

City of Gulf Shores, Alabama

ANNUAL FINANCIAL BUDGET

For Fiscal Year Ending December 31, 2017

Prepared by: Finance and Administrative Services Department



*Photos courtesy of
Councilman Steve Jones
Gulf Shores Public Beach and Little Lagoon*



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CITY OF GULF SHORES, ALABAMA
2017 Budget
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Mayor and Council



Mayor Robert Craft



**Mayor Pro Tem Philip Harris
Place 3**



**Councilman Joe Garris
Place 1**



**Councilman Jason Dyken
Place 4**



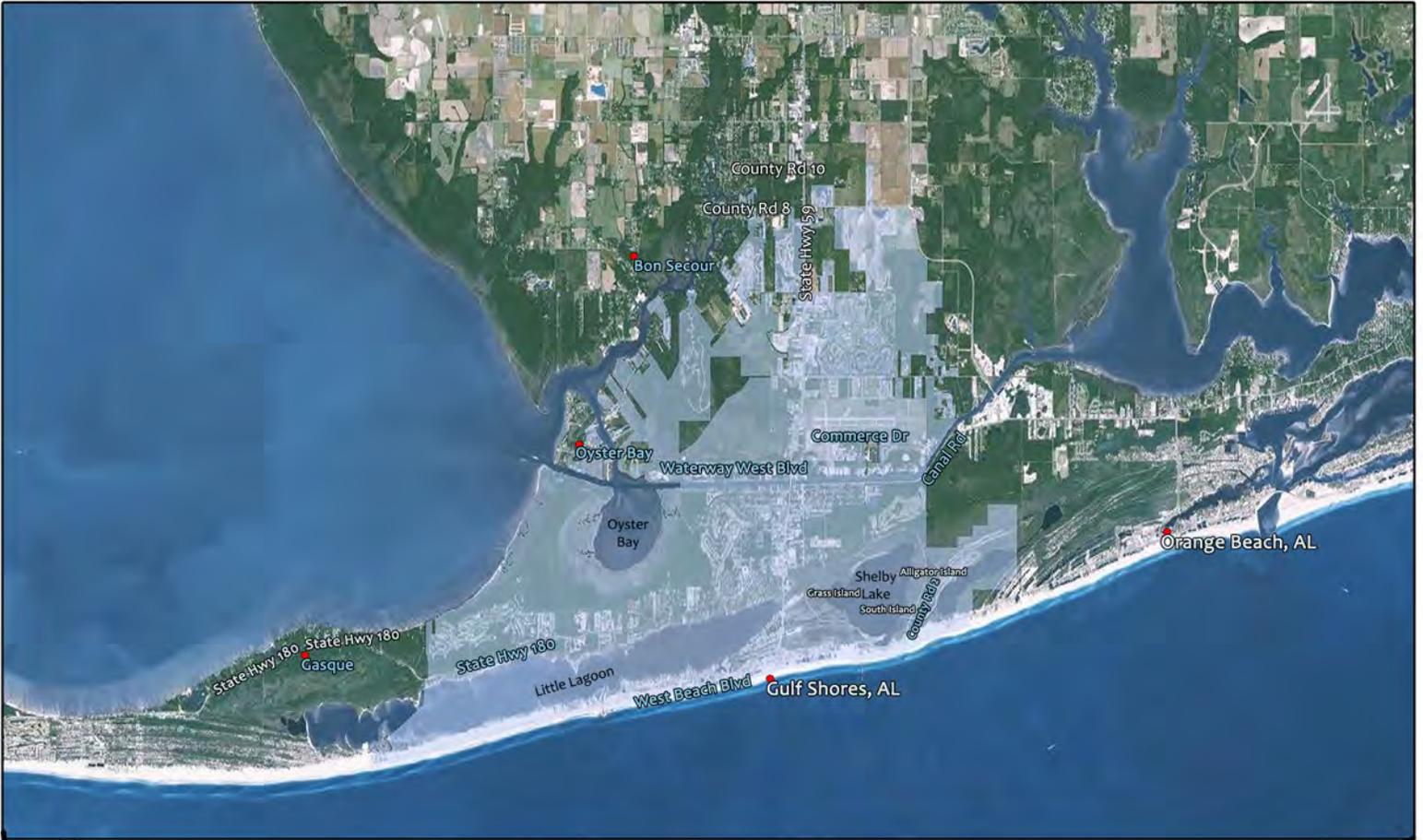
**Councilman Gary Sinak
Place 2**

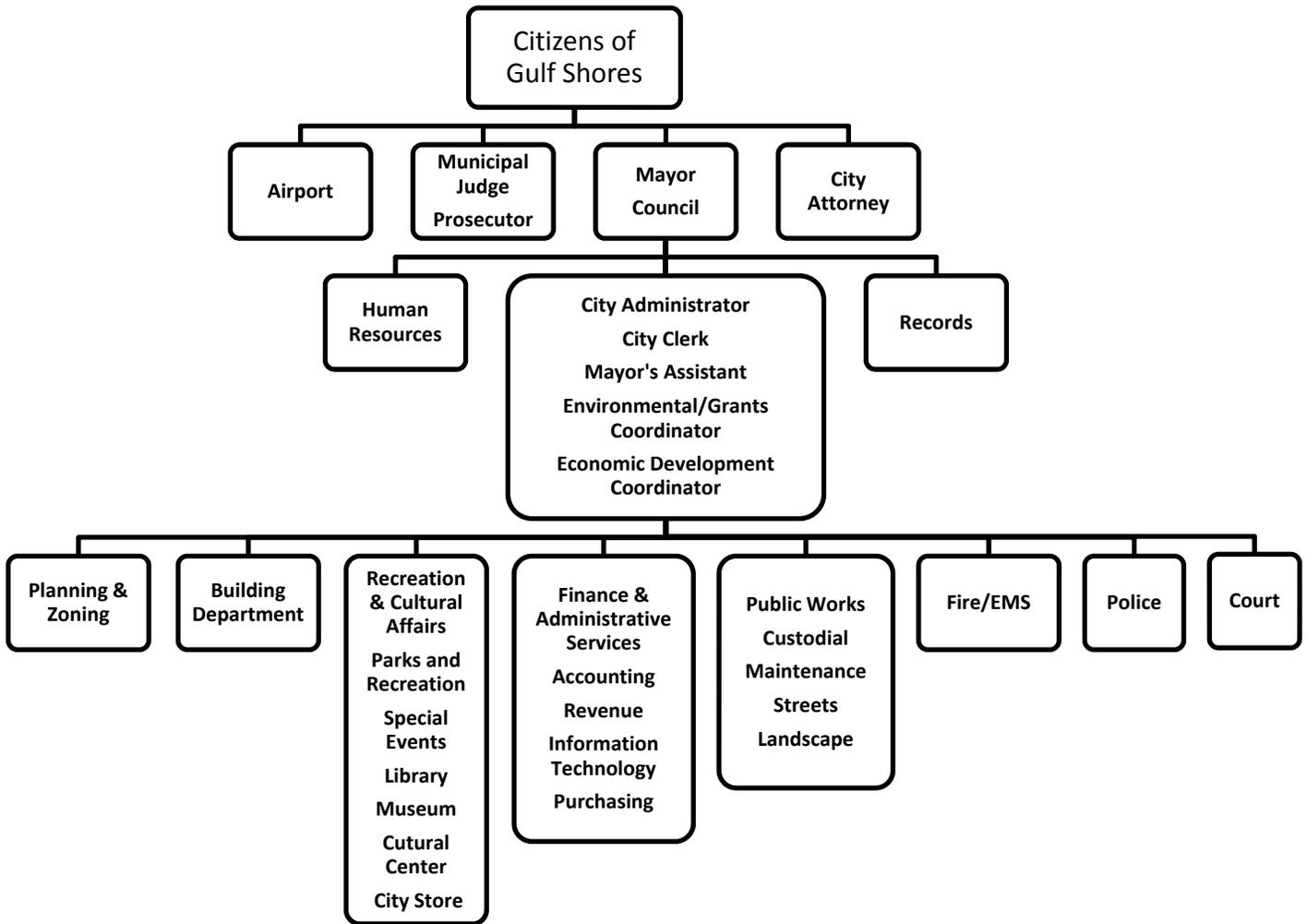


**Councilman Steve Jones
Place 5**

CITY OF GULF SHORES, ALABAMA

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, 2016

A handwritten signature in black ink, 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, 2016 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. 5765-16

A RESOLUTION ADOPTING
CITY OF GULF SHORES
2017 BUDGET

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GULF SHORES, ALABAMA,
WHILE IN REGULAR SESSION ON November 28th, 2016 as follows:

Section 1. That the City of Gulf Shores 2017 Budget be adopted for the City of Gulf Shores,
Alabama, for Fiscal Year 2017 beginning January 1, 2017 and ending December 31, 2017.

GENERAL FUND BUDGET SUMMARY 2017
(JANUARY 1, 2017 THROUGH DECEMBER 31, 2017)

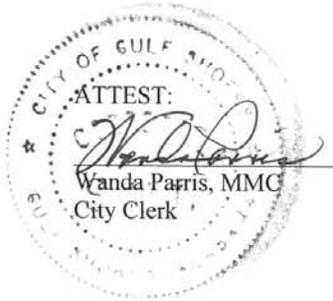
TOTAL REVENUES GENERAL FUND		\$35,504,607
EXPENDITURES:		
Executive	\$ 1,576,071	
Human Resources	309,914	
Finance & Administrative Svcs	2,839,468	
Municipal Court	384,291	
Police	5,377,621	
Fire & EMS	3,848,124	
Community Development	451,550	
Building	509,456	
Recreation & Cultural Affairs	314,307	
Events & Programs	714,004	
Library	596,016	
Recreation-Bodenhamer	1,570,175	
Recreation-Sportsplex	1,139,310	
Recreation-Parks	537,610	
Recreation-Beach	422,815	
Recreation-Cultural Center	399,950	
Recreation-City Store	183,737	
Public Works:		
General Services	748,316	
Public Facilities-Custodial	576,333	
Public Facilities-Landscaping	710,745	
Streets	2,014,201	
Maintenance	1,080,005	
Airport Authority	130,264	
Outside Agencies	<u>247,500</u>	
