

North Logan City Corporation

ADOPTED

Annual Operating Budgets

Fiscal Year 2011-12

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**North Logan City
Proposed Operating Budgets
General and Enterprise Funds
2011-12
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Budget Executive Summary

To the Citizens of North Logan City:

This proposed budget for fiscal year 2011-12 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%) increase 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 0.001758, 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 \$193.42 ($\$200,000 \text{ home value} * 55\% \text{ primary residence exemption} * 0.001758 \text{ property tax rate} = \193.42) – 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 2007-2008 the rate was five percent (5%). The year before last year's budget reduced that rate 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 to be split between the General Fund (about \$172,000) plus another \$86,000 which is proposed, in this budget, to be dedicated to the cemetery fund. 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.

Most of the various departments funded through General Funds in the city will show a minor increase in expenditures for 2011-12 when compared to 2010-11. The largest increase in spending comes in the Parks section of the budget and is due to an anticipated purchase of park land, mostly with impact fee funds. The department with the next most increase in expenditures is the Police Department where expenditures have been increased by about \$48,600 when compared to 2010-11. This increase is mostly due to increases in wages and benefits. On the other hand the Cemetery Budget has decreased the most of any other general fund department; a decrease of about \$94,000 when compared to 2010-11. That department's budget was increased significantly last year to put in roads for the second phase of its development, so this decrease will get the Cemetery Department budget back to par with previous years. The funds dedicated to the Cemetery from the Energy Sales and Use Tax will remain in the restricted cemetery fund and will be available to continue the development of a the second phase of the cemetery.

The budget for the Library Special Revenue Fund shows essentially no change from 2010-11 to 2011-12. The expected funds from the Thorne Endowment should be about \$70,000. The planned fund balance in the library for 2011-12 will be about \$20,000 higher than it was in 2010-11 (29.4% compared to 26.7%). No exceptional changes are planned in the expenditures for the library for library operations for the coming year.

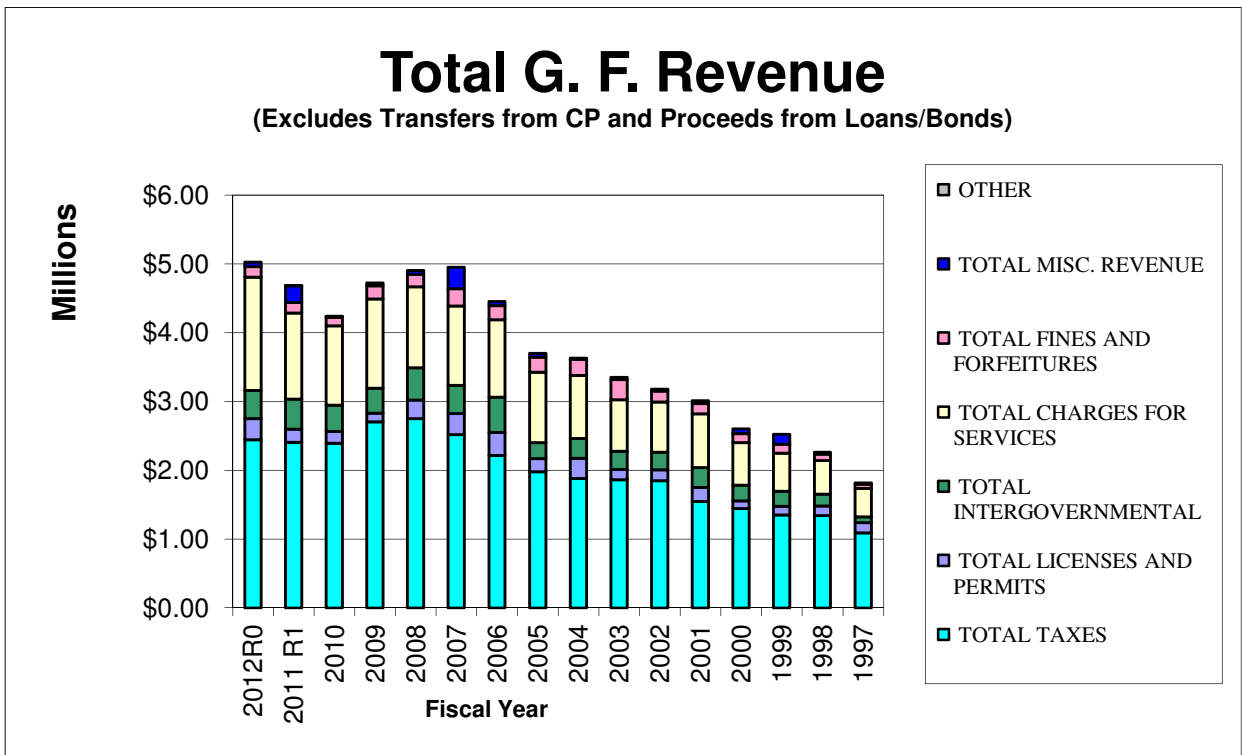
There are no significant budget changes in the water or sewer utility funds. These departments' funds stand aside from the general fund and the departments must be self sustaining. Fees received for water and sewer use must be used within their respective departments. Some limited capital projects are planned in these departments this budget year. Excess funds generated within the two departments will be available for future needs. The city may need an increase in the rates for the water department and an analysis of that need will be done in the coming year.

Personnel costs make up about 45.6% of the expenditures in the general fund. The budget, as proposed, includes a 4% increase in wages for 2011-12. There was no increase in health insurance rates for currently benefited employees this year when compared to last year.

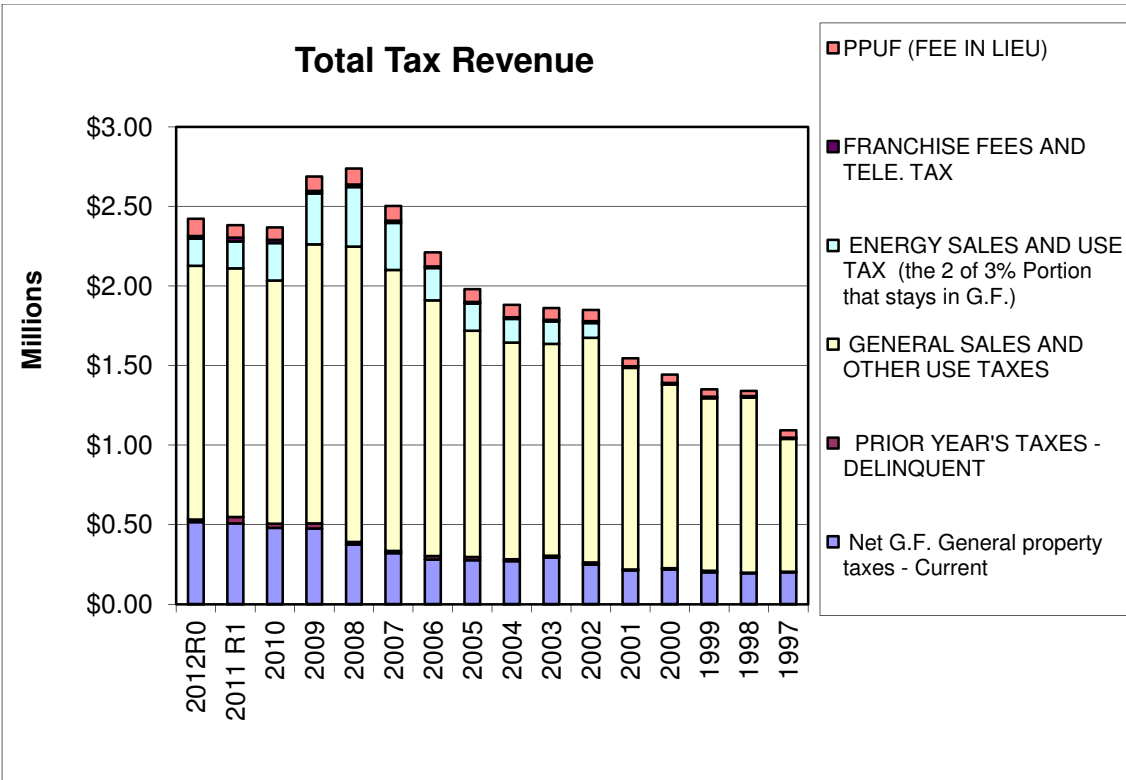
The following pages of this report provide more detailed information about the budget for 2011-12. Direct any comments to Jeff Jorgensen the City Administrator or Scott Bennett the City Recorder. It is the intention of the Mayor and City Council that the public's input in the budget process is important 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 fourteen years. Total revenues for the city steadily increased over the eleven years from 1997 through 2007 but declined for 2008 through 2010 and then increased again in 2011. This budget projects another increase in 2011-12. The conservatively estimated revenue for 2011-12 is projected to increase about \$340,000 compared to 2010-11 which is about a 7.3% increase. The majority of the increase in revenue is that which results from construction, namely building-permit fees, plan check fees, and impact fees. This increase is anticipated based on several relatively firm planned construction projects planned for development in 2011-12. The sales taxes are expected to only be about \$31,000 higher in 2011-12 than they were in 2010-11 (about 2%) because of the continuing sluggish economy.

