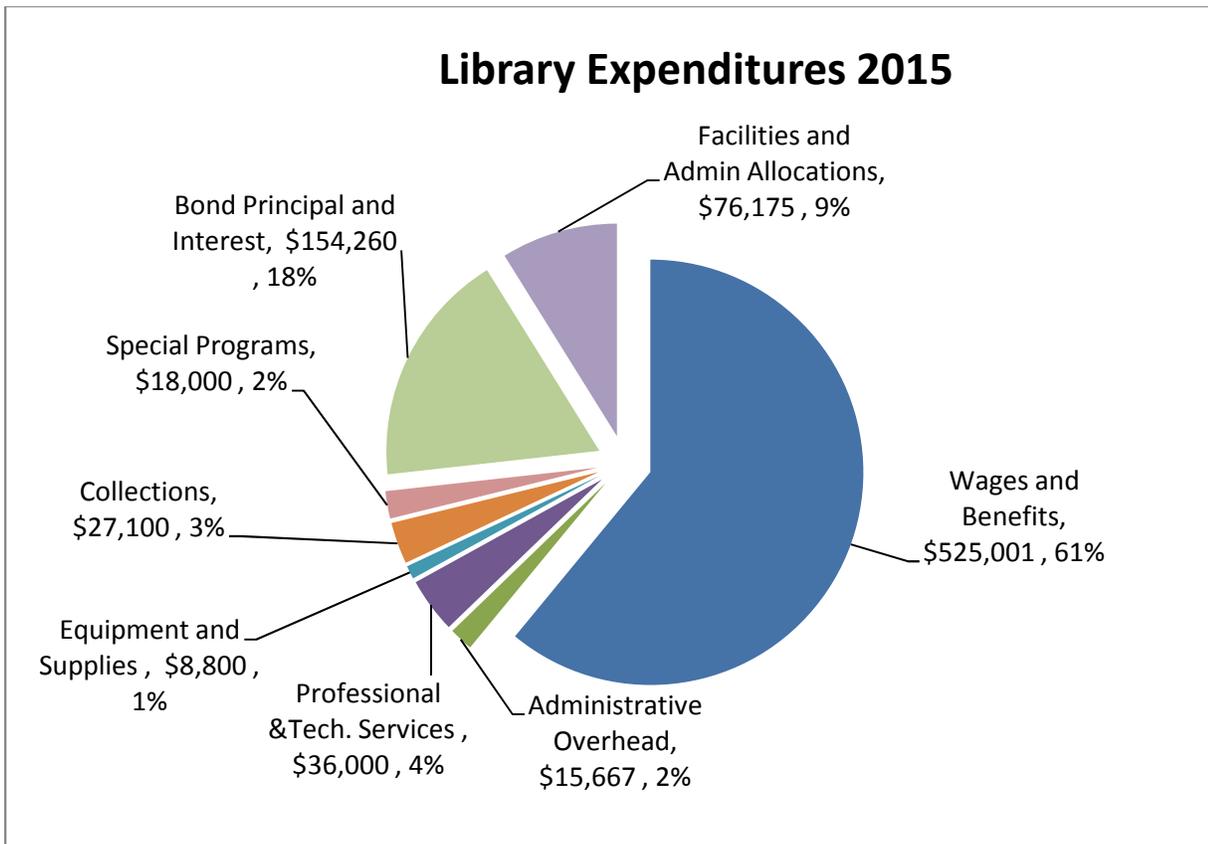
The following chart shows the various general sources of revenue for the library:



Just almost two-thirds (61%) 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 (\$154,000 or about 18%). 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 (\$76,200 or 9%). Collections (namely books, videos, magazines, and the processing of same) represents the another category of expenditures for the library at about \$27,100 or 3%.

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 2014-15 for the library is budgeted to be \$130,700 or 20% of the anticipated 2014-15 budgeted revenue.



## Capital Improvement Fund

The Capital Improvement Fund (CIF) is intended to provide for capital expenditures, through replacement of assets and for new capital assets. Expenditures from this fund include 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. This budget, as presented, transfers \$160,000 from the general fund to this Capital Improvement Fund. The funds to be set aside are \$100,000 for general use (goes towards reimbursing this fund for the construction of the new police building), and \$60,000 for future Fire Department equipment/facilities. Hyde Park will be also be contributing \$41,000 towards the new police building which will also be included in this fund. Also included is a planned donation for Elk Ridge Park improvements of \$200,000 [\$800,000 was donated in FY2103-14]. The Cache County Council of Governments (CCCOG) also approved \$405,799 in 1/4 percent sales tax funds to come to North Logan for two street projects - \$205,799 for 1200 East and \$200,000 for 3100 North.

