

City of Gulf Shores, Alabama Annual Financial Budget for Fiscal Year Ending December 31, 2013

Prepared by:
Finance & Administrative Services Department
City of Gulf Shores, Alabama

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CITY OF GULF SHORES, ALABAMA
2013 Budget
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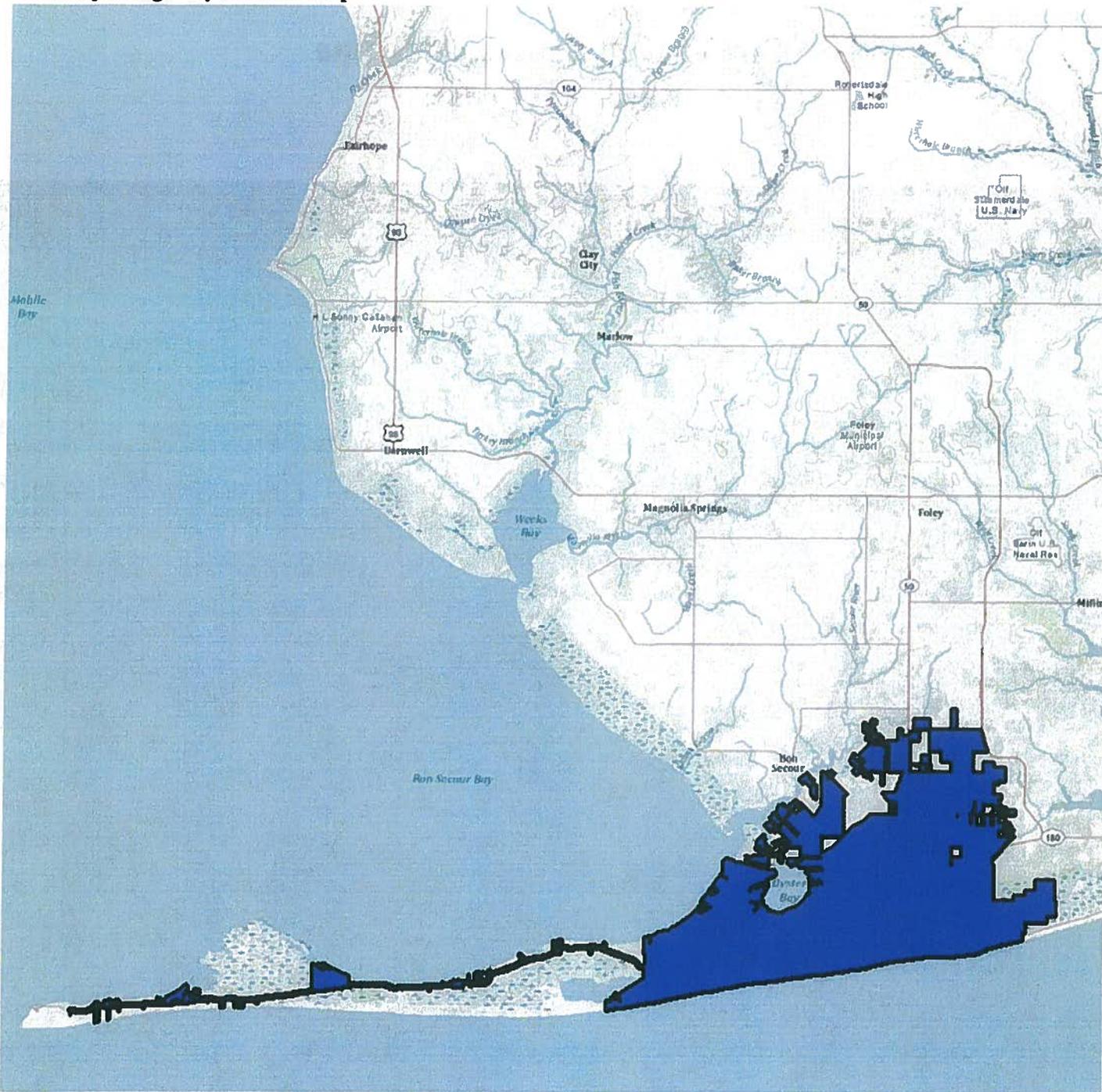
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**City of Gulf Shores, Alabama
Mayor and Council**



**Left to Right Standing: Jason Dyken, Philip Harris, Joe Garris, Stephen E. Jones
Left to Right Seated: Carolyn M. Doughty, Robert Craft, Mayor**

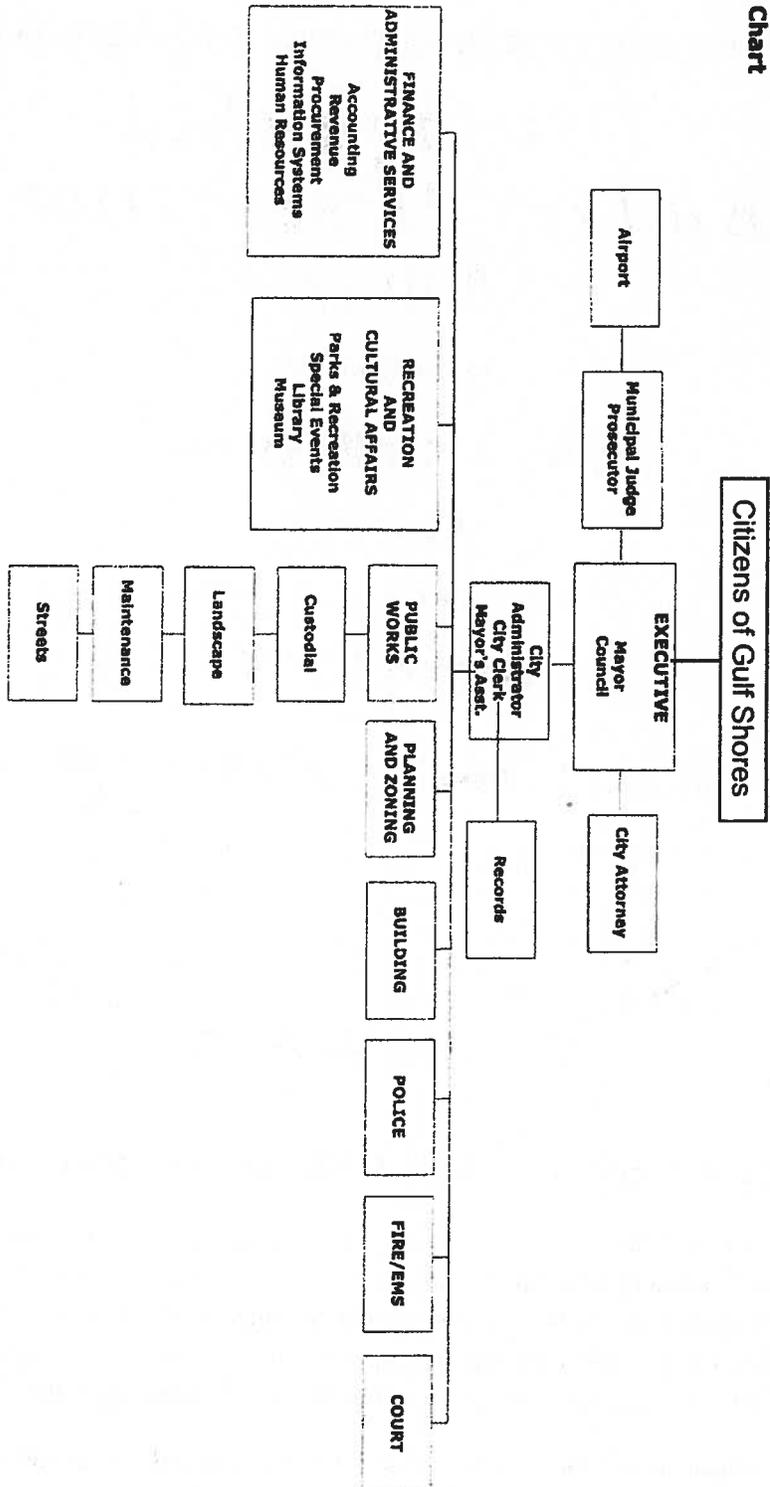
**CITY OF GULF SHORES, ALABAMA MAP
with Major Highway Locator Map**



Gulf Shores, Alabama

**City of Gulf Shores
Organizational Chart**

October 1, 2009





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Gulf Shores
Alabama**

For the Fiscal Year Beginning

January 1, 2012

Linda C. Danison *Jeffrey P. Shaw*

President

Executive Director

DISTINGUISHED BUDGET PRESENTATION AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Gulf Shores, Alabama for its annual budget for the fiscal year beginning January 1, 2012 for the budget document created by the City. In order to receive the award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The Distinguished Budget Presentation Award is valid for one year only. Our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

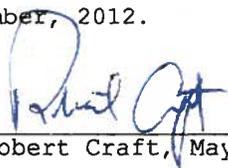
**OTHER FUND BUDGET SUMMARY 2013
(JANUARY 1, 2013 THROUGH DECEMBER 31, 2013)**

REVENUE EXPENDITURE

Special Revenue		
2% Lodging Tax Revenue	2,521,000	
Debt Service		1,570,400
Beach Monitoring		<u>950,600</u>
SUBTOTAL		2,521,000
Police & Fire Related Grants		
Police and Fire	315,000	
Transfer to General		315,500
Impact Fees Fund		
Impact Fees Revenue	453,272	
Street Resurfacing		300,000
Recreation Debt Svc		<u>153,272</u>
SUBTOTAL		453,272
2008 Bonds		
Match/Bond Proceeds	4,105,766	
Capital Outlay Projects		4,105,766
2012 Refunding		
Refunding Proceeds	1,561,887	
Capital Outlay Projects		1,561,887
Beach Renourishment		
Lodging Tax Transfer	950,600	
Beach Restoration Match		950,600
Debt Service Fund		
Transfers/Rent	6,284,400	
Bond Payments		6,284,400
Total All Funds Revenue	44,709,335	
Total All Funds Expense	44,511,635	
General Fund Budget Carry Forward	197,700	

Section 2. That this Resolution shall become effective upon its adoption.

ADOPTED this 10th day of December, 2012.



Robert Craft, Mayor



January 7, 2013

The Honorable Mayor, Members of the City Council
and the Citizens of the City of Gulf Shores, Alabama

RE: 2013 BUDGET MESSAGE

The City of Gulf Shores continued to experience a healthy recovery during 2012 following the devastating impacts of the BP Oil Spill, a spill of National Significance which occurred in April 2010. Progress was made in 2012 towards acquisition of much needed replacement vehicles and equipment as well as capital repairs and renovations to City facilities by use of borrowed funds. The capital purchases for vehicles and equipment and the repairs to City facilities should position the City to put its best face forward for the tourists we hope to see return in 2013. The enclosed City of Gulf Shores budget document and supporting information constitutes the City's recommended financial program for the Fiscal Year 2013 starting January 1, 2013 which continues the efforts to enhance tourism. This budget was formally adopted by the City Council on December 10th 2012 and establishes a fiscal plan for the City's Fiscal Year January 1 to December 31, 2013. The budget provides for the policies and goals of the Council as discussed during planning retreats conducted throughout the year.

Budget Preparation began in mid-August and was finalized with adoption of the 2013 Budget by Council December 10th, 2012. The Finance Committee met regularly during the year to review ongoing 2012 Budget expenditures compared to budget, progress towards achieving set revenue targets, and accomplishment of the City's Financial Goals formally adopted in 2010. The Financial Policy provided for reserve levels to enable the City to provide for continuity of operations during emergencies and disasters. The 2013 Adopted Budget provides for a continuation of the maintaining of the reserve targets. A complete copy of the 2010 Financial Policy adopted is included later in this budget document.

Budget Preparation Instructions given to Department Heads in August at the start of the budget process provided guidelines consistent with the adopted Financial Policies. Budget Expenditure Requests for 2013 should not exceed 2012 Budgeted amounts since the City had to absorb increased pension costs as well as the full cost of implementation of a pay for performance plan in November 2012. With the refunding of old debt in 2012, approximately \$3 million was made available for much

needed replacement capital and equipment purchases as well as improvements to infrastructure such as buildings and roads.

A narrative of activities, services or functions carried out by the organizational units was requested in the Budget Preparation Instructions. Budgets needed to be consistent with the overall community goals/initiatives set by the Mayor and Council. The purpose of the linkage was to confirm departments and Council were on the same page with no conflicting objectives. Departments were asked to provide objective measures of progress toward accomplishing the department's mission as well as goals and objectives for specific units and programs. Objectives and measures needed to be linked and outcome related.

The Financial Summaries section of the 2013 Budget Book contains details of City operations on a department-by department, fund-by fund basis. A table of Personnel by Department for the past three years is in the Financial Summaries section as well. Each department section includes an organizational chart, departmental function, major accomplishments for the current year and goals and objectives for 2013. Also included by department are historical, current and future financial data and staffing by department.

Current Fiscal Condition

During 2012 the City maintained the overall financial reserve target of 45% of budget or \$12.8 million comprised of \$7.1 million for the General Fund and \$5.7 million for Beach Reserves. Sales Tax collections exceeded levels last reached during post Hurricane Ivan and prerecession boom year of 2007. Lodging Tax collections were the highest recorded reaching 20% greater than max collection years of 2007 and 2008. Lodging Tax growth can be attributed to enhanced Vacation by Rental Owners (VRBO) collections and return of room rates to market level, rather than discounted as occurred in 2010. Business License collections lagged behind the peak year of 2007 due to the construction levels not at 2008 prerecession levels and a change in business license requirements for individual real estate licenses.

Economic Diversification efforts

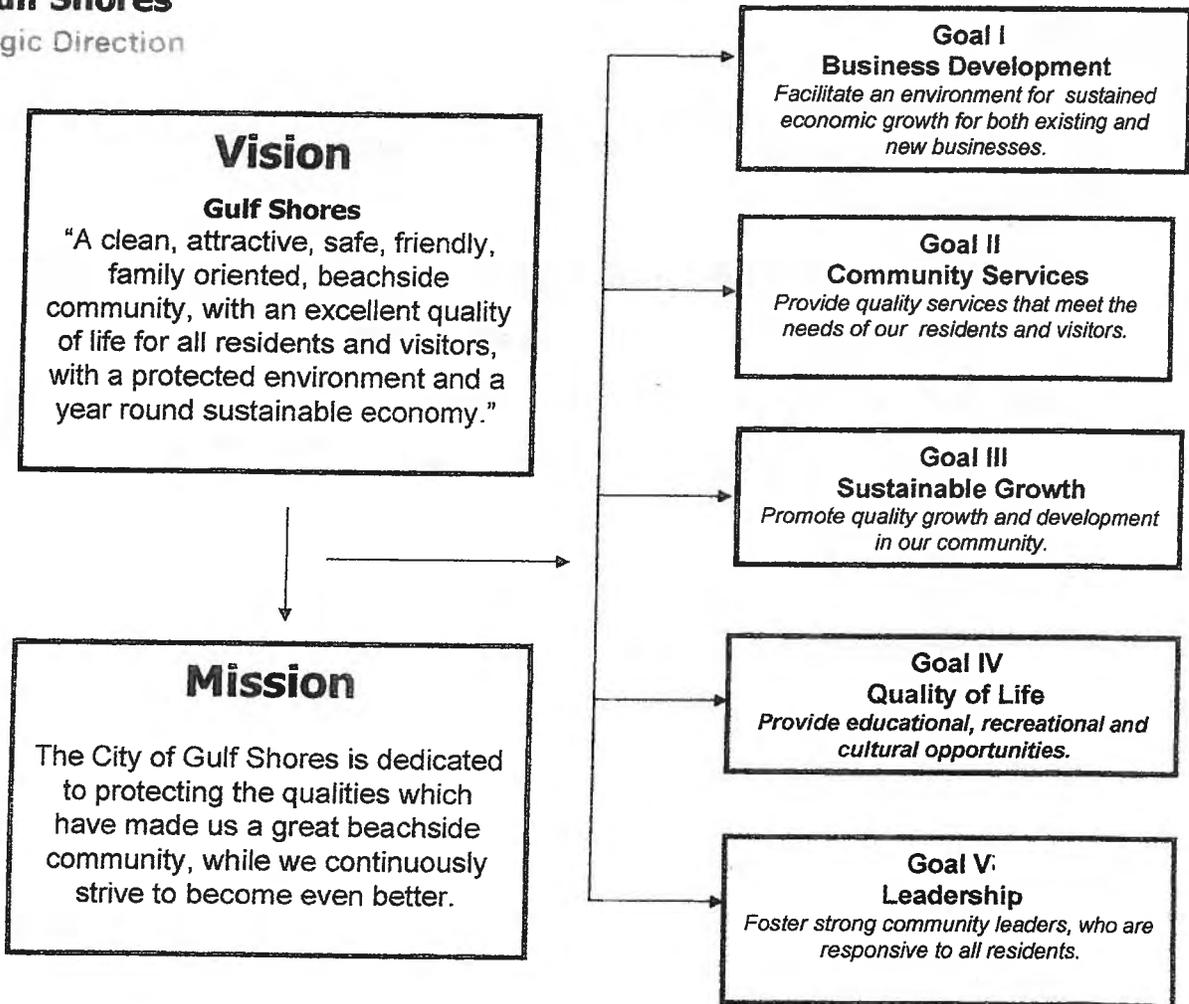
The BP Oil Spill significantly changed the City's planning processes and forced the City to look at enhanced revenue producing options such as Music Festivals to (re)attract tourists to the Gulf Coast. A local music festival launched the City into the national music spotlight with top entertainment figures performing. The festival provided a much needed boost to the pre-summer tourist season lodging and sales tax revenues. Enhanced efforts to diversify the local economy began in 2011 with recruitment of high tech companies not solely dependent on the tourist industry. Construction of a dry dock basin for yacht servicing was completed in 2012. The National Sand Volleyball Championship was held in Gulf Shores for the first time in 2012 and further enhanced the City's name recognition.

STRATEGIC PLANNING

The City of Gulf Shores developed a Strategic Plan in 2007 outlining six overall goals. The Strategic Plan development occurred post Hurricane Ivan and reflected the City's recovery efforts and strategic directions. Work on the Strategic Plan continued in 2012 and the 2013 Budget continues facilitation of the Strategic Plan administered by the Mayor. The Strategic Plan is shown on the next page.

Gulf Shores

Strategic Direction



Council Retreats

Two council retreats were held in 2012 to discuss progress towards City goals and define further steps needed to achieve goals. At the Council Retreat held in April 2012 the primary topics covered were an overview of the Hangout Music Festival (pre-festival), a Finance Overview, Business License Vacation by Owner Rental Identification Problems, Salary Reward (final Performance Appraisal Review) Understanding, Waterway Village Land Acquisition, Bon Secour Village Strategy, Fort Morgan Rental Expansion, Legal Issues and Oil and Gas Money from the State. In December 2012 Mayor and Council met with Department Heads to discuss the following issues in line with the City Wide Goals set in 2007:

1) Group

- a. Grant Research & Application (**Goal 5 – Leadership**)
- b. Airbus Strategy (**Goal 1 – Business Development**)

2) Development Director

- a. Envision (Gulf Place Improvements) Rezoning (**Goal 3 - Sustainable Growth**)
- b. Waterway District status (**Goal 4 – Quality of Life**)
- c. Bon Secour Village Update (**Goal 4 – Quality of Life**)
- d. Inspection Strategy (**Goal 4 – Quality of Life**)
- e. Tattoo Parlor/Massage Parlor/Offensive Window Display (**Goal 4 – Quality of Life**)

3) Public Works Director

- a. ALDOT Project Update (**Goal 3 – Sustainable Growth for all**)
 - i. 20th Street
 - ii. Lagoon Pass
 - iii. Traffic Signals
- b. Drainage Control Status

4) Chief Building Official/Emergency Manager (Goal 5 – Leadership)

- a. BP Beach Cleaning Status
- b. Storm Protection/Recovery

5) Recreation and Cultural Affairs Director (Goal 4 – Quality of Life)

- a. Public Beach Improvements
- b. Special Events – Sports
- c. Track Repair Update

- 6) **Finance & Administrative Services Director (Goal 5 – Leadership)**
 - a. Department Review
 - b. Surplus (Reserves) Management
- 7) **Municipal Court Clerk – Municipal Court Issues (Goal 2 - Community Services)**
- 8) **Fire Chief - Department Issues (Goal 2 - Community Services)**
- 9) **Police Chief - Department Issues (Goal 2 - Community Services)**
- 10) **Group**
 - a. Airport (Goal 2 - Community Services)
 - i. Restructure Board
 - ii. 11 Acres Status
- 11) **City Attorney – Legal Updates (Goal 3 - Sustainable Growth)**
- 12) **Council – City Administrator Search Status – Slavin Update (Goal 5 – Leadership)**
- 13) **Mayor (Goal 5 – Leadership)**
 - a. Restore Strategy Update
 - b. Envision Gulf Shores Zoning Review
 - c. Environmental Consultant
- 14) **Council – (Goal 5 – Leadership)**
 - a. Possible land swap/acquisition

A follow-up retreat meeting will be held in early 2013 with four different checklists of what is going on around the City:

- Department strengths and weaknesses will be submitted by department
- A Mission Statement for the next four years by Department will be submitted
- A Mission Statement for the City will be created
- Department Heads will rate every other department in the City on a scale of 1 to 5 with 2 and less being poor and 5 being great.

Short-term goals/factors impacting Budget Development

Since the BP Oil Spill Disaster the City has been in a tenuous recovery mode. BP fines to be made available through the Restore Act distribution still have not occurred. The City went through the bond rating process in 2012 and as a result of critiques received will focus on paying off short term debt as quickly as possible. The City awaits a final court decision concerning the Fort Morgan Annexation which could possibly reduce the City budget size by approximately ten percent.

SUMMARY OF THE FISCAL YEAR 2013 BUDGET

Significant Budget Items and Trends

The City of Gulf Shores budget was presented to the Finance Committee by Department with a breakout of Fixed Personnel and Operations Costs, Additional Personnel and Capital Requests. A Five Year Capital Plan was presented to the Finance Committee Members for use of 2012 Refunding proceeds for capital needs through 2014.

Employee pay adjustments - Pay for Performance training was conducted by an outside consultant in 2011 and was implemented November, 2012. The financial impact for 2012 of the Pay for Performance adjustments will be fully annualized in the 2013 budget.

A summary of the major changes for the Adopted 2013 Budget is:

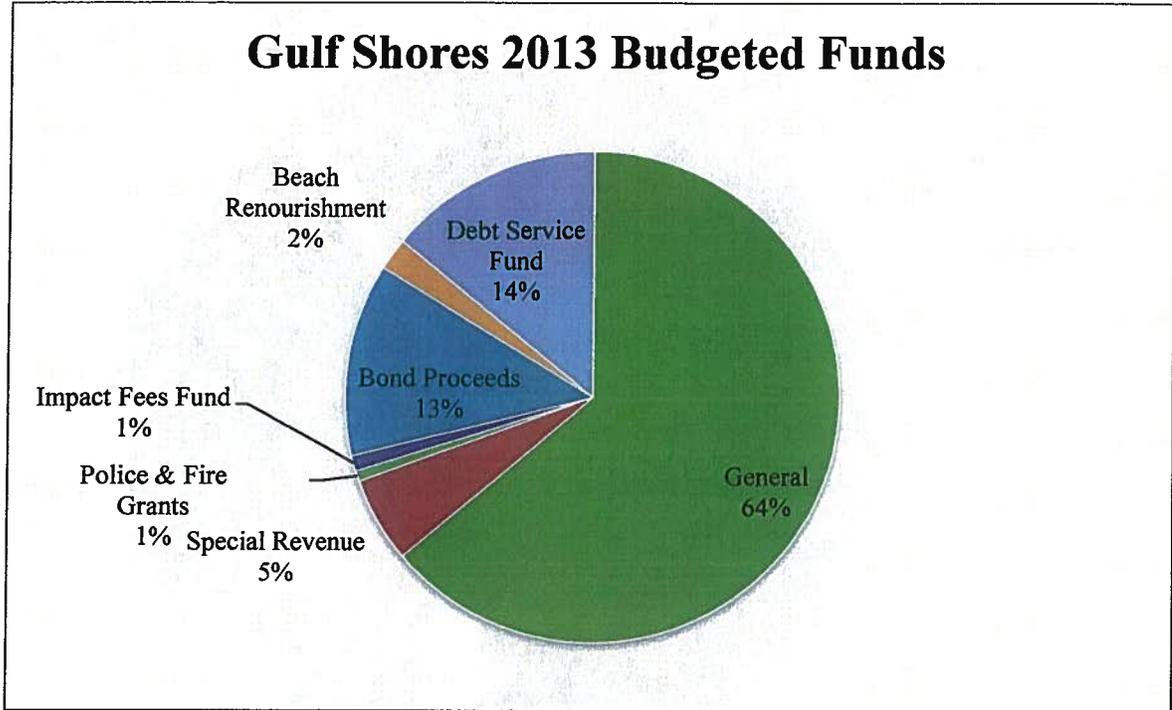
- **Finance and Administrative Services added an Administrative Assistant position**
- **Police Department added 2 new Corrections Officers**
- **Public Works added 10 new part-time positions and eliminated one full-time position**

Fund Structure

The Adopted All Funds Budget for Fiscal Year 2013 is \$44,709,335. This represents a net decrease of \$10,416,837 or -19% from the Amended Fiscal Year 2011 Budget of \$55,126,172. A synopsis of the total All Funds Budget appropriated is as follows:

	Amended Budget 2012	Adopted Budget 2013	Increase (Decrease)	% Change
General	33,239,625	28,516,910	(4,722,715)	-14%
Special Revenue	2,420,000	2,521,000	101,000	4%
Police & Fire Grants	298,500	315,000	16,500	6%
Impact Fees Fund	323,257	453,272	130,015	40%
Bond Proceeds	6,290,339	5,667,653	(622,686)	-10%
Beach Renourishment	1,052,001	950,600	(101,401)	-10%
Debt Service Fund	11,502,450	6,284,400	(5,218,050)	-45%
Total	<u>\$55,126,172</u>	<u>\$44,709,335</u>	<u>(\$10,416,837)</u>	-19%

Fund Relationship - A graphic view of the 2013 All Funds Budget is as follows:



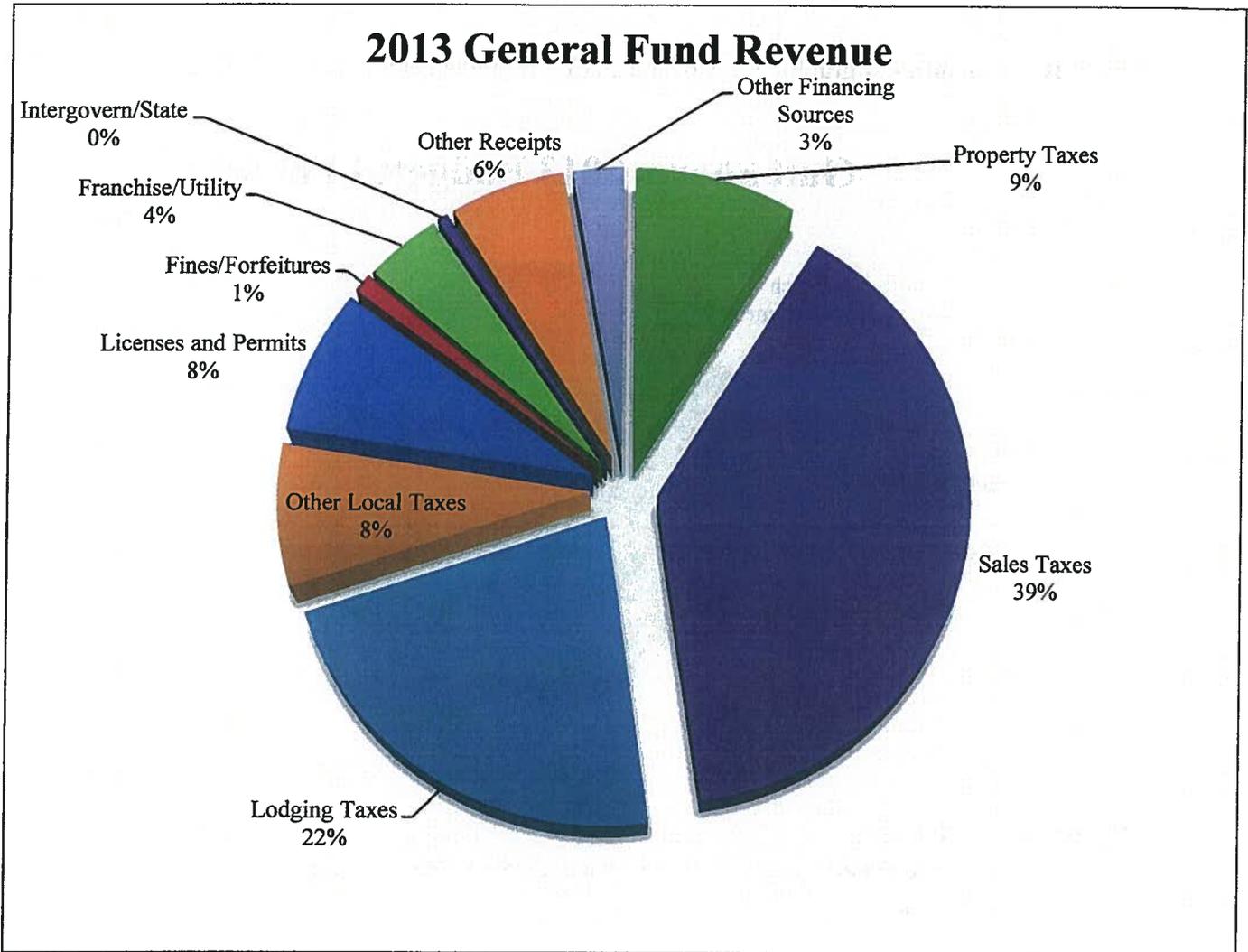
Financial Policies

The City’s 2010 Adopted Financial Policy was adopted March 8, 2010 and is included at the end of the 2012 Budget document.

