

PUBLIC HEARING
Salem City Budget
Transfers and Administrative Fees
Fiscal Year 2024

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 7, 2023 after a Public Hearing on the budget was held on June 7, 2023 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 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, parks/recreation, 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 2023 transfers from the Enterprise Funds:

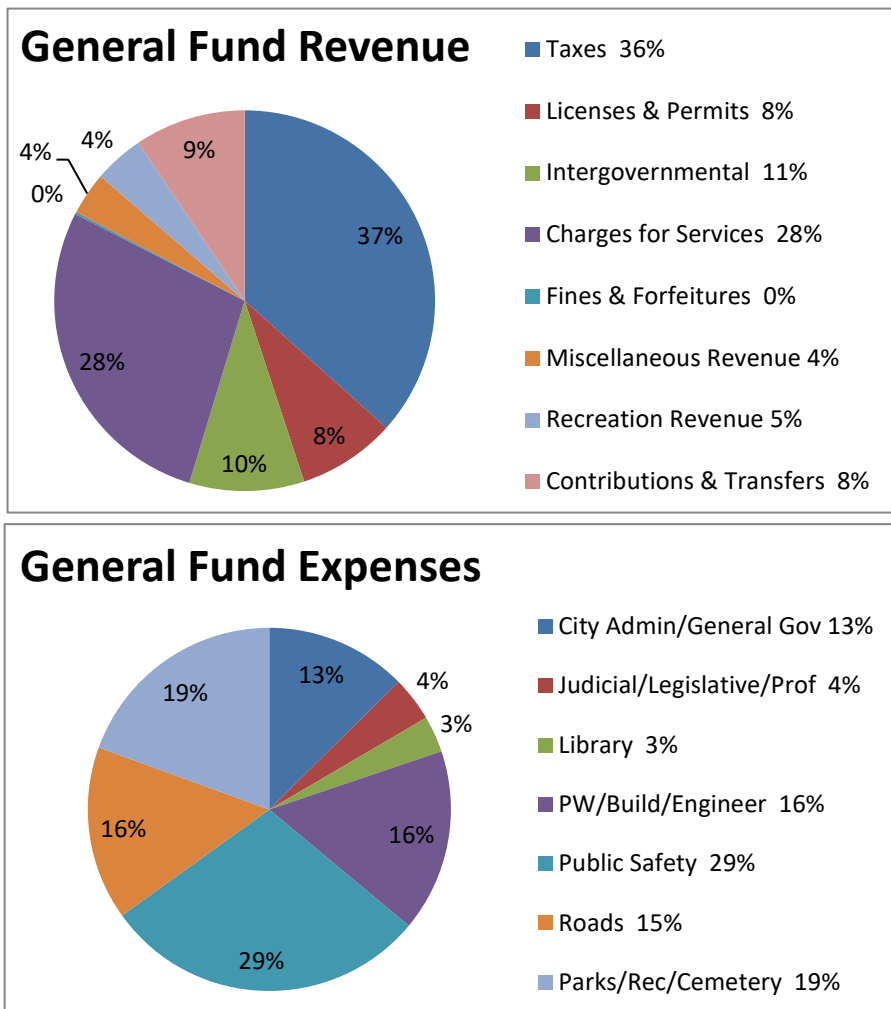
Fund	Proposed Total Expenditures		Transfer To	Amount of Transfer	% of Total Expenditures	Transfer To		% of Total Expenditures
	FY 2024					Internal Service Fund	Amount of Transfer	
Water	\$ 1,439,035		General	\$ 240,000	16.7%	Motor Pool	\$ 35,000	2.4%
Sewer	\$ 2,890,865		General	\$ 121,500	4.2%	Motor Pool	\$ 26,000	0.9%
Electric	\$ 7,454,761		General	\$ 506,500	6.8%	Motor Pool	\$ 17,500	0.2%
Solid Waste	\$ 688,142		General	\$ 49,500	7.2%	Motor Pool	\$ 10,000	1.5%
P.I.	\$ 1,752,192		General	\$ 190,000	10.8%	Motor Pool	\$ 20,000	1.1%
Storm	\$ 394,917		General	\$ 29,500	7.5%	Motor Pool	\$ 8,000	2.0%
Fiber	\$ 879,573		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@salemcity.org.

Fiscal Year 2024 Approved Budget information:

The full budget is also available on the City's web page:
www.salemcity.org - city government - city budget



Other information about the approved budget for Fiscal Year 2024:

Total Proposed Budget FY 2023		Administration Cost General Fund	
General Fund	\$ 10,707,723	Charges Each Enterprise Fund	
Engineering	\$ 1,986,411	Water	\$333,140
Building Dept	\$ 606,762	Sewer	\$302,025
Water	\$ 1,439,035	Electrical	\$368,456
Sewer	\$ 2,890,865	Solid Waste	\$111,036
Electrical	\$ 7,454,761	PI	\$324,492
Solid Waste	\$ 688,142	Storm Drain	\$47,706
PI	\$ 1,752,192	Fiber	\$66,356
Storm Drain	\$ 394,917	Engineering	\$237,982
Fiber	\$ 879,573	Building	\$79,982
<u>Total Budget</u>			
<u>\$ 26,207,723</u>			