

PUBLIC NOTICE
Salem City Budget
Transfers and Administrative Fees
Fiscal Year 2027

In accordance with Utah State Law and Salem City budgeting practices, Salem City is giving notice of “Specific Enterprise Fund Information” that was approved in the budget during the Salem City Council Meeting on June 3, 2026, after a Public Hearing on the budget was held on June 3, 2026 at 7:00 pm in the Salem City Council Chambers located at 30 West 100 South, Salem Utah. In the meeting the discussion of the proposed transfers from Enterprise Funds to the General Fund and the General Fund administrative fees (indirect services) charged to the Enterprise Funds was approved.

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 approved Fiscal Year 2026 transfers from the Enterprise Funds:

Fund	Proposed Total Expenditures		Transfer To	Amount of Transfer	% of Total Expenditures	Transfer To		% of Total Expenditures
	FY 2026					Internal Service Fund	Amount of Transfer	
Water	\$ 2,352,382		General	\$ 220,000	9%	Motor Pool	\$ 35,000	1.51%
Sewer	\$ 4,180,130		General	\$ 121,500	3%	Motor Pool	\$ 26,000	0.62%
Electric	\$ 10,995,770		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.	\$ 3,682,095		General	\$ 190,000	5%	Motor Pool	\$ 20,000	0.54%
Storm	\$ 1,692,353		General	\$ 29,500	2%	Motor Pool	\$ 8,000	0.47%
Fiber	\$ 2,331,245		General	\$ -		Motor Pool	\$ -	0.00%

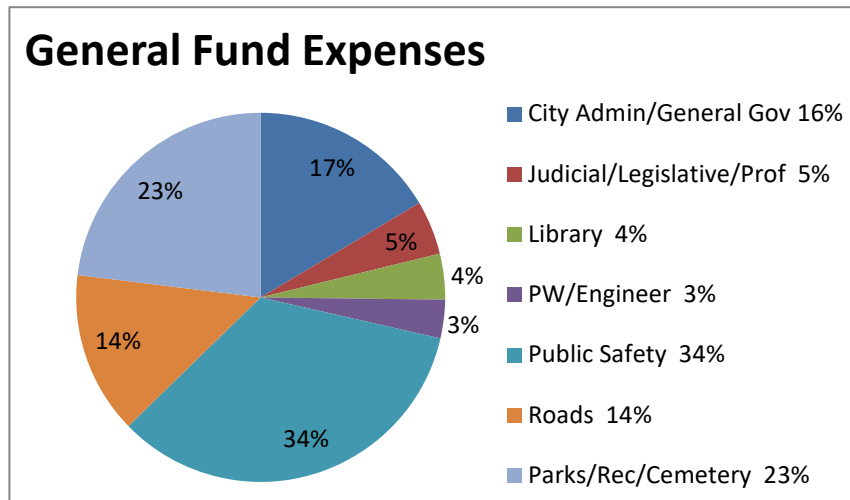
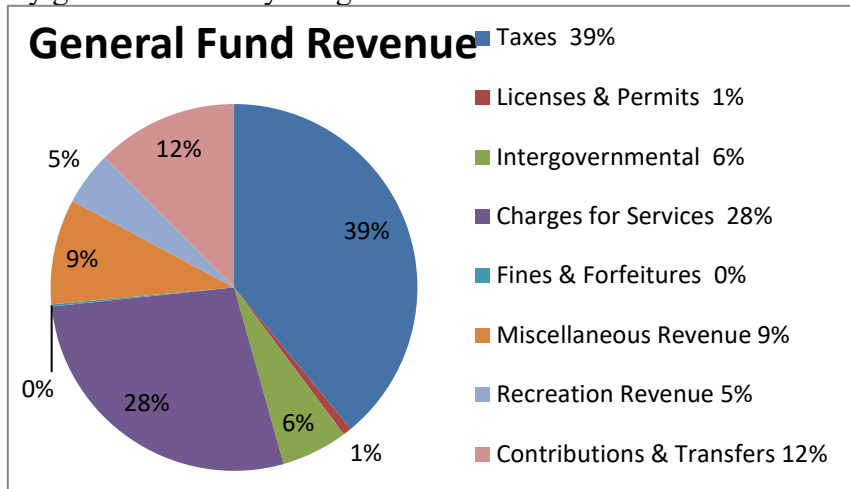
Indirect service charges are not the same as transfers. While transfers are a movement of cash or resources without compensation, indirect services are charges for centralized services provided by the general fund to the other funds of the City. Such services include but are not limited to utility billing, 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

Fiscal Year 2027 Approved Budget information:

The full budget will also be available on the City's web page:

www.salemudah.gov - city government - city budget



Other information about the proposed budget for Fiscal Year 2027:

Total Approved Budget FY 2027		Administration Cost General Fund	
General Fund	\$15,250,390	Charges Each Enterprise Fund	
Building	\$1,379,005	Water	\$562,811
Engineering	\$2,655,889	Sewer	\$562,811
Water	\$2,352,382	Electrical	\$469,867
Sewer	\$4,180,130	Solid Waste	\$194,297
Electric	\$10,995,770	PI	\$562,661
Solid Waste	\$1,209,376	Storm Drain	\$183,405
P.I.	\$3,682,095	Fiber	\$283,977
Storm	\$1,692,353	Building	\$311,714
Fiber	\$2,331,245	Engineering	\$357,594
Total Budget	\$45,728,635		