Revenue Trends

The City of Gulf Shores General Funds Revenues are as follows:

	Budget 2013	% of Budget
Property Taxes	2,468,300	9%
Sales Taxes	11,144,000	39%
Lodging Taxes	6,300,000	22%
Other Local Taxes	2,184,000	8%
Licenses and Permits	2,231,500	8%
Fines/Forfeitures	285,000	1%
Franchise/Utility	1,187,300	4%
Intergovern/State	141,900	0%
Investments Income	15,000	0%
Other Receipts	1,773,638	6%
Other Financing Sources	786,272	3%
Total	\$ 28,516,910	



Property, Sales, Lodging and Other Local Taxes comprise 70% of the total General Fund Revenues and are highly dependent on tourism income. The beaches are beautiful and with several concerts and sporting events held in 2012, the City continued to rebound from the devastating BP Oil Spill disaster.

Revenue projections are based on trend analysis of prior years' receipts. City Revenues due to tourism are highly cyclical and are charted by month for the past three years with a projection made that takes into account prior years actual with an emphasis on current market trends heavily impacting the final projection.

Basis of Budgeting

Governmental funds are reported using current financial resources measurement focus and are budgeted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual: i.e. when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay

liabilities of the current period. A one-year availability period is used for recognition of all other Governmental Fund revenues. The revenues subject to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenues. All other governmental fund revenues are recognized when received. The basis of budgeting is the same as reported in the entity's audited financial statements with the exceptions of depreciation which is not budgeted, but recognized when audited and encumbrances which are recorded during the year and closed out prior to year end.

Long-range Financial Planning

City Department heads were asked to create an out year budget along with their budget for 2013 in order to identify future funding needs. Capital Outlays were requested for a five year period beginning in 2013 and the City Department Heads collaborated in the Five Year Capital Outlay Plan approved by Council.

Capital Expenditures

Capital Outlay for equipment, vehicles and a city signage program were included in the Five Year Capital Outlay Plan for a five year period in 2013, enabling the City to replace worn out equipment and vehicles with less ongoing maintenance costs. Vehicle and equipment purchases were delayed in previous years due to uncertainty regarding the outcome of an outstanding FEMA obligation and the BP Oil Spill disaster. Cost savings on maintenance of older vehicles and equipment will offset some of the debt service expense in 2013.

CONCLUSION

In conclusion, the programs outlined in the following pages of this budget document are attainable and reasonable. Sincere appreciation goes to all the Department Heads for their careful effort put forth in composing their departmental budget(s).

This budget continues to show the sound fiscal policy established by the Mayor and Council. We also expect to maintain a healthy fund balance of \$12,832,610 or 45% of the General Fund adopted budget revenues of \$28,516,910.

Respectfully submitted,



Cynthia King, Director

Finance & Administrative Services

Just the Facts

All about Gulf Shores, Alabama

Just the Facts

Government

- The Town of Gulf Shores was incorporated on February 12, 1957 and became a city on April 18, 1985.
- The affairs of Gulf Shores, Alabama are conducted by a Mayor and a Council consisting of five members.
- The daily operations of the city are run by the City Administrator responsible to the Mayor and Council.

More Facts

- Gulf Shores is a world-class all-seasons resort area on the white sandy beaches of the southern tip of Baldwin County, Alabama on the warm waters of the Gulf of Mexico.
- Gulf State Park is 6,000 acres of land partially located in Gulf Shores with 20 miles of paved trails for hiking and biking.
- The tourist boom in Alabama came in the early 1970s following the construction of Interstate 65, sparking development.

Geographic Characteristics of Gulf Shores, Alabama

	Square Miles	Climate	Topography
Land Area	27.8 Sq/Miles		
Water Area	4.76 Sq/Miles		
Average Annual Temperature		66 Degrees	
Average Annual Rainfall		66.2 Inches	
Elevation			8 Feet

Just the Facts

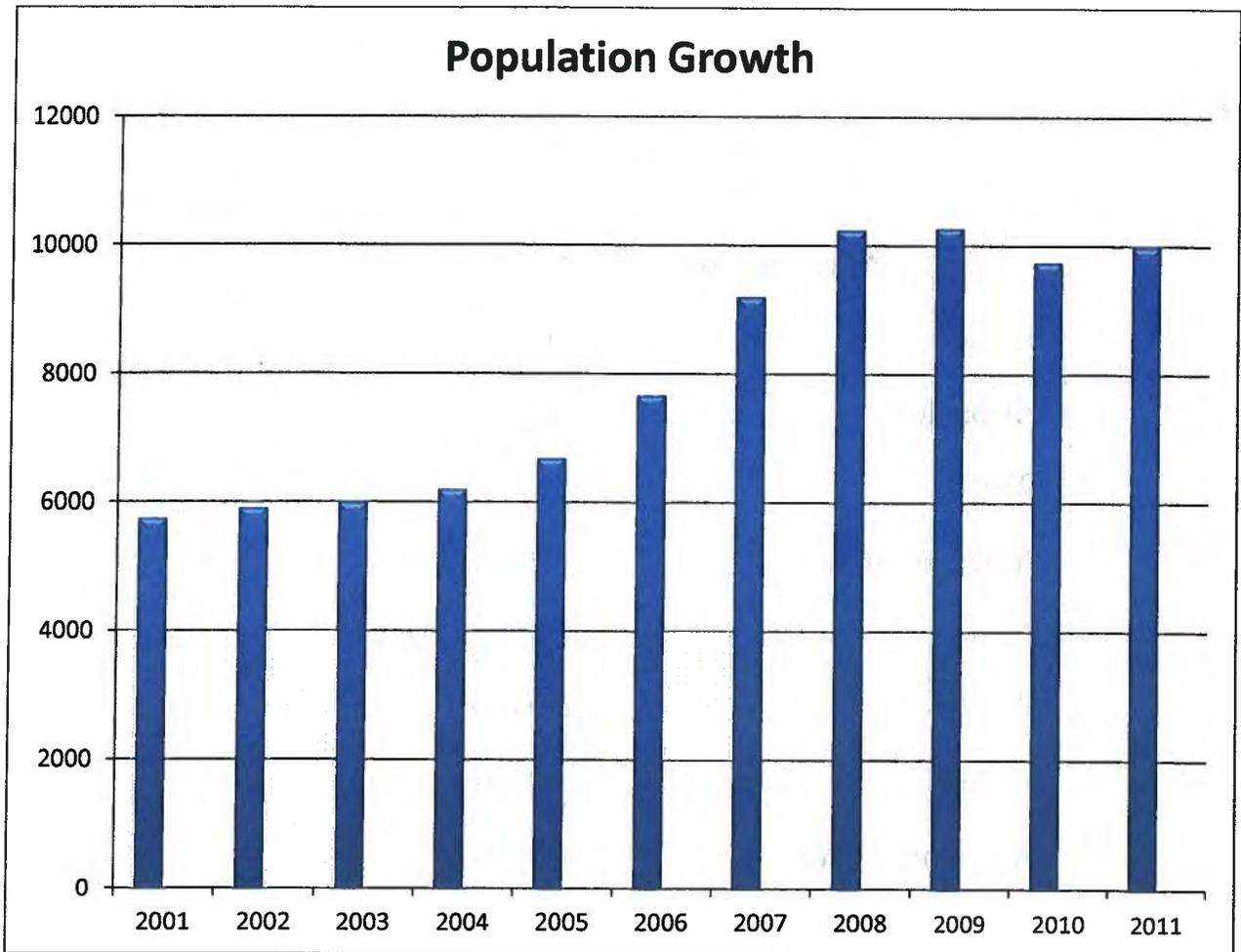
Demographics

Age, Race & Gender Composition	
White	93.4%
Hispanic	4.0%
Black	1.5%
American Indian	.5%
Asian	.9%
Female	50.6%
Male	49.4%
Age Under 5 Years	5.4%
Age 18 years & Over	18.3%
Age 65 years & Over	17.2%
Median Age is 42 years	

The following table depicts information related to the population of Gulf Shores, Alabama.

Figures on based on US Census Bureau 2010 Demographic Profile Data

Just the Facts



Source: US Census Bureau Population Estimates, 2001 through 2011

Gulf Shores, Alabama almost doubled its population during the past ten years.

Just the Facts

Economic Highlights

Top Ten Employers in Gulf Shores, Alabama

	Employer	# of Employees
1	LuLu's	351
2	Waterville	310
3	Wal-Mart	269
4	Brett Robinson	265
5	Kaiser	235
6	The Beach Club	223
7	Gulf Shores Public Schools	220
8	City of Gulf Shores	217
9	Original Oyster House	150
10	Target	125

Gulf Shores issued 10,152 licensed businesses in 2012

**Per Capita Income within Gulf Shores in 2011
was higher than the United States level.**

2011

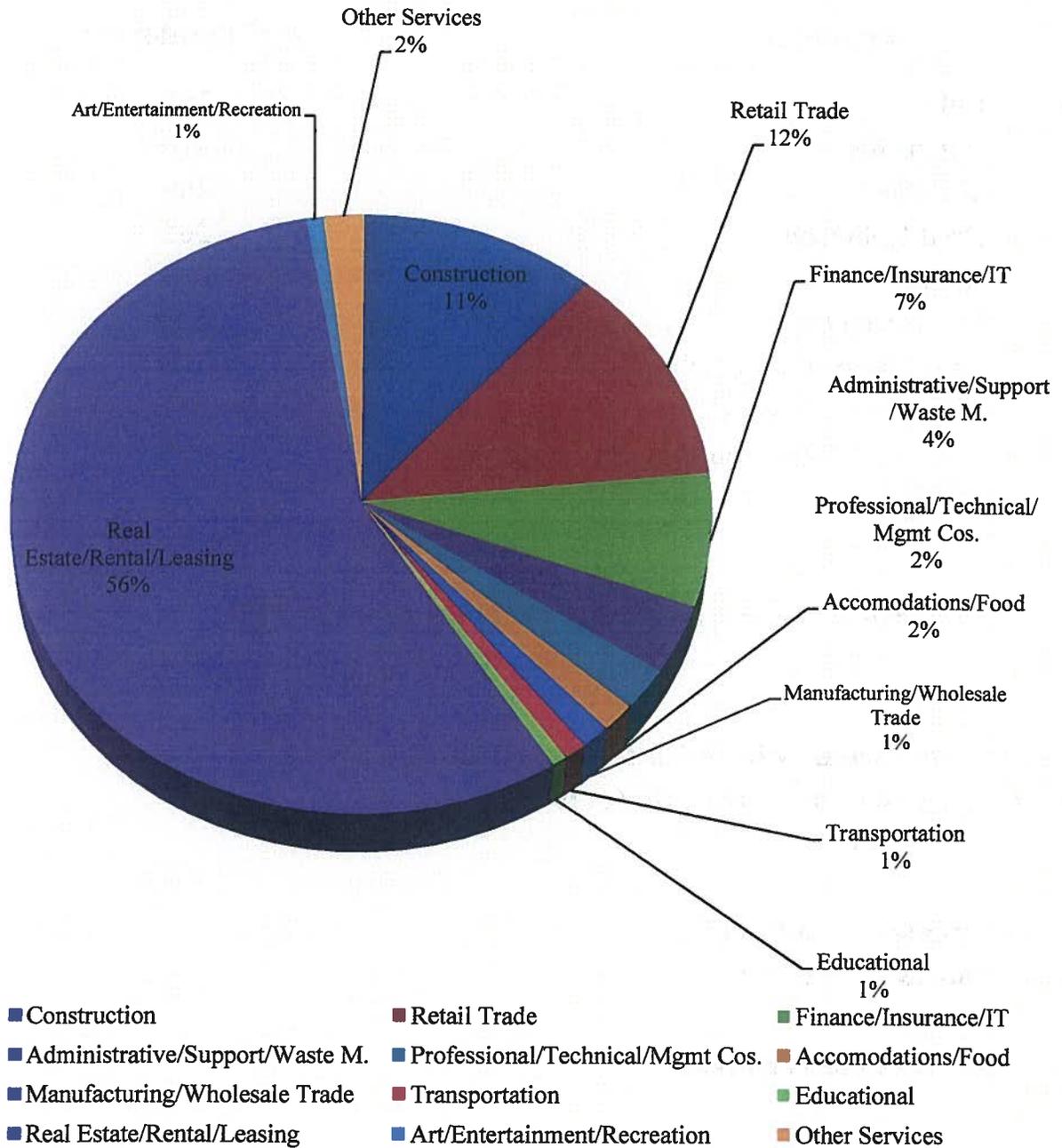
United States \$27,915

Gulf Shores \$29,516

Source: US Census Bureau

Just the Facts

Gulf Shores, Alabama Business Profile



Just the Facts

Housing Statistics

Number of Housing Units	11,921
Owner-Occupied	4,458
Seasonal, recreational or occasional use	5,654
Other vacant housing units	1,814

Source: US Census Bureau 2010 Demographic Profile Data

Housing Size

Housing Units by Size	
Studio Type	2.20%
One Bedroom	10.90%
Two Bedrooms	43.80%
Three Bedrooms	34.40%
Four Bedrooms	6.60%
Five Bedrooms or more	2%

Just the Facts

Owned Homes, Apartments and Condos

Average Household Size	3.25
Median year structure was built	1987
Median Value of occupied units	\$266,900
Median Price asked for vacant units	\$302,080

Rented Homes, Apartments and Condos

Average Household Size	2.48
Median year structure was built	1987
Median Monthly Rent asked for vacant units	\$1,423

Service Statistics:

The chart below describes several of the services provided in Gulf Shores, Alabama.

Public Safety 2012	
Fire Protection	Police Protection
Fire Stations.....4	Primary Patrol Districts.....3*
Sworn Employees.....42	Sworn Employees.....43
Civilian Employees.....1	Civilian Employees.....17
*Tourist Season includes a 4 th district	

Just the Facts

Park, Recreation & Cultural Affairs

City Park Properties.....8
Recreation Center.....1
Sportsplex..... 1
Lighted Tennis Courts..... 18
Multi-Purpose Fields.....5
Football Stadium.....1
Swimming Pool.....1
Play Grounds.....2
Beach Volleyball Courts.....4
Picnic Areas.....6
Civic Center.....1
Library..... 1
Boat Launching Facilities.....2
Baseball/Softball Fields..... 13
Museum.....1
Community House.....1
Adult Activity Center.....1
Outdoor Basketball Courts.....2
Horseshoe Pits.....10
Dog Park.....1
Bocce Ball Courts.....2

Just the Facts

Highways and Streets

Miles of Streets Maintained.....67

Streetlights.....2,248

Traffic Signals.....24

Educational System

Elementary School..... 1

Middle School.....1

High School.....1

Day School (ages 2-5)..... 1

Community College.....1

Historic Sites

Fort Morgan

Knob Hill – Historic Marker

Camp Withers – Historic Marker

Callaway Home – Registered Historic Home

For More Information

If you would like more information about Gulf Shores, Alabama, please visit the Gulf Shores website at www.gulfshoresal.gov, or call the City of Gulf Shores at 251.968.1120.

CITY OF GULF SHORES, ALABAMA
FINANCIAL SUMMARIES
FISCAL YEAR 2013

City of Gulf Shores, Alabama Budget 2013

Fund/Department Cross Reference Table

Department/Division	FUND					
	General	Special Revenues	Police & Fire Grants	Impact Fees	Bond Proceeds	Debt Service Fund
Executive	X					
Finance & Administrative Services	X				X	
Municipal Court	X					
Police	X		X		X	
Fire & EMS	X		X		X	
Community Development	X					
Building	X					
Recreation & Cultural Affairs	X			X	X	
Special Events & Programs	X			X	X	
Library	X			X	X	
Recreation - Bodenhamer	X			X	X	
Recreation - Sportsplex	X			X	X	
Recreation - Parks	X			X	X	
Recreation - Beach	X			X	X	
Public Works - General Services	X			X	X	
Public Works - Custodial	X			X	X	
Public Works - Landscaping	X			X	X	
Public Works - Streets	X			X	X	
Public Works - Maintenance	X			X	X	
Appropriations	X	X				
Transfers Out						X

Fund Description

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording all financial resources and liabilities which are segregated for a specific purpose, activity or objective. For 2013 the City of Gulf Shores has the following funds: General, Special Revenue, Police & Fire Related Grants, Impact Fees, Bond Proceeds, Beach Renourishment and Debt Service. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Transfers out of the General Fund and Special Revenue Fund to the Debt Service Fund are used to retire outstanding City debt. Transfers from the Designated Taxes fund to the General Fund are used to pay for legally restricted specific purposes for Police and Fire grants. City fund definitions and purpose are in the following sections.

GENERAL FUND

The General Fund expenses provide services to the City population and represents expenditures for governmental services normally associated with government (i.e. public safety, streets, parks, recreation facilities). General Fund revenues consist of approximately 77% Taxes and 8% Licenses and Permits. Over half (56%) of the General Fund expenditures are related to salaries. Transfers for Debt Service makes up 24% of the General Fund Budget and is used to pay for bond improvements. Operational costs comprise another 19% of the General Fund expenditures. Capital Outlays in the General Fund are related to Alabama Department of Environmental Management (ADEM) expenditures.

Fund Balance: Cash reserves are sufficient to maintain solid financial strength for future years. In 2011 the City added \$3,948,551 to the reserves due to receipt of BP settlement revenues of \$6.4 million offset by a litigation settlement liability of \$3.8 million. For 2012 no additional funds are projected to be added to the reserves. The City is in compliance with the City's Financial Policy adopted in 2010. The 2010 City Financial Policy requires a General Fund cash reserve equal to twenty-five (25%) of the General Fund Operating Budget and a Beach Reserve equivalent to twenty (20%) of the General Fund Budget. In 2013 the City should be able to maintain the General Fund level of reserves needed of \$7,129,228 and to the Beach Reserves \$5,703,382 in order to sustain operations during fluctuations of the revenue streams. Total reserve funds target for 2011 is \$12,832,610.

SPECIAL REVENUES

Special Revenues represent 2% of City wide Lodging Tax collections set aside to offset beach restoration expenses. Currently the Special Revenues are used for a bond issued for beach restoration costs. Special Revenue Funds are not shown separately in the City's audited financial statements but are included as part of the General Funds. The Special Revenues are shown

separately for budget purposes to ensure the debt service payments will be made with the designated funds specified.

Special Revenues other than the Lodging Tax Collections are operating funds used to account for the proceeds of specific revenue sources that are legally restricted to be spent for specific purposes.

POLICE & FIRE GRANTS

Operating funds used to account for the proceeds of specific revenue sources that are legally restricted and are to be used for specific purposes. Grants are shown under Program Revenues as Operating Grants and Contributions in the audited Financial Statements.

IMPACT FEES

Impact Fees are imposed on property developers for new infrastructure that must be built or increased due to new developments. The Fees are shown under the heading Capital Grants and Contributions in the audited financial statements.

BOND PROCEEDS

Bond proceeds are used for the acquisition and construction of major capital equipment and facilities. For 2013 projects begun in 2011 and 2012 with bond proceeds are scheduled to be completed. Use of bond proceeds are shown in designated separate funds in the audited financial statements. Bond funds are used for capital projects that are too costly to be funded through the regular operational budget. These significant capital investments for improvements to existing buildings as well as for new equipment should reduce the operational costs for repair and maintenance in 2013 and future years. The City developed in 2012 a Five Year Capital plan that should enable ongoing routine and maintenance costs to be kept at a minimal level without spikes for maintaining equipment beyond its normal life cycle. A copy of the Five Year Capital Plan is included on page 53 at the end of this section. All uses of bond funds for 2013 are shown on page 54.

DEBT SERVICE FUND

The Debt Service Fund is used to record principal and interest payments on debt which include bond issues, general obligation warrants with banks, notes payable, and lease/purchases. The expense for Fiscal Agent Fees for bond issues is also recorded in this fund. Funding for most payments is provided by a transfer from the General Fund. Currently, one issue for Beach Restoration-Phase III is outstanding and it is funded with a transfer from the 2% Lodging Tax Fund. Payments on the 2005-C G. O. Warrant that provided funds to purchase the Pinnacle Mall property are funded by: the City's share of Property Taxes or payments in lieu of taxes paid by the developer/owner to Baldwin County; Sales and Use Taxes paid to the City by the merchants located in the mall; and rent paid to the City by the developer/owner.

Debt

A constitutional debt limit of 20% of the assessed value of the property within the city limits is in place for the City of Gulf Shores. Gulf Shores debt limit is \$97,486,672 million based on 2011 assessed value of \$487,433,360. Assessed property values for 2012 of \$468,268,740 were received from the Baldwin County Revenue Commissioner's Office which would result in a debt limit of \$93,653,748. Current debt obligations of \$55 million already exist. Debt Service constitutes 14% of total all funds expenditures. Dedicated revenue streams offset 30 per cent of the debt service for land acquisition related to Pelican Place Mall. Sales Tax collections from Pelican Place mall are dedicated to pay the debt for Pelican Place Mall. Due to reliance on tourist revenue streams that are highly cyclical, debt service funds that have to be set aside limits funds available for operations.

All of the long-term debt owed by the City of Gulf Shores is in the form of General Obligation Warrants. General Obligation Warrants are tax supported. The reporting entities long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities. City debt limits for the past five years are shown in the following chart:

Fiscal Year	Assessed Value	Debt Limit %	Debt Limit \$
2012	468,268,740	20%	\$ 93,653,748
2011	487,433,672	20%	\$ 97,486,672
2010	524,154,540	20%	104,830,890
2009	653,336,040	20%	127,067,208
2008	754,976,100	20%	150,928,620

As of December 31, 2012 the governmental long term debt consisted of the following:

General Obligation (GO) Warrants:**2012 C and 2012 D GO Warrants – Issue amount \$19,645,000**

The 2012 C and D O Warrants refunded the City's outstanding Series 2004 and Series 2006-B Warrants and provided funds for capital improvements in the City including parking property purchase, streetscape improvements, way finding signage, building improvements, road repair and equipment purchases.

2008 A GO Warrants – Issue Amount \$17,050,000

The following projects were funded by the proceeds of this issue: purchase of the property, two buildings, and renovation of the buildings, for the City Hall Annex. The Annex is located on

Clubhouse Drive across the street from the existing City Hall. The Annex provided much needed additional space for the Municipal Court offices and court chambers, administrative offices for the Police Department, and offices for the Community Development and Building Departments. Additional projects in the process of completion with the bond issue proceeds are: renovation of the existing City Hall building; Meyer Park Improvements; and various other capital expenditures to renovate and improve existing City assets.

In addition to providing funds for capital projects, the 2008-A issue refunded two existing bond issues: the unrefunded portion of the 1996 G. O. Warrant and the 1998-C G. O. Warrant. Aggregate Debt Service (Principal and Interest) owed on the issue is \$23,630,857 and is repaid from the General Fund. Debt Service amount due in 2013 is \$1,258,548; 2014 amount due is \$1,418,573.

2006 A GO Warrants – Issue Amount \$2,465,000

Debt Service Refunding for 2005 C and 2006 B warrants paid from General Fund revenues. Aggregate Debt Service (Principal and Interest) owed on the issue is \$3,034,735. 2013 amount due \$126,340; for 2014 debt service is also \$126,340.

2005 C GO Warrants – Issue Amount \$11,560,000

Proceeds were used Colonial Properties Project for Pelican Place Mall and debt service is repaid by Sales Taxes from the mall. Aggregate Debt Service (Principal and Interest) owed on the issue is \$5,374,683. 2013 amount due \$1,790,415; for 2014 amount due is \$1,793,165.

2003 C Warrants – Issue Amount \$9,220,000

Beach Improvements paid from 2% Lodging Tax. Aggregate Debt Service (Principal and Interest) owed on the issue is \$1,570,400 due in 2013 (final payment).

2002 GO Warrants – Issue Amount \$5,355,000

Faulkner State College debt paid by Faulkner State College. Aggregate Debt Service (Principal and Interest) owed on the issue is \$330,840. 2013 amount due is \$163,720; 2014 amount due is \$167,120.

Notes leases payable:

In 2011, the City entered into two Installment Financing Contracts with RBC Bank totaling \$1,221,825. A final payment occurred in 2012 to retire one of the 2011 issues early and another final payment will be made in 2013 to retire the other 2011 issue.

\$178,956 Lease Payable to Key Government Finance, for VOIP communications system, dated May 3, 2010 due in annual installments of \$37,531 on November 1, final payment due November 1, 2013.

\$102,869 Lease Payable to Bancorp South for a Knuckleboom Loader, dated October 15, 2008, due in semiannual installments of \$11,674 due April 15 and October 15, final payment is due in 2013.

\$115,944 Lease Payable for 3 Reel Mowers for the Recreation Department, annual payments of \$28,986 with final payment due November 2015.

\$75,503 Lease Payable to Kansas State Bank for Exercise Equipment, dated in 2012, due in monthly installments of \$2,357 with final payment due December 2014.