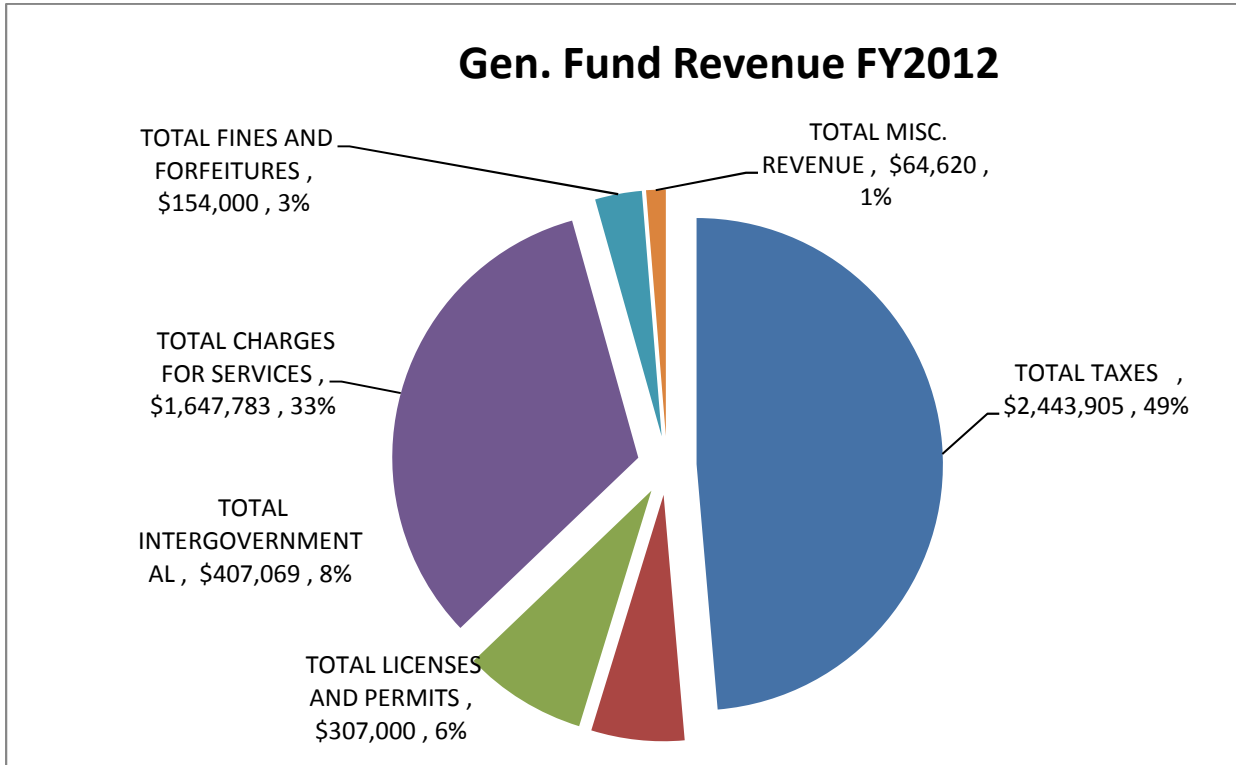


With the proposed Composite Property Tax Rate being held at the certified tax rate as set by the State, the General Purpose portion of the property tax will generate about \$6,000 more in revenue in 2011-12 than it did in 2010-11. The total revenue from all taxes which will stay in the General Fund is projected to go up an estimated \$36,300. 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

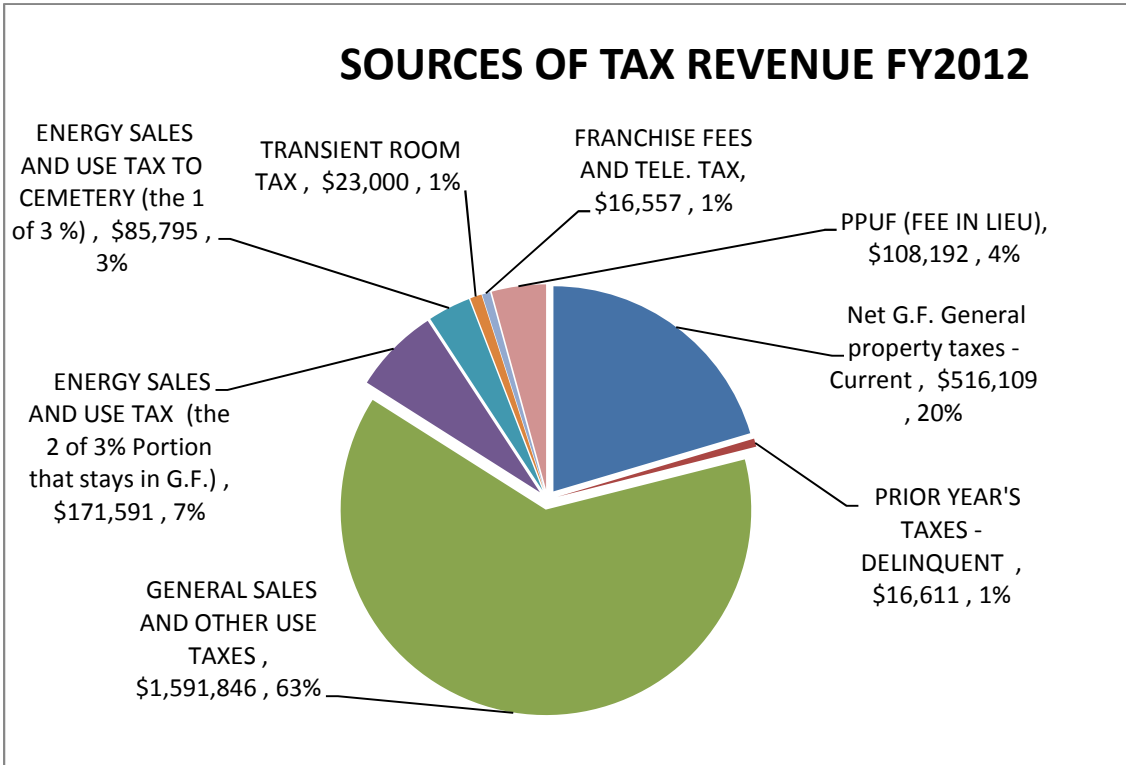
Revenue Percentages



Taxes remain the largest source of General Fund Revenue for 2011-12 (49%). 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 (29%) 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.