SUBTOTAL OPERATIONS		\$26,681,783
Capital Outlay		
Finance & Admin Capital	50,000	
Police – Capital Outlay	239,500	
Building – Capital Outlay	42,000	
Recreation and Cultural Affairs	10,000	
Recreation Bodenhamer Center	20,000	
Recreation Sportsplex	231,000	
Recreation Parks	27,000	
Recreation Beach	36,000	
Recreation Cultural Center	10,000	
Public Works Capital:		
Custodial	22,500	
Landscaping	193,000	
Streets	663,000	
Maintenance	7,500	
SUBTOTAL CAPITAL		\$1,551,500
Operating Transfers Out		<u>\$7,041,795</u>
Total General Fund Expenses		\$35,275,078
Budget Carry Forward General Fund		\$ 229,529

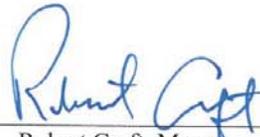
**OTHER FUND BUDGET SUMMARY 2017
(JANUARY 1, 2017 THROUGH DECEMBER 31, 2017)**

	REVENUE	EXPENDITURE	
Special Revenue			
2% Lodging Tax Revenue	2,761,000		
Transfer to General Fund		1,900,000	
Transfer to Beach Reserves		550,651	
Transfer to Beach Fund		<u>70,000</u>	
Total 2% Lodging Tax Expenses			<u>\$2,520,651</u>
Budget Carry Forward 2% Lodging			\$240,349
Police & Fire Related Grants			
Police and Fire	435,000		
Transfer to General		390,000	
Muni Court Exps		<u>35,000</u>	
SUBTOTAL		435,000	
Impact Fees Fund			
Impact Fees Revenue	642,000		
Recreation Equipment		305,000	
Public Works		200,000	
Police		75,000	
Fire		<u>62,000</u>	
SUBTOTAL		642,000	
Beach Restoration & Projects Fund			
Transfer from 2% Ldg Tax	620,651		
Grant-ADEM Recycling Program	<u>26,000</u>		
SUBTOTAL	646,651		
Beach Monitoring		70,000	
Police and Streets		546,651	
Capital Outlay		<u>30,000</u>	
SUBTOTAL		646,651	
2014 GO Warrant Fund			
Match proceeds (ADEM&ALDOT)	4,543,000		
Capital Outlay Projects		4,543,000	
Storm Damage Fund			
Transfer from General Fund	230,008		
2016 Taxable Line of Credit (LOC)			
Proceeds from 2016 Taxable LOC	6,471,646		
Gulf Place Redesign		6,471,646	
Debt Service Fund			
Transfers/Rent	4,051,787		
Bond Payments		4,051,787	
Total All Funds Revenue	55,285,699		
Total All Funds Expense	54,585,813		
General Fund Budget Carry Forward			\$229,529
2% Lodging Budget Carry Forward			240,349
Storm Damage Fund			<u>230,008</u>
Budget Carry Forward			\$699,886

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

ADOPTED this 28th day of November, 2016.




