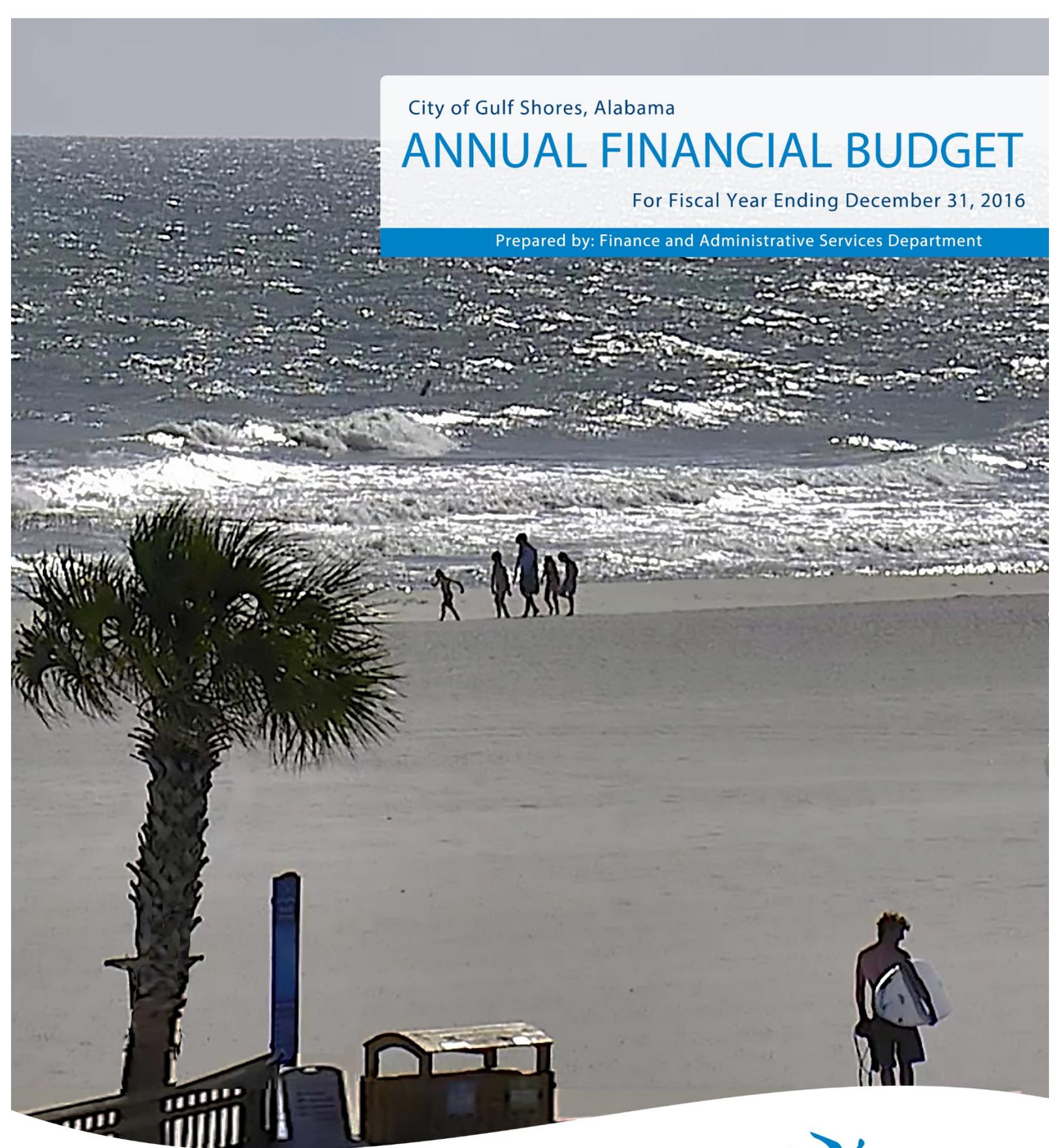


City of Gulf Shores, Alabama

ANNUAL FINANCIAL BUDGET

For Fiscal Year Ending December 31, 2016

Prepared by: Finance and Administrative Services Department



*Cover Photo Captured by
Council Approved Surveillance System Camera
Gulf Place at Bathhouse 1 W*



www.gulfshoresal.gov

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CITY OF GULF SHORES, ALABAMA
2016 Budget
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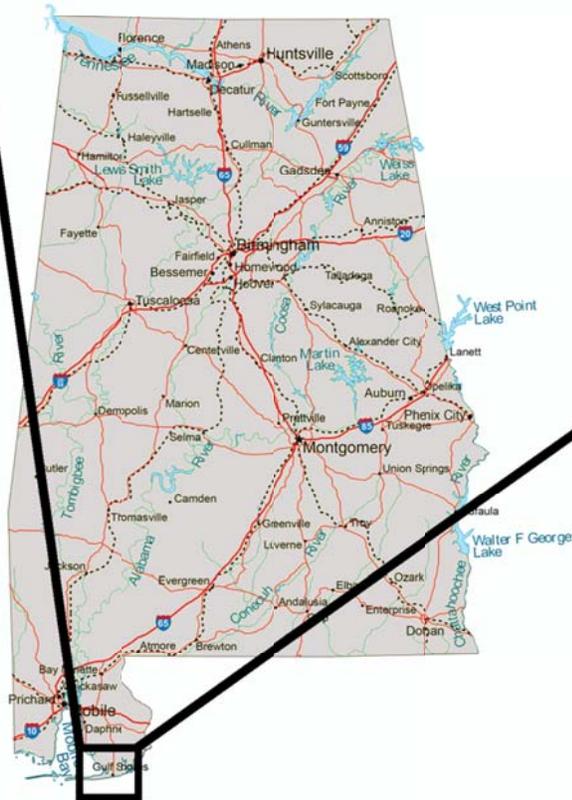
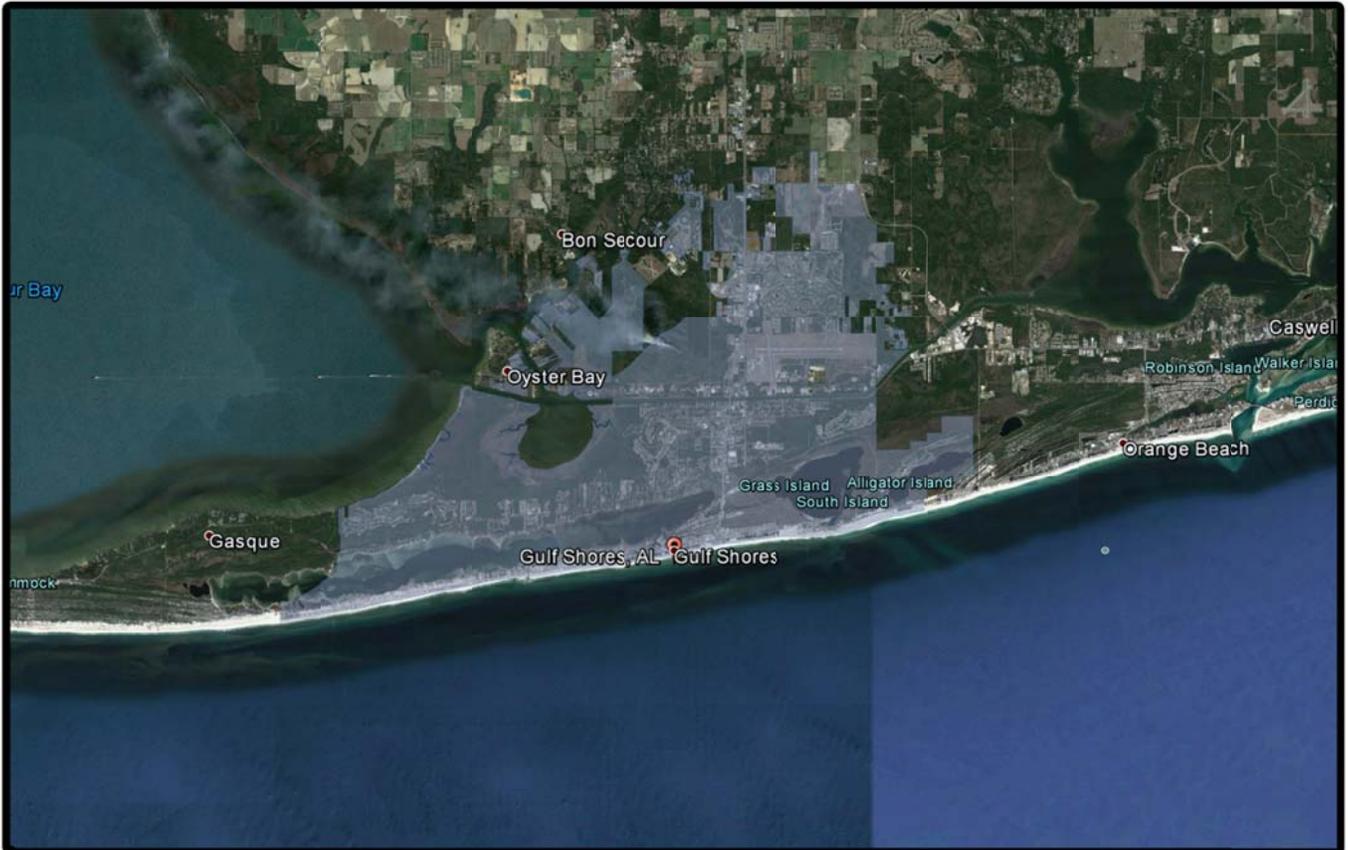
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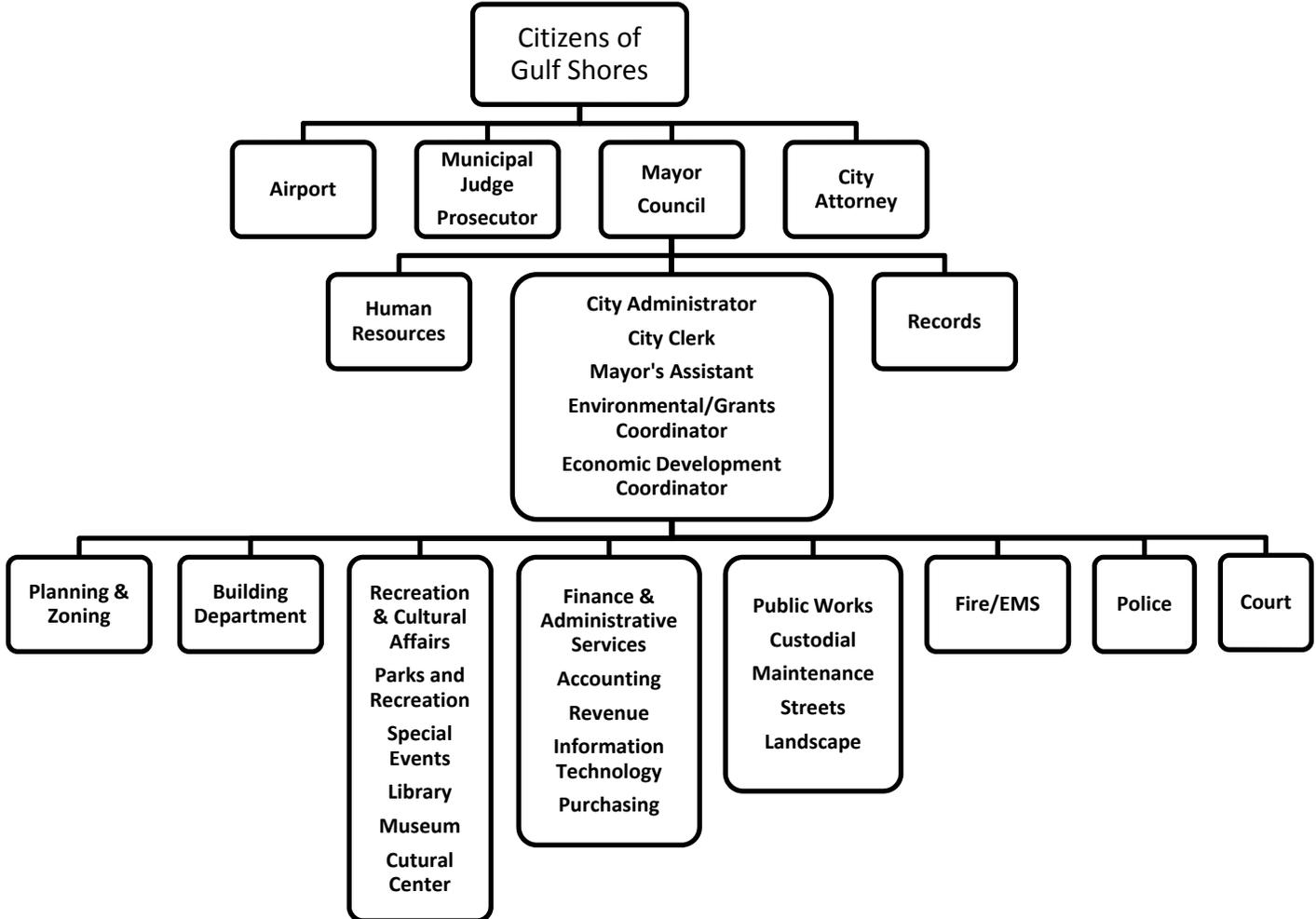
City of Gulf Shores, Alabama Mayor and Council



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

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







GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Gulf Shores
Alabama**

For the Fiscal Year Beginning

January 1, 2015

A handwritten signature in cursive script, reading "Jeffrey R. Egan".

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, 2015 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.

RESOLUTION NO.
A RESOLUTION ADOPTING
CITY OF GULF SHORES
2016 BUDGET

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GULF SHORES, ALABAMA, WHILE IN REGULAR SESSION ON November 23rd, 2015 as follows:

Section 1. That the City of Gulf Shores 2016 Budget be adopted for the City of Gulf Shores, Alabama, for Fiscal Year 2016 beginning January 1, 2016 and ending December 31, 2016.

GENERAL FUND BUDGET SUMMARY 2016
(JANUARY 1, 2016 THROUGH DECEMBER 31, 2016)

TOTAL REVENUES GENERAL FUND \$34,654,450

EXPENDITURES:

Executive	\$ 1,234,160	
Human Resources	300,288	
Finance & Administrative Svcs	2,602,817	
Municipal Court	364,702	
Police	5,038,855	
Parking Beach	229,889	
Fire & EMS	3,642,949	
Community Development	403,143	
Building	487,785	
Recreation & Cultural Affairs	254,817	
Events & Programs	718,225	
Library	589,608	
Recreation-Bodenhamer	1,569,966	
Recreation-Sportsplex	1,079,021	
Recreation-Parks	520,601	
Recreation-Beach	374,688	
Recreation-Cultural Center	448,839	
Recreation-City Store	200,899	
Public Works:		
General Services	722,557	
Public Facilities-Custodial	516,317	
Public Facilities-Landscaping	697,119	
Streets	1,935,942	
Maintenance	1,117,127	
Airport Authority	125,936	
Outside Agencies	<u>277,500</u>	
SUBTOTAL OPERATIONS		\$25,453,750
Capital Outlay		
Finance & Admin Capital	21,000	
Police – Capital Outlay	265,500	
Parking Beach – Capital Outlay	301,100	
Fire – Capital Outlay	200,000	
Building – Capital Outlay	42,000	
Recreation Bodenhamer Center	70,000	
Recreation Sportsplex	36,500	
Recreation Parks	36,500	

Recreation Beach	61,000		
Recreation Cultural Center	55,000		
Recreation City Store	21,500		
Public Works:			
Custodial	44,000		
Landscaping	32,000		
Streets – Capital	614,500		
Maintenance	9,000		
SUBTOTAL CAPITAL		\$1,809,600	
Operating Transfers Out		<u>\$7,006,378</u>	
Total General Fund Expenses			<u>\$34,269,728</u>
Budget Carry Forward General Fund			\$ 384,722

**OTHER FUND BUDGET SUMMARY 2016
(JANUARY 1, 2016 THROUGH DECEMBER 31, 2016)**

REVENUE EXPENDITURE

Special Revenue

2% Lodging Tax Revenue	2,641,000		
Transfer to General Fund		1,700,000	
Transfer to Beach Reserves		661,082	
Transfer to Beach Fund		<u>70,000</u>	
Total 2% Lodging Tax Expenses			<u>\$2,431,082</u>
Budget Carry Forward 2% Lodging			\$209,918

Police & Fire Related Grants

Police and Fire	405,000		
Transfer to General		370,000	
Muni Court Exps		<u>35,000</u>	
SUBTOTAL		405,000	

Impact Fees Fund

Impact Fees Revenue	401,500		
Recreation Equipment		212,000	
Public Works		120,000	
Police		29,500	
Fire		<u>40,000</u>	
SUBTOTAL		401,500	

Beach Restoration & Projects Fund

Transfer from 2% Ldg Tax	731,082		
Grant-ADEM Recycling Program	<u>113,302</u>		
SUBTOTAL	844,384		
Beach Monitoring		70,000	
Police and Streets		536,082	
Capital Outlay		<u>238,302</u>	
SUBTOTAL		844,384	

2014 GO Warrant Fund

Match proceeds (ADEM&ALDOT)	1,001,504		
Transfer from General Fund	<u>1,890,184</u>		
SUBTOTAL	2,891,688		
Capital Outlay Projects		2,891,688	

Debt Service Fund

Transfers/Rent	4,366,378	
Bond Payments		4,366,378
Total All Funds Revenue	46,204,400	
Total All Funds Expense	45,609,760	

General Fund Budget Carry Forward	\$384,722
2% Lodging Budget Carry Forward	<u>209,918</u>
Total Budget Carry Forward	\$594,640

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

ADOPTED this 23rd day of November, 2015.





Robert Craft, Mayor

CERTIFICATE

I, Tobi Waters, CMC, Assistant City Clerk of the City of Gulf Shores, Alabama, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5589-15 (prepared by City Clerk), which Resolution was duly and legally adopted at a regular meeting of the City Council on November 23, 2015.



Assistant City Clerk



November 24, 2015

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

RE: 2016 BUDGET MESSAGE

On behalf of the City of Gulf Shores government staff, I am pleased to deliver the Fiscal Year 2016 Budget for the City of Gulf Shores, Alabama for the period beginning January 1, 2016 and ending December 31, 2016. The annual budget is a policy document which sets the financial course for the City and defines the service priorities provided to the community. The budget presented is a culmination of months of efforts to balance available resources in order to implement the City Council's adopted Strategic Plan 2015-2019 which in turn implements the Mayor and Council adopted Gulf Shores Vision 2025 for Sustainability:

Vision

In the year 2025, the City of Gulf Shores will be the most desirable small town destination community in the South in which to live, visit, retire and invest. This will be due to its enduring, wholesome, low-key and pleasurable lifestyle amidst its restorative and vibrant natural surroundings and thriving economy.

Vision 2025 – Core Values

The City intends to prioritize allocation of its resources based on these core values.

- We protect and enhance the quality of life for our residents, visitors and retirees
- We protect and preserve our unique natural resources
- We honor the family-centric and safety-oriented tradition
- We maintain a relaxed, no-hassle environment
- We support a clear culture of Southern hospitality
- We enhance the sense of place
- We embed sustainability into the fabric of the community
- We promote economic prosperity in a business-friendly atmosphere
- We boost competition in the market place unaccepting of the status quo
- We commit to excellence and the highest quality standards

2015 Successes:

Department Expenditure Management – All departments operated within FY 2015 budget in line with the Core Value “We commit to excellence and the highest quality standards.”

Reserves – Increased General Fund Reserves to 55% from the prior year financial policy target of 50%.

Debt – The final payment of \$1.7 million on the 2005C debt issue for the purchase of land for the Pelican Place mall was made. Final debt payments on the Digital Renaissance Initiative 2012 GO issue and the 2012B issue for equipment and vehicle purchases were made. Short term debt was issued to purchase property to facilitate work toward the Vision 2025 Key Strategy of Progressive Education. Debt from 2008 was refinanced saving the City substantial money to go toward the Vision 2025 goals.

Airport Agreement – An agreement was adopted between the City Council and the Airport Authority and provides for operational Airport Board self-sufficiency. It also authorized credits for prior year subsidies to the airport and provided for reimbursement to the City from the Airport for personnel and operating costs. The agreement will enable the City to use 11 acres at the airport as needed.

Beach Operations and Recycling Program – In 2015 a recycling center was established to accept City tourism recyclables (ex. Aluminum, metal, plastics, glass, e-recycle waste, vegetative yard debris). The Public Works beach recycling program consists of collecting all the bagged trash off the public beach areas and the high density areas. Since the program began, 176 tons of recyclable trash has been collected. Roughly 70% of the bagged trash was recyclable. Over 24 tons of aluminum, 40 tons of plastic, 42 tons of glass, 30 tons of metal and 40 tons of cardboard were collected and kept out of the county landfill during the pilot program.

The expanded program included a 7 day a week recycling center to help serve the needs of our community. Currently approximately 50% of city customers actively recycle and generate 15 tons of recyclable materials per collection versus 40% participation rate of city customers and 13 tons per collection in 2014. The goal for 2016 is to increase participation to 75% and collections to 20 tons per collection by beachfront recycling, once a week trash collection and the distribution of promotional materials.

In 2015, the City also worked with organizers of the Hangout Festival to assist with processing recycling materials and litter. The festival generated 95 tons of total waste, with 21 tons of material recycled for a recycling rate of 22%. The increased city support and collaborative effort resulted in a substantial increase of 7% over 2014.

Benefit Cost Controls – Employee wellness program expanded with the City Clinic offering wellness incentives to those employees and their spouses who participated in the program by having health assessments performed by the clinic and attending health coaching sessions for those at-risk employees. Seventy-five percent of all City-insured employees (291 total) and their spouses participated in the City’s wellness program in 2015. Symbol Health has reported that during the first 12 months of the Employee Health Clinic operations 73% of the City employees, 48% of their spouses

and 19% of their dependents utilized the clinic producing a total of 1,059 clinic visits. These “redirected” visits resulted in a total savings of \$83,661 to the City’s health plan had these same visits been billed through normal venues.

The Mayor challenged departments to focus on wellness by competing in a mini-triathlon and the Zydeco Festival 5K. A total of 33 employees participated including eight employees that completed the entire mini-triathlon and three completed the full triathlon. A total of 66 employees completed the Zydeco Festival 5K run/walk.

Customer-oriented Web-based Applications / Permitting – Ongoing enhancements made to the Citizenserve software system have resulted in the improvement of many interdepartmental processes; including the recording and tracking of Rental Inspections for all rental license holders, the recording and tracking of franchises in partnership with the City, to include complaints and/or violations filed against those franchises. The Customer Access Portal (CAP) has been developed to allow customers to apply for, monitor, and make payments on development and trade permits and applications. The implementation of streamlined workflow routes within the Citizenserve system has also allowed for a more collaborative and efficient way to automate the flow of tasks and procedures, resulting in better response times and more accommodating service for our customers.

Cultural Center – Set in motion with Vision 2025 “Quality education is a critical necessity for any prosperous community to attract educated professionals as well as feed our economy from within with targeted and nationally-recognized programs and facilities.” Noteworthy was the City’s acquisition and conversion of a former church property into a Cultural Center which is directly in line with Vision 2025 Key Strategy Community Planning - *New development and revitalization of buildings and infrastructure will enhance sense of place and quality of life.* The Cultural Center’s first year operation successfully introduced the SPARC™ engaging our local youth, adults and seniors in multi-faceted, life-long educational opportunities ranging in various arts, sciences, physical and social activities and engaging fieldtrips. Further implementation of the Education Vision 2025 Strategy and enhancing the local educational opportunities was defined by the successful recruitment of the University of South Alabama (USA) to co-locate on the Cultural Center campus, enabling the City to have its first four year college presence.

Economic Development – Commercial construction permits for valuations totaling \$11.3 million are projected to be issued in FY 2015. A new full-time Economic Development Coordinator position budgeted in the Mayor’s Executive Department developed and aggressively implemented programs for the City Council’s Vision Plan for economic, geographic and seasonal diversification. This position actively recruits new and expanded businesses that support and enhance the City’s 5 critical actions of focus including, medical, education, Gulf State Park, Waterway District and the Gulf Beach District. The Economic Development Partnership designated the Gulf Shores Business and Aviation Park as a statewide Alabama Advantage Site providing a competitive advantage in our economic development recruitment effort.

Municipal Court Pre-Trial Diversion Program: A new Magistrate Position was added to support a new Pre-Trial Intervention Program in the Municipal Court Division. The benefit of this new court

program was to provide the municipal judge an alternative program for first time offenders for misdemeanor, traffic and other cases.

Transportation – Completed transportation projects included:

- Fort Morgan Recreation Trail widening to West Fairway Drive.
- The final phase of traffic signal controls/cameras synchronized to increase Level of Service on Highway 59.

Waterway District – Vision 2025 “A vibrant waterway district will create a unique sense of community and place that engages citizens and guests in an enriched experience of the local landscape, economy and culture.” Through a combination of BP grants, private funding, and City general funds, the City hosted the first Zydeco Festival, Wicked Fall Festival and a series of Saturday Art Markets to encourage a less-beach-dependent economy and long-term growth of other business sectors.

2016 Priorities:

General Fund Reserves – The Fiscal Year 2016 proposes to fund a 60% Reserve and plan to increase reserves by 5% annually to address concerns about FEMA ability to respond to future incidents. Of the 60% General Fund Reserve, 30% will be maintained as a stabilization reserve to enable the city to withstand fluctuations in tourism revenue streams and provide a stabilized fiscal environment to maintain and enhance bond ratings allowing the city to borrow at competitive rates. The other 30% of the General Fund Reserve is for beach replenishment should it be necessary in the event of a weather related emergency or disaster.

Debt – Continue to reduce outstanding debt in 2016 – final payment of the 2012A issue will be made.

Beach Operations and Recycling Program – Currently approximately 50% of city customers actively recycle and generate 15 tons of recyclable materials per collection. The goal for 2016 is to increase participation to 75% resulting in annual totals of 500 tons of residential recycling, 200 tons beachside recycling and 120 tons recycling at the drop off location. In 2016 City staff will work with the CVB and the City of Orange Beach to initiate a new “Leave only Footprints” program for both educating our visitors to the problems associated with debris and litter on our Beaches as well as requiring the removal of personal property (chairs, tents, umbrellas, etc.) from the beach after sunset daily. The “Leave only Footprints” initiative will be budgeted with \$35,000 in BP grant funds by amendment once the funds are received and \$20,000 in beach funds in addition to the \$516,082 in beach funds budgeted annually for the Beach Operations and Recycling Program. Additionally we have budgeted to return approximately \$1.7 million of lodging funds annually to reimburse the General Fund for beach related expenses.

Capital Improvement Program – Vehicles and equipment (rolling stock) have been budgeted in accordance with the vehicle replacement policy guidelines. Eight police vehicles with mileage in excess of 125,000 will be replaced and two new vehicles are budgeted – one for the COPS program and one for the expanded parking program. Police Impact Fees will offset the expense of one of the new vehicles. Street Resurfacing funds of \$500,000 and replacement vehicles/equipment of \$199,500

are budgeted in the General Fund with impact fees of \$120,000 offsetting the expenses. Recreation and Cultural Affairs signage, vehicles and equipment scheduled to be replaced will be offset with \$212,000 of impact fees to offset the expense.

Borrowed funds will be used for major capital repairs/renovations to the Bodenhamer Pool totaling \$600,000 and \$250,000 to remove the tennis court cover and repair the courts. Highway 59 sidewalk program match funds of \$1,774,403 are budgeted in borrowed funds.

Beach Parking – In 2016 funds for 26 new pay stations and equipment are included and 2 new community service officer positions for parking fee collections and enforcement. Staff is estimating a total of \$1.2 million (versus \$457,000 in 2015) in parking revenues in 2016. Revenue from the Pay Stations will be used to offset the Beach Litter Recycling Program expenses and to fund transportation improvements.

Transportation – An ongoing concern of the Mayor and City Council is City-wide traffic congestion. The 2016 budget presented provides funding for completion of the Phase 1 Access Management, 8 foot sidewalks and handicapped pedestrian installation for Highway 59 between Fort Morgan Road and Beach Boulevard. We are also proposing to add an additional landscape grounds position and new equipment for improved sidewalk and bicycle trail maintenance.

Fire and Rescue – North Gulf Shores has experienced rapid growth over the last several years. Residential Construction, expanded City facilities, Sportsplex utilization have combined to increase service calls by 30% since 2012. The proposed 2016 budget includes an additional Firefighter/EMT position and Chief Brokenshaw is currently working with the Airport Authority to jointly fund/build a new Fire Station on Cotton Creek Drive near its intersection with Cotton Creek Boulevard.

Personnel Expenses – While the City continues to maintain personnel costs at 54% of budget, which is customarily between 60 to 75% for localities, the FY2016 budget proposes to provide funding consistent with our pay philosophy of 90 to 125% of market to remain competitive for quality employees with our neighboring cities. Our FY 2016 Budget proposes to budget \$354,324 for the following:

- A market adjustment of 2.0% based on wage index in January for all City employees performing satisfactorily.
- Merit increases of 1.5% to 2.5% for highest performing City employees at their anniversary dates in 2016.

Budget Adoption

This budget was formally adopted by the City Council on November 23, 2015, and establishes a fiscal plan for the City's Fiscal Year January 1 to December 31, 2016. 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 2016 Budget by Council November 23rd, 2015. The Finance Committee met regularly during the year to review ongoing 2015 Budget expenditures compared to budget, progress towards achieving set revenue

targets, and accomplishment of the City's Financial Goals formally adopted in 2010 and updated annually beginning with the 2015 Budget. The City Council increased its General Fund Reserves from 50% to 55% at the close of Fiscal Year 2015. The 2016 Budget reserve target is 60% of expenditures and plan to increase reserves by 5% annually to address concerns about FEMA ability to respond to future incidents. The Financial Policy provides for reserve levels to enable the City to provide for continuity of operations during emergencies and disasters. A complete copy of the 2015 updated 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 2016, as a general rule, should not exceed 2015 budgeted amounts, since the City will absorb a wage index adjustment of 2% as well as increased Capital needs.

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 strategic plan adopted by the Mayor and Council. The purpose of the linkage was to confirm departments and Council were on the same page with no conflicting priorities. 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. Strategies and priorities needed to be linked with City Council's adopted Strategic Plan.

The Financial Summaries Section of the 2016 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 2016. Also included by department are historical, current, and future financial data and staffing by department.

Current Fiscal Condition

At the close of 2015, the City is projected to exceed the overall financial reserve target of 55% of budget or \$18,009,883 comprised of \$9.8 million for the General Fund and \$8.2 million for Beach Reserves. Sales Tax collections 2015 increased by 4% over the record levels of the prior boom year. Lodging Tax collections were up 7% over the prior year. Property Tax collections were up 1% over the prior year.

Despite fluctuations in the national economy, the City has continued to thrive economically. Recent downturns in the national economy resulted in more tourists vacationing closer to home rather than traveling to more exotic far away locations. The City has expanded the tourist base with recruitment of sports tourism described in more detail in the following section. Winter tourists from northern locales have returned earlier and in stronger numbers due to the recent colder winters. Music and other local festivals continue to introduce new tourists to the area. Revenue projections do not include increases at the rate of recent growth, but are tempered to reflect the possibility that growth at recent rates may not continue at a sustained level.

The state budget restraints continue to impact planned road and infrastructure projects with some projects being delayed or postponed indefinitely. The City has adjusted its plans accordingly and is in a strong enough position financially to absorb some of the increased costs of unfunded national mandates and has realigned construction priorities to reflect reduced state revenue.

Economic Diversification Efforts Associated with the Adopted Vision Plan

A Waterway Village District was established in 2013 to encompass property along the Intracoastal Waterway. In 2014, Acme Oyster House Restaurant in the South Waterway District opened. In 2015 several festivals and art markets were held in the district to further promote the district. The Waterway Village District is designed to provide a new entertainment/shopping/business district north of the beach area.

A new education campus is currently in the planning stages at the intersection of County Road 8 and the Foley Beach express that is proposed to include a new high school, Faulkner State Community College, the University of South Alabama and other College Opportunities. In 2014 the University of South Alabama began offering a new hospitality and tourism program in Gulf Shores.

The City continues to expand its foothold in the sports tourism market, hosting 68 significant events in 2015, a 15% increase over 2014. Besides the growth of the number of events, the quality of the events continues to improve. The City in conjunction with the local Sports Commission successfully hosted an NCAA Division I softball tournament, a number of United States Specialty Sports Association (USSSA) Global World Series baseball and softball tournaments as well as numerous Alabama State High School baseball and softball events.

The City's nearly \$1.5M investment in the Sportsplex Track continues to benefit the community allowing the City to host the National Association of Intercollegiate Athletics (NAIA) Outdoor Track & Field National Championship, the Sunbelt Conference Track & Field Championship, the Southern States Athletic Conference (SSAC) Track & Field Championship, the Alabama State High School Track Championship and numerous other track events.

Hosting the fourth and final AVCA National Sand Volleyball Championship has proven successful toward the City's goal of winning the bid for the inaugural NCAA Beach Volleyball National Championship which will take place at the City of Gulf Shores main public beach in May of 2016 and 2017. This live nationally televised event will provide significant exposure to the beaches of Alabama.

STRATEGIC PLANNING

The Mayor and Council formally adopted the Small Town, Big Beach Vision 2025 for Sustainability in June 2014. A five year Strategic Plan was developed to provide a detailed "game plan" to begin implementing the Council's Vision and was formally adopted by the City Council on October 27, 2014. The purpose of the Strategic Plan includes:

- Strategic Plan Outcomes (5 year goals) for each of the 5 Critical Actions of Focus within Vision 2025

- Strategic Plan Strategies for future Council policy and direction to staff for achieving the listed Outcomes
- The adopted Strategic Plan would update / replace the Council adopted 2007 Strategic Plan
- Bond rating agencies consider City Council adopted Strategic Plans, and subsequent budgeting that implements the adopted plan, a critical element in the City’s bond rating.

The Strategic Plan 2015 – 2019 Laying the Foundation for 2025 is included in its entirety as follows:

MISSION STATEMENT

The City of Gulf Shores is committed to meeting and exceeding the needs and expectations of our residents, visitors and businesses. We are committed to preserving our city’s family-friendly, small-town, safe atmosphere and beautiful natural surroundings, while providing the infrastructure and amenities necessary to support a sustainable, vibrant economy.

VISION 2025

In the year 2025, the City of Gulf Shores will be the most desirable small town destination community in the South in which to live, visit, retire and invest. This will be due to its enduring, wholesome, low-key and pleasurable lifestyle amidst its restorative and vibrant natural surroundings and thriving economy.

VISION 2025 – CORE VALUES

The City intends to prioritize allocation of its resources based on these core values.

- We protect and enhance the quality of life for our residents, visitors and retirees.
- We protect and preserve our unique natural resources.
- We honor the family-centric and safety-oriented tradition.
- We maintain a relaxed, no-hassle environment.
- We support a clear culture of Southern hospitality.
- We enhance the sense of place.
- We embed sustainability into the fabric of the community.
- We promote economic prosperity in a business-friendly atmosphere.
- We boost competition in the market place unaccepting of the status quo.
- We commit to excellence and the highest quality standards.

VISION 2025 – KEY STRATEGIES AND PRIORITIES

In order to prioritize actions for implementation, we present the following key strategies.

ENVIRONMENTAL STEWARDSHIP

- The responsible use and protection of the natural environment through conservation and sustainable practices will preserve Gulf Shores’ balance with nature.

- Environmental education should be expanded in our community to promote responsible stewardship of natural resources and steps to live more sustainably.

WELL-ORGANIZED INFRASTRUCTURE

- The design of new roadways, air services and waterways as well as the enhancement of existing transportation routes are essential.
- Architecture of utilities including water, fiber, electricity, sewage and other public services are imperative.