Below is a listing of all debt service payments by year:

Debt Service Payments by Year

	Principal	Interest	Total
2013	4,531,242	1,582,556	6,113,798
2014	3,288,205	1,401,774	4,689,979
2015	3,248,995	1,280,092	4,529,087
2016	2,540,000	1,022,671	3,562,671
2017	2,585,000	960,531	3,545,531
2018	2,095,000	891,631	2,986,631
2019	2,170,000	821,390	2,991,390
2020	2,240,000	746,010	2,986,010
2021	2,530,000	690,970	3,220,970
2022	2,380,000	620,375	3,000,375
2023	2,435,000	564,906	2,999,906
2024	2,505,000	252,257	2,757,257
2025	2,565,000	440,868	3,005,868
2026	2,640,000	373,275	3,013,275
2027	2,765,000	254,475	3,019,475
2028	2,890,000	130,050	3,020,050
Total	43,408,442	12,033,831	55,442,273

City of Gulf Shores, Alabama 2013 Budget Calendar

Date	Action
August 9, 2012	Budget Preparation Instructions sent to Department Heads with request to not exceed 2012 budgeted amounts in total by Department due to first full year of implementation of Pay for Performance (PARs). Departments asked not to reduce service levels. Only needed or emergency capital to be requested as some equipment/vehicles were purchased through borrowed funds in 2012.
September 7-25th, 2012	Department Heads meet to build Five Year Capital Outlay Plan. Three meetings were held and departments heard the other departments needs and collaborated on how best to meet city wide needs with limited resources. Final meeting recapped all requests to be included in the 2013 Budget. Finance committee received Five Year Capital Plan and 2013 Capital Budget Requests at monthly Finance Committee meeting prior to reviewing budgets with department heads.
October 5, 2012	Budget Requests due to Finance & Administrative Services Director. Requests were compiled with recommendations for meeting needs with revenue sources.
November 26, 2012	Finance Committee review Budget Requests, meet with Department Heads. Department Heads presented their budget requests and responded to Finance Committee members questions.
November 28, 2012	Incorporate Finance Committee changes into the 2013 Budget
December 3, 2012	Committee of the Whole (COW) meeting for full Council review Finance Committee Chair and members presented Finance Committee approved budget for entire Council consideration.
December 10, 2012	Council Adoption of 2013 Budget

CITY OF GULF SHORES, ALABAMA

FINANCIAL SUMMARIES

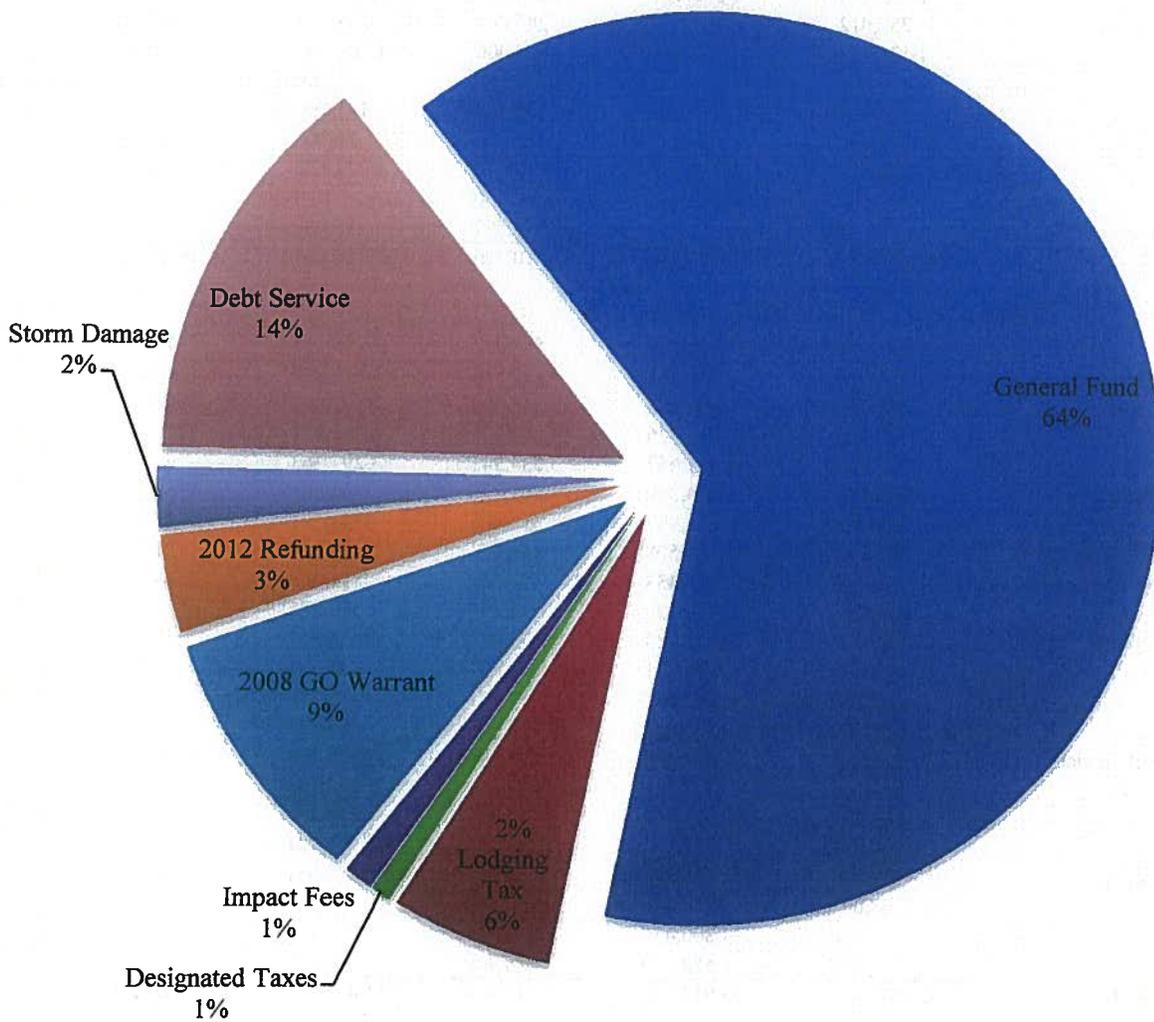
FISCAL YEAR 2013

TABLE 1
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2013

	Actual 2010	Actual 2011	Amended 2012	Adopted 2013	Dollar Change 2012 to 2013	Percent Change 2012 to 2013
REVENUES						
General Fund	24,635,666	30,155,345	33,239,625	28,516,910	(4,722,715)	-14%
Special Revenue Funds:						
2% Lodging Tax	1,432,440	2,317,123	2,420,000	2,521,000	101,000	4%
Designated Taxes	322,359	348,950	298,500	315,500	17,000	6%
Impact Fees	59,429	96,180	323,257	453,272	130,015	40%
Library Board Fund	(585)	9,380	0	0	-	
Capital Projects Funds:						
2006 GO Warrant	14,194	205	0	0	-	
2008 GO Warrant	162,903	77,931	6,290,339	4,105,766	(2,184,573)	-35%
2012 Refunding				1,561,887	1,561,887	
Grants	362,208	2,731,210	0	0	-	
Storm Damage	464,209	265,164	1,052,001	950,600	(101,401)	-10%
Debt Service	1,818,708	1,883,874	11,502,450	6,284,400	(5,218,050)	-45%
TOTAL REVENUES	29,271,531	37,885,362	55,126,172	44,709,335	(10,416,837)	46%
EXPENDITURES						
General Fund	22,262,741	24,952,533	22,413,420	21,423,244	(990,176)	-4%
Special Revenue Funds:						
2% Lodging Tax	0	-	2,420,000	2,521,000	101,000	4%
Designated Taxes	48	10,000	298,500	315,500	17,000	6%
Impact Fees	76,116	56,464	323,257	453,272	130,015	40%
Library Board Fund	3,367	4,697	0	0	-	
Capital Projects Funds:						
2006 GO Warrant	1,215,754	671,324	0	0	-	
2008 GO Warrant	7,921	425,550	6,481,139	4,105,766	(2,375,373)	-37%
2012 Refunding				1,561,887	1,561,887	
Grants	431,317	2,729,803	0	0	-	
Storm Damage	528,889	254,529	1,052,001	950,600	(101,401)	-10%
Debt Service	6,020,189	6,262,264	11,502,450	6,284,400	(5,218,050)	-45%
TOTAL EXPENSES	30,546,342	35,367,164	44,490,767	37,615,669	(6,875,098)	-15%
Excess of Revenues over Total Expenditures	(1,274,811)	2,518,198	10,635,405	7,093,666	(3,541,739)	-33%
OTHER FINANCING						
Installment Loan Proceeds		1,204,825	0	0	-	
Transfers in	4,574,279	4,662,044	298,500	315,500	17,000	6%
Transfers out	(4,670,279)	(4,662,044)	(11,125,895)	(6,895,966)	4,229,929	-38%
Total Other Financing Uses	(96,000)	1,204,825	(10,827,395)	(6,580,466)	4,246,929	-39%
Net Change in Fund Balance	(1,370,811)	3,723,023	(191,990)	513,200	705,190	-367%
Fund Balances - Beginning	24,966,575	23,595,791	27,318,814	27,126,824	(191,990)	-1%
Fund Balances - Ending	\$ 23,595,764	\$ 27,318,814	\$ 27,126,824	\$ 27,640,024	\$ 513,200	2%

GRAPH 1
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2013

Adopted Budget by Fund Fiscal 2013

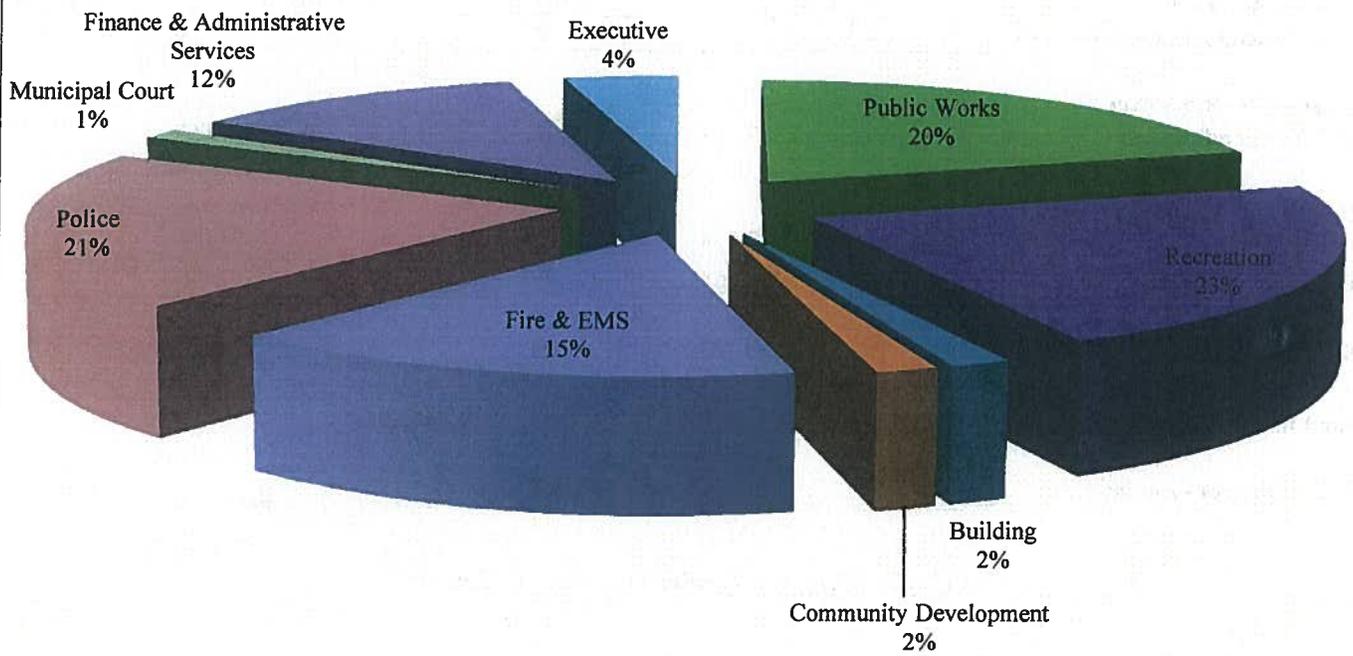


**TABLE 2
CITY OF GULF SHORES, ALABAMA
GENERAL FUND ADOPTED BUDGET
FISCAL YEAR 2013**

	Actual 2010	Actual 2011	Amended 2012	Adopted 2013	Dollar Change 2012 to 2013	Percent Change 2012 to 2013
REVENUES						
Property Taxes	2,828,257	3,397,284	2,483,000	2,468,300	(14,700)	-1%
Sales Taxes	7,354,993	8,973,388	11,144,107	11,144,000	(107)	0%
Lodging Taxes	2,154,745	3,423,151	6,300,000	6,300,000	0	0%
Other Local Taxes	1,861,688	2,159,936	2,191,000	2,184,000	(7,000)	0%
Licenses and Permits	1,793,733	1,885,421	2,248,800	2,231,500	(17,300)	-1%
Fines/Forfeitures	287,012	309,520	285,000	285,000	0	0%
Franchise/Utility	1,135,118	1,172,815	1,308,000	1,187,300	(120,700)	-9%
Intergovern/Fed	155,686	505,936	5,100	0	(5,100)	-100%
Intergovern/State	135,763	176,844	229,500	141,900	(87,600)	-38%
Investments Income	105,900	26,062	20,000	15,000	(5,000)	-25%
Other Receipts	1,346,192	1,722,665	1,918,500	1,773,638	(144,862)	-8%
BP Lost Revenues	5,476,579	6,402,323	0	0	0	
Other Financing Sources	0	0	177,789	18,000	(159,789)	-90%
TOTAL REVENUES	24,635,666	30,155,345	28,310,796	27,748,638	(562,158)	-2%
EXPENDITURES						
Executive	554,196	571,689	887,552	845,412	(42,140)	-5%
Finance & Administrative Services	2,481,933	2,353,921	2,920,238	2,516,790	(403,448)	-14%
Municipal Court	311,377	320,136	326,690	302,003	(24,687)	-8%
Police	3,737,845	3,817,726	4,244,550	4,487,251	242,701	6%
Fire & EMS	2,925,078	3,311,662	3,234,941	3,297,363	62,422	2%
Community Development	322,507	314,369	391,526	360,881	(30,645)	-8%
Building	351,579	306,997	316,409	343,797	27,388	9%
Recreation & Cultural Affairs	121,886	114,508	149,873	127,987	(21,886)	-15%
Special Events & Programs	748,974	649,438	746,556	814,600	68,044	9%
Library	448,998	410,382	525,491	534,805	9,314	2%
Recreation - Bodenhamer	1,535,778	1,562,923	1,474,879	1,635,050	160,171	11%
Recreation - Sportsplex	674,598	726,171	854,639	887,556	32,917	4%
Recreation - Parks	32,665	347,234	458,011	413,335	(44,676)	-10%
Recreation - Beach	330,830	378,511	374,548	382,427	7,879	2%
Public Works - General Services	414,988	451,258	573,996	523,616	(50,380)	-9%
Public Works - Custodial	405,566	457,791	407,050	439,182	32,132	8%
Public Works - Landscaping	533,430	584,410	616,051	610,597	(5,454)	-1%
Public Works - Streets	1,958,718	1,675,834	2,263,056	1,715,141	(547,915)	-24%
Public Works - Maintenance	819,768	974,204	1,231,059	1,054,951	(176,108)	-14%
Appropriations	57,000	233,974	277,805	80,000	(197,805)	-71%
Litigation Settlement	0	3,800,455	0	0	0	
Capital Outlay	3,495,027	1,588,940	138,500	50,500	(88,000)	-64%
TOTAL EXPENDITURES	22,262,741	24,952,533	22,413,420	21,423,244	(990,176)	-4%
OTHER FINANCING SOURCES						
Installment Loan Proceeds/Borrowed	0	1,204,825	4,582,829	0	(4,582,829)	-100%
Operating Transfers In	347,211	310,000	346,000	768,272	422,272	122%
Operating Transfers Out	(2,562,664)	(2,769,086)	(11,125,895)	(6,895,966)	4,229,929	-38%
Total Other Financing Sources	(2,215,453)	(1,254,261)	(6,197,066)	(6,127,694)	69,372	-1%
Net Change in Fund Balance	157,472	3,948,551	(299,690)	197,700	497,390	-166%
Fund Balances - Beginning	13,577,597	13,735,069	17,683,620	17,383,930	(299,690)	-2%
Fund Balances - Ending	\$ 13,735,069	\$ 17,683,620	\$ 17,383,930	\$ 17,581,630	\$ 197,700	1%

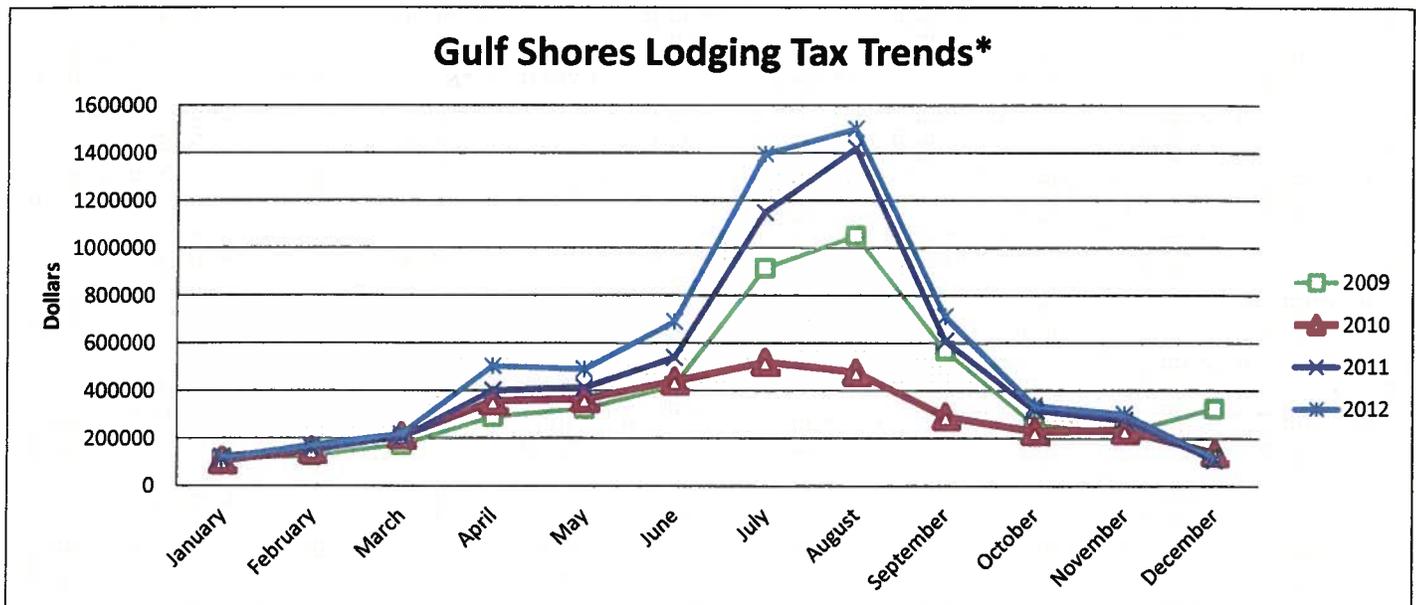
**GRAPH 2
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2013**

2013 Departmental Budget



**TABLE 3
CITY OF GULF SHORES, ALABAMA
SPECIAL REVENUE FUND
LODGING TAX ADOPTED BUDGET
FISCAL YEAR 2013**

	Actual 2010	Actual 2011	Amended 2012	Adopted 2013	Dollar Change 2012 to 2013	Percent Change 2012 to 2013
REVENUES						
Taxes:						
Lodging Tax 2% Beach	1,424,736	2,315,474	2,419,000	2,520,000	101,000	4%
Interest Income	<u>7,703</u>	<u>1,649</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>0%</u>
Total Revenue	<u>1,432,439</u>	<u>2,317,123</u>	<u>2,420,000</u>	<u>2,521,000</u>	<u>101,000</u>	<u>4%</u>
EXPENDITURES						
Current:						
General government	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Total general government	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Excess of Revenues over Total Expenditures	<u>1,432,439</u>	<u>2,317,123</u>	<u>2,420,000</u>	<u>2,521,000</u>	<u>101,000</u>	<u>4%</u>
OTHER FINANCING USES						
Transfers out	<u>(1,678,615)</u>	<u>(1,582,958)</u>	<u>(2,420,000)</u>	<u>(2,521,000)</u>	<u>(101,000)</u>	<u>4%</u>
Total Other Financing Uses	<u>(1,678,615)</u>	<u>(1,582,958)</u>	<u>(2,420,000)</u>	<u>(2,521,000)</u>	<u>(101,000)</u>	<u>4%</u>
Net Change in Fund Balance	<u>(246,176)</u>	<u>734,165</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Fund Balances - Beginning	1,073,209	827,033	1,561,198	1,561,198	0	
Fund Balances - Ending	<u>\$ 827,033</u>	<u>\$ 1,561,198</u>	<u>\$ 1,561,198</u>	<u>\$ 1,561,198</u>	<u>0</u>	



*2010 Lodging Tax Losses due to BP Oil Spill

**TABLE 4
CITY OF GULF SHORES, ALABAMA
SPECIAL REVENUE FUND
DESIGNATED TAXES
ADOPTED BUDGET
FISCAL YEAR 2013**

	Actual 2010	Actual 2011	Amended 2012	Adopted 2013	Dollar Change 2012 to 2013	Percent Change 2012 to 2013
REVENUES						
Taxes:						
Intergovernmental:						
State of Alabama	320,470	348,575	298,500	315,000	16,500	6%
Interest Income	1,889	375	0	0	0	n/a
Total Revenue	<u>322,359</u>	<u>348,950</u>	<u>298,500</u>	<u>315,000</u>	<u>16,500</u>	<u>6%</u>
EXPENDITURES						
Current:						
General government	48	10,000	0	0	0	n/a
Total general government	<u>48</u>	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Excess of Revenues over Total Expenditures	<u>322,311</u>	<u>338,950</u>	<u>298,500</u>	<u>315,000</u>	<u>16,500</u>	<u>6%</u>
OTHER FINANCING USES						
Transfers out	(429,000)	(310,000)	(298,500)	(315,000)	(16,500)	6%
Total Other Financing Uses	<u>(429,000)</u>	<u>(310,000)</u>	<u>(298,500)</u>	<u>(315,000)</u>	<u>(16,500)</u>	<u>6%</u>
Net Change in Fund Balance	<u>(106,689)</u>	<u>28,950</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Fund Balances - Beginning	<u>174,853</u>	<u>68,165</u>	<u>97,115</u>	<u>97,115</u>	<u>0</u>	<u>0%</u>
Fund Balances - Ending	<u>\$ 68,164</u>	<u>\$ 97,115</u>	<u>\$ 97,115</u>	<u>\$ 97,115</u>	<u>0</u>	<u>0%</u>

**TABLE 5
CITY OF GULF SHORES, ALABAMA
SPECIAL REVENUE FUND
IMPACT FEES
ADOPTED BUDGET
FISCAL YEAR 2013**

	Actual 2010	Actual 2011	Amended 2012	Adopted 2013	Dollar Change 2011 to 2012	Percent Change 2011 to 2012
REVENUES						
Impact Fees	59,313	96,108	323,257	453,272	130,015	40%
Interest Income	116	72	0	0	0	n/a
Total Revenue	<u>59,429</u>	<u>96,180</u>	<u>323,257</u>	<u>453,272</u>	<u>130,015</u>	<u>40%</u>
EXPENDITURES						
Current Operating:						
Fire	0	53,184	0	0	0	n/a
Recreation	0	3,280	182,457	153,272	(29,185)	-16%
Police	28,144	0	42,500	300,000	257,500	606%
Public Works	47,972	0	98,300	0	(98,300)	-100%
Total general government	<u>76,116</u>	<u>56,464</u>	<u>323,257</u>	<u>453,272</u>	<u>130,015</u>	<u>40%</u>
Excess of Revenues over Total Expenditures	<u>(16,687)</u>	<u>39,716</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
OTHER FINANCING USES						
Transfers	0	0	0	0	0	n/a
Total Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Net Change in Fund Balance	(16,687)	39,716	0	0	0	n/a
Fund Balances - Beginning	<u>244,788</u>	<u>228,101</u>	<u>267,817</u>	<u>267,817</u>	<u>0</u>	<u>0%</u>
Fund Balances - Ending	<u>\$ 228,101</u>	<u>\$ 267,817</u>	<u>\$ 267,817</u>	<u>\$ 267,817</u>	<u>0</u>	<u>0%</u>

**TABLE 6
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
BOND PROCEEDS 2008 A
ADOPTED BUDGET
FISCAL YEAR 2013**

	Actual 2010	Actual 2011	Amended 2012	Adopted 2013	Dollar Change 2012 to 2013	Percent Change 2012 to 2013
REVENUES						
Bond Proceeds	0	0	5,156,969	4,601,683	(555,286)	-11%
State Match	0	17,406	1,133,370	1,065,970	(67,400)	-6%
Interest Income	162,903	60,525	0	0	0	n/a
Total Revenue	<u>162,903</u>	<u>77,931</u>	<u>6,290,339</u>	<u>5,667,653</u>	<u>(622,686)</u>	<u>-10%</u>
EXPENDITURES						
Capital Outlay	7,921	425,550	6,290,339	5,667,653	(622,686)	-10%
Total Expenditures	<u>7,921</u>	<u>425,550</u>	<u>6,290,339</u>	<u>5,667,653</u>	<u>(622,686)</u>	<u>-10%</u>
Excess of Revenues over						
Total Expenditures	<u>154,982</u>	<u>(347,619)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
OTHER FINANCING USES						
Transfers	0	0	0	0	0	n/a
Total Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Net Change in Fund Balance	<u>154,982</u>	<u>(347,619)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Fund Balances - Beginning	<u>5,665,803</u>	<u>5,820,785</u>	<u>5,473,166</u>	<u>5,473,166</u>	<u>0</u>	<u>0%</u>
Fund Balances - Ending	<u>\$ 5,820,785</u>	<u>\$ 5,473,166</u>	<u>\$ 5,473,166</u>	<u>\$ 5,473,166</u>	<u>0</u>	<u>0%</u>

**TABLE 7
CITY OF GULF SHORES, ALABAMA
DEBT SERVICE FUND
ADOPTED BUDGET
FISCAL YEAR 2013**

	Actual 2010	Actual 2011	Amended 2012	Adopted 2013	Dollar Change 2012 to 2013	Percent Change 2012 to 2013
REVENUES						
Property Taxes	46,601	46,774	0	0	0	n/a
Local Taxes	1,293,964	1,513,202	0	0	0	n/a
Rent Income	477,759	323,746	472,800	243,883	(228,917)	-48%
Interest	384	152	13,000	0	(13,000)	-100%
Total Revenues	<u>1,818,708</u>	<u>1,883,874</u>	<u>485,800</u>	<u>243,883</u>	<u>(241,917)</u>	<u>-50%</u>
EXPENDITURES						
Principal and Interest	6,014,616	6,255,714	11,181,486	6,278,900	(4,902,586)	-44%
Miscellaneous	5,573	6,550	7,500	5,500	(2,000)	-27%
Total Expenses	<u>6,020,189</u>	<u>6,262,264</u>	<u>11,188,986</u>	<u>6,284,400</u>	<u>(4,904,586)</u>	<u>-44%</u>
Excess of Revenues over Total Expenditures	(4,201,481)	(4,378,390)	(10,703,186)	(6,040,517)	4,662,669	-44%
OTHER FINANCING SOURCES (USES)						
Transfers In	4,066,279	4,314,052	10,703,186	6,040,517	(4,662,669)	-44%
Transfers Out	0	0	0	0	0	n/a
Total Other Financing	<u>4,066,279</u>	<u>4,314,052</u>	<u>10,703,186</u>	<u>6,040,517</u>	<u>(4,662,669)</u>	<u>148%</u>
Net change in fund balances	(135,202)	(64,338)	0	0	0	
Fund Balances - Beginning	<u>2,401,966</u>	<u>2,266,764</u>	<u>2,202,426</u>	<u>2,202,426</u>	<u>0</u>	<u>0%</u>
Fund Balances - Ending	<u>\$2,266,764</u>	<u>\$2,202,426</u>	<u>\$ 2,202,426</u>	<u>\$ 2,202,426</u>	<u>0</u>	<u>0%</u>

Fund Balance

The City of Gulf Shores adopted financial policy as of March 8, 2010 set a fund balance of 45% of the General Fund. Of the total General Fund Balance of 45%, Beach Fund Reserves comprise 20% of the fund balance, and General Fund Operating/Stabilization comprise the other 25%. General Fund Operating reserves are 2/3rd's of the 25%; Operating reserves are the other 1/3 of the 25%. As the General Fund Total Revenues have increased since the adoption of the Financial Policies, so have the Reserve Amounts. The table below shows changes in the reserve amounts from 2010 to 2012 actual year to date and 2013 Budgeted Reserves.

General Fund Reserves	2010 Actual	2011 Actual	2012 Actual	2013 Budget
Operating	5,633,549	\$ 3,028,516	\$ 4,980,325	\$ 4,776,583
Stabilization	2,000,000	2,000,000	2,407,500	2,352,645
Subtotal General Fund	\$7,633,549	\$ 5,028,516	\$ 7,387,825	\$ 7,129,228
Beach Reserves	2,946,396	6,060,000	5,665,000	5,703,382
Grand Total All Reserves	\$10,579,945	\$11,088,516	\$13,052,825	12,832,610

Major Revenue Sources

The City of Gulf Shores General Fund has four major funding sources that comprise approximately 80% of the General Fund. Shown below is a summary of the four major General Fund revenue sources (also includes BP Lost Revenue reimbursement for Lodging and Sales Taxes not received for 2010 due to the BP Oil Spill) and the percentage of the total General Fund Revenues for 2010 Actual, 2011 Actual, 2012 Actual year to date, and 2013 Budget:

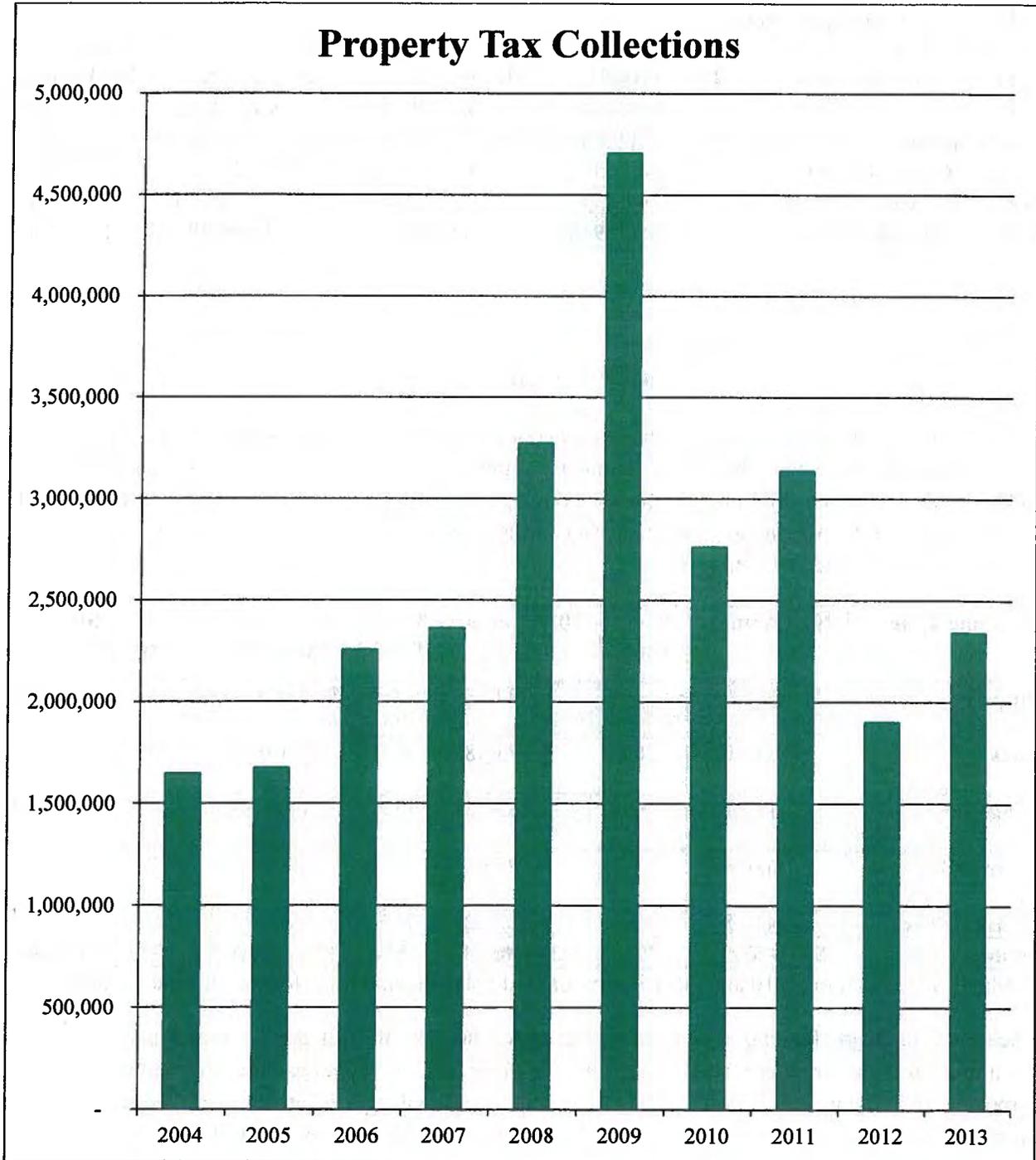
Revenue Type	2010 Actual	% of Total	2011 Actual	% of Total	2012 Actual Year to Date	% of Total	2013 Budget
Property	\$ 2,828,257	11%	\$ 3,397,284	11%	\$ 1,901,649	7%	2,341,300
Sales	7,354,993	30%	8,973,388	30%	11,156,417	40%	11,144,000
Lodging*	2,154,745	9%	3,423,151	11%	6,604,006	23%	6,300,000
Business Licenses	1,639,422	7%	1,684,002	6%	1,884,240	7%	1,875,000
BP Lost Revenue	5,476,579	22%	6,402,323	21%	0		
Subtotal	\$ 20,453,996	79%	\$ 23,880,148	79%	\$ 21,546,312	77%	\$21,660,300

*Lodging Tax actual for 2010 and 2011 is 60% of total collections; 40% is for Beach Renourishment.