Robert Craft, Mayor

CERTIFICATE

I, Wanda Parris, MMC, City Clerk of the City of Gulf Shores, Alabama, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5765-16 (prepared by City Clerk), which Resolution was duly and legally adopted at a regular meeting of the City Council on November 28, 2016.


City Clerk



November 28, 2016

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

RE: 2017 BUDGET MESSAGE

On behalf of the City of Gulf Shores government staff, I am pleased to deliver the Fiscal Year 2017 Budget for the City of Gulf Shores, Alabama for the period beginning January 1, 2017 and ending December 31, 2017. 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 so to implement the City Council's updated Strategic Plan 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

2016 Successes:

Department Expenditure Management – All departments operated within FY 2016 budget in line with the Core Value “We commit to excellence and the highest quality standards.”

Reserves – Increased General Fund Reserves to 60% from the prior year financial policy target of 55%.

Debt – Advance payments totaling \$2.5 million on the 2014 Line of Credit were made. The advance payments repaid the line of credit for Fire Trucks, Branding/Wayfinding signage, Cultural Center Parking Lot Paving, Recreation and Parks improvements, street resurfacing, the Waterway East Connector Parkway Study, a Public Works Bucket Truck and the Allen beach property purchase. A long term ten year taxable line of credit of \$13.5 million was issued primarily to facilitate construction of the Gulf Place redesign.

Airport Authority – In 2016 the Airport Authority completed the first year of operating on a self-sustaining basis which included reimbursing the City of Gulf Shores for all airport personnel costs. Other significant Airport Authority 2016 accomplishments were:

- Aircraft parking apron space was increased by 50% with the on-budget completion of a new heavy aircraft commercial apron built at a cost of \$5 million funded jointly by FAA, GSAA, and ALDOT on a 90/8/2% basis respectively.
- Airport operating revenues increased 27% over 2015. An operating reserve fund was established with a minimum of 6 months airport operating expense.
- Increased aviation service centers on airport from 1 to 3 with the addition of Platinum Air Center and Salt Air Center to serve the needs of corporate aviation travelers.
- Other new tenants included Go Rental and Gulf Aircraft sales.
- Initiated with Baldwin County Economic Development Alliance the “Business Where You Beach” marketing campaign.

Beach Operations and Recycling Program – 2016 Beach Operations took on another significant role on our 8 miles of beach. The Leave Only Footprints Ordinance was passed at the end of 2015 and we partnered with the CVB, City of Orange Beach and Share the Beach to keep a clutter free beach. Every night the city patrolled 8 miles of beach and gathered items left behind. In 2015 the city picked up 30 tons of broken tent frames, chairs and umbrellas that were abandoned and laid stagnant on the beach for days. In 2016 we collected approximately 18 tons of items that were left on the beach outside of the specified times. This was a success for the cleanliness of the beach and the record number of sea turtle nests.

Public Works continued to place trash and recycle receptacles along 4 miles of beach at every 125 feet and service them twice a day. We established a drop off recycling facility with grant funds from ADEM in the amount of \$226,602 which allowed the city to purchase recycling containers, balers, conveyor, vehicle, forklift and a glass pulverizer. Combined amounts from the drop off facility and beach recycling totaled 250 tons of recycle material, which included 18.5 tons of Aluminum, 34.5 tons of Metal, 23.8

tons of Plastic, 40 tons of Glass, 3 tons of Electronics, 16.2 tons of Paper, 114 tons of Cardboard and 101 tons of trash. Also, the city went to once a week curbside trash and recycle collection. As a result of this decision we project the residential recycling to be a total of 460 tons which is 130 tons more than 2015.

Benefit Cost Controls – For the 2016 year the City had 75% of all City-insured employees and their spouses (293 total) participate in the City’s wellness program by having the annual health assessments in August. Symbol Health has reported that during the first 10 months of the Employee Health Clinic operations for 2016, 63% of the City employees, 26% of their spouses and 11% of their dependents utilized the clinic producing a total of 2,347 clinic visits. These “redirected” visits resulted in a total savings of \$166,637 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 20 employees participated including six who completed the full triathlon. A total of 42 employees completed the Zydeco Festival 5K run/walk.

Customer-oriented web-based applications / permitting /bond tracking – Efficiencies continue to be realized as a result of the streamlined processes and interdepartmental cooperation which were made achievable due to the Citizenserve implementation. Ongoing enhancements continue with the addition of performance bond tracking in Citizenserve and the impending tax conversion. Citizen engagement through the Customer Access Portal demonstrates a pattern of positive growth and provides an ongoing benefit to our customer centric culture. The Planning & Zoning Department has fully implemented the Citizenserve software into our application review process. Citizenserve, in combination with the Bluebeam plan review software, will help the Planning & Zoning Department achieve its goal of completely digitizing the plan review process beginning in 2017. Citizenserve has greatly improved plan review efficiency, communication between the city and applicants, is more environmentally friendly (reduces amount of paper), and is easier to archive plans.

Cultural Center – In line with Vision 2025’s Community Planning Strategy, the Cultural Center serves to protect and enhance the quality of life for local youth, adults and seniors through multi-faceted, life-long recreational and educational opportunities. In accordance with the City’s Land Use Plan Strategic Development Concept, the Cultural Center in 2016 diversified and expanded its provision of physical, recreational and educational services north of the Intracoastal Waterway. Noteworthy were the addition of a Teen Summer Program, enhanced youth programming partnerships with local public schools, expanded adult athletic and fitness-based programs, and an audited restructuring of facility staff in effort to enhance visitor experience, maximize efficiency, and meet projected community growth demands. Continued support of the University of South Alabama Lecture Series and international artists have brought regional recognition to the Cultural Center as well as contributed to the City’s efforts to expand economic opportunities north of the Gulf Beach District.

Economic Development – Commercial construction permits for valuations totaling \$13.1 million are projected to be issued in FY 2016 which will be double the amount issued in 2015. Auburn University

was successfully recruited to construct a new education complex adjacent to the City's planned Coastal Alabama Center for Higher Education along the Beach Express. The area's first craft brewery, Big Beach Brewing Company, was built in Waterway Village. The Baldwin County Economic Development Alliance, Coastal Alabama Business Chamber, Gulf Shores and Orange Beach Tourism, Gulf Shores Airport Authority and the City of Orange Beach partnered to launch the Business Where You Beach economic development marketing campaign. Work began with the Baldwin County Board of Education to establish a Special Tax District for the Gulf Shores High School feeder pattern to provide new opportunities to generate additional funding for local school construction and to enhance educational opportunities for local students.

