Good evening. You’ve all received the Fiscal Year 2023 Mayor Proposed Budget. We seem to be on a roller-coaster. Last year we thought Covid was over, then the other variants provided a setback. The federal Rescue funds seemed to be stimulating the economy, but serious supply chain issues became apparent and prices escalated because of increasing demand. The war in Ukraine sent fuel prices higher than we’ve ever seen. The nationwide shortage of workers is particularly acute in Cache Valley, which has the lowest unemployment rate in the nation at a time when many businesses are expanding and adding new jobs.

If you follow local news, you’ve noted recent articles that Logan (which includes all of Cache and Franklin counties) had the tenth fastest growing population in the country and Logan has been named THE top performing economy, for a small city, in the country. The report cited job growth, wage growth and diversity of high-tech industry. Not everything is rosy about the report. We rank 178th in the housing affordability index. All these factors affect Logan City, as they do other businesses. Among a number of other things, we are struggling to get supplies like transformers, water meters and clamps to repair leaks, and to hire summer employees and to hire and retain full time employees in some key areas. For example, parks usually hires 16 full time seasonal workers and right now we have zero.

Our guiding budget philosophy in all funds of the City has been to budget for revenues conservatively. Conservative revenue projections cause us to examine expenditures and expenses carefully. Furthermore, when actual results exceed our conservative projections, those funds in turn are dedicated to the next most critical capital project, which further reduces pressure on future operating budgets. Conservative projections pay dividends in the future, while overly aggressive projections can actually borrow from an uncertain future. I am happy to report that the proposed budget continues to project revenues conservatively and to scrutinize spending carefully.

Retaining our good employees is a significant focus. We are pleased that we are able to propose a 4 percent cost of living adjustment and a 4 percent pay for performance increase to wages. We have also designated some additional funding for administrative adjustments, including market adjustments particularly focused in public safety and for equipment operators. These adjustments will be under the direction of the Human Resources department as they work with departments to identify specific areas of concern.

For the current year we have budgeted for a 7 percent increase in health care premiums, which will be funded entirely by the City. This is up from a 5 % increase in the prior year. Our insurance carrier said Logan is the only one of her clients in Utah and Colorado that still covers all health insurance premiums for employees, so employees need to realize that is also a significant added benefit that saves them out of pocket premiums.

We are requesting one new employee in the Emergency Medical Services fund to deal directly with employee training and certification. Coordinating the training of emergency response personnel is critical to our ability to provide these emergency services.
As mentioned, one significant concern is the cost of fuel. We have asked departments to evaluate their fuel consumption and to look for ways to conserve where possible. However, we have also felt it necessary to increase our budgets for fuel in each of our respective areas.

We are committed to providing excellent services and quality of life for our citizens. As Mayor -- along with my outstanding team -- we pledge to do our very best to adapt and move forward in a positive way to meet the challenges of the future.

Holly H. Daines
Mayor