

PUBLIC HEARING
Salem City Budget
Transfers and Administrative Fees
Fiscal Year 2026

In accordance with Utah State Law and Salem City budgeting practices, Salem City will hold a **Public Hearing** on June 4, 2025, at 7:00 pm in the Salem City Council Chambers located at 30 West 100 South, Salem Utah, to discuss proposed transfers from Enterprise Funds to the General Fund and General Fund administrative fees (indirect services) charged to the Enterprise Funds. Anyone desiring to address the Salem City Council on this issue is invited to attend the public hearing.

A transfer is the movement of cash or other resources from one fund to another. Salem City has utilized transfers from Enterprise Funds as a General Fund financing mechanism for many years. If budgeted and planned for correctly, transfers from Enterprise Funds can help to defray the cost of services such as public safety, public works, library, parks, and general governmental services, and consequently, keep property taxes low. Without the transfers, Salem City would either have to significantly raise property taxes or significantly cut services.

If utility services were provided by private utility companies, the return on investment would be paid to investor-owners; because Salem taxpayers are the investor-owners of utilities, the residents receive this return on investment as a transfer to the General Fund.

Following are the proposed Fiscal Year 2025 transfers from the Enterprise Funds:

Fund	Proposed Total		Transfer To	Amount of	% of Total	Transfer To		% of Total
	FY 2025	Expenditures				Internal Service	Amount of	
				Transfer	Expenditures	Fund	Transfer	Expenditures
Water	\$	1,964,737	General	\$ 220,000	11.2%	Motor Pool	\$ 35,000	1.8%
Sewer	\$	3,603,617	General	\$ 121,500	3.4%	Motor Pool	\$ 26,000	0.7%
Electric	\$	10,150,687	General	\$ 506,500	5.0%	Motor Pool	\$ 17,500	0.2%
Solid Waste	\$	980,567	General	\$ 49,500	5.0%	Motor Pool	\$ 10,000	1.0%
P.I.	\$	3,070,229	General	\$ 190,000	6.2%	Motor Pool	\$ 20,000	0.7%
Storm	\$	594,872	General	\$ 29,500	5.0%	Motor Pool	\$ 8,000	1.3%
Fiber	\$	1,983,507	General	\$ -	0.0%	Motor Pool	\$ -	0.0%

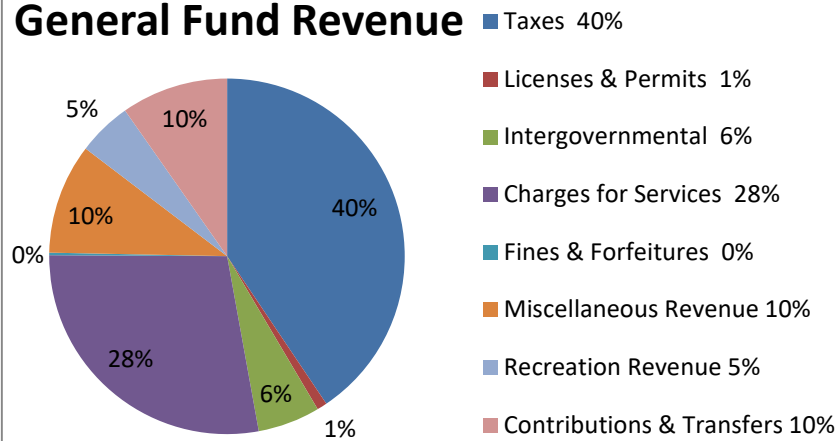
Indirect service charges are not the same as transfers. While transfers are a movement of cash or resources without compensation, indirect services are charges for centralized services provided by the general fund to the other funds of the City. Such services include but are not limited to utility billing, accounting, payroll, legal services, human resources, facility management, etc. These administrative fees are allocated by the finance department in a reasonable and rational manner.

Thank you for your support and involvement as a Resident/Customer of Salem City. If you have any questions please feel free to contact Jeff Nielson, Salem City Finance Director at 801-423-2770, jeffn@salem.utah.gov

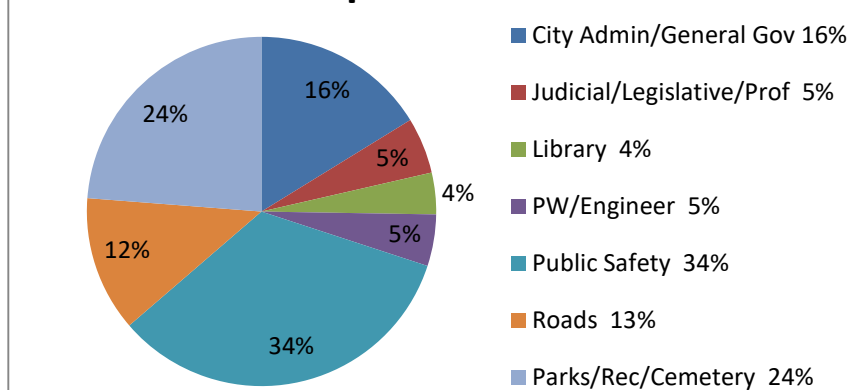
Fiscal Year 2026 Proposed Budget information:

The full budget will also be available on the City's web page (proposed and approved (after it is approved)):
www.salemidah.gov - city government - city budget

General Fund Revenue



General Fund Expenses



Other information about the proposed budget for Fiscal Year 2026:

Total Proposed Budget FY 2026		Administration Cost General Fund	
		Charges Each Enterprise Fund	
General Fund	\$ 13,030,897	Water	\$ 477,626
Building	\$ 1,626,862	Sewer	\$ 462,528
Engineering	\$ 2,286,588	Electrical	\$ 404,105
Water	\$ 1,983,140	Solid Waste	\$ 147,626
Sewer	\$ 3,617,010	PI	\$ 477,251
Electric	\$ 10,018,469	Storm Drain	\$ 155,520
Solid Waste	\$ 1,031,580	Fiber	\$ 247,860
P.I.	\$ 3,095,488	Building	\$ 311,714
Storm	\$ 620,481	Engineering	\$ 357,594
Fiber	\$ 2,023,315		
Total Budget	\$ 39,333,830		