Gulf Place Revitalization Phase I - The City's most prominent stretch of beach front property at the junction of Highway 59 and Beach Boulevard is being transformed. The Gulf Revitalization Project, a \$15 million project, will transform this area into a more welcoming, accessible, pedestrian and bike-friendly environment for both residents and visitors. Site preparation began in September with construction beginning in November and the \$4.4 million first phase is scheduled to be completed by April, 2017. The Mayor and City Council of the City of Gulf Shores had this as an objective of the Small Town, Big Beach Vision 2025. Over 350,000 visitors come to this area each year with an economic impact of \$100,000,000.

Personnel - The Council has invested \$1.8 million dollars over the past 5 years to get salaries to 95% of market. An internal benchmark study done in 2016 found City salaries to be at 102% of market for local area municipalities.

Recreation Capital Improvement Projects – Major capital improvement projects for recreation were undertaken in 2016 that will benefit the City residents:

- Bodenhamer Pool – New HVAC, ceiling repair, and pool resurfacing
- Tennis Courts – Clay courts shade structure dismantled, courts resurfaced and lighted

Transportation - Public Works oversaw the completion of one mile of 8 foot wide sidewalks along both sides of State Hwy 59. Being in the heart of the City's beachfront walking district, the new sidewalks provide thousands of pedestrians with safe, handicap accessible, recreational pathways that connect to dozens of businesses and restaurants. To provide relief to traffic congestion, improve connectivity to our Business & Aviation Park as well as our future school campus, and spur future economic growth, Public Works managed a corridor/environmental study that will allow for the construction of 5 miles of new roadways.

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.” In addition to assisting the area's first craft brewery, Big Beach Brewing Company, being built in Waterway Village, the City hosted the second annual 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.

2017 Priorities:

General Fund Reserves – The Fiscal Year 2017 Budget proposes to budget an additional \$1 million to fund a 65% Reserve and plan to increase reserves by 5% annually to address concerns about FEMA’s ability to respond to future incidents. Of the 65% General Fund Reserve, 35% will be maintained as a stabilization reserve to enable the city to withstand fluctuations in tourism revenue streams, address any potential unfunded pension liability of the City to the Retirement Systems of Alabama (RSA), to 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. The 2017 Budget proposes an operations reduction of \$573,535 or -1.67%.

Debt – Continue to reduce outstanding debt in 2017 – advance payments for land purchases on the 2014 non-taxable line of credit will be made. The 2014 non-taxable line will be used primarily for grant matched transportation projects. The 2014 non-taxable line will be replaced with long term debt in 2018.

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. Police Impact Fees will offset the expense of one of the new vehicles. Street Resurfacing funds of \$500,000, Windmill Bridge redecking expense of \$100,000 and replacement vehicles/equipment of \$124,500 are budgeted for Public Works in the General Fund with Public Works impact fees of \$200,000 offsetting the expenses. Recreation and Cultural Affairs improvements will be offset with \$305,000 of Recreation impact fees to offset the expense.

Economic Development - Continue to focus on growing the Waterway Village district by helping existing businesses expand and recruiting new businesses to locate there. Complete a city-wide retail market analysis to assess development opportunities and to develop targeted recruitment strategies for the Highway 59 corridor, Waterway Village and Gulf Beach District. Expand on the initial launch of the “Business Where You Beach” marketing campaign to recruit corporate, white-collar jobs to the area. Continue working with the Alabama Department of Transportation, Federal Aviation Administration and the Gulf Shores Airport Authority to advance to the goal of constructing a new eastern roadway connection from the Business and Aviation Park to the Beach Express.

Fiber Optic Improvements City Sites - Provide additional fiber optic connectivity to City sites in order to install cameras for increased surveillance and security.

Gulf Place Phase I and II - Phase I improvements scheduled to be completed by April, 2017 will include enhanced and expanded public parking, a 20 ft. wide beachfront boardwalk, seating and shade structures, renovated public restroom facilities, a new Beach Safety Headquarters and extensive natural/coastal landscape. It will provide a pedestrian environment that is both safe and walkable. Shops and restaurants

in the downtown area will be impacted by greater access due to beach connectivity. Views of the Gulf will be enhanced and preserved. Moving forward, the economic success of this area will be greatly impacted by the implementation of public access and pedestrian safety.

Phase 2 of the Gulf Place Project is estimated to cost \$5.5M, and will include construction of new restroom facilities, public green spaces, pedestrian beach accesses, new Gulf Place entrance from Beach Blvd, a 20' wide beachfront boardwalk, connecting sidewalks, an interactive fountain, attractive landscaping, redesigned parking and drop-off locations, and a beach maintenance storage area

Recreation Projects - Upgrades and renovations to City properties are budgeted to benefit both residents and visitors:

- Gulf Place Phase I and II
- Sportsplex Shade Tents (Coke funded) and Painting, Phase I
- Cultural Center Equipment
- Sims Park Dugouts and Bleacher replacement
- Library Renovation
- Civic Center Renovation
- Little Lagoon Fishing Pier
- Fort Morgan Trail Phase II to Lagoon Baptist Church

Transportation – Numerous transportation projects are planned for 2017 including:

- Beach Boulevard Pedestrian and Median Improvements
- County Road 6 Intersection Improvements
- Highway 59 Sidewalks & Bridge Widening (Phase II)
- Windmill Ridge Road Bridge redecking
- Street resurfacing

Fire and Rescue – North Gulf Shores has experienced rapid growth over the last several years. Residential Construction, expanded City facilities, and Sportsplex utilization have combined to increase service calls by 30% since 2012. To meet this need the proposed 2017 budget includes an additional Firefighter/EMT position and an additional Firefighter/Paramedic. Provisions are being made to locate the staff and equipment in the North Gulf Shores area.

Police – Two additional positions, a Communications Officer (E911) and a Detention Supervisor were budgeted to ensure community safety and to adequately meet additional demands.

Personnel Expenses – While the City continues to maintain personnel costs at 54% of budget, which is customarily between 60 to 75% for localities, the FY2017 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 2017 Budget proposes to budget \$119,946 for merit increases of 1.5% to 2.5% for highest performing City employees at their anniversary dates in 2017.