ECONOMIC, GEOGRAPHIC AND SEASONAL DIVERSIFICATION

- Foster a long-term relationship between ecology, technology and economy, promoting the equitable sharing of resources and reducing conflicts.
- Because the tourism-related sector is so dominant, things we do that help or hurt this sector will have a far greater effect on our economy than what happens in other sectors.
- Additionally, becoming less beach-dependent and investing in infrastructure that encourages the long-term growth of other business sectors will help diversify and stabilize the overall economy.

SUSTAINABILITY

- Infrastructures that promote a natural balance, preserve biodiversity and protect our valued natural resources are solutions that benefit the land and community now and for future generations.
- Health and wellness of a community correlate to the health of a community's economy.
- Standards of excellence in service to meet and exceed the needs of the community and its safety must be upheld.

PROSPERITY

- Strategies should take into account impacts across all business sectors and strive to strengthen the relationship between small town and big beach.
- To protect the quality of life for all residents and the high-value experience for our visitors, hospitality, retirement and businesses independent of these sectors must be able to prosper.
- Thoughtful investment in our community will attract more investment.

LEADING EDGE HEALTHCARE

- Enhanced healthcare services contribute to the well-being and safety of the community and contribute to the economy.

PROGRESSIVE EDUCATION

- Quality education is a critical necessity for any prosperous community to attract educated professionals as well as feed our economy from within with targeted and nationally-recognized programs and facilities.

COMMUNITY PLANNING

- New development and revitalization of buildings and infrastructure will enhance sense of place and quality of life.
- Ongoing and consistent enforcement of zoning and building codes and regulations will protect the health, safety and welfare of our residents and businesses.
- Infrastructure and transportation improvements will focus on creating bike-and pedestrian-friendly corridors as well as public green spaces.

MEDICAL – VISION 2025

We have a responsibility to provide direct access to quality wellness services and emergency care to our citizens and visitors. Encouraging quality public health serves the needs of our citizens and helps to foster retiree and visitor recruitment and retention.

PROPOSAL: The city supports the development of a prestigious medical facility invested in people, patient and family-centered care; medical discovery and education. The complex, located within the coastal Alabama region, will be impressive in scope, innovation and medical specialties.

- We must provide prompt access to our medical facilities; the difference between seconds and minutes is critical. The proposed location would provide this access for our community and would promote geographic diversification by redistributing traffic away from Highway 59.
- This state-of-the-art facility and its services would ensure our residents and visitors have access to innovative treatment specific to their needs.
- Studies have shown a direct connection between improving a community's health and improving its economy.
- Access to quality healthcare affects our ability to attract and retain employers, families and retirees. It is important to provide the necessary resources to successfully implement workplace and community wellness programs to help improve productivity and reduce health spending.
- This medical facility would provide an opportunity to create partnerships to strengthen our education ecosystem and diversify our economy by offering residency and other academic programs.

MEDICAL – STRATEGIC PLAN OUTCOMES

By 2020, we anticipate the announcement of a new regional healthcare facility to be built to serve the Alabama Gulf Coast. The development of this new facility will be the culmination of an ongoing regional cooperative effort.

By 2020, leading-edge programs will be established for maintaining the independence and quality of life for adults and their families. Additionally, the City will insure the coordination of services for advocating, educating, coordinating and implementing programs and services for older adults.

By 2020, emergency health care facilities will be more accessible and will provide expanded superior level services to residents and visitors.

MEDICAL – STRATEGIC PLAN STRATEGIES

1. The City will work to develop a regional partnership for the development and support of a new regional healthcare facility to serve the Alabama Gulf Coast.
2. The City will take a lead role in facilitating the programming and development of the new regional healthcare facility.
3. The City will take a proactive role in targeting new economic development opportunities that will help to support and enhance services provided by the new hospital.
4. The City will improve vehicular access points to and from the Baldwin Beach Express in the following ways:
 - a. County Road 8 will be accepted as a City roadway
 - b. An at grade/signalized intersection will be completed at County Road 8
 - c. Improvements along Cotton Creek Drive will be completed
 - d. County Road 4/Cotton Creek Bridge improvements will be completed
 - e. Improvements to Roscoe Road will be completed and the subsequent acceptance as a City roadway will follow
5. The City will promote and encourage the development of additional assisted and independent living facilities in Gulf Shores by:
 - a. Reviewing and analyzing current and future demand for assisted living facilities
 - b. Reviewing appropriate zoning and zoning regulations to encourage development
 - c. Reviewing and analyzing economic development impacts of assisted living facilities
6. The City will take a leading role to encourage the development of local medical workforce training and supporting academic programs at the City's new education campus.
7. The City will continuously monitor trends within the retiree population including:
 - a. Inflow/outflow of retiree population
 - b. Pension income being spent in Gulf Shores from areas outside of the City Limits
8. The City will analyze current and planned senior citizen locations (Oyster Bay Village, The Haven, etc.) to develop improved transportation options to and from healthcare centers.
9. The City will foster the development of a Chamber Business Certification program to encourage local shops and restaurants to become age-friendly by implementing age-friendly hours, discounts and other incentives.
10. The City will conduct an annual Town Hall Meeting to gather input from senior citizens on current challenges and improvements that can be explored.
11. The City will help to develop and implement an education program to encourage the development of Aging in Place housing.
12. The City will advocate for the development and expansion of emergency health care facilities to provide residents and visitors more access to superior level services.

EDUCATION – VISION 2025

Exposure to advanced levels of education and curriculum supports sustainable economic development by providing our community with a perpetual and attractive workforce.

PROPOSAL: The city and its partners will build a first-rate academic campus incorporating a powerful dual-enrollment model proven to promote access to higher education. The campus will feature a leading-edge design incorporating the latest technology into a new high school and a new additional Faulkner State Community College location complete with on campus housing and student life activities. This innovative campus will encourage affiliations with four-year universities to complete the higher education model by offering bachelor's and master's programs.

- This new campus and its location will support geographic diversity and the county school system's efforts to resolve overcrowding and traffic issues with our current school campus.
- This education model presents an opportunity to create nationally-recognized programs in ecology, maritime, culinary, hospitality and college preparatory specialties. These programs will enhance the education of our youth and will develop a skilled workforce to propel our local economy.
- The strategic collaboration between the City, the Baldwin County Board of Education, Faulkner State Community College and four-year institutions will provide our citizens with a direct and affordable path to a four-year degree or vocational career without ever having to leave our community.
- Enhancing our quality of education along with developing partnerships with respected colleges and universities will serve as an attraction for residential retention and relocation.
- The presence of a college or university nearby will add to the cultural offerings of our area and will stimulate education industry investment and economic diversity.
- On-campus student housing can be utilized for seasonal workforce housing.
- Having a superlative education facility located in a vacation destination will support economic development by attracting educational and business conferences to bolster our shoulder season tourism.
- The reputation of providing world-class education will be invaluable for enhancing our community pride and perception.

EDUCATION – STRATEGIC PLAN OUTCOMES

In 2015, the City of Gulf Shores will support a Baldwin County referendum to fund countywide facility needs, including a new high school, relocated middle school and expanded elementary school in Gulf Shores.

By 2018, the first phase of the new education campus will open with a new Gulf Shores High School and an additional Faulkner State Community College campus that will offer specialized dual-

enrollment and vocational career programs focused on the skilled workforce development needs of the local economy.

Over the next five years, the construction of the Alabama Gulf Coast Center for Higher Education will be announced. The Center will be located on the Gulf Shores education campus and will provide the community with a direct and affordable path to bachelor's and master's degree programs.

EDUCATION – STRATEGIC PLAN STRATEGIES

1. The City will assemble the acreage necessary to support the development of an innovative education campus that will include a new Gulf Shores High School, an additional Faulkner State Community College campus that will offer specialized dual-enrollment and vocational career programs and the Alabama Gulf Coast Center for Higher Education that will offer degree programs from the University of South Alabama, the University of Alabama and other four-year institutions.
2. The City will help to coordinate efforts to provide the infrastructure and funding sources necessary to support the development of the new education campus including:
 - a. County Road 8 acceptance as a City roadway
 - b. An at grade/signalized intersection will be completed at County Road 8
 - c. Multi-party partnership to finance the development of the new education campus
3. The City will facilitate the development and appointment of an educational campus Planning and Development Committee with representatives from Baldwin County Schools, Faulkner State Community College, the University of South Alabama, the University of Alabama and other interested four-year institutions.
4. The City will support a Baldwin County referendum to fund countywide facility needs, including a new Gulf Shores High School construction and the conversion of the current high school into a new middle school and the current middle school into an expanded elementary school.
5. The City will seek a public-private partnership for the development of on-campus dormitories to serve as student housing.
6. The City will establish and appoint the Alabama Gulf Coast Educational Advisory Committee to facilitate the development of specialized workforce training programs, the ongoing review of workforce training needs for education campus partners and to encourage continued advanced educational opportunities within the Digital Renaissance initiative and Learning for Life academies.

WATERWAY DISTRICT – VISION 2025

A vibrant waterway district will create a unique sense of community and place that engages citizens and guests in an enriched experience of the local landscape, economy and culture.

PROPOSAL: Waterway Village has already begun to take shape along the Intracoastal Waterway. This walk able waterfront district will connect the north and south sides of the Intracoastal Waterway and the east and west sides of Highway 59.

Its pedestrian-friendly design will feature quaint streets with tree-lined sidewalks, inviting seating areas, decorative lamp posts and a waterfront boardwalk offering a year-round destination for dining, shopping, arts and entertainment. The proposed plan recently received the ALAPA 2014 Outstanding Planning Award.

- Pedestrian-friendly waterway district is already underway.
- The district will connect the north and south sides of The Intracoastal Waterway and east and west sides of Highway 59.
- The waterway district will provide a lively destination and unique “sense of place” where locals and visitors can gather to experience a different side of Gulf Shores. Water taxis, shrimp boats, fresh seafood and produce markets, retail shops, restaurants, art galleries, music and entertainment will create a lively area to enjoy.
- The district will enhance our community’s resiliency and geographic diversification by providing a new economic hub in an area away from the beach that has proven to recover quickly after storms.
- The waterway district will further attract private enterprise investment as it becomes a hotspot for arts, culture and entertainment.
- The area’s pedestrian-friendly design will help to stimulate our local economy by providing residents and visitors easier access to local businesses.
- Form-based zoning will entice investment in the area as it allows for flexibility in land use and development within the district.
- The Gulf Shores Business and Aviation Park’s available sites and buildings and its future expansion provide additional opportunities to diversify our economy with both aviation and non-aviation business recruitment that is complementary to our quality of life and tourism economy.
- Significant marketing efforts are underway targeting aircraft maintenance, overhaul and repair services to add to an already diverse mix of seafood, environmental and service industries located in the park.
- The airport’s proximity to the waterway district, combined with potential future connections to the Baldwin Beach Express, provides new opportunities for economic growth capacity and community-based economic development.
- Saunders Yachtworks, a high-end yacht service company located on the Intracoastal Waterway near the Business and Aviation Park, has proved to be a significant contributor to the area’s non-tourism economy and serves as an example of the potential business opportunities presented along this corridor.

WATERWAY DISTRICT – STRATEGIC PLAN OUTCOMES

By 2015, the Airport Business and Aviation Park will be designated as an Alabama Advantage Site and will have a refreshed master plan to attract new, targeted economic development that will result in diversified economic growth and additional jobs within the City.

By 2016, the City will facilitate additional public–private development opportunities for the revitalization and continued development of properties within Waterway Village.

Over the next five years, the City will work with the Army Corps of Engineers and property owners to facilitate the construction of a boardwalk and bulk head along the Intracoastal Waterway to better control erosion along the banks of the canal and to provide a new linear park for residents and visitors to enjoy.

WATERWAY DISTRICT – STRATEGIC PLAN STRATEGIES

1. The City will work to strengthen its relationship with Waterway Village business owners and will explore the possibilities of developing a special tax district to support new capital improvements and marketing for the area.
2. The City will continue to encourage public-private partnerships for the adaptive reuse and revitalization of properties within Waterway Village South.
3. The City will provide support for special events and programs to help attract residents and tourists to Waterway Village.
4. The City will encourage development and redevelopment within Waterway Village North by completing streetscape and destination identity signage improvements.
5. The City will explore opportunities to construct a new roadway connecting Waterway East Boulevard and the Business and Aviation Park to Cotton Creek Road to provide new economic development opportunities in the area.
6. The City will evaluate and assist with long term public parking needs to stimulate desired development and redevelopment within the district.
7. The City will identify and recruit targeted industries to create a more diversified and sustainable economy.
8. The City will establish and implement effective economic development strategies to encourage development within the Business and Aviation Park.
9. The City will seek Army Corps of Engineers approval for a linear park that will include a bulkhead and boardwalk along the Intracoastal Waterway. Pending approval, the City will research grants and available financial programs to fund the development, operation and maintenance of the park.
10. The City will support the extension of East 20th Avenue to connect with Canal Road to create a quaint and more pedestrian-friendly area surrounding Waterway Village South.

GULF STATE PARK – VISION 2025

Enhancement of Gulf State Park will foster a synergistic and sustainable relationship between the park's habitats, ecology and economy by promoting the equitable sharing and protecting of resources.

PROPOSAL:

1. Proper and sustainable enhancement and protection of state park land will attract outdoor enthusiasts, photographers, academics and conservationists to appreciate our distinct bionetwork. The opportunity to be immersed in our unique surroundings will help to inspire the conservation and preservation of our environment.
 2. The city will support projects to provide better access from the Baldwin Beach Express to the beach in an effort to help connect visitors to Gulf State Park.
 3. Environmental improvements include an environmental research and education facility for Alabama students, trail development and enhancement in the park, dune restoration along the park's beachfront and the establishment of a coastal ecosystems interpretive center.
- Improved roadway connections to the beach will resolve major traffic obstacles and is a primary facilitator in our ability to develop economic diversification.
 - Reconstruction of the lodge and conference center stimulates tourism and strengthens opportunities for a year-round, stable coastal economy by supporting local jobs and introducing a new market of conference attending visitors to our area.
 - Enhancements in the Gulf State Park will invite locals and visitors to become ambassadors for the Alabama Gulf Coast.
 - The opportunity to work with Jean-Michel Cousteau's Ocean Futures Society would align the city with a prestigious international initiative in the field of environmental development and preservation, enhancing the city's ecological and educational reputation in the market.
 - Strategies to develop educational opportunities include outdoor classrooms to be utilized by our forthcoming academic campus, as well as students from throughout the nation, public excursions for visitors, coastal training and professional development.

GULF STATE PARK – STRATEGIC PLAN OUTCOMES

Over the next five years, the City of Gulf Shores will support and partner with the Gulf State Park to provide environmental improvements within the park including an environmental research and education facility, new trail development and dune restoration, and the establishment of a coastal ecosystems interpretive center.

Over the next five years, the City of Gulf Shores will assist and support the Gulf State Park in the reconstruction of the Gulf State Park Lodge and Conference Center.

Over the next five years, the City of Gulf Shores will support transportation projects to provide improved access from the Baldwin Beach Express and the City’s tourist areas to the Lodge and Conference Center.

GULF STATE PARK – STRATEGIC PLAN STRATEGIES

1. The City will advocate the development of local environmental programs and initiatives to help support environmental improvement projects within Gulf State Park.
2. The City will support the Governor’s goals and efforts to reconstruct the Gulf State Park Lodge and Conference Center.
3. The City will secure a partnership with the Jean-Michel Cousteau Ocean Futures Society to establish world-class environmental education programs within the State Park.
4. The City will continue the development and support the future development of improved, safer bike and pedestrian access into and throughout the State Park.
5. The City will evaluate the feasibility of developing a trolley and other public transit options to provide improved access to and from the State Park.
6. The City will support projects to improve vehicular access to the Lodge and Conference Center including, but not limited to:
 - a. The installation of an adaptive traffic signalization stretching from north Gulf Shores along Highway 59 to Beach Boulevard
 - b. The construction of a new bridge across the Intracoastal Waterway
 - c. The development of the proposed East Beach Boulevard bypass

GULF BEACH DISTRICT – VISION 2025

The construction of a walk able, energetic beachfront district will attract tourism, stimulate local business, and encourage business and residential relocation.

PROPOSAL:

1. Revitalize our beachfront with the development of a quaint, landscaped boulevard that will reroute tourism traffic further from the coastline.
 2. Design and construct a contemporary beachfront that is pedestrian- and bike-friendly with access to beachfront dining, shopping and entertainment.
 3. Connect the Gulf Beach District to Waterway Village with a pedestrian and bike-friendly route.
- This plan will rejuvenate the face of our community by enriching the experience to live, work, play and connect at the beach.
 - A captivating and engaging beachfront will further instill pride with residents that love to live here and visitors that love to visit here, creating an elevated reputation of the community.
 - The new Gulf Beach District takes maximum advantage of the entire half mile of city-owned beachfront.

- A pedestrian-friendly beachfront reinforces the community “sense of place,” providing a walk able community that is welcoming, safe and accessible.
- Storm damage recovery is lessened by rerouting major roadways farther north from the coastline.
- Walk able communities, including sidewalks and bike paths, are proven to increase property value and contribute to the local economy.
- The diversion of traffic from the beach along with the development of walk able, pedestrian-friendly corridors and the introduction of beach shuttles anticipates the desires of the population and positions Gulf Shores as a progressive beachfront community.

GULF BEACH DISTRICT – STRATEGIC PLAN OUTCOMES

By 2015, the City of Gulf Shores will consider new and updated zoning regulations that support the desired scale and development for a walk able beachfront.

By 2015, the City of Gulf Shores will introduce a comprehensive recycling program along the beachfront to encourage the protection and conservation of our natural resources.

By 2017, the City of Gulf Shores will complete a feasibility study on the development of a trolley and other public transit options.

Over the next five years, the City of Gulf Shores will provide new public facilities and improved access to enhance the numerous public beach areas throughout Gulf Shores.

Over the next five years, the City of Gulf Shores will complete new, enhanced pedestrian and bicycle improvements to foster a more walk able tourist destination that provides safe pedestrian access to dining, shopping and entertainment.

GULF BEACH DISTRICT – STRATEGIC PLAN STRATEGIES

1. The City will design and implement improved pedestrian and bicycle-friendly routes to connect the Gulf Beach District to various areas of the city including, but not limited to:
 - a. Gulf Beach District to the Waterway District
 - b. Gulf Beach District to the Gulf State Park Lodge and Conference Center
 - c. Gulf Beach District to destinations north of the Intracoastal Waterway
2. The City will partner with ALDOT to develop the East Beach Boulevard Bypass to expedite eastbound traffic to the State Park and Orange Beach by routing it around the Gulf Beach District.
3. The City will research the feasibility of the development of a trolley and other public transit options to improve access to and from the Gulf State Park Lodge and Conference Center, Waterway Village and other locations throughout the city.
4. The City will design and implement a pedestrian-friendly beachfront that takes advantage of the numerous public beach areas and provides a welcoming, safe and accessible environment.

5. The City will review and implement appropriate zoning revisions to insure all new development or redevelopment is of the appropriate size and scale to enhance its established Small Town, Big Beach brand.
6. The City will develop and implement a comprehensive recycling program along the beachfront by offering enhanced services including, but not limited to:
 - a. Providing convenient trash and recycling receptacles on the beach throughout the high-density condo and public beach areas.
 - b. Developing a centralized recycling center to provide citizens with 24/7 access to recycling resources.
 - c. Encouraging community partnerships to initiate a grassroots campaign to educate locals and visitors on the importance of recycling and conservation of natural resources

Short-Term Goals/Factors Impacting Budget Development

The City's bond rating was upgraded again as a result of Council focus on paying off short term debt as quickly as possible. Increased Sales and Lodging Tax Collections in 2015 negated the overall revenue loss due to the Fort Morgan Annexation decision.

SUMMARY OF THE FISCAL YEAR 2016 BUDGET

Significant Budget Items and Trends

At the November 2015 Finance Committee the City of Gulf Shores budget was presented to the Council by Department with a breakout of Fixed Personnel and Operations Costs, Additional Personnel, and Capital Requests that contained many of the items on the Ten Year Capital Plan. A Ten Year Capital Plan was also presented to the Finance Committee Members at the November 2015 Finance Committee Meeting.

Employee Pay Adjustments - In the 2016 Budget, \$354,326 in City General funds were set aside for the following pay adjustments:

- A Wage Index Adjustment of 2% effective January 1, 2016
- Based on 2016 annual review either a 2.5% increase for exceptional employees or a 1.5% increase for above average performing employees

A summary of the recommended personnel changes for the Adopted 2016 Budget are 5 new full-time, 3 part-time, and 1 reclassified part-time to full-time position.

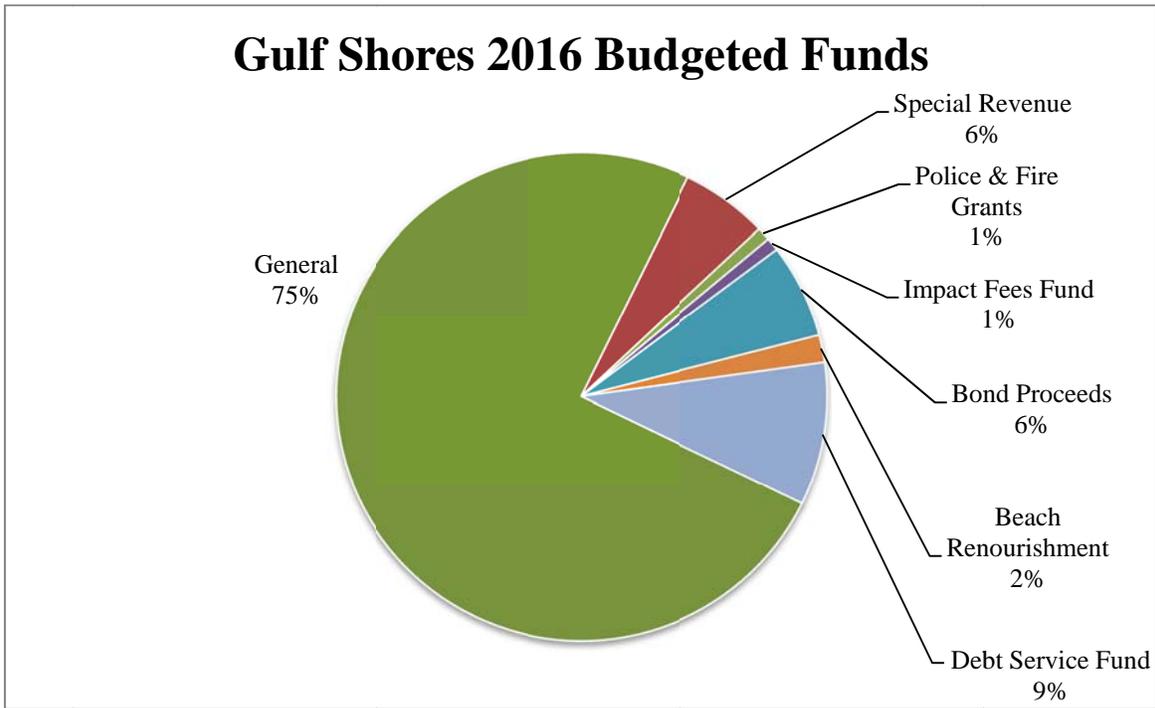
- **Two Community Service Officers**
- **One Firefighter/EMT**
- **Building Inspector I**
- **Three Program Assistants less than 20 hours per week**
- **Administrative Assistant I reclassified from part-time to full-time**
- **Landscape Grounds Worker**

Fund Structure

The Adopted All Funds Budget for Fiscal Year 2016 is \$46,204,400. This represents a net decrease of \$3,612,264 or -7.25% from the Amended Fiscal Year 2015 Budget of \$49,816,664. A synopsis of the total All Funds Budget appropriated is as follows:

	Amended Budget 2015	Adopted Budget 2016	Increase (Decrease)	% Change
General	33,352,083	34,654,450	1,302,367	3.9%
Special Revenue	3,065,352	2,641,000	(424,352)	-13.8%
Police & Fire Grants	404,000	405,000	1,000	0.3%
Impact Fees Fund	352,320	401,500	49,180	14%
Bond Proceeds	6,222,346	2,891,688	(3,330,658)	-53.5%
Beach Renourishment	1,855,219	844,384	(1,010,835)	-54.5%
Debt Service Fund	4,565,344	4,366,378	(198,966)	-4.4%
Total	<u>\$49,816,664</u>	<u>\$46,204,400</u>	<u>(\$3,612,264)</u>	<u>-7.25%</u>

Fund Relationship - A graphic view of the 2016 All Funds Budget is as follows:



Financial Policies

The City’s 2010 Adopted Financial Policy was updated December 2015 and is included at the end of the 2016 Budget document. The updated Financial Policies formalize the plan to increase reserves by 5% annually to work towards a goal of 75% fund balance. While ambitious, the Finance Committee thinks the 75% of fund balance goal can be obtainable given the growth anticipated for the City. Strong fund reserves are needed due to the possibility of a weather related event. Two months operating reserves of approximately \$5.7 million are needed as well as \$1.25 million per week to pay for contract debris removal based on the last major storm the City had (plus inflation estimate of 25% over the ten year period since Hurricane Ivan occurred). Following the last major weather event it took almost two months for receipt of any federal assistance. In future years, the City is taking steps to be prepared in the event federal assistance is not received.

The Finance Committee in 2013 requested a longer term look at revenues, expense and reserve funds in line with the 10 year Capital Plan. Revenue, expense and reserve fund trends projections were updated in 2015 for a 10 year period with assumptions for growth more heavily weighted towards growth close to current experience at 3 to 4% to 2024 followed by more moderate growth projections in years 2025 to 2026 at 2%. Expenses were projected to grow more modestly at 2% than revenues in line with the City’s conservative spending patterns.

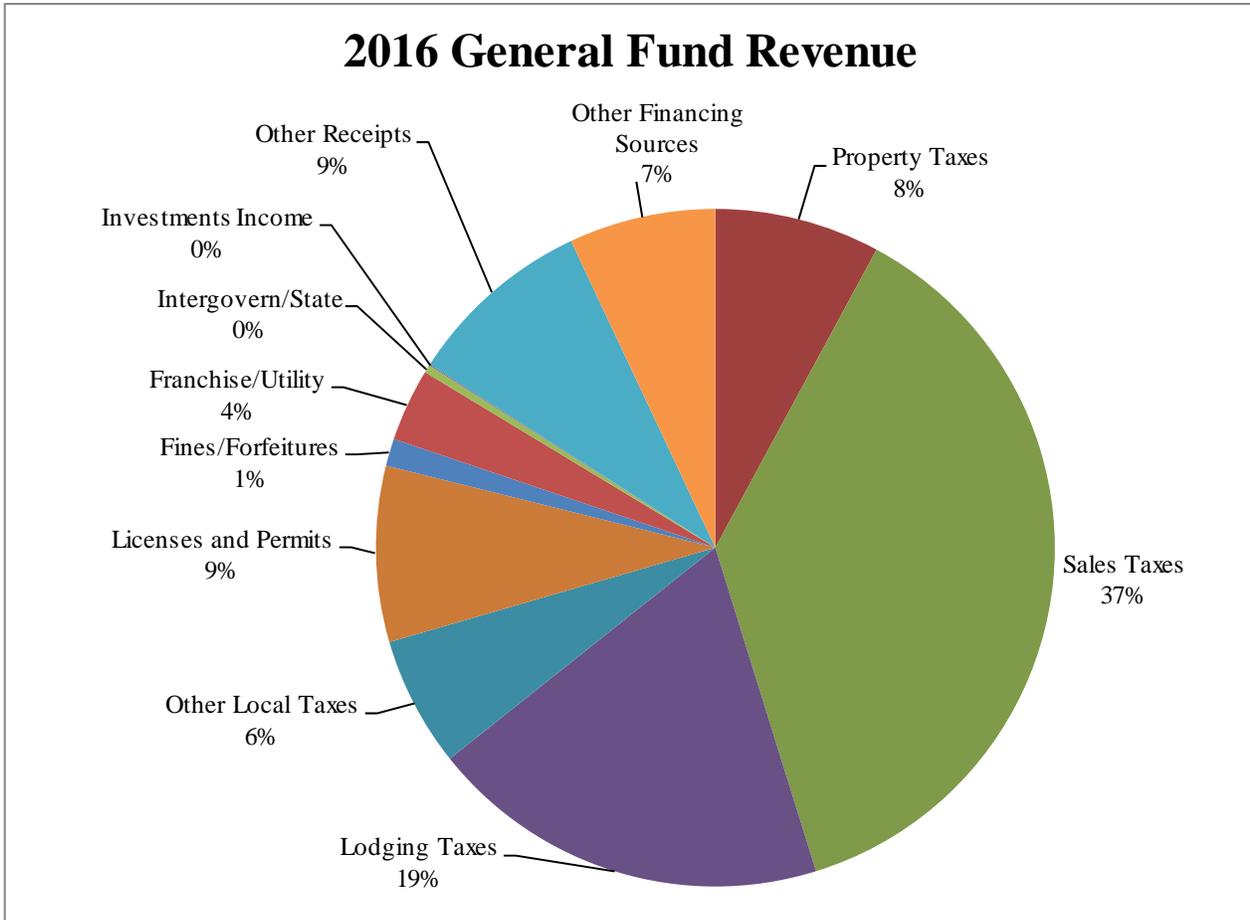
Quarterly the Finance Committee reviews the 10 year Revenue, Expense and Reserve funds usage projections. Modifications are made as needed and various debt scenarios are included in the

projections to see how the debt would impact reserve funding and whether the established 5% annual reserve target increase can be maintained. In 2016 the Debt Service Fund is 9.45% of total funds. In 2016 current debt service levels will reduce by \$223,068 and in 2018 debt service will decrease by another \$467,900. The City will do a request for qualifications in early 2016 for long term debt rates to determine how best to fund the goals of the Vision 2025 Strategic Plan.

Revenue Trends

The City of Gulf Shores General Funds Revenues are as follows and shown in a pie graph on the next page:

	Revenue Budget 2016	% of Budget
Property Taxes	2,721,845	8%
Sales Taxes	12,900,000	37%
Lodging Taxes	6,600,000	19%
Other Local Taxes	2,145,650	6%
Licenses and Permits	2,901,000	8%
Fines/Forfeitures	450,000	1%
Franchise/Utility	1,201,000	3%
Intergovern/State	128,200	0%
Intergovern/Fed	91,855	0%
Investments Income	20,000	0%
Other Receipts	3,077,900	9%
Other Financing Sources	2,417,000	7%
Total	34,654,450	



Property, Sales, Lodging, and Other Local Taxes comprise 70% (compared to 72% for 2015) 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 2015, the City continued to rebound from the devastating BP Oil Spill Disaster.

Revenue projections are based on trend analysis of prior years’ receipts with recurring and non-recurring factors impacting revenue growth taken into consideration. City Revenues, due to tourism, are highly cyclical and are charted by month for the past five 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 a current financial resources measurement focus and are budgeted 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 2016 in order to identify future funding needs. Capital Outlays were requested for a ten year period beginning in 2016 and the City Department Heads collaborated on the Ten Year Capital Outlay Plan reviewed by the Finance Committee. Ongoing maintenance costs for vehicles and equipment were considered prior to recommendation for replacement.

Capital Expenditures

Capital Outlay for equipment, vehicles, and a city signage program were included in the Ten Year Capital Outlay Plan for a ten year period in 2016, enabling the City to replace worn out equipment and vehicles with less ongoing maintenance costs. Cost savings on maintenance of older vehicles and equipment will offset some of the expense in 2016.

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 the 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. In 2014 the City added \$1.4 million to its reserves. In 2015 reserves are projected to grow by another \$1.3 million. For 2016 we also expect to maintain a healthy fund balance of \$20,561,837 or 60% of the General Fund Adopted Budget Expenses of \$34,269,728.