# Water Utility Fund

Planned revenue and expenditures for the Water Utility Fund for 2014-15 is projected as follows (with comparison to 2013-14):

## Water Fund Summary

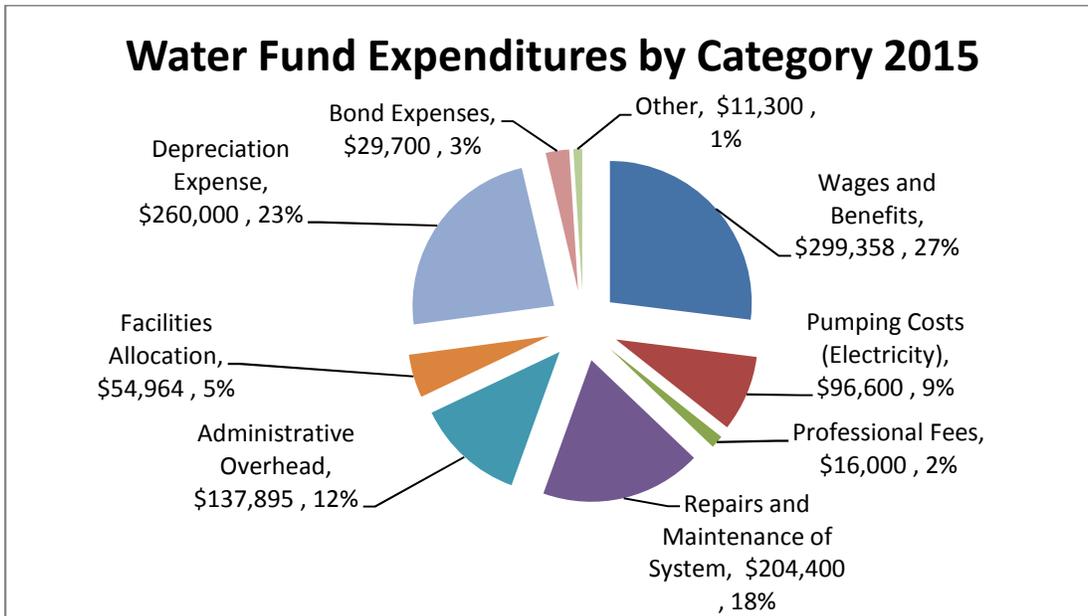
### Revenue

	FY2014-15	FY2013-14
Charge for Services (Metered Water Sales)	\$ (1,025,612)	\$ (1,005,502)
Impact Fees Collected (New Services)	\$ (80,000)	\$ (196,485)
Interest Income	\$ (9,000)	\$ (9,000)
Other	\$ (3,000)	\$ (3,000)
<b>Total</b>	<b>\$ (1,117,612)</b>	<b>\$ (1,213,987)</b>

### Expenditures

Wages and Benefits	\$ 299,358	\$ 273,358
Pumping Costs (Electricity)	\$ 96,600	\$ 98,900
Professional Fees	\$ 16,000	\$ 16,000
Repairs and Maintenance of System	\$ 204,400	\$ 206,000
Administrative Overhead	\$ 137,895	\$ 154,048
Facilities Allocation	\$ 54,964	\$ 51,237
Depreciation Expense	\$ 260,000	\$ 255,000
Bond Expenses	\$ 29,700	\$ 31,700
Other	\$ 11,300	\$ 12,500
<b>Total</b>	<b>\$ 1,110,217</b>	<b>\$ 1,098,833</b>

This budget shows a projected \$20,000 increase in revenue from metered water sales when compared to 2013-14 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 2014-15 are less than the revenue by about \$7,000.



# Sewer Utility Fund

Planned revenue and expenditures for the Sewer Utility Fund for 2014-15 is projected as follows (with comparison to 2013-14):