Budget Adoption

This budget was formally adopted by the City Council on November 28th, 2016 and establishes a fiscal plan for the City's Fiscal Year January 1 to December 31, 2017. 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 2017 Budget by Council November 28th, 2016. The Finance Committee met regularly during the year to review ongoing 2016 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 will increase its General Fund Reserves from 55% to 60% at the close of Fiscal Year 2016. The 2017 Budget reserve target is 65% 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 2016 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 2017, as a general rule, should not exceed 2016 budgeted amounts, since the City will absorb four new positions, a merit increase, 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 2017 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 2017. Also included by department are historical, current, and future financial data and staffing by department.

Current Fiscal Condition

At the close of 2016, the City is projected to exceed the overall financial reserve target of 60% of budget or \$21.9 million comprised of \$10.952 million for the General Fund and \$10.952 million for Beach Reserves. Sales Tax and Business License collections in 2016 increased by 6% over the record levels of the prior boom year. Lodging Tax collections were up 5% over the prior year. Building permits increased 162% from the prior year.

Despite slow growth in the national economy, the City has continued to thrive economically. Increased exposure of the area has more tourists coming from all over the United States 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 opened in the South Waterway District. In 2015 several festivals and art markets were held in the district to further promote the district. In 2016 a new restaurant, The Diner and Gulf Shores Big Beach Brewery opened. The Waterway Village District is designed to provide a new entertainment/shopping/business district north of the beach area. Auburn University jointly announced with the City and other partners in October 2016, the development of a 25,000 square foot Veterinary Surgical Facility combined with a Cooperative Extension Service Office off County Road 8 and the Foley Beach Express.

A new education campus is 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, Falkner 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 69 significant events in 2016. Noteworthy in 2016 was the City's hosting of the inaugural National Collegiate Athletic Association (NCAA) Beach Volleyball Championship which was awarded *Best New Event of 2016* by Sports Travel Magazine. This nationally televised event provided significant exposure to Gulf Shores'

beaches and the State of Alabama, and for which will return again in 2017. In addition, the City in conjunction with the Gulf Shores & Orange Beach Sports Commission successfully hosted an NCAA Division I softball tournament, as well as numerous United States Specialty Sports Association (USSSA) Global World Series and Alabama State High School baseball and softball tournaments.

The City's nearly \$1.5M investment in the Sportsplex Track & Field facilities has proven to be a key strategy in implementing Vision 2025's economic, geographic and seasonal diversification priorities. As such, the City will continue to host the National Association of Intercollegiate Athletics (NAIA) Outdoor Track & Field National Championship and the Alabama State High School Track Championship and numerous other track and field events. In addition to the aforementioned track and field championships, and owing to the City's commitment to excellence and the highest quality standards, the Sportsplex will now host the Alabama Independent School Association (AISA) State Track Championship in 2017 & 2018.

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 and was updated by Council November 14th, 2016. 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 and updated for progress to date is 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 / being 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. County Road 4/Cotton Creek Bridge improvements will be completed
 - d. 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 and to accommodate future growth.

MEDICAL – Accomplishments

1. South Baldwin Regional Medical Center has identified possible relocation sites along the Foley Beach Express and City recommendations have been provided.
2. Full separated intersection of County Road 8 and the Foley Beach Express has been designed and included with new ALDOT-planned roadway connection from the Beach Express to Cotton Creek Drive and Waterway East Boulevard.
3. Transportation improvements along Cotton Creek Drive completed in 2015 including 3 full travel lanes and bike paths from Highway 59 to Cotton Creek Bridge.
4. ALDOT is proceeding with design plans for a new roadway connection from the Beach Express to Cotton Creek Drive and Waterway West Boulevard to provide residents and emergency vehicles with a more efficient north/south route to locations including a possibly relocated South Baldwin Regional Medical Center on the Foley Beach Express.
5. Roscoe Road was resurfaced by the County in 2015.

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 – OUTCOMES

In 2017, the City of Gulf Shores will support a special tax district referendum for funding to complete needed capital improvements, including a new Coastal Alabama High School, new Coastal Alabama Middle School and expanded elementary school in Gulf Shores.

By 2019, the first phase of the new education campus will open with a new Coastal Alabama 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 5 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, Auburn University 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 continue to support a Baldwin County referendums, special tax districts and sales tax renewals for countywide funding, including the new Coastal Alabama High School construction and new or expanded Middle and Elementary facilities.
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.

EDUCATION – Accomplishments

1. The City Council appointed a Public Education Building Authority to assist in providing tax exempt bond financing for new and improved education facilities in 2016.
2. The City Council has assembled approximately 225 acres at the intersection of County Road 8 and the Foley Beach Express for public education facility recruitment and location.
3. Successfully recruited Auburn University to construct a new educational complex adjacent to the planned Coastal Alabama Center for Education Excellence campus.
4. The Mayor has appointed and is actively working with a primary and secondary public school task force to assist the City in working with the Baldwin County Board of Education to provide new and expanded public school facilities to meet current and future needs.

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 walkable 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 – OUTCOMES

The City will facilitate additional public-private development opportunities for the revitalization and continued development of properties within Waterway Village.

Over the next 5 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.

By 2019, the City will construct a new roadway extension linking the Business and Aviation Park and Waterway East Boulevard to Cotton Creek Drive and the Foley Beach Express.

Over the next 5 years, the City will work with the Gulf Shores Airport Authority, Federal Aviation Administration and other aviation partners to offer regional charter flight services, facilitate the construction of an air traffic control tower and study the feasibility of a commercial flight terminal at Jack Edwards Airport.

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 quainter and more pedestrian-friendly area surrounding Waterway Village South.

WATERWAY VILLAGE – Accomplishments

1. City staff have partnered with the Gulf Coast Arts Alliance and businesses within Waterway Village to host monthly art shows, the annual Zydeco and Crawfish Festival and an annual haunted house weekend in the Waterway Village to support area businesses and draw more attention to the district.
2. TIGER Grants have been submitted for the purpose of providing better transportation solutions and new economic development opportunities on both the north and south sides of Waterway Village.

3. City staff have organized a business advisory group of Waterway Village business owners for better communication, coordination and continued expansion of events and activities aimed at growing the district.
4. Successfully recruited the area's first craft brewery, Big Beach Brewing Company, which opened in October 2016.
5. In 2015, the Business and Aviation Park was designated as an Alabama Advantage Site and new master plan and zoning ordinances were updated to help attract new, targeted economic development prospects that will result in more diversified economic growth and additional jobs within the city.

GULF STATE PARK – VISION 2025

Enhancement of Gulf State Park will foster a synergistic and sustainable relationship amongst 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. Construction on the lodge and conference center began in 2016.
 - 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 5 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.

