

**CITY OF LOGAN
RESOLUTION NO. 23-10**

**A RESOLUTION ESTABLISHING A FUND BALANCE AND
OPERATING RESERVE POLICY**

WHEREAS, the City of Logan operates several governmental and business-type funds for the benefit of the citizens of Logan; and

WHEREAS, it is appropriate to establish target levels of reserve balances;

NOW THEREFORE BE IT RESOLVED BY THE LOGAN MUNICIPAL COUNCIL, STATE OF UTAH to establish the Fund Balance and Operating Reserve Policy as outlined in ATTACHMENTS A and B.

This resolution shall take effect immediately upon its adoption and approval.

THIS RESOLUTION duly approved upon this _____ day of _____, 2023 by the following vote:

Ayes:

Nays:

Absent:

ATTEST:

Ernesto López, Chairman

Teresa Harris, City Recorder

ATTACHMENT A

Fund Balance and Operating Reserve Policy

May 2023

1. Appropriate operating reserves should be maintained by each fund sufficient to sustain general operations and prepare for unavoidable or emergency events.
2. In accordance with State Law, capital reserves may be accumulated for large capital projects.
3. Operating reserves should be protected and safeguarded.
4. Target levels of operating reserves are established and explained in ATTACHMENT B.
5. Generally, one-time resources should only be appropriated for one-time expenses. Fund balance should not be appropriated for ongoing operations.
6. Operating reserves may be appropriated for unavoidable operating shortfalls and emergencies. Unavoidable generally means after all reasonable efforts have been expended.
7. It is acceptable to periodically appropriate reserves below the established target level provided there is an established plan and timeline to return reserves to the target levels.

Fund Balance/Reserve Policy

		Target %	FY 2023 Budgeted Revenue	Target Reserves	FY 2022 Reserves	Current %	Variance
100 General Fund	Utah State Code 10-6-116 - 5 % to 35 %	30%	50,092,940	15,027,882	16,259,190	32.5%	1,231,308
200 Library	Plus Specific Capital	33%	2,478,754	817,989	1,221,551	49.3%	403,562
211 Recreation Center Maintenance	Plus Specific Capital	50%	751,498	375,749	938,381	124.9%	562,632
217 Communication Center	Critical service thru quasi charge for service	50%	2,752,919	1,376,460	2,815,506	102.3%	1,439,047
220 Special Improvement		3%	57,943	1,738	6,371	11.0%	4,633
225 Cemetery Perpetual Care	Cost of Maint \$225K Estimated reserve @ 5 %	4,500,000	n/a	4,500,000	3,188,653	n/a	(1,311,347)
230 Community Donation		n/a	n/a	53,443	53,443	n/a	-
235 Redevelopment Agency	Maintain Positive FB	n/a	n/a	7,129,536	7,129,536	n/a	-
300 Capital Projects	Maintain Positive FB	n/a	n/a	-	14,369,150	n/a	14,369,150
310 Capital Equipment	Calculated Internal Lease Program	n/a	n/a	-	6,965,604	n/a	6,965,604
500 Golf Course	Plus Specific Capital	50%	1,455,161	727,581	1,023,991	70.4%	296,411
510 Water & Sewer	Plus Specific Capital	33%	15,786,500	5,209,545	31,354,668	198.6%	26,145,123
520 Sewer Treatment	Plus Specific Capital	50%	10,970,000	5,485,000	11,208,626	102.2%	5,723,626
530 Electric	Plus Specific Capital	42%	36,874,000	15,487,080	25,277,179	68.6%	9,790,099
570 Environmental Health	Plus Specific Capital	33%	18,440,000	6,085,200	16,533,695	89.7%	10,448,495
	Closure Post Closure			5,704,278	678,027		(5,026,251)
580 Storm Water Management	Plus Specific Capital	50%	2,484,689	1,242,345	2,517,936	101.3%	1,275,592
590 Emergency Medical Services							

ATTACHMENT B

		50%	3,956,616	1,978,308	2,322,529	58.7%	344,221
600 Information Technology	Plus Specific Capital	50%	1,359,839	679,920	887,628	65.3%	207,709
610 Risk Management	2 Incidents	3,000,000	n/a	3,000,000	4,749,094	n/a	1,749,094
620 Health Management		25%	7,074,134	1,768,534	1,528,665	21.6%	(239,869)
	Total			76,650,586	151,029,423		74,378,837

 Restricted
 Committed
 Unassigned