

**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 will hold a **Public Hearing** on June 7, 2023, 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, 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.

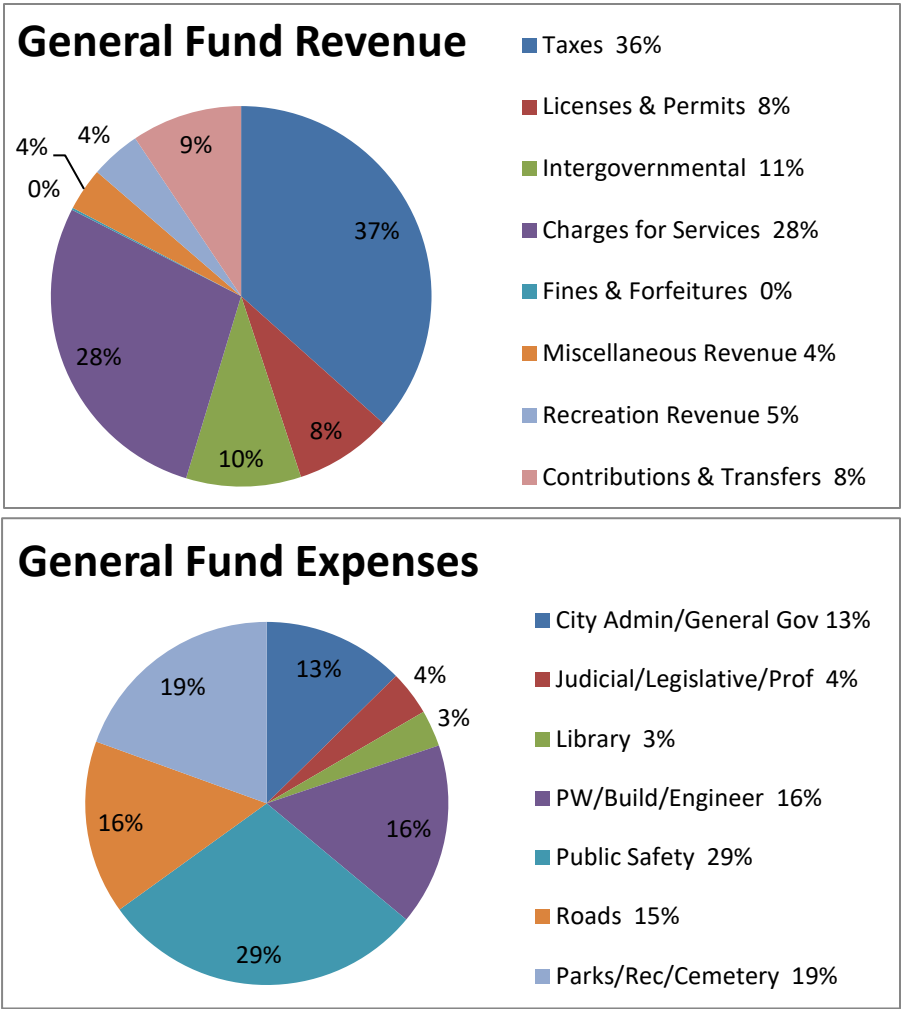
Following are the proposed Fiscal Year 2024 transfers from the Enterprise Funds:

Fund	Proposed Total		Transfer To	Amount of	% of Total	Transfer To		% of Total
	FY 2024	Expenditures				Internal Service	Amount of	
				Transfer	Expenditures	Fund	Transfer	Expenditures
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](mailto:jeffn@salemcity.org).

Fiscal Year 2024 Proposed Budget information:  
 The full budget will also be available on the City’s web page (after it is approved):  
[www.salemcity.org](http://www.salemcity.org) - city government - city budget



Other information about the proposed budget for Fiscal Year 2024:

Total Proposed Budget FY 2023		Administration Cost General Fund	
General Fund		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
<b>Total Budget</b>	<b>\$ 26,207,723</b>		