Since the four major funding sources comprise approximately 80% of the General Fund, the Finance Committee focuses on those revenue streams at their regular meetings and for budget estimation purposes. Underlying assumption for the revenue estimates and significant revenue trends are described by each of the major revenue types are shown on the following pages. For 2013 the four funds comprise 76% of the General Fund projected revenues.

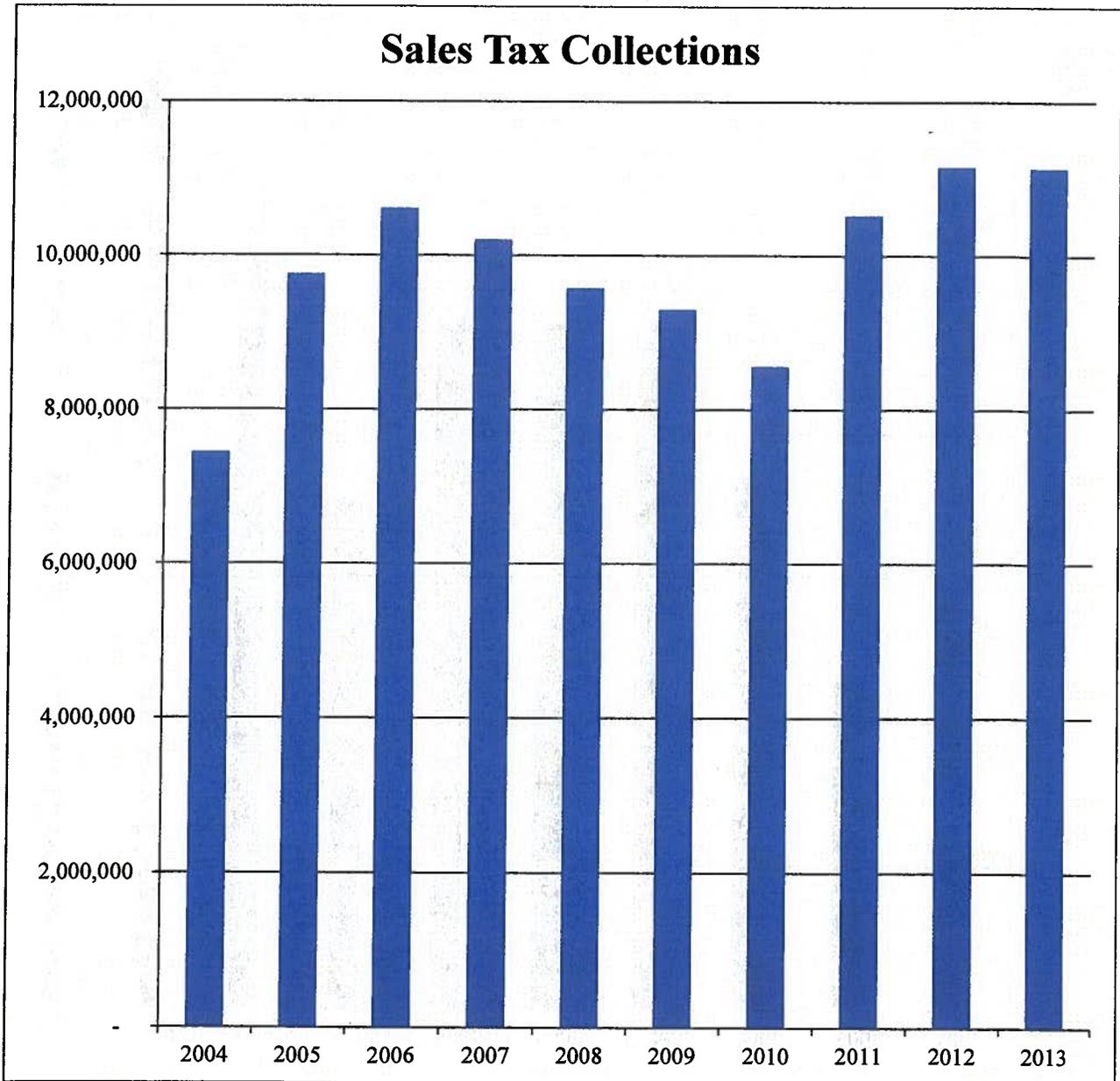
PROPERTY TAX

Gulf Shores collects 5 mills property tax on all property within the City. The property tax rates in Alabama have been lower historically than those in other states, while sales tax rates are higher. Property Tax collection projections are based on the assessed value of all property in the City as determined by the Baldwin County Revenue Commissioner. The bulk of property taxes are collected in January each year. Assessed values for property taxes in general have declined slightly in recent years due to some foreclosures and market demand. Property tax collections for the past nine years and 2013 budget are shown in the graph below.



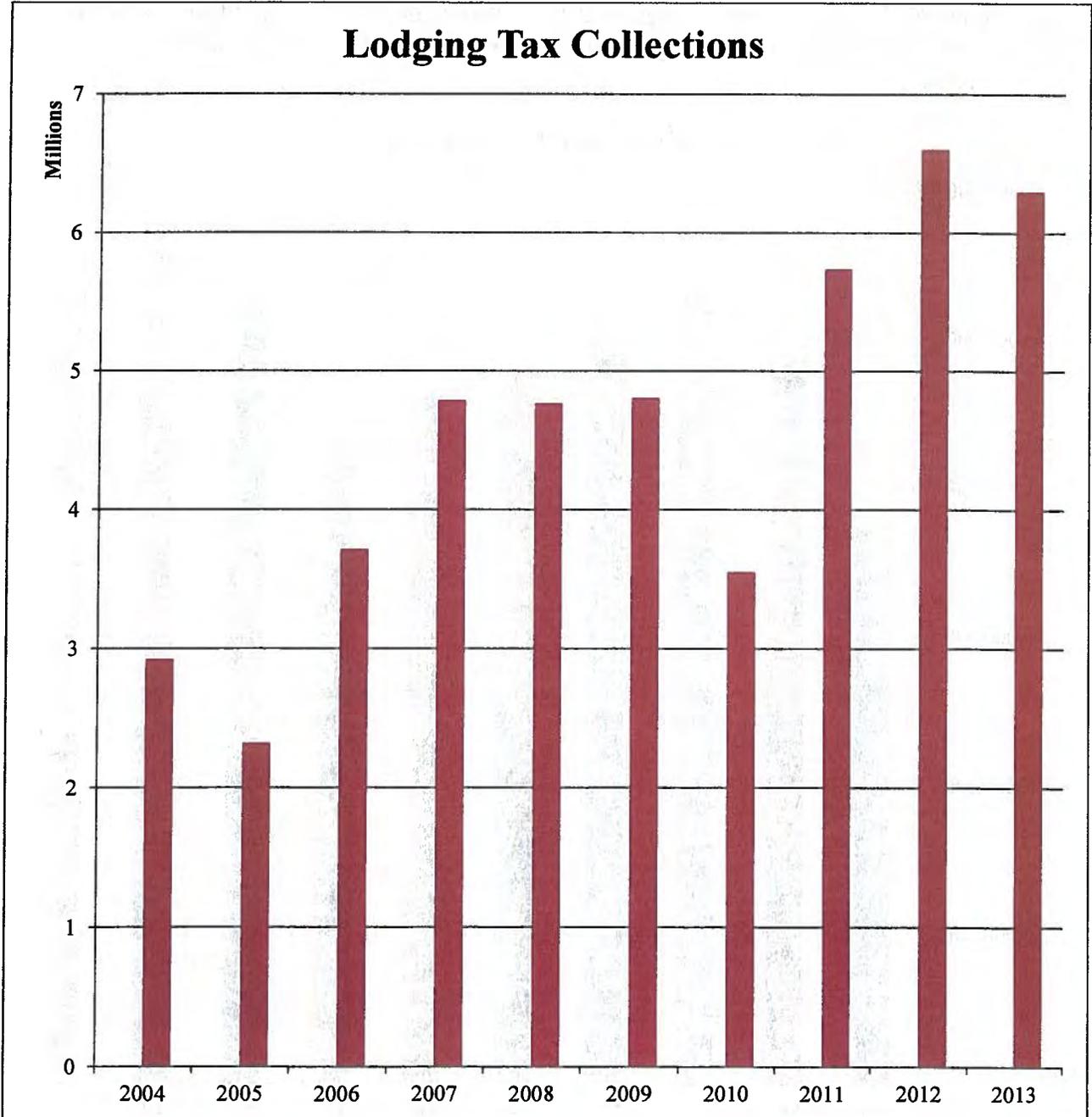
SALES TAX

Sales Taxes of 10% are collected on all purchases in the City. The City portion of the 10% total Sales Tax collected is 3%, Baldwin County’s portion is 3% and the State portion is 4%. Due to the city having a high rate of tourism during the spring and summer, the majority of Sales Tax collections occur during those months. Sales Taxes for 2012 (through November) rebounded 24% higher than 2011; making 2012 the highest sales tax collection year ever at 9% higher than the former highest year collections of 2007. Much of the tremendous growth in Sales Taxes is due to the increased rental of the recently constructed Pelican Place Mall and tourists returning following the BP Oil Spill. No increase in Sales Tax is projected for 2013, reflecting full rental of the Pelican Place Mall in 2012. Trend lines for the past nine years and 2013 Budget are shown in the graph below. The ten year compounded growth rate for sales and lodging taxes is 8%.



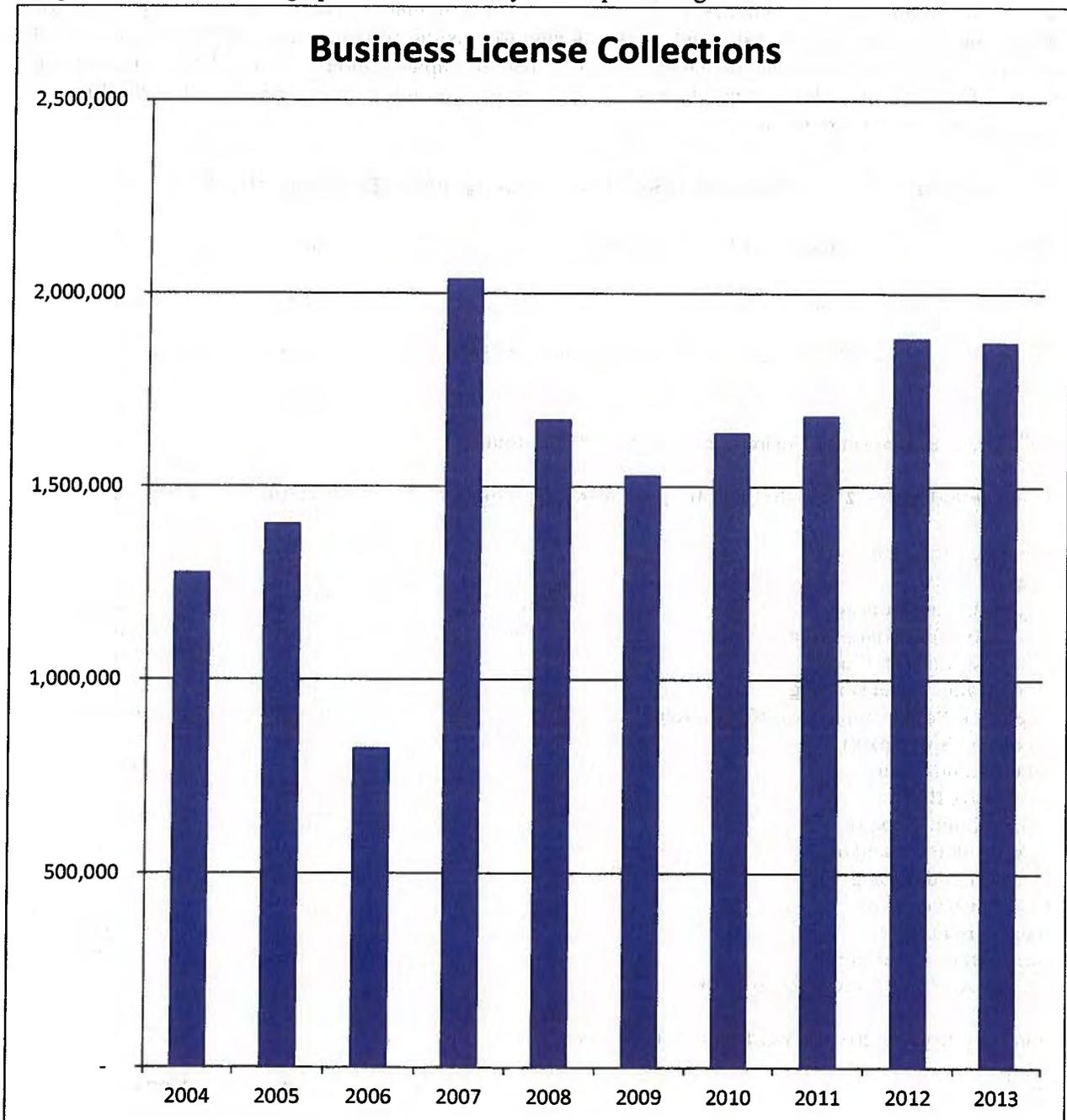
LODGING TAX

Lodging Taxes of 11% are collected on all short-term property rental in the City. The City portion of the 11% Lodging Tax collections is 5%, Baldwin County's portion is 2% and the State portion is 4%. Lodging Tax collections are highly cyclical, following the same tourist trend lines as Sales Tax collections. A major factor contributing to the Lodging Tax collection increase is enhanced collection efforts of Vacation Rental By Owner (VRBO) properties. Lodging Tax collections for 2012 were 24% higher than 2011 and 21% higher than the last highest collection year of 2008. Lodging Taxes are projected to increase by 26% for 2012, continuing the growth trend line of 2011. As more visitors are exposed to the area, more return. Several events of national significance occurred in 2012 including the National Sand Volleyball Championship.



BUSINESS LICENSE

Business License are renewable in January and vary depending on the type of business and gross receipts. Business License application revenues increased 8% from 2010 to 2009 and are estimated for 2011 to be 3% greater than 2010. Part of the increase for 2010 was due to the BP Oil Spill. New contractors were in the area and for businesses wanting to make claims to BP, proof of a business license had to be shown. In 2011 much of the increase was due to increased Vacation Rental by Owner (VRBO) licenses for owners of rental condo units not previously holding a business license. For 2012 Business License revenue collections are projected to be 7% greater than 2011 due to the increased number of vendor related businesses for festivals and special events. Business License collections for the past nine years and 2013 budgeted are shown in the graph below. The ten year compounded growth rate is 8%.



Capital & Debt

Capital Outlay for equipment, vehicles and a city signage program were included in an installment financing contract for a three year period in 2011, enabling the City to replace worn out equipment and vehicles with less up front expenditures. Vehicle and equipment purchases were delayed in previous years due to uncertainty regarding the outcome of an outstanding FEMA obligation. Cost savings on maintenance of older vehicles and equipment will offset some of the installment financing contract expense of 2011.

In 2012 the City borrowed \$800,000 for radio equipment and a street sweeper purchase. The City also refunded it's 2004 and 2006 Warrants at rates lower than the initial issuance rates and received \$3 million to use for capital improvements. The City Department Heads developed a five year capital plan that will enable old equipment and vehicles to be replaced in a systematic, orderly fashion keeping ongoing maintenance costs down. Repairs and enhancements to existing infrastructure and buildings were also approved further defraying maintenance costs. A list of Capital Outlay approved for 2012 and new projects for 2013 are below. Items begun in 2012 but not completed will be included in the first 2013 budget amendment for bond funds.

City of Gulf Shores Bond Funds Usage projected 2012 to 2013		
Items to be paid from the Bond Fund Balance by year:	2012	2013
Resurface Track unplanned	102,400	447,600
County Road 4 ALDOT project with in kind match \$723K	189,100	533,900
20 th Street Extension ½ Environmental Cost \$272K total	-	272,000
Pending liabilities 2012 that can be paid from refunding	291,500	1,253,500
Road maintenance		600,000
Bucket Truck		30,000
City Hall redo/security		52,826
Branding/Wayfinding Signage		303,033
Refurbish Ladder Truck		250,000
Firing Range Steel Building		50,000
Replace 6 Police Vehicles @\$35K each		210,000
Sweeper (Sportsplex)		39,000
Infield Conditioners		18,000
Laser Box Blade		8,500
Tennis Court Repairs		118,000
Pole Vault Pit/Standards		26,500
Library Landscaping		
Lights at Skate Park		20,000
Bleachers at Sims		10,000
Green Bldg renovation		50,000
Poolhouse/Youth Center Renovation		35,000
Potential Projects 2013 & 2014 from bond funds		1,820,859
Total by Year	291,500	3,074,359

City of Gulf Shores
Capital Improvement Program
Budget Years 2013 to 2017

Department	Description	2013 Priority	Suggested Funding Source*	2013	2014	2015	2016	2017
CITY HALL	City Hall redo/security		Bond	52,826				
CDD	Branding/Wayfinding Premise Inspector Truck		Bond	303,033	361,733 20,000			
	Subtotal CDD			303,033	381,733			
FIRE	Response Vehicles				30,000	30,000		90,000
	Refurbish Ladder Truck	1	Bond	250,000	200,000			
	Replace Fire Engine					375,000	375,000	
	Halmotro Tool Set				32,000			
	Subtotal FIRE			250,000	262,000	405,000	375,000	90,000
POLICE	Justice Center					20,000,000		
	Replace Vehicles	1		210,000	213,000	216,000	219,000	219,000
	Replace SUVs	1	BP Grant '10	195,000				
	Range - Steel Building		Bond	50,000				
	CID Annex Generator		HMGF Isaac		75,000			
	Software \$369K	1	Borrowed funds	362,148				
	Patrol Boat upgrade		BP Grant '10	45,000	45,000			
	Subtotal POLICE			862,148	333,000	216,000	219,000	219,000
PUBLIC WKS	Street Resurfacing			600,000				
Vehicles	1/2 Ton Truck (s)	4	BP Grant '10	45,000	40,000	40,000	40,000	40,000
	3/4 Ton Truck (s)				50,000	50,000	50,000	50,000
	3/4 Ton Maint				30,000	30,000		30,000
Large Equip.	Wheel Excavator	1	Direct Isaac	250,000				
	Street Sweeper		BP Grant '10	150,000				
	Tracked Bobcat					65,000		
	Backhoe							90,000
	Bucket truck	2	Bond	30,000				
	Knuckle Boom				160,000	160,000	160,000	
	100 HP Tractor		BP Grant '10	85,000				
	Beach Rake		BP Grant '10	50,000				
Small Equip.	50 HP Tractor		BP Grant '10					20,000
	UTV		ADEM	10,000	10,000	10,000	20,000	20,000
	Zero Turn Mower	3	Borrowed funds	42,000			42,000	
	Bush Hog				10,000			
	Ditch Witch				25,000			
Miscellaneous	Wash Rack (1)		Direct Isaac	15,000				
	Subtotal PUBLIC W			1,277,000	325,000	355,000	312,000	250,000
RECREATION								
Vehicles	Tahoe @ Rec Ctr				32,000			
	15 Passenger Van				52,000			
	Honda Big Reds				35,000			
	Beach Patrol Pickup				30,000			
	Replace Pickup	5	BP Grant '10	25,000	25,000	25,000	25,000	25,000
	Utility Vehicles							
Equipment	Sweeper	2		39,000				
	Jet Skis	2	BP Grant '10	24,000	12,000			
	Small Spray Rig	1		14,000				
	Infield Conditioners	3		18,000	18,000			
	Soil Reliever				28,500			
	Laser Box Blade	4		8,500				
Infrastructure	Weight room equipment				90,000			
	Tennis Court Repairs		Bond	118,000	60,000			
	Pole Vault Pit/Standards		Bond	26,500				
	Library Landscape		Bond		60,000			
	Lights at Skate park		Bond	20,000				
	Bleachers at Sims		Bond	10,000	10,000	10,000		
	Green Bldg renovation		Bond	50,000				
	Poolhouse/Youth Ctr renov.		Bond	35,000				
	Civic Center Renovation		Bond			360,000		
	Subtotal RECREATION			388,000	452,500	395,000	25,000	25,000
GRAND TOTAL ALL DEPARTMENTS				3,133,007	1,754,233	1,371,000	931,000	584,000

*Note funds other than bond are included

Bond Funds 2013**2013
Approved**

City Hall Redo/Security	52,826
Branding/Wayfinding	303,033
Sportsplex	145,500
Track Resurfacing	555,000
Bodenhamer	278,000
Public Works	
Roof Replacement Bodenhamer/Civic Ctrs	657,590
Drainage Improvements	10,840
Replacement of Rec Center Dehumidifier	100,000
Re-plaster pool	80,000
Refinish ceiling pool area	40,000
Replace rollup doors pool	35,000
Replace ducting pool area	20,000
Bucket Truck (New 2013)	30,000
County Road 4 match	500,000
Appraisal/survey/engineering fees	5,000
Subtotal PW (Rec) Maint - Improvements	1,478,430
Police Improvements	
Steel Bldg Shooting Range	50,000
Police Subtotal	50,000
Fire - Refurbish Fire Truck	250,000
Sims Park Concession Building	355,000
Library Improvements	
Security System Matching Grant \$'s	
Handicap/ADA Doors	8,500
Library - Rebuild Landscaping	40,000
Subtotal Library Improvements & 59 sign	48,500
Parks	
Sims	35,000
Sims - Bleachers 2013	10,000
Skate Park Lights	25,000
Subtotal Sims/Kids Park	70,000
Meyer Park - Basketball Courts w/lights	83,000
Mo's Landing Improvements (Grills, picnic tables, etc.)	6,000
Mo's Landing - Gateway sign	
Subtotal Lagoon Park (Mo's)	6,000
Green Building Renovation	50,000
SubTotal Bond Funds Budgeted/Requested	3,805,289
Items already in progress:	
Street Resurfacing	600,000
Fire Station #1	1,000,000
DOT Match Funds	262,364
Items in progress subtotal	1,862,364
Total Bond Funds Usage	5,667,653

Revenue Projections 2013 to 2022 and Reserve Fund usage

	Budget growth assumption (1)											
	Total Revenues	28,516,910	29,372,417	30,253,590	31,463,733	32,722,283	34,031,174	35,392,421	37,162,042	39,020,144	40,971,151	5%
			3%	3%	4%	4%	4%	4%	5%	5%	5%	5%
Reserve Amount 12/17/12 net borrowed funds*	\$ 12,917,611	\$ 11,966,002	11,150,179	11,282,974	11,330,345	12,150,472	13,334,739	14,461,906	15,584,314	16,612,102	17,404,930	
Items to be paid from the Reserve Fund Balance by year:		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Fees for East Gulf Shores lawsuit		-	-	-	-	-	-	-	-	-	-	
Parking Land across from Acme		-	-	-	-	-	-	-	-	-	-	
Set aside for Lawsuit		500,000										
School Upgrade - \$900,000 over 4 years		236,977	181,977	181,976								
Equipment/Fire/City Radios (AEMA grant not received)		276,546	276,546	184,364								
Alabama Gulf Coast Reef and Restoration Foundation												
Baldwin EDA Business Incentive Grant?												
Total Potential use of Reserve Funds	1,013,523	458,523	366,340	-	-	-	-	-	-	-	-	
Reserve Balance after Potential Use	10,952,479	10,691,655	10,916,634	11,330,345	12,150,472	13,334,739	14,461,906	15,584,314	16,612,102	17,404,930	17,404,930	
Target 4.5% of Revenues	12,832,610	13,217,588	13,614,115	14,158,680	14,725,027	15,314,028	15,926,589	16,722,919	17,559,065	18,437,018		
Debt Service Reduction in payments - capital outlays*			361,319	213,711	620,127	984,267	927,167	922,408	827,788	592,828	713,423	
Return to Reserves (Revenue - Expenses)		197,700	230,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
Reserve Balance with Returns to the Reserves	11,150,179	11,282,974	11,330,345	12,150,472	13,334,739	14,461,906	15,584,314	16,612,102	17,404,930	18,318,353		

(1) Revenue growth from 2002 to 2012 averaged 8%

(2) Modified with \$4million line of credit 7/13/12 paid down to \$1,000 12/12, interest estimated year to date 2012 and on \$1K only until 2016

(3) \$390,466 paid in 2012

(4) Max lookback 3 yrs from filing; 2 from tax payment

(5) \$387,757 pd in 2012; 3 years of payments

(6) PNC \$800K Loan 7/23/12 - payments estimated at \$276,546 annually to 2015

Reserve fund amounts vary by plus or minus about a million dollars depending on timing of receipt of revenue during a month - on 10/15/12 the reserve amount was \$14.8 million

*Assumes Justice Center Debt Service begins in 2016 at \$1 million per year until 2018 to go to \$1.2 million per year, Capital Outlay \$1 million per year to 2020, then \$1.1 million to 2022, then \$1.2 million in 2022.