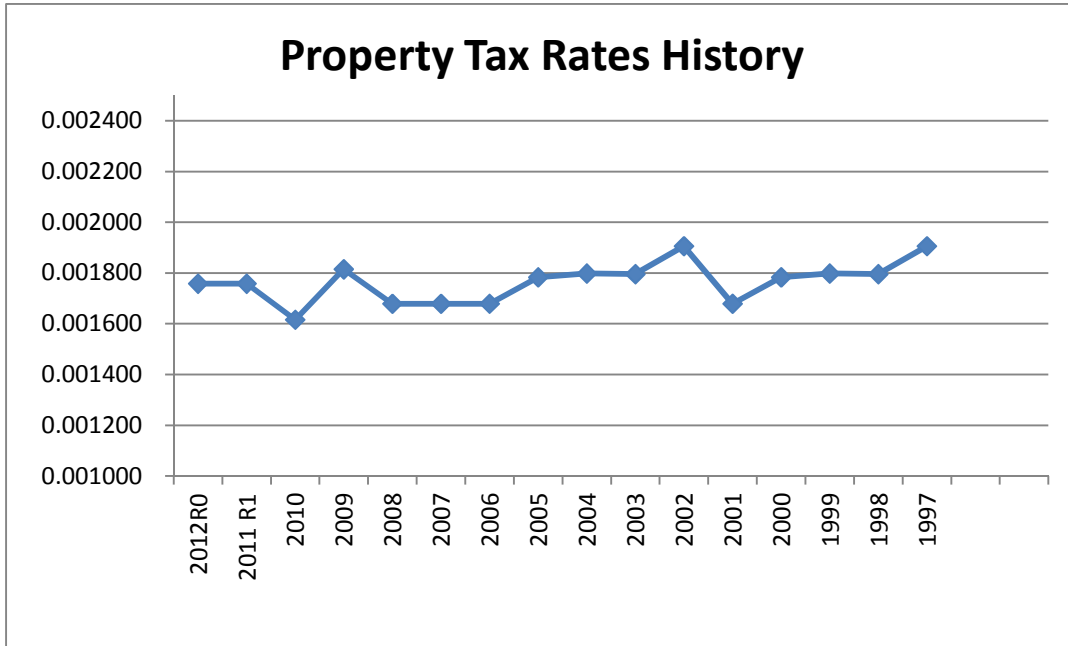
The total expected General Fund revenue from all sources for 2011-12 is expected to be about \$5,024,000 compared to \$4,684,000 in 2010-11 (an increase of about 7.3%). Tax dollars projected for 2011-12 supply 49% of General Fund revenues which is about 4 percentage points lower than what it was in 2010-11.

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 20% of the total tax revenue for the city. With the rate for the Energy Sales and Use Tax at 3% in 2010-11, that tax is expected to generate about \$258,000 (\$172,000 to the General Fund and \$86,000 to the Cemetery Fund). This fund source makes up the third largest revenue source (10%) of taxes brought into the General Fund (7% to the General Fund and 3% to the portion of the General Fund designated for the Cemetery).



The Composite Certified Property Tax Rate for 2011-2012 is estimated to be 0.001758 which includes the General Purpose Property Tax (assumed to be 0.000955, the dedicated Library Tax at 0.000745 and the Sewer Fund rate of 0.000058)

The General Purpose Property Tax rate for tax year 2011 (fiscal year 2011-12), since no tax increase is approved, is estimated to change to about 0.000955 compared to 0.000952 for 2010-11. 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 0.000955, the tax rate will be only about 13.6% 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	\$200,000
Taxable Value (55% of Assessed value – 0.55 * 200,000)	\$110,000
NLC's General Purpose Tax = tax rate 0.000955 * \$110,000	\$105.05
NLC's Sinking Sewer Fund Tax = tax rate 0.000058 * \$110,000	\$6.37
<u>NLC's Dedicated Library Tax = tax rate 0.000745 * \$110,000</u>	<u>\$81.95</u>
 Total NLC Property Tax = sum of above rates 0.001758 * \$110,000	 \$193.42

Note that a resident's property tax includes not only North Logan's portion outlined above, but it also includes property taxes paid to for statewide and local schools, a variety of countywide taxes, and in some cases to a cemetery district.

General Fund Expenditures

City Council

The expenditures for the City Council are anticipated to remain virtually unchanged. In 2011-12 there will need to be funding of the municipal elections that were not held in 2010 but will be needed in 2011. The last elections cost the city about \$4,600 which has been assumed to increase to \$5,000 for the coming fiscal year. There is budgeted a corresponding offset of about \$5,000 for professional and technical services. The total expenditures for this department are expected to decrease by about \$57.

City Justice Court

The expected expenditures for the justice court (the judge, the court clerk and the bailiffs) are not really known at the time the budget is being considered. The city is entering into an agreement with the County and other cities to have a combined municipal court starting sometime this coming year. When the details of that are known, a revision to the budget should be made. What will change which has been assumed in order to put together the proposed budget comes from some personnel costs decreases, and a decrease in professional and technical services costs. The overall expenditures for this department are expected to decrease by about 14% or about \$24,800.

Executive Staff

The expected expenditures for the executive staff (the city administrator and the executive secretary) will go up slightly due to increased wages costs. The expenditures shown in this department are expected to increase by about 4% or about \$3,300.

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 due to minor increased personnel costs (wages). The overall expenditures for this department are expected to increase by about 3% or about \$3,600.

Non-Departmental (Administration)

The expenditures for this department are expected to decrease by about 28% or about \$65,500. This change however is misleading. The expenditures for 2010-2011 included as a miscellaneous cost the expenses associated with doing the infrastructure improvements for the Krebs Subdivision. There was a corresponding payment to the city for those costs but only the expenditures are accounted for here. Essentially all of the other costs for this portion of the budget are unchanged between last year and this year except that \$10,000 is budgeted in 2011-2012 for a replacement copy machine for the main office.

Facilities Department

The expenses in this department are distributed throughout other departments in the city to account for utilities, insurance and repairs and maintenance of city facilities. There are three funded discretionary projects planned for this department namely, some heat system repairs for 1) the fire station and 2) the Street Department's building and 3) the repair of the roof at the Library. The total expenditures for this department are expected to decrease by about 1% or about \$3,500 below what was spent in 2010-11.

Police Department

No 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 amount of the costs for the department will be borne by Hyde Park versus North Logan City this coming year. Hyde Park will pay 23.97% of the NPPD costs in 2011-12 versus just 23.80% in 2010-11.

There is a net increase of about \$28,000 in the police department's budget in expenditures for personnel. Most of the increase is for increased wages. The parts of the police department's budget that have been reduced include reductions in professional and technical services (-\$3,000) and spending of the CCJJ Block Grant funds (-\$7,400) which hopefully will change if a similar grant comes through this coming year.

The total expenditures for this department are expected to increase by about 5% or about \$50,500 above what was spent in 2010-11. Hyde Park's 23.97% of the total cost of the police department is about \$247,000, about \$14,800 more than it was last year.

