

City Council Staff Report

June 1, 2016

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Public Hearing:
Yes

REQUEST

Consideration of a resolution for equipment and vehicle purchases and inter-fund transfers between enterprise funds and the capital improvement fund.

DISCUSSION

Utah State Code 10-6-135(3)(d) requires that the City provide an annual disclosure on funds transferred from a utility enterprise fund to other funds.

Each year the City reserves money in the Capital Projects Fund for vehicle and equipment replacement. Each Enterprise Fund pays its fair share into that reserve. In the current budget ending June 30, 2016, the City is planning to use funds from that reserve to purchase a Street Sweeper for \$210,000, and to lease (2) multi-purpose dump trucks with snowplows at \$35,000 per year, per truck, for five years. The City will use \$40,660 from the Street's share of the reserve and \$239,340 from the Water, Sewer, Storm Water, and Pressurized Irrigation shares of the reserve.

The City is also planning to transfer, in the upcoming 2016-2017 fiscal year budget, a set figure from each of the Utility Enterprise Funds (Water, Sewer, Storm Water, and Pressurized Irrigation), to the Capital Projects Fund for vehicle and equipment replacement.

The amounts budgeted to be transferred are as follows:

* Transfer from the Water Fund to the Capital Projects Fund	\$ 35,000
* Transfer from the Sewer Fund to the Capital Projects Fund	\$ 35,000
* Transfer from the Pressurized Irrigation Fund to the Capital Projects Fund	\$ 35,000
* Transfer from the Storm Water Fund to the Capital Projects Fund	\$ 35,000

Utah State Code also requires that the City provide an annual disclosure of the equivalent charges the City would pay on utilities provided by the City for Water, Sewer, Storm Water, and Pressurized Irrigation.

The amount of equivalent utility charge for each utility is as follows:

* Water Fund	\$ 7,854
* Sewer Fund	\$ 2,935
* Pressurized Irrigation Fund	\$ 62,351
* Storm Water Fund	\$ 180

RECOMMENDATION

Approve the purchase of:

- A street sweeper and the leasing of (2) multi-purpose dump trucks,
- Interfund transfers in the upcoming Fiscal Year 2016-2017 budget from the Water, Sewer, Pressurized Irrigation, and Storm Water Funds to the Capital Projects Fund for vehicle and equipment replacement, and
- Interfund transfers of the equivalent charge for the City's usage of each of the City's utilities.