By 2018, 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 5 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 of the Intracoastal Waterway
 - c. The development of the proposed East Beach Boulevard bypass

GULF STATE PARK – Accomplishments

1. The State of Alabama has begun construction of a 350 room Hilton-branded lodge, 180 seat restaurant and 40,000 square foot conference facility that is scheduled to open May 2018.
2. Over 9 miles of new pedestrian- and bike-friendly trails are currently being completed within Gulf State Park.
3. Installation and programming of Highway 59 adaptive traffic signalization was completed in 2015.
4. The City is on track to complete new 8-foot sidewalks and access management along both sides of Highway 59 from Fort Morgan Road to Beach Boulevard in 2017. These projects combined are projected to increase traffic capacity on Highway 59 by 18%.
5. A new Master Plan for Gulf State Park was completed in 2016 which identified new and enhanced facilities and programs for residents and visitors to enjoy.

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.

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 walkable community that is welcoming, safe and accessible.
- Storm damage recovery is lessened by rerouting major roadways farther north from the coastline.
- Walkable 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 walkable, 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 2017, the City of Gulf Shores will consider new and updated zoning regulations that support the desired scale and development for a walkable beachfront.

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

By 2018, the City of Gulf Shores will complete new, enhanced pedestrian and bicycle improvements from Gulf State Park to West Lagoon Drive to foster a more walkable tourist destination that provides safe pedestrian access to dining, shopping and entertainment.

By 2020, the City of Gulf Shores will complete new, safer pedestrian and bicycle access from West Lagoon Drive to Laguna Key.

By 2018, the City of Gulf Shores will complete the Gulf Place Revitalization Project which will transform the city's most iconic stretch of beachfront and stimulate economic development within the Gulf Beach District by providing a more welcoming, accessible, pedestrian- and bike-friendly environment.

Over the next 5 years, the City of Gulf Shores will encourage public-private partnerships to facilitate increase economic development throughout the Gulf Beach District.

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 and Gulf State Park to develop and implement transportation improvements to better accommodate eastbound traffic (currently 22% of all traffic utilizes the W.C. Holmes Bridge) to the State Park and Orange Beach.
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 improvements that take 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 enter into a public-private partnership to complete a significant mixed-use development on a city-owned 1.92 acre parcel along West Beach Boulevard.
7. The City will encourage small business growth within the Gulf Beach District by completing the Gulf Place Revitalization Project, providing additional public parking and other infrastructure improvements.

GULF BEACH DISTRICT – Accomplishments

1. In 2015, the Beach Litter Program was implemented by the City Council which established enforcement protocols, clean up/recycling operations and a beach enforcement officer program.
2. In 2016, the City of Gulf Shores partnered with the City of Orange Beach, Gulf Shores and Orange Beach Tourism and the Gulf State Park to develop and implement the "Leave Only Footprints" ordinance which requires the removal of all items from the beach daily. This program has resulted in cleaner, safer and more environmentally-friendly beaches for residents and visitors to enjoy.
3. The City secured grants and constructed new beach access facilities at West 10th Street and West 12th Street.

4. In 2016, the City Council adopted a new Gulf Place Master Plan and the first phase of construction is now underway.
5. The City has secured grants and partnerships with ALDOT to provide new 8' sidewalks, 5' bike lanes, signalized pedestrian crosswalks and landscaped medians along Beach Boulevard from Gulf State Park to West Lagoon Drive. Work is scheduled to be completed in conjunction with ALDOT resurfacing in fall 2017/Winter 2018.

Short-Term Goals/Factors Impacting Budget Development

The City's bond rating was reaffirmed in September 2016. The Council continues to focus on paying off short term debt as quickly as possible. Increased Sales, Lodging Tax, Business License and Building Permit Collections in 2016 has enabled the City to maintain a very secure financial position.

SUMMARY OF THE FISCAL YEAR 2017 BUDGET

Significant Budget Items and Trends

At the November 2016 Finance Committee meeting 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 2016 Finance Committee meeting.

Employee Pay Adjustments - In the 2017 Budget, \$119,946 in City General funds were set aside for merit increases based on annual review of 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 2017 Budget are 4 new full-time positions, an increase in Contract Labor for Municipal Court and an increase in Contract Labor for the Bodenhamer Recreation Center due to increased customer usage and subsequent growth of all programs.

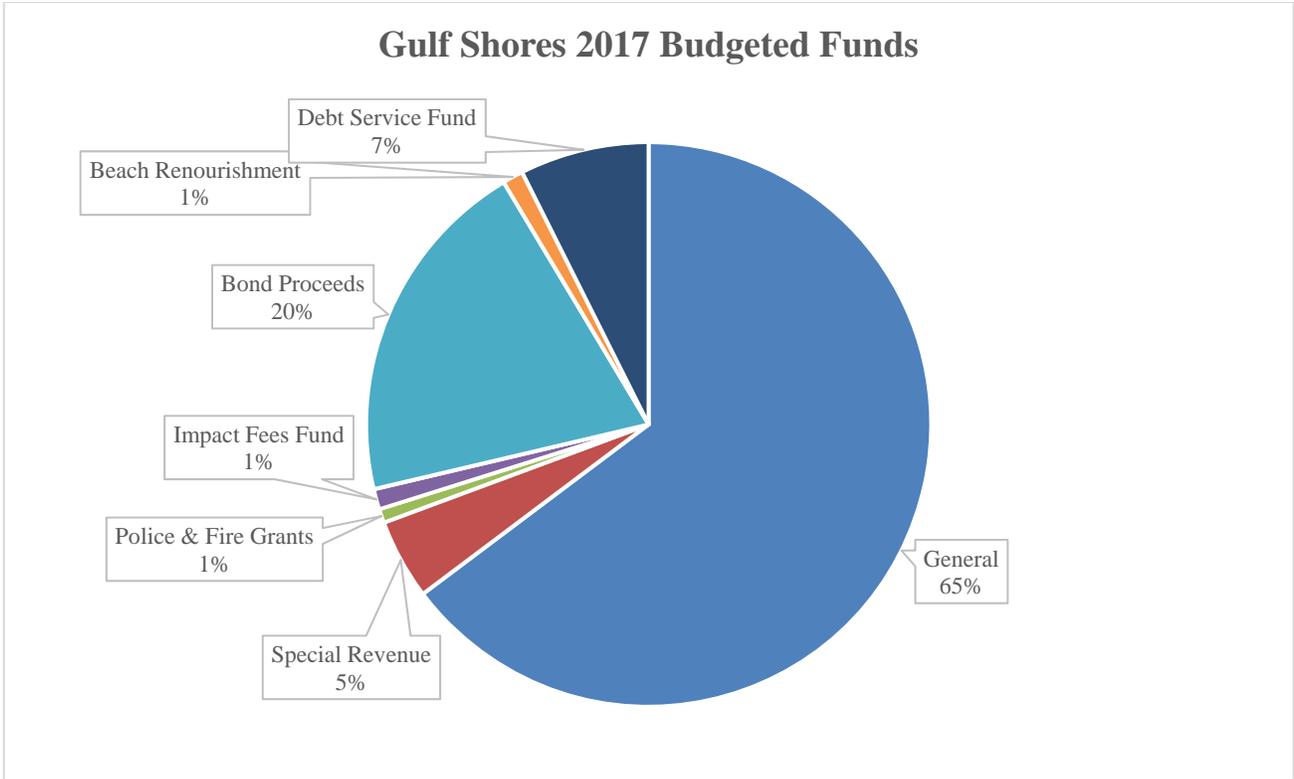
- **One Communications Officer**
- **One Detention Supervisor**
- **One Firefighter/EMT**
- **One Firefighter/Paramedic**