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CITY OF GULF SHORES, ALABAMA

DEPARTMENT INFORMATION

FISCAL YEAR 2013

**City of Gulf Shores, Alabama
2013 Annual Budget
Personnel - All General Fund**

Fund	Department	2011	2011	2012	2012	2013	2013
		Full time	Part time	Full time	Part time	Full time	Part time
General	Executive	10	-	10	-	10	-
	Finance & Administrative Services	17	2	17	2	18	2
	Municipal Court	3	-	3	-	3	-
	Police	54	1	58	1	60	-
	Fire & EMS	43	-	43	-	43	-
	Community Development	4	-	4	-	4	-
	Building	4	-	4	-	4	-
	Recreation & Cultural Affairs	1	-	1	-	1	-
	Special Events & Programs	6	14	6	14	6	15
	Library	7	3	7	3	7	3
	Recreation - Bodenhamer	8	25	8	25	11	30
	Recreation - Sportsplex	7	3	7	3	6	3
	Recreation - Parks	5	-	5	-	6	-
	Recreation - Beach	1	13	1	13	1	13
	Public Works - General Services	6	1	6	1	6	2
	Public Works - Custodial	7	-	7	-	8	-
	Public Works - Landscaping	9	-	9	-	9	3
	Public Works - Streets	20	-	20	-	17	6
Public Works - Maintenance	9	-	9	-	10	-	
	Total	221	62	225	62	230	77

PT = Part-time

5 New Full time Positions Approved:

Finance & Administrative Services	1 Administrative Assistant
Police	2 Detention Officers
Bodenahmer	3 converted positions
Public Works	-1 position

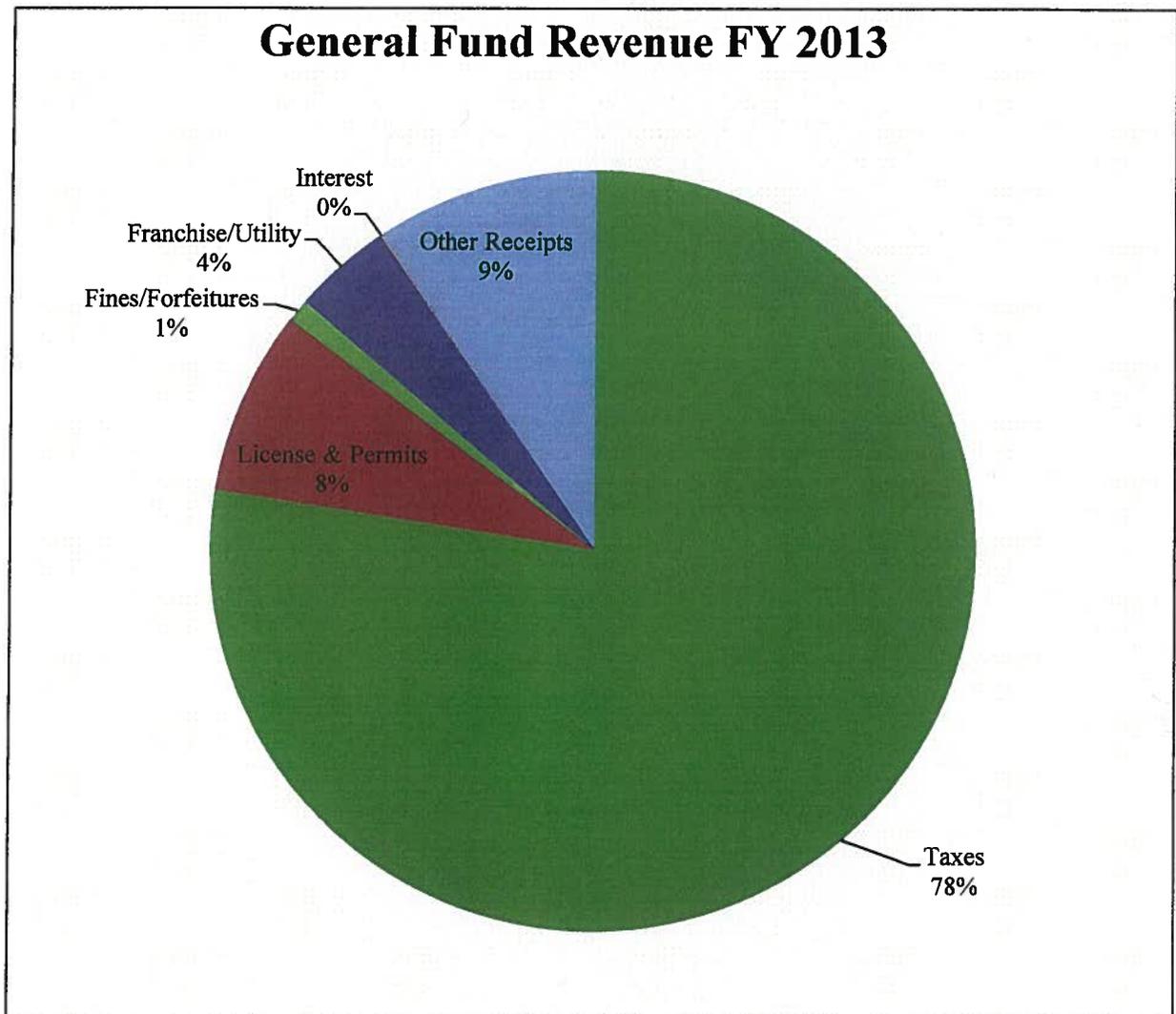
**CITY OF GULF SHORES, ALABAMA
EXPENDITURES BY CATEGORY
BUDGET YEAR ENDING DECEMBER 31, 2013**

Department	Personnel	Operations	Capital Outlay	Debt Service	Transfers	Total
General Fund:						
Executive	520,912	324,500				845,412
Finance & Administrative Services	1,615,560	901,230				2,516,790
Municipal Court	289,073	12,930				302,003
Police	3,855,251	632,000				4,487,251
Fire & EMS	2,885,263	412,100				3,297,363
Community Development	300,681	60,200				360,881
Building	299,922	43,875	50,500			394,297
Recreation & Cultural Affairs	117,387	10,600				127,987
Special Events & Programs	441,426	373,174				814,600
Library	435,440	99,365				534,805
Recreation - Bodenhamer	1,194,671	440,379				1,635,050
Recreation - Sportsplex	559,310	328,246				887,556
Recreation - Parks	273,251	140,084				413,335
Recreation - Beach	224,311	158,116				382,427
Public Works - General Services	462,666	60,950				523,616
Public Works - Custodial	369,182	70,000				439,182
Public Works - Landscaping	470,397	140,200				610,597
Public Works - Streets	975,941	739,200				1,715,141
Public Works - Maintenance	604,251	450,700				1,054,951
Appropriations	0	80,000				80,000
Transfers Out	0	0			6,895,966	6,895,966
General Fund Totals	<u>15,894,895</u>	<u>5,477,849</u>	<u>50,500</u>	<u>0</u>	<u>6,895,966</u>	<u>28,319,210</u>
Other Funds:						
Special Revenue						
2% Lodging Tax - Transfer Out					2,521,000	2,521,000
Designated Taxes - Transfer to GF					315,000	315,000
Impact Fees			453,272			453,272
Capital Projects Funds						
GO Warrants			5,667,653			5,667,653
Beach Renourishment			950,600			950,600
Debt Service				6,284,400		6,284,400
Subtotal Other Funds	<u>0</u>	<u>0</u>	<u>7,071,525</u>	<u>6,284,400</u>	<u>2,836,000</u>	<u>16,191,925</u>
Grand Total	<u>15,894,895</u>	<u>5,477,849</u>	<u>7,122,025</u>	<u>6,284,400</u>	<u>9,731,966</u>	<u>44,511,135</u>
					Add to Reserves	-
					Total Expenditures	<u>\$ 44,511,135</u>

The City of Gulf Shores, Alabama

General Fund Budget Summary

GENERAL FUND REVENUE	2010 Actual	2011 Actual	2012 Budget	2013 Council Adopted	% of Total General Fund
Taxes	14,199,683	21,168,720	22,118,107	22,096,300	77%
License & Permits	1,793,733	2,024,500	2,039,500	2,231,500	8%
Fines/Forfeitures	287,012	265,000	285,000	285,000	1%
Franchise/Utility	1,135,118	1,274,100	1,308,000	1,187,300	4%
Intergovernmental	291,449	705,000	234,600	-	0%
Interest	105,900	108,000	20,000	15,000	0%
Other Receipts	6,822,771	1,403,710	2,282,500	2,701,810	9%
Budget Carryforward	-	1,503,325	-	-	0%
Total General Fund Revenues	24,635,666	28,452,355	28,287,707	28,516,910	100%



CITY OF GULF SHORES, ALABAMA

DEPARTMENT DETAIL

FISCAL YEAR 2013

The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget

	2010	2011	2012	2013	% Change	2014
EXECUTIVE	Actual	Actual	Budget	Council Adopted*	2012 to 2013	Projected
Expenditures						
Personnel	477,962	496,265	494,052	520,911	5%	531,329
Operations	62,720	73,500	104,500	324,500	211%	334,235
Executive Total	540,682	569,765	598,552	845,411	41%	865,564

*Legal Fees, Professional Services, Contract & Consulting expense moved from Finance & Admin Department

Executive Personnel

	2010	2011	2012	2013
Positions	Actual	Actual	Budget	Adopted
Mayor	1	1	1	1
Council Members	5	5	5	5
City Administrator	1	1	1	1
City Clerk	1	1	1	1
Records & Archives Clerk	1	1	1	1
Administrative Assistant	1	1	1	1
Total Personnel:	10	10	10	10

Executive Department Functions:

The Executive Department provides experienced leadership to manage a dynamic, complex and growing community at a cost that is affordable to local taxpayers without contributing unduly to demands for government expenditures. To this end, the Executive Department works to govern by adopting appropriate legislation, policy and program directions. The Executive Department strongly advocates for open government with a priority to provide community services and be highly responsive to citizen/customer needs and concerns. Effective delivery of this mandate requires a proactive approach, strategic planning, and the commitment to focus on long range goals. This function is provided by the Executive Department which is comprised of the Office of the Mayor, City Administrator, City Council, City Clerk and administrative support staff. The Executive Department is the focal point in setting direction for the operation of citywide departments and coordinating and planning its activities to ensure that the City meets its short and long term goals to maintain a clean, attractive, safe, friendly, family oriented, beachside community with an excellent quality of life for all residents and visitors with a protected environment and a year round sustainable economy.

Major Accomplishments:

City Clerk

Continue training of Administrative Assistant.
 Finalize Master Municipal Clerk Certification

Administrative Assistant

Scanning of terminated Personnel files with placement on external harddrive.
 Continued bi-annual records disposal purge
 Scan and index 2011 - 2012 Building Elevation Certificates when received

Department: Executive Major Accomplishments Continued

Administrative Assistant City Clerk

Year 2 of City Clerk Certification Training

Continue to provide assistance to Mayor, City Administrator and City Clerk

City Goal V Leadership - Foster strong community leaders, who are responsive to all residents

Goals:

City Clerk:

Continue training Administrative Assistant to backup City Clerk; Finalize obtaining Master Municipal Clerk Certification

Objectives:

Maximize organizational effectiveness
Weekly instruction using Muniagenda
Attend certification classes; Network with City Clerks statewide

Administrative Assistant

Continue scanning of terminated personnel files
Archive 2011-12 Building Elevation Certificates
Work with Municode to Update Online Minutes and Ordinances

Scan '00 - '02 terminated personnel records to external harddrive; Scan and index 2011-12 2011 Building Elevation Certificates; Refine Electronic Records Management Program

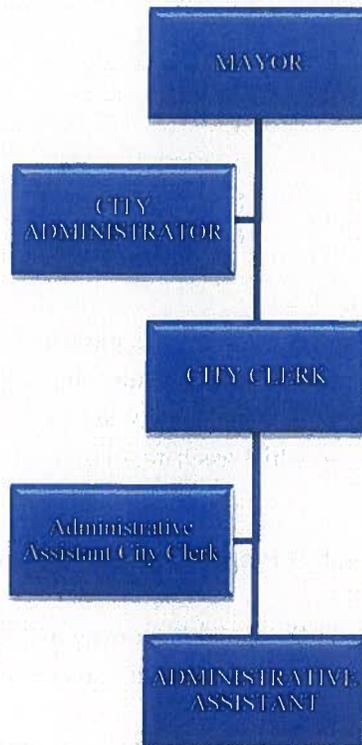
Administrative Assistant City Clerk

Attend Year 2 of Certified Municipal Clerk Training. Demonstrate achieve including innovation; Provide backup to City Clerk

Attend CMC Classes @ Univ of Alabama
Continue to refine details of daily routine
Draft minutes, resolutions, ordinances and agendas
Use of Muniagenda

EXECUTIVE DEPARTMENT

ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget

FINANCE AND ADMINISTRATIVE SERVICES	2010 Actual	2011 Actual	2012 Budget	2013 Council Adopted	% Change 2012 to 2013	2014 Projected
Expenditures						
Personnel	1,463,822	1,453,331	1,597,079	1,615,559	1%	1,647,870
Operations	1,031,628	1,183,829	1,123,586	901,230	-20%	928,267
Finance & Admin Total	2,495,450	2,637,160	2,720,665	2,516,789	-7%	2,576,137

Finance & Administrative Services Personnel

	2010 Actual	2011 Actual	2012 Budget	2013 Adopted
Positions				
Director	1	1	1	1
Accountant	1	1	1	1
Accounting Supervisor	1	1	1	1
Financial Tech I	2	2	2	2
Financial Tech II	2	2	2	2
Purchasing Officer	1	1	1	1
Purchasing Tech	1	1	1	1
Revenue Auditor	1	1	1	1
Revenue Supervisor	1	1	1	1
Human Resources Officer	1	1	1	1
Payroll & Benefits Specialist	1	1	1	1
GIS Coordinator	1	1	1	1
Information Technology Officer	1	1	1	1
Network Administrator	1	1	1	1
Webmaster	1	1	1	1
Admin Asst. II (Part-time)	1	1	1	1
Financial Tech II (Part-time)	1	1	1	1
Admin Asst. I	0	0	0	1
Total Personnel	19	19	19	20

Finance and Administrative Services Function:

The Finance and Administration Department's purpose is to manage the fiscal affairs and administrative responsibilities of the City of Gulf Shores and to provide effective decision-support for City leaders. The department oversees long range strategic planning and provides City leadership, City departments, and the public with timely and accurate information, while assuring clarity and accountability.

Major Accomplishments:

Received GFOA Certificate of Recognition for Budget Preparation for 2012 Budget Document.

GFOA Certificate of Achievement for Excellence in Financial Reporting award received for the 2011 Comprehensive Annual Financial Report (CAFR) - second consecutive year award received.

Successful migration of Personnel Management from Version 8 to Version 10 Incode Software (HR&IT).

Department: Finance and Administrative Services

Major Accomplishments Continued:

Received the "Ten Year Award" from the Municipal Workers Compensation Fund for receiving over \$232,000 back in dividends over the past 10 years by keeping insurance costs and claims down.

Performance Appraisal Review Implementation phase of the Slavin Management study completed.

Working on Wellness Program began with Wellness Coach sessions with employees city wide on fitness and nutrition goals.

Increased business licenses, lodging taxes and property taxes from condo/home rental businesses. Tracking of Vacation of Rental By Owners (VRBOs) efforts with Planning and Zoning Department have proven to be successful in obtaining lost tax and business license revenues from prior years. Met with management companies to request data base of clients, to enable staff to verify all lessors have current business licenses.

Software data base updated to correctly categorize businesses and for collections of past due receivable accounts with liens placed when necessary.

Online payment system for Municipal Courts tested and workable.

Upgraded storage for network backup array. Added Wi-Fi access to recreation Center, Adult Activity Center and Sportsplex. SharePoint site established for Hurricane Standard Operating Procedures.

Transitioned City website management to Recreation Department while continuing to provide technical support for the website.

City Goal V Leadership - Financial Goals/Objectives

Goals:

Provide comprehensive, computerized financial support systems accessible and usable by all City departments.

City workers trained on computer systems.
Reduce computer costs.

Continue efforts to locate missing lodging tax and business license revenue from VRBO website.

Make reports of territory parcels and revenues more accurate.

Objectives:

Work closely with departments to provide aid in understanding and utilizing financial support systems and reports.

Provide additional classes for end user training.
Virtual workstation setup and testing.

Meet with management companies to develop strategies to seek non-compliant rental owners. Work with Code Enforcement on property status and County revenue officials on audit records.

Identify Business License Taxpayer parcels with Parcel Identification Numbers (PINs) and PID codes in the revenue software system Delta.

Department: Finance and Administrative Services

Goals and Objectives Continued

Goals:

Public Access to geographic information.

Objectives:

Geographic Information System (GIS) data on Baldwin County's Internet GIS viewer for public access.

Improve Network capabilities

Upgrade to Server 2008 for network administration.
Upgrade and provide additional storage for user data.
Expand SharePoint site for departmental users.
Extend fiber to Fire/Police command trailers at Beach Events Site on West 1st street.
Add automatic fire suppression at server sites.
Upgrade network protection and setup backup access to internet.

Reduce City Insurance Cost

Include a clinic for employees to utilize as part of the City Wellness program. Work with Safety Coordinator on a employee safety program.

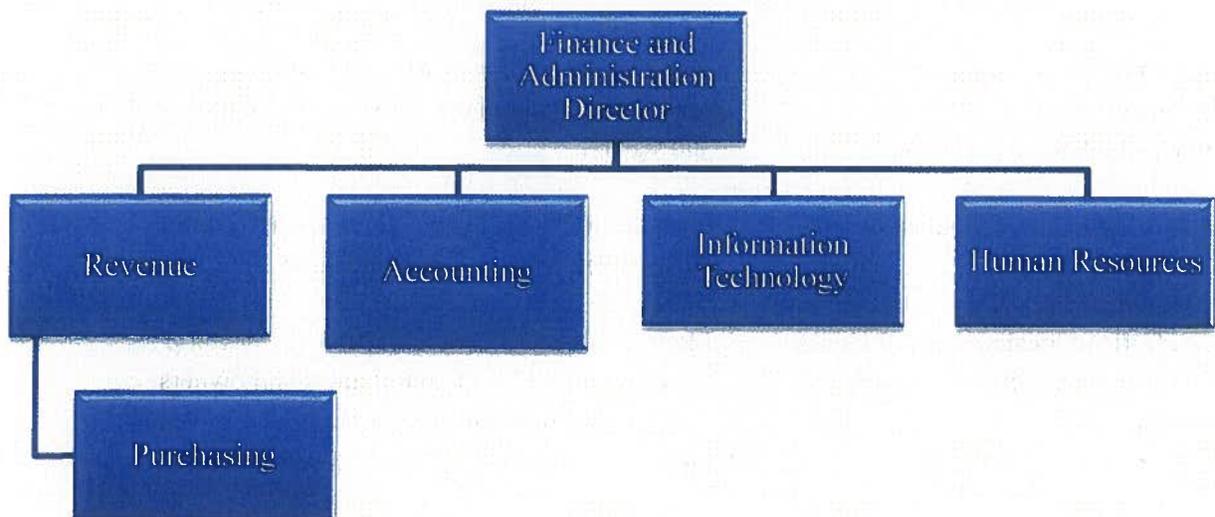
Submit 2012 Comprehensive Annual Financial Report for Government Finance Officer's Association Certificate of Excellence in Financial Reporting Award.

Include supporting schedules
Ensure all GFOA criteria are met

Submit 2013 Budget for the Government Finance Officer's Association (GFOA) Distinguished Budget Presentation Award

Include supporting schedules
Ensure all GFOA criteria are met

FINANCE AND ADMINISTRATION ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget

MUNICIPAL COURT				2013	% Change	
	2010	2011	2012	Council	2011 to	2014
	Actual	Actual	Budget*	Adopted	2012	Projected
Expenditures						
Personnel	298,001	278,326	286,108	289,073	1%	294,854
Operations	11,631	13,230	16,330	12,930	-21%	13,318
Total	309,632	291,556	302,438	302,003	0%	308,172

* Increase due to required replacement of three computers in Court by IT Department in 2012.

Municipal Court Personnel

	2010	2011	2012	2013
Positions	Actual	Actual	Budget	Adopted
Court Clerk/Magistrate	1	1	1	1
Court Magistrate	2	2	2	2
Total Personnel	3	3	3	3

Municipal Court Functions:

Municipal Court Judge: The Municipal Court Judge resides over the Municipal Court Clerk and Magistrate(s), and hears any cases brought before the Gulf Shores Municipal Court. Appointed and Approved by the Mayor and City Council. The position of Municipal Court Judge is created by the Code of Alabama and directed by the Supreme Court and the Administrative Office of Courts. A Municipal Judge must be an attorney.

Municipal Court Clerk: The Municipal Court Clerk is responsible for the Administration of the Municipal Court and its Records, Finances and Employees. Also, as Magistrate, accepts fine payments, holds Probable Cause Hearings, and issues Warrants. Additionally the Municipal Court Clerk holds initial Appearance/Bond Hearings with incarcerated defendants. As Administrative Law Judge, will also conduct hearings of appeals from the final decisions of the City of Gulf Shores' Chief Revenue Officer relating to business licenses and taxation.

Municipal Court Magistrate: The Municipal Court Magistrate accepts fine payments; holds Probable Cause Hearings, and issues Warrants. Additionally, the Municipal Court Magistrate holds initial Appearance/Bond Hearings with incarcerated defendants, as well as manages the clerical duties of the case files in the Court.

Major Accomplishments:

Current Court Software (MSG) is prepared to receive online documentation from OPC (Official Payments) changed from Heartland Payments before implementation.

Increased on-time payments reduced the size of Court Dockets, reduced Alias warrants for failing to appear by issuing letters of explanation and Guilty/Waiver packets at Defendant's Initial Appearance Hearings.

Established a COGS Citation to allow citing an individual on certain charges rather than incarcerated arrest.

Department: Municipal Court- Goals and Objectives Continued:

Current Court software prepared for "E-Ticket" program when and if entire program established.

City Goal II Community Services Provide quality services that meet the need of residents and visitors

Goals:

Completion of online payment system and charge card usages system to facilitate defendant's payments, increase collections and therefore decrease dockets.

Caseload Management to avoid large dockets, reducing overtime and need for more Court sessions.

E-Tickets. Traffic Tickets electronically generated by Officers and uploaded directly to Police and Court records to save data entry time and provide immediate record of issuance.

Reduction of inmate population to reduce overhead to operate the jail is always a priority.

Objectives:

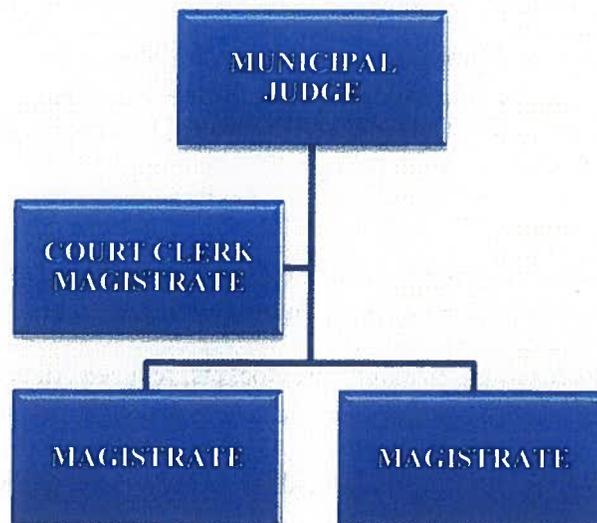
Working with Accounting, Revenue, IT and Software provider to establish system. Incorporate information and system into website with notices and information directly to Defendants.

Use of online payments. Use of Guilty/ Waivers to allow defendants to plead by mail when approved. Use of website and instructional forms and handouts to communicate the process and expedite dispositions.

Working with Court software provider and Court is ready to implement when initiated. Police need printers and software to initiate system.

Use of Judicial Corrections Services when available to collect unpaid fines. Liberal credit for time served programs to expedite release based on work and cooperation during incarceration.

MUNICIPAL COURT ORGANIZATIONAL CHART



Fiscal Year 2013 Budget

POLICE

	2010 Actual	2011 Actual	2012 Budget	2013 Council Adopted	% Change 2012 to 2013	2014 Projected
Expenditures						
Personnel	3,267,990	3,440,925	3,859,251	3,855,251	0%	3,932,356
Operations	334,963	507,400	529,500	632,000	19%	644,640
Total	3,602,953	3,948,325	4,388,751	4,487,251	2%	4,576,996

Police Personnel

Position	2010 Actual	2011 Actual	2012 Budget	2013 Adopted
Police Chief	1	1	1	1
Deputy Chief	1	1	1	1
Lieutenant	3	3	3	3
Investigator Sergeant	1	1	1	1
Investigator Corporal	2	1	0	0
Investigator	1	3	3	3
Juvenile Investigator Cpl.	1	1	1	1
Narcotics Corporal	1	0	0	0
Narcotics Investigator	1	2	3	3
School Resource Officer	1	1	1	1
Community Resource Officer	0	0	0	1
Patrol Sergeant	4	4	4	4
Patrol Corporal	3	3	3	3
K9 Corporal	1	1	1	1
K9 Officer	1	3	3	3
Patrol Officer	17	16	18	17
Communication Officer	6	6	6	6
Detention Officer	4	4	6	8
Animal Control Officer	1	1	1	1
Records Clerk	1	1	1	1
Administrative Assistant	1	1	1	1
Total Personnel	53	55	59	60

Part Time Positions:

Emergency Management Advisor	1	1	1	0
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Police Department Functions:

Mission Statement -- The Mission Statement of the Gulf Shores Police Department is a brief statement which indicates why the organization exists. The Mission Statement sets the direction for the entire Police Department. The mission of the Gulf Shores Police Department is:

To Serve, Protect, and Enhance quality of life.

Vision Statement -- The Vision Statement of the Gulf Shores Police Department is a brief statement of where the organization is going, where we want to be:

Be a model law enforcement agency viewed internally and externally as professional, enthusiastic, trustworthy and at the forefront of the police profession.

Department Goals -- Goals establish direction for achievement in a function or program. Goals begin at the department level where they are established by the Chief of Police; they extend to all management levels, becoming increasingly more specific. Provided below is a list of general goals shared on a continuous basis. More specific goals are stated on an annual basis in alignment with the fiscal year budget.

1. Protect Life and Property
2. Respond to Calls for Service
3. Maintain Order
4. Protect Constitutional Guarantees
5. Proactively Enforce the Law
6. Prevent Crime
7. Promote Traffic Safety
8. Investigate Crime
9. Assist in Prosecution
10. Promote Community Partnerships
11. Solve Problems
12. Maintain Public Confidence in the Police Department

Organizational Values -- Our values are the heart and soul of how we operate. We dedicate ourselves to these values with the goal of providing excellent services and programs to meet the needs of our community and those within our organization. They guide our actions and serve as the framework for the decisions and contributions we make every day -- at every level.

1. Integrity
2. Respect
3. Service
4. Teamwork

Management Principles -- Management Principles describe how we go about planning, organizing, directing, staffing, coordinating, reporting, and budgeting so that we can accomplish our mission. They are our guidelines for mission accomplishment. It is the responsibility of every Police Department supervisor and manager to continuously practice these principles.

1. Partnerships
2. Professionalism
3. Service
4. Support
5. Cooperation
6. Participation
7. Empowerment
8. Proactive
9. Teamwork
10. Recognition
11. Encouragement

Police Department Major Accomplishments:

We remain blessed with an extremely low crime rate.

The vast majority of incidents in Gulf Shores are related to property and not crimes against persons. GSPD is committed to keeping our community as crime free as possible.

Planning and training continued throughout 2012. Hurricane Isaac struck in August and department members met the challenge with skill and a professional attitude. As of this year every member of the command staff and a sergeant has been to a major police management/leadership school. These schools include the FBI National Academy, the Southern Police Institute at the University of Louisville and the Los Angeles Police Department Leadership School based on the West Point Model.

We also successfully handled the Hangout Music Festival for the third year and several other special events. GSPD added two much needed correctional officer positions in 2012 and hopes to add two additional positions in FY2013.

In coming years GSPD will continue our efforts to protect persons and property by providing essential law enforcement services, while promoting community involvement, stability and order – through service, assistance, and visibility.

City Goal II Community Services Provide quality services that meet the need of residents and visitors

Police Goals and Objectives:

The largest percentage of the Gulf Shores Police Department budget is personnel - our people. In Gulf Shores this is money well spent. Our officers and civilian staff are dedicated professionals, serving this city around the clock, each and every day.

Even with limited resources, they have made it their mission that this beautiful community will continue to be one of the safest anywhere. They do this through prevention, partnerships and a proactive attitude.

Our Goals: Prevent, reduce and disrupt crime.

Recruit, train and develop our people.

Initiate timely and open communication.

Develop and implement solutions to improve traffic safety.

Effectively use innovation and technology.

Capital / Equipment

Replace Tyler Public Safety software. Make improvements to Tactical Training Facility (Range)

Replace aging fleet vehicles.

POLICE DEPARTMENT ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

FIRE	2010	2011	2012	2013	% Change	2014
	Actual	Actual	Budget	Council Adopted	2012 to 2013	Projected
Expenditures						
Personnel	2,546,750	2,789,435	2,909,781	2,885,263	-1%	2,885,972
Operations	287,209	325,160	325,160	412,100	27%	417,600
Total	2,833,959	3,114,595	3,234,941	3,297,363	2%	3,303,572

Fire Personnel

Position	2010	2011	2012	2013
	Actual	Actual	Budget	Adopted
Fire Chief	1	1	1	1
Deputy Chief	1	1	1	1
Fire Marshal	0	1	1	1
Battalion Chief	0	3	3	3
Captain	3	0	0	0
Lieutenant	3	10	10	10
Firefighter/Paramedic	9	10	10	10
Firefighter/EMT	24	16	16	16
Admin Assistant	1	1	1	1
Total Personnel	42	43	43	43

Fire Department Functions:

Gulf Shores Fire Rescue is tasked with the responsibility of keeping our citizens, vacationers, visitors, and city employees, which includes our department, safe. We address problems which arise from fire, Emergency Medical Service, or any hazard that would cause harm. Many times a direct approach is required: putting water on the fire, extracting injured persons from vehicle accidents, resuscitating breathless and no pulse victims, etc. Other situations require an indirect approach: fire prevention education, reviewing building construction plans, fire inspections, public safety education, CPR classes, etc. We provide mutual aid when requested from neighboring agencies, community assists, and work with other city departments when needed. Ongoing training and education provide the department with current skill experiences necessary to keep our department proficient, up to date on protocols, and ready to serve our customers.

Major Accomplishments:

1. Completed a State of Alabama Firefighter basic training course attendees came from all over the State
2. Another firefighter completed Paramedic training and passed the national board.
3. Completed digital renaissance on fire apparatus by adding iPads. This step will increase crew productivity while in the field gathering data.
4. Re-Established Fire Honor Guard. The Honor guard attended several functions including the opening of the State of Alabama Fire Chiefs conference.
5. Invited to speak at National conference for fire chiefs on event planning and operations including how we handle the Hangout Music Festival.

