

NOTICE OF PUBLIC HEARING – ENTERPRISE FUND TRANSFER

Notice: Tooele City will conduct a Public Hearing on a proposed Enterprise Fund Transfer on August 7, 2019 at 7pm. The Hearing will be held in the Council Chambers at City Hall 90 N. Main St. Tooele, Utah.

Purpose: In accordance with Utah Code 10-6-15.5 a public notice is required to notify Tooele City utility customers of the intent to transfer funds from the Solid Waste (sanitation) Enterprise Fund to a Capital Projects Fund. It is not uncommon for cities to transfer what is typically referred to as dividends from an Enterprise Fund to other Funds of the City to participate in the costs of city services, capital equipment and capital projects. This proposed transfer is a one-time transfer from the Enterprise Fund to the Capital Projects Fund. The proposed transferred funds will be used for the purchase of capital equipment and capital projects such as: costs for the Tooele City Police Station that are not allowed under the CIB loan and must be paid for with City funds including interior furnishings and equipment, the purchase of 4 new snow plow trucks to replace the 20 year old plows as the maintenance costs are exceeding the value of the vehicles, the purchase of air packs for our volunteer Fire Department to replace their air packs that will be out of compliance in 2020 and a new storage facility for the Fire Department to store high value equipment currently stored in the non-earthquake proof station. Due to the fluctuation in various fees paid by the Solid Waste Fund an excess of Fund Balance has been created over many years in this fund. This trend is not expected to continue as costs are increasing and new services such as community clean up days are now being provided. There are no proposed changes to the fees paid for this service.

Administrative & Overhead Costs:

The Tooele City General Fund allocates costs for administrative and overhead services provided to the Enterprise Funds. These services include utility billing, cash receipts, accounts payable, customer service functions, management, technology, fleet maintenance and other administrative services. The City calculates the cost of all of these functions and charges the Enterprise Fund for its proportionate share of the costs. If the General Fund did not provide these service the Enterprise Fund would need to hire the additional staff and resources to complete these functions on its own. The City believes the amount transferred for these services is less than the amount that would be paid to a third party to provide these services. The administrative and overhead costs charged to all Enterprise Funds are as follows:

| Enterprise Fund | Transfer for Administrative and Overhead Costs | Percent of Enterprise Fund Expenditure Budget | Transfer for Costs Not Associated to Enterprise Fund | Transfer to Capital Projects Fund | Percent of Enterprise Fund Expenditure Budget |
|-----------------------------|---|--|---|--|--|
| Solid Waste Fund | \$108,750 | 5.80% | \$0 | \$2,300,000 | 122.67% |
| Water Fund | \$432,500 | 5.22% | \$0 | \$0 | 0% |
| Sewer Fund | \$222,500 | 3.43% | \$0 | \$0 | 0% |
| Storm Drain Fund | \$ 25,000 | 1.00% | \$0 | \$0 | 0% |
| Street Lighting Fund | \$ 12,000 | 4.74% | \$0 | \$0 | 0% |