Respectfully submitted,

Steve Griffin, City Administrator

Cynthia King, Director Finance & Administrative Services

Just the Facts

All about Gulf Shores, Alabama

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	26.29 Sq/Miles		
Water Area	4.76 Sq/Miles		
Average Annual Temperature		69.6 Degrees	
Average Annual Rainfall		67.7 Inches	
Elevation			8 Feet

All About Gulf Shores, Alabama

Just the Facts

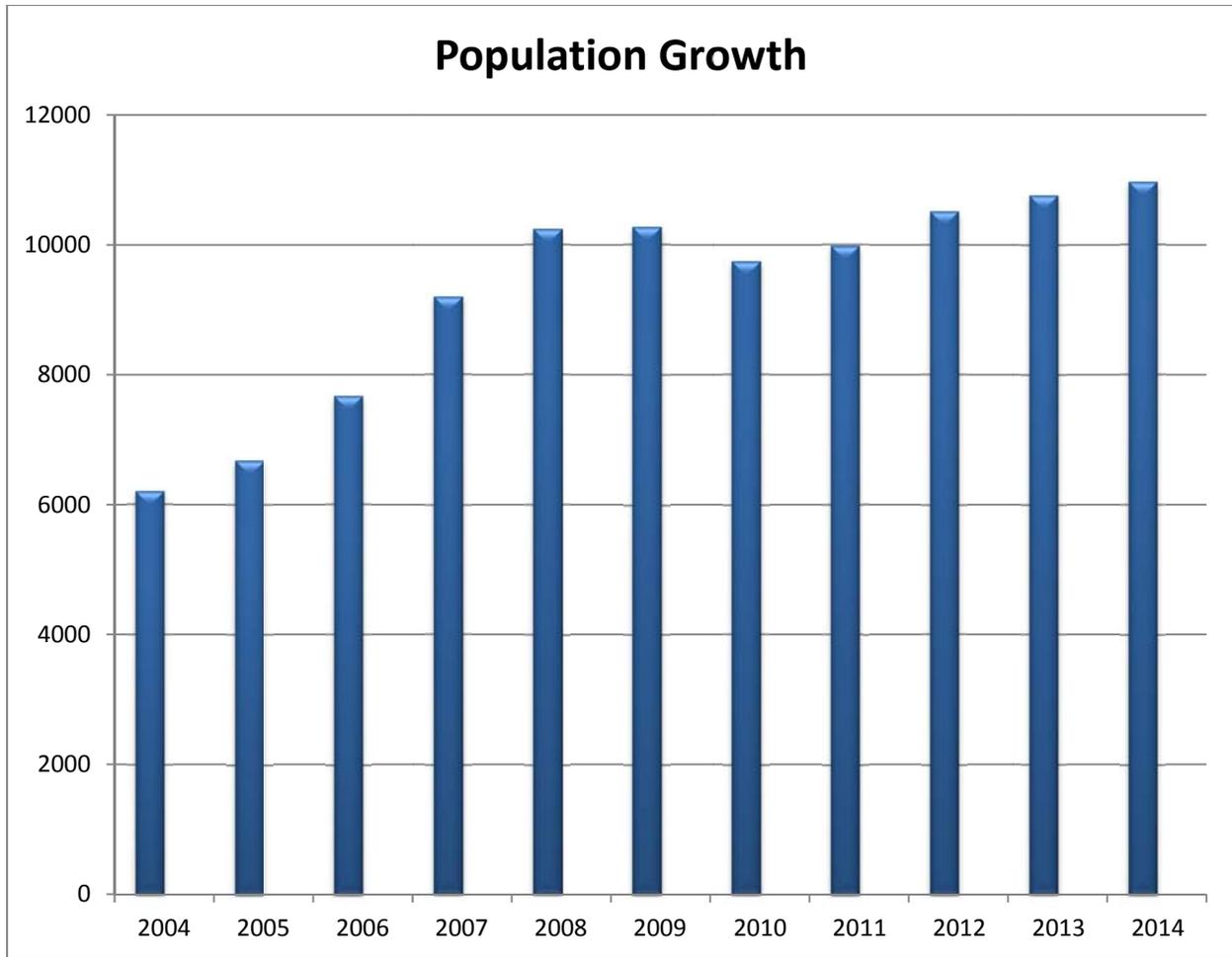
Demographics

Age, Race & Gender Composition	
White	92.8%
Hispanic	2.7%
Black	1.1%
American Indian	.4%
Asian	1.3%
Female	52.8%
Male	47.2%
Age Under 5 Years	6.4%
Age 18 Years & Over	80.2%
Age 65 Years & Over	22.2%
Median Age is 43.9 Years	

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

Figures based on US Census Bureau American Community Survey 5 year estimates 2009-2013

Just the Facts



Source: US Census Bureau Population Estimates, 2004 through 2014

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

All About Gulf Shores, Alabama

Just the Facts

Economic Highlights

Top Ten Employers in Gulf Shores, Alabama

	Employer	# of Employees
1	The Hangout	590
2	LuLu's	350
3	Waterville	323
4	City of Gulf Shores	290
5	Wal-Mart	273
6	Gulf Shores Public Schools	245
7	Meyer/SH Enterprises	223
8	Target	195
9	Publix	160
10	Brett Robinson	150

Gulf Shores licensed 7,425 types of businesses in 2014

**Per Capita Income within Gulf Shores in 2013
was lower than the United States level.**

2013

United States \$28,155

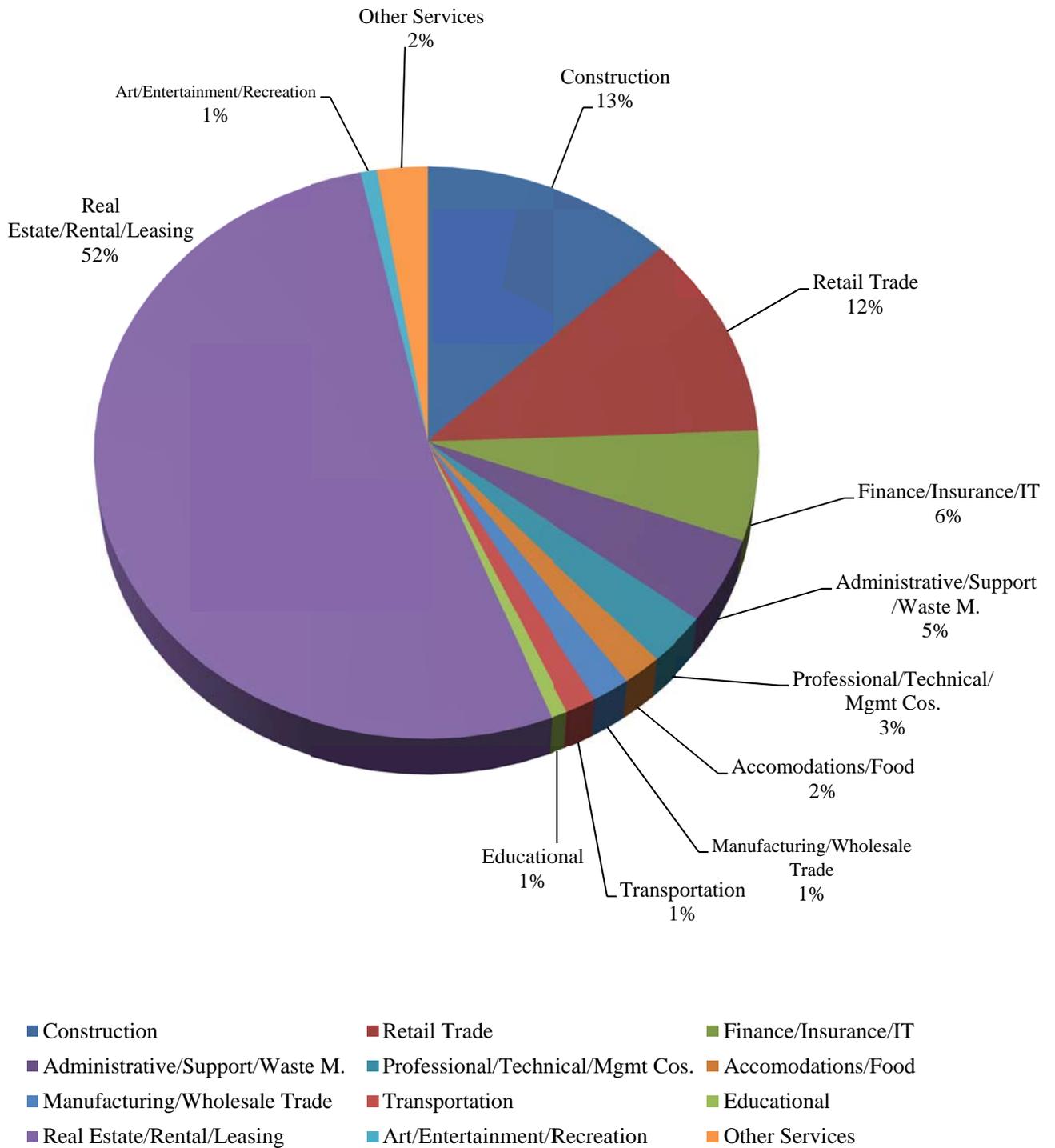
Gulf Shores \$26,853

Source: US Census Bureau – 2013 data latest available November 4, 2015

All About Gulf Shores, Alabama

Just the Facts

Gulf Shores, Alabama Business Profile



All About Gulf Shores, Alabama

Just the Facts

Housing Statistics

Number of Housing Units	11,260
Owner-Occupied	4,445
Seasonal, Recreational or Occasional Use	6,815

Source: US Census Bureau 2009-2013 American Community Survey

Housing Size

Housing Units by Size	
Studio Type	.9%
One Bedroom	7.70%
Two Bedrooms	41.0%
Three Bedrooms	36.2%
Four Bedrooms	9.7%
Five Bedrooms or more	4.5%

Just the Facts

Owned Homes, Apartments and Condos

Average Household Size	2.24
Median Year Structure was Built	2000
Median Value of Occupied Units	\$198,400
Median Price Asked for Vacant Units	\$302,080

Rented Homes, Apartments and Condos

Average Household Size	2.33
Median Year Structure was Built	2000
Median Monthly Rent Asked for Vacant Units	\$884

Service Statistics:

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

Public Safety 2015	
Fire Protection	Police Protection
Fire Stations 4	Primary Patrol Districts 3*
Sworn Employees 42	Sworn Employees 47
Civilian Employees 1	Civilian Employees..... 20
*Tourist Season includes a 4 th district with 4 seasonal employees	

All About Gulf Shores, Alabama

Just the Facts

Park, Recreation & Cultural Affairs

City Park Properties	8	Auditorium	1
Recreation Center.....	1	Gymnasiums	2
Sportsplex.....	1	Cultural Center	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.....	3		
Horseshoe Pits.....	10		
Dog Park.....	1		
Bocce Ball Courts	2		

Just the Facts

Highways and Streets

Miles of Streets Maintained	70.35
Streetlights	2,234
Traffic Signals.....	24

Educational System

Elementary School	1
Middle School	1
High School.....	1
Day School (ages 2-5).....	2
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.

All About Gulf Shores, Alabama

CITY OF GULF SHORES, ALABAMA
FINANCIAL SUMMARIES
FISCAL YEAR 2016

City of Gulf Shores, Alabama Budget 2016

Fund/Department Cross Reference Table

Department/Division	FUND					
	General	Special Revenues	Police & Fire Grants	Impact Fees	Beach Fund	Debt Service Fund
Executive	X					
Human Resources	X					
Finance & Administrative Services	X					
Municipal Court	X					
Police	X		X	X	X	
Fire & EMS	X		X	X		
Community Development	X					
Building	X					
Recreation & Cultural Affairs	X			X		
Special Events & Programs	X					
Library	X					
Recreation - Bodenhamer	X					
Recreation - Sportsplex	X			X		
Recreation - Parks	X			X		
Recreation - Beach	X			X		
Recreation - Cultural Center	X			X		
Public Works - General Services	X					
Public Works - Custodial	X					
Public Works - Landscaping	X			X		
Public Works - Streets	X			X	X	
Public Works - Maintenance	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 2016 the City of Gulf Shores has the following funds: General, Special Revenue, Police & Fire Related Grants, Impact Fees, Beach Restoration & Projects, Storm Damage Fund 2014 GO Warrant Fund 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 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. Transfers from the Impact Fees to the General Fund are used to offset Recreation and Public Works Capital purchases. City fund definitions and purpose are in the following sections.

GENERAL FUND

The General Fund is a governmental fund as are all the City funds with the exception of the Beach Restoration and Projects 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 70% Taxes and 8% Licenses and Permits. Over half (53.6%) of the General Fund expenditures are related to salaries. Transfers for Debt Service makes up 12.7% of the General Fund Budget and is used to pay for bond improvements. Other designated transfers for Lodging Tax related to Beach Activities comprise 7.7% of the General Fund Expenditures. Operational costs comprise another 21% of the General Fund expenditures and Capital is 5% of the General Fund Expenditures. Capital Outlays in the General Fund Building Department 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 2014 additional funds of \$1.405 million were added to the reserves. The City is in compliance with the City's updated City Financial Policy adopted in 2015 with the passage of the 2016 budget. The 2015 City Financial Policy requires a General Fund cash reserve equal to sixty percent for 2016. General Revenue fund reserves 2016 will comprise 30% of the General Fund Operating Budget and a Beach Reserve equivalent to 30% of the General Fund Budget. In 2015 the City was able to maintain 55% of the General Fund target level of reserves needed of \$9,823,573 (30%) and to the Beach Reserves \$8,186,310 (25%) in order to sustain operations during fluctuations of the revenue streams. Total reserve funds target for 2016 is \$20,561,837, or 60% of the General Fund Budget.

SPECIAL REVENUES

Special Revenues Governmental Funds represent 2% of City-wide Lodging Tax collections set aside to offset beach restoration and recycling expenses. The Special Revenues paid off a bond issue in 2013 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.

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 Governmental funds shown under Program Revenues as Operating Grants and Contributions in the audited Financial Statements.

IMPACT FEES

Impact Fees Governmental Funds 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.

BEACH RESTORATION & PROJECTS FUND

The Beach Restoration and Projects Enterprise Fund is used for the annual monitoring and tilling for the beach re-nourishment project. In 2015, new objectives included a beach recycling program, as well as police enforcement and restoration efforts. Initial capital funding for the beach recycling and enforcement efforts will be provided from transfers from the 2% Lodging Tax Special Revenues Fund.

2014 GO WARRANT FUND

The 2014 GO Warrant Fund is short-term debt used for the acquisition and construction of major capital equipment and facilities. The short-term debt will be converted to long term debt in early 2016. Capital improvements funds are used for projects such as state transportation projects that require a City match. These significant capital investments for improvements to road infrastructure should reduce the operational costs for repair and maintenance in 2016 and future years and significantly improve traffic flow in and around the City. The City developed in 2013 a Ten 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. An updated copy of the Ten Year Capital Plan is included at the end of this section.

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.

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. Assessed property values for 2014 of \$499,994,940 were received from the Baldwin County Revenue Commissioner’s Office, which would result in a debt limit of \$99,998,988. Our current debt limit is \$106,993,572, which is based on 2015 assessed property values of \$534,967,860. Current debt obligations are \$39 million. Projected 2016 Debt Service will constitute 9.4% of all total fund expenditures and 12.7% of General Fund Expenditures. 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 \$	Total Debt
2015	534,967,860	20%	106,993,572	41,625,387
2014	499,994,940	20%	99,998,988	38,016,672
2013	478,341,860	20%	95,668,372	38,877,200
2012	468,268,740	20%	93,653,748	46,055,063
2011	487,433,672	20%	97,486,672	44,882,575

As of October 31, 2015 the governmental long term debt consisted of the following:

General Obligation (GO) Warrants:

2015 GO Warrants – Issue Amount \$8,830,000

The 2015 GO Warrants refunded a portion of the 2008-A GO Warrants. The Aggregate Debt Service (Principal and Interest) owed on the issue is \$12,472,490 and is repaid from the General Fund. Debt Service amount due in 2016 is \$368,890; 2017 amount due is \$367,990.

2014 GO Warrants – Line of Credit available \$9,000,000

The 2015 GO Warrants proceeds allowed for the following projects: purchase of land for educational purposes, capital vehicle and equipment purchases, ALDOT Adaptive Signals project, facility improvements and other various grant matches. We anticipate 2016 Debt Service payments of interest only of \$94,050 to be repaid from the General Fund. The line matures December 15, 2018.

2012 A GO Warrants – Line of Credit available \$4,000,000

The 2012-A GO Warrants proceeds provided funds for property purchases. The line matures July 13, 2016 and we anticipate drawing the entire available balance by the end of 2015. Debt Service due in 2016 will be \$4,059,996 and will be repaid by the General Fund and a long term debt issue.

2012 C and 2012 D GO Warrants – Issue Amount \$19,645,000

The 2012 C and D GO 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. Aggregate Debt Service (Principal and Interest) owed on the issue is \$20,837,448 and is repaid from the General Fund. Debt Service amount due in 2016 is \$2,131,210; 2017 amount due is \$2,091,610.

2008 A GO Warrants – Issue Amount \$6,030,000

The following projects were funded by the proceeds of this issue: purchase property, two buildings, and renovation of 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 completed with the bond issue proceeds were: 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 \$6,190,178 and is repaid from the General Fund. Debt Service amount due in 2016 is \$1,039,748; 2017 amount due is \$1,062,208.

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 \$2,655,715. Debt Service amount due in 2016 is \$1,341,340. The principal portion of \$1,215,000 will be paid by the Reserve Fund held with Regions Bank. Debt Service amount due in 2017 is \$1,314,375. The principal portion of \$1,250,000 will also be paid by the Reserve Fund.

Debt service payments by year are as follows as of October 2015:

	Principal	Interest	Total
2016	2,799,612	1,178,458	3,978,070
2017	2,645,900	1,144,284	3,790,184
2018	2,140,000	1,010,109	3,150,109
2019	2,215,000	750,869	2,965,869
2020	2,285,000	674,589	2,959,589
2021	2,575,000	618,649	3,193,649
2022	2,415,000	547,154	2,962,154
2023	2,465,000	495,194	2,960,194
2024	2,530,000	439,016	2,969,016
2025	2,590,000	379,650	2,969,650
2026	2,510,000	316,300	2,826,300
2027	2,620,000	215,226	2,835,226
2028	2,725,000	109,726	2,834,726
2029	0	0	0
Total	32,515,512	7,879,224	40,394,736

City of Gulf Shores, Alabama 2016 Budget Calendar

Date	Action
January 21, 2015	Council retreat with Mayor, Council, and Department Heads to discuss projects for the year and how the projects relate to the Five Point Strategic Vision Small Town, Big Beach 2025 Vision for Sustainability.
April 22, 2015	Council retreat for update on projects related to the Strategic Vision.
June 11 & 25, 2015	Department Heads meet to build Ten 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 2016 Budget. Finance committee received Ten Year Capital Plan and 2016 Capital Budget Requests at the November 3rd Finance Committee meeting.
August 3, 2015	Budget Preparation Instructions sent to Department Heads with request to not exceed 2015 budgeted amounts in total by Department. Departments were asked to look for ways to reduce expenses to offset increased pension costs. The General Fund Budget requests should be consistent with the Vision 2025 Key Strategies and Priorities set by the Mayor and Council. Budget linkage to plan to confirm the Departments and Council have no conflicting objectives. Departments asked for objective measures of progress toward accomplishing department's mission as well as goals and objective for specific units and programs. Objectives and measures need to be linked and outcome related.
August 14 & 28, 2015	Budget Breakfasts held for departments to go over any budget issues.
September 30, 2015	Budget Requests due to Finance & Administrative Services Director. Requests were compiled with recommendations for meeting needs with revenue sources.
October, 2015	City Administrator 2015 Budget recommendation prepared for Mayor and Council.
October 12, 2015	Council Fall retreat for Strategic Vision 2025 project updates.
November 3, 2015	Finance Committee reviews Budget Requests including Budget Message, General Fund revenue and expense projections, position and Capital requests.
November 16, 2015	Committee of the Whole (COW) meeting for full Council review
November 23, 2015	Council Adoption of 2016 Budget

CITY OF GULF SHORES, ALABAMA
FINANCIAL SUMMARIES
TABLES AND GRAPHS
FISCAL YEAR 2016

TABLE 1
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2016

	Actual 2013	Actual 2014	Amended 2015	Adopted 2016	Dollar Change 2015 to 2016	Percent Change 2015 to 2016
REVENUES						
General Fund	25,136,334	26,986,061	30,218,731	32,257,450	2,038,719	6.75%
Special Revenue Funds:						
2% Lodging Tax	2,765,035	2,588,877	3,065,352	2,641,000	(424,352)	-13.84%
Designated Taxes	590,691	462,692	404,000	405,000	1,000	0.25%
Impact Fees	307,499	540,672	352,320	401,500	49,180	13.96%
Library Board Fund	1,069	12	0	0	0	0.00%
Capital Projects Funds:						
Beach Restoration	14	13	1,855,219	844,384	(1,010,835)	-54.49%
2006 GO Warrant	0	0	0	0	0	0.00%
2008 GO Warrant	767,568	325,893	0	0	0	0.00%
2012 Refunding	95,366	1	0	0	0	0.00%
2014 GO Warrant	0	5	6,222,346	2,891,688	(3,330,658)	-53.53%
Capital Improvements	0	0	0	0	0	0.00%
Grants	6,380	254,129	0	0	0	0.00%
Storm Damage	2,786,347	1,287,280	0	0	0	0.00%
Debt Service	2,016,330	2,011,857	0	0	0	0.00%
TOTAL REVENUES	34,472,633	34,457,492	42,117,968	39,441,022	(2,676,946)	-6.36%
EXPENDITURES						
General Fund	22,236,342	25,254,291	25,091,442	27,263,352	2,171,910	8.66%
Special Revenue Funds:						0.00%
2% Lodging Tax	0	0	3,065,352	2,431,082	0	0.00%
Designated Taxes	2,891	53,662	35,000	40,000	5,000	14.29%
Impact Fees	333,288	342,413	232,320	69,500	(162,820)	-70.08%
Library Board Fund	3,538	(660)	0	0	0	0.00%
Capital Projects Funds:						0.00%
Beach Restoration	0	62,839	1,382,812	844,384	(538,428)	-38.94%
2006 GO Warrant	0	0	0	0	0	0.00%
2008 GO Warrant	3,409,744	403,734	0	0	0	0.00%
2012 Refunding	3,261,020	0	0	0	0	0.00%
2014 GO Warrant	0	20,000	6,222,346	2,891,688	(3,330,658)	-53.53%
Capital Improvements	0	474,891	0	0	0	0.00%
Grants	0	0	0	0	0	0.00%
Storm Damage	3,263,515	1,145,757	0	0	0	0.00%
Debt Service	6,209,767	5,601,106	4,565,344	4,366,378	(198,966)	-4.36%
TOTAL EXPENSES	38,720,105	33,358,033	40,594,616	37,906,384	(2,053,962)	-6.62%
Excess of Revenues over Total Expenditures	(4,247,472)	1,099,459	1,523,352	1,534,638	11,286	0.74%
OTHER FINANCING						
Bond Issue net		890,000	0			
Installment Loan Proceeds	0	0	0	0	0	
Transfers In	7,110,115	6,459,306	8,243,048	7,494,460	(748,588)	-9.08%
Transfers Out	(7,110,115)	(6,431,958)	(8,442,800)	(7,494,460)	948,340	-11.23%
Total Other Financing Uses	0	917,348	(199,752)	0	199,752	-100.00%
Net Change in Fund Balance	(4,247,472)	2,016,807	1,323,600	1,534,638	211,038	15.94%
Prior Period Adjustment						
Fund Balances - Beginning	28,735,024	24,487,552	26,504,359	27,827,959	1,323,600	4.99%
Fund Balances - Ending	\$ 24,487,552	\$ 26,504,359	\$ 27,827,959	\$ 29,362,597	\$ 1,534,638	5.51%

GRAPH 1
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2016

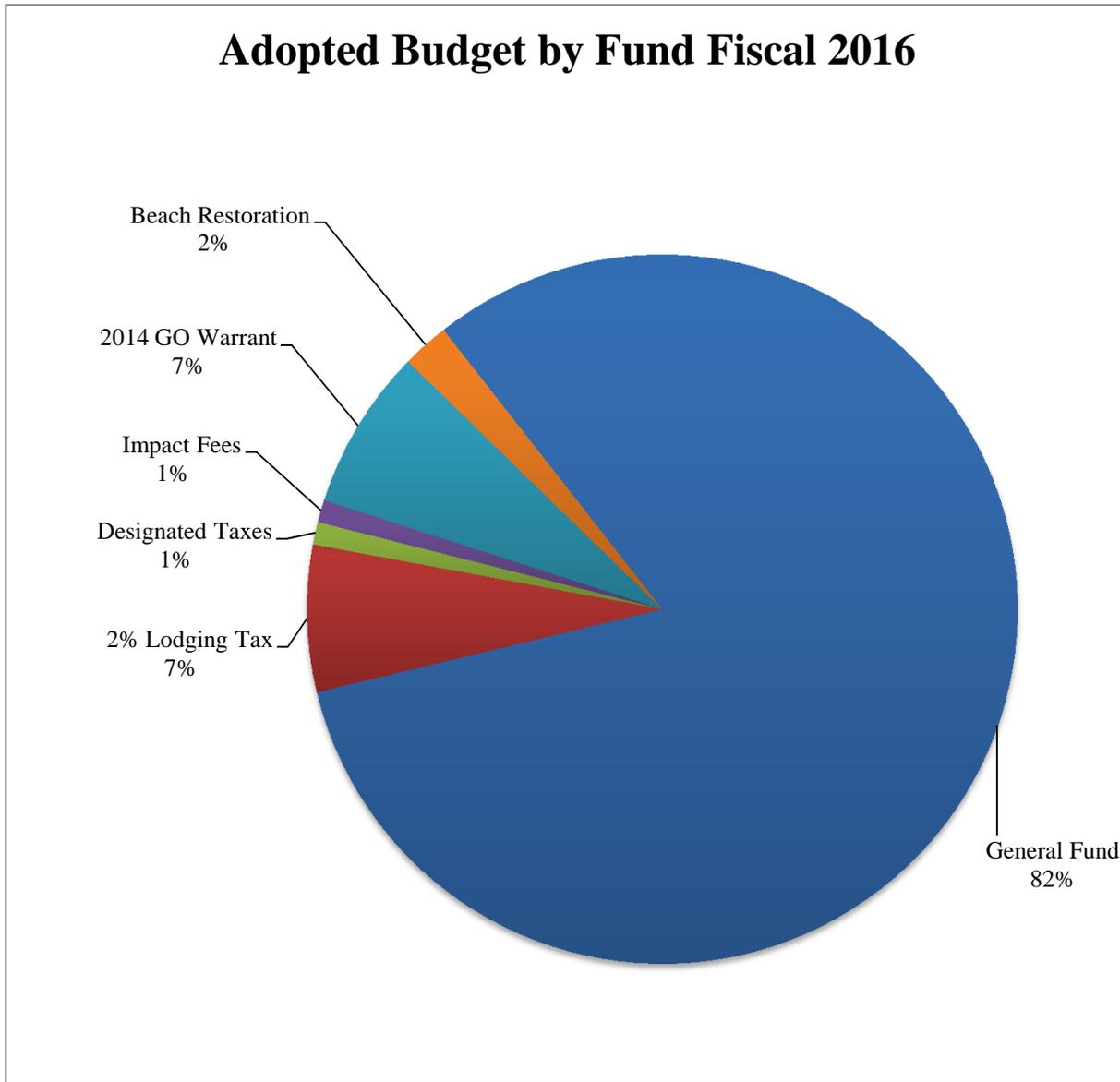


TABLE 2
CITY OF GULF SHORES, ALABAMA
GENERAL FUND ADOPTED BUDGET
FISCAL YEAR 2016

	Actual 2013	Actual 2014	Amended 2015	Adopted 2016	Dollar Change 2015 to 2016	Percent Change 2015 to 2016
REVENUES						
Property Taxes	2,367,025	2,525,504	2,623,000	2,721,845	98,845	3.77%
Sales Taxes	11,894,065	11,952,255	12,500,000	12,900,000	400,000	3.20%
Lodging Taxes	4,143,371	3,793,414	6,300,000	6,600,000	300,000	4.76%
Other Local Taxes	1,290,435	1,192,943	2,125,000	2,145,650	20,650	0.97%
Licenses and Permits	2,374,442	2,908,946	2,821,000	2,901,000	80,000	2.84%
Fines/Forfeitures	387,739	395,864	415,000	450,000	35,000	8.43%
Franchise/Utility	195	1,253,354	1,163,000	1,201,000	38,000	3.27%
Intergovern/Fed	235,713	169,815	0	91,855	91,855	0.00%
Intergovern/State	50,612	67,904	152,181	128,200	(23,981)	-15.76%
Investments Income	15,899	19,189	15,000	20,000	5,000	33.33%
Other Receipts	2,376,838	2,706,873	2,086,550	3,077,900	991,350	47.51%
BP Lost Revenues/Settlement	0	0	0	0	0	0.00%
Other Financing Sources	0	0	18,000	20,000	2,000	11.11%
TOTAL REVENUES	<u>25,136,334</u>	<u>26,986,061</u>	<u>30,218,731</u>	<u>32,257,450</u>	<u>2,038,719</u>	<u>6.75%</u>
EXPENDITURES						
Executive	861,183	1,035,309	1,114,969	1,234,160	119,191	10.69%
Human Resources	0	221,440	304,542	300,288	(4,254)	-1.40%
Finance & Administrative Services	2,165,264	2,109,672	2,468,381	2,623,817	155,436	6.30%
Municipal Court	307,155	299,304	360,154	364,702	4,548	1.26%
Police	5,112,506	4,519,657	4,920,706	5,304,355	383,649	7.80%
Parking Beach	0	0	0	530,989	530,989	100.00%
Fire & EMS	3,321,777	3,889,208	3,578,000	3,842,949	264,949	7.40%
Community Development	383,415	385,282	402,134	403,143	1,009	0.25%
Building	419,182	485,372	459,681	529,785	70,104	15.25%
Recreation & Cultural Affairs	129,626	488,962	231,665	254,817	23,152	9.99%
Events & Programs	779,116	795,153	845,965	718,225	(127,740)	-15.10%
Library	520,830	528,147	576,157	589,608	13,451	2.33%
Recreation - Bodenhamer	1,577,717	1,544,079	1,609,820	1,639,966	30,146	1.87%
Recreation - Sportsplex	953,925	1,115,775	1,150,622	1,115,521	(35,101)	-3.05%
Recreation - Parks	322,872	392,210	422,613	557,101	134,488	31.82%
Recreation - Beach	390,147	400,605	387,505	435,689	48,184	12.43%
Cultural Center	0	783,081	426,877	503,839	76,962	18.03%
City Store	0	0	0	222,399	222,399	100.00%
Public Works - General Services	485,021	591,651	667,171	722,557	55,386	
Public Works - Custodial	475,225	515,390	592,011	560,317	(31,694)	-5.35%
Public Works - Landscaping	645,040	698,033	667,827	729,119	61,292	9.18%
Public Works - Streets	1,768,042	2,221,236	2,379,740	2,550,442	170,702	7.17%
Public Works - Maintenance	1,284,998	1,190,573	1,255,843	1,126,128	(129,715)	-10.33%
Airport	0	0	121,909	125,936	4,027	3.30%
Appropriations	296,601	226,652	113,150	277,500	164,350	145.25%
Capital Outlay	36,700	817,500	34,000	0	(34,000)	-100.00%
TOTAL EXPENDITURES	<u>22,236,342</u>	<u>25,254,291</u>	<u>25,091,442</u>	<u>27,263,352</u>	<u>2,171,910</u>	<u>8.66%</u>
OTHER FINANCING SOURCES						
Bond Proceeds	0	840,000	0	0	0	0%
Operating Transfers In	2,529,433	2,601,409	2,589,000	2,397,000	(192,000)	0%
Operating Transfers Out	(3,039,982)	(3,767,847)	(7,653,800)	(7,006,378)	647,422	-8.46%
Total Other Financing Sources	<u>(510,549)</u>	<u>(326,438)</u>	<u>(5,064,800)</u>	<u>(4,609,378)</u>	<u>455,422</u>	<u>-8.99%</u>
Net Change in Fund Balance	2,389,443	1,405,332	62,489	384,720	322,231	515.66%
Prior Period Adjustment						
Fund Balances - Beginning	<u>22,420,438</u>	<u>24,809,881</u>	<u>26,215,213</u>	<u>26,277,702</u>	<u>62,489</u>	<u>0.24%</u>
Fund Balances - Ending	<u>\$ 24,809,881</u>	<u>\$ 26,215,213</u>	<u>\$ 26,277,702</u>	<u>26,662,422</u>	<u>384,720</u>	<u>1.46%</u>

GRAPH 2
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2016

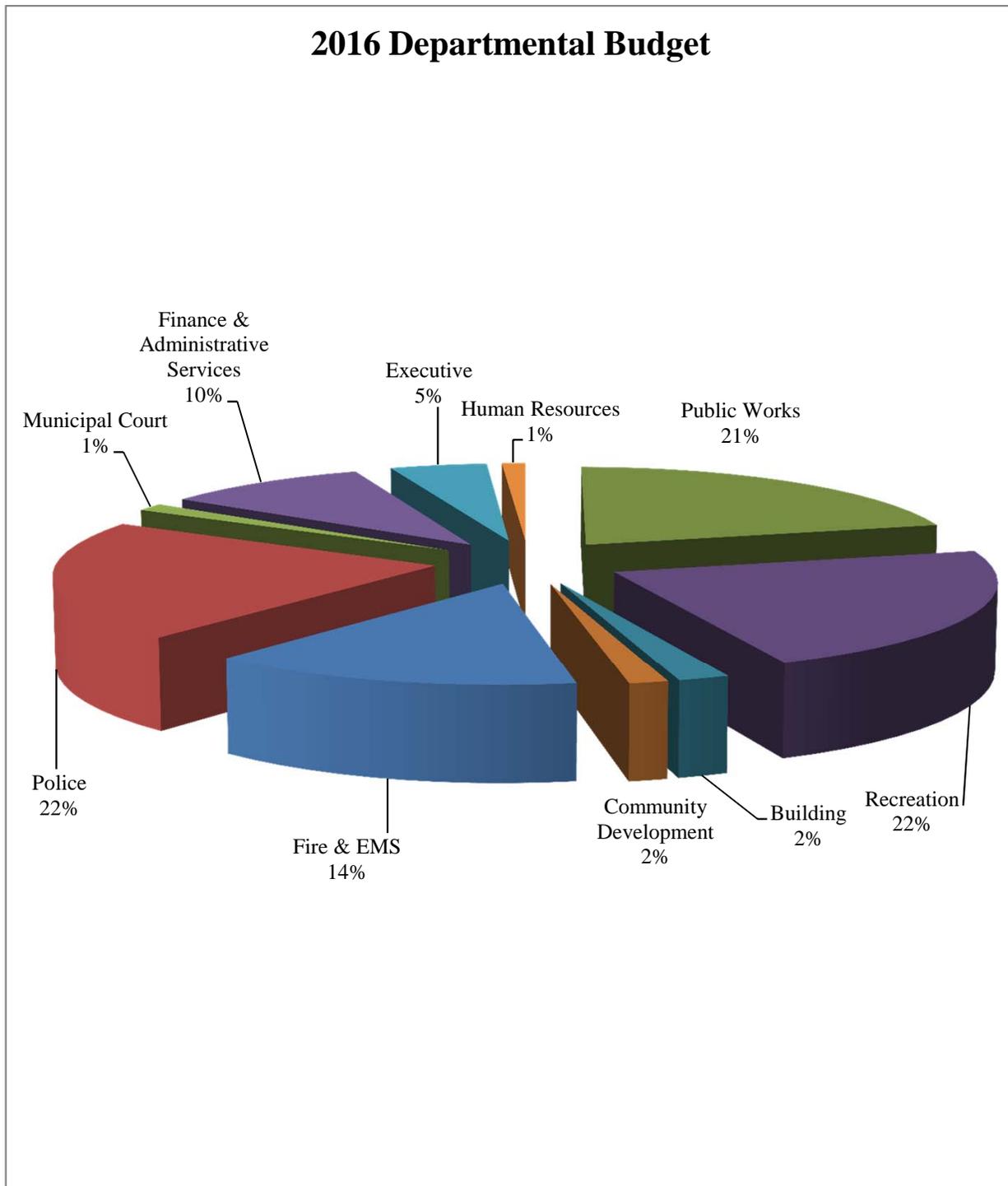
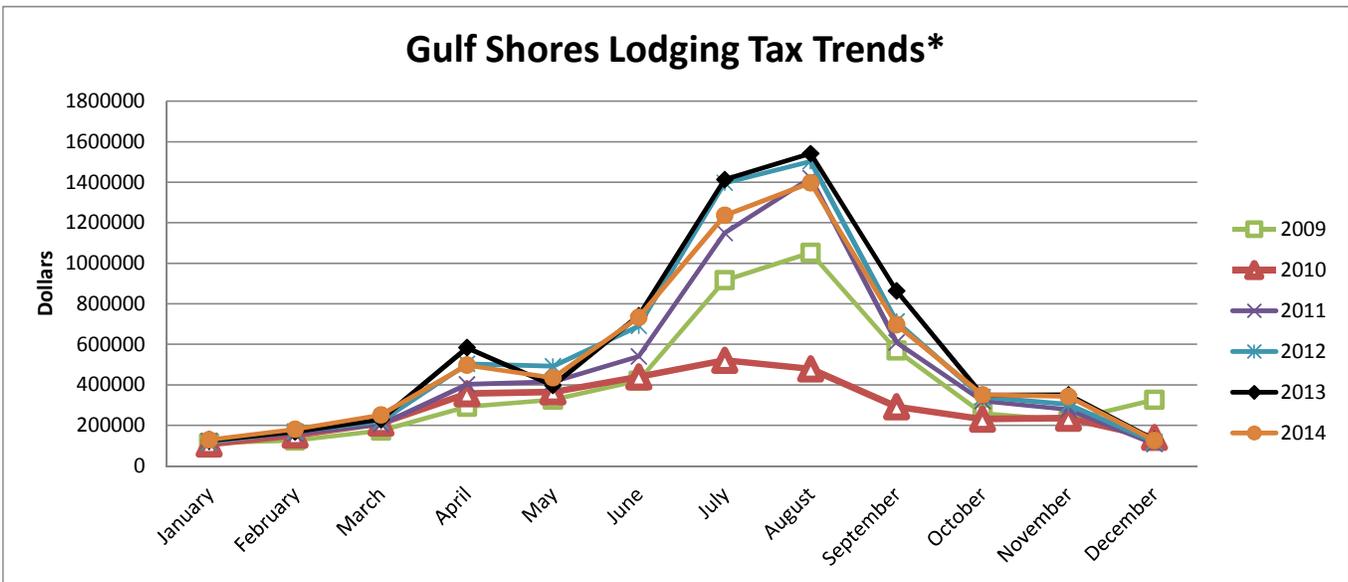


