

PUBLIC HEARING
Logan Budget Transfers and Administrative Fees Fiscal Year 2026

In accordance with Utah State Law and Logan City budgeting practices, Logan City will hold a public hearing on June 17, 2025 at 5:30 pm in the Logan City Council Chambers located at 290 North 100 West, Logan Utah, to discuss proposed transfers from and administrative fees charged to enterprise funds. 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 incorporated transfers into established enterprise fund utility rates 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 need 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.

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 proposed Fiscal Year 2026 transfers and administrative fees:

Fund	Proposed Expenditures	Transfer To	Transfer	% of Expenditures	Admin Fees	% of Expenditures
Golf Course	1,879,655	General Fund	-	0.0%	63,655	3.4%
Water & Sewer	16,736,000	General Fund	1,169,770	7.0%	1,871,831	11.2%
Sewer Treatment	12,395,000	General Fund	681,175	5.5%	469,387	3.8%
Electric	53,538,000	General Fund	3,953,440	7.4%	1,780,014	3.3%
Environmental Health	18,347,897	General Fund	1,143,040	6.2%	1,869,130	10.2%
Storm Water Management	2,640,808	General Fund	-	0.0%	736,869	27.9%
Emergency Medical Services	5,941,972	General Fund	-	0.0%	305,582	5.1%

It is anticipated that the City of Logan will begin construction of a new Public Works facility. It is also anticipated that the Electric Department will sell its current building to the Parks & Recreation Department and that the Electric Department will then purchase the current Public Works building, which will better accommodate the current needs and allow for the future growth of the Electric Department. The difference in fair market value between the two buildings is estimated to be \$10,000,000. According to Generally Accepted Accounting Principles, such an interfund transaction would involve the "transfer" of up to \$10,000,000 from the Electric Department to the General Fund. While this transaction is not like the transfers described in the table above (as it is a transfer due to the technical accounting treatment of an interfund sale and subsequent purchase of a capital asset at estimated fair market value), it is nevertheless disclosed here as part of this notice to comply with a strict reading of the Utah State Code.

Please feel free to contact the Logan City Finance Department with any questions.