

**PUBLIC HEARING  
Salem City Budget  
Transfers and Administrative Fees  
Fiscal Year 2019**

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 and Public Hearing on June 6, 2018 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 2019 transfers from the Enterprise Funds:

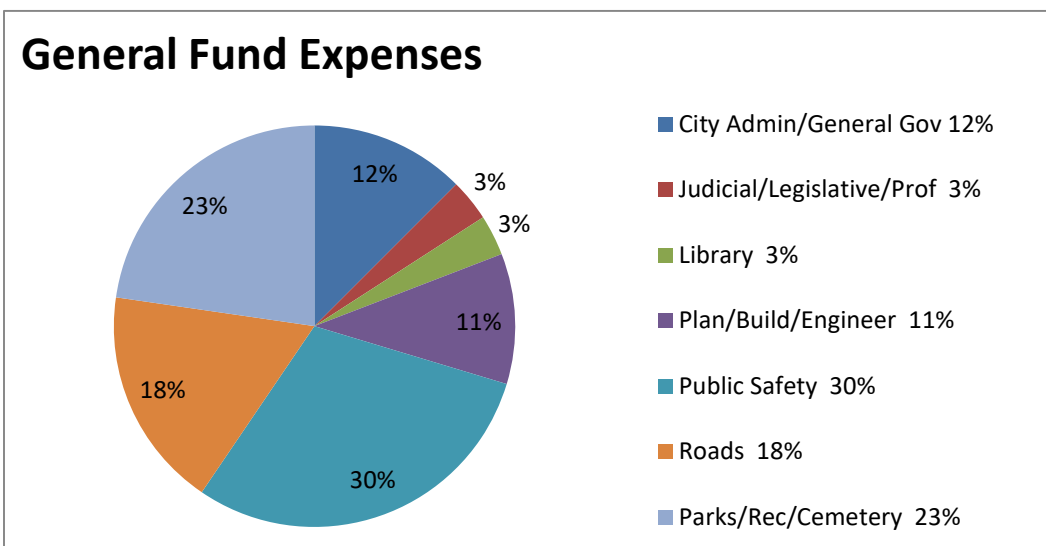
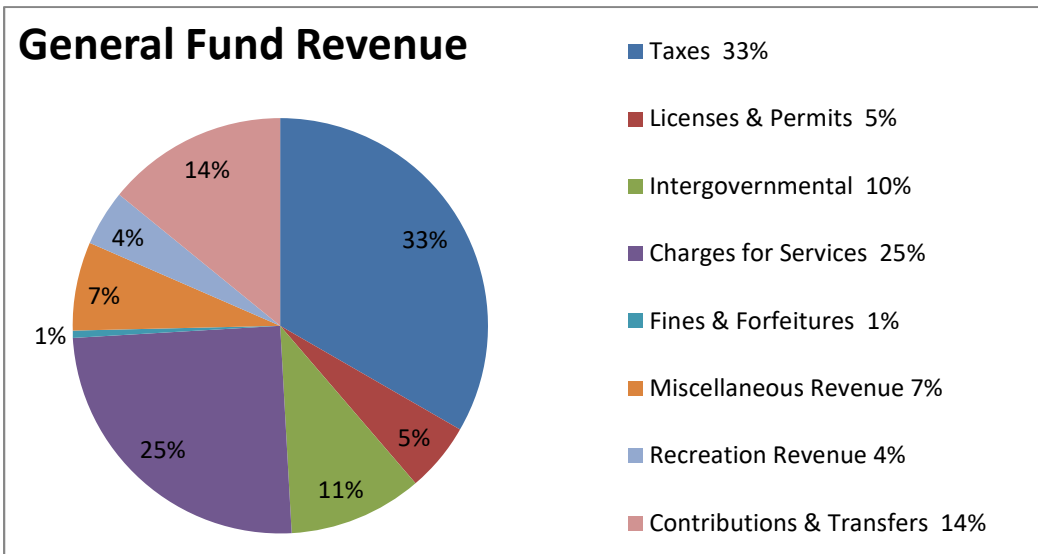
<b>ENTERPRISE FUNDS</b>		<b>APPROVED TRANSFERS</b>					
<b>Fund</b>	<b>Approved Total Expenditures FY 2019</b>	<b>Transfer To</b>	<b>Amount of Transfer</b>	<b>% of Total Expenditures</b>	<b>Transfer To Internal Service</b>	<b>Amount of Transfer</b>	<b>% of Total Expenditures</b>
Water	\$ 1,082,169	General	\$ 42,500	3.9%	Motor Pool	\$ 35,000	3.2%
Sewer	\$ 946,172	General	\$ 21,500	2.3%	Motor Pool	\$ 26,000	2.7%
Electric	\$ 4,426,826	General	\$ 306,500	6.9%	Motor Pool	\$ 17,500	0.4%
Solid Waste	\$ 577,423	General	\$ 25,500	4.4%	Motor Pool	\$ 10,000	1.7%
P.I.	\$ 1,085,685	General	\$ 54,500	5.0%	Motor Pool	\$ 20,000	1.8%
Storm	\$ 207,241	General	\$ 11,500	5.5%	Motor Pool	\$ 8,000	3.9%

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, engineering, 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 2019 Approved Budget information:

The full budget is also located on the city's web page: [www.salemcity.org](http://www.salemcity.org) - city government - city budget



Other information about the approved budget for Fiscal Year 2019:

Total Approved Budget FY 2018		Administration Cost General Fund	
General Fund	\$ 7,258,622	Charges Each Enterprise Fund	
Water	\$ 1,082,169	Water	\$ 353,403
Sewer	\$ 946,172	Sewer	\$ 254,380
Electrical	\$ 4,426,826	Electrical	\$ 365,983
Solid Waste	\$ 577,423	Solid Waste	\$ 92,944
PI	\$ 1,085,685	PI	\$ 283,854
Storm Drain	\$ 207,241	Storm Drain	\$ 97,196
<b>Total Budget</b>	<b>\$ 15,597,503</b>		