TABLE 3
CITY OF GULF SHORES, ALABAMA
SPECIAL REVENUE FUND
LODGING TAX ADOPTED BUDGET
FISCAL YEAR 2016

	Actual 2013	Actual 2014	Amended 2015	Adopted 2016	Dollar Change 2015 to 2016	Percent Change 2015 to 2016
REVENUES						
Taxes:						
Lodging Tax 2% Beach	2,763,033	2,588,877	3,064,352	2,640,000	(424,352)	-13.85%
Interest Income	2,002	0	1,000	1,000	0	0.00%
Total Revenue	<u>2,765,035</u>	<u>2,588,877</u>	<u>3,065,352</u>	<u>2,641,000</u>	<u>(424,352)</u>	<u>-13.84%</u>
EXPENDITURES						
Current:						
General government	0	0	0	0	0	0.00%
Total general government	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Excess of Revenues over Total Expenditures	<u>2,765,035</u>	<u>2,588,877</u>	<u>3,065,352</u>	<u>2,641,000</u>	<u>(424,352)</u>	<u>-13.84%</u>
OTHER FINANCING USES						
Transfers Out	(3,431,196)	(1,862,700)	(3,065,352)	(2,431,082)	634,270	-20.69%
Total Other Financing Uses	<u>(3,431,196)</u>	<u>(1,862,700)</u>	<u>(3,065,352)</u>	<u>(2,431,082)</u>	<u>634,270</u>	<u>-20.69%</u>
Net Change in Fund Balance	<u>(666,161)</u>	<u>726,177</u>	<u>0</u>	<u>209,918</u>	<u>209,918</u>	<u>0.00%</u>
Fund Balances - Beginning	<u>1,579,905</u>	<u>913,744</u>	<u>1,639,921</u>	<u>1,639,921</u>	<u>0</u>	<u>0.00%</u>
Fund Balances - Ending	<u>\$ 913,744</u>	<u>\$ 1,639,921</u>	<u>\$ 1,639,921</u>	<u>\$ 1,849,839</u>	<u>209,918</u>	<u>12.80%</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 2016**

	Actual 2013	Actual 2014	Amended 2015	Adopted 2016	Dollar Change 2015 to 2016	Percent Change 2015 to 2016
REVENUES						
Taxes:						
Intergovernmental:						
State of Alabama	590,520	462,474	404,000	405,000	1,000	0.25%
Interest Income	171	218	0	0	-218	0.00%
Total Revenue	<u>590,691</u>	<u>462,692</u>	<u>404,000</u>	<u>405,000</u>	<u>782</u>	<u>0.25%</u>
EXPENDITURES						
Current:						
General Government	2,891	53,662	35,000	40,000	5,000	14.29%
Total General Government	<u>2,891</u>	<u>53,662</u>	<u>35,000</u>	<u>40,000</u>	<u>5,000</u>	<u>14.29%</u>
Excess of Revenues over Total Expenditures	<u>587,800</u>	<u>409,030</u>	<u>369,000</u>	<u>365,000</u>	<u>-4,000</u>	<u>-1.08%</u>
OTHER FINANCING USES						
Transfers Out	<u>(489,000)</u>	<u>(431,500)</u>	<u>(369,000)</u>	<u>(365,000)</u>	<u>4,000</u>	<u>-1.08%</u>
Total Other Financing Uses	<u>(489,000)</u>	<u>(431,500)</u>	<u>(369,000)</u>	<u>(365,000)</u>	<u>4,000</u>	<u>-1.08%</u>
Net Change in Fund Balance	<u>98,800</u>	<u>(22,470)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Fund Balances - Beginning	<u>70,037</u>	<u>168,837</u>	<u>146,367</u>	<u>146,367</u>	<u>0</u>	<u>0.00%</u>
Fund Balances - Ending	<u>\$168,837</u>	<u>\$146,367</u>	<u>\$146,367</u>	<u>146,367</u>	<u>0</u>	<u>0.00%</u>

TABLE 5
CITY OF GULF SHORES, ALABAMA
SPECIAL REVENUE FUND
IMPACT FEES
ADOPTED BUDGET
FISCAL YEAR 2016

	Actual 2013	Actual 2014	Amended 2015	Adopted 2016	Dollar Change 2015 to 2016	Percent Change 2015 to 2016
REVENUES						
Impact Fees	307,242	540,482	352,320	401,500	49,180	13.96%
Interest Income	257	190	0	0	0	0.00%
Total Revenue	<u>307,499</u>	<u>540,672</u>	<u>352,320</u>	<u>401,500</u>	<u>49,180</u>	<u>13.96%</u>
EXPENDITURES						
Current Operating:						
Fire	14,344	50,054	20,000	40,000	20,000	100.00%
Recreation	79,812	197,462	212,320	0	(212,320)	-100.00%
Police	27,902	31,745	0	0	0	0.00%
Public Works	211,230	63,152	0	29,500	29,500	100.00%
Total Current	<u>333,288</u>	<u>342,413</u>	<u>232,320</u>	<u>69,500</u>	<u>(162,820)</u>	<u>-70.08%</u>
Capital Outlay						
Fire	0	0	0	0	0	0.00%
Recreation	0	0	0	0	0	100.00%
Police	0	0	0	0	0	0.00%
Public Works	0	0	0	0	0	0.00%
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total Expenditures	<u>333,288</u>	<u>342,413</u>	<u>232,320</u>	<u>69,500</u>	<u>(162,820)</u>	<u>-70.08%</u>
Excess of Revenues over Total Expenditures	<u>(25,789)</u>	<u>198,259</u>	<u>120,000</u>	<u>332,000</u>	<u>212,000</u>	<u>0.00%</u>
OTHER FINANCING USES						
Transfers	0	326,972	120,000	332,000	(206,972)	0.00%
Total Other Financing Uses	<u>0</u>	<u>326,972</u>	<u>120,000</u>	<u>332,000</u>	<u>(206,972)</u>	<u>0.00%</u>
Net Change in Fund Balance	(25,789)	(128,713)	0	0	0	0.00%
Fund Balances - Beginning	<u>388,031</u>	<u>362,241</u>	<u>233,528</u>	<u>233,528</u>	<u>0</u>	<u>0.00%</u>
Fund Balances - Ending	<u>\$362,242</u>	<u>\$233,528</u>	<u>\$233,528</u>	<u>\$233,528</u>	<u>0</u>	<u>0.00%</u>

TABLE 6
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
BEACH RESTORATION AND PROJECTS FUND
ADOPTED BUDGET
FISCAL YEAR 2016

	Actual 2013	Actual 2014	Amended 2015	Adopted 2016	Dollar Change 2015 to 2016	Percent Change 2015 to 2016
REVENUES						
Beach Revenue	14	13	1,855,219	844,384	-1,010,835	-54.49%
Total Revenue	14	13	1,855,219	844,384	-1,010,835	-54.49%
EXPENDITURES						
Current Operating:						
Police	0	0	263,052	199,664	-63,388	-24.10%
Public Works	0	139	1,014,760	574,720	-440,040	-43.36%
Total Current	0	139	1,277,812	774,384	-503,428	-39.40%
Capital Outlay						
Recreation Beach	0	0	35,000	0	-35,000	-100.00%
Public Works	0	0	0	0	0	0.00%
Beach Monitoring	0	62,700	70,000	70,000	0	0.00%
Total Capital Outlay	0	62,700	105,000	70,000	-35,000	-33.33%
Total Expenditures	0	62,839	1,382,812	844,384	-538,428	-38.94%
Excess of Revenues over						
Total Expenditures	14	-62,826	472,407	0	-472,407	-100.00%
OTHER FINANCING USES						
Transfers	0	62,700	-300,000	0	300,000	-100.00%
Total Other Financing Uses	0	62,700	-300,000	0	300,000	-100.00%
Net Change in Fund Balance	14	-126	172,407	0	-172,407	-100.00%
Fund Balances - Beginning	1,253	1,267	1,141	173,548	172,407	15110.17%
Fund Balances - Ending	\$1,267	\$1,141	\$173,548	\$173,548	0	0.00%

TABLE 7
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
BOND PROCEEDS 2008 A
ADOPTED BUDGET
FISCAL YEAR 2016

	Actual 2013	Actual 2014	Amended 2015	Adopted 2016	Dollar Change 2015 to 2016	Percent Change 2015 to 2016
REVENUES						
Bond Proceeds	0	0	0	0	0	0%
State Match	767,072	325,893	0	0	0	0%
Interest Income	496	0	0	0	0	0%
Total Revenue	<u>767,568</u>	<u>325,893</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EXPENDITURES						
Capital Outlay	<u>3,409,744</u>	<u>403,734</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Total Expenditures	<u>3,409,744</u>	<u>403,734</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Excess of Revenues over						
Total Expenditures	<u>(2,642,176)</u>	<u>(77,841)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
OTHER FINANCING USES						
Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Total Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Net Change in Fund Balance	<u>(2,642,176)</u>	<u>(77,841)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Fund Balances - Beginning	<u>2,705,973</u>	<u>63,797</u>	<u>(14,044)</u>	<u>(14,044)</u>	<u>0</u>	<u>0%</u>
Fund Balances - Ending	<u>63,797</u>	<u>(14,044)</u>	<u>(14,044)</u>	<u>(14,044)</u>	<u>0</u>	<u>0%</u>

All remaining 2008A Bond proceeds were used in 2013 for Capital Projects

**TABLE 8
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
ADOPTED BUDGET
FISCAL YEAR 2016**

	Actual 2013	Actual 2014	Amended 2015	Adopted 2016	Dollar Change 2015 to 2016	Percent Change 2015 to 2016
REVENUES						
Grants Requiring Matching Funds						
Grants	6,380	254,129	0	0	0	0%
Total Revenues	<u>6,380</u>	<u>254,129</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EXPENDITURES						
Administrative	0	106	0	0	0	0%
Capital Outlay Projects						
ALDOT Sidewalks Handicap Access	0	0	0	0	0	0%
ALDOT Sidewalks 8 Feet Wide	0	69,550	0	0	0	0%
ALDOT Adaptive Signs	0	326,323	0	0	0	0%
ALDOT ATRIP West 4th St Bridge	0	0	0	0	0	0%
W 10th Public Access	0	0	0	0	0	0%
E. Beach Blvd Bypass	0	0	0	0	0	0%
Rec Trail-Fort Morgan W Fairway	0	13,412	0	0	0	0%
ADECA-LWCF Little Lagoon	0	0	0	0	0	0%
Craft Farms North Roadway	0	65,500	0	0	0	0%
Dry Dock Basin	0	0	0	0	0	0%
Total Expenditures	<u>0</u>	<u>474,891</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
OTHER FINANCING SOURCES						
Transfer Out	0	100,000	0	0	0	0%
Total Other Financing Sources	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Net Change in Fund Balances	6,380	(120,762)	0	0	0	0%
Fund Balance - Beginning	<u>(5,843)</u>	<u>537</u>	<u>(120,225)</u>	<u>(120,225)</u>	<u>0</u>	<u>0%</u>
Fund Balance - Ending	<u><u>537</u></u>	<u><u>(120,225)</u></u>	<u><u>(120,225)</u></u>	<u><u>(120,225)</u></u>	<u><u>0</u></u>	<u><u>0%</u></u>

TABLE 9
CITY OF GULF SHORES, ALABAMA
STORM DAMAGE FUND
ADOPTED BUDGET
FISCAL YEAR 2016

	Actual 2013	Actual 2014	Amended 2015	Adopted 2016	Dollar Change 2015 to 2016	Percent Change 2015 to 2016
REVENUES						
Intergovernmental Grants						
State of Alabama	612,305	546,337	0	0	0	0%
Federal Government	1,812,543	101,749	0	0	0	0%
BP Grant(s)	360,995	639,005	0	0	0	0%
Deferred Revenue	0	0	0	0	0	0%
Interest Income	504	189	0	0	0	0%
Total Revenues	<u>2,786,347</u>	<u>1,287,280</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EXPENDITURES						
Emergency Protective Measures	0	13,813	0	0	0	0%
Engineering & Construction	480,083	0	0	0	0	0%
Buildings & Equipment	292,185	87,380	0	0	0	0%
Parks, Recreation & Other	1,804,583	0	0	0	0	0%
Waterway Development District	686,664	1,044,565	0	0	0	0%
Debris Removal	0	0	0	0	0	0%
Total Expenditures	<u>3,263,515</u>	<u>1,145,758</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
OTHER FINANCING SOURCES (USES)						
Transfer out Other Funds (General)	(149,937)	(42,937)	0	0	0	0%
Transfer from Other Funds	325,509	17,309	0	0	0	0%
Total Other Financing Uses	<u>175,572</u>	<u>(25,628)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Net Change in Fund Balance	<u>(301,596)</u>	<u>115,894</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Fund Balance - Beginning	<u>15,873</u>	<u>(285,723)</u>	<u>(169,829)</u>	<u>(169,829)</u>	<u>0</u>	<u>0%</u>
Fund Balance - Ending	<u>(285,723)</u>	<u>(169,829)</u>	<u>(169,829)</u>	<u>(169,829)</u>	<u>0</u>	<u>0%</u>

TABLE 10
CITY OF GULF SHORES, ALABAMA
DEBT SERVICE FUND
ADOPTED BUDGET
FISCAL YEAR 2016

	Actual 2013	Actual 2014	Amended 2015	Adopted 2016	Dollar Change 2015 to 2016	Percent Change 2015 to 2016
REVENUES						
Property Taxes	35,356	31,047	0	0	0	0.00%
Local Taxes	1,859,657	1,861,676	0	0	0	0.00%
Rent Income	120,822	118,276	0	0	0	0.00%
Interest	495	858	0	0	0	0.00%
Total Revenues	<u>2,016,330</u>	<u>2,011,857</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
EXPENDITURES						
Principal and Interest	6,201,953	5,597,587	4,560,844	4,361,128	-199,716	-4.38%
Miscellaneous	7,814	3,519	4,500	5,250	750	16.67%
Total Expenses	<u>6,209,767</u>	<u>5,601,106</u>	<u>4,565,344</u>	<u>4,366,378</u>	<u>-198,966</u>	<u>-4.36%</u>
Excess of Revenues over Total Expenditures	<u>(4,193,437)</u>	<u>(3,589,249)</u>	<u>(4,565,344)</u>	<u>(4,366,378)</u>	<u>198,966</u>	<u>-4.36%</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	4,255,173	3,677,788	4,565,344	4,366,378	-198,966	-4.36%
Transfers Out	0	0	0	0	0	0.00%
Total Other Financing Uses	<u>4,255,173</u>	<u>3,677,788</u>	<u>4,565,344</u>	<u>4,366,378</u>	<u>-198,966</u>	<u>-4.36%</u>
Net Change in Fund Balance	61,736	88,539	0	0	0	0.00%
Fund Balances - Beginning	<u>2,185,900</u>	<u>2,247,636</u>	<u>2,336,175</u>	<u>2,336,175</u>	<u>0</u>	<u>0.00%</u>
Fund Balances - Ending	<u>\$ 2,247,636</u>	<u>\$ 2,336,175</u>	<u>\$ 2,336,175</u>	<u>\$ 2,336,175</u>	<u>0</u>	<u>0.00%</u>

TABLE 11
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
2014 GO WARRANT
ADOPTED BUDGET
FISCAL YEAR 2016

	Actual 2013	Actual 2014	Amended 2015	Adopted 2016	Dollar Change 2015 to 2016	Percent Change 2015 to 2016
REVENUES						
Grants Requiring Matching Funds						
Grants	0	0	6,222,346	2,891,688	(3,330,658)	-53.53%
Interest Income	0	5	0	0	0	0.00%
Total Revenues	<u>0</u>	<u>5</u>	<u>6,222,346</u>	<u>2,891,688</u>	<u>(3,330,658)</u>	<u>-53.53%</u>
EXPENDITURES						
Administrative	0	0	0	0	0	0.00%
Operations						
ADECA-LWCF Little Lagoon	0	0	91,000	0	(91,000)	-100.00%
ALDOT Sidewalks 8 Feet Wide	0	0	84,200	1,774,403	1,690,203	2007.37%
Rec Trail Fort Morgan Fairway	0	0	159,000	0	(159,000)	-100.00%
West 12th Street Public Access	0	0	100,000	100,000	0	0.00%
Capital Outlay Projects						
Fire & EMS	0	0	912,000	0	(912,000)	-100.00%
Rec & Cultural Affairs	0	0	1,284,000	1,017,285	(266,715)	-20.77%
Public Works	0	0	0	0	0	0.00%
W 10th St Public Access	0	0	150,000	0	(150,000)	-100.00%
E Beach Blvd Bypass	0	0	82,000	0	(82,000)	-100.00%
ALDOT Adaptive Signals	0	0	928,146	0	(928,146)	-100.00%
Land	0	20,000	2,432,000	0	(2,432,000)	-100.00%
Total Expenditures	<u>0</u>	<u>20,000</u>	<u>6,222,346</u>	<u>2,891,688</u>	<u>(3,330,658)</u>	<u>-53.53%</u>
OTHER FINANCING SOURCES						
Bond Proceeds		50,000				
Transfer from General Funds	0	100	0	0	0	0.00%
Total Other Financing Sources	<u>0</u>	<u>50,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Net Change in Fund Balances	0	30,105	0	0	0	0.00%
Fund Balance - Beginning	<u>0</u>	<u>0</u>	<u>30,105</u>	<u>30,105</u>	<u>0</u>	<u>0.00%</u>
Fund Balance - Ending	<u>0</u>	<u>30,105</u>	<u>30,105</u>	<u>30,105</u>	<u>0</u>	<u>0.00%</u>

Fund Balance

The City of Gulf Shores adopted financial policy as of March 8, 2010, setting a fund balance of 45% of the General Fund. In 2013, the Finance Committee chose to increase the fund balance by 5% annually beginning in 2014. The updated City of Gulf Shores financial policy is included at the end of the budget document. The Fund Balance target for 2016 is 60% of General Fund Expenditures. Of the total General Fund Balance target, Beach Fund Reserves comprise 30% of the fund balance and General Fund Operating/Stabilization comprise the remainder. General Fund Operating reserves are two-thirds of the non-Beach Reserves and Operating reserves are the other one-third. The table below shows changes in the reserve amounts from 2013 to 2014 actual, 2015 year to date and 2016 Budgeted Reserves.

General Fund Reserves	2013 Actual (Audited)	2014 Actual (Audited)	2015 Actual Year to Date	2016 Budget
Operating	\$ 10,678,987	\$10,442,873	\$ 6,542,500	\$9,585,928
Stabilization	<u>5,259,800</u>	<u>5,237,116</u>	<u>3,281,073</u>	<u>4,807,358</u>
Subtotal General Fund	\$15,938,787	\$15,679,989	\$9,823,573	\$14,393,286
Beach Reserves	<u>5,055,265</u>	<u>6,719,995</u>	<u>11,176,343</u>	<u>6,168,551</u>
Grand Total All Reserves	\$20,994,052	\$22,399,984	20,900,917	20,561,837

Major Revenue Sources

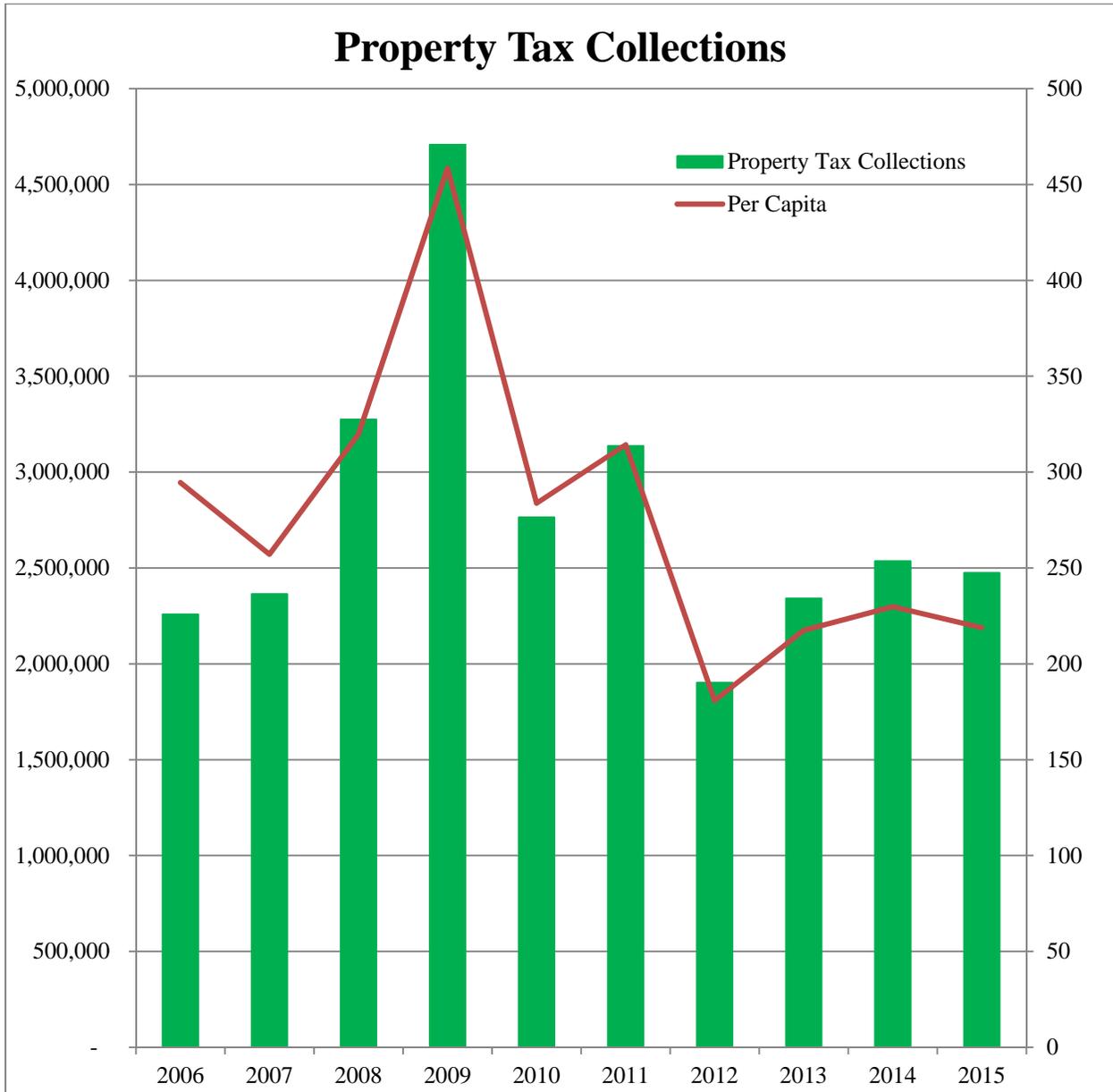
The City of Gulf Shores General Fund has four major funding sources that comprise approximately 70% of the General Fund. Shown below is a summary of the four major General Fund revenue sources and the percentage of the total General Fund Revenues for 2013 Actual, 2014 Actual, 2015 Actual Year to Date, and 2016 Budget:

Revenue Type	2013 Actual	% of Total	2014 Actual	% of Total	2015 Actual Year to Date	% of Total	2016 Budget
Property	\$ 2,402,381	8%	\$ 2,403,011	7%	1,041,117	3%	2,567,845
Sales	11,894,065	38%	12,812,528	37%	11,674,341	34%	12,900,000
Lodging	6,905,619	22%	6,382,291	18%	6,342,887	18%	6,600,000
Business Licenses	<u>2,848,049</u>	9%	<u>3,313,484</u>	10%	<u>3,290,252</u>	9%	<u>3,262,000</u>
Subtotal	\$24,050,114	77%	\$24,911,314	72%	\$22,348,597	64%	\$25,329,845

Since the four major funding sources comprise approximately 72% 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 2016 the four funds comprise 73% of the General Fund projected revenues.

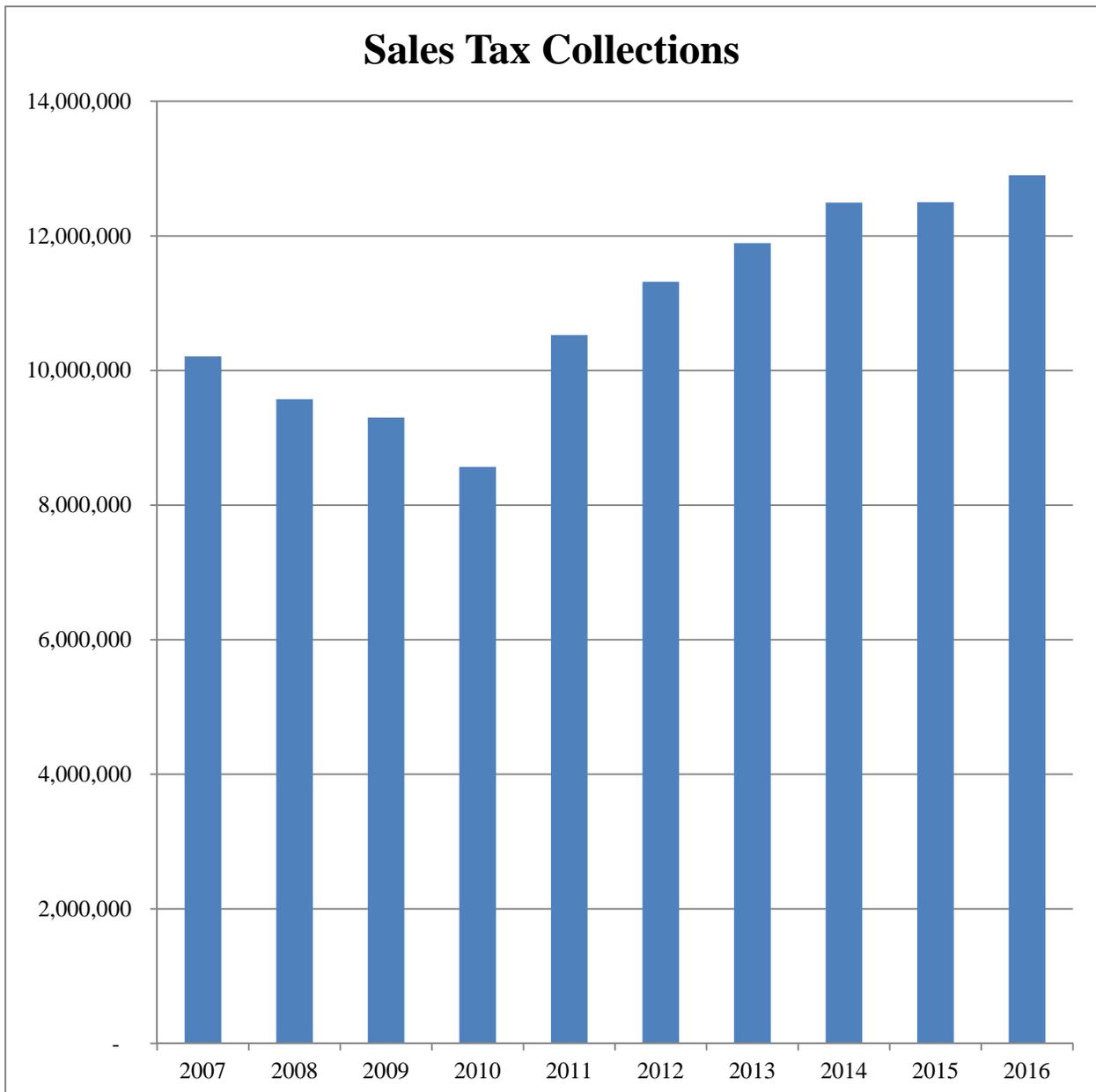
PROPERTY TAX

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 2016 budget are shown in the graph below.



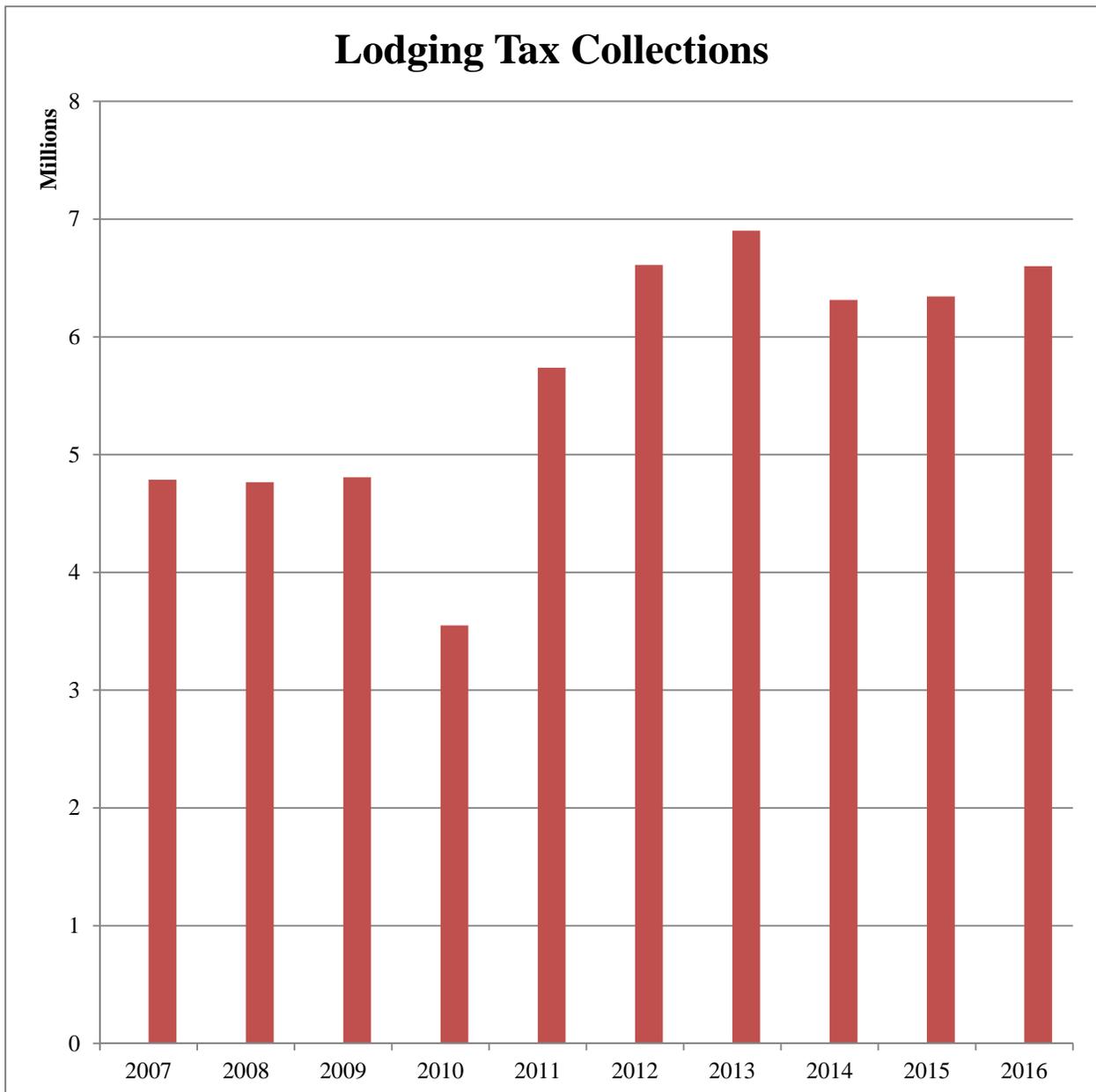
SALES TAX

Sales Taxes of 10% are collected on all purchases in the City. The City's 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 2015 (through November) are higher than 2014, making 2015 the highest sales tax collection year ever at 4% higher than the former highest year collections of 2014. Much of the 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. A 3.75% increase in Sales Tax is projected for 2016, over 2015 budget reflecting increased tourism. Trend lines for the past ten years and 2016 Budget are shown in the graph below. The ten year compounded growth rate for sales and lodging taxes is 2.3%.



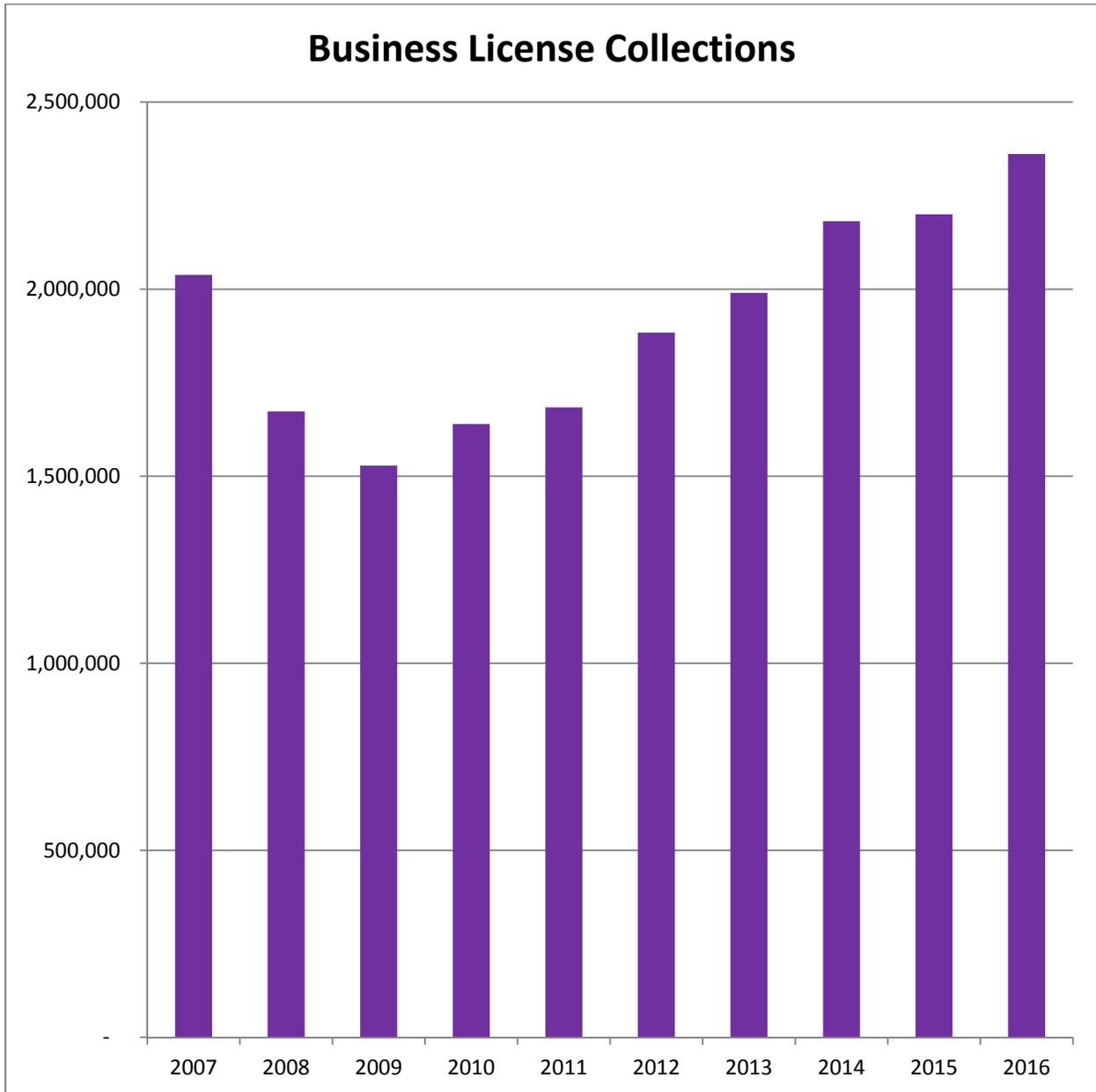
LODGING TAX

Lodging Taxes of 11% are collected on all short-term property rentals in the City. The City's portion of the 11% Lodging Tax collections is 5%, the Alabama Gulf Coast Convention and Visitor's Bureau 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 2013 were 4% higher than 2012 (the last highest collection year). Lodging Taxes declined for 2014, due to de-annexation of 1500 businesses. Lodging Tax collections were steady in 2015 and are projected to grow 4.76% in 2016. Several events of national significance occurred in 2015 including the National Sand Volleyball Championship.