Fund Structure

The Adopted All Funds Budget for Fiscal Year 2017 is \$54,585,813. This represents a net increase of \$1,792,545 or 3.4% from the Amended Fiscal Year 2016 Budget of \$52,793,268. However, General Fund Expenses have decreased by 3.37% or \$1,233,035. A synopsis of the total All Funds Budget appropriated is as follows:

	Amended Budget 2016	Adopted Budget 2017	Increase (Decrease)	% Change
General	36,508,113	35,275,078	(1,233,035)	-3.37%
Special Revenue	2,631,082	2,520,651	(110,431)	-4.2%
Police & Fire Grants	415,000	435,000	20,000	4.82%
Impact Fees Fund	401,500	642,000	240,500	60%
Bond Proceeds 2014 A	4,542,835	4,543,000	165	0%
Bond Proceeds 2016 B	3,000,000	6,471,646	3,471,646	115.72%
Beach Renourishment	928,360	646,651	(281,709)	-30.3%
Debt Service Fund	4,366,378	4,051,787	(314,591)	-7.2%
Total	<u>\$52,793,268</u>	<u>\$54,585,813</u>	<u>\$1,792,545</u>	3.4%

Fund Relationship - A graphic view of the 2017 All Funds Budget is as follows:



Financial Policies

The City’s 2010 Adopted Financial Policy was updated November 2016 and is included at the end of the 2017 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 and to offset any potential pension liability. A minimum of two months operating reserves of approximately \$6 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.

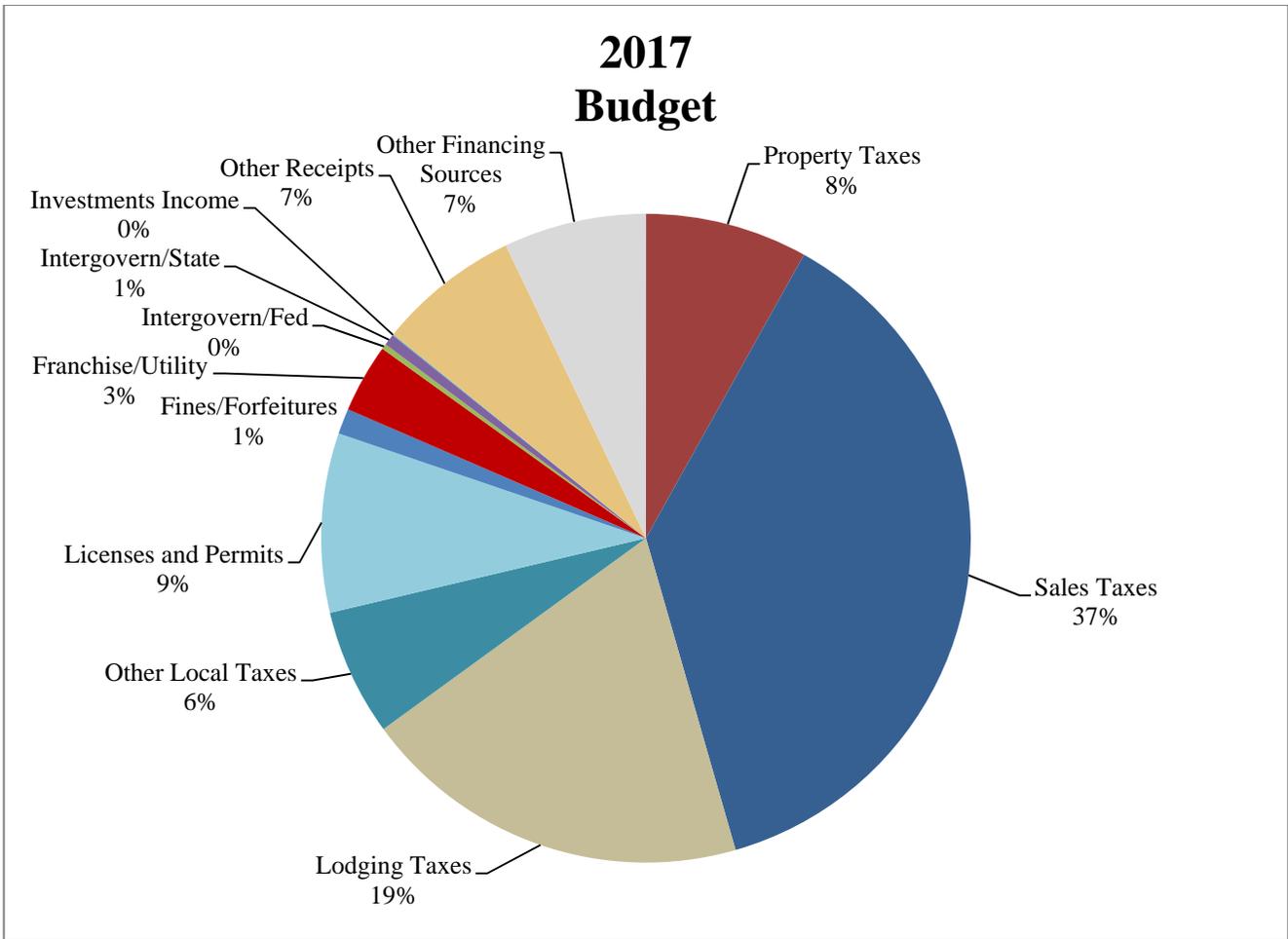
The Finance Committee in 2013 requested a longer term look at revenues, expense and reserve funds in line with the 10 year Capital Plan. Revenues, expense and reserve fund trends projections were updated in 2016 for a 10 year period with assumptions for growth more heavily weighted towards growth close 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 1 to 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 2017 the Debt Service Fund is 7% of total funds. In 2017 current debt service levels will reduce by \$314,595 and in 2018 debt service will increase by \$8.8 million due to the long term refinancing of the 2014 line of credit. The City will do a request for qualifications in 2017 or 2018 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 2017	% of Budget
Property Taxes	2,871,000	8%
Sales Taxes	13,300,000	37%
Lodging Taxes	6,900,000	19%
Other Local Taxes	2,243,000	6%
Licenses and Permits	3,172,000	9%
Fines/Forfeitures	450,000	1%
Franchise/Utility	1,218,000	3%
Intergovern/State	201,180	1%
Intergovern/Fed	91,855	0%
Investments Income	20,000	0%
Other Receipts	2,517,572	7%
Other Financing Sources	2,520,000	7%
Total	35,504,607	



