

**MINUTES OF THE SPECIAL MEETING OF THE GRANTSVILLE CITY
COUNCIL HELD WEDNESDAY, APRIL 22, 2003.**

Mayor and Council Present: Council Members: Craig Anderson, James Christensen, Kevin Hall, Justin Linares and Paul Rupp.

Appointed officers and employees present: Wendy Palmer, City Recorder, Susan Gustin, Treasurer, and Tom Randle, Accountant.

Craig made the motion to appoint James Christensen as Mayor Pro-tem. Kevin seconded the motion. All voted in favor, motion carried.

James called the meeting to order at 5:10 p.m.

James explained to those present that the meeting with the independent auditors Wade and Danny from the firm of Pinnock, Robbins, Posey and Richins was very informative. The 18% over fund balance violation that the Utah State Auditor's office has issued the city a letter on were the main topic. The result of the exercise was that the fund balance in the Grantsville City General fund for fiscal year ending June 2002 had exceeded 18% of the projected revenues for the future year ending June 2003. In order to correct this the Council would need to designate an amount to be transferred from fund balance to capital projects. The issue of the effects this would have on General Fund cash was discussed. James informed the Council that the General Fund has subsidized water and sewer funds so there is an amount due from these funds to the General fund in the amount of \$711,000. The Council will need to determine how and when this money needs to be paid back to the General Fund. It appears that the amount the Council designated in the mid 1990's needs to be evaluated to see what the water and sewer rates needs to be to continue that same policy. Currently the water and sewer capital improvement savings accounts have excess of one million dollars. Craig stated that the capitol improvement accounts may not be as important as they once were now that the city is collecting impact fees.

James mentioned the 3% subdivision inspection account needs to be moved into the general fund. The city has expended those funds prior to the more accurate tracking that has taken place in the last few years.

Tom Randle volunteered to review the water and sewer rates and make his recommendation at the May 7th, 2003 Council Meeting. Council requested that a financial report be given at least quarterly, Recorder Palmer suggested that it be done the first meeting of each quarter. Council agreed that would be sufficient. Mr. Randle agreed he could present the financial report.

ADJOURN:

Craig made the motion to adjourn this special City Council meeting at 5:35 p.m. Kevin seconded the motion. All voted in favor, motion carried.

Wendy Palmer, City Recorder

Byron Anderson, Mayor