BUSINESS LICENSE

Business Licenses are renewable in January and vary depending on the type of business and gross receipts. Business License revenue collections for 2014 were 10% greater than 2013 due to the increased number of vendor related businesses for festivals and special events as well as increased sales and lodging tax collections in 2014. Business license amounts are based on prior year gross receipts. Business License collections for the past nine years and 2016 budgeted are shown in the graph below. The ten year annual growth rate has averaged 18%.



CITY OF GULF SHORES, ALABAMA
Fiscal Year 2016 Budget
CAPITAL OUTLAY APPROVED

The City Department Heads developed a ten year capital plan in 2013 that enabled old equipment and vehicles to be replaced in a systematic, orderly fashion keeping ongoing maintenance costs down. Repairs and enhancements to existing infrastructure were also approved further defraying maintenance costs. A list of Capital Outlay totaling \$1,809,600 in City Capital Funds match funds approved for 2016 are below.

2016 Capital Equipment Budgeted from General Funds

Department	Description	Amount	Annual Cost to Operate
Finance & Admin	Truck for Information Technology Division	21,000	4,143
Police	8 replacement vehicles; 1 new vehicle (1 Impact fees)	265,500	33,869
Beach Parking	26 new pay stations	301,100	2,900
Fire	Heart Monitors/Defibrillator	200,000	New
Building	ADEM funds for new Building Inspector Truck	42,000	5,293
Recreation	City Store Sign	8,000	0
Recreation	City Store AC and ductwork	13,500	1,800
Recreation	Cultural Center gym floor replacement	55,000	300
Recreation	Bodenhamer - Replace Tahoe and 15 passenger van	70,000	10,861
Recreation	Sportsplex Field Rake \$12K; Work Truck \$24,500	36,500	3,427
Recreation	Parks \$12K Field Rake; Work Truck \$24,500	36,500	3,289
Recreation	Beach 2 Jet Skis with trailers	26,000	3,752
Recreation	Beach Replace #6006 Dodge Dakota	35,000	7,601
Public Works	Custodial 25 High Efficiency handdryers	25,000	New
Public Works	Custodial Replace #4001 1998 3/4 ton pickup	19,000	4,181
Public Works	Landscaping Replace #8003 1998 3/4 ton pickup	25,000	2,675
Public Works	Landscaping High Powered blower to maintain trails	7,000	New
Public Works	Street Resurfacing	500,000	
Public Works	Streets Replace units #3022 and #3045	50,000	11,001
Public Works	Streets Hydro Seeder \$15K and 3 Zero Turn Mowers	64,500	New
Public Works	Maintenance Proximity Card locks	9,000	2,228
Total General Fund Capital Outlay Approved		1,809,600	

2015 Capital Equipment Budgeted from Impact Fees

Fire	Replacement Jaws of Life & SCBA Airpack	40,000	425
Police	1 used Tahoe for new COPS officers	29,500	3,763
Total IMPACT FEES Capital Outlay		69,500	

2015 Capital Equipment Budgeted in 2014 Short Term Borrowed Funds, Fund 40

		Total	City Match Funds	Annual Maintenance
	Streets:			
Recreation	Rec/Cultural Affairs Branding/Wayfinding Signage	112,285	112,285	1,123
Recreation	Bodenahmer Pool	600,000	600,000	3,000
Recreation	Bodenhamer Tennis Courts	250,000	250,000	2,500
Recreation	Parks Pavilion Repair	55,000	55,000	275
Public Works	Grant - ALDOT Sidewalks 8 feet wide	1,774,403	822,899	8,229
Public Works	W. 12th Street Public Access	100,000	50,000	500
Total CAPITAL IMPROVEMENTS FUND		2,891,688	1,890,184	15,627

2015 Capital Equipment Budgeted from Beach Funds

Public Works	Furniture, Equipment, Fixtures, Small Tools > \$5,000	5,000
Public Works	Conveyors	40,000
Public Works	Improvements - New Driveway at Public Works Shop	80,000
Public Works	ADEM Recycling Grant Equipment	113,302
	Subtotal Public Works Streets Beach Funds	<u>238,302</u>

Total BEACH IMPROVEMENTS FUND 238,302

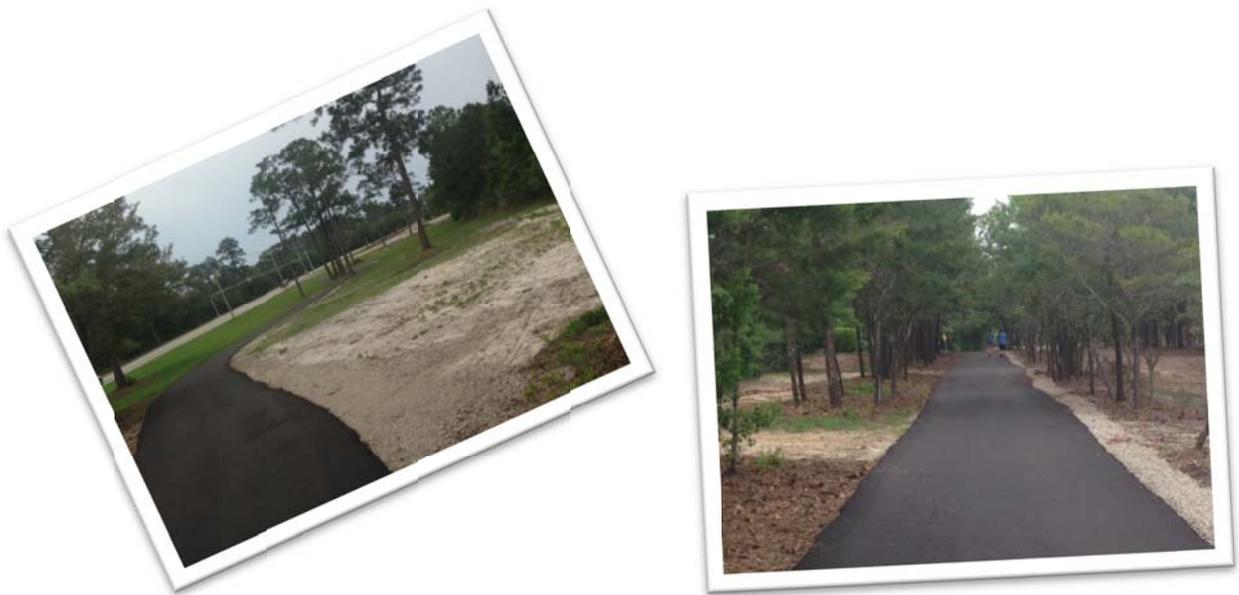
Total All Capital 5,009,090

	General Funds	1,809,600
Impact Fees (\$212K Rec & \$120K PW transfer to General Fund)		69,500
	Capital Improvements Borrowed Funds	1,890,184
	Beach Funds	238,302
	Total City Capital Expense	4,007,586

Capital Improvements 2015



Two 21-Year-Old Fire Engines being replaced at the end of 2015



Fort Morgan Trail widened and repaved

CITY OF GULF SHORES, ALABAMA
CAPITAL DETAIL
FISCAL YEAR 2016

Project Name: Highway 59 Sidewalk Project

FUNDING SOURCES	Total Project Estimate	Prior Years' Actual	Current Year	CIP							Future Years
				FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022-25	
General Fund	1,400,141	51,050	120,530	822,899	405,661						
Impact Fees											
Grant (2013 TAP)	400,000			400,000							
Grant (2013 TE)	155,544			155,544							
Grant (2015 TAP)	395,960			395,960							
Borrow Short-term											
Bond											
Other											
TOTAL	2,351,645	51,050	120,530	1,774,403	405,661	-	-	-	-	-	-

COST CATEGORIES

Planning	32,000	32,000									
Property Acquisition											
Design	199,980	19,050	120,530	60,400							
Construction/Utility Relocation	2,037,816			1,653,355	384,461						
Project Management											
Construction Management	81,848			60,648	21,200						
Insurance											
Utilities (Electric/Water/Gas)											
Telecommunications											
Debt Issuance Costs											
Project Contingency											
TOTAL	2,351,645	51,050	120,530	1,774,403	405,661	-	-	-	-	-	-

BALANCE

	-	-	-	-	-	-	-	-	-	-	-
--	---	---	---	---	---	---	---	---	---	---	---

APPROPRIATIONS	Appropriated Project Budget	Appropriations							Future Years	
		2016	2017	2018	2019	2020	2021	2022-25		
Revenues										
Expenditures										
Unappropriated Revenues										
Unappropriated Expenditures										

OPERATING IMPACTS	Current Year	CIP						
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022-25
Facility Operating Costs								
Program Operating Costs								
Total Operating Costs	-	-	-	-	-	-	-	-
Debt Service								
Total Operating and Debt Service	-	-	-	-	-	-	-	-
Operating revenue								
GENERAL FUND REQUIREMENT	-	-	-	-	-	-	-	-

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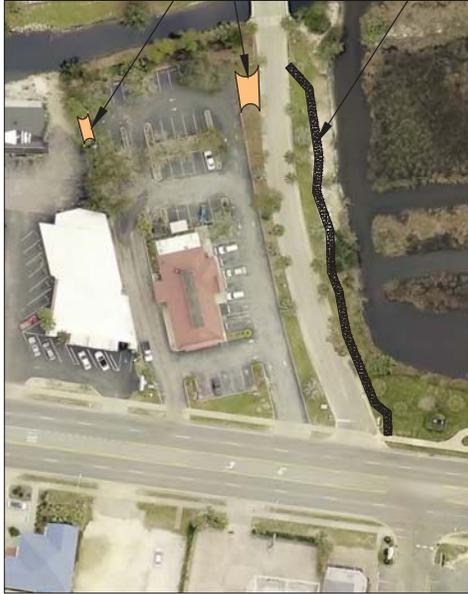
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HOG WILD/ANCHOR



CLUBHOUSE DR.



RV PARK/PIZZA HUT



ARBY'S

City of Gulf Shores
Capital Outlay Request
Budget Year 2016

Department:	RCA	Fund:	
Division:	550	Department Number:	40-550-81801

Item/Project Name	Priority	High
Item/Project Manager	Rating	

Units Requested	Description of Item/Project:
Number of Similar Units on hand	Phase 3 Wayfinding Project

Explain need for this expenditure:

<input type="checkbox"/> Scheduled Replacement	<input type="checkbox"/> Expanded Service
<input type="checkbox"/> Replace Worn Out Equipment	<input type="checkbox"/> New Operation
<input type="checkbox"/> Present Equipment Obsolete	<input type="checkbox"/> Increased Safety Replacement
<input type="checkbox"/> Cut Personnel Time	<input checked="" type="checkbox"/> Additional

If replacement, describe item to be replaced	Disposition of item replaced:
	<input type="checkbox"/> Sale
	<input type="checkbox"/> Trade In
	<input type="checkbox"/> Scrap
	<input type="checkbox"/> Other Dept Use

Justify need for this item, including use:

Final phase of wayfinding sign project

Will requested expenditure require additional personnel? If yes, explain:

Yes No

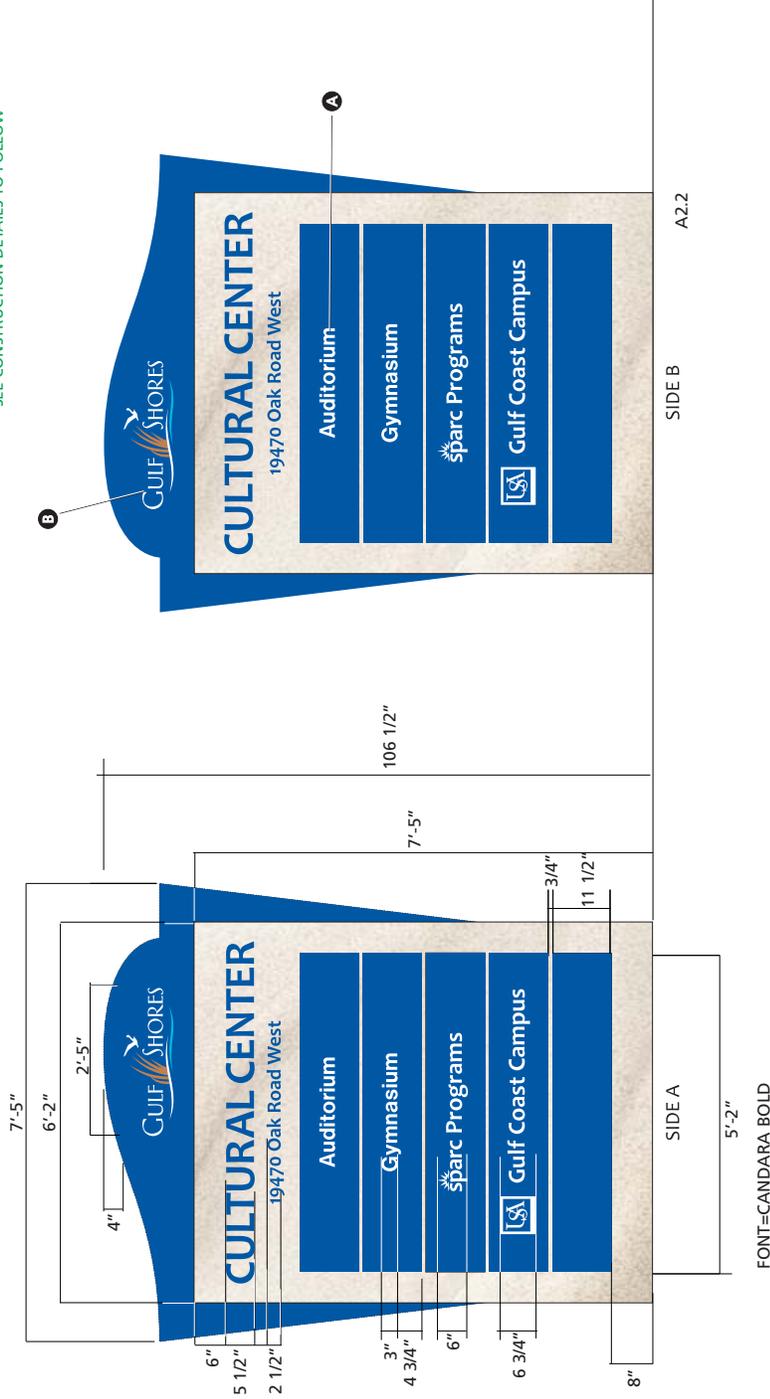
Cost Breakdown:	15 yrs	Estimated Useful Life
	\$112,285	Estimated Cost
		Less: Trade in
		Net Cost

Comparable Price Quotes:

Vendor name	Vendor Quote
_____	_____
_____	_____
_____	_____

GULF SHORES: CITY HALL MONUMENT TYPICAL & MESSAGE SCHEDULE SIGN TYPE A2.2 ~ QTY=1 D/F

- A** (V5) HIGH PERFORMANCE OPAQUE WHITE VINYL
 - B** VINYL CUT LOGO CONSISTING OF WHITE (V5)
LT BLUE (V6) COPPER (V7)
- FONT=CANDARA BOLD
SEE CONSTRUCTION DETAILS TO FOLLOW



FONT=CANDARA BOLD

Date	: 8-15-13
Client	: ANDY BAUER 205 CLUBHOUSE DR. SUITE B GULF SHORES, ALABAMA 36542
Job Name	: CITY OF GULF SHORES ALABAMA
Acct. Rep.	: SK
Designer	: A. COX
Drawing #	: 53005 PHASE 3 REV 4
Rev. #	: 4
Rev. Date	: 9-1-15
Scale	: 1/2" = 1'-0"
Page #	: 15



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Capital Improvements: Recycling Program



Equipment for the City's new recycling program



170 tons of recyclables collected from the beach in 2015

CITY OF GULF SHORES, ALABAMA
TEN YEAR CAPITAL PLAN

City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2016

Department	Description	Priority	Suggested Fund Source	2016	2017	2018
FINANCE & A EXECUTIVE	Replace Courier Car Impala (83K)					25,000
	Replace 2006 Chevy Malibu (80k)				21,000	20,000
	Subtotal EXECUTIVE			-	21,000	45,000
CDD	Premise Inspector Truck-Replace		General Fund			
	Subtotal CDD					
BUILDING	Vehicles/Equipment	1	ADEM \$42K budget	42,000		
	Subtotal BUILDING			42,000	-	-
FIRE	Replace Response Vehicles Ladder Truck	1	General Fund		140,000	
	Ladder Truck (repaint if not new)					402,500
	Replace Fire Engine					
	Replace Ambulance					
	Replace Utility Truck					
	Replace Holmatro Tool Set		Impact Fees	40,000		32,000
	New Airport Fire Truck Expans. Ladder Service		Bond		90,000	
	Replace Brush Trucks x2 Polaris ATV					
	Replacement Equipment		Impact Fees		20,000	
	Replace Therrmal Imagers x 2 Air Bag Rescue Set				30,000	
	SCBA Air Compressor				100,000	
	Replace Cardio Defibrulators			200,000		
	Airport Fire Station VMS Board		General Fund		2,000,000	
	Subtotal FIRE			240,000	2,380,000	434,500
	POLICE	Justice Center - Expansion				
Replace Vehicles (8)			General \$105K	236,000	120,000	121,200
New Vehicles (1)				29,500		
New Vehicles (1)			Impact Fees	29,500		
Replace Duty Weapons				47,000		
Jail Office Remodel				10,000		
VieVu Cameras; COPS equipment				43,500		
Pay Station Covers				20,700		
Patrol Boat upgrade						
Beach ATVs (2 new, 2 replace)			Beach Funds			
Handguns/Tasers/Vests			APCO push upgrade		125,000	125,000
Radios						
Radar Trailer						
n Parking Pay Stations			301,100			
Subtotal POLICE			717,300	245,000	746,200	
PUBLIC WKS	Streets Resurfacing		General Fund	500,000	500,000	500,000
	Windmill Bridge - Maintenance				100,000	

2019	2020	2021	2022	2023	2024	2025	2026
-	-	-	-	-	-	-	-
	25,000						
	25,000						
-	-	-	-	-	-	-	-
800,000	410,500	410,500		150,000	80,000	150,000	425,000 1,250,000
20,000	20,000 20,000	20,000 20,000	20,000 30,000	20,000 20,000	20,000	20,000	20,000
					250,000		
820,000	450,500	450,500	50,000	190,000	350,000	170,000	1,695,000
500,000 122,412	19,000,000 123,636	124,872	126,121	127,382	128,656	129,943	131,242
40,000				75,000			
125,000 10,000	125,000				45,000		
797,412	19,248,636	124,872	126,121	202,382	173,656	129,943	131,242
500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2016

Department	Description	Priority	Suggested Fund Source	2016	2017	2018
Vehicles Large Equip.	Road/Sidewalk Hwy 59		ALDOT Match	1,774,403	406,062	1,000,000
	W. 12th St Public Access			100,000		
	E. Beach Boulevard by Pass		General Fund			
	County Rd 8 Improvements					
	Boardwalk WWVillage				400,000	
	East 20th Street				225,000	
	Replace Vehicles/Equipment			150,000	153,000	156,060
	Excavator					131,250
	Street Sweeper					157,500
	Bobcat				35,000	
	Backhoe				90,000	
	Bucket truck		40-564-80710\$105K			
	Knuckle Booms (need 2 for 2015)		\$330 General 2015		165,000	
	100 HP Tractor					57,750
Beach Rake					52,500	
Beach Tractor			Beach Funds			
Skid Steer						
Lowboy Tractor				77,250		
Small Equip.	50 HP Tractor				20,000	
	UTVs (2)		General Fund		18,000	18,180
	ATV		Beach Funds			
	Trailer		Beach Funds			
	Zero Turn Mower			49,500		
	Bush Hog				10,000	
Recycling Proj.	Ditch Witch					
	Recycling Center Public Works		37-563-80911	80,000		
	Equipment & Conveyor \$40K		ADEM \$113,302	158,302		
Subtotal PUBLIC WORKS				2,812,205	2,199,312	2,073,240
RECREATION						
Vehicles	Branding/Wayfinding-Expansion		2014 GO Warrant	112,285		
	Replace Chevy Tahoe		Impact Fees Transfer	32,000		
	Replace 1998 15 Passenger Van			38,000		
	Honda Big Reds x2				35,000	
	2011 Beach Patrol Pickup			35,000		
	Replace Old Work Trucks (2)			49,000	25,000	25,000
	Utility Vehicles		General Fund			26,000
	Replace 3 Buses with 3 Vans				120,000	
Large Equipment	Replace 2 Buses					100,000
	People Mover Cart				10,000	
	50hp Tractor with Turf Tires		Impact Fees			
	30hp Tractor					
	Jet Skis(2)			26,000		
	Spray Rig		Impact Fees \$38K			
	Reel Mowers (3) Lease		Operational	35,000	35,000	35,000
	5 Gang Rotary Mower				65,000	
	Grand Stand Mower 52"		General Fund			
	Zero Turn Mowers(s)		Impact Fees			

2019	2020	2021	2022	2023	2024	2025	2026
1,010,000	1,020,100	1,030,301	1,040,604	1,051,010	1,061,520	1,072,135	1,082,857
159,181	162,365	165,612	168,924	172,303 137,813	175,749 165,375	179,264	182,849
65,000 90,000				35,000			
176,800	178,568	180,354		95,000	183,961		
				60,638 55,125			
	63,000						
18,362	18,545	18,731	20,000 18,918	19,107	19,298	19,491	19,686
51,000			51,000	10,000			
30,000	10,000				30,000		
2,100,343	1,952,578	1,894,998	1,799,447	2,135,995	2,135,903	1,770,891	1,785,392
35,000 35,000 25,000	26,000	37,000 52,000 26,000	35,000 26,000	37,000 52,000	29,000 26,000	37,000 37,000	
	20,000						
	34,000 24,000 40,000				26,000		
37,000	37,000	37,000	39,000	39,000	39,000	40,000 65,000	40,000
24,000				24,000			
	24,000				24,000		

City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2016

Department	Description	Priority	Suggested Fund Source	2016	2017	2018	
Small Equipment	n Vicon Spreader		General Fund				
	n Material Hauler (topdressing)				29,000		
	n Dump Trailer				16,000		
	n Soil Reliever					30,000	
		Airway Slicer		General Fund			
		Replace Soccer Scoreboard		Coca-Cola			
	r	Field Rakes (2)			24,000		
	n	Bodenhamer Fitness Equipment		01-553-80706			
	r	Christmas Decorations		Operational		15,000	15,000
	n	Sims Park Dugouts/Bleachers		Borrowed Funds		30,000	30,000
		Cultural Center Gym Floor		R&M Buildings	55,000		
	m	Tennis Court Resurface-Hard					
	m	Tennis Court Resurface-Soft		Borrowed Funds	250,000		
	m	Kids Park Repairs				150,000	
	m	Recreation Center Expansion					
	m	Gym Plexiglass Replacement		General Fund \$15K			
	m	Bodenhamer Interior Repairs		Borrowed Funds	600,000	140,000	
	e	New Splash Park					
	m	Library Renovation				45,000	
	m	Beach Boardwalk Lighting		Moved to 2017		60,000	
	m	New Kitchen Flr/Cabinets AAC		Moved to 2017		35,000	
	e	Civic Center Renovation				200,000	175,000
	m	Mo's Landing Improvements				80,000	
	e	Parking Lot Lights/Bollards CC				35,000	
	e	Shade Structures at Sportsplex		Seek donations			
m	Playground at 5-plex				45,000		
e	Storage Building Christmas/Other				90,000		
m	Kids Park Pavilion Repairs		Borrowed Funds	55,000			
m	Football Field Renovation					100,000	
	City Store AC & Ductwork		R&M Buidings	13,500			
	City Store Sign			8,000			
Miscellaneous	Wade Ward Park Boardwalk		Possible NRDA			250,000	
e	Sportsplex Stadium Expansion					8,500,000	
e	Gulf Place Upgrades		NRDA/Restore		15,000,000		
	Lagoon Pass Park Upgrades		NRDA/Restore		1,500,000		
	Subtotal RECREATION			1,332,785	17,760,000	9,286,000	
FINANCE & A.	SAN Upgrade				20,000		
IT DIVISION	Cisco Call Manager				56,000		
	Physical Server replacement(s)		Moved to 2017-82K		82,000		
	Cisco 4506 Core Upgrade				98,000		
	Network Software			40,000	10,000	10,000	
	Network Hardware			50,000	10,000		
	Spillman Server			30,000	19,000	19,000	
	Additional Backup Space					10,000	
	Replace Impala (126k mi)/w/ truck			21,000			
	Camera upgrades			10,000		10,000	
	Subtotal IT DIVISION			151,000	295,000	49,000	

2019	2020	2021	2022	2023	2024	2025	2026
			26,000				
15,000							
130,000	60,000						
	6,000,000						
	450,000						
301,000	6,715,000	152,000	126,000	152,000	144,000	179,000	40,000
20,000		20,000					
50,000							
22,000	60,000						
	98,000						98,000
10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
10,000		10,000		10,000		10,000	
19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
	10,000		10,000		10,000		10,000
	10,000		10,000		10,000		10,000
131,000	207,000	59,000	49,000	39,000	49,000	39,000	147,000

City of Gulf Shores
 Capital Improvement Program
 Ten Year Plan beginning 2016

Department	Description	Priority	Suggested Fund Source	2016	2017	2018
GRAND TOTAL ALL DEPARTMENTS				5,295,290	22,900,312	12,633,940
	By potential funding source:		Capital Only	5,009,090		
			ADEM	42,000		
			ADEM Recycling	113,302		
			ALDOT			
			Erie Meyer Foundation	-	200,000	175,000
			FAA		1,800,000	
			Hazard Mitigation			
			Impact Fees Fire	40,000	50,000	
			Impact Fees Police	29,500	20,000	
			Impact Fees Rec	212,000	200,000	
			Impact Fees PW	120,000	120,000	
			Beach Funds	1,825,000	1,800,000	
			NRDA	-	16,500,000	250,000
			Bond/Bank Finance*	2,891,688	1,121,062	8,902,500
			Coca-Cola			
		Subtotal Other Funds	5,273,490	21,811,062	9,327,500	
		City General Funds	21,800	1,089,250	3,306,440	
	Operational			286,200		
	General Fund Capital			1,809,600		
	Recycling Center from Beach/ADEM funds			238,302		

2019	2020	2021	2022	2023	2024	2025	2026
4,149,755	28,598,714	2,681,370	2,150,568	2,719,378	2,852,559	2,288,833	3,798,634
-	6,000,000						
-	6,000,000	-	-	-	-	-	-
4,149,755	22,598,714	2,681,370	2,150,568	2,719,378	2,852,559	2,288,833	3,798,634

City of Gulf Shores Revenue, Expense and Reserve Funds Usage projected 2016

		2015		2016		2017		2018	
		-3.4%		3%		3%		3%	
Total 2015 Revenue Budgeted (1)		32,807,731	(5)	34,654,450		35,694,084		36,764,906	
Total 2015 Expense Budgeted		32,745,242		34,299,508		34,076,440		34,865,812	
Prior Year Debt		(5,689,645)		(4,589,446)		(4,366,378)		(4,561,549)	
Current Year Debt		4,589,446		4,366,378		4,561,549		3,237,009	
Debt service payment add of \$600K for 2016 & 2018 \$10 million issues									
Add \$1.5 million payment on \$20 million @3% interest for 20 years 2019									
Add \$1.8 million capital outlay (rolling stock, major repairs) 2020				-		-		-	
Capital Improvements Fund Match estimates				-		-		-	
	Growth % net of debt					594,201	2%	606,085	2%
	Estimated Annual Expenses	31,645,043		34,076,440		34,865,812		34,147,358	
Reserve Amount 10/19/2015	\$ 23,593,059	22,399,384	80%	23,191,032	77%	23,769,042	81%	24,597,313	78%
Set aside for Ft. Morgan Annexation		(2)							
School Upgrade - \$900,000 over 4 years		(3)	189,851						
Equipment(Police)/Fire/City Radios repay loan from PNC at 1.08%		(4)	181,189						
Total Potential use of Reserve Funds		371,040		-		-		-	
Reserve Balance after Potential Use		22,028,344		23,191,032		23,769,042		24,597,313	
Return to Reserves (Revenue - Expenses-Reserves used)		1,162,688		578,010		828,271		1,899,094	
Reserve Balance with return to Reserves		23,191,032		23,769,042		24,597,313		26,496,407	
	Reserves Target % of Expenses	17,404,774	55%	20,445,864	60%	22,662,778	65%	23,903,150	70%
	Cash Reserves as % of Budget	71%		69%		72%		76%	

(1) Revenue growth from 2002 to 2012 averaged 8%; 2014 Reserves included \$1.8 million transfer from 2% Lodging Tax for budgeted 2014 expenses - actual expenses = \$1.7 million, offset by 2013 underpayment of \$90K for beach expenses.

(2) Max lookback 3 yrs from filing; 2 from tax payment. Case lost 2/28/14

(3) \$387,757 pd in 2012; 3 years of payments; budgeted in 2015

(4) PNC \$800K Loan 7/23/12- payments estimated at \$276,546 annually to 2015; payment made in 2013&14; budgeted in 2015

(5) Subtract \$1.2 million from 2014 base for lose of Fort Morgan revenues and \$840K for Borrowed Funds for Waterway Village

*Beginning 2015 reserve amount is from 2014 audit.

The City of Gulf Shores Revenue, Expense and Reserve Funds usage projected from 2016 to 2026 in the spreadsheet above. Three percent growth on total revenues is projected through 2021, four percent is projected for 2022 and 2023 and 2% is projected for 2024 to 2026. Expenses net of debt service are projected to grow more conservatively at 2% through 2026. Debt service is estimated at between \$3.6 to \$3.7 million annually, which may increase depending on the amount of long term debt issued in 2016 and 2018. Provision is made in the projection for \$1.8 million beginning in 2020 for rolling stock and major repair capital expense of \$800,000 for Capital Improvements match estimates. Reserve targets are increased by 5% annually to 100% cash reserves by 2024. The reserve projection may be too ambitious as the revised reserve goal is currently 75% of General Fund Expenditures which the City should reach by 2018.

2019	2020	2021	2022	2023	2024	2025	2026
3%	3%	3%	4%	4%	2%	2%	2%
37,867,853	39,003,889	40,174,005	41,780,966	43,452,204	44,321,248	45,207,673	46,111,827
34,147,358	35,168,300	35,686,592	36,561,458	36,982,636	37,847,466	38,531,965	39,221,924
(3,237,009)	(3,639,745)	(3,527,465)	(3,759,149)	(3,524,281)	(3,719,944)	(3,721,892)	(3,715,650)
3,639,745	3,527,465	3,759,149	3,524,281	3,719,944	3,721,892	3,715,650	3,764,428
	1,800,000	1,854,000	1,928,160	2,005,286	2,045,392	2,086,300	2,128,026
	800,000	808,000	816,080	824,241	832,483	840,808	849,216
618,207	630,571	643,183	656,046	669,167	682,550	696,201	710,125
2%	2%	2%	2%	2%	2%	2%	2%
35,168,300	38,286,592	39,223,458	39,726,876	40,676,994	41,409,840	42,149,032	42,958,070
26,496,407	29,195,960	29,913,257	30,863,804	32,917,894	35,693,104	38,604,512	41,663,154
87%	92%	94%	93%	99%	105%	111%	118%
-	-	-	-	-	-	-	-
26,496,407	29,195,960	29,913,257	30,863,804	32,917,894	35,693,104	38,604,512	41,663,154
2,699,553	717,297	950,547	2,054,089	2,775,211	2,911,408	3,058,641	3,153,757
29,195,960	29,913,257	30,863,804	32,917,894	35,693,104	38,604,512	41,663,154	44,816,910
26,376,225	30,629,273	33,339,939	35,754,189	38,643,144	41,409,840	42,149,032	42,958,070
75%	80%	85%	90%	95%	100%	100%	100%
85%	85%	86%	90%	97%	102%	108%	114%

Capital Improvements: Beach



Beach rake purchased in 2013



Clean-up of Gulf Place Public Beach after the remnants of Hurricane Patricia in October 2015

CITY OF GULF SHORES, ALABAMA
DEPARTMENTAL INFORMATION
FISCAL YEAR 2016

City of Gulf Shores, Alabama
2016 Annual Budget
Personnel - All General Fund

Fund	Department	2014	2014	2015	2015	2016	2016
		Full time	Part time	Full time	Part time	Full time	Part time
General	Executive	11	-	11	1	11	1
	Human Resources	2	1	3	0	3	0
	Finance & Administrative Services	16	1	17	1	17	1
	Municipal Court	3	2	4	2	4	2
	Police	60	-	63	4	65	4
	Beach Parking Community Police	0	0	0	0	2	0
	Fire & EMS	43	-	43	-	44	-
	Community Development	4	-	4	-	4	-
	Building	6	-	5	-	6	-
	Recreation & Cultural Affairs	1	-	2	-	2	-
	Special Events & Programs	6	3	6	3	5	3
	Library	8	3	8	3	8	3
	Recreation - Bodenhamer	11	24	9	22	10	22
	Recreation - Sportsplex	7	2	7	2	8	2
	Recreation - Parks	6	-	6	-	5	-
	Recreation - Beach	1	13	1	13	1	13
	Recreation- Cultural Center	6	2	7	1	6	2
	Recreation - City Store	0	0	0	0	1	3
	Public Works - General Services	7	2	7	2	9	1
	Public Works - Custodial	8	-	10	-	10	-
	Public Works - Landscaping	9	-	9	-	10	-
	Public Works - Streets	17	-	19	-	20	-
	Public Works - Maintenance	11	-	12	-	9	-
	Airport Authority	2	-	2	-	2	-
	Total	245	53	255	54	262	57

PT = Part-time

New Full time Positions Approved 2016

Police	2 COPS grant officers (Council approved 2015)
Beach Parking	2 Community Service Officers
Fire	1 Firefighter/EMT
Building	1 Building Inspector 1
Recreation - City Store	3 part-time Programs Assistants < 20 hours per week
Public Works - Landscaping	1 Landscaping Ground Worker
Public Works - General Service	Conversion of 1 part-time Administrative Assistant to Full-time