Fire Department

The budget for the fire department for 2011-12 versus 2010-11 shows a decrease in their budget of about \$12,300 or about 3%. The budget includes a reduction of about \$2,000 in first responder consumables. No major purchases are planned, but \$60,000 is still budgeted to be set aside in the Capital Improvements Fund for future purchases of fire equipment compared to \$40,000 set aside last year. These set-aside funds do not show up in the department's regular portion of the budget.

Building Inspection & Engineering

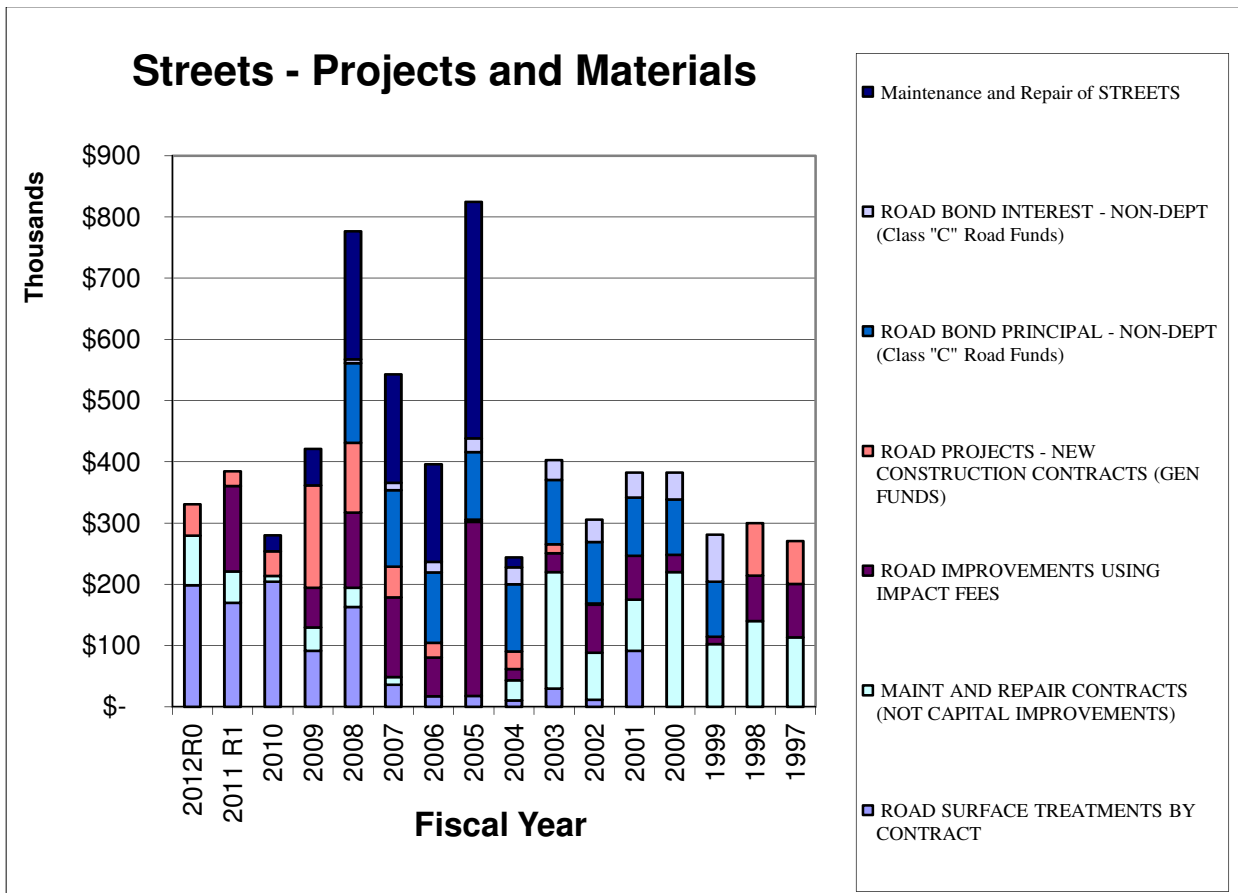
The budget shows a 6% increase in expenditures for the Building Inspection and Engineering Department in 2010-11. The expenditures for this department are expected to increase by about \$19,000. About \$10,000 of that increase within this department is cover the anticipated increase in costs for plan check reviews by outside engineers and that costs is offset by the revenue received from those developments paying for that service. The rest of the increase in the budget is for employee wages.

Roads and Streets

The budget for the Roads and Streets Department shows a increase for 2011-12 of about \$41,000 or about 6%. The 2010-11 budget does include \$198,600 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 1) installing curb and gutter along 2100 N from 1200 E to 1600 E – south side of the road to keep the side of the road from continuing to deteriorate (about \$51K), 2) installing about \$15,000 in curb and gutter repair, and 3) some work on 1200 E from 3100 N to the city limit. If funds are available from excess in 2010-2011, there are plans to redo the subdivision directly east of the city offices constituting 1250 and 1300 East streets.

There are no major street projects planned to be funded in the 2011-12 budget year using roads and streets impact fee funds.

The following chart shows how the proposed expenditures in roads and streets projects and maintenance materials for 2011-12 compare to the previous fifteen years.