## Sewer Fund Summary

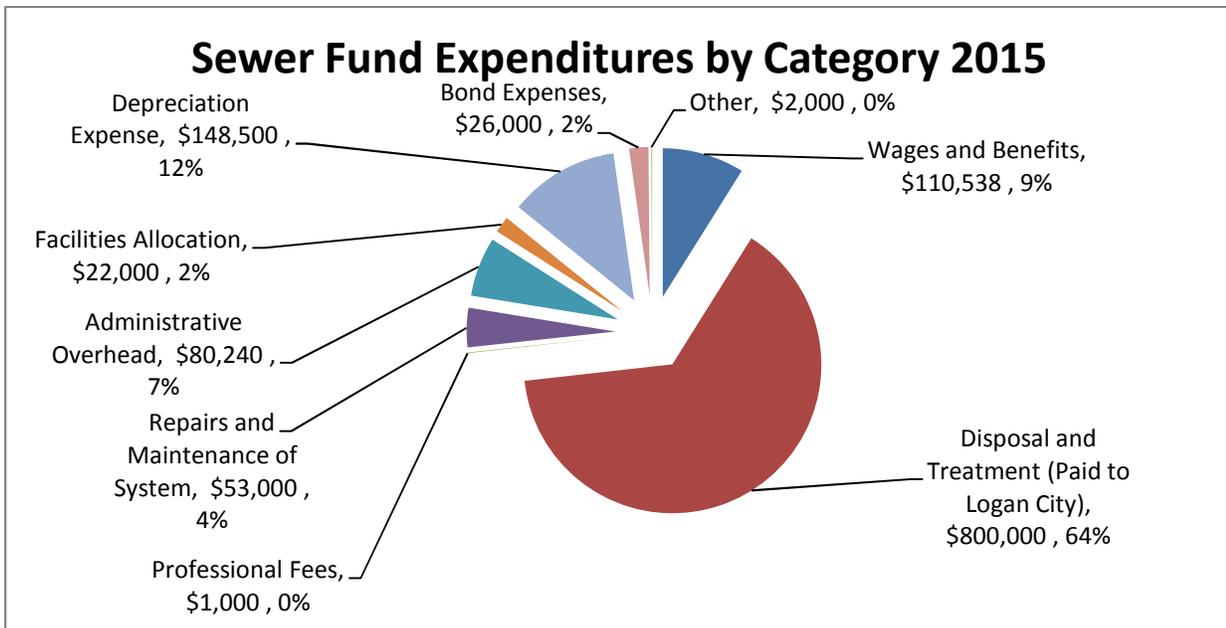
### Revenue

	FY2014-15	FY2013-14
Charge for Services (Service Fees)	\$ (1,140,998)	\$ (1,118,626)
Impact Fees Collected (New Services)	\$ (40,000)	\$ (67,219)
Interest Income	\$ (1,250)	\$ (1,250)
Sewer Bond Taxes Received	\$ (32,911)	\$ (32,911)
<b>Total</b>	<b>\$ (1,215,159)</b>	<b>\$ (1,220,006)</b>

### Expenditures

	FY2014-15	FY2013-14
Wages and Benefits	\$ 110,538	\$ 122,025
Disposal and Treatment (Paid to Logan City)	\$ 800,000	\$ 800,000
Professional Fees	\$ 1,000	\$ 0
Repairs and Maintenance of System	\$ 53,000	\$ 56,000
Administrative Overhead	\$ 80,240	\$ 93,343
Facilities Allocation	\$ 22,000	\$ 22,347
Depreciation Expense	\$ 148,500	\$ 148,500
Bond Expenses	\$ 26,000	\$ 29,800
Other	\$ 2,000	\$ 2,000
<b>Total</b>	<b>\$ 1,242,941</b>	<b>\$ 1,165,555</b>

Like the Water Fund, the Sewer Fund’s expected revenue from sewer fees is projected slightly higher for 2014-15. This budget shows a projected \$22,000 increase in revenue compared to 2013-14 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 2014-15 are less than the revenue charges for services. 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 but there may be such a change for 2015-16.