**CITY OF GULF SHORES, ALABAMA
EXPENDITURES BY CATEGORY
BUDGET YEAR ENDING DECEMBER 31, 2016**

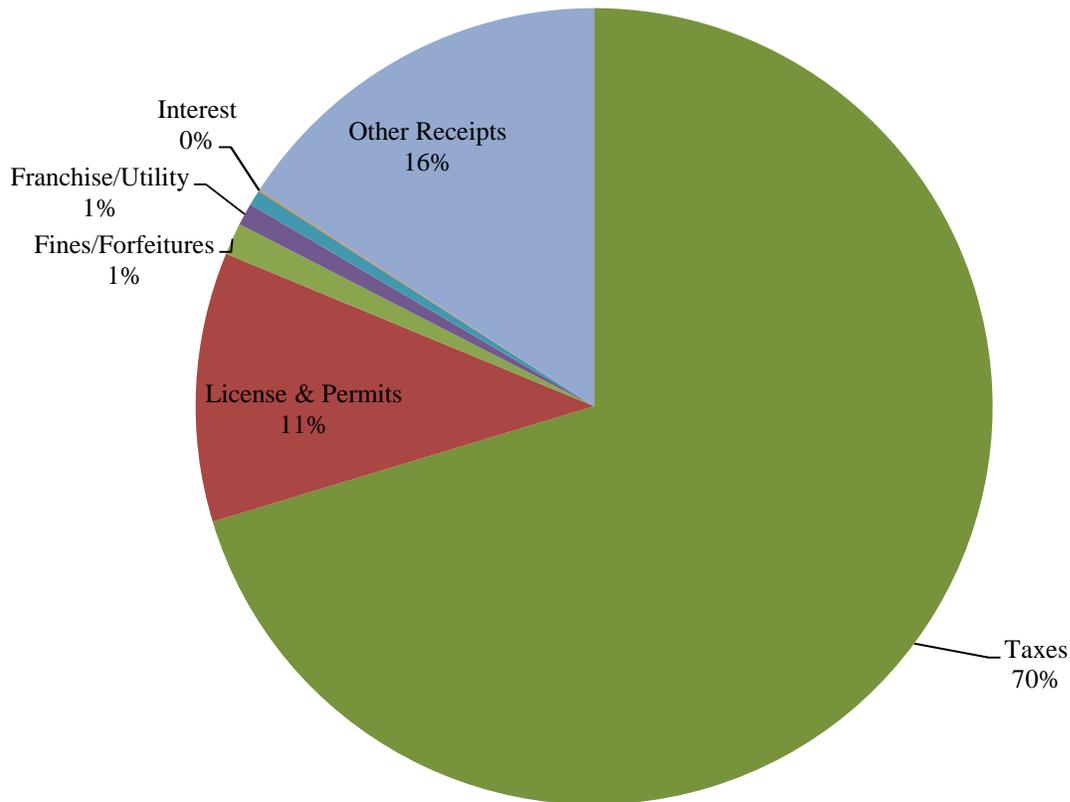
Department	Personnel	Operations	Capital Outlay	Debt Service	Transfers	Total
General Fund:						
Executive	730,685	503,475	-			1,234,160
Human Resources	218,453	81,835	-			300,288
Finance & Administrative Services	1,436,993	1,165,824	21,000			2,623,817
Municipal Court	351,762	12,940	-			364,702
Police	4,242,985	795,870	265,500			5,304,355
Beach Parking	94,630	135,259	301,100			530,989
Fire & EMS	3,149,349	493,600	200,000			3,842,949
Planning & Zoning	327,733	75,410	-			403,143
Building	439,335	48,450	42,000			529,785
Recreation & Cultural Affairs	220,475	34,342	-			254,817
Special Events & Programs	363,471	354,754	-			718,225
Library	493,343	96,265	-			589,608
Recreation - Bodenhamer	1,174,164	395,802	70,000			1,639,966
Recreation - Sportsplex	647,732	431,289	36,500			1,115,521
Recreation - Parks	346,379	174,222	36,500			557,101
Recreation - Beach	256,826	117,863	61,000			435,689
Recreation - Cultural Center	322,939	125,900	55,000			503,839
City Store	89,889	111,010	21,500			222,399
Public Works - General Services	666,187	56,370	-			722,557
Public Works - Custodial	438,167	78,150	44,000			560,317
Public Works - Landscaping	575,519	121,600	32,000			729,119
Public Works - Streets	1,048,742	887,200	614,500			2,550,442
Public Works - Maintenance	596,128	521,000	9,000			1,126,128
Airport Authority	125,935					125,935
Appropriations	0	277,500				277,500
Transfers Out	0	0			7,006,378	7,006,378
General Fund Totals	18,357,821	7,095,929	1,809,600	0	7,006,378	34,269,728
Other Funds:						
Special Revenue						
2% Lodging Tax - Transfer Out					2,431,082	2,431,082
Designated Taxes - Transfer to GF					405,000	405,000
Impact Fees			401,500			401,500
Capital Projects Funds (Fund 40)			2,891,688			2,891,688
Beach Restoration & Projects			844,384			844,384
Debt Service				4,366,378		4,366,378
Subtotal Other Funds	0	0	4,137,572	4,366,378	2,836,082	11,340,032
Grand Total	18,357,821	7,095,929	5,947,172	4,366,378	9,842,460	45,609,760
					Total Expenditures	\$ 45,609,760

The City of Gulf Shores, Alabama

General Fund Budget Summary

GENERAL FUND REVENUE	2013 Actual	2014 Actual	2015 Amended Budget	2016 Council Adopted	% of Total General Fund
Taxes	23,233,376	23,943,704	23,548,000	24,367,495	70%
License & Permits	3,232,209	3,910,628	3,678,000	3,792,000	11%
Fines/Forfeitures	387,739	395,866	415,000	450,000	1%
Franchise/Utility	294,092	306,259	306,000	310,000	1%
Intergovernmental	286,325	123,871	152,181	220,055	1%
Interest	15,898	19,189	15,000	20,000	0%
Other Receipts	4,874,171	5,253,696	4,693,550	5,494,900	16%
Total General Fund Revenues	32,323,810	33,953,213	32,807,731	34,654,450	100%

General Fund Revenue FY 2016



CITY OF GULF SHORES, ALABAMA
DEPARTMENT DETAIL
FISCAL YEAR 2016

The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

	2013	2014	2015	2016	% Change	2017
	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	Projected
EXECUTIVE						
Expenditures						
Personnel	443,166	566,712	689,094	730,685	6%	716,679
Operations	413,433	468,597	425,875	503,475	18%	475,875
Capital Outlay	39,119	817,500	34,000	0	-100%	0
Executive Total	895,718	1,852,809	1,148,969	1,234,160	7%	1,192,554

Executive Personnel

	2013	2014	2015	2016
	Actual	Actual	Budget	Adopted
Positions				
Mayor	1	1	1	1
Council Members	5	5	5	5
City Administrator	1	1	1	1
City Clerk	1	1	1	1
Economic Dev Coord	0	0	1	1
Environmental Grants Coord	0	1	1	1
Records & Archives Clerk	1	0	0	0
Asst. Admin/City Clerk	1	1	1	1
Administrative Assistant (PT)	0	1	1	1
Total Personnel	10	11	12	12

Executive Department Functions:

The Mayor and Council Members hold part-time positions and perform the legislative functions of the city. The term length is four years. The current administration's term expires November 7, 2016.

The Mayor and Council serve as the governing body of the city, exercising legislative powers and representing the interest of the citizens in policy formulation and decision making. It is their goal to promote the health, comfort, infrastructure development, economic growth, safety, and general welfare of the City of Gulf Shores.

The Vision 2025 Plan for Sustainability was constructed to bring focus on these core values to enhance and sustain the above average quality of life enjoyed in this community.

The function of the Executive Department Office is to accurately record all official actions of the governing body. The City Clerk and Executive Staff are here to protect and maintain city records and archives. The City Clerk conducts impartial municipal elections and the Clerk along with staff provide services to the citizens, elected officials, city departments, and outside organizations in a professional manner.

Department Scope

When in doubt, call the City Clerk's office for assistance.

Contact the City Clerk's Office to: Obtain a copy of city ordinances, resolutions, leases, contracts; council meeting agenda; appointments with Mayor/Council and City Administrator; city auctions, disposal of surplus property, etc. Present a request for purchase of city owned property; Present claims and other legal actions involving the city.

Department: Executive

Major Accomplishments:

Mayor and Council authorized core value projects:

- Purchase of 2.25 acre parcel of property for Recycle Center (*Sustainability*)
- Purchase of 115 acre parcel of property for Education Campus (*Education*)
- Ordinance to prohibit littering and litter nuisance conditions in Beach Project Area (*Sustainability*)
- Ordinance to adopt 2015 Building and Construction Codes (*Economic Development/Sustainability*)
- Ordinance to add Pretrial Intervention Program in Municipal Court (*Public Safety*)
- Established Beach Patrol Program (*Gulf Beach District*)
- Transit Feasibility Study (*Gulf Beach District*)
- ADOT Traffic Signal Maintenance System Plan (*Gulf Beach District*)
- ADOT Highway 59 Access Management Plan (*Gulf Beach District and Sustainability*)
- Purchase of two (2) Fire Trucks (\$812,000) (*Sustainability*)

Goals:

Deliver outstanding professional service and support to the Mayor, Council, City Administrator, internal staff and citizens through well trained personnel using up to date technology, accurate and timely information, responsible reporting.

Continuing education and enhanced customer service practices necessary to implement the Strategic Plan 2015-2019 by focusing on the Plan's five core values (medical, education, Waterway District, Gulf State Park and Gulf Beach District) essential to the advancement of the guidelines shown in the Gulf Shores' Small Town, Big Beach Vision 2025 for Sustainability.

Objectives:

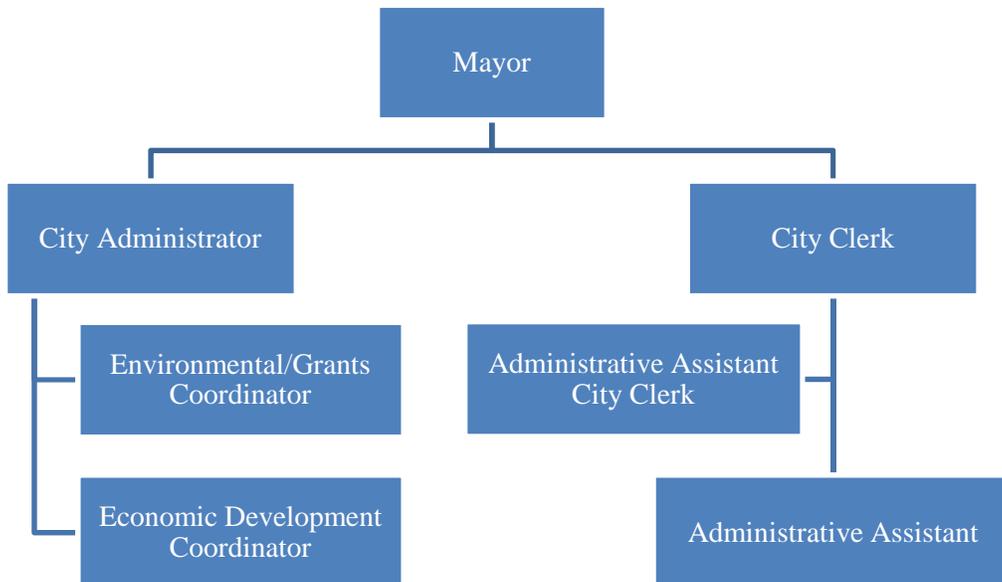
Improve professional service in accordance with Alabama Code, International Institute of Municipal Clerk's Association guidelines, and University of Alabama continuing education training for Alabama Municipal Clerks.

Accurate and timely publication of weekly Council agendas and meeting documents.

Provide Excellent Customer Service.

Proficient Executive Office Management Skills.

EXECUTIVE DEPARTMENT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

	2013	2014	2015	2016	% Change	2017
	Actual*	Actual	Amended Budget	Council Adopted	2015 to 2016	Projected
HUMAN RESOURCES						
Expenditures						
Personnel	0	186,066	231,506	218,453	-6%	235,353
Operations	0	35,373	73,036	81,835	12%	83,935
Capital Outlay	0	0	0	0	n/a	0
Human Resources Total	0	221,439	304,542	300,288	-1%	319,288

*Human Resources expense moved from Finance & Admin Department for 2014

Human Resources Personnel

	2013	2014	2015	2016
	Actual	Actual	Budget	Adopted
Positions				
Human Resources Officer	1	1	1	1
Payroll & Benefits Specialist	1	1	1	1
Admin. Asst. II (Part-time)	1	1	0	0
Admin. Asst. II (Full-time)	0	0	1	1
Total Personnel	3	3	3	3

Human Resources Department Functions:

The Human Resources department's main function is the administration of the City's compensation and benefits strategy in order to attract and retain the best qualified applicants for the job. The department's functions also includes job analysis and classification, recruitment, testing, and developing training programs. The department works with management in the development and implementation of policies and procedures in order to be in compliance with all applicable Federal and State laws so as to maintain a fair, equitable and positive work environment for our employees. The department also oversees and manages the City's wellness program and Symbol Clinic.

Major Accomplishments:

Implementation of the CivicHR Applicant Tracking Software in order to streamline the review and processing of applications for our job openings and postings.

Vision 2025 Core Value: We commit to excellence and the highest quality of standards

Strategy: Sustainability

We commit to the health and wellness of the community's economy by committing to the health and safety of our employees by establishing programs and training to ensure a healthy workforce.

Department: Human Resources

Goals:

Reduce City Insurance Cost for Workers Compensation claims and establish a Safety program

Reduce City's Health Cost.

Objectives:

Work with Safety Coordinator on establishing an Employee Safety Program and Safety Manual.

Quarterly Reports from Millennium on Work Comp injuries to establish safety needs.

Create an Accident Review Committee.

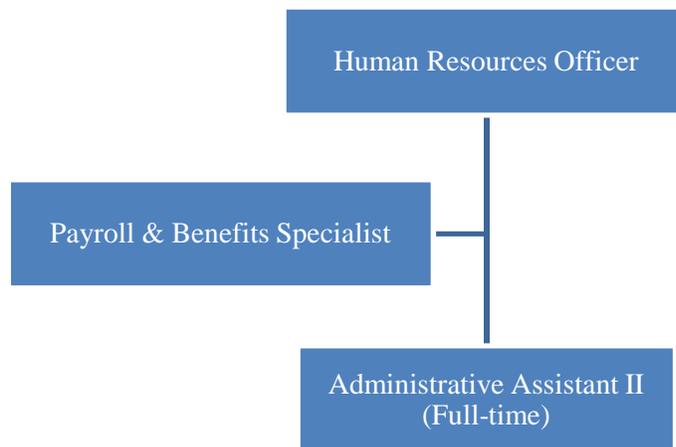
Work with Symbol and Wellness Coach to implement health challenges.

Implement Step Therapy Program for Rx Specialty Drugs.

Implement Acute Care monitoring for Diabetic Care.

Work with Symbol on creation of reports to measure outcomes and cost effective programs.

HUMAN RESOURCES ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

FINANCE AND ADMINISTRATIVE SERVICES	2013	2014	2015	2016	% Change	2017
	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	Projected
Expenditures						
Personnel	1,418,706	1,245,848	1,418,487	1,436,993	1%	1,453,822
Operations	746,558	862,009	1,049,894	1,165,824	11%	1,199,498
Capital Outlay	0	0	0	21,000	n/a	0
Finance & Admin Total	2,165,264	2,107,857	2,468,381	2,623,817	6%	2,653,320

Finance & Administrative Services Personnel

Positions	2013	2014	2015	2016
	Actual	Actual	Budget	Adopted
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	1	1	1
Financial Tech III	0	1	1	0
Revenue Division Coordinator	0	0	0	1
Revenue Tech	0	1	1	1
Purchasing Officer	1	1	1	1
Purchasing Tech	1	1	1	1
Revenue Auditor	1	0	0	0
Revenue Supervisor	1	1	1	1
Human Resources Officer	1	0	0	0
Payroll & Benefits Specialist	1	0	0	0
GIS Coordinator	1	1	1	1
Information Tech Officer	1	1	1	1
Network Administrator	1	1	1	1
Systems Administrator	1	1	1	1
Information Tech Specialist	0	0	1	1
Admin Asst II (Part-time)	1	0	0	0
Accountant (Part-time)	1	1	1	1
Admin Asst. I	1	1	1	1
Total Personnel	20	17	18	18

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 incorporates long range strategic planning into the budget and audit documents and provides City leadership, City departments, and the public with timely and accurate information, while assuring clarity and accountability.

Department: Finance and Administrative Services

Major Accomplishments:

Core Value: We commit to excellence and the highest quality standards

Received GFOA Certificate of Recognition for Budget Preparation for 2015 Budget Document and Certificate of Achievement for Excellence in Financial Reporting for the 2014 Comprehensive Annual Financial Report (CAFR) - fifth consecutive year award received. Standard & Poor Rating Services upgraded bond rating to AA+.

Purchasing Card Program (PCard) rebate rate increased from .75% to 1.5% saving the City money. Purchasing Officer attended National Institute of Governmental Purchasing Forum in Kansas City, Missouri and won scholarship covering 75% of total expenses. Money savings go toward 2025 Vision Plans.

Citizenserve migration for Building and Planning & Zoning completed for use by both staff and customers. Online permitting and project access is now available for our customers. Tax conversion migration process began.

City surveillance camera system at Gulf Place upgraded and enhanced to provide better quality security to the public. Camera with Pan/Tilt/Zoom capabilities added. Cameras installed in known trouble areas. User portal upgraded for viewing and managing video capture. Additional monitors installed in City locations for security.

IT implemented a new firewall to protect the citywide network from threats or intrusions. The email filter was replaced with a more secure, manageable and robust system. Secured and managed the public use of the City wireless network connections. Managed bandwidth/balanced load. Servers installed for new traffic signal solution. Worked with Public Works to setup traffic cameras to facilitate better traffic flow.

Vision 2025 Key Strategy: Sustainability-Standards of excellence in service to meet and exceed community needs

Goals:

Create a customer focused service environment that exceeds the expectations of our business community and citizens.

Create a fast, secure and robust fiber backbone to and from all City locations and/or facilities.

Improve current Voice over Internet (VoIP) telephony solution, adding more features to increase efficiency.

Make City limits, Police Jurisdiction and street center-lines available as a web mat/app on website for public viewing.

Submit 2015 Comprehensive Annual Financial Report for Government Finance Officer's Association (GFOA) Certificate of Excellence in Financial Reporting Award and submit 2016 Budget for GFOA Distinguished Budget Presentation Award.

Objectives:

All Revenue staff Five-Star Hospitality Certified. Purchasing Officer attend EMA role Logistics Section Chief Training.

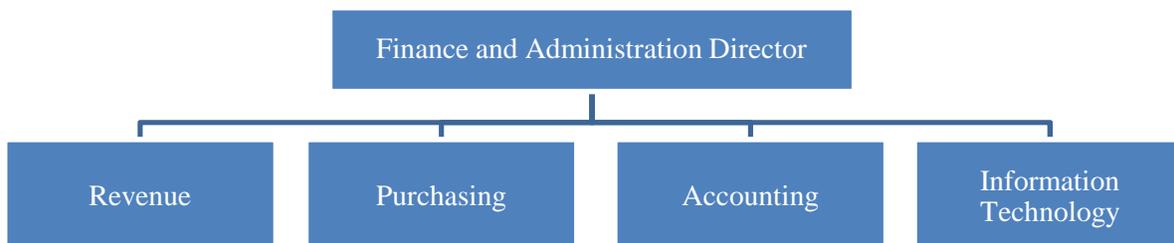
Strategically run fiber to locations to facilitate better communication between City locations/facilities.

Upgrade current Call Manager platform to version 10 to provide timely notice of significant events.

Have geographic information(GIS) readily available for public use through a GIS web application.

Ensure all GFOA criteria are met to qualify for GFOA awards in order to provide greater financial transparency, enhance bond ratings and be able to borrow funds at lower interest rates to accomplish the Vision 2025 goals.

FINANCE AND ADMINISTRATION ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

	2013	2014	2015	2016	% Change	2017
	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	Projected
MUNICIPAL COURT						
Expenditures						
Personnel	297,702	287,892	347,004	351,762	1%	348,969
Operations	9,452	11,412	13,150	12,940	-2%	13,150
Capital Outlay	0	0	0	0	n/a	0
Municipal Court Total	307,154	299,304	360,154	364,702	1%	362,119

Municipal Court Personnel

	2013	2014	2015	2016
	Actual	Actual	Budget	Adopted
Positions				
Municipal Court Judge	1	1	1	1
City Prosecutor	1	1	1	1
Municipal Court Administrator	1	1	1	1
Court Magistrate	2	2	3	3
Total Personnel	5	5	6	6

Municipal Court Functions:

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.

Department: Municipal Court

Major Accomplishments:

Increased early payments, reduced the size of Court Dockets and reduced Alias warrants for failing to appear by issuing letters of explanation and Guilty/Waiver packets at Defendant's Initial Appearance Hearings. Also, by the use of Credit and Debit Cards to expedite payment processing both in person and online.

Establishment of E-Citation system to allow electronic processing of Traffic Tickets by the Officer and automatic uploading of information to the Court. Expediting Officer time on a traffic stop and facilitation of data entry into the Court software.

Goals:

Improved caseload management to avoid large dockets which reduces overtime and need for more Court sessions.

Reduction of inmate population with use of Court payment monitoring, rehabilitation treatment opportunities, and alternative sentencing.

Streamlining records retention and retrieval by continuing implementation of electronic scanning of Court documents.

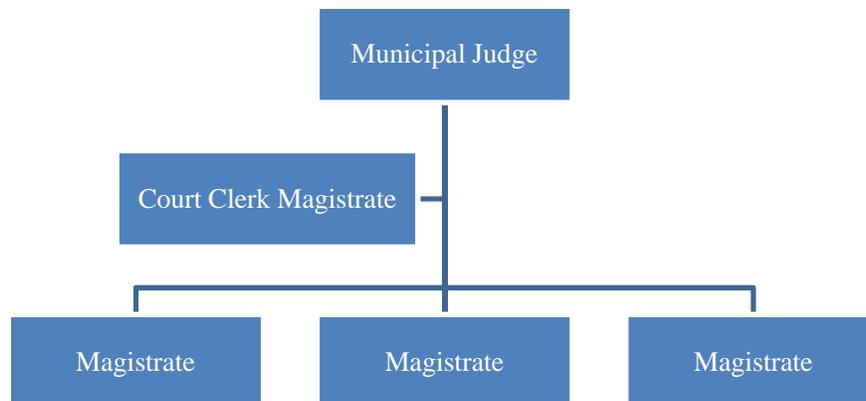
Objectives:

Continued expansion and use of Credit/Debit Cards, online payments, and Guilty/Waivers to avoid Court appearance in uncontested cases.

Further development of Court based payment scheduling and monitoring system without third party assistance and continued implementation of the Pre-Trial Diversion program established in 2015.

Reducing space needed for record retention by electronic storage and processing of documents.

MUNICIPAL COURT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

	2013	2014	2015	2016	% Change	2017
	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	Projected
POLICE						
Expenditures						
Personnel	3,873,487	3,820,182	4,041,706	4,242,985	5%	4,273,189
Operations	602,538	566,041	669,000	795,870	19%	671,570
Capital Outlay	637,305	20,789	210,000	265,500	26%	0
Police Total	5,113,330	4,407,012	4,920,706	5,304,355	8%	4,944,759

Police Personnel

	2013	2014	2015	2016	
	Actual	Actual	Budget	Adopted	
Positions					
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	0	0	0	0	
Investigator	3	3	4	4	
Juvenile Investigator Corporal	1	1	0	0	
Support Services Sergeant	0	0	1	1	
Narcotics Investigator	3	3	2	2	
SRO / Juvenile Sergeant	0	0	1	1	
School Resource Officer	1	1	1	1	
SRO / Corporal	0	0	0	1	COPS 1
CRO / Corporal	1	1	1	1	
Patrol Sergeant	4	3	3	3	
K9 Patrol Sergeant	0	1	1	1	
Patrol Corporal	3	3	4	4	
K9 Corporal	1	1	0	0	
K9 Officer	3	3	2	3	
Patrol Officer	15	16	18	18	Beach Patrol 2; COPS 1
Communication Officer	6	6	7	7	
Detention Supervisor Corporal	1	1	1	1	
Detention Officer	6	8	8	8	
Animal Control Officer	1	1	1	1	
Administrative Assistant I	1	1	1	1	
Administrative Supervisor	1	1	1	1	
Part Time Positions:					
Emergency Mngmt Advisor	1	0	0	0	
Beach Rangers (Seasonal)	0	0	4	4	Beach Funding
Total Personnel	58	60	67	69	

Department: Police

Police Department Functions:

The dedicated men and women of Gulf Shores Police Department continue with our primary duty of "Service and Protection."

In recent and upcoming years special emphasis has been and will be placed in three areas which include:

Our Schools. Gulf Shores Officers spend significant time not only protecting but also interacting with high school, middle school, and elementary students. In addition to our School Resource Officer staff we provide the services of a juvenile officer and an officer teaching nearly every day in the career academy. All of these services are provided at no cost to the school district.

Our Beach. As part of a city-wide team we take on many initiatives to protect our most valuable natural assets. Last year we created and implemented a highly successful Beach Enforcement Officer program. In coming years our intent is to expand upon this program to include appropriate messaging, enforcement and control during Spring Break and the "Leave No Trace" program. Additional programming for expanded parking and enforcement is anticipated.

Drug and Criminal Enforcement. Gulf Shores Police Officers pride themselves in being proactive professionals. All of our patrol officers are trained in criminal enforcement techniques. These officers make illegal narcotics and criminal arrest daily. Officers are encouraged to develop information and informants to further their cases. As part of that same strategy, GSPD has two detectives assigned to work narcotics on the city/county/and federal level.

Major Accomplishments:

Within the last year numerous Gulf Shores Officers have been recognized for outstanding police work and heroism. Their actions accomplishments can be further reviewed in our published annual report.

Goals:

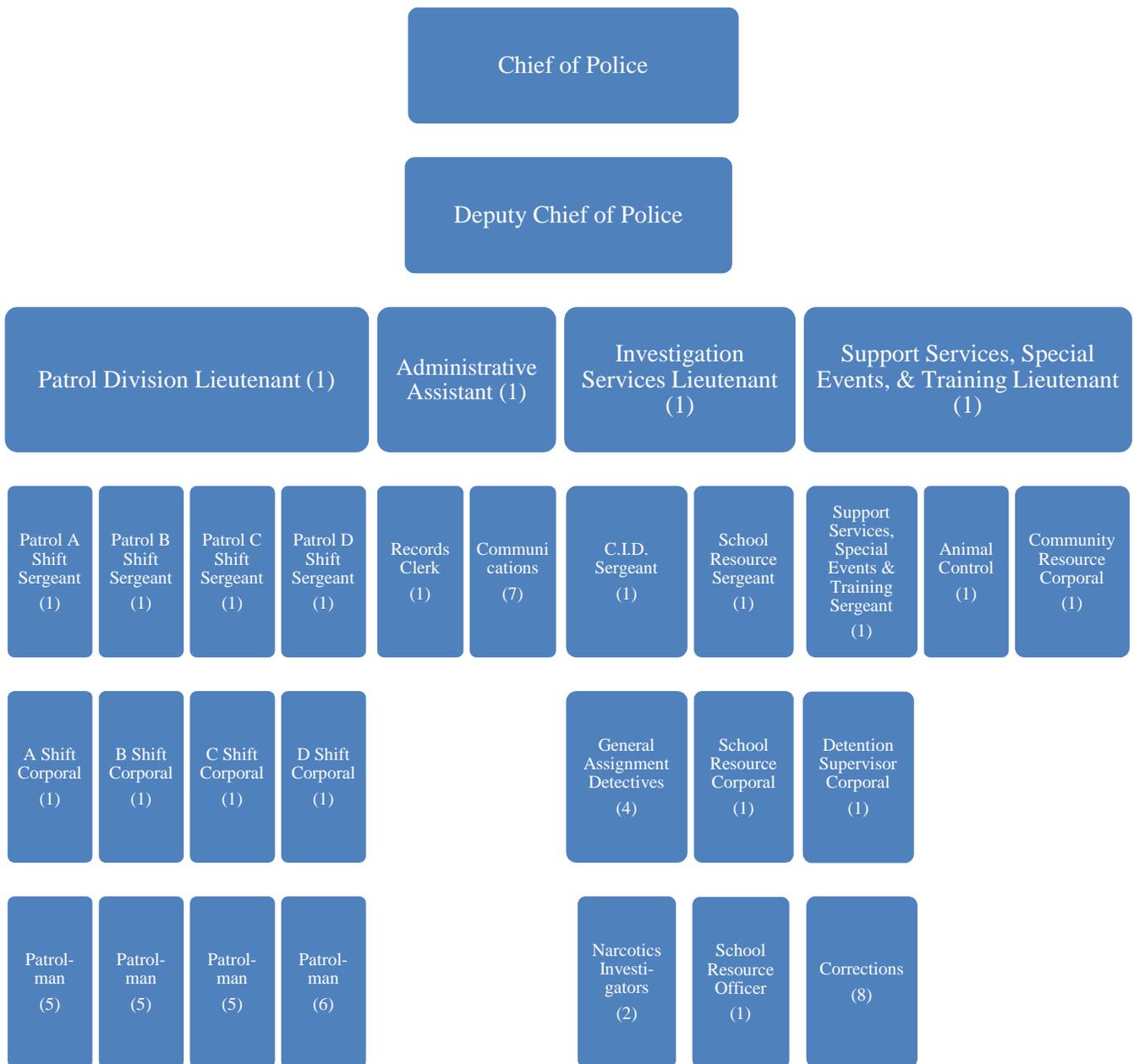
- Protect Life and Property
- Respond to Calls for Service
- Maintain Order
- Protect Constitution
- Proactively Enforce the Law
- Prevent Crime
- Promote Traffic Safety
- Investigate Crime
- Assist in Prosecution
- Promote Community
- Solve Problems
- Maintain Public Confidence in the Police Department

Objectives:

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

To Serve, Protect, and Enhance quality of life.

POLICE DEPARTMENT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

	2013	2014	2015	2016	% Change	2017
POLICE	Actual	Actual	Amended	Council	2015 to	Projected
BEACH PARKING			Budget	Adopted	2016	
Expenditures						
Personnel	0	0	0	94,630	n/a	99,000
Operations	0	0	0	135,259	n/a	138,000
Capital Outlay	0	0	0	301,100	n/a	0
Police Total	0	0	0	530,989	n/a	237,000

Police Personnel

	2013	2014	2015	2016	
Positions	Actual	Actual	Budget	Adopted	
Community Service Officers	0	0	0	2	Beach Funding
Total Personnel	0	0	0	2	

Beach Parking Division Functions:

This division of the Gulf Shores Police Department utilizes unarmed civilian Community Service Officers to assist sworn and other civilian staff with; parking enforcement and management, traffic direction, and other routine "low risk" duties. This division will help raise revenue to achieve the goal of *Gulf Beach District - Vision 2025: The construction of a walkable, energetic beachfront district will attract tourism, stimulate local business, and encourage business and residential relocation.*

Goals:

Successfully manage, enforce and collect revenues from the beach parking operations

Maintain parking pay stations to assure convenience to the public and a high "up-time" of machines

Objectives:

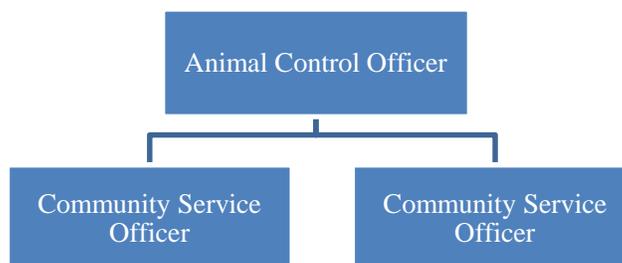
Enforce the parking ordinance

Collect parking revenues

Manage and maintain the parking pay stations

Assist sworn and other civilian staff with parking management and traffic direction and other duties

BEACH PARKING DIVISION ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

	2013	2014	2015	2016	% Change	2017
FIRE	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	Projected
Expenditures						
Personnel	2,925,052	3,038,759	3,055,342	3,149,349	3%	3,177,177
Operations	396,725	358,556	497,658	493,600	-1%	493,600
Capital Outlay	0	491,893	25,000	200,000	700%	0
Fire Total	3,321,777	3,889,208	3,578,000	3,842,949	7%	3,670,777

Fire Personnel

	2013	2014	2015	2016
Positions	Actual	Actual	Budget	Adopted
Fire Chief	1	1	1	1
Deputy Chief	1	1	1	1
Fire Marshal	1	1	1	1
Battalion Chief	3	3	3	3
Lieutenant	10	10	10	10
Firefighter/Paramedic	10	8	8	8
Firefighter/EMT	16	18	18	19
Admin Assistant	1	1	1	1
Total Personnel	43	43	43	44

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, water rescue or any hazard that would cause harm. Many situations require a direct approach: 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 are proud to participate with our local school system by interacting with our students on a variety of subjects. We start with the basics at the Elementary School and progress to advanced Emergency Medical instruction and fire science courses in the High School. We also provide mutual aid when requested from neighboring agencies. We fulfill community assists and work with other City departments when needed. Ongoing training and education provide the department with up-to date skills and the experience necessary to keep our department proficient, current on protocols, and ready to serve our customers.

CORE Value:

We Protect and enhance the quality of life for our residents, visitors and retirees.

Department: Fire

Major Accomplishments:

Created a fire science career academy at Gulf Shores High School. This academy trains the students in the State of Alabama Firefighter 160 hour curriculum. Upon successful completion the student becomes a State Certified Volunteer Firefighter. In 2015 we had 6 students successfully complete this program.

Vision 2025 Key Strategy met: Progressive Education

Expanded our Advance Life Support capabilities 6 current Firefighter/EMTs completed Paramedic certification.

Vision 2025 Key Strategy met: Leading Edge Healthcare

Placed two new fire engines in service that have environmentally friendly upgrades to reduce our carbon footprint

Vision 2025 Key Strategy met: Sustainability

Completed performance analysis's of our emergency response area. Identified locations for critical infrastructure placement to insure optimal performance and delivery of Fire and Emergency Medical Service.

Vision 2025 Key Strategy Met: Community Planning

Completed ISO reclassification goal by having ISO return and grade us under their new system and performing witnessed advanced water supply hose lays to gain credit in areas.

Vision 2025 Key Strategy Met: Community Planning

Goals:

Reduce response times

Vision 2025 Key Strategy:

Medical-Prompt access to leading edge care

Fire Station

Vision 2025 Key Strategy:

Community Planning-Infrastructure

Become American Heart Association Community Training Center.

Vision 2025 Key Strategy:

Education

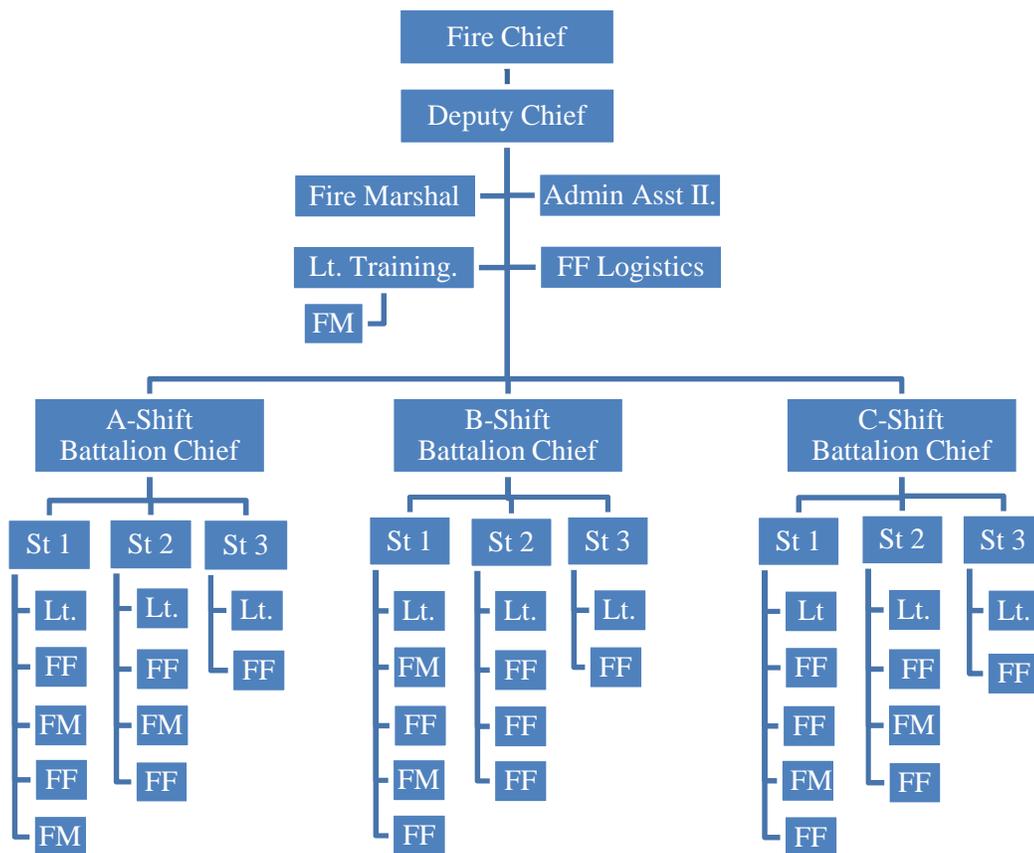
Objectives:

Phase in staffing to enable placement of a Fire Engine North of the Intracoastal Water Way. The goal is lower response times in this zone by 2:00 minutes. The difference between seconds and minutes is of critical importance to life and property.