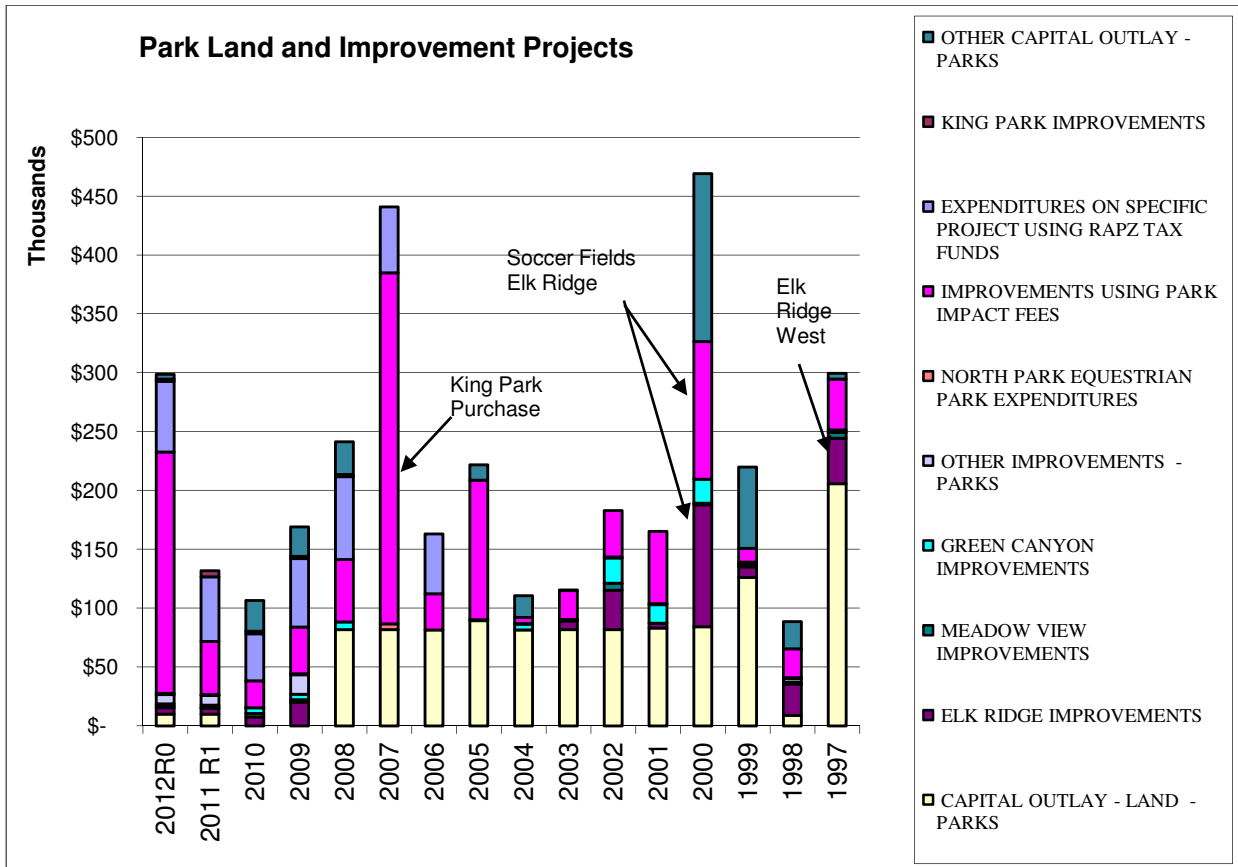


Sanitation

Trash collection costs for 2011-12 are expected to be about the same as they were in 2010-11. 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 \$719,000, 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. 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 expenditures for projects considered funded in the Parks Department is to renovate the ball fields at Elk Ridge Park (RAPZ Project) for \$105,000. There are a number of smaller projects planned for the parks including volleyball sand and landscaping around the new pavilion in Elk Ridge, and adding fiber to some of the playground areas. There is also planned a transfer of about \$160,000 to the Capital Fund from park impact fees to pay for a portion of an anticipated purchase of additional park land for the city. The overall budget for the Parks Department is planned to increase by 37% or about \$172,000 when compared to 2010-11, most of which is obviously the transfer of impact fee funds for the land purchase. The following chart shows how the proposed expenditures in park land purchases and project improvements for 2011-12 compares to the previous fifteen years.



Recreation and Culture

The largest change planned for the Recreation and Culture Department is to increase the funds for historic preservation by \$1,000. The total planned increase for this department is about 2% of the departmental budget when compared to 2010-11.

Cemetery

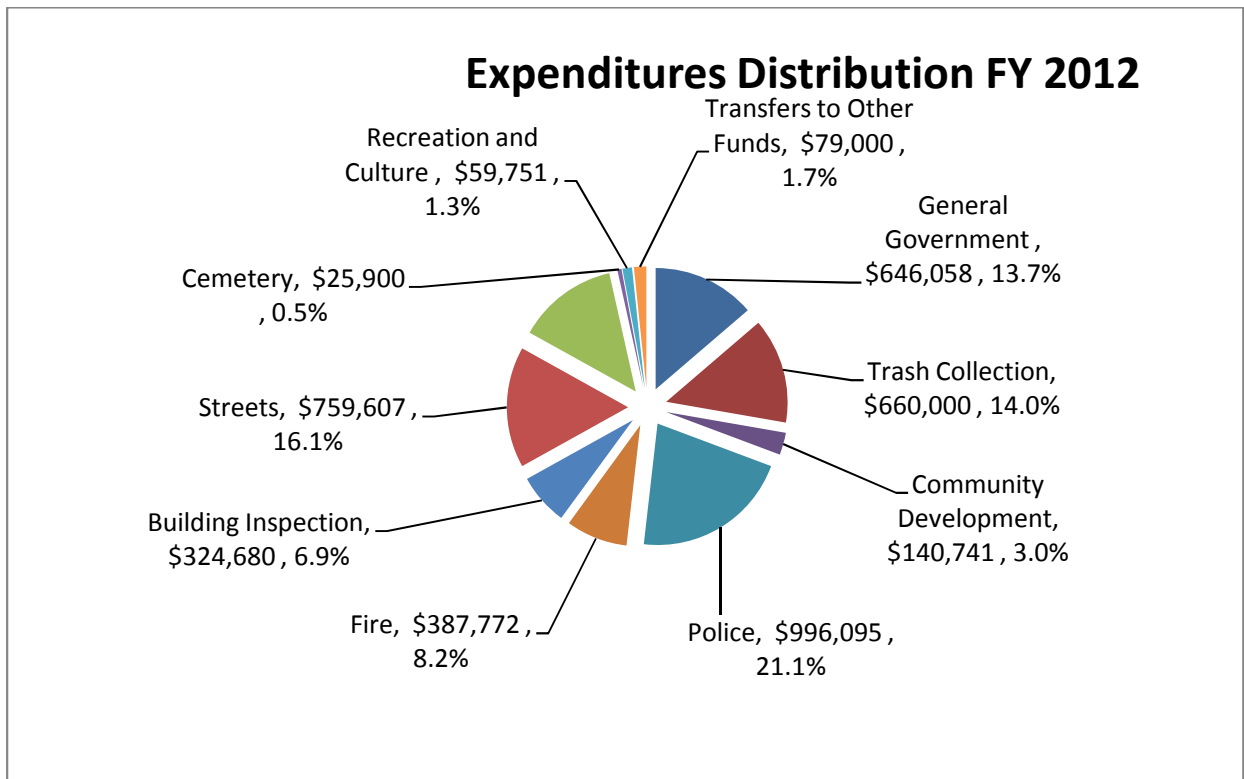
The budget for the Cemetery is planned to decrease significantly when compared to 2010-11 but that is mainly due to the capital improvements made in 2010-2011 which are not going to be repeated in 2011-12. The majority of the planned expenditures for 2011-12 include interior and exterior trees, topsoil, lot corner survey markers, and a recognition monument. Expenditures for the cemetery for 2011-12 are budgeted at \$25,900 compared to \$119,900 in 2010-11 or a decrease in spending of about 78%. Since there are energy sales and use taxes dedicated to the cemetery, the cemetery restricted fund will grow to about \$188,000 at the end of 2011-2012.

Community Development, Planning Commission, and Economic Development

The Community Development portion of the budget is increased by about \$9,000 compared to 2010-11. That budget does include about \$19,000 for continued work on developing form based codes. The Planning Commission portion of the budget is planned for no changes in 2011-12 versus 2010-11. Economic Development is budgeted to again be reduced from the previous year. This portion of the budget is set at \$11,500 in 2011-12 versus \$13,000 in 2010-11. The overall Community Development and Economic Development budget is planned to be increased from about \$136K to 141K or about 4%.

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 2010-11 (FY2011R2) and 2011-12 (FY2012R0).

	Proposed FY2012R0	Proposed FY2011R2
Revenue		
TOTAL TAXES	\$ 2,443,905	\$ 2,407,614
TOTAL LICENSES AND PERMITS	\$ 307,000	\$ 192,200
TOTAL INTERGOVERNMENTAL	\$ 407,069	\$ 438,882
TOTAL CHARGES FOR SERVICES	\$ 1,647,783	\$ 1,249,601
TOTAL FINES AND FORFEITURES	\$ 154,000	\$ 154,000
TOTAL MISC. REVENUE	\$ 64,620	\$ 241,823
OTHER	\$ -	\$ 300
Total Revenue	\$ 5,024,376	\$ 4,684,420
Expenditures		
General Government	\$ 646,058	\$ 729,513
Trash Collection	\$ 660,000	\$ 660,000
Community Development	\$ 140,741	\$ 135,687
Police	\$ 996,095	\$ 945,531
Fire	\$ 387,772	\$ 400,055
Building Inspection	\$ 324,680	\$ 305,338
Streets	\$ 759,607	\$ 752,728
Parks	\$ 634,055	\$ 462,083
Cemetery	\$ 25,900	\$ 119,900
Recreation and Culture	\$ 59,751	\$ 58,780
Transfers to Other Funds	\$ 79,000	\$ 246,836
Total Expenditures (Sum of Above)	\$ 4,713,659	\$ 4,816,450

Reserved or Restricted Funds

Reserved or Restricted 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 cemetery fund, 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 \$182,000 new funds in 2011-12. There is no project currently planned in this budget which will use road impact fee funds. If the 2010-2011 project of widening 1600 East from 2700 to 3100 N (\$140,000 cost estimate) is not completed in that year, the project will carry over into this coming fiscal year and appropriate budget adjustments will need to be made. That project will increase the capacity of this road through this area and thus qualifies as an impact fee project. The fund balance at the end of 2011-12 is projected to be just over \$197,000.