Fire Department Major Accomplishments Continued

6. Established partnership with elementary school teacher to augment and intensify our fire prevention presence in the schools.
7. Converted temporary building into temporary Fire Station, using on duty staff.
8. Brought EMS training under Fire Training officer, creating accountability
9. All command staff has completed advanced levels of NIMS certification
10. Physical fitness program has been released and is working. Workers comp incidents are down, so far.
11. 700 MHz radio system is almost completed. Currently waiting on the Moto bridge to be installed. This will link Public Works with the rest of the City.
12. Two more firefighter/EMTs have been cross trained as lifeguards and hold a national certification. This brings our total to 6 certified lifeguards.

City Goal II Community Services Provide quality services that meet the need of residents and visitors

Goals:

Refurbishment of ladder 2026

Inventory control

Command and control of incidents

Move into new station

Objectives:

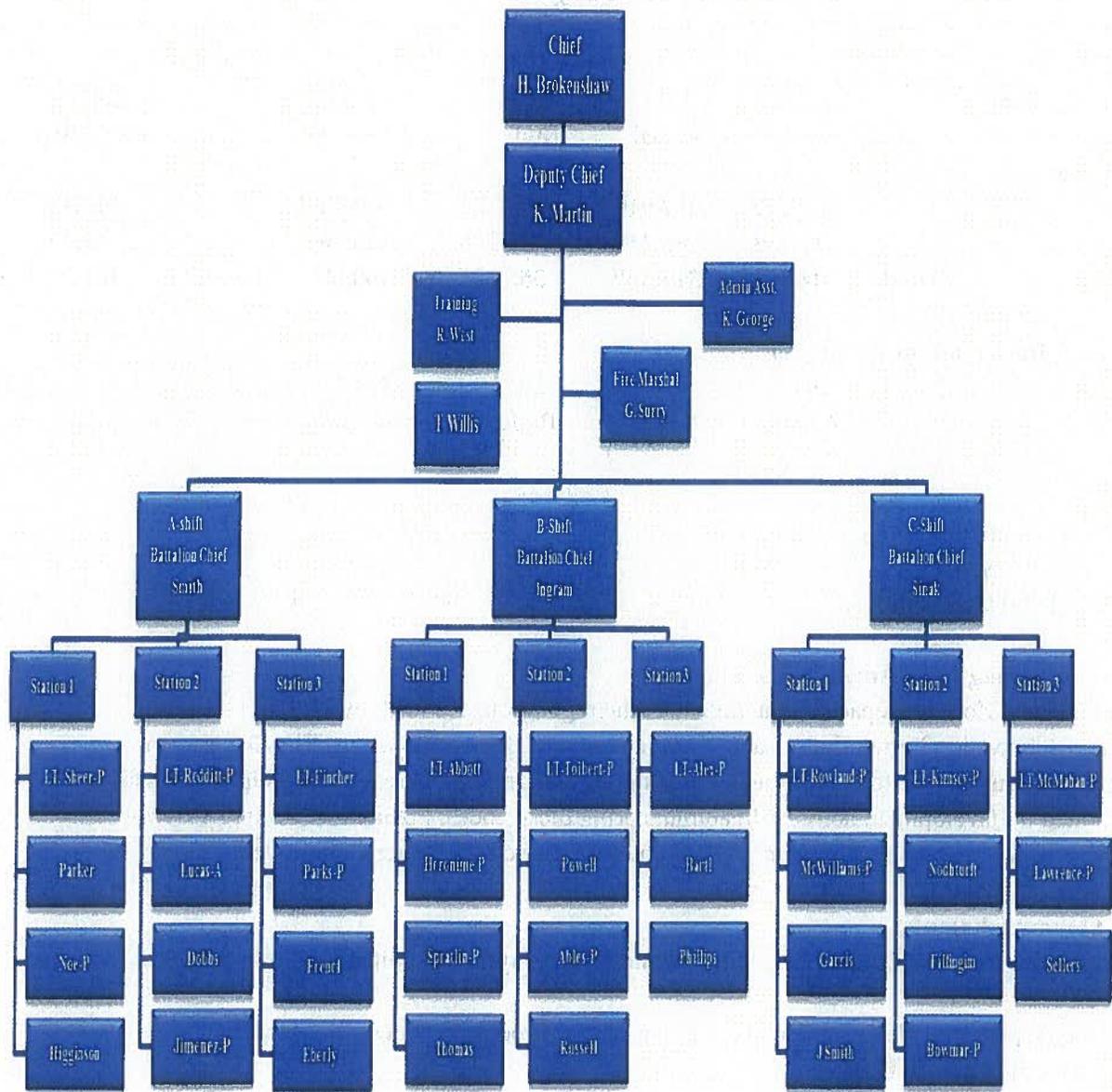
Extend life span of 2026. Keep project within budget, while bringing it from a 1986 design to a 2012 with added safety features. Ensure this multi million dollar asset is ready to respond at all times

Acquire and implement inventory control program prior to moving. This is to ensure we are using material at an optimal level.

To establish a training matrix to be followed by all staff in command role. This will include enrolling into an annual Leadership forum and then attending the Blue Card training provided as part of registration. Blue card is a testing program that will qualify and give quantified results based on staffs ability to grasp standard command and control scenarios.

Sometime in early January or February we will start the process. This will require on duty staff to assist with the process of gathering all items and reassembly of items in storage.

FIRE DEPARTMENT ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

COMMUNITY DEVELOPMENT	2010	2011	2012	2013	% Change	2014
	Actual	Actual	Budget	Council Adopted	2012 to 2013	Projected
Expenditures						
Personnel	267,699	267,919	299,125	300,681	1%	300,986
Operations	37,253	46,450	53,200	60,200	13%	61,404
Total	304,952	314,369	352,325	360,881	2%	362,390

Community Development Personnel

Position	2010	2011	2012	2013
	Actual	Actual	Budget	Adopted
Director	1	1	1	1
Planner I	1	1	1	1
Code Enforcement Officer	1	1	1	1
Administrative Assistant	1	1	1	1
Total Personnel	4	4	4	4

Planning & Zoning Department Functions:

The Planning and Zoning Department administers the regulations set forth by the City's Zoning Ordinance, Subdivision Regulations, Land Use Plan, and Code of Ordinances. The Department is charged with guiding customers through the planning and zoning processes and helping citizens stay informed of development activity. In administering these codes, Planning & Zoning strives to achieve a cohesive land development pattern and keep our city clean and attractive.

Major Accomplishments:

Completed the Branding Portion of the City's Branding & Wayfinding Initiative

Review and Approve all New City Business Licenses and Process Business License through Planning, Building & Fire Depts.

Responsible for all New City Address Assignments, Inputting Addresses into GIS System, and Interdepartmental/ County Address Communications

Administer \$1.14 Million Alabama Dune Restoration Project (NERDA Early Restoration Project)

Performed Complete Revision of City's Recreational Vehicle and Manufactured Housing Regulations

Developed and Implemented Comprehensive Zoning Plan for Newly Annexed Areas North Side Ft. Morgan Road

**COMMUNITY
DEVELOPMENT CONTINUED**

City Goal I Business Development -Facilitate an environment for sustained economic growth

City Goal III Sustainable Growth- Promote quality Growth and development in community

Goals & Objectives:

Complete Phases I and II of the Wayfinding Signage Fabrication and Installation Plan

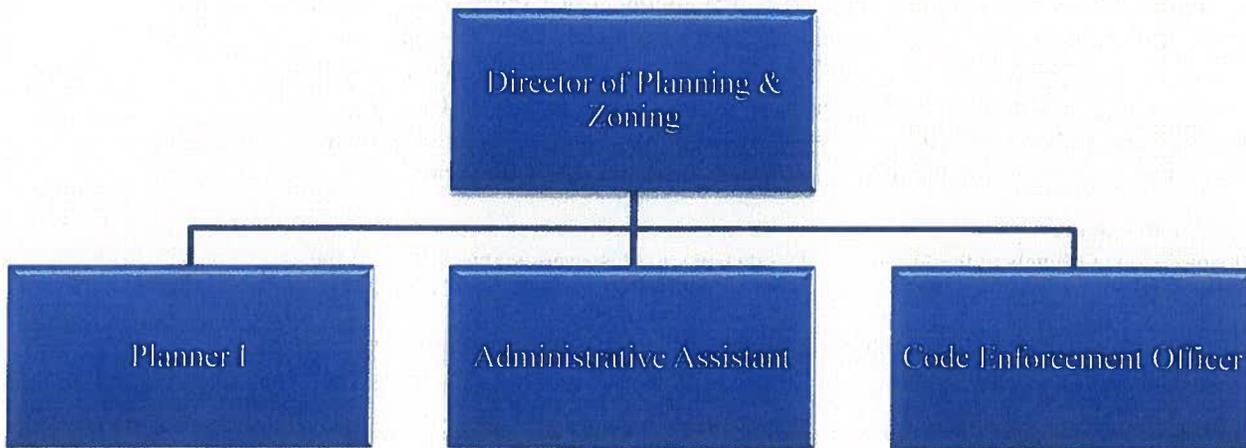
Update, Adopt and Implement the Pedestrian and Bicycle Master Plan

Further condense and revise Zoning Ordinance

Update Subdivision Regulations

Develop a Plan for the Redesign of Gulf Place

Develop a plan and application digital archival process



**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

BUILDING	2010	2011	2012	2013	% Change	2014
	Actual	Actual	Budget	Council Adopted	2012 to 2013	Projected
Expenditures						
Personnel	218,058	263,122	272,534	299,922	10%	305,920
Operations	44,834	43,875	43,875	43,875	0%	43,875
Total	262,892	306,997	316,409	343,797	9%	349,795

Building Personnel

Position	2010 Actual	2011 Actual	2012 Budget	2013 Adopted
Building Official	1	1	1	1
Inspectors	2	2	2	2
Administrative Assistant II	1	1	1	1
Total Personnel	4	4	4	4

Building Department Functions:

The Building Department serves multiple purposes within the City. This department issues all building, electrical, mechanical, and plumbing permits for all construction, including new, additions, repairs, and alterations to help ensure the construction is built to the adopted building codes. The department is also delegated by the Alabama Department of Environmental Management to enforce the Division 8, Coastal Regulations. We monitor the beach for construction activities, and ensure the beach front is in compliance with these regulations. The Building Department is responsible for administering the requirements of the National Flood Insurance Program for the City. We ensure new structures and existing structures remain in compliance with the City's Flood Damage Prevention Ordinance. This ensures the citizens get the best flood rates available to our area.

Major Accomplishments:

The Gulf Coast Code Officials of the International Code Council was awarded the Chapter of the Year for 2012; The City's Building Official, Brandan Franklin was the President of the local Chapter

The City's Community Rating System number will be lowered due to improved standards administered by the Building Department

Created an Organizational Chart for the City's Hurricane Plan. The plan was activated during Hurricane Isaac.

City Goal III Sustainable Growth- Promote quality Growth and development in community

Goals:

- Create a workable plan for the many incidents which may occur in our city
- Obtain more inspector certifications

BUILDING DEPARTMENT ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

RECREATION & CULTURAL AFFAIRS	2010 Actual	2011 Actual	2012 Budget	2013 Council Adopted	% Change 2012 to 2013	2014 Projected
Expenditures						
Personnel	103,112	115,316	118,905	117,387	-1%	119,978
Operations	11,015	10,800	10,968	10,600	-3%	10,968
Total	114,127	126,116	129,873	127,987	-1%	130,946

Recreation & Cultural Affairs Personnel

	2010 Actual	2011 Actual	2012 Budget	2013 Adopted
Position				
Director	1	1	1	1
Total Personnel	1	1	1	1

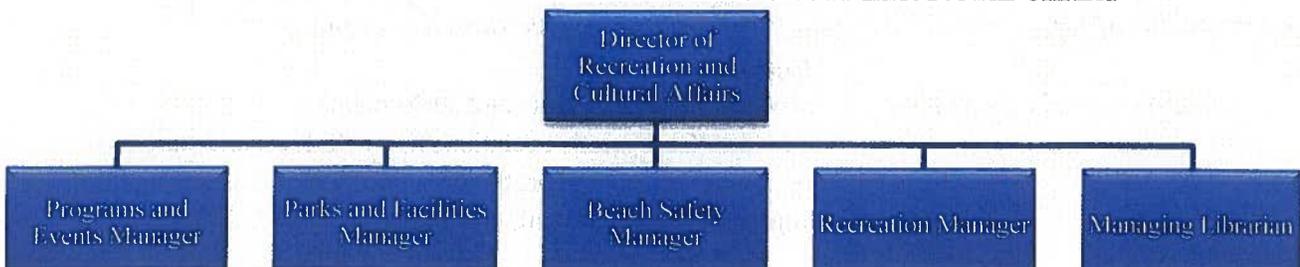
Major Accomplishments:

- Successfully launched new City of Gulf Shores Logo
- Successfully managed National and Regional sporting events
- Filled the Recreation Manager's position with exceptional hire, thus completing the R&CA management team
- Performed PIO functions for hurricane Isaac and other critical City issues.
- Further enhanced public relations and Communications

City Goal IV Quality of Life - Provide educational, recreational and cultural opportunities

Goals:	Objectives:
Improved budget management	Accountability within divisions by division managers Knowledge of budget detail
Operations	Modify City event application process to allow for the reimbursement of services by applicants.
Public Relations/Awareness	Re-brand City with new logo as budgets allow Launch New City Website Add changeable message reader board on Highway 59 Coordinate with other communities, CVB and Chamber
Citizen outreach (understand what our communities needs/wants are)	Surveys and/or focus groups Advisory committees of varying demographics e.g.: teen board
Revenue production	Increase revenue through capturing of fees and revised pricing strategy Increase usage of facilities through continued partnerships with sports associations, sports commission etc.

RECREATION AND CULTURAL AFFAIRS ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

SPECIAL EVENTS & PROGRAMS	2010	2011	2012	2013	% Change	2014
	Actual	Actual	Budget	Council Adopted	2012 to 2013	Projected
Expenditures						
Personnel	243,503	371,979	391,442	441,426	13%	450,255
Operations	289,469	354,864	355,114	373,174	5%	376,906
Total	532,972	726,843	746,556	814,600	9%	827,160

Special Events & Programs Personnel

Position	2010 Actual	2011 Actual	2012 Budget	2013 Adopted
Prgrams & Events Manager	1	1	1	1
Programs & Events Supervisor	0	1	1	1
Events Coordinator	0	2	2	2
Rental Agent	1	1	1	1
Civic Center Technician	1	1	1	1
Museum Administrator	1	0	0	0
Total Personnel	4	6	6	6

Major Accomplishments:

- Completed renovation of the Activity Center including new chairs, appliances, audio visual equipment, and signage
- Reached a larger demographic of citizens by hosting multiple Music at Meyer Park events
- Coordinated with the State to produce a successful 4th of July fireworks display
- Revised rental contract details and fees to be more customer service friendly and streamline structure of rentals
- Secured new ticket sales software for more user friendly and customer service procedure streamlining revenue tracking
- Implemented credit cards for rentals
- Increased marketing for programs & events utilizing social media, Hwy 59 signage, website, constant contact, e mail blast, better quality posters, fliers and signage
- Participated in LEAN Government exercise to streamline the work order process
- Improved tracking of rental revenue and usages by utilizing Peak software POS
- Implemented new key pick up drop off system for rental of unmanned facilities
- Doubled the participation in the Christmas Parade
- Successfully hosted the AHSAA State Track meet

City Goal IV Quality of Life - Provide educational, recreational and cultural opporutnities

Goals:

Expand and enhance programming and events

Objectives:

- Increase quality of events and performances
- Enter into Co-operative relationships with local and state arts council groups to support the growth of cultural events and programs offered to youth and adults

Special Events and Programs Continued

Goals:

Expand and enhance programming and events

Maximize use of all rental facilities

Volunteer Program

Objectives:

Focus on the wants and needs of senior adults to stay on the forefront of providing programming which exceeds expectations

Ensure aesthetics, service, equipment and supplies remain at the highest and best standard to support quality events at all facilities.

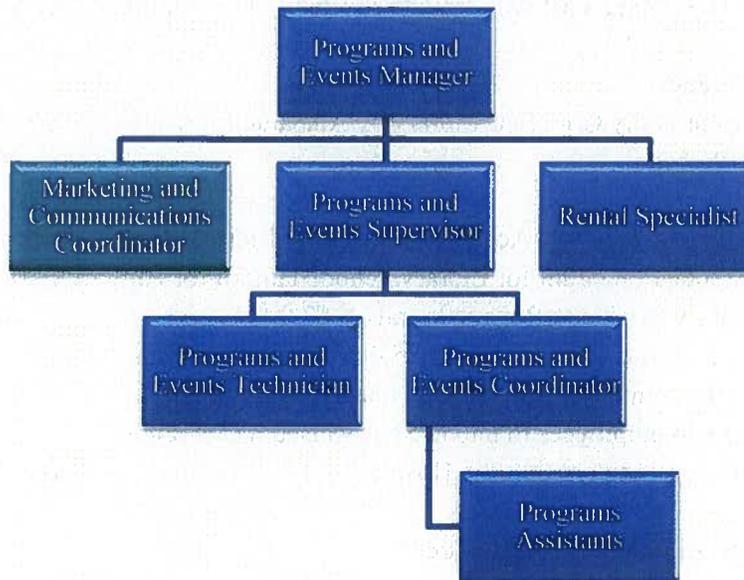
Community, business, civic, and citizen outreach to promote rental and use of facilities

Develop volunteer program to serve the needs of the city

RECREATION/SPECIAL EVENTS ORGANIZATIONAL CHART



SPECIAL EVENTS AND PROGRAMS DIVISION ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

LIBRARY	2010	2011	2012	2013	% Change	2014
	Actual	Actual	Budget	Council Adopted	2012 to 2013	Projected
Expenditures						
Personnel	299,121	373,259	426,576	435,440	2%	437,437
Operations	72,684	98,875	98,915	99,365	0%	100,359
Total	371,805	472,134	525,491	534,805	2%	537,796

Library Personnel

Position	2010 Actual	2011 Actual	2012 Budget	2013 Adopted
Managing Librarian	1	1	1	1
Library Assistant Senior	4	4	4	4
Reference Librarian	1	1	1	1
Museum Coordinator	0	1	1	1
Part-Time:				
Library Assistant Senior	2	2	2	2
Library Assistant	1	1	1	1
Total Personnel:	9	10	10	10

Mission Statement:

The mission of the Thomas B. Norton Public Library is to acquire, organize, and provide access to a carefully selected collection of materials and services for the people of Gulf Shores and its visitors. The library service will aid the community in fulfilling educational, social, cultural, and recreational needs. The library staff will provide courteous and helpful service to all people.

Major Accomplishments:

Recognized as Alabama's only Gold Star Library by Alabama Library Association for 2012

Redesigned Library Website

Fundraising Efforts:

1. Library Services and Technology Act/ Alabama Public Library Service Grant

Alabama Library Association Grant for Library School Tuition for Amy Maliska- \$2000

2. Friends of the Library Book and Bake Sale- raised \$7,003

3. Missouri Snowbirds Trivia Contest- raised \$5,000 for the Friends of the Library

Provided funding for four employees and Steve Jones to attend State Library Convention.

Provided funding for two employees to attend State Museum Convention.

Supported other staff development through Hospitality 101, Webinars, and other face-to-face classes

Library Major Accomplishments Continued:

New Programming:

Art Camp for children

Book Club for recreation center children

Digital Renaissance training for Jane Daugherty. Classes regarding the program for staff and public.

Library Major Accomplishments Continued:

Ongoing Programming:

- Information Literacy Series featuring computer basics, job search skills, database search, and online research, and e-reader classes for the public and staff
- After School Program for recreation center children.
- Book Club for Adults.
- Summer Reading Program and weekly pre-school story-time.
- Christmas Open House at the library and museum.
- Winter Film Series at the library and museum.
- Revolving Local Artist Showcase display using library spaces.
- Young Adult Summer Reading Program-Partnered with the museum to offer activities for age group
- Coffee Talks-Opportunities for authors to come talk
- Outreach Classes regarding the Alabama Virtual Library and emerging technology for groups outside the library including Faulkner, Gulf Shores High School, and Civic Groups
- Technology training for other city employees to bolster confidence and improve skills, upon request

City Goal IV Quality of Life - Provide educational, recreational and cultural opportunities

Goals:

To provide excellent service to the public through a well-trained staff.

To provide outstanding library services for children and students.

To provide exceptional library services to adults.

To provide exceptional library services to adults.

To provide patrons with improved access to information technology.

Objectives:

Provide funding for 3 to 4 staff members to attend the Alabama Library Association Convention.

Support training through Webinars and other online services at little detriment to the budget. Provide funding for Museum Administrator attend genealogy & archival technologies training.

Ensure every employee has at least one training opportunity.

Support educational goals for Youth Services and Technical services staff members currently pursuing degrees. Achieve Gold Star Standards Award as indicated by ALLA.

Build children's and young adult programming with museum.

Continue story times off-site at local daycares. Continue the Homework Help program with students from the rec. center.

Expand outreach efforts to Faulkner State campus and students to encourage utilization of library facilities.

Continue Reference Librarian's writing group with GSHS students.

Museum and Library programming for children and students.

Reinforce efforts for Reference Librarian to start a writing group.

Support reference services through web-based training opportunities and pertinent workshops. Maintain extensive review and weeding of adult materials, including fiction and nonfiction, according to accepted standards. Sustain the development of combined Museum and Library programming.

Apply for a State Level Standards Award.

Boost the activities of and participation in the Adult Book Club.

Foster interdepartmental programming to increase utilization of programs by specific demographics.

Continue to review and update web-based resources available to library patrons both in the library and at home.

Create a new library website. Review need for website updates.

Library Goals and Objectives Continued

Goals:

To pursue supplemental funding to promote goals I-IV.

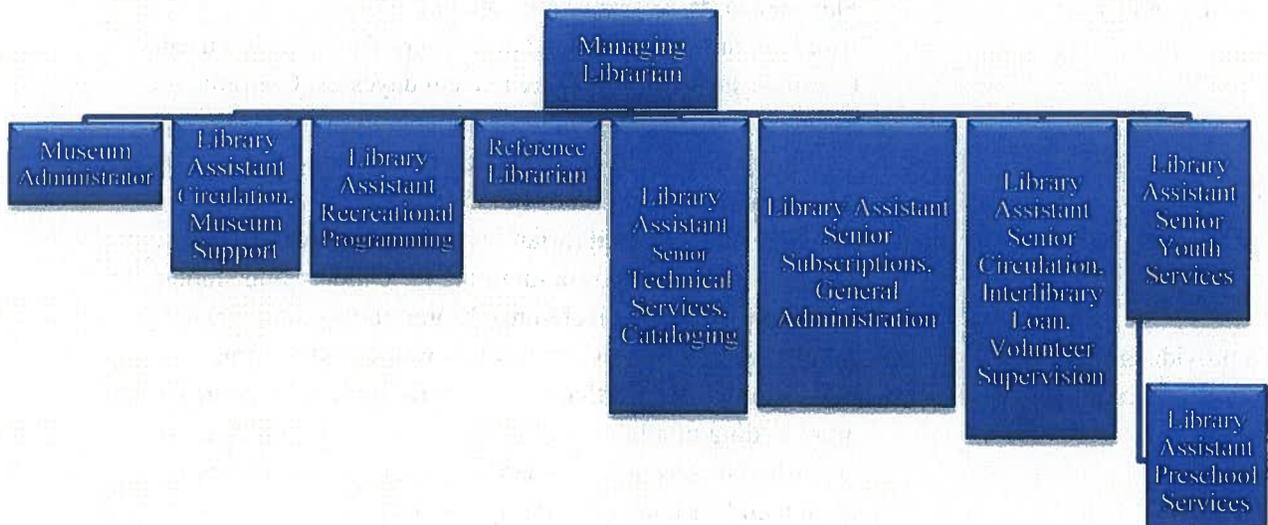
Objectives:

Enlarge offering of eBooks for patrons to download.
 Continue to provide workshops for the public on the use of e-readers and other emerging technological devices.
 Analyze the need for interactive digital displays in the Museum and install where needed.
 Review the needs created by the establishment of new goals and approach Friends of the Library group to fund specific projects.
 Participate in Trivia Night sponsored by Missouri Snowbird Club.

RECREATION & CULTURAL AFFAIRS ORGANIZATIONAL CHART



LIBRARY ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

RECREATION BODENHAMER CENTER	2010	2011	2012	2013	% Change	2014
	Actual	Actual	Budget	Council Adopted	2012 to 2013	Projected
Expenditures						
Personnel	1,196,511	966,987	1,055,229	1,194,671	13%	1,218,564
Operations	461,883	458,575	449,649	440,379	-2%	449,649
Total	1,658,394	1,425,562	1,504,878	1,635,050	9%	1,668,213

Bodenhamer Personnel

Position	2010	2011	2012	2013
	Actual	Actual	Budget	Adopted
Recreation Manager	0	1	1	1
Center Supervisor	1	0	0	0
Maintenance Worker, Senior	1	1	1	1
Maintenance Worker	1	1	1	1
Athletic Coordinator, Sports	2	2	2	2
Athletic Coordinator, Tennis	1	1	1	1
Recreation Assistant	1	0	0	0
Athletic Coordinator, Aquatics	1	1	1	1
Lifeguard	2	2	1	1
Administrative Asst II	0	1	1	1
Fitness Attendants	1	1	1	1
Customer Service	0	0	1	1
Total Personnel:	11	11	11	11

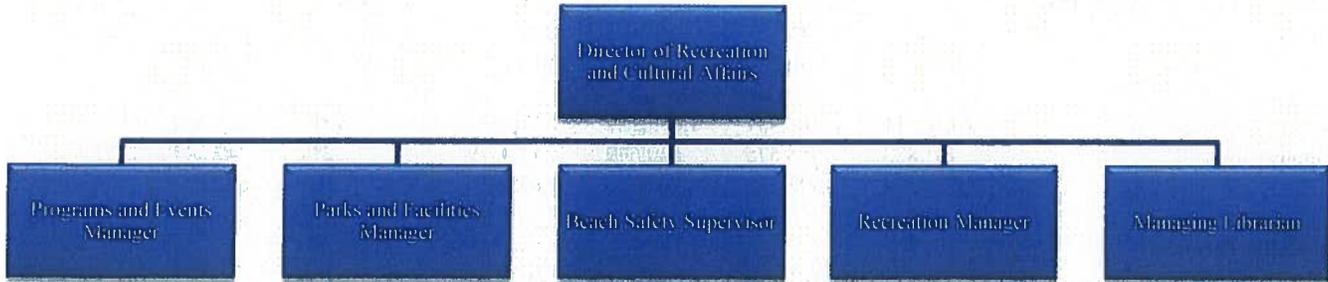
Major Accomplishments

Implemented successful personal training program. Increased revenue, program participation and visits to rec center
 Improved facility with state-of-the-art cardio equipment
 Renovated pool aesthetics and function with new bullnose tiles, lounge chairs, umbrellas, picnic tables, lane lines and backstroke flags.
 Doubled participation of Junior Tennis tournaments from 2011 with 9 state rankings
 Increased participation in all 3 sports seasons, Spring / Fall / Winter
 Successful implementation in Athletic Inclement Weather Hotline
 Held successful membership drive
 Increased swim lessons by 62%, Pool usage by 14.5%, and swim team by 16% since 2011
 Minimized non payment of program fees by implementing monthly statements and enforcing rules for not allowing participation in programs with an outstanding debt.