Begin design of new fire station to be located North of Intracoastal Waterway to meet area needs, including the future needs of Jack Edwards Airport, ISO Station requirements, Business and Aviation Park and the forth coming educational campus.

Currently we teach courses certified by AHA through South Baldwin Hospital. Becoming our own CTC we will streamline the process reducing paperwork and travel time to and from South Baldwin Hospital. This will decrease unnecessary expense.

FIRE DEPARTMENT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

	2013	2014	2015	2016	% Change	2017
	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	Projected
PLANNING & ZONING						
Expenditures						
Personnel	308,254	291,396	324,934	327,733	1%	331,443
Operations	75,161	93,885	77,200	75,410	-2%	77,200
Capital Outlay	0	0	0	0	n/a	0
Planning & Zoning Total	383,415	385,281	402,134	403,143	0%	408,643

Planning & Zoning Personnel

	2013	2014	2015	2016
	Actual	Actual	Budget	Adopted
Positions				
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, promote high quality design, keep Gulf Shores clean and attractive, all of which enhance quality of life.

Major Accomplishments:

2015 Land Use Plan Update approved and adopted by Planning Commission.

2015 Pedestrian and Bicycle Master Plan Update approved by City Council and Planning Commission.

Updated Planning & Zoning Applications and streamlined the application review process to improve work efficiency and ease of use for customers.

Created Educational Zoning District to accommodate the future uses proposed for the higher education campus.

Digitized the code enforcement warning and citation forms, which in turn improved the effectiveness and efficiency of the code enforcement process.

Department: Planning & Zoning

Goals:

Update the Subdivision Regulations

Objectives:

Environmental Stewardship, Well Organized Infrastructure, Sustainability and Community Planning - The revised subdivision regulations will promote environmental stewardship and preserve and protect valued natural resources, improve and enhance the siting and installation of public infrastructure, and protect the health, safety and welfare of our residents and businesses. A measure of success is adoption and implementation of the revised Subdivision Regulations.

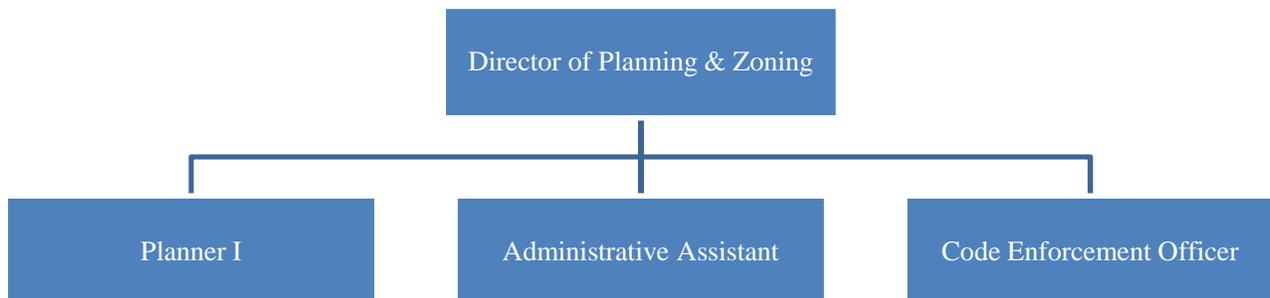
Fully Implement the Citizenserve software for the Planning & Zoning Department including the ability to apply and review all applications digitally

Sustainability - Full implementation of the Citizenserve System will digitize the application process, improve linkages between the Planning and the business license, building permit, land development, and code enforcement processes which will improve work efficiency and meet the expectations of the city to provide an excellence in service and high-value experience for our customers. A measure of success is the ability to accept and review applications on-line.

Strive to achieve bike and walk friendly community status

Prosperity - Expanding the City's bicycle and pedestrian facilities enhances the city's quality of life, promotes health and wellness, can attract economic investment to Gulf Shores, provides high value experiences for residents and visitors, and aligns with the Green Up Gulf Shores Campaign. Designation as Walk & Bicycle Friendly is a measure of success.

PLANNING & ZONING ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

	2013	2014	2015	2016	% Change	2017
	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	Projected
BUILDING						
Expenditures						
Personnel	325,592	369,148	369,006	439,335	19%	439,189
Operations	41,528	46,146	48,675	48,450	0%	48,675
Capital Outlay	52,062	70,079	42,000	42,000	0%	0
Building Total	419,182	485,373	459,681	529,785	15%	487,864

Building Personnel

	2013	2014	2015	2016
	Actual	Actual	Budget	Adopted
Positions				
Building Official	1	1	1	1
Inspectors	2	4	3	4
Administrative Assistant II	1	1	1	1
Total Personnel	4	6	5	6

Building Department Functions:

The Building Department is responsible for ensuring all construction projects within the corporate and police jurisdictions are in compliance with the City's adopted codes and ordinances relating to Building, Plumbing, Electrical, Mechanical, Gas; compliance with the Flood Damage Prevention Ordinance for National Flood Insurance Protection regulations; compliance with Federal and State Agencies including US Army Corp of Engineers, US Fish and Wildlife, Alabama Department of Environmental Management and Alabama Department of Conservation and Natural Resources.

Major Accomplishments:

The City of Gulf Shores was one of the first jurisdictions in the nation to adopt and enforce the 2015 International Codes. This Code adoption has allowed the City to maintain a Community Rating System (CRS) level 8, saving our flood insurance policy holders 10% on their premiums. This code adoption has also required structures be built to the Gold Level for Fortified Housing, allowing our home owners to receive additional savings on wind insurance. *The enforcement of these regulations help ensure a more sustainable community.*

The Building Department has also effectively performed safety inspections on all rental units in wood frame structures and is currently inspecting condominium units. *This allows our owners and visitors a safer environment to live and visit.*

Department: Building

Goals:

Lower the City's CRS rating to a level 7.

Complete the safety inspections for all rental units within the Corporate limits and Police Jurisdiction. Therefore creating a safer environment for our tourist.

Update the City's Emergency Preparedness Plan for weather related events.

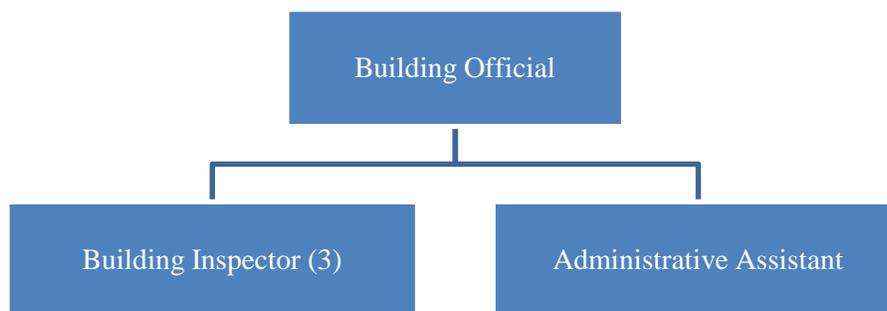
Objectives:

Coordinate with the Alabama Office of Water Resources to develop a strategic plan to ensure the City is in compliance with the Insurance Service Organization to achieve this status. Creates a more sustainable community within flood zones

Develop a working relationship with owners, Property Owner Associations, and rental management companies to develop a strategic plan to inspect all units.

Work with Department heads to create an organizational chart to better utilize the staff within the City.

BUILDING DEPARTMENT ORGANIZATIONAL CHART



Recreation & Cultural Affairs Department Functions:

Fiscal Year 2016 Budget

This Department is committed to providing the residents and visitors of Gulf Shores with recreational, educational and cultural opportunities which support the Vision 2025 core values:

- *Protect and enhance the quality of life for our residents, visitors and retirees*
- *Protect and preserve our unique natural resources*
- *Honor the family centric and safety oriented traditions*
- *Maintain a relaxed, no-hassle environment*
- *Support a clear culture of Southern hospitality*
- *Enhance the sense of place*
- *Embed sustainability into the fabric of the community*
- *Promote economic prosperity in a business-friendly atmosphere*
- *Boost competition in the market place unaccepting of the status quo*
- *Commit to excellence and the highest quality standards*

We do this through the hard work of a dedicated staff who work tirelessly and selflessly to create high quality programs and events at facilities which evoke pride in our residents and guests. While providing these opportunities, we recognize and meet our obligation to provide a safe, positive experience.

Programs & Events Division: This Division is responsible for City events including parades and festivals, managing the rental facilities, programming which takes place at various locations including the recently acquired Cultural Center. SPARC (Strengthening Potential through Art, Recreation and Culture) Programming includes after-school and summer youth programs as well as adult programming. The new City Store is an important part of this Division and provides an outlet for City service information and the opportunity for the public to purchase "Small Town, Big Beach" City apparel which helps spread our brand.

Library & Museum Division: The Thomas B. Norton Public Library offers residents and visitors a wealth of useful services, helpful resources, and, of course, books. Also included is free Wi-Fi, library cards free for anyone with picture ID and valid mailing address, photocopying, printing, faxing, and notary services and public internet access computers.

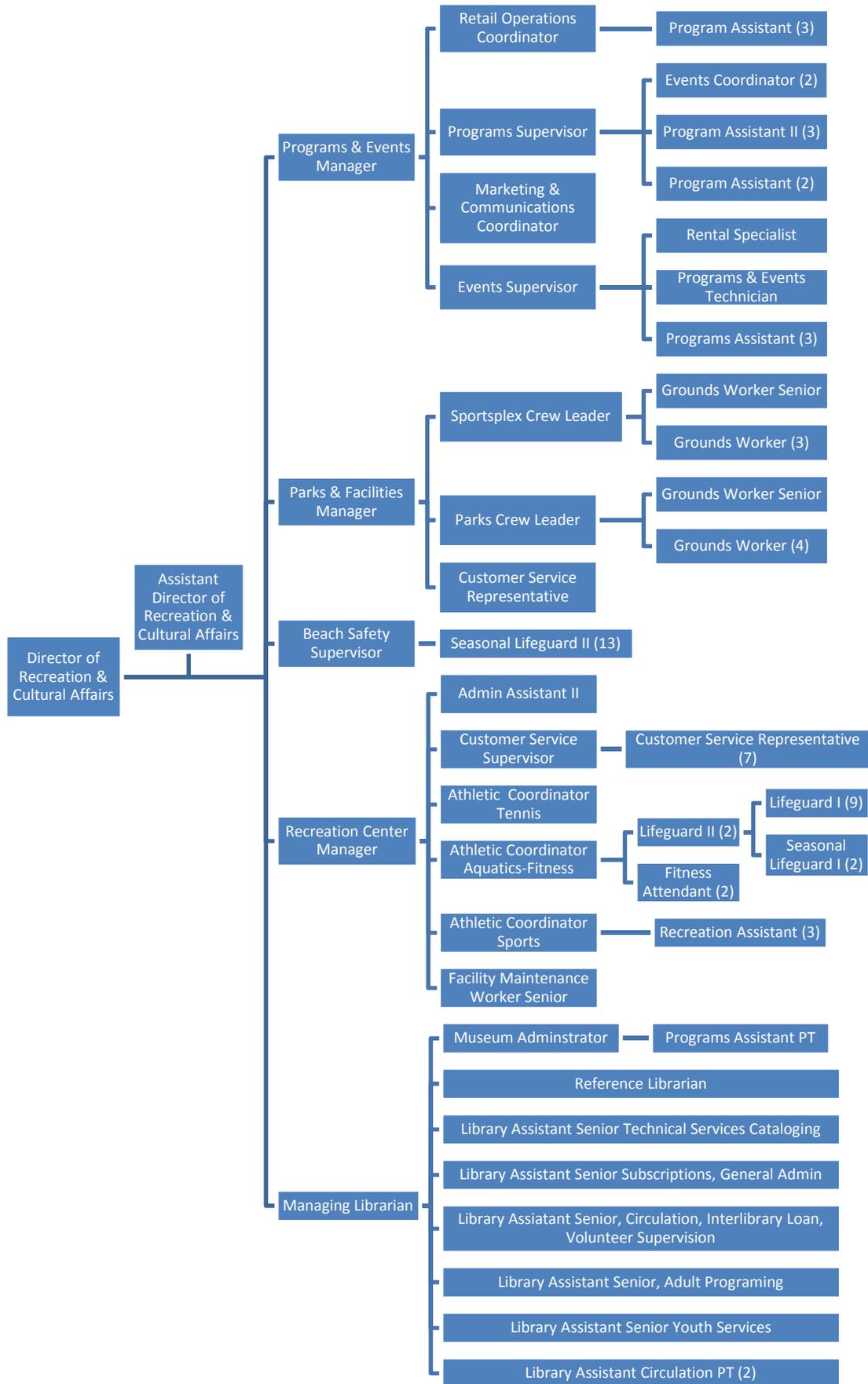
The Gulf Shores Museum offers new and permanent exhibits as well as seasonal programs and events. Admission is free to the public.

Recreation Division: This Division is responsible for the day to day operation of the David L. Bodenhamer Recreation Center which is a membership and/or daily fee-based community center that receives over 150,000 visits annually. The beautifully designed facility is home to the City of Gulf Shores Recreation Division offices and is the hub for all recreational athletic and program registrations. The Center offers a wide variety of recreational activities including fitness center, indoor pool, racquet ball, gymnasium, and tennis.

Parks & Facilities Division: This Division is responsible for the upkeep and maintenance of all parks, sports fields and related facilities as well as the landscape maintenance of City Hall, the Municipal Annex, Library, Museum, Civic Center, Activity Center, Community House, and the Police and Fire Departments. In addition, this Division manages the sports tourism tournament operations.

Beach Division: This Division is made up of the Beach Lifeguards guarding the public beach and patrolling the beaches of the Gulf of Mexico within the corporate limits of Gulf Shores. In addition, this Division collects and deposits revenue and maintains the parking pay stations for the City.

RECREATION & CULTURAL AFFAIRS DEPARTMENT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

RECREATION & CULTURAL AFFAIRS	2013	2014	2015	2016	% Change	2017
	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	Projected
Expenditures						
Personnel	116,206	124,190	210,645	220,475	5%	224,884
Operations	12,745	10,969	21,020	34,342	63%	21,020
Capital Outlay/Signage	675	353,803	0	0	n/a	0
RCA Total	129,626	488,962	231,665	254,817	10%	245,904

Recreation & Cultural Affairs Personnel

	2013	2014	2015	2016
	Actual	Actual	Budget	Adopted
Positions				
Director	1	1	1	1
Assistant Director	0	0	1	1
Total Personnel	1	1	2	2

Major Accomplishments:

Conducted a national search and hired an Assistant Director to help with the RCA Department's Strategic Plan implementation pieces.

Successfully managed local, regional and national events aligning with Vision 2025 to be the most desirable small-town destination community in the South in which to live, visit, retire and invest...events that included Gulf Shores' first ever NCAA Division I softball tournament, the 6th Hangout Music Festival, AVCA National Sand Volleyball Championship, NAIA National Track & Field Championship and HS Track Championship.

Accepted the Alabama-American Softball Association Field of the Year honors, USSSA Alabama Park of the Year awards.

Created two new annual events for the Waterway Village district supporting the strategic plan providing support for special events to help attract residents and visitors to the Waterway Village District.

Renovated the Bodenhamer Recreation Center's fitness room, providing state of the art fitness equipment for patrons use.

Successfully launched "Turtle Tracks" a public art initiative.

Goals:

Support the Strategic Plan through events and activities which foster seasonal diversification-becoming less beach-dependent while providing enhanced quality of life for our residents, visitors and retirees.

Continue to increase city revenues through value added recreational and cultural programs and events.

Engage citizens through outreach to help understand our community's needs and wants.

Objectives:

Positively promote and manage existing events and programs, evaluating each for their community impact and add events in seasons where gaps are identified.

Increase revenues by capturing fees and revised pricing strategy and implementation.

Through a "new" redesigned website in 2016, utilize the community engagement tools to listen to our constituents and provide the programs and services they desire.

The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

RECREATION	2013	2014	2015	2016	% Change	
EVENTS & PROGRAMS	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	2017 Projected
Expenditures						
Personnel	439,675	362,976	414,076	363,471	-12%	416,886
Operations	339,441	432,177	431,889	354,754	-18%	406,889
Capital Outlay	0	0	0	0	0%	0
Events & Programs Total	779,116	795,153	845,965	718,225	-15%	823,775

Events & Programs Personnel

	2013	2014	2015	2016	
Positions	Actual	Actual	Budget	Adopted	
Programs & Events Manager	1	1	1	1	
Programs & Events Supervisor	1	1	1	1	
Events Coordinator (PT)	2	1	0	0	
Rental Specialist	1	1	1	1	
Civic Center Technician	1	1	1	1	
Marketing & Communications	1	1	1	1	
Programs Assistants (PT)	4	3	3	3	
Retail Operator Coordinator	0	0	1	0	Moved to City Store 2016
Total Personnel	11	9	9	8	

Major Accomplishments:

Increase package sales for Entertainment Series.

Created two new annual events for the Waterway Village district supporting the strategic plan providing support for special events to help attract residents and visitors to the Waterway Village District.

Expanded items available in the City Store to include locally made merchandise.

Increased sales 50% over 2014 at City Store.

Website improvements including updating photography, making rental contracts available online, streamlining content. Increased Instagram follows from 300 to 800.

Integrated gulfshoresgear.com on social media for convenient purchasing.

Goals:

Programs & Events Division Goals are aligned with the City's Strategic Plan supporting Vision 2025 core values:

Protect and enhance the quality of life for our residents, visitors and retirees.

Commit to excellence and the highest quality standards.

Enhance the sense of place.

Objectives:

Improve website presence and information within the events portion of website adding photos of past events as well as interactive sign up and purchase opportunities.

Train and develop quality staff with excellent customer service skills. Maintain facilities to the high standard of cleanliness and repair.

Continue to enforce the City brand through sales of merchandise and increasing marketing.

The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

RECREATION LIBRARY	2013	2014	2015	2016	% Change	2017
	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	Projected
Expenditures						
Personnel	427,010	445,525	480,492	493,343	3%	496,983
Operations	93,820	82,621	95,665	96,265	1%	95,665
Capital Outlay	0	0	0	0	0%	0
Library Total	520,830	528,146	576,157	589,608	2%	592,648

Library Personnel

	2013	2014	2015	2016
Positions	Actual	Actual	Budget	Adopted
Managing Librarian	1	1	1	1
Library Assistant Senior	4	4	4	4
Library Assistant	1	1	1	1
Reference Librarian	1	1	1	1
Museum Coordinator	1	1	1	1
Programs Assistant (PT)	1	1	1	1
Library Assistant (PT)	2	2	2	2
Total Personnel	11	11	11	11

Major Accomplishments:

Managing Librarian and Youth Services Librarian acted as Chair and Co-Chair of the 2015 Alabama Library Association Annual Convention held in Point Clear. With the support of all staff members and various volunteers we held a successful and profitable four-day event for just over 400 participants.

Applied for and received the State Library Association's highest recognition of a Gold Star Standards Award.

Supported staff development for all employees through team meetings, webinars, online training, five star hospitality training, and state convention.

Provided a variety of programs for all ages of patrons, as well as public internet access. This calendar year, the 14 available public computer terminals have been used for 11,372 sessions, adding up to usage of 432,070 minutes. Our door count of visitors since January is 69,332, our meeting room has been used 289 times, and we have offered 217 programs with an approximate attendance of 4,230.

Facilitated the seventh printing of local history book, Once Upon an Island, after the Gulf Shores Woman's Club donated to the City the rights to the book in September of 2014. The publication is now available for purchase in the City Store.

Department: Recreation and Cultural Affairs

Division: Library

Library service will support the City's core values of a. Enhancing the quality of life for our residents, visitors and retirees, b. Enhancing the sense of place, c. Contributing to the wellness of the community, and d. Supporting progressive education.

Goals:

Sustain a system of diverse, outstanding library services to patrons of all ages.

Objectives:

Strive to maintain standards as set forth by the state library association and provide regular staff training. Continue to offer programs and educational sessions on a variety of topics for all patrons. Support excellent reference services with up-to-date paper and electronic materials and educated staff. Maintain and grow interdepartmental programming to reach a broader audience.

Provide patrons access to technology and enhanced internet connectivity.

Maintain excellent internet connectivity with the public computer lab and reliable Wi-Fi with Southern Light. Grow e-book collection and other electronic resources. Provide workshops for the public on the use of a variety of technologies. Incorporate technology in some museum displays.

Maintain the regular function of the library and museum to reinforce the sense of place.

Continue to offer meeting space at little or no cost to the public. Concentrate marketing to promote museum services to highlight local knowledge and folklore. Reinforce our role as a community center by offering a warm, welcoming space and offering library cards and access to library services to all.

The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

BODENHAMER RECREATION CENTER	2013	2014	2015	2016	% Change	2017
	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	Projected
Expenditures						
Personnel	1,132,582	1,107,261	1,077,275	1,174,164	9%	1,040,006
Operations	445,135	436,818	368,227	395,802	7%	368,227
Capital Outlay	0	0	164,319	70,000	n/a	0
Bodenhamer Total	1,577,717	1,544,079	1,609,821	1,639,966	2%	1,408,233

Bodenhamer Personnel

Positions	2013	2014	2015	2016	
	Actual	Actual	Budget	Adopted	
Recreation Manager	1	1	1	1	
Center Supervisor	0	0	0	0	
Maintenance Worker, Senior	1	1	1	1	
Maintenance Worker	1	1	1	0	Transferred to Custodial
Athletic Coordinator, Sports	1	1	1	1	
Athletic Coordinator, Tennis	1	1	1	1	
Athletic Coordinator, Aquatics	1	1	1	1	
Lifeguard II	1	2	2	2	
Administrative Asst II	1	1	1	1	
Fitness Attendants	1	1	1	1	
Customer Service Supervisor	1	1	1	1	
Total Personnel	10	11	11	10	
Recreation Assistant (PT)	9	9	9	0	
Life Guards (PT)	10	9	9	11	
Customer Service Rep (PT)	4	4	4	7	
Programs Assistants (PT)	5	0	0	3	
Fitness Assistants (PT)	2	2	2	1	
Total Part Time Personnel	30	24	24	22	

Major Accomplishments:

The renovation and addition of new fitness equipment in the Fitness Center was a major accomplishment and a direct reflection of our goals for the *Vision 2025 plan for diversification and sustainability*.

The successful implementation of a new Bodenhamer Center membership rate structure followed by a sustained public relations campaign to permanent residents through local advertising outlets and direct mail. The first since opening in 1997. *Vision 2025: Core Value - Maintain a relaxed, no hassle environment.*

Incorporated a new tennis teaching professional into the Tennis Center program offering. This grew tennis activity and programs at an exponential rate. *Vision 2025: Core Value - Commit to excellence and the highest quality standards.*

Completion of an annual Recreation Sports Calendar for Youth and Adult Sports Programs. *Vision 2025: Core Value - Commit to excellence and the highest quality standards*

Department: Recreation and Cultural Affairs

Division: Recreation Bodenhamer Center

Goals:

Enhance the sustainability of the Aquatic Center.
Protect and enhance the quality of life for our residents, visitors, and retirees - Vision 2025: Core Value

Improve Tennis Center program and courts.
Commit to excellence and the highest quality standards - Vision 2025: Core Value

Diversify existing programs to meet demand.
Environmental Stewardship - Vision 2025: Key Strategy and Priority

Objectives:

Successfully complete interior pool renovation.
Minimize down-time during renovation through good planning and organization of contractors.
Maximize the opportunity to train Aquatic employees through offering extensive educational classes, training and certifications while the pool is closed.
Proactively introduce the renovation to existing members and patrons to reduce negative feedback and maintain good customer relations.

Remove the cover and resurface the four clay courts to become playable.
Successfully implement tennis court reservation and membership program for the soft courts.
Host a grand re-opening to showcase the contemporary updates.

Develop more outdoor recreational opportunities that promote and accentuate our natural resources.
Increase adult sports program offerings.
Enhance special fitness programs to include new camps, classes and clinics that follow current health and wellness trends.

The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

RECREATION	2013	2014	2015	2016	% Change	
SPORTSPLEX	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	2017 Projected
Expenditure						
Personnel	550,209	537,944	637,538	647,732	2%	649,217
Operations	332,858	390,085	382,584	431,289	13%	382,584
Capital Outlay	71,765	187,746	130,500	36,500	-72%	0
Sportsplex Total	954,832	1,115,775	1,150,622	1,115,521	-3%	1,031,802

Sportsplex Personnel

	2013	2014	2015	2016
	Actual	Actual	Budget	Adopted
Positions				
Manager	1	1	1	1
Crew Leader	1	1	1	1
Grounds Worker Senior	1	1	1	2
Customer Service Rep	0	1	1	1
Grounds Worker	3	3	3	3
Total Personnel	6	7	7	8
Recreation Assistants (PT)	7	2	2	2
Total Part Time Personnel	7	2	2	2

Major Accomplishments:

Successfully hosted the first NCAA Division I softball tournament.

Improved the sporting event operations and experience for a number of local, regional and national events including; NAIA National Track and Field Championship, Regional High School Softball Championship, State High School Track Championship.

Have secured the NAIA Track Championship for an additional two years and the State High School Regional Softball and State Track championships for an additional four years. Completed improvements to the parks and facilities including a new track storage building and irrigation upgrades.

Goals:

The City of Gulf Shores Parks and Facilities Goals are aligned with the **City’s Strategic Plan supporting Vision 2025** by providing aesthetically pleasing and safe parks and facilities for recreation and public use. We continue to develop and implement regular and frequently-scheduled service and monitoring of parks and facilities. Our goal to meet the needs of user groups, to support existing and new programs and to reduce liability and risks. Develop and implement a maintenance and management plan, with operational standards that will help define operational excellence. Support the rapidly growing Sports Tourism industry.

Objectives:

To provide recreational resources in support of the core values of our Small Town, Big Beach community...thus supporting the vision of our City to be the most desirable small-town destination community in the South in which to live, visit, retire and invest.

To have the premier “best in class” parks and facilities which are high quality, well maintained, accessible, cost effective, and support the citizens as well as visitors. To have a desirable community that creates high economic impact and value for living, working and playing.

The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

RECREATION	2013	2014	2015	2016	% Change	
PARKS	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	2017 Projected
Expenditures						
Personnel	196,240	244,449	251,048	346,379	38%	256,431
Operations	126,632	147,761	154,291	174,222	13%	154,291
Capital Outlay	0	0	17,275	36,500	n/a	0
Parks Total	322,872	392,210	422,614	557,101	32%	410,722

Parks Personnel

	2013	2014	2015	2016
	Actual	Actual	Budget	Adopted
Positions				
Manager	0	0	0	0
Crew Leader	1	1	1	1
Grounds Worker	5	5	5	4
Total Personnel	6	6	6	5

Major Accomplishments:

Successfully hosted the first NCAA Division I softball tournament. Improved the sporting event operations and experience for a number of local, regional and national events including; NAIA National Track and Field Championship, Regional High School Softball Championship, State High School Track Championship.

Have secured the NAIA Track Championship for an additional two years and the State High School Regional Softball and State Track championships for an additional four years.

Completed improvements to parks and facilities including a new track storage building and irrigation upgrades.

Goals:

The City of Gulf Shores Parks and Facilities Goals are aligned with the *City's Strategic Plan supporting Vision 2025* by providing aesthetically pleasing and safe parks and facilities for recreation and public use. We continue to develop and implement regular and frequently-scheduled service and monitoring of parks and facilities. Our goal to meet the needs of user groups, to support existing and new programs and to reduce liability and risks. Develop and implement a maintenance and management plan, with operational standards that will help define operational excellence. Support the Sports Tourism industry which has grown exponentially over the past six years.

Objectives:

To provide recreational resources in support of the core values of our Small Town, Big Beach community...thus supporting the vision of our City to be the most desirable small-town destination community in the South in which to live, visit, retire and invest.

To have the premier "best in class" parks and facilities which are high quality, well maintained, accessible, cost effective, and support the citizens as well as visitors. To have a desirable community that creates high economic impact and value for living, working and playing.

The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

RECREATION BEACH	2013 Actual	2014 Actual	2015 Amended Budget	2016 Council Adopted	% Change 2015 to 2016	2017 Projected
Expenditures						
Personnel	225,923	198,644	255,395	256,826	1%	259,753
Operations	164,224	196,713	132,110	117,863	-11%	132,110
Capital Outlay	0	5,248	0	61,000	n/a	0
Beach Total	390,147	400,605	387,505	435,689	12%	391,863

Beach Personnel

	2013 Actual	2014 Actual	2015 Budget	2016 Adopted
Positions				
Beach Safety Supervisor	1	1	1	1
Lifeguard II (PT)	0	0	0	0
Lifeguards (Seasonal)	13	13	13	13
Total Personnel	14	14	14	14

Major Accomplishments:

Supported Vision 2025 by providing a safe/family beach environment, a key core value of the City. Contributed \$10,000 to the Emergency Medical Responder and Fire Science Academy at Gulf Shores High School through the Good Morning America Surf & Turf competition. Maintained National Agency Certification through the United States Lifesaving Association. Conducted a Junior Lifeguard Program in cooperation with The Bodenhamer Center Aquatics Division. Successfully managed and operated paid beach parking by maintaining and repairing collection machines. Collected and deposited revenues without discrepancies. Advised National Weather Service on improvements to the NWS Beach and Surf Zone Forecast. Taught as an Associate Instructor at the United States Lifesaving Association Southeast Region Lifesaving Instructor Academy. Operated within budget requirements set by city administration.

Goals:

Continue to provide trained, professional lifeguard services to our residents and guest. Assist federal, State and local agencies with marine safety and environmental protection of our waterways, protective dune system and beaches.

Provide a family friendly atmosphere for our residents and guest. Acknowledge our guest and residents with courtesy, friendliness and kindness. Monitor parasail and beach watersport businesses to ensure compliance with city ordinances to protect the public.

Objectives:

Provide the highest level of training and manage workplace diversity by recruitment and outreach, create partnerships and advanced training opportunities. Increase enforcement and public education to inform our residents and guest on how to protect and preserve our unique natural resources.

Manage and enforce quality of life violations and conflicts to provide a relaxed, no hassle environment. Education and training for employees in hospitality management and customer service.

The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

RECREATION	2013	2014	2015	2016	% Change	
CULTURAL CENTER	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	2017 Projected
Expenditures						
Personnel	0	290,497	301,797	322,939	7%	325,830
Operations	0	131,351	125,080	125,900	1%	125,080
Capital Outlay	0	361,232	0	55,000	n/a	0
Cultural Center	0	783,080	426,877	503,839	18%	450,910

Cultural Center Personnel

	2013	2014	2015	2016
	Actual	Actual	Budget	Adopted
Positions				
Programs & Events Supervisor	0	1	1	1
Events Coordinator	0	1	2	2
Programs Asst	0	3	3	3
Programs Asst II	0	1	0	0
Programs Asst (PT)	0	2	2	2
Total Personnel	0	8	8	8

Major Accomplishments:

Vision 2025 “Quality education is a critical necessity for any prosperous community to attract educated professionals as well as feed our economy from within with targeted and nationally-recognized programs and facilities.” The City’s acquisition and conversion of a former church property into a Cultural Center which is directly in line with Vision 2025 Key Strategy Community Planning - New development and revitalization of buildings and infrastructure will enhance sense of place and quality of life. The Cultural Center’s first year operation successfully introduced the SPARC™ engaging our local youth, adults and seniors in multi-faceted, life-long educational opportunities ranging in various arts, sciences, physical and social activities and engaging fieldtrips. Further implementation of the Education Vision 25 Strategy and enhancing the local educational opportunities was defined by the successful recruitment of the University of South Alabama (USA) to co-locate on the Cultural Center campus, enabling the City to have its first four year college presence.

Goals:

Honor the family centric-and safety-oriented tradition.

Protect and enhance the quality of life for our residents, visitors and retirees.

Objectives:

Provide cross programming where parents can learn from a speaker while their children participate in activities.

Provide programming that fosters mentorship between youth and adults.

Create focus groups to engage residents in developing our culture and sharing their trades and skills with the community.

The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

CITY STORE	2013 Actual	2014 Actual	2015 Amended Budget	2016 Council Adopted	% Change 2015 to 2016	2017 Projected
Expenditures						
Personnel	0	0	0	89,889	n/a	93,210
Operations	0	0	0	111,010	n/a	110,010
Capital Outlay	0	0	0	21,500	n/a	0
CITY STORE Total	0	0	0	222,399	n/a	203,220

CITY STORE Personnel

	2013 Actual	2014 Actual	2015 Budget	2016 Adopted	
Positions					
Retail Operator Coordinator	0	0	0	1	Moved from Events & Programs 2016
Program Assistant <20 hrs week	0	0	0	3	
Total Personnel	0	0	0	4	

Major Accomplishments:

Opened full retail store operation December 1, 2014 after renovating the historic, former tourism building, on Highway 59. The City Store offers city branded merchandise which supports a number of core values contained in the *Vision 2025 for Sustainability*, while making our "Small Town, Big Beach" brand available to the public, engaging their efforts to spread the brand. In addition the new City Store location acts as the City Information Center. Residents and visitors use this location to collect information about events and other city recreation and cultural opportunities, purchase tickets for events and entertainment, reserve and rent City facilities, and learn about the City and City services.

Goals:

Expand the City Store into other areas of the city, including the Bodenhamer Recreation Center and George C. Meyer Tennis Center.

Grow the awareness of the city and the City's brand at events by utilizing temporary satellite stores.

Increase the reach of the City brand through the online City Store at www.gulfshoresgear.com.

Objectives:

Provide an excellent resource for residents and visitors who seek a centralized location to gain information related to the recreational and cultural opportunities available to them.

Spread the awareness of Gulf Shores and its "Small Town, Big Beach" brand through the sale of logoed merchandise.

Public Works Department Functions:

Fiscal Year 2016 Budget

The Public Works Department provides beachside trash/recycling services as well as 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 Maintenance, Streets and General Services.

The General Services Division develops long-term strategic infrastructure planning, oversees beachside trash/recycling programs, provides inspection and engineering services, and maintains the various traffic control systems 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.

