

PUBLIC HEARING
Logan Budget Transfers Fiscal Year 2016

In accordance with Utah State Law and Logan City budgeting practices, Logan City will hold a public hearing on May 19, 2015 at 5:30 pm in the Logan City Council Chambers located at 290 North 100 West, Logan Utah, to discuss proposed transfers from enterprise funds to the Logan City General Fund. Anyone desiring to address the Logan Municipal Council on this issue is invited to this public hearing.

A transfer is the movement of cash or other resources from one fund to another. Logan City has utilized transfers from enterprise funds for over 30 years. Transfers from enterprise funds help to defray the cost of services such as public safety, public works, parks and recreation and general governmental services, and consequently, keep property taxes low. But for transfers, Logan City would either have to raise property taxes significantly or cut services significantly. Where private sector utility companies are in business to provide a return on investment to its shareholders, Logan City's shareholders, its taxpayers and citizens, receive this return on investment as a transfer to the General Fund.

The following Fiscal Year 2016 proposed transfers will be discussed:¹

From Water & Sewer Fund to General Fund	\$ 693,469
From Sewer Treatment Fund to General Fund	314,161
From Electric Fund to General Fund	2,919,314
From Environmental Health Fund to General Fund	896,739

Logan City has also enacted 911 fees that are assessed on utility customers for the County-Wide 911 system, radio communications, and related functions. These fees are technically transferred from the Environmental Health Fund to the Communication Center Fund (911 Fund). It is estimated that during Fiscal Year 2016 the City will transfer \$1,410,000 for this purpose.

As part of the Fiscal Year 2016 budget, the City intends to internally reassign ownership of the building located at 450 North 1000 West to the General Fund. This building was previously used as the Environmental Health Administration Building. The Environmental Health fund built a new administration building adjacent to the existing landfill in conjunction with transfer facilities and other improvements necessary for operations. The City intends to use this building for General Fund Public Works Operations. The land this building is located on is owned by the General Fund. The building has a book value of approximately \$1,700,000. This internal reassignment will result in a transfer from Business-type Activities (Environmental Health Fund) to the Governmental Activities (General Fund) for the book value of \$1,700,000.

Please feel free to contact Rich Anderson, Logan City Finance Director at 435-716-9180 with any questions.

¹ In Fiscal Year 2011, the policy changed from 8 percent of operating revenue to the lesser of 8 percent of operating revenue or 10 percent of operating expenses; however, for the sake of stability, the policy also stated that transfers would not be reduced below Fiscal Year 2011 levels