

ENTERPRISE FUND HEARING NOTICE

In compliance with recent changes to State Legislation, and in consultation with the State Auditor’s Office, the City is holding a public hearing to explain the intended transfers of enterprise fund money to other funds for the upcoming fiscal year, provide enterprise fund accounting data, and allow members of the public to comment regarding this matter. The hearing will occur on May 9th at 7:00 p.m. at Sandy City Hall; 10000 Centennial Parkway.

This notice is simply intended to inform customers of our established practice and our intent to continue this practice as outlined below. **Most importantly, this practice will not increase the amount you currently pay.** Sandy City enterprise funds include those activities that operate similar to private businesses and charge fees to its users to adequately cover most or all of the costs. Sandy enterprise funds include the Alta Canyon Sports Center Fund, the Water Fund, the Waste Fund and the Golf Fund.

Two categories of transfers from the enterprise funds to other city funds are detailed in the table below. The first category is cost allocation, which includes the costs of services provided to the enterprise funds such as information technology and risk management, or administrative services provided by the general fund such as accounting, human resources, or facilities. These costs are calculated each year through cost allocation studies.

The second category is a subsidy transfer. Six years ago, the City implemented an annual franchise fee on the Water Fund intended to recognize the costs to the City’s general fund associated with maintaining and using the public right of way. The concept and amount is consistent with the franchise fees charged to other utilities such as Questar Gas, Rocky Mountain Power, and telecommunications providers who also have infrastructure and work in the public right of way. To be clear, going forward we will refer to this as a subsidy transfer rather than a franchise fee.

Transfers from Sandy Enterprise Funds

Transfer Description	Alta Canyon		Water		Waste		Golf	
	Dollar Amount	% of Expenditures	Dollar Amount	% of Expenditures	Dollar Amount	% of Expenditures	Dollar Amount	% of Expenditures
Cost Allocation								
General Fund - Administrative	95,089	7.04%	788,455	3.55%	310,198	2.10%	59,757	3.65%
Information Technology	27,609	2.04%	167,532	0.75%	-	-	17,990	1.10%
Risk Management	4,387	0.32%	303,086	1.37%	3,598	0.08%	16,665	1.02%
Fleet	9,663	0.72%	303,703	1.37%	306,847	6.51%	44,823	2.74%
Subsidy Transfers								
General Fund	-	-	1,284,000	5.78%	-	-	-	-

If you have questions, please email Brian Kelley, Sandy City Finance and Information Technology Director at bkelly@sandy.utah.gov or call him at (801) 568-7117. We welcome your comments.