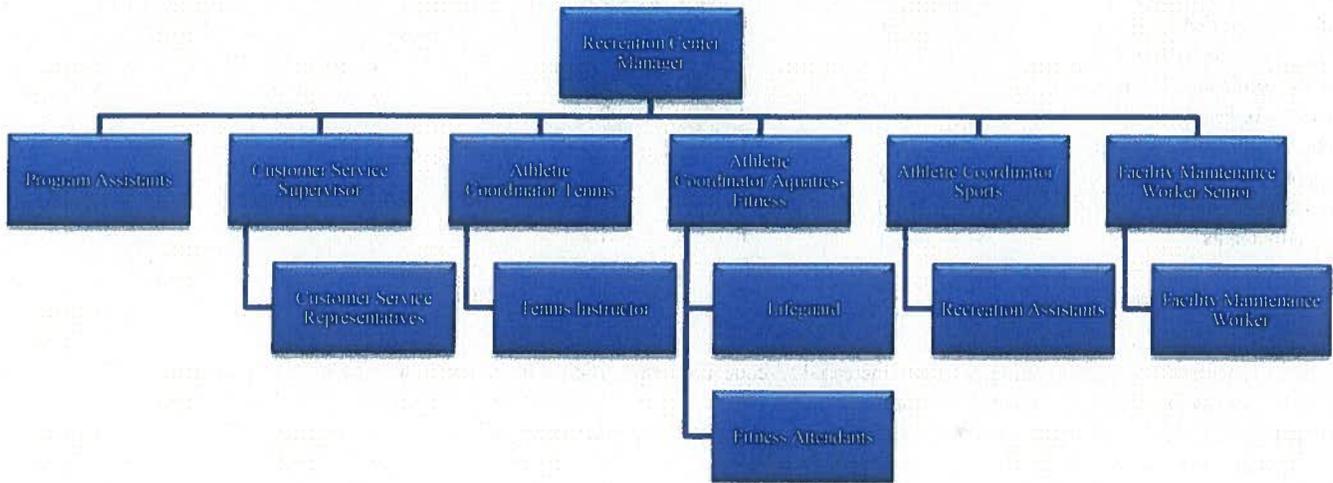
City Goal IV Quality of Life - Provide educational, recreational and cultural opporutnities

Goals:	Objectives:
Increase Memberships and Revenues	Add value through expanded opportunities to participate Hold membership drive; offer more membership amenities Increase membership satisfaction through customer service Restructure fees to maximize and simplify Create recreation center and tennis pro-shops
Improve facilities	Renovate and enhance facilities Continue to clean, repair and maintain facilities Utilizie more environmentally friendly fixtures
Expand the tennis offering	Increase hours of operation to include nights and weekend hours Increase organized play opportunities for patrons Promote through clinics and tournaments Offer more special programs at tennis facility
Enhance athletic programming	Implement an online program evaluation process for parents/coaches/players to complete Explore volunteer coach and parent youth sport education programs

RECREATION & CULTURAL AFFAIRS ORGANIZATIONAL CHART



RECREATION ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

RECREATION SPORTSPLEX

	2010 Actual	2011 Actual	2012 Budget	2013 Council Adopted	% Change 2012 to 2013	2014 Projected
Expenditures						
Personnel	444,319	514,884	546,444	559,310	2%	570,496
Operations	230,280	314,202	314,196	328,246	4%	328,246
Total	674,599	829,086	860,640	887,556	3%	898,742

Sportsplex Personnel

Position	2010 Actual	2011 Actual	2012 Budget	2013 Adopted
Manager	0	1	1	1
Crew Leader	1	1	1	1
Grounds Worker Senior	1	1	1	1
Sports Turf Specialist	1	0	0	0
Grounds Worker	0	3	3	3
Total Personnel	3	6	6	6

Major Accomplishments: (Same for Sportsplex and Recreation)

Successfully hosted major softball, baseball, and soccer events in conjunction with the Sports Commission, including USSSA Global World Series.

Successfully hosted the NAIA National Softball Championships in 2011

Successfully hosted the AHSAA State Track Meet and Regional Softball Championship

City Goal IV Quality of Life - Provide educational, recreational and cultural opportunities

Goals:

Expand the usage of the facilities to increase revenue and exposure to the area

Enhance the landscaping and maintenance of the parks and City facilities

Objectives:

Continue efforts with the Sports Commission
Improve our service to the patrons

Expand maintenance duties of parks division

Organizational Chart Note: The Sportsplex and Parks & Facilities have the same org chart that will be shown on the next page.

**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

RECREATION PARKS

	2010 Actual	2011 Actual	2012 Budget	2013 Council Adopted	% Change 2012 to 2013	2014 Projected
Expenditures						
Personnel	1,825	199,524	266,877	273,251	2%	278,716
Operations	30,840	151,253	151,134	140,084	-7%	151,134
Total	32,665	350,777	418,011	413,335	-1%	429,850

Parks Personnel

Position	2010 Actual	2011 Actual	2012 Budget	2013 Adopted
Manager	1	0	0	0
Crew Leader	1	1	1	1
Grounds Worker	4	5	5	5
Total Personnel	6	6	6	6

Major Accomplishments:

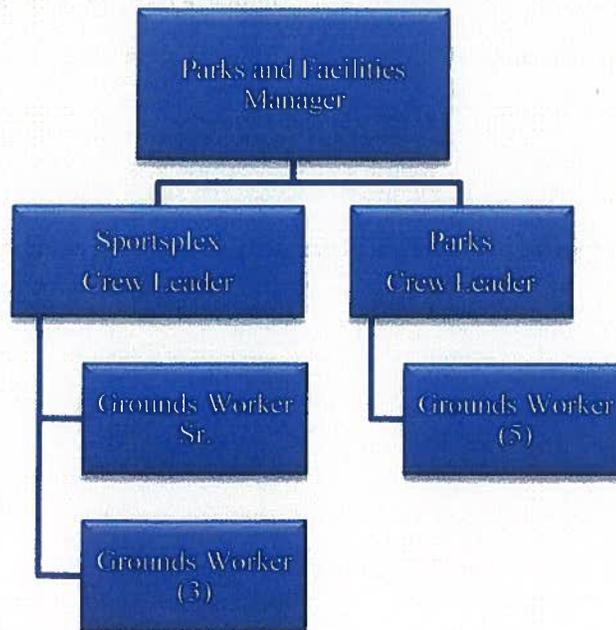
- Built a new fence and pad for the dumpster at Sims park
- Improved Meyer Park horse shoe pits
- Added Grass to the old parking lot next to the Rec center
- Added new bridge and enlarged dog park
- Renovated the football fields at high

City Goal II Provide quality services that meet the needs of our residents and visitors

Goals/Objectives

Proactively monitor facilities for safety. Enhance the landscaping and maintenance of the parks/facilities.

PARKS & FACILITIES ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

RECREATION BEACH

	2010 Actual	2011 Actual	2012 Budget	2013 Council Approved	% Change 2012 to 2013	2014 Projected
Expenditures						
Personnel	125,850	224,523	220,832	224,311	2%	224,109
Operations	204,980	127,628	153,716	158,116	3%	153,716
Total	330,830	352,151	374,548	382,427	2%	377,825

Beach Personnel

Position	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Beach Safety Supervisor	1	1	1	1
Lifeguard II-part time	1	0	0	0
Total Personnel	2	1	1	1

Major Accomplishments:

- Division became Nationally Certified through the United States Lifesaving Association
- Became Nationally recognized by training and assisting agencies such as the National Weather Service Police and Fire agencies throughout the United States
- Successfully managed and operated paid beach parking by maintaining and repairing collection machines.
- Collected and deposited revenues without discrepancies
- Operated within budget requirements set by City administration
- Successfully enforced ordinances related to Beaches, Boats and Waterways

City Goal II Provide quality services that meet the needs of our residents and visitors

Goals:

Maintain a standard of professionalism

Objectives:

- Additional and higher training standards
- Encourage higher education
- Encourage personal development

Continue to provide and exceed safety and security for residents and visitors

- Increased patrols
- Additional manpower and equipment
- Additional training for employees

Research service that would provide additional revenues for RCA, Beach Patrol and City

- Additional pay stations
- Permitting fees
- Ordinance fines and fees

Work with other City departments to better improve facilities and beach experience

- Updating facilities and grounds
- Improve way finding signage
- Maintain a clean, safe beach by interdepartmental cooperation

BEACH



Public Works Department Functions:

The Public Works Department maintains the City's numerous public facilities, municipal buildings, public beaches, landscaping, City streets, City right-of-way, City vehicles and equipment and the City's stormwater systems. In addition, Public Works administers all municipal capital improvement projects, as well as reviews all commercial developments, multi-family developments and major subdivisions. The Department has five divisions including Custodial, Landscaping, Maintenance, Streets and General Services.

The General Services Division provides Public Works related administrative, inspection, and engineering services for the City. In addition, the General Services Division provides critical information to our citizens related to trash collection, residential garbage collection, recycling and other utility information.

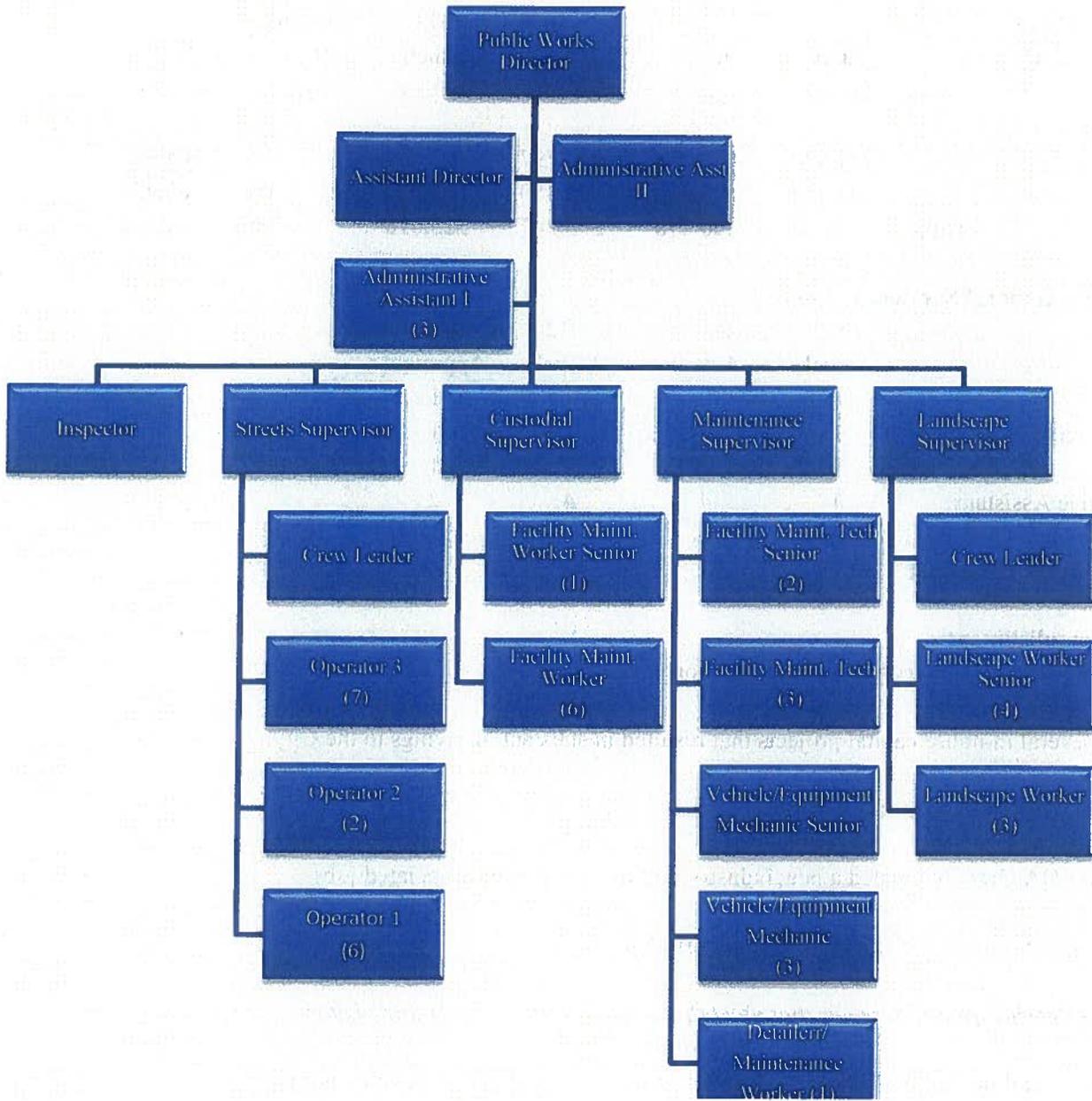
The Custodial Division has the task of keeping our municipal buildings clean. Additionally, they work hard in maintaining the cleanliness of all of our public beach facilities. The Custodial Division also provides critical support to other departments for large City-sponsored events including sporting events, concerts and group rentals.

The Landscape Division designs, installs and maintains all landscaping in the right-of-way and at all City facilities. In addition, the Landscape Division designs and installs irrigation and landscaping for many municipal projects including the new Annex, Gulf Place and the various City facilities. They also recently renovated a greenhouse for the local high school.

The Street Division takes on a variety of daily tasks including all right-of-way mowing, sign repair and maintenance, pothole repair, drainage maintenance, yard debris pickup, mosquito control, new culvert installations on single family residents, grading parking lots and dirt roads, litter pick up on the right-of-way, and street and beach sweeping. Thanks to the Streets Department our roadways are clean, parking areas are accessible, and our beaches are beautiful.

The Maintenance Division is responsible for both the new construction and remodeling of City facilities, monitoring and maintaining the daily mechanical operations that encompass all City buildings, vehicles and equipment, and monitoring and repairing traffic signals throughout the City. They are the force that keeps our City facilities running smoothly so that we can serve the public in the best way possible.

PUBLIC WORKS ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

PUBLIC WORKS GENERAL SERVICES	2010	2011	2012	2013	% Change	2014
	Actual	Actual	Budget	Council Adopted	2012 to 2013	Projected
Expenditures						
Personnel	371,633	419,828	444,797	462,666	4%	501,382
Operations	43,355	70,450	63,450	60,950	-4%	63,450
Total	414,988	490,278	508,247	523,616	3%	564,832

Public Works General Services Personnel

	2010	2011	2012	2013
Position	Actual	Actual	Actual	Approved
Director	1	1	1	1
Assistant Director	1	1	1	1
Inspector	1	1	1	1
Administrative Assistant	4	4	4	2
Courier	0	0	1	1
Total Personnel	7	7	8	6

Major Accomplishments:

Improve efficiency of workers by reclassifying Don Turk as a courier.

Undertook several in-house capital projects that resulted in substantial savings to the City.

Worked with developers to attract new businesses.

Managed an EDA Grant to created a new industry within the City and associated jobs.

Implemented electronic work orders to improve efficiency.

City Goal II Provide quality services that meet the needs of our residents and visitors

Goals:

Continue to streamline Public Works.

Improve infrastructure safety and appearance.

Objectives:

Provide training to managers to develop more efficient methodology. Utilize seasonal labor.

Develop volunteer programs with Schools and community to help maintain and monitor our facilities. Develop detailed maintenance schedules with Division Supervisors.

**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

PUBLIC WORKS CUSTODIAL	2010	2011	2012	2013	% Change	
	Actual	Actual	Budget	Council Adopted	2012 to 2013	2014 Projected
Expenditures						
Personnel	345,902	324,378	384,250	369,182	-4%	363,592
Operations	59,664	58,960	67,800	70,000	3%	67,800
Total	405,566	383,338	452,050	439,182	-3%	431,392

Public Works Custodial Personnel

	2010	2011	2012	2013
	Actual	Actual	Actual	Adopted
Supervisor	1	1	1	1
Facility Maintenance Worker	4	4	6	6
Facility Maintenance Worker, Senior	2	2	1	1
Total Personnel	7	7	8	8

Major Accomplishments:

The Custodial Department successfully supported numerous large events that helped the community.

We worked closely with Recreation to support major athletic events at the Sportsplex.

We supplemented our staff with temporary labor to control overtime costs and meet demands.

City Goal II Provide quality services that meet the needs of our residents and visitors

Goals	Objectives
Provide high quality of service.	Suggest improvements to facilities to improve cleanliness. Continue to support large events.
To keep safety in mind at all times.	Train staff on proper use of chemicals. Use environmentally friendly chemicals.
Improve cleanliness of facilities.	Implement automated toilets and hands free dryers at public restrooms.

**The City of Gulf Shores, Alabama
Fiscal Year 2012 Budget**

PUBLIC WORKS LANDSCAPE	2010 Actual	2011 Budget	2012 Budget	2013 Council Adopted	% Change 2011 to 2012	2014 Projected
Expenditures						
Personnel	420,638	414,428	451,651	470,397	9%	475,101
Operations	112,792	117,400	134,400	140,200	14%	141,602
Total	533,430	531,828	586,051	610,597	10%	616,703

Public Works Landscape Personnel

Position	2010 Actual	2011 Actual	2012 Actual	2013 Adopted
Supervisor-Horticulture	1	1	1	1
Crew Leader	1	1	1	1
Landscape Worker	7	7	7	7
Total Personnel	9	9	9	9

Major Accomplishments:

Implemented water tolerant plants to reduce water consumption.

Updated landscaping at Gulf Place, West 5th St, City Annex and Sportsplex including: the construction of fountains, trees, shrub beds and laying sod to reduce maintenance requirements, improve aesthetic qualities and functionality of various areas.

Supported numerous Beautification Board projects such as Arbor Day.

Partnered with school to manage their greenhouse to support their academic programs as well as saving money on landscaping supplies.

City Goal II Provide quality services that meet the needs of our residents and visitors

Goals:

Save money on the purchase of annual bedding plants, Arbor Day trees etc.

Save money on debris disposal.

Reduce irrigation water bills for city.

Continue to improve aesthetic qualities of landscaping throughout the city.

Improve specific skills of employees.

Objectives:

Utilizing school's greenhouse would enable us to save money by purchasing small plants as plugs and growing them to the required size.

Improve and expand recycling of green debris, which would also save money on the purchase of compost.

Implement the use of low volume micro irrigation systems whenever possible.

Redevelop the landscaping for the City Library, Fire station 1 and Highway 59. Replace annual plants more frequently with greenhouse grown plant materials.

Increase participation in training opportunities by rewarding employees who successfully complete educational programs.

**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

PUBLIC WORKS STREETS	2010 Actual	2011 Actual	2012 Budget	Council Adopted	% Change 2012 to 2013	2014 Projected
Expenditures						
Personnel	1,080,543	993,531	937,106	975,941	4%	995,460
Operations	745,628	805,210	1,175,950	739,200	-37%	1,175,950
Total	1,826,171	1,798,741	2,113,056	1,715,141	-19%	2,171,410

Public Works Streets Personnel

	2010 Actual	2011 Actual	2012 Actual	2013 Adopted
Position				
Supervisor-Streets	1	1	1	1
Crew Leader			1	1
Equipment Operator	19	19	15	15
Total Personnel	20	20	17	17

Major Accomplishments:

Street Division supported numerous events sometimes without any prior notice.

Streets Division worked diligently through numerous heavy rainfall events to negate many of the impacts from the heavy rainfall.

Streets Division successfully completed several drainage projects that were Constructed for thousands less then if they had been contracted.

Restructured Division and implemented extensive mosquito control program.

City Goal II Provide quality services that meet the needs of our residents and visitors

Goals:

Maintaining City drainage infrastructure.

Continue to provide service for yard debris pick up

Maintain City road and traffic signage

Do more in-house construction

Objectives:

Continue to clean ditches city wide. Repair silted ditches overgrown with vegetation. Be aggressive to eliminate flooding

Be aggressive to eliminate complaints Maintain knuckle booms with fewer break downs

Continue to work to replace signs that have engineer grade sheeting with high intensity sheeting (more visible) Fix/replace bent sign post

Fix broken side walks
Pour new concrete side walks
Install new underground storm drains
Repair potholes

**The City of Gulf Shores, Alabama
Fiscal Year 2013 Budget**

PUBLIC WORKS MAINTENANCE	2010	2011	2012	2013 Council Adopted	% Change 2012 to 2013	2014 Projected
	Actual	Actual	Budget			
Expenditures						
Personnel	486,079	530,966	552,259	604,251	4%	610,294
Operations	333,689	389,550	398,800	450,700	2%	455,207
Total	819,768	920,516	951,059	1,054,951	3%	1,065,501

Public Works Maintenance Personnel

Position	2010 Actual	2011 Actual	2012 Actual	2013 Adopted
Supervisor Maintenance	1	1	1	1
Facility Maintenance Technician	5	5	4	4
Vehicle/Equipment Mechanic	3	3	4	4
Detailer/Maintenance Worker	0	0	0	1
Total Personnel	9	9	9	10

Major Accomplishments:

The Maintenance division has successfully undertaken/completed several large renovation projects.

We have worked closely with General Services and Police to improve traffic flow during tourist season.

We have added a mechanic to keep up with the increased demands of vehicle/equipment repairs.

City Goal II Provide quality services that meet the needs of our residents and visitors

Goals:

To maintain the quality of facilities.

Implement more energy saving programs.

Continue to support major City functions.

Develop an "in house" AC repair team.

Objectives:

Perform renovations and expedite repairs.

Explore and test new energy saving innovations.

Make permanent improvements to infrastructure to support events.

Train and certify staff in proper AC repair/maintenance.

**CITY OF GULF SHORES, ALABAMA
EXPENDITURES BY CATEGORY
PROJECTED BUDGET YEAR ENDING DECEMBER 31, 2014**

Department	Personnel	Operations	Capital	Debt Service	Transfers	Total
General Fund:						
REVENUES*						30,260,851
Executive	531,329	334,235				865,564
Finance & Administrative Services	1,647,870	928,267				2,576,137
Municipal Court	294,854	13,318				308,172
Police	3,932,356	644,640				4,576,996
Fire & EMS	2,885,972	417,600				3,303,572
Community Development	300,986	61,404				362,390
Building	305,920	43,875				349,795
Recreation & Cultural Affairs	119,978	10,968				130,946
Special Events & Programs	450,255	376,906				827,160
Library	437,437	100,359				537,796
Recreation - Bodenhamer	1,218,564	449,649				1,668,213
Recreation - Sportsplex	570,496	328,246				898,742
Recreation - Parks	278,716	151,134				429,850
Recreation - Beach	224,109	153,716				377,825
Public Works - General Services	501,382	63,450				564,832
Public Works - Custodial	363,592	67,800				431,392
Public Works - Landscaping	475,101	141,602				616,703
Public Works - Streets	995,460	1,175,950				2,171,410
Public Works - Maintenance	610,294	455,207				1,065,501
Appropriations		80,000				80,000
Transfers Out					7,403,467	7,403,467
General Fund Totals	<u>16,144,672</u>	<u>5,998,325</u>	<u>0</u>	<u>0</u>	<u>7,403,467</u>	<u>29,546,464</u>
Other Funds:						
Special Revenue						
2% Lodging Tax - Transfer Out					2,662,713	2,662,713
Designated Taxes - Transfer to GF					315,000	315,000
Impact Fees			128,957			128,957
Capital Projects Funds						
GO Warrants			691,733			691,733
Debt Service				4,740,754		4,740,754
Subtotal Other Funds	<u>0</u>	<u>0</u>	<u>820,690</u>	<u>4,740,754</u>	<u>2,977,713</u>	<u>8,539,157</u>
Grand Total	<u>16,144,672</u>	<u>5,998,325</u>	<u>820,690</u>	<u>4,740,754</u>	<u>10,381,180</u>	<u>38,085,621</u>

**Schedule 1
City of Gulf Shores
Operating Indicators by Function/Program
Past Ten Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Building permits issued	599	812	1,984	1,771	872	572	459	422	385	566
Building inspections conducted	3,417	5,406	8,774	9,902	8,222	3,172	1,763	1,065	1,016	1,263
Business Licenses issued*	-	-	-	3,901	8,677	7,566	7,083	7,491	7,554	10,016
Police										
Physical arrests	1,039	1,008	1,092	1,249	1,529	1,558	1,604	1,423	1,394	1,527
Traffic violations	2,898	1,830	2,180	1,603	1,726	2,008	1,858	1,268	1,484	1,641
Officers	28	28	30	32	36	35	40	39	39	41
Fire										
Emergency responses*	-	-	-	-	-	-	2,108	2,280	2,307	2790
Fires extinguished*	-	-	-	-	-	-	59	52	30	70
Inspections*	-	-	-	-	-	-	413	335	467	920
Full time staff*	-	-	-	-	-	-	48	39	42	43
Part time staff*	-	-	-	-	-	-	6	0	0	0
Volunteer Firefighters*	-	-	-	-	-	-	17	17	8	8
Public Works										
Street resurfacing (linear feet)*	-	#####	#####	-	#####	-	12,491	0	19,380	0

*Information not available for prior years

Schedule 2
City of Gulf Shores
Capital Asset Statistics by Function/Program
Past Ten Years

Function/Program	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	4	4	4	4	4
Parks and recreation*										
Football/Track Stadium							1	1	1	1
Softball fields							2	2	2	2
Baseball fields							13	13	13	13
Soccer field							1	1	1	1
Parks							8	8	8	8
Tennis Courts							18	18	18	18
Basketball Courts							2	2	2	2
Swimming Pool							1	1	1	1
Gymnasium							1	1	1	1
Transit - minibusses							5	5	5	5
Public Works										
Maintained Streets (miles)	58	59	59	61	62	63	63	64	65	67
Traffic Signals*							24	24	24	24
Streetlights*							2,201	2,201	2,234	2,234

*Information not available for the prior years

**Schedule 3
City of Gulf Shores
Population**

Census Year	City of Gulf Shores
1960	356
1970	909
1980	1,349
1990	3,261
2000	5,044
2010	9,741

Per Capita Income

	<u>1979</u>	<u>1989</u>	<u>1999</u>	<u>2010</u>
Gulf Shores	7,761	17,414	24,356	28,522
State of Alabama	5,894	11,486	18,189	22,984

Median Family Income

	<u>1989</u>	<u>1999</u>	<u>2010</u>
Gulf Shores	34,257	51,862	45,801
State of Alabama	28,688	41,657	42,081

Source: United States Bureau of the Census Quick Facts

**Schedule 4
Unemployment Rates**

	2010
Baldwin County	8.90%
Alabama	9.50%

Source: Alabama Department of Industrial Relations - data not available for the City of Gulf Shores, only Baldwin County

**Schedule 5
City of Gulf Shores
Principal Employers**

TOP TEN

Rank	Employer	Employees
1	Lulu's	351
2	Waterville	310
3	Wal-Mart	269
4	Brett Robinson	265
5	Kaiser	235
6	The Beach Club	223
7	G.S. Public Schools	220
8	City of Gulf Shores	217
9	Original Oyster House	150
10	Target	125

**Schedule 6
City of Gulf Shores
Property Tax Levies and Collections (Unaudited)
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Taxes Levied for the Year</u>	<u>Taxable Property Assessed Valuation*</u>
2002	1,274,208	254,841,558
2003	1,628,063	325,612,672
2004	1,669,678	333,935,681
2005	2,391,170	478,235,060
2006	3,135,189	627,037,700
2007	4,331,916	866,383,116
2008	3,773,216	754,643,100
2009	3,176,680	635,336,040
2010	2,620,773	524,154,540
2011	2,437,167	487,433,360

	Levy Rate
State of Alabama	6.5 mills
City of Gulf Shores	5 mills
Baldwin County:	
General	5 mills
Schools	9 mills
Roads and Bridges	2.5 mills
Special School District	3 mills
Fire	1.5 mills
Health	.5 mills
Total	33 Mills

*8% Decline in property tax base due to County adjusted valuations.

Property taxes are collected by Baldwin County. As of publication date, information for collections, subsequent years adjustments, and total collections to date requested but not yet received from Baldwin County

**Schedule 7
City of Gulf Shores
Principal Property Tax Payers
Current Year and Ten Years Ago**

<u>Taxpayer</u>	2011			2001		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
The Links at Gulf Shores	\$ 4,583,680	1	15.78%	\$ -		-
Baldwin County EMC	4,316,100	2	14.86%	4,652,080	1	21.34%
Gulf Shores Multi-Family Partners	3,957,360	3	13.62%			
TA-Colonial Traditions LLC	3,075,920	4	10.59%			-
Wal-Mart Real Estate Business	2,865,260	5	9.86%			-
Beach Place Development	2,251,580	6	7.75%			-
Gulf Shores Multi-Family Partners	2,187,900	7	7.53%			-
Howard Resort Inns, Inc.	1,953,480	8	6.73%	1,789,500	5	8.21%
Vision Bank	1,896,840	9	6.53%			-
Gulf Telephone Company	1,957,100	10	6.74%			
Lighthouse Motel Inc	-		-	3,472,660	2	15.93%
Inn at Gulf Shores Ltd.	-		-	2,376,060	3	10.90%
Craft Development Corporation	-		-	2,104,900	4	9.65%
Meyer, Erie H	-		-	1,714,220	6	7.86%
Honours-Peninsula Golf Club LLC	-		-	1,572,040	7	7.21%
Meyer Properties, Inc.	-		-	1,439,820	8	6.60%
Tri-Tel LLC	-		-	1,412,420	9	6.48%
Waterville USA, Inc.	-		-	1,269,980	10	5.82%
Total	\$ 29,045,220		100.00%	\$ 21,803,680		100.00%

Source: Baldwin County Revenue Commissioner's Office.