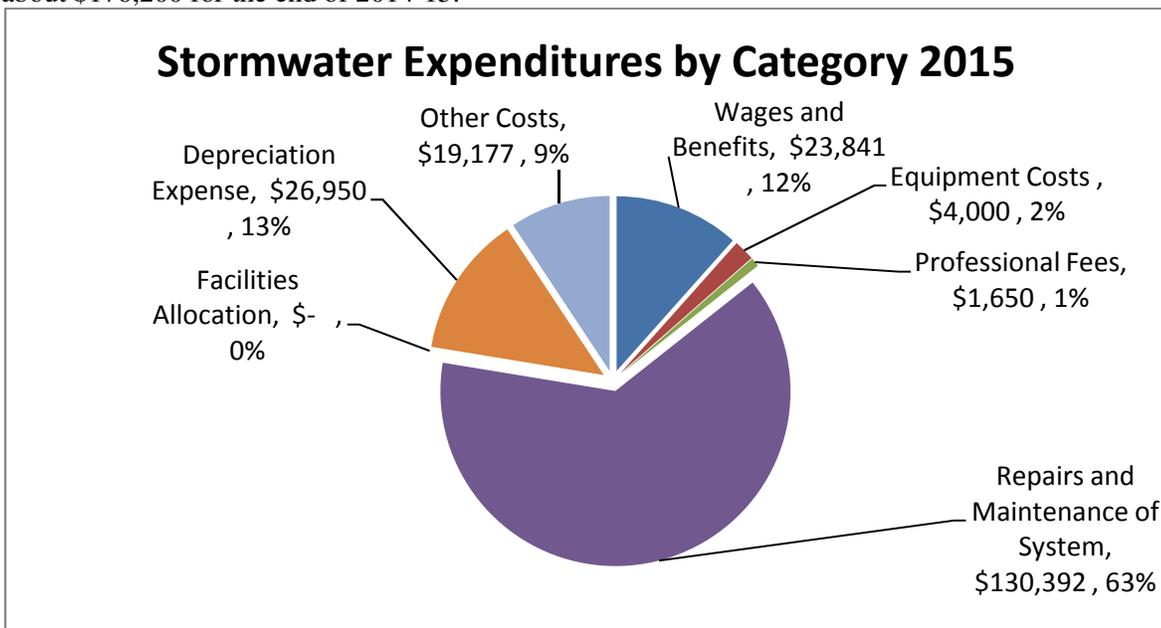
## Stormwater Management Fund

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 2014-15 is projected as follows (with comparison to 2013-14):

### Stormwater Fund Summary

	FY2014-15	FY2013-14
<b>Revenue</b>		
Charge for Services (Service Fees)	\$ (182,029)	\$ (180,227)
Interest Income	\$ (100)	\$ (100)
Other Income	\$ -	\$ -
<b>Total</b>	<b>\$ (182,129)</b>	<b>\$ (180,327)</b>
<b>Expenditures</b>		
Wages and Benefits	\$ 23,841	\$ 23,024
Equipment Costs	\$ 4,000	\$ 4,000
Professional Fees	\$ 1,650	\$ 2,600
Repairs and Maintenance of System	\$ 130,392	\$ 139,230
Facilities Allocation	\$ 0	\$ 6,386
Depreciation Expense	\$ 26,950	\$ 24,935
Other Costs	\$ 19,177	\$ 20,330
<b>Total</b>	<b>\$ 206,010</b>	<b>\$ 220,506</b>

No stormwater fee rate change is anticipated this coming fiscal year. The expenditures for the year 2014-15 exceeds the planned revenue for a net decrease in fund balance for the Stormwater Fund of \$59,000. The majority of the reason for this is due to about \$93,750 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 \$176,200 for the end of 2014-15.



## Personnel Wages and Benefits Summary

The following chart compares 2014-15 versus 2013-14 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.