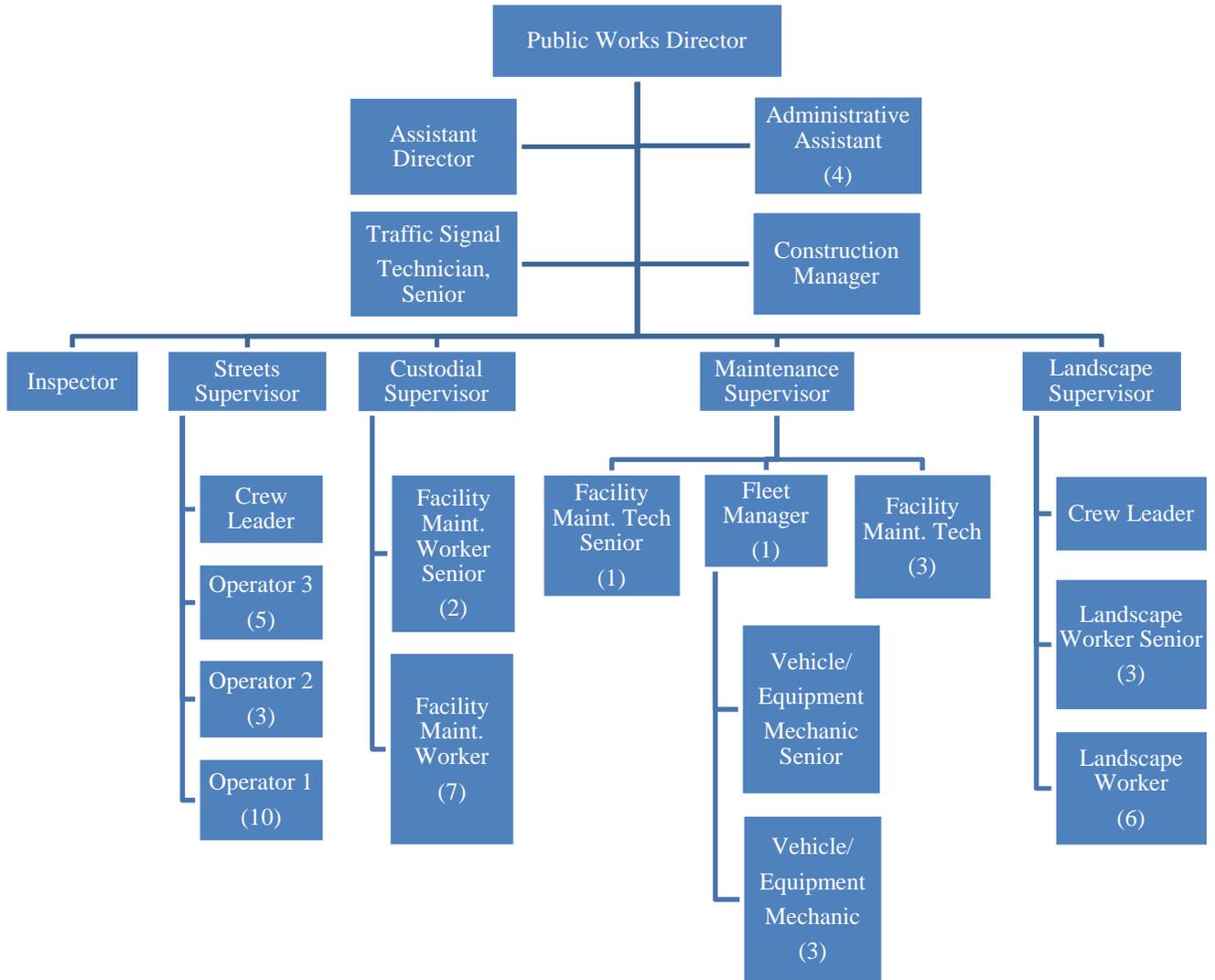
The Custodial Division has the task of keeping our municipal buildings clean and safe. Additionally, they work hard in maintaining the cleanliness of all of our public beach facilities. The Custodial Division also provides critical support to other departments for large City-sponsored events including 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 all municipal facilities. They also sponsor the Green Industry/Environmental Science Academy at the High School.

The Street Division's daily tasks include beachside trash/recycling collection, rights-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 2016 Budget

	2013	2014	2015	2016	% Change	2017
PUBLIC WORKS	Actual	Actual	Amended	Council	2015 to	Projected
GENERAL SERVICES			Budget	Adopted	2016	
Expenditures						
Personnel	434,798	519,777	588,801	666,187	13%	671,535
Operations	50,223	71,874	78,370	56,370	-28%	54,370
Capital Outlay	0	0	0	0	n/a	0
PW General Services Total	485,021	591,651	667,171	722,557	8%	725,905

Public Works General Services Personnel

	2013	2014	2015	2016	
Positions	Actual	Actual	Budget	Adopted	
Director	1	1	1	1	
Assistant Director	1	1	1	1	
Inspector	1	1	1	1	
Administrative Assistant	2	2	2	3	
Administrative Assistant (PT)	2	2	2	1	
Courier	1	1	1	1	
Construction Mgr	1	1	1	1	
Transportation Tech Senior	0	0	0	1	Transfer from Maintenance
Total Personnel	9	9	9	10	

Major Accomplishments:

Implemented an Adaptive Traffic Signal System.

Developed a Beachside Trash & Recycling Program.

Coordinated an Access Management Plan with businesses and ALDOT.

Started a municipal recycling center that included electronics and glass.

Refurbished and expanded the Ft. Morgan Trail.

Developed long term transportation & infrastructure improvement projects.

Goals:

Implement Access Management and 8' sidewalks.

Expand the City's recycling programs.

Develop additional transportation routes.

Enhance Waterway District.

Support education programs.

Objectives:

Coordinate plans with ALDOT/businesses.

Acquire new equipment from ADEM.

Coordinate roadway designs with ALDOT.

Secure TIGER Grant.

Coordinate infrastructure needs for campus.

The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

PUBLIC WORKS CUSTODIAL	2013 Actual	2014 Actual	2015 Amended Budget	2016 Council Adopted	% Change 2015 to 2016	2017 Projected
Expenditures						
Personnel	405,858	453,165	515,461	438,167	-15%	538,920
Operations	69,367	62,225	76,550	78,150	2%	76,550
Capital Outlay	0	0	0	44,000	0%	0
PW Custodial Total	475,225	515,390	592,011	560,317	-5%	615,470

Public Works Custodial Personnel

	2013 Actual	2014 Actual	2015 Budget	2016 Adopted
Positions				
Supervisor	1	1	1	1
Facility Maintenance Worker	6	6	6	7
Facility Maintenance Worker Sr	1	1	3	2
Total Personnel	8	8	10	10

Major Accomplishments:

Established a Green Cleaning initiative that focuses on environmentally friendly practices, training and education. Reduced paper towel consumption by replacing paper towels with micro-fiber rags that can be laundered and reused.

Made the switch to a more cost effective Green cleaning product.

Replacing older bag style vacuums with more updated canister vacuums with HEPA filters.

Reduced supply costs by \$10,000 year-to-date by removing excess paper towels, switching chemicals, and education of employees on more sustainable practices.

Further reduced paper consumption by adding hand dryers to the Sportsplex.

Adjusted employee schedules to provide better coverage without needing constant overtime to cover tournaments.

Goals:

Replace paper towels with hand dryers in all high use City facilities to achieve a cleaner environment, reduce paper consumption, and to lower supply costs.

Instill a more conscientious and environmentally mindful approach to everyday tasks.

Increase City staff participation in Recycling Program.

Minimize environmental impacts.

Eliminate unnecessary fuel consumption.

Objectives:

Seek out grant money that may help financially.

Further education of staff on environmentally friendly practices.

Dedicate one person to drop off recycle products once daily.

Use "green" EPA-approved products.

Continue to promote team cleaning, and encourage working together to maximize efficiency.

The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

PUBLIC WORKS	2013	2014	2015	2016	% Change	
LANDSCAPE	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	2017 Projected
Expenditures						
Personnel	520,534	549,658	536,227	575,519	7%	580,532
Operations	124,506	118,198	131,600	121,600	-8%	131,600
Capital Outlay	0	30,176	0	32,000	n/a	0
PW Landscape Total	645,040	698,032	667,827	729,119	9%	712,132

Public Works Landscape Personnel

	2013	2014	2015	2016
Positions	Actual	Actual	Budget	Adopted
Supervisor-Horticulture	1	1	1	1
Crew Leader	1	1	1	1
Landscape Worker Senior	2	3	4	4
Landscape Worker	5	4	3	4
Total Personnel	9	9	9	10

Major Accomplishments:

Bike Trail Butterfly landscape beds and swings.
 Green Industry Career Academy sponsorship and education program.
 New High School Greenhouse to support school programs.
 Middle & Elementary School classroom landscape projects with kids.
 New Gulf Shores Education Campus buffer establishment.
 Landscaped Gateway Signs.
 6th St. Bathhouse landscaping improvements.
 2-Acre overflow parking lot landscape improvements.
 Recycling Center landscaping improvements

Goals:

Business Bed Renovation & ROW Landscaping on Hwy. 59 South.
 Bike Trail Fort Morgan Road.

 New Greenhouse at High School

 Re-landscape City Hall with Environmental Projects.

 Envision Gulf Shores Gulf Place and Walking District.

Objectives:

Re-landscape and add new business beds along Hwy. 59 South for new sidewalk project.
 Add additional rest stations and landscaping along trail. Also incorporate reforestation along the Northern edge of trail.
 Help to install new greenhouse at High School for Green Industrial Career Academy.
 Re-landscape City Hall by removing old landscaping and adding new ornamentals and trees.
 Install nature trails, boardwalks, and education centers along all nature trails and parks.
 Re-landscape Gulf Place and surrounding area along Hwy. 59 and Beach Blvd. by adding palms, ornamentals, and hardscaping.

The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

PUBLIC WORKS	2013	2014	2015	2016	% Change	
STREETS	Actual	Actual	Amended Budget	Council Adopted	2015 to 2016	2017 Projected
Expenditures						
Personnel	909,524	1,057,124	996,586	1,048,742	5%	1,054,256
Operations	742,568	910,619	887,200	887,200	0%	887,200
Capital Outlay	115,950	253,528	495,954	614,500	24%	0
PW Streets Total	1,768,042	2,221,271	2,379,740	2,550,442	7%	1,941,456

Public Works Streets Personnel

	2013	2014	2015	2016	
Positions	Actual	Actual	Actual	Adopted	
Supervisor-Streets	1	1	1	1	
Crew Leader	1	1	1	1	
Detail Maintenance Worker	0	0	0	1	Transferred from Maint.
Equipment Oper I	5	7	8	7	
Equipment Oper II	3	3	3	3	
Equipment Oper III	7	5	5	5	
Recycle/Oper I	0	0	2	2	(2 Beach Funds)
Total Personnel	17	17	20	20	

Major Accomplishments:

Streets Division provides 24/7 maintenance of City streets, drainage, signage & R.O.W.
Streets Division provides 24/7 weather related support & clean up.
Streets Division provides 24/7 maintenance & clean up of City Beaches.
Streets Division provides 24/7 traffic control for emergency or special events.
Streets Division provides support & operation of the City Recycle Program.
Streets Division provides pedestrian traffic control for all Events & Parades on City streets.
Streets Division provides City-wide debris / litter control & pick up.
Streets Division provides City-wide Mosquito Control.

Goals:

Continued & improved Service in:
Maintenance of City streets, drainage, signage, R.O.W.
Weather related support and clean up.
Maintenance & clean up of City Beaches.
Traffic Control for emergency & special events.
Operation of City Recycle Program.
Pedestrian traffic control for all events & parades.
City-wide debris/litter control & pick up.
City-wide Mosquito control.

Objectives:

Targeted job related training.
Targeted safety related training.
Targeted equipment improvements.

The City of Gulf Shores, Alabama
Fiscal Year 2016 Budget

PUBLIC WORKS MAINTENANCE	2013 Actual	2014 Actual	2015 Amended Budget	2016 Council Adopted	% Change 2015 to 2016	2017 Projected
Expenditures						
Personnel	601,747	665,425	686,343	596,128	-13%	599,836
Operations	453,251	493,613	569,500	521,000	-9%	569,500
Capital Outlay	230,000	31,535	0	9,000	n/a	0
PW Maintenance Total	1,284,998	1,190,573	1,255,843	1,126,128	-10%	1,169,336

Public Works Maintenance Personnel

	2013 Actual	2014 Actual	2015 Amended	2016 Adopted	
Positions					
Supervisor Maintenance	1	1	1	1	
Facility Maintenance Tech	4	4	5	3	Transferred to Bodenhamer
Vehicle/Equipment Mechanic	3	3	3	3	
Detailer/Maintenance Worker	1	1	1	0	Transferred to Streets
Facility Maint Tech-Cultural Ctr	1	1	1	0	
Facility Maint Senior	1	1	1	1	
Vehicle Maintenance Tech Sr	1	1	1	0	
Fleet Manager	0	0	0	1	
Total Personnel	12	12	13	9	

Major Accomplishments:

- Renovation of the City Store.
- Developed HVAC preventive maintenance program, which reduced energy and maintenance costs.
- Designed and constructed the boat shelter for the Police Department.
- Designed and constructed the porch and roof for the Police firing range building.
- Renovated the scoreboards at Sims Park to make them wireless.
- Renovated bathroom and shower at Fire Station #2
- Established a vehicle/equipment replacement policy.

Goals:

- Improve our HVAC preventive maintenance program which will reduce power consumption and repair costs.
- Lower contract services by providing A/C training for mechanics.
- Minimize freon pollution.
- Reduce facility power consumption.
- Improve HVAC efficiency and reduce power consumption.
- Improve the fuel efficiency and reduce maintenance costs of the City's fleet.

Objectives:

- Improve checklists and schedules for each HVAC system.
- Identify and schedule training classes for staff mechanics.
- Purchase freon recovery system for shop.
- Install occupancy sensors in buildings to automatically turn lights on and off.
- Perform load balancing test on larger facilities.
- Hire Fleet Manager to manage City fleet.

**CITY OF GULF SHORES, ALABAMA
EXPENDITURES BY CATEGORY
PROJECTED BUDGET YEAR ENDING DECEMBER 31, 2017**

Department	Personnel	Operations	Capital	Debt Service	Transfers	Total
General Fund:						
Executive	716,679	475,875				1,192,554
Human Resources	235,353	83,935				319,288
Finance & Administrative Services	1,453,822	1,199,498				2,653,320
Municipal Court	348,969	13,150				362,119
Police	4,273,189	671,570				4,944,759
Beach Parking	99,000	138,000				237,000
Fire & EMS	3,177,177	493,600				3,670,777
Community Development	331,443	77,200				408,643
Building	439,189	48,675				487,864
Recreation & Cultural Affairs	224,884	21,020				245,904
Special Events & Programs	416,886	406,889				823,775
Library	496,983	95,665				592,648
Recreation - Bodenhamer	1,040,006	368,227				1,408,233
Recreation - Sportsplex	649,217	382,584				1,031,802
Recreation - Parks	256,431	154,291				410,722
Recreation - Beach	259,753	132,110				391,863
Recreation - Cultural Center	325,830	125,080				450,910
City Store	93,210	110,010				203,220
Public Works - General Services	671,535	54,370				725,905
Public Works - Custodial	538,920	76,550				615,470
Public Works - Landscaping	580,532	131,600				712,132
Public Works - Streets	1,054,256	887,200				1,941,456
Public Works - Maintenance	599,836	887,200				1,487,036
Airport Authority	131,733					131,733
Appropriations		277,500				277,500
Transfers Out					7,281,549	7,281,549
General Fund Totals	<u>18,414,833</u>	<u>7,311,797</u>	<u>0</u>	<u>0</u>	<u>7,281,549</u>	<u>33,008,179</u>
Other Funds:						
Special Revenue						
2% Lodging Tax - Transfer Out					2,327,000	2,327,000
Designated Taxes - Transfer to GF					400,000	400,000
Impact Fees			425,200			425,200
Capital Projects Funds (Fund 40)			-			-
Beach Restoration & Projects			572,579			572,579
Debt Service				4,561,550		4,561,550
Subtotal Other Funds	<u>0</u>	<u>0</u>	<u>997,779</u>	<u>4,561,550</u>	<u>2,727,000</u>	<u>8,286,329</u>
Grand Total	<u>18,414,833</u>	<u>7,311,797</u>	<u>997,779</u>	<u>4,561,550</u>	<u>10,008,549</u>	<u>41,294,508</u>

Forecast Summary:

Personnel and Operating expenses are projected to increase nominally from 2016 to 2017. Debt Service is projected to decline in 2016 by \$195,172 (new borrowing may replace). Capital expenses are projected to be \$2.2 million based on the 10 year capital plan, partially funded with borrowed funds.

Pages 88 and 89 contain the City of Gulf Shores Revenue, Expense and Reserve Funds usage projected from 2016 to 2026. Three percent growth on total revenues is projected through 2021, four percent is projected for 2022 and 2023 and 2% is projected for 2024 to 2026. Expenses net of debt service are projected to grow more conservatively at 2% through 2026. Debt service is estimated at between \$3.6 to \$3.7 million annually, which may increase depending on the amount of long term debt issued in 2016 and 2018. Provision is made in the projection for \$1.8 million beginning in 2020 for rolling stock and major repair capital expense of \$800,000 for Capital Improvements match estimates. Reserve targets are increased by 5% annually to 100% cash reserves by 2024. The reserve projection may be too ambitious as the revised reserve goal is currently 75% of General Fund Expenditures which the City should reach by 2018.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Building permits issued	1,771	872	572	459	422	385	566	589	657	610
Building inspections conducted	9,902	8,222	3,172	1,763	1,065	1,016	1,263	1,570	1,951	2,172
Business Licenses issued*	3,901	8,677	7,566	7,083	7,491	7,554	10,016	10,281	10,562	7,164
Police										
Physical arrests	1,249	1,529	1,558	1,604	1,423	1,394	1,527	1,387	1,602	1,280
Traffic violations	1,603	1,726	2,008	1,858	1,268	1,484	1,641	1,824	1,997	1,500
Officers	32	36	35	40	39	39	41	43	43	43
Fire										
Emergency responses*	-	-	-	2,108	2,280	2,307	2,790	2,785	2,972	2,903
Fires extinguished*	-	-	-	59	52	30	70	92	92	64
Inspections**	-	-	-	413	335	467	920	1,071	1,200	1,800
Full time staff*	17	24	36	48	39	42	43	43	43	43
Part time staff*	-	-	-	6	-	-	-	-	-	-
Volunteer Firefighters*	-	-	-	17	17	8	8	8	8	8
Public Works										
Street resurfacing (linear feet)	-	50,020	-	12,491	-	19,380	-	-	10,560	3,455

*Information not available for prior years

**2014 increase due to better data collection and the 2014 Inspection Ordinance

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	4	4	4	4	4	4	4	
Parks and recreation*										
Football/Track Stadium				1	1	1	1	1	1	1
Softball/Baseball fields				15	15	15	15	15	15	15
Soccer field				1	1	1	1	1	1	1
Parks				8	8	8	8	8	8	8
Tennis Courts				18	18	18	18	18	18	18
Basketball Courts				2	2	2	2	2	2	3
Swimming Pool				1	1	1	1	1	1	1
Gymnasium				1	1	1	1	1	2	2
Transit - minibusses				5	5	5	5	5	5	5
Public Works										
Maintained Streets (miles)	60.75	61.88	62.89	63	64	65.05	67.22	69.27	69.27	74
Traffic Signals*				24	24	24	24	24	24	24
Streetlights*				2,201	2,201	2,234	2,234	2,234	2,234	2,234

*Information not available for the prior year:

**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
2011	9,982
2012	10,517
2013	10,765
2014	10,963

Per Capita Income

	1979	1989	1999	2010	2012	2013
Gulf Shores	7,761	17,414	24,356	28,522	24,919	26,853
State of Alabama	5,894	11,486	18,189	22,984	23,587	23,680

Median Family Income

	1989	1999	2010	2012	2013
Gulf Shores	34,257	51,862	45,801	47,635	48,181
State of Alabama	28,688	41,657	42,081	43,160	43,253

Source: United States Bureau of the Census Quick Facts

**Schedule 4
Unemployment Rates**

	2013	2014
Baldwin County	5.80%	6.10%
Alabama	6.44%	6.80%

Source: Alabama Department of Labor
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	The Hangout	590
2	Lulus	350
3	Waterville	323
4	City of Gulf Shores	290
5	Wal-Mart	273
6	GS Public Schools	245
7	Meyer/SH Enterprises	223
8	Target	195
9	Publix	160
10	Brett Robinson	150

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

Fiscal Year	Taxes Levied for the Year	Taxable Property Assessed Valuation
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
2012	2,341,344	468,268,740
2013	2,391,709	478,341,860
2014	2,499,975	499,994,940
State of Alabama		Levy Rate 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

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>	2015			2005		
	<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>
Baldwin Co Electric	\$ 6,783,160	1	21.16%	\$ 6,632,480	2	12.88%
Colonial Realty Limited Partnership	5,187,520	2	16.18%			
The Links at Gulf Shores	4,351,160	3	13.57%			
Gulf Shores Riviera LLC	2,817,900	4	8.79%			
Wal-Mart Real Estate Business	2,729,480	5	8.52%			
Beach Place Development LLC	2,474,520	6	7.72%			
21300 Sweetwater LLC	2,074,920	7	6.47%			
Target Corporation	2,064,340	8	6.44%			
Howard Resort Inns, Inc	1,940,980	9	6.06%	5,048,820	5	
Alabama Surf Inc	1,630,260	10	5.09%			
East Beach Development	-		-	11,390,740	1	22.11%
Youngs Ltd	-		-	6,347,960	3	12.32%
Holiday Development LLC	-		-	5,829,780	4	11.32%
Crystal Shores LLC	-		-	4,800,000	6	9.32%
Tower Ventures LLC	-		-	4,260,000	7	8.27%
Brett Robinson	-		-	2,505,000	8	4.86%
Gulf Sand Development Inc	-		-	2,400,000	9	4.66%
Craft Development Corp	-		-	2,298,380	10	4.46%
Total	\$ 32,054,240		100.00%	\$ 51,513,160		90.20%

Source: Baldwin County Revenue Commissioner's Office.

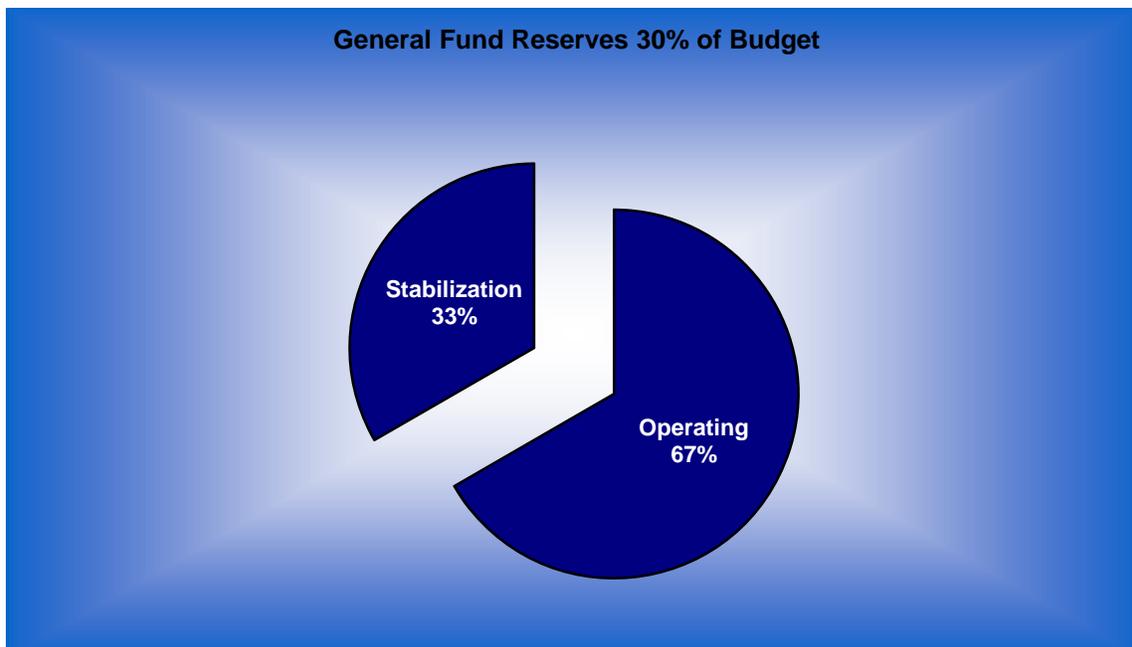
**CITY OF GULF SHORES
FINANCIAL POLICIES
NOVEMBER 2015**

FINANCIAL PLANNING POLICIES

Fund Balance Reserve Account – Stabilization and Operating Funds

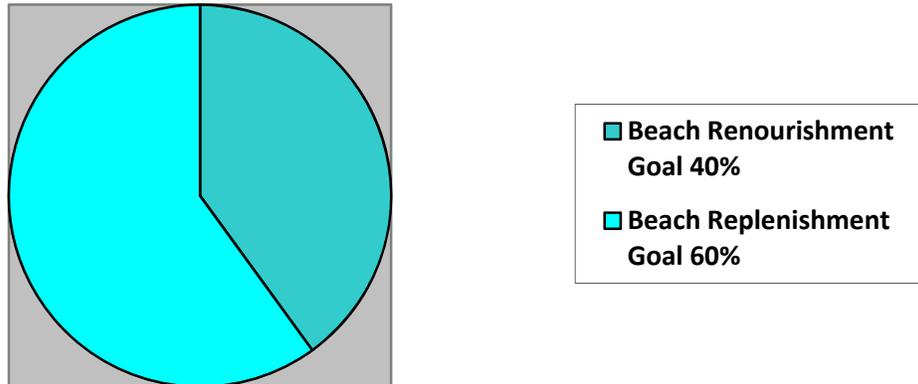
The City of Gulf Shores will build through prudent financial management a cash reserve equal to thirty percent of the General Fund Operating Budget. The General Fund Stabilization Reserve will enable the city to withstand fluctuations in tourism revenue streams related to the nearby travel industry and provide a stabilized fiscal environment to maintain and enhance bond ratings allowing the city to borrow at competitive rates. Of the thirty percent 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 30% 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 2016 the total General Fund Reserves target is \$10,280,918 equivalent to thirty percent of the \$34,269,728 budget. Operating reserves target for 2016 is \$6,785,406 (2/3 of target) and Stabilization Funds target is \$3,495,513 (1/3).



A Beach Replenishment Reserve Fund target of thirty percent of the General Fund budget for 2016 would be \$10,280,918.

Beach Reserves Goal 25% of Budget



Operating/Capital Expenditure Accountability

Actual expenditures to budget are compared on a monthly basis. The City Council Finance Committee receives a summary report quarterly of revenues and expenditures compared to budget and the City Administrator receives a detailed report monthly. 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.

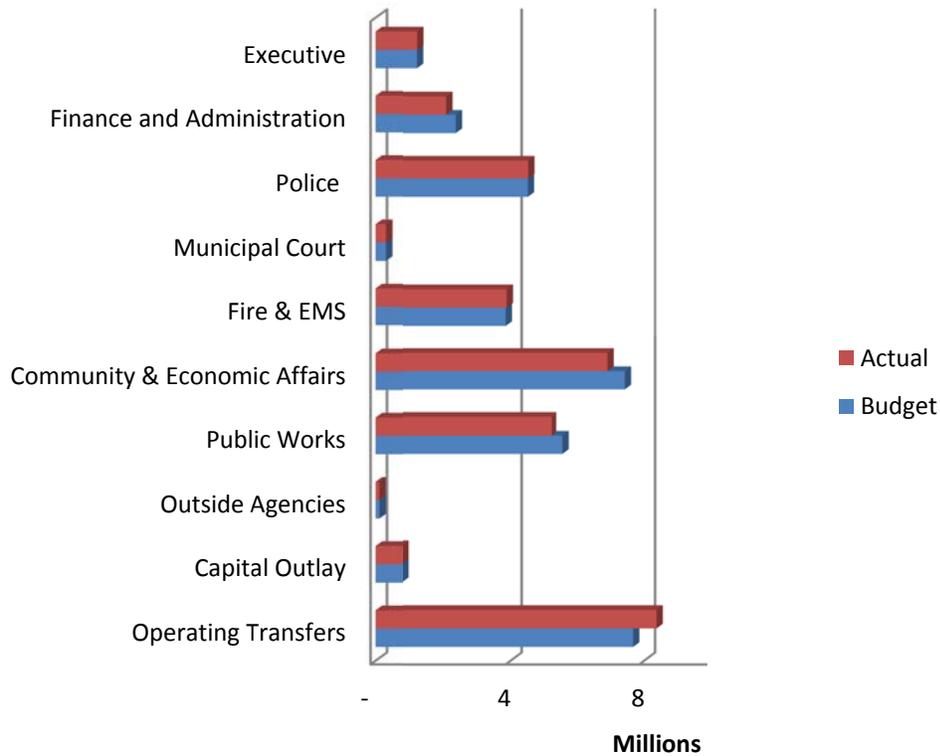
The City of Gulf Shores major expenditures for the most recent fiscal year distribution by category are: Public Safety (Police, Fire and Court) 26% of expenditures; Operating Transfers for Debt Service at 25%; Public Works at 16%; Recreation and Cultural Affairs 18%; and City Hall (Executive, Human Resources, Finance and Administration) at 10%. Building and Planning and Zoning comprise 2.6% of General Fund expense. Capital Outlay comprise 2.4%

The following table and graph are expenditures by category compared to budget for the most recent fiscal year end 2014.

General Fund Departmental Budget to Actual 2014

	Budget	Actual	% of total
Executive	1,251,607	1,256,750	4%
Finance and Administration	2,391,265	2,109,668	6%
Rec & Cultural Affairs	6,470,464	6,048,013	18%
Police & Municipal Court	4,807,531	4,818,961	14%
Fire & EMS	3,859,180	3,889,208	12%
Planning & Zoning	417,441	385,282	1.1%
Building	544,111	485,371	1.5%
Public Works	5,586,701	5,216,883	16%
Outside Agencies	113,150	105,221	0%
Operating Transfers (Debt Service)	7,677,857	8,369,476	25%
Capital	<u>817,500</u>	<u>817,500</u>	2.4%
Total	33,936,807	33,502,333	100%

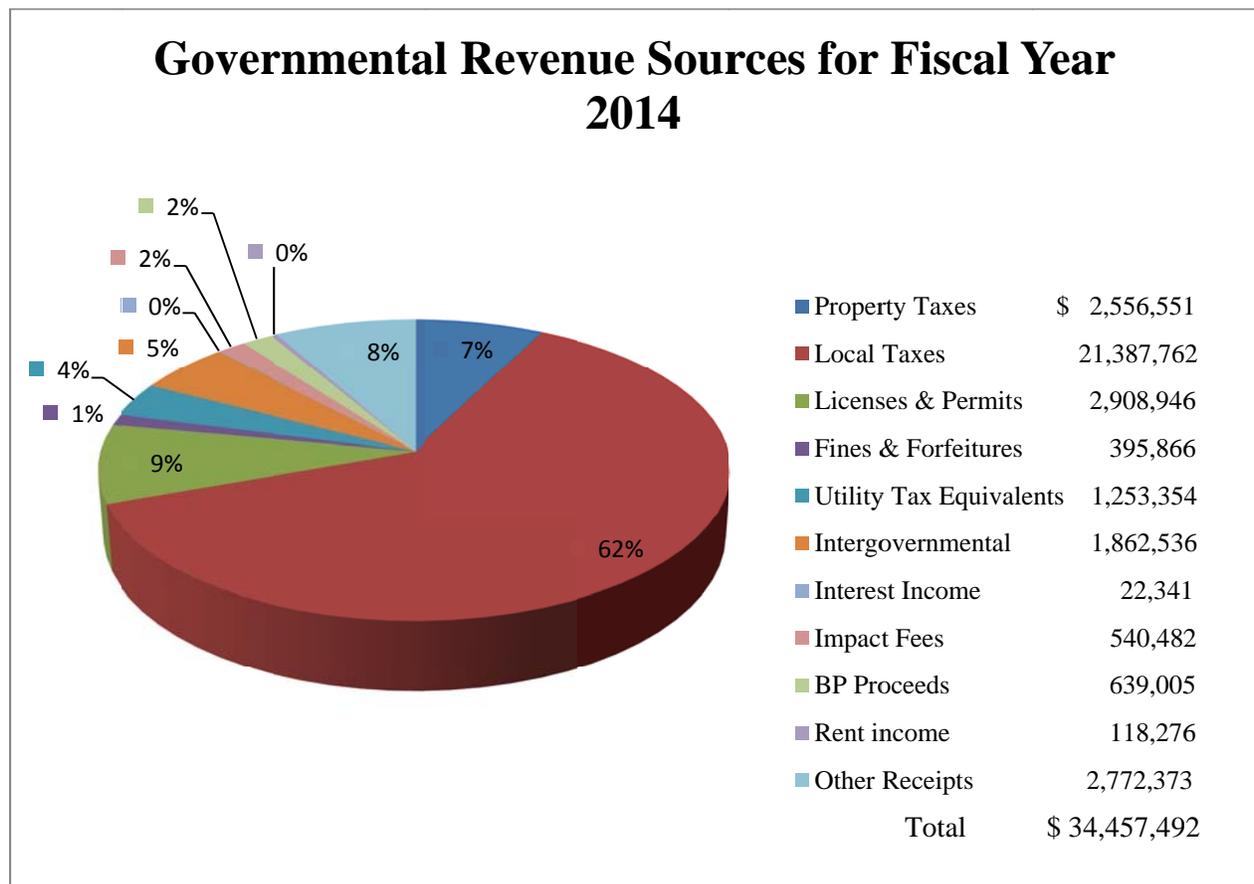
Exhibit 2: General Fund Departmental Budget to Actual 2014



REVENUE POLICIES

Revenue Diversification

The City of Gulf Shores has a wide variety of revenue streams that supply the City's General Fund 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 seven percent of General fund revenues. Local Taxes are sixty-two percent of General Fund Revenues. Licenses and Permits are roughly nine percent of General Fund Revenues. Other City tax revenues include Fines/Forfeiture at one percent; Business License Fees at six percent; Intergovernmental Income at five percent; and Other Receipts/Financing Sources at eight percent. The City of Gulf Shores is 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 2014.



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

The City of Gulf Shores had one enterprise fund, the Beach Fund, in 2015. 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 state statutory debt limitation of 20% 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. For 2016 City debt service is 9.5% of total expenditures and 12.7% of General Fund expenditures.

Debt 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 debt 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.

March 3, 2015 Standard and Poor's Ratings Services raised its rating on Gulf Shores' general obligation (GO) debt to 'AA+' from 'AA'. The rating reflected Standard and Poor's assessment of the City's strong conservative budgeting, which has maintained and improved fund balance levels. The improvement in the City's budget performance was noted as the main factor behind the upgrade. Strong management conditions, strong budgetary performance with very strong budgetary flexibility and liquidity. General fund reserves above 50% of expenditures had been recognized for the past several years.

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	S&P
2005-C G.O. Warrant	12/15/2015	Aa2	AA+/Stable
2006-A G.O. Warrant	12/15/2017	Aa2	AA+/Stable
2006-B G.O. Warrant	12/15/2025	Aa2	AA+/Stable
2008-A G.O. Warrant	12/15/2028	Aa2	AA+/Stable
2012-C G.O. Warrant	12/15/2025	Aa2	AA+/Stable
2012-D G.O. Warrant	12/15/2021	Aa2	AA+/Stable

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 sewage, or for the improvement of streets, for which purposes an additional indebtedness not exceeding three percent 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, 2015, was \$534,967,860 resulting in a debt limit of \$106,993,572.

The City’s total principal amount of long term indebtedness at December 31, 2015, will be \$32,515,512. Currently there is \$6.4 million in short-term debt that will be replaced with long-term debt in a future debt issue. Based on the debt limit of \$106,993,572 the City could hereafter issue up to approximately \$74,478,060 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 2010 population of the City of 9,741 the annual G.O. long term debt per capita for outstanding debt is \$3,338; with short-term debt included the debt per capita is \$3,995. The G.O. Debt per capita number is down from the 2009 Original Financial Policy annual debt per capita amount of \$10,136. The 2009 debt per capita amount was based on \$51 million in debt and 5,044 population size from the 2000 census. Through cost saving measures enacted by Council and a

determination to reduce debt, the debt per capita has been reduced tremendously in the past six years.

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 capital 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 with the exception of one time capital purchases. 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 Generally Accepted Accounting Principles 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 payback 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 ten year Capital Improvement Plan for Capital Outlay expenditures greater than \$5,000 will be submitted by each department during the budget process. A ten year Capital Improvement Program that determines the cash needs for Capital Projects will be submitted to the Finance Committee and the elected body for approval to determine future cash needs. Once the ten year Capital Improvement Program is approved by the Finance Committee, every effort will be made to budget for capital expenditures within the outlined program. Modifications to the ten year 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. 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 Inter fund 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 inter fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter fund loans). All other outstanding balances between funds are reported as “transfers 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 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 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 level 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 or 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

L

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.

Defining Terms

Glossary

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

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