

**CITY OF LOGAN
RESOLUTION NO. 15-41**

**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;

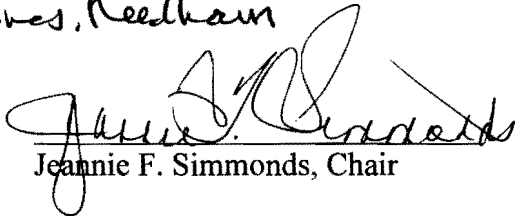
**NOW THEREFORE BE IT RESOLVED BY THE LOGAN MUNICIPAL COUNCIL,
STATE OF UTAH** to establish the Fund Balance and Operating Reserve Policy as outlined in ATTACHMENTS A and B.

THIS RESOLUTION duly adopted upon this 1 day of September, 2015 by the following vote:

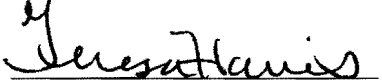
Ayes: Simmonds, Olson, Ward, Deives, Needham

Nays: none

Absent: none


Jeannie F. Simmonds, Chair

ATTEST:


Teresa Harris, City Recorder

ATTACHMENT A

Fund Balance and Operating Reserve Policy August 2015

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.

ATTACHMENT B

Fund Balance/Reserve Policy

		Recommendation	FY 2016 Budgeted Revenue	Target Reserves	FY 2014 Reserves	Current %	Variance
100 General Fund							
V=M, F=XL, Ex=L	Utah State Code 10-6-116 - 5 % to 25 %	18%	36,252,579	6,525,464	6,947,699	19.2%	422,235
200 Library							
V=L, F=L, Ex=L	Plus Specific Capital	25%	1,847,731	461,933	1,086,856	58.8%	624,923
211 Recreation Center Maintenance							
V=L, F=L, Ex=L	Plus Specific Capital	50%	484,280	242,140	363,392	75.0%	121,252
217 Communication Center							
V=M, F=L, Ex=L	Critical service thru quasi charge for service	50%	2,233,567	1,116,784	1,371,582	61.4%	254,799
220 Special Improvement							
V=L, F=M, Ex=M		3%	66,483	1,994	9,766	14.7%	7,772
225 Cemetery Perpetual Care							
V=L, F=L, Ex=L	Cost of Maint \$175K Estimated reserve @ 5 %	3,500,000	n/a	3,500,000	440,964	n/a	(3,059,036)
230 Community Donation							
V=L, F=H, Ex=n/a		n/a	n/a	-	24,976	n/a	24,976
235 Redevelopment Agency							
V=L, F=L, Ex=M	Maintain Positive FB	n/a	n/a	-	6,346,550	n/a	6,346,550
300 Capital Projects							
V=L, F=L, Ex=H	One Year of annual Capital Program	2,000,000	n/a	2,000,000	1,377,001	n/a	(622,999)
310 Capital Equipment							
V=L, F=L, Ex=H	Calculated Internal Lease Program	n/a	n/a	800,000	769,554	n/a	(30,446)
500 Golf Course							
V=H, F=L, Ex=L	Plus Specific Capital	25%	858,000	214,500	(87,689)	-10.2%	(302,189)
510 Water & Sewer							
V=M, F=M, Ex=H	Plus Specific Capital	33%	10,439,981	3,445,194	(3,087,369)	-29.6%	(6,532,563)
520 Sewer Treatment							
V=L, F=L, Ex=H	Plus Specific Capital	50%	5,835,000	2,917,500	21,738,087	372.5%	18,820,587
	Treatment Plant (out of pocket)			20,000,000			(20,000,000)
530 Electric							
V=M, F=M, Ex=H	Plus Specific Capital	42%	36,491,420	15,326,396	22,400,012	61.4%	7,073,616
	Building			2,500,000			(2,500,000)
	3rd Dam Hydro Project			15,000,000			(15,000,000)
570 Environmental Health							
V=L, F=M, Ex=H	Plus Specific Capital	33%	11,074,240	3,654,499	13,937,853	125.9%	10,283,354
	Closure Post Closure			6,308,334	1,657,962		(4,650,372)
	Open New Landfill			10,000,000			(10,000,000)

ATTACHMENT B

580 Storm Water Management							
V=L, F=M, Ex=H	Plus Specific Capital	50%	1,875,000	937,500	3,618,721	193.0%	2,681,221
600 Information Technology							
V=L, F=L, Ex=M	Plus Specific Capital	50%	1,141,680	570,840	843,551	73.9%	272,711
610 Risk Management							
V=M, F=L, Ex=M	2 Incidents	2,000,000	1,400,266	2,000,000	1,745,496	n/a	(254,504)
620 Health Management							
V=H, F=L, Ex=L		25%	4,461,226	1,115,307	863,283	19.4%	(252,024)
				Total	98,638,385	82,368,247	(16,270,138)

Volatility of Revenues or Expenses
 Flexibility of Fund to react to Volatility
 Expenditures being small or large in size