Liquor Law Enforcement

The proposed budget shows similar usage of the money in this reserved fund for the year 2011-12 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 \$25,700 at the end of 2010-11 to \$26,600 at the end of 2011-12.

Parks and Recreation Impact Fees

Revenue from Park Impact Fees is expected to generate about \$70,000. There are two projects planned which will use park impact fee funds. The first will be the City's matching funds towards the RAPZ project to renovate the ball fields at Elk Ridge Park - \$45,000 out of the total project cost of about \$105,000. The second would be to pay \$160K towards the purchase of additional park land. The fund balance in this reserved fund is expected to increase from \$79,700 at the end of 2010-11 to \$148,100 at the end of 2011-12.

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 may 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 \$5,900 at the end of 2010-11 to \$6,500 at the end of 2011-12. 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 \$800 at the end of 2011-12.

General Sports Funds

Like the Little League and the Junior Jazz funds, this fund is used to track revenue from fees paid for participating in a variety of miscellaneous sports program. Funds are used to purchase supplies for the program and payments to instructors and sport program directors who are usually USU student interns. The fund balance for this fund is expected to be near zero at the end of 2011-12.

Cemetery Reserve Fund

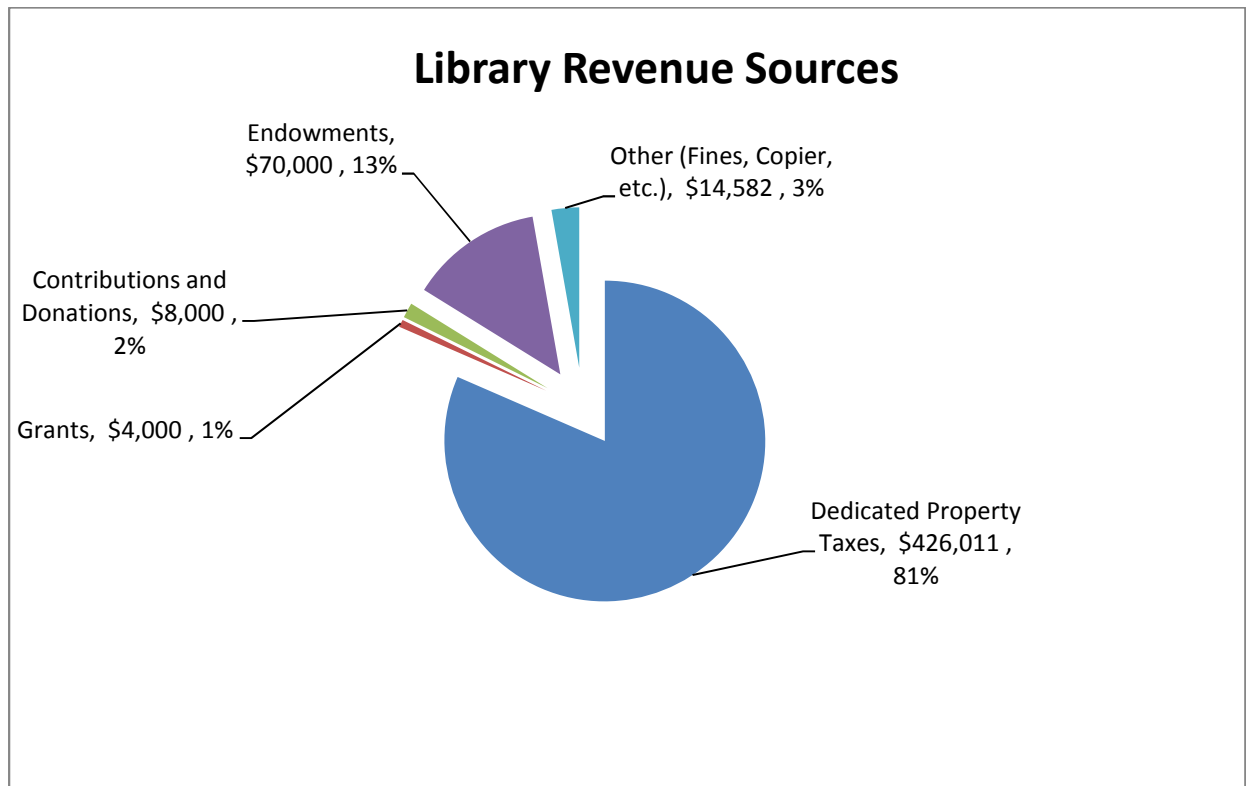
This fund is to hold money received from the sale of cemetery plots and for the first time this year this fund will also receive a dedicated portion of the Energy Sales and Use Tax. These funds together are intended to be used solely for the operation and maintenance of the cemetery. The fund balance for this fund is expected to increase from \$54,300 at the end of 2010-11 to \$118,300 at the end of 2011-12. Expenditures for the cemetery will include planting more trees, brining in topsoil, and installing lot corner survey markers 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 2011-12 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 to be \$70,000 in 2011-12. 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 Hyde Park residents wanting to use the library will need to buy non-resident cards priced at \$163 per family.

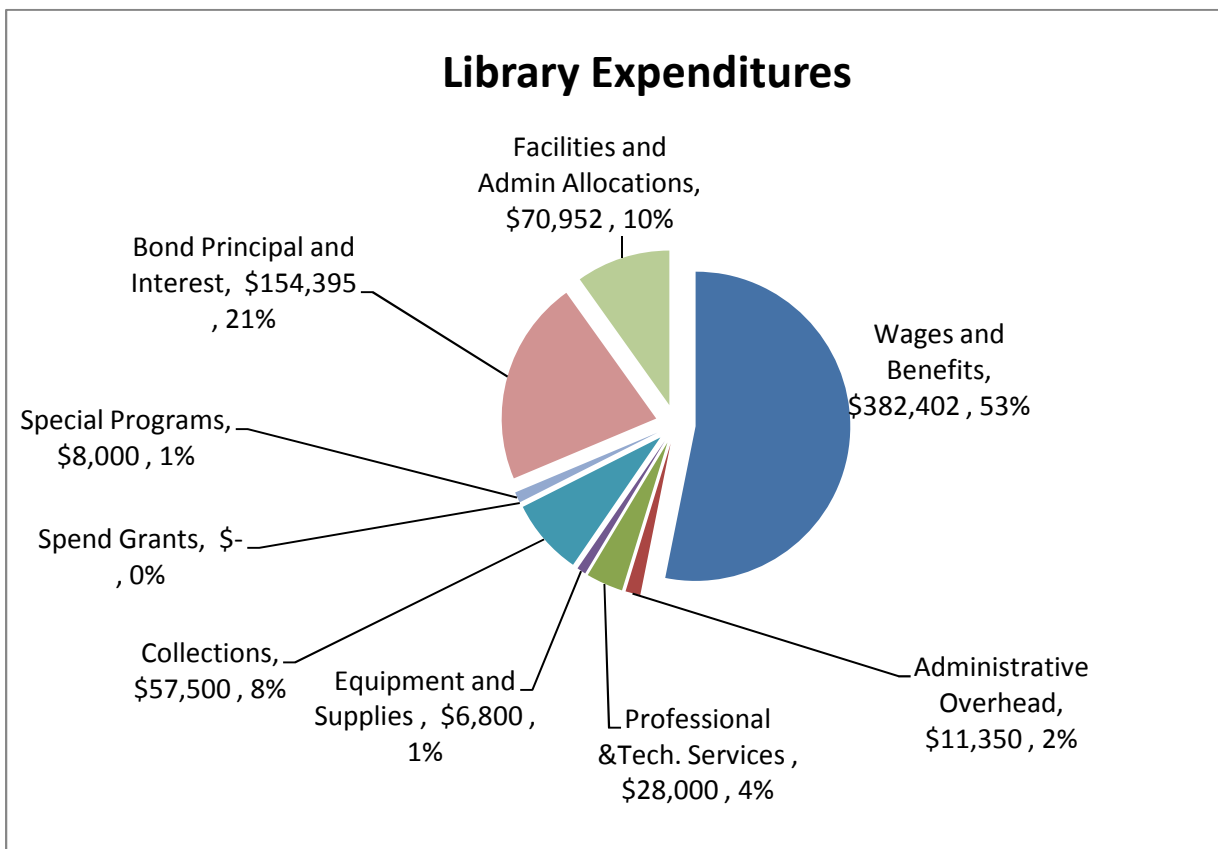
The following chart shows the various general sources of revenue for the library:



