

**PUBLIC HEARING**  
**Salem City Budget**  
**Transfers and Administrative Fees**  
**Fiscal Year 2027**

In accordance with Utah State Law and Salem City budgeting practices, Salem City will hold a **Public Hearing** on June 3, 2026, 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 2026 transfers from the Enterprise Funds:

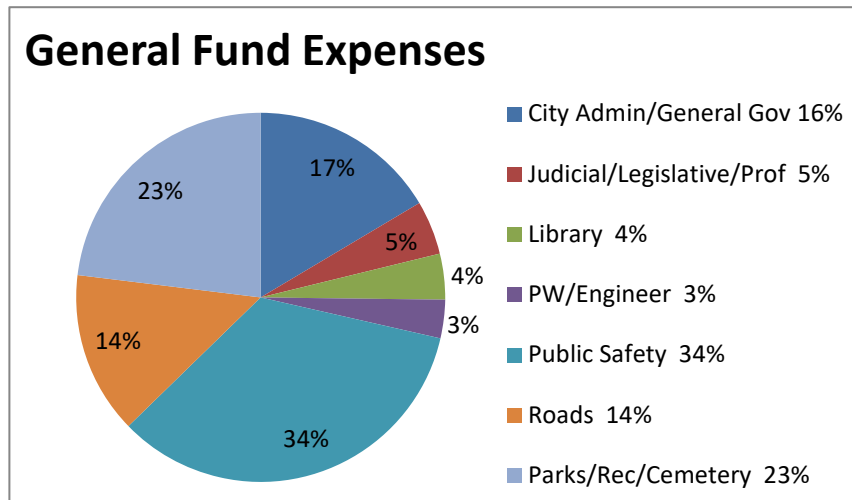
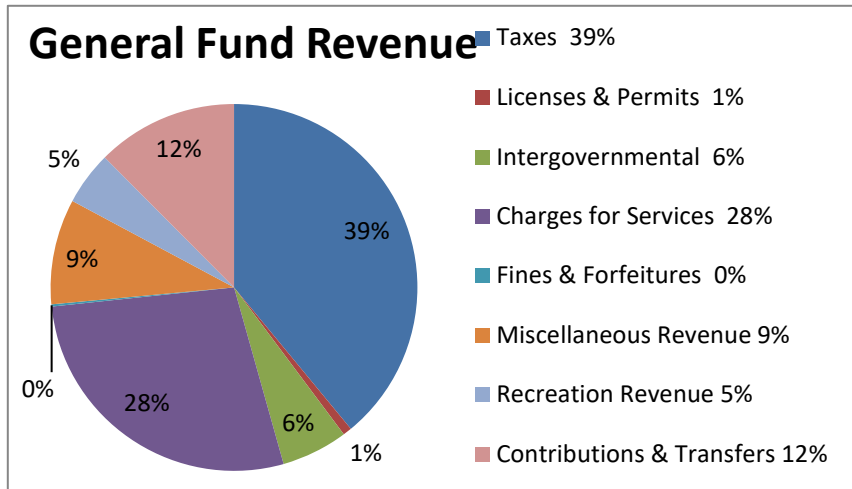
Fund	Proposed Total Expenditures		Amount of Transfer	% of Total Expenditures	Transfer To		
	FY 2026	Transfer To			Internal Service Fund	Amount of Transfer	% of Total Expenditures
Water	\$2,325,236	General	\$220,000	9%	Motor Pool	\$35,000	1.51%
Sewer	\$4,180,106	General	\$121,500	3%	Motor Pool	\$26,000	0.62%
Electric	\$10,995,749	General	\$506,500	5%	Motor Pool	\$17,500	0.16%
Solid Waste	\$1,209,376	General	\$49,500	4%	Motor Pool	\$10,000	0.83%
P.I.	\$3,682,069	General	\$190,000	5%	Motor Pool	\$20,000	0.54%
Storm	\$1,622,772	General	\$29,500	2%	Motor Pool	\$8,000	0.49%
Fiber	\$2,331,245	General	\$ -		Motor Pool	\$ -	0.00%

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](mailto:jeffn@salem.utah.gov)

Fiscal Year 2027 Proposed Budget information:

The full budget will also be available on the City’s web page (proposed and approved (after it is approved)): [www.salemudah.gov](http://www.salemudah.gov) - city government - city budget



Other information about the proposed budget for Fiscal Year 2027:

<b>Total Proposed Budget FY 2027</b>		<b>Administration Cost General Fund</b>	
General Fund	\$15,213,498	Charges Each Enterprise Fund	
Building	\$2,325,236	Water	\$561,819
Engineering	\$4,180,106	Sewer	\$561,819
Water	\$10,995,749	Electrical	\$469,550
Sewer	\$1,209,376	Solid Waste	\$194,053
Electric	\$3,682,069	PI	\$561,669
Solid Waste	\$1,622,772	Storm Drain	\$183,228
P.I.	\$2,331,245	Fiber	\$283,349
Storm	\$15,213,498	Building	\$301,054
Fiber	\$2,325,236	Engineering	\$354,943
<b>Total Budget</b>	<b>\$41,560,051</b>		