

## Announcement of Budget Adoption That Includes or is Based on a Transfer of Money From an Enterprise Fund to Another Fund of the City of Logan For Fiscal Year 2018

In accordance with Utah State Law and Logan City budgeting practices, Logan City announces the adoption of a budget that includes a transfer of money from an enterprise fund to another fund of the City of Logan.

A transfer is the movement of cash or other resources from one fund to another. Logan City has utilized transfers from enterprise funds as a General Fund financing mechanism for many years. If budgeted and planned for correctly, transfers from enterprise funds can 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 transfer from the Environmental Health Fund to the 911 Fund is composed of the garbage can fees used to fund the 911 system and radio equipment. The transfer is simply the legal justification used to obtain the funding needed for the 911 system.

Administrative fees are not the same as transfers. While transfers are a movement of cash or resources without compensation, administrative fees are charges for centralized services provided by the general fund to the other funds of the City. Such services include but are not limited to utility billing, accounting, payroll, legal, human resources, shops and garage, and facility management. Administrative fees are allocated by the finance department in a reasonable and rational manner.

The following are the Fiscal Year 2018 transfers and administrative fees:

Fund	Proposed Expenditures		Transfer	% of		
	FY 2018	Transfer To		Expenditures	Admin Fees	Expenditures
Water & Sewer	10,570,981	General Fund	739,479	7.0%	1,210,936	11.5%
Sewer Treatment	6,015,000	General Fund	325,875	5.4%	200,023	3.3%
Electric	35,398,000	General Fund	2,821,440	8.0%	1,315,266	3.7%
Environmental Health	12,436,000	General Fund	927,280	7.5%	1,272,963	10.2%
Environmental Health	12,436,000	911 Fund	775,000	6.2%	-	0.0%
Golf Course	1,154,614	General Fund	-	0.0%	29,114	2.5%
Storm Water Management	2,281,478	General Fund	-	0.0%	452,465	19.8%

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