Over half (53%) 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 (\$154,395 or about 21%). 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 (\$71,000 or 10%). Collections (namely books, videos, magazines, and the processing of same) represents the fourth largest category of expenditures for the library at about \$57,500 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 library board attempts to maintain a fund balance of about ten to twenty percent. The projected unrestricted fund balance for 2011-12 for the library is budgeted to be \$216,000 or 38% of the anticipated 2012-2013 budget.



Capital Improvement Fund

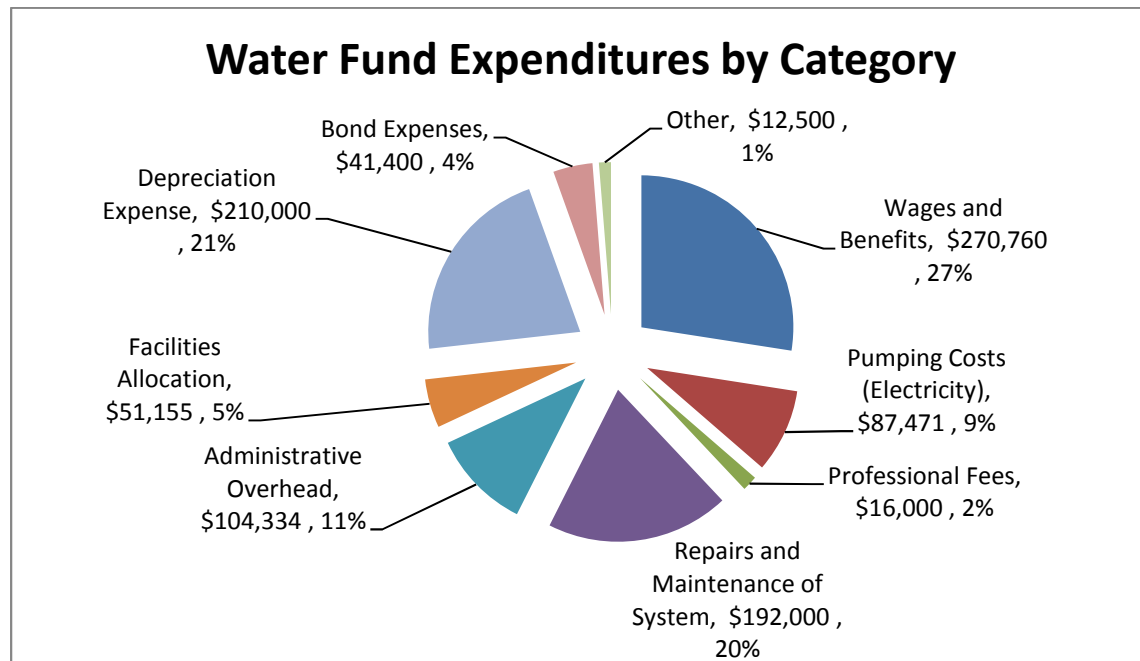
The Capital Improvement Fund is intended to provide for capital expenditures, primarily through replacement of assets. Funds transferred from the General Fund representing 'depreciation costs' become the revenue source for the Capital Improvement Fund. Expenditures from this fund should be limited to 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 asides, through transfers, only about \$72,000 or about 6% 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 \$12,000 for general police department vehicle replacements and \$60,000 for fire department vehicle replacement. The only major expenditure from the Capital Fund is the transfer through the CIF of \$160,000 for the purchase of park land with park impact fee funds. The expected total fund balance for the Capital Improvement Fund at the end of 2011-12 is about \$250,000 - most of which is set aside for fire department vehicle replacements, about \$176,000.

Water Utility Fund

Planned revenue and expenditures for the Water Utility Fund for 2011-12 is projected as follows (with comparison to 2010-11):

Water Fund Summary	FY2011-12	FY2010-11
Revenue		
Charge for Services (Metered Water Sales)	\$ (958,800)	\$ (940,000)
Impact Fees Collected (New Services)	\$ (300,000)	\$ (132,000)
Interest Income	\$ (9,000)	\$ (8,500)
Other	\$ (3,000)	\$ (3,000)
Total	\$ (1,270,800)	\$ (1,083,500)
Expenditures		
Wages and Benefits	\$ 270,760	\$ 261,837
Pumping Costs (Electricity)	\$ 87,471	\$ 80,000
Professional Fees	\$ 16,000	\$ 7,000
Repairs and Maintenance of System	\$ 192,000	\$ 338,000
Administrative Overhead	\$ 104,334	\$ 101,325
Facilities Allocation	\$ 51,155	\$ 51,697
Depreciation Expense	\$ 210,000	\$ 207,000
Bond Expenses	\$ 41,400	\$ 56,763
Other	\$ 12,500	\$ 12,500
Total	\$ 985,620	\$ 1,116,122

This budget shows a projected \$187,300 increase in revenue when compared to 2010-11 or about 17%. This is mostly due to anticipated water impact fees. The expenditures for the year 2010-11 are less than the revenue for a net increase in net assets for the Water Fund of about \$285,000 compared for 2011-12. The budgeted net increase in assets is largely from water impact fees (+\$168,000) which cannot be used for water fund operational expenses. With a slight increase in projected metered water sales (+\$18,800), the operational revenue (not counting depreciation costs of over \$210,000), should continue to cover the operational expenditures within the water fund.