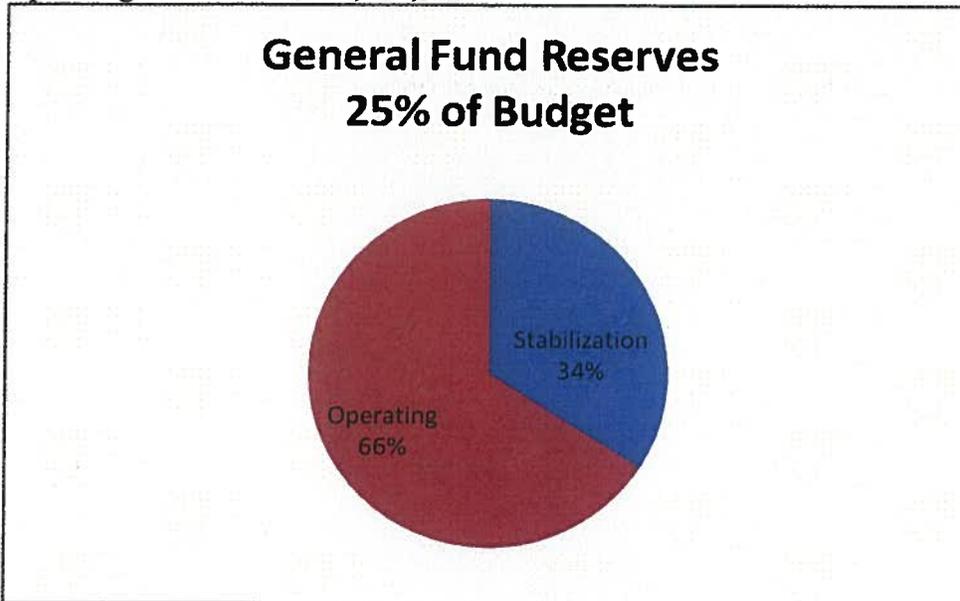
**CITY OF GULF SHORES
FINANCIAL POLICIES
FEBRUARY 2010**

FINANCIAL PLANNING POLICIES

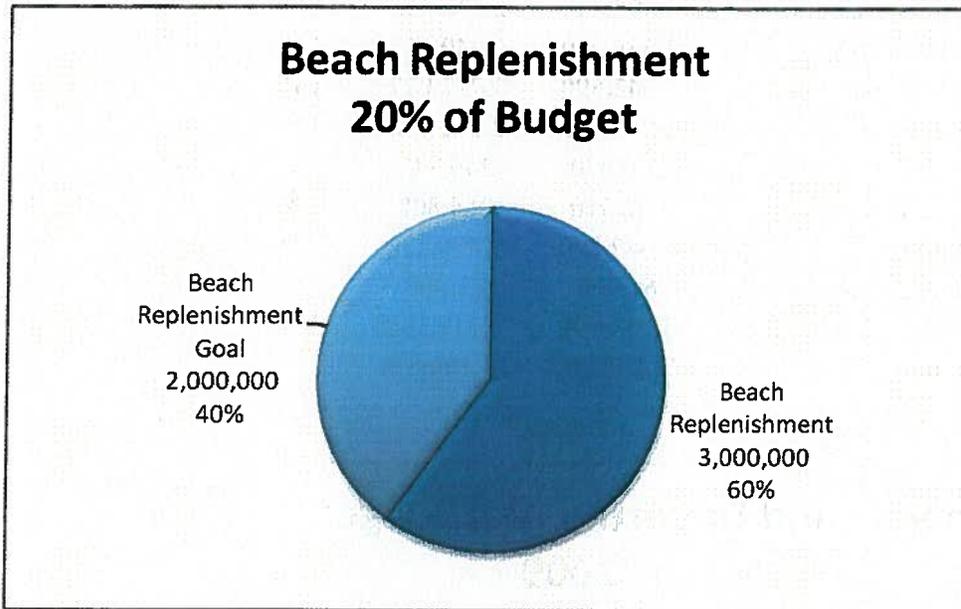
Fund Balance Reserve Account – Stabilization Funds

The City of Gulf Shores will build through prudent financial management a cash reserve equal to twenty-five per cent of the General Fund Operating Budget. The General Fund Stabilization Reserve will enable the city to withstand fluctuations in tourism revenue streams related to the nearby travel industry and provide a stabilized fiscal environment to maintain and enhance bond ratings allowing the city to borrow at competitive rates. Of the twenty-five per cent General Fund reserves, two-thirds will be maintained as an Operating Reserve to enable the City to continue operations in the event of an emergency or disaster until other funds may be received.

The City of Gulf Shores will maintain risk management reserves to provide for liabilities incurred for workers' compensation claims, other retained employee benefits, and claims not otherwise addressed in this policy statement. It is the policy of the City to maintain a General Fund Reserve at a minimum of 15% of General Fund Expenditures with a target of 25% of General Fund Expenditures in order to offset fluctuations in revenue streams related to the tourist industry. Additionally, the General fund balance protects the City from having to reduce service levels or raise taxes and fees due to temporary revenue shortfalls, economic downturns or unpredicted one-time expenditures for emergencies or disasters. For 2010 the total General Fund Reserves target is \$6,250,000, equivalent to twenty-five percent of a \$25,000,000 budget. Currently there are \$4,125,000 in Operating Reserves and \$2,125,000 in Stabilization Funds.



A Beach Replenishment Reserve Fund target of twenty-percent of the General Fund budget for 2010 would be five million. Currently \$3,000,000 is in the General Fund (Emergency Public Safety Reserves). An additional \$2,000,000 will be added to the Beach Replenishment Reserve Fund as the funds can be designated.



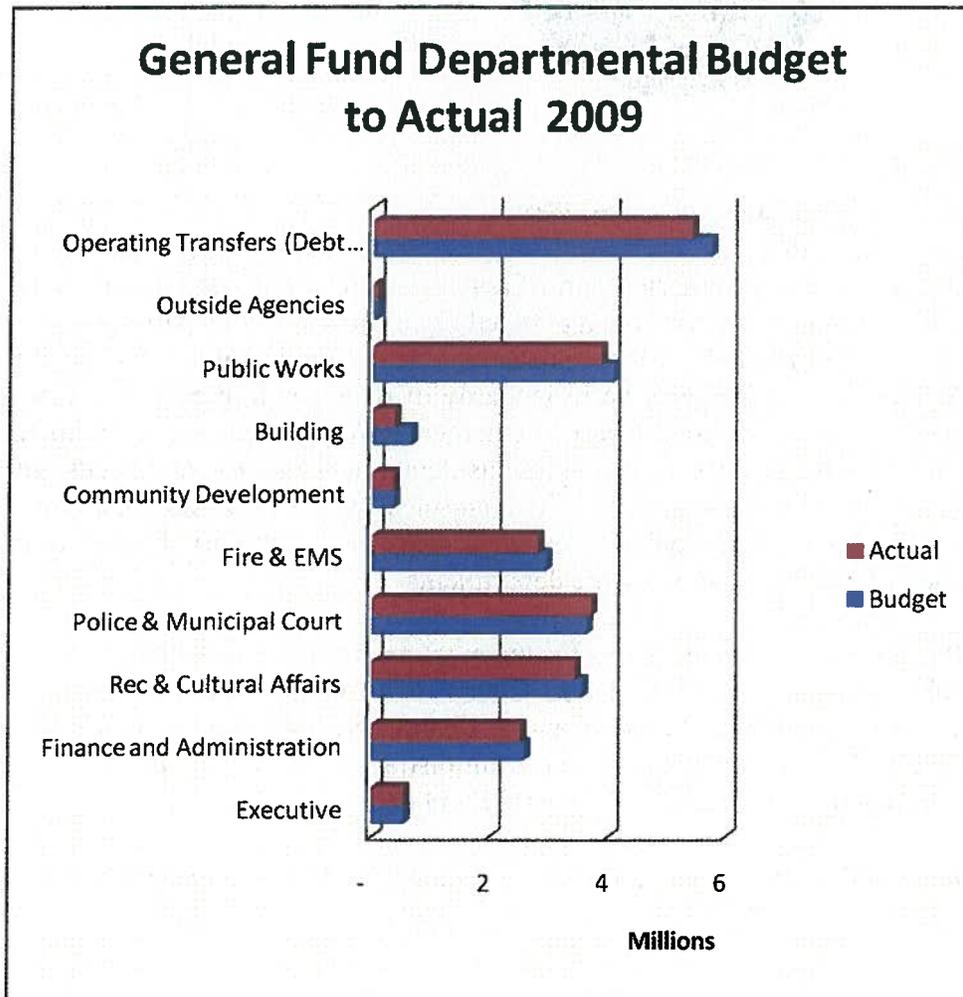
Operating/Capital Expenditure Accountability

Actual expenditures to budget are compared on a monthly basis. The City Council Finance Committee receives a summary report of revenues and expenditures compared to budget and the City Administrator receives a detailed report quarterly. Department heads are responsible for monitoring their own division(s) budget(s) and should notify the City Administrator should their departments be in jeopardy of overspending budgeted funds. Justification may be made or, due to unforeseen emergencies/contingencies, amendments to the budget will be prepared for City Council consideration. Departmental heads with budgets overspent at the end of the year will be counseled by the City Administrator to take action to prevent future over-expenditures from occurring. The City Administrator informs the Council of measures taken by the departments.

The City of Gulf Shores major expenditures for the most recent fiscal year distribution by category are: Public Safety (Police, Fire and Court) 28% of expenditures; Operating Transfers for Debt Service at 23%; Public Works at 17%; Recreation and Cultural Affairs 15%; and City Hall (Executive, Finance and Administration) at 13%. Building and Community Development comprise 2% of General Fund expense.

The following table and graph are expenditures by category compared to budget for the most recent fiscal year.

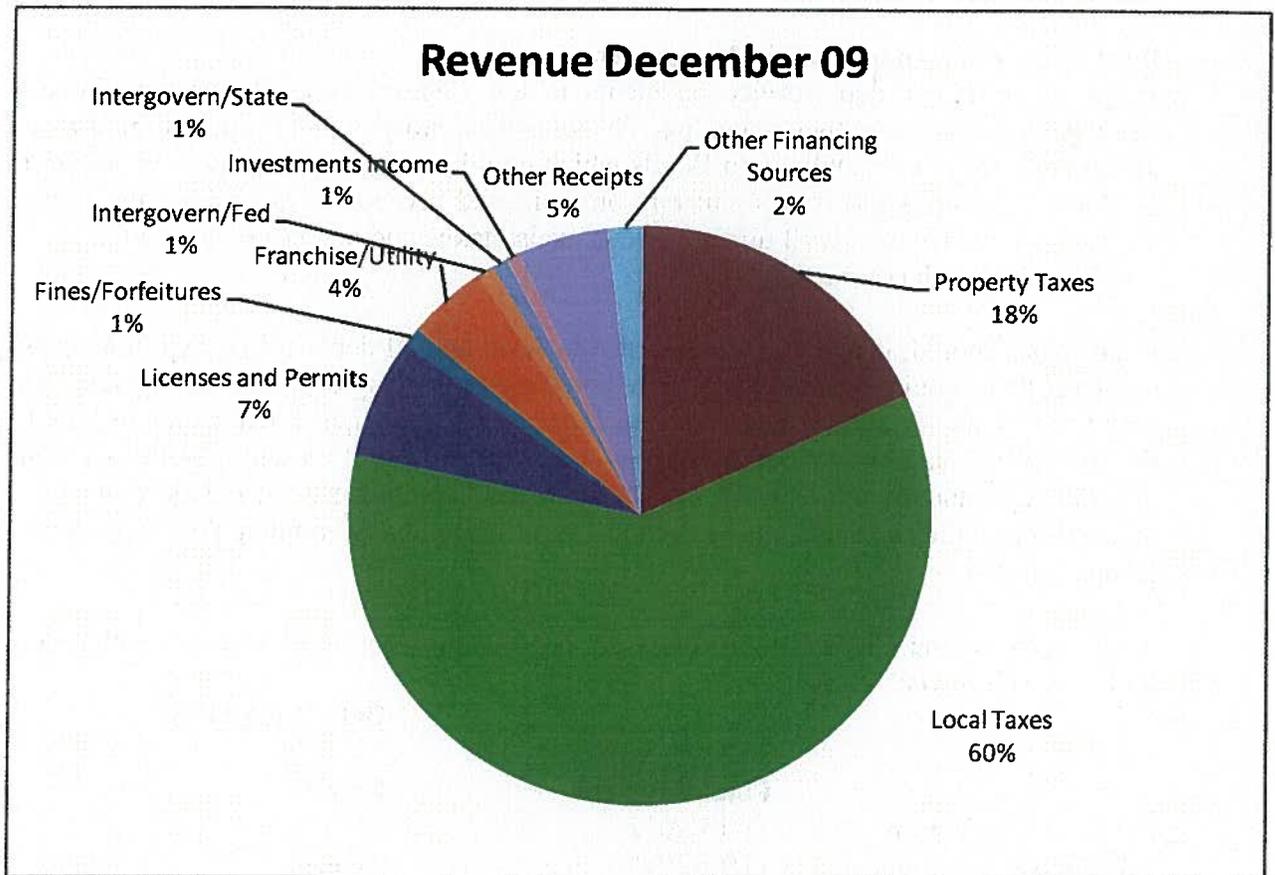
General Fund Departmental Budget to Actual 2009			
	Budget	Actual	% of total
Executive	548,640	539,886	2%
Finance and Administration	2,595,840	2,530,653	11%
Rec & Cultural Affairs	3,568,240	3,440,117	15%
Police & Municipal Court	3,643,590	3,712,077	16%
Fire & EMS	2,955,650	2,812,996	12%
Community Development	360,070	349,747	2%
Building	652,310	364,808	2%
Public Works	4,087,870	3,876,132	17%
Outside Agencies	61,000	61,000	0%
Operating Transfers (Debt Service)	5,754,990	5,419,108	23%
Total	24,228,200	23,106,524	



REVENUE POLICIES

Revenue Diversification

The City of Gulf Shores has a wide variety of revenue streams that fund City General and other operations. The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other fund accounts. Property taxes comprise approximately eighteen per cent of General fund revenues. Local Taxes are about sixty-two per cent of General Fund Revenues. Licenses and Permits are roughly seven per cent of General Fund Revenues and Investment Income accounts for another one to two percent of General Fund Revenues. Other City tax revenues include Fines/Forfeiture at one per cent; Business License Fees at six per cent; Intergovernmental Income at two per cent; and Other Receipts/Financing Sources at seven per cent. The City of Gulf Shores is heavily dependent on local taxes primarily from tourism as the main source of revenue. If a downturn is experienced in one area, contingency plans will be implemented to reduce revenues and increase transfers from permissible funding sources until funding levels have stabilized. The graph that follows shows revenue collections by type for the most recent fiscal year.



The City of Gulf Shores has no other major governmental funds other than the General Fund.

The City of Gulf Shores has no major enterprise funds. Two non-major governmental funds exist for the City of Gulf Shores: special revenue and capital projects funds. The impact fees special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes. The capital projects funds account for the acquisition and construction of major capital facilities other than those financed by the general fund.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fees and Charges

Inspection, Recreation, Police Fees and Charges are implemented to help offset the burden to the General Fund for services provided. Building Inspection Fees and Permits have been gradually increased in recent years in order to bring the City more up-to-date with neighboring jurisdictions fees and permit charges. Recreation fees are collected to help offset staff and operating expenses. Other fees are charged as permissible by state statute to cover copy and employee expenses.

EXPENDITURE POLICIES

Debt Capacity, Issuance, and Management

There are currently debt service payments in the General Fund Budget for General Obligation Bonds currently outstanding. There is a statutory or charter debt limitation on the amount of General Obligation Bonds which could, upon voter approval, be issued in the future. Future bond issues will rely on dedicated revenue streams from the project itself to cover. The City will utilize various excise taxes and sources other than property taxed to make such contract payments.

Bond issues should, generally, be scheduled to level annual debt service requirements so that cash flow requirements are generally level and borrowing costs are minimized. The City will constantly seek to maintain and improve its municipal bond ratings issued by the appropriate nationally recognized rating agencies in New York City. With each bond offering and annually as required, the City will disclose its financial position and fiscal management policies to such rating agencies and the applicable municipal bond insurance companies.

A summary of the City's bond ratings for outstanding long-term General Obligations (G.O.) is as follows:

		<u>BOND RATING</u>
	Final Payment	Moody's
1998-A G.O. Warrant	11/15/2012	*
2000-B G.O. Warrant	11/15/2015	Aaa/A1
2002-G G.O. Warrant	9/30/2014	Aaa
2003-C G.O. Warrant	7/1/2013	Aaa

City of Gulf Shores Bonds Continued

BOND RATING

	Final Payment	Moody's
2004 G.O. Warrant	8/1/2021	Aaa
2005-B G.O. Warrant	8/10/2010	*
2005-C G.O. Warrant	12/15/2015	Aaa/A1
2006-A G.O. Warrant	12/15/2017	Aaa/A1
2006-B G.O. Warrant	12/15/2025	Aaa/A1
2008-A G.O. Warrant	12/15/2028	Aaa/A1
2008-B G. O. Warrant	5/15/2011	

*Not rated

Debt Capacity

The Constitution of Alabama provides that municipalities having a population of 6,000 or less may not become indebted in an amount in excess of twenty percent (20%) of the assessed value of the property situated therein, except for the construction of or purchase of waterworks, gas or electric lighting plants or sewerage, or for the improvement of streets, for which purposes an additional indebtedness not exceeding three percentum may be created; provided this limitation does not affect (a) temporary loans to be paid within one year, made in anticipation of the collection of taxes, not exceeding one-fourth of the annual revenues of the city, (b) indebtedness incurred for the purpose of acquiring, providing or constructing sanitary or storm water sewers or street or sidewalk improvements, the cost of which, in whole or part, is to be assessed against the property drained, served or benefited by such sewers or abutting such improvements or (c) indebtedness incurred for the purpose of acquiring, providing or constructing school houses, provided that there shall be pledged for payment of the principal of and interest on such obligations a tax which the governing body of such municipality, shall have determined, upon the basis of the revenues from such tax, will be sufficient to pay said principal of and interest at their respective maturities. Additionally, the chargeable indebtedness is, under State law, reduced by the amount of sinking funds held for payment thereof.

The total assessed value of the property according to the Baldwin County Revenue Commissioner's Office in the City as assessed for City taxation for December 31, 2009 was \$653,336,040 resulting in a debt limit of \$127,067,208.

The City's total principal amount of indebtedness at December 31, 2009 was \$51,126,031. Based on the debt limit of \$127,067,208, the City could hereafter issue up to approximately \$75,941,177 of indebtedness, subject to the constitutional debt limitation. The maximum indebtedness subject to the constitutional debt limitation will increase (or decrease) with any corresponding increase (or decrease) in the assessed valuation of the City. Based on the 2000 population of the City of 5,044 the annual G.O. Debt per capita for outstanding debt is \$10,136.

Use of One-time and Unpredictable Revenues

Revenues that are unique to a particular year and considered one-time are not used for ongoing expenditures. Rather, the income is restored to the General Fund balance to cover any potential future revenue shortfalls. Only major revenue sources that are steady in nature and non-fluctuating are used for budgetary purposes.

Balanced Budget

The City of Gulf Shores will finance all current on-going expenditures with current recurring revenues. One-time revenue can be used to increase the undesignated fund balance or be used for one-time expenses without impacting service levels. The City of Gulf Shores makes every effort to avoid budgetary procedures that balance current expenditures through the obligation of future resources. Any year-end surplus should be directed to the undesignated fund balance and not be used to finance recurring expenses in the following fiscal year. All unencumbered operating budget appropriations lapse at year-end. Should it be determined that actual revenues may be less than the adopted budget, the elected body will be notified immediately, procedures put in place to reduce expenditures and a plan implemented to cover the potential loss in revenues. The elected body will also be notified if a deviation from a balanced operating budget is planned.

All Operating Funds are adopted during the annual budget process. Total anticipated revenues and other funding sources available must equal total estimated expenditures for each fund. The legal level of budgetary control is the department level, with the Council being the only body authorized to make amendments to the budget. Revisions that alter the total expenditures of any department or fund must be approved by the Mayor and City Council. Budgets for the governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund, each Special Revenue Fund and each Enterprise Fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Budget Policies

Expenditures may not exceed the total budget for any department within a fund. Department heads and management personnel are directed to operate within budget limitations. Transfers between departments or funds or an increase in departmental appropriations or authorized positions shall require the approval of the elected body.

Enterprise Fund budgets will be self supporting. Rates charged within such Enterprise budgets will be examined annually to determine their self sufficiency. Every effort will be made to plan for long term price adjustments by suppliers of goods and services to the Enterprise funds.

The City of Gulf Shores will maintain a budgetary control system and will prepare on a monthly basis a summary report comparing actual revenues, expenditures and encumbrances with budgeted amounts.

The City of Gulf Shores will comply with all state laws applicable to budget hearings, public notices, public inspections, and budget adoption.

LONG-RANGE PLANNING

Capital Improvements

The operating budget will provide for adequate maintenance of capital equipment and facilities. Capital improvements should be financed from current revenues, but may be financed by debt instruments that provide for a pay back period that does not exceed the life of the improvement. Once the City has borrowed for such improvements, debt service becomes a current expense to be covered by recurring revenue.

A five year Capital Improvement Plan for Capital Outlay expenditures greater than \$5,000 will be submitted by each department during the budget process. A five year Capital Improvement Program that determines the cash needs for Capital Projects will be submitted to the Planning Commission and the elected body for approval to determine cash future cash needs. Once the five year Capital Improvement Program is adopted by the elected body, every effort will be made to budget for capital expenditures within the outlined program. Modifications to the Capital Improvement Program will be submitted to the elected body on an annual basis.

The City will seek public and private grants, and other sources of revenue to fund projects included in the Capital Improvement Program.

Cash Management Policy

Funds for day to day operations, payroll, accounts payable and other immediate cash needs are maintained in Depository accounts. Holding accounts are maintained for investments not needed on an immediate basis. Maturity scheduling is timed according to anticipated needs. Maturity limitations depend on whether the funds being invested are considered short or long term funds.

Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City of Gulf Shores considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Deposits and Investments

State statutes authorize the City to invest in obligations of the U.S. Government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; and repurchase agreements.

Deposits are insured by the FDIC up to \$250,000 through December 31, 2013. Funds in excess of \$250,000 are secured by the Alabama State Treasurer's Security for Alabama Funds (SAFE) Program, or are invested in Treasury Notes and/or Bills which are direct obligations of the United States and are not required to be secured by the FDIC or the SAFE Program.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair values.

Short-Term Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

ASSET INVENTORY

On an annual basis all major capital assets are inventoried and the condition of the asset is assessed. Inventory is valued at cost, using the first-in, first-out method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased. Prepaid items are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure is made for goods or services that were purchased for consumption, but not consumed as of December 31.

Capital Asset schedules are prepared for the Comprehensive Annual Financial Report with the disposition of acquired or disposed of assets noted along with depreciation schedules for major capital items. The City of Gulf Shores undertakes and maintains an on-going viable Capital Outlay Program yearly because these costs in total are usually the heaviest in any budget document and the ongoing financial commitment is required to maximize the public's benefit. Proper scheduling of Capital Outlay, as well as leveled appropriation (i.e., an equal dollar allocation each fiscal year), prevents excessive costs in any one budget year. Capital Outlay appropriations help to maintain the current level of service, updates equipment/service standards and needs, and increases productivity in the work assignment areas.

Defining Terms

Glossary

A

ADEM: Alabama Department of Environmental Management. Lead Alabama State Agency for environmental issues.

Adopted Budget: Appropriation of funds approved by the governing body at the beginning of each fiscal year.

Ad Valorem Tax: Tax levied on the assessed value of real and personal property.

Amended Budget: The original adopted budget plus any amendments passed as of a certain date.

Appraised Value: The anticipated fair market value of property.

Appropriation: A legislative act authorizing the expenditure of a designated amount of public funds for a specific purpose.

Assessed Value: The value placed on property as a basis for levying taxes.

B

Bond: A certificate of debt issued by a government to finance a capital expenditure of other liability, in which payment of the original investment plus interest is guaranteed by a specified future date.

Bond Rating: A system of appraising and rating the investment value of individual bond issues.

Budget: A financial plan of operation for a given period consisting of an estimate of proposed expenditures and revenues.

Budget Amendment: The increase, decrease, or transfer of appropriation requiring the approval of the governing body.

Budget Calendar: The schedule of key dates which the city follows in the preparation, adoption, and administration of the budget.

Budget Message: A general discussion of the proposed budget, presented in writing as part of the budget document. The message explains current budget issues compared to recent financial history and presents recommendations made by the governing body and City Administrator.

Budget Resolution: The official enactment by the Mayor and Council authorizing the appropriation of revenues for specified purposes, functions, or activities during the fiscal year.

Defining Terms

Glossary

C

CAFR: Comprehensive Annual Financial Report – a report compiled annually which provides audited detailed information on an organization’s financial status.

Capital Assets: Capital items of a long-term character which are intended to be held or used, such as land, buildings, improvements, machinery and equipment.

Capital Budget: A financial plan of proposed capital expenditures and the means of financing.

Capital Expenditures: Expenses or expenditures for non-consumable items or projects that have a useful life of one year or more and a unit cost of \$5,000 or more.

Capital Improvement Fund: Accounts for the acquisition and construction of major capital facilities.

Capital Improvement Program (CIP): A multi-year plan used to identify new and/or additional capital items or projects. The CIP threshold is \$5,000 or more per unit cost.

Capital Outlay: Expenditures for the acquisition of capital assets.

Cash Reserves: An account used to indicate that a portion of fund equity is legally restricted for a specific purpose or not available for appropriation or subsequent spending.

D

Debt Limit: The maximum amount of debt that can be legally incurred.

Debt Service: Costs associated with the interest, principal, or other expense payments related to bond issues or capital leases.

Disbursement: Funds paid out for goods or services received which results in a decrease in net financial resources; also referred to as an expenditure or expense.

E

EMS: Emergency Medical Services – provided by the Fire Department.

Encumbrance: Funds that have been committed for disbursement for a specific purpose

Expenditures: Decreases in net financial resources. Expenditures include current operating expenses requiring use of the net current assets, debt service, or capital outlays.

Expenses: Outflows or obligations of assets from delivering or producing goods, rendering services or carrying out other activities that constitute the entity’s ongoing major or central operations.

Defining Terms

Glossary

F

Fines & Forfeitures: Revenue received from court bond forfeitures and authorized fines such as library and parking violation fines.

Fiscal Year: The twelve month period for which an organization plans the use of its funds. Gulf Shores fiscal year is the same as the calendar year – January 1 to December 31st.

Fixed Asset: Capital items of a long-term character which are intended to be held or used, such as land, buildings, improvements, machinery and equipment.

Franchise/Utility Tax: A tax based upon a legal agreement between Gulf Shores and another entity (often a private company) to provide a service or product in the community.

Fund: A fiscal and accounting entity with self-balancing set of accounts recording all financial resources and liabilities which are segregated for a specific purpose, activity or objective.

Fund Balance: The difference between total revenues and total expenditures since the fund was created. Fund balance can be designated (reserved for a specific purpose) and/or undesignated (available to be used with proper authorization).

G

GAAP: Generally Accepted Accounting Principles – guidelines to financial accounting and reporting which set uniform minimum standards for accepted accounting practices.

GFOA: Government Finance Officers Association. Internationally recognized association headquartered in Chicago Illinois with awards programs for audit and budget programs meeting set criteria.

GO Warrant: General Obligation Warrant (or bond). Debt payments are made from the General Fund Tax Collections.

General Fund: A fund used to account for financial resources and liabilities except those which are required to be accounted for in another fund.

Goal: A statement that describes the purpose toward which an endeavor is directed, such as a target or target area.

Governmental Fund: A fund category used to account for government's governmental-type activities. This category includes four fund types: general fund, special revenue fund, debt service fund, and a capital projects fund.

Grant: A contribution of assets from one organization to another to support a particular function or purpose.

Defining Terms

Glossary

H

Homestead Exemption: A tax relief whereby state law permits local governments to exempt a dollar amount or percentage of the appraised value of the qualifying resident.

I

Infrastructure: The basic facilities, equipment, and installations needed for the functioning of a system or organization (e.g. roads, bridges, water/sewer lines, public buildings).

Interest Income: Revenue generated from city investments.

J

K

Licenses and Permits: Fees collected for the issuance of licenses and permits such as business licenses and building permits.

M

Millage Rate: The property tax rate set by the County in Alabama per each \$1,000 of property.

Modified Accrual Basis: The basis of accounting under which transactions are recognized when they become both measurable and available.

N

O

Objective: A defined outcome following accomplishment of an established goal.

Operating Budget: Plans of current expenditures and the proposed means to finance. The operating budget contains appropriations for such expenditures as supplies, training, utilities, fuel, repair and maintenance, rentals and leases, and capital outlay.

Operating Expenses: Costs associated with the non-capitalized materials and services required in the daily operation of service delivery such as office supplies, maintenance supplies, professional services, and rental fees.

P

PT: Part-time employees working less than 32 hours per week normally.

PW: Public Works Department consisting of Custodial, Landscaping, Streets, Maintenance and General Services.

Defining Terms

Glossary

Penalties and Interest: Fees collected for violations or delinquent payments.

Personnel Expense: Costs associated with wages, salaries, retirement and other fringe benefits for city employees.

Q

R

Reserves: Monies set aside and restricted for a specific purpose. Any unspent reserves revert back to the appropriate Fund Balance at year end.

Revenue: Income which represents an increase in governmental fund type net current assets.

Revenue Bond: A certificate of debt issued by a government in which the payment of the original investment plus interest is guaranteed by specific revenues generated by the project financed.

S

Special Revenue: A governmental fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specific purpose such as the Impact Fees fund.

T

Tax Digest: A listing of all property owners within the city, their property's assessed value, and amount of taxes due.

U

V

W

Warrant: A certificate of debt issued by a government to finance a capital expenditure of other liability, in which payment of the original investment plus interest is guaranteed by a specified future date.

X

Y

Z

