Good evening. For the last several years, it seems there is always something on the economic horizon which provides some uncertainty in the budget process. This year it’s the unprecedented inflation our country is experiencing, and whether efforts by the Federal Reserve to control inflation will bring a recession. I recently attended a talk at USU by Randal Quarles, Former Vice Chairman of the Federal Reserve System. Given the rise in interest rates, he was asked if we can expect a recession. His answer was YES… but his prediction was it will be “short and shallow.” I wish we had a crystal ball; we shall see.

At Logan City, our guiding budget philosophy is to budget for revenues conservatively, and we will continue that practice.

Conservative revenue projections cause us to examine proposed expenditures 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 the proposed budget continues to project revenues conservatively and to scrutinize spending carefully.

We are doing things a little differently this year in terms of the budgeting process. In the general fund, which is shared by many departments including police, fire, public works, and parks and recreation, as well as all general government services we provide, we have incorporated a more collaborative approach to the Target Based Budgeting principles we have used for many years.

The goal is to give departments a little more flexibility to address what they see as their most critical budgetary needs. Departments have been asked to examine their budgets even more carefully looking for ways to streamline services and reallocate budgeted amounts, so we might better utilize our scarce resources. While we do not have enough funding for all our needs, let alone our wants, we can still use the resources we do have to achieve the best results for our citizens and taxpayers. We expect this budget approach to continue in the general fund for the next several years and hope we can make progress toward our end goal.

With the significant growth our city has experienced over the past few years, one of the biggest needs is for new employees in several departments. This new budgeting process has allowed departments to trim other spending in order to add a new employee, or to begin to set aside money to allow for a new employee in future years. Based on those needs, additional positions in the general fund include the following:

Police Officer
Public Works Inspector Supervisor
Parks & Rec; Recreation Ground Maintenance Worker
As an FYI, we will also be creating a new category in Parks & Rec under the Recreation Department to track activities in the new Center Block Plaza once it opens this summer.

Additional positions outside the general fund include:
911 Dispatcher

Our employees are a critical asset for the city and we want to reward and retain them. Although amounts may vary based on market need and economic conditions, we have generally budgeted 4% for Pay for Performance, with additional funding for administrative and market adjustments in certain departments and divisions.

One budgetary item with a huge impact on our general budget and on raises is the cost of healthcare. The increase in our insurance costs for this coming fiscal year is 15%, compared to 7%, and 5% in the two previous years. Health care premiums for employees are paid entirely by the city, so that is a significant benefit for employees which saves them out of pocket premiums.

Other items of note in the budget include a significant impact to the Electric Fund because of a dramatic increase in the cost of purchased power. The city has applied a surcharge to all electric bills since last July. We currently have a Rate Study underway which will propose appropriate electric rate increases. Until then we are relying on the surcharge for the difference between the budget price for purchased power and the prices we are actually paying.

In addition, we anticipate the budget for the Environmental Health Fund will be adjusted during fiscal year 2024 as we discontinue some services outside the boundaries of the City of Logan. As those services are taken over by the other cities or their contractor and we downsize our operations, the Environmental Health expense budget will be adjusted accordingly.

In summary, my number one goal as Mayor is wise fiscal management. We are accomplishing a wide variety of capital projects and investment in infrastructure, but we do so in a fiscally responsible way. We will continue to budget conservatively in case we have unexpected impacts to our local economy.

As Mayor -- along with my outstanding team -- we pledge to do our very best to provide excellent services and quality of life for our citizens as we use our resources wisely and meet the challenges ahead.

Holly H. Daines
Mayor