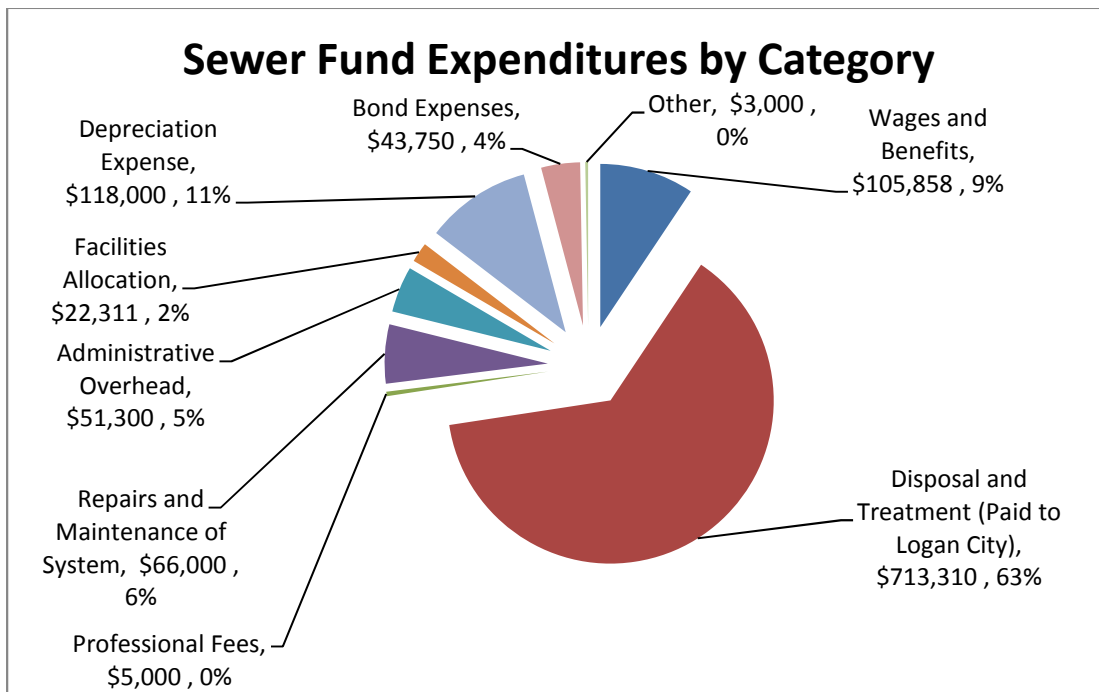


Sewer Utility Fund

Planned revenue and expenditures for the Sewer Utility Fund for 2011-12 is projected as follows (with comparison to 2010-11):

Sewer Fund Summary	FY2011-12	FY2011-12
Revenue		
Charge for Services (Service Fees)	\$ (1,041,022)	\$ (1,030,715)
Impact Fees Collected (New Services)	\$ (100,000)	\$ (45,000)
Interest Income	\$ (1,250)	\$ (950)
Sewer Bond Taxes Received	\$ (32,911)	\$ (32,911)
Total	\$ (1,175,183)	\$ (1,109,576)
Expenditures		
Wages and Benefits	\$ 105,858	\$ 98,399
Disposal and Treatment (Paid to Logan City)	\$ 713,310	\$ 706,248
Professional Fees	\$ 5,000	\$ 5,000
Repairs and Maintenance of System	\$ 66,000	\$ 66,000
Administrative Overhead	\$ 51,300	\$ 49,558
Facilities Allocation	\$ 22,311	\$ 22,547
Depreciation Expense	\$ 118,000	\$ 116,000
Bond Expenses	\$ 43,750	\$ 42,580
Other	\$ 3,000	\$ 3,000
Total	\$ 1,128,529	\$ 1,109,332

This budget shows a projected \$10,300 increase in revenue compared to 2010-11 or 1%. An increase in sewer rates implemented in the previous year was adopted to cover the additional costs of fees to be paid to Logan City for treatment of sewage. The increased fees to Logan City are set to collect enough funds to improve the effectiveness of the sewage treatment ponds in order to meet new State Department of Water Quality and Federal EPA effluent standards. This budget covers this deficiency with a resultant net increase in assets for the Sewer Fund of about \$46,700 compared to an annual deficit in the fund of over \$67,000 in 2009-10 and over \$255,000 in 2008-09.



Stormwater Management Fund

This enterprise fund has been part of the budget since FY2006. 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; ten percent of the costs for wages and benefits for the Streets Department's and five percent of the same for the Sewer Department. Of the estimated \$177,000 anticipated in revenue from the stormwater utility, about \$107,000 in expenditures is shown here. Planned revenue and expenditures for the Stormwater Utility Fund for 2011-12 is projected as follows (with comparison to 2010-11):

Stormwater Fund Summary	FY2010-11	FY2010-11
Revenue		
Charge for Services (Service Fees)	\$ (177,213)	\$ (175,458)
Interest Income	\$ (100)	\$ (100)
Other Income	\$ -	\$ -
Total	\$ (177,313)	\$ (175,558)
Expenditures		
Wages and Benefits	\$ 28,023	\$ 26,892
Equipment Costs	\$ 35,644	\$ 35,644
Professional Fees	\$ -	\$ 29,800
Repairs and Maintenance of System	\$ 12,500	\$ 47,000
Facilities Allocation	\$ 6,376	\$ 6,443
Depreciation Expense	\$ 16,442	\$ 16,442
Other	\$ 8,603	\$ 8,497
Total	\$ 107,588	\$ 170,718
Net Change (Increase) in Assets	\$ (69,725)	\$ (4,840)

No fee rate change is anticipated this coming fiscal year. The revenue for the year 2011-12 exceeds the planned expenditures for a net increase in fund balance for the Stormwater Fund of \$69,725. It is anticipated that this budget will change after some decisions are made regarding the repairs to the Logan Northern Canal. There may be some impact on the storm water fund to respond to some of the city's responsibilities to assist the canal companies with the conveyance of storm water by way of the canals.

Personnel Wages and Benefits Summary

The following chart compares 2011-12 versus 2010-11 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 2011-12	FY 2010-11
City Council	\$ 45,526	\$ 45,583
City Justice Court	\$ 68,712	\$ 84,000
Executive Staff	\$ 127,887	\$ 123,254
Administrative Agencies	\$ 228,652	\$ 220,410
Facilities	\$ 119,366	\$ 153,500
Planning Commission	\$ 8,053	\$ 8,053
Police Department (NLC's Portion only)	\$ 593,924	\$ 572,511
Fire Department	\$ 206,732	\$ 194,219
Building Inspection/Engineering	\$ 272,280	\$ 262,938
Streets Department	\$ 203,176	\$ 196,677
Parks and Recreation	\$ 193,762	\$ 188,230
Community Plan & Econ. Dev.	\$ 94,481	\$ 91,187
Library	\$ 191,201	\$ 185,445
Water Department	\$ 270,760	\$ 261,837
Sewer Department	\$ 105,858	\$ 98,399
Stormwater Department	\$ 28,023	\$ 26,892
Total	\$ 2,758,393	\$ 2,713,134
General Fund Only	\$ 2,162,552	\$ 2,140,562
Percent Personnel Costs versus Total Exp. G.F. Only	45.9%	46.5%
Percent Increase (General Fund Only)	1.03%	2.41%
Percent Increase (All Funds)	1.67%	3.09%
Dollars Increase over previous year (All Funds)	\$ 45,259	\$ 81,393
Percent Total Personnel Costs vs. Total Expenditures in All Funds	36%	34%
FTEs - All Departments, (All Funds)	51.47	51.29
Percent Increase in FTEs - (All Funds)	0.34%	0.00%
Percent Total Personnel Costs vs. Total Revenue in All Funds	34%	36%

This budget shows a projected increase of about \$45,000 in total personnel costs over 2010-11. This includes wages and benefits in all funds and any planned increases in FTEs (full-time equivalents). The only projected increase in FTEs includes 0.18 for an additional crossing guard.

The budget includes a planned for wage increases of an average of about 4%. This includes funds to bring several employees up to the minimum point in their position's grade range.

Health insurance costs for the city's employees are essentially the same as they were the previous year.

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