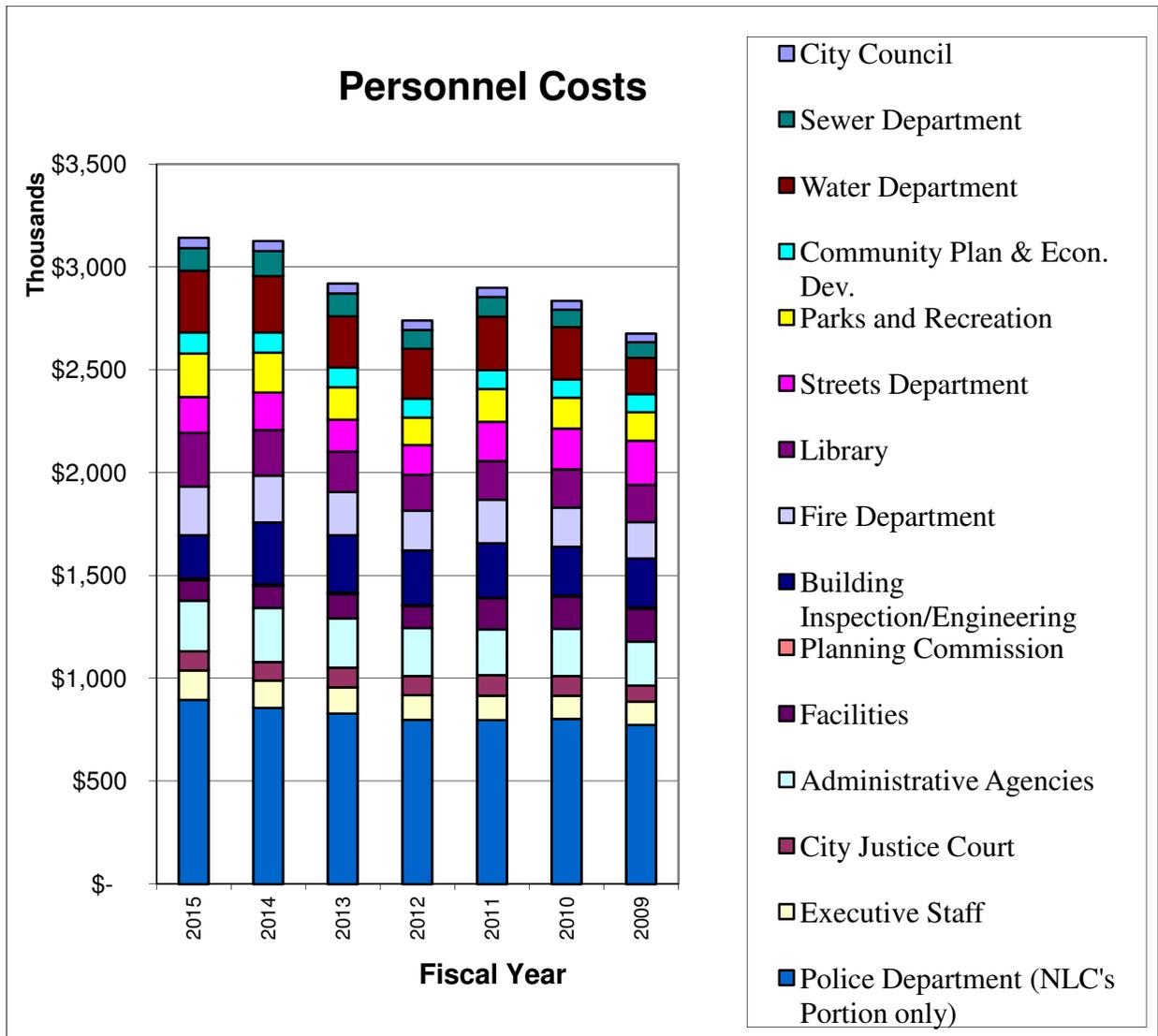
<b>Personnel Expenditures (All Funds)</b>	FY 2013-14	FY 2013-14
City Council	\$ 50,632	\$ 49,639
City Justice Court	\$ 93,666	\$ 88,671
Executive Staff	\$ 142,811	\$ 134,564
Administrative Agencies	\$ 245,679	\$ 263,935
Facilities	\$ 99,862	\$ 105,461
Planning Commission	\$ 8,418	\$ 8,389
Police Department (NLC's Portion only)	\$ 895,921	\$ 856,174
Fire Department	\$ 235,240	\$ 228,554
Building Inspection/Engineering	\$ 210,504	\$ 301,357
Public Works	\$ 144,581	\$ 141,746
Streets Department	\$ 174,559	\$ 181,253
Parks and Recreation	\$ 210,626	\$ 195,012
Community Plan & Econ. Dev.	\$ 103,714	\$ 98,207
Library	\$ 262,500	\$ 221,380
Water Department	\$ 299,358	\$ 273,358
Sewer Department	\$ 110,538	\$ 122,025
Stormwater Department	\$ 23,841	\$ 23,024
<b>Total</b>	<b>\$ 3,312,449</b>	<b>\$ 3,292,748</b>
<b>General Fund Only</b>	<b>\$ 2,616,212</b>	<b>\$ 2,652,961</b>
<b>Percent Personnel Costs versus Total Exp. G.F. Only</b>	<b>52.5%</b>	<b>52.6%</b>
Percent Increase (General Fund Only)	-1.39%	6.14%
Percent Increase (All Funds)	0.60%	6.21%
Dollars Increase (decrease) over previous year (All Funds)	\$ 19,701	\$ 192,628
<b>Percent Total Personnel Costs vs. Total Expenditures in All Funds</b>	<b>40%</b>	<b>39%</b>
FTEs - All Departments, (All Funds)	50.5500	50.4600
Percent Increase in FTEs - (All Funds)	0.18%	-2.66%
<b>Percent Total Personnel Costs vs. Total Revenue in All Funds</b>	<b>41%</b>	<b>41%</b>

This budget shows a projected increase of about \$19,700 in total personnel costs over 2013-14 or about 0.6%. This includes wages and benefits in all funds and some planned decreases in FTEs (full-time equivalents). The net decrease of 0.09 FTEs in the city, when comparing to the number of hours authorized in the FY2013-14 budget,

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 on a case-by-case, merit-based manner.

Health insurance costs for the city's employees went up by 9.27% for single employees, 9.39% for the couple rate and about 12.82% increase 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 seven years.



Since 2009, personnel costs have been about 40% percent of the city’s total expenditures, ranging from a low of 35% in 2012 to a high of 42% in 2010. The budget for 2014-15 has the percent of personnel costs close to that average – that number for 2014-15 being 40%.