Property, Sales, Lodging, and Other Local Taxes comprise 70% (same % as 2016) 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 2016, 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 2017 in order to identify future funding needs. Capital Outlays were requested for a ten year period beginning in 2017 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 2017, 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 2017.

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 2015 the City added \$1.7 million to its reserves. In 2016 reserves are projected to grow by another \$1.7 million. For 2017 we also expect to maintain a healthy fund balance of \$22.9 million or 65% of the General Fund Adopted Budget Expenses of \$35,275,078. The General Fund Personnel, Operations and Debt Service Transfer expenses for 2017 decreased \$573,535 or -1.67% from 2016.

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	26.9 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

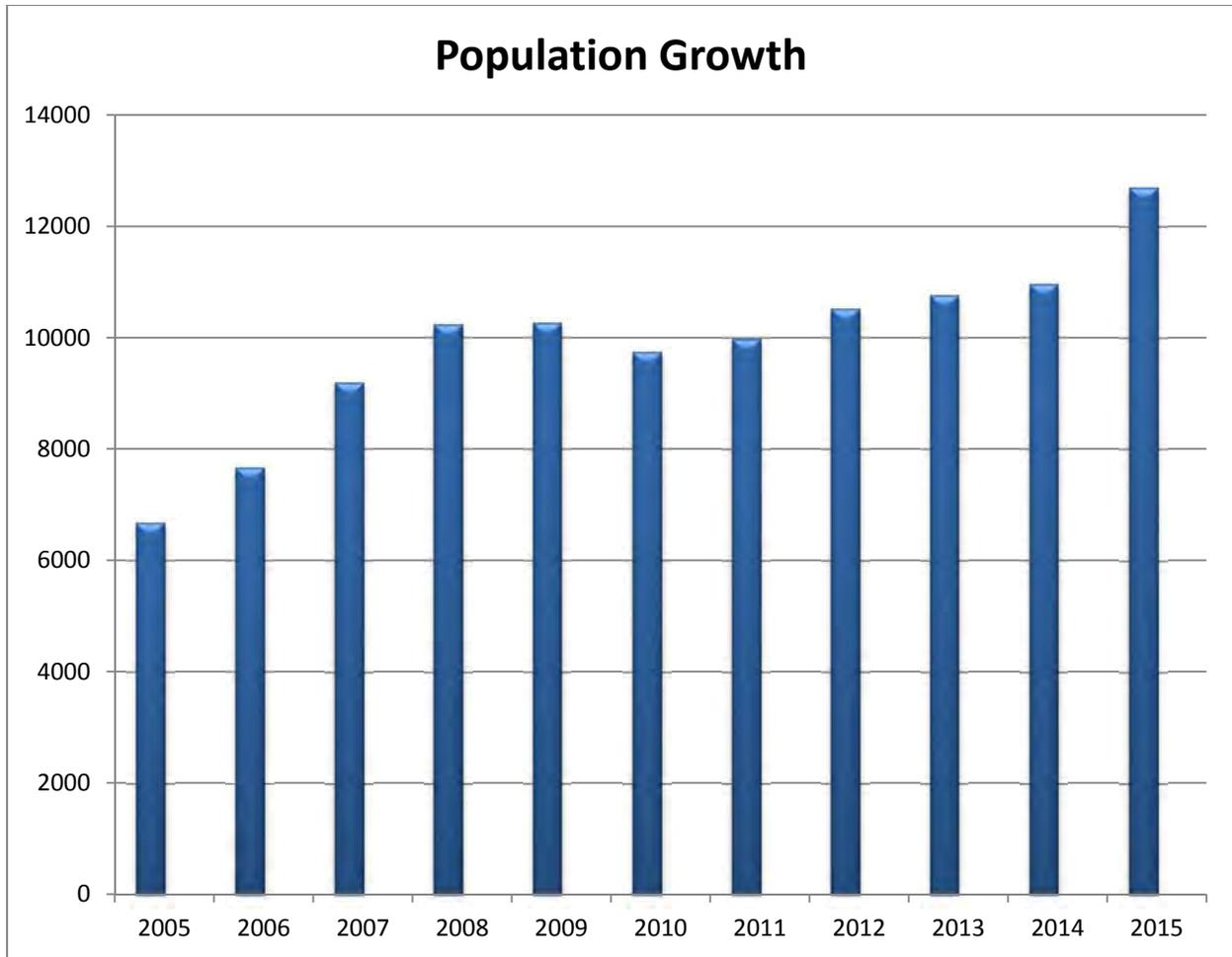
Demographics

Age, Race & Gender Composition	
White	92.4%
Hispanic	2.5%
Black	.5%
American Indian	2.4%
Asian	2.2%
Female	54.8%
Male	45.2%
Age Under 5 Years	6.0%
Age 18 Years & Over	82.9%
Age 65 Years & Over	24.7%
Median Age is 48.8 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 2010-2014

Just the Facts



Source: US Census Bureau Population Estimates, 2005 through 2015

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	664
2	Hangout Music Festival	500
3	LuLu's Landing, Inc.	465
4	Waterville	315
5	City of Gulf Shores	269
6	Gulf Shores Public Schools	241
7	Wal-Mart	238
8	Rouse's Enterprises	145
9	McDonald's	140
10	Publix Alabama	131

Gulf Shores licensed 7,684 types of businesses in 2015

**Per Capita Income within Gulf Shores in 2014
was lower than the United States level.**

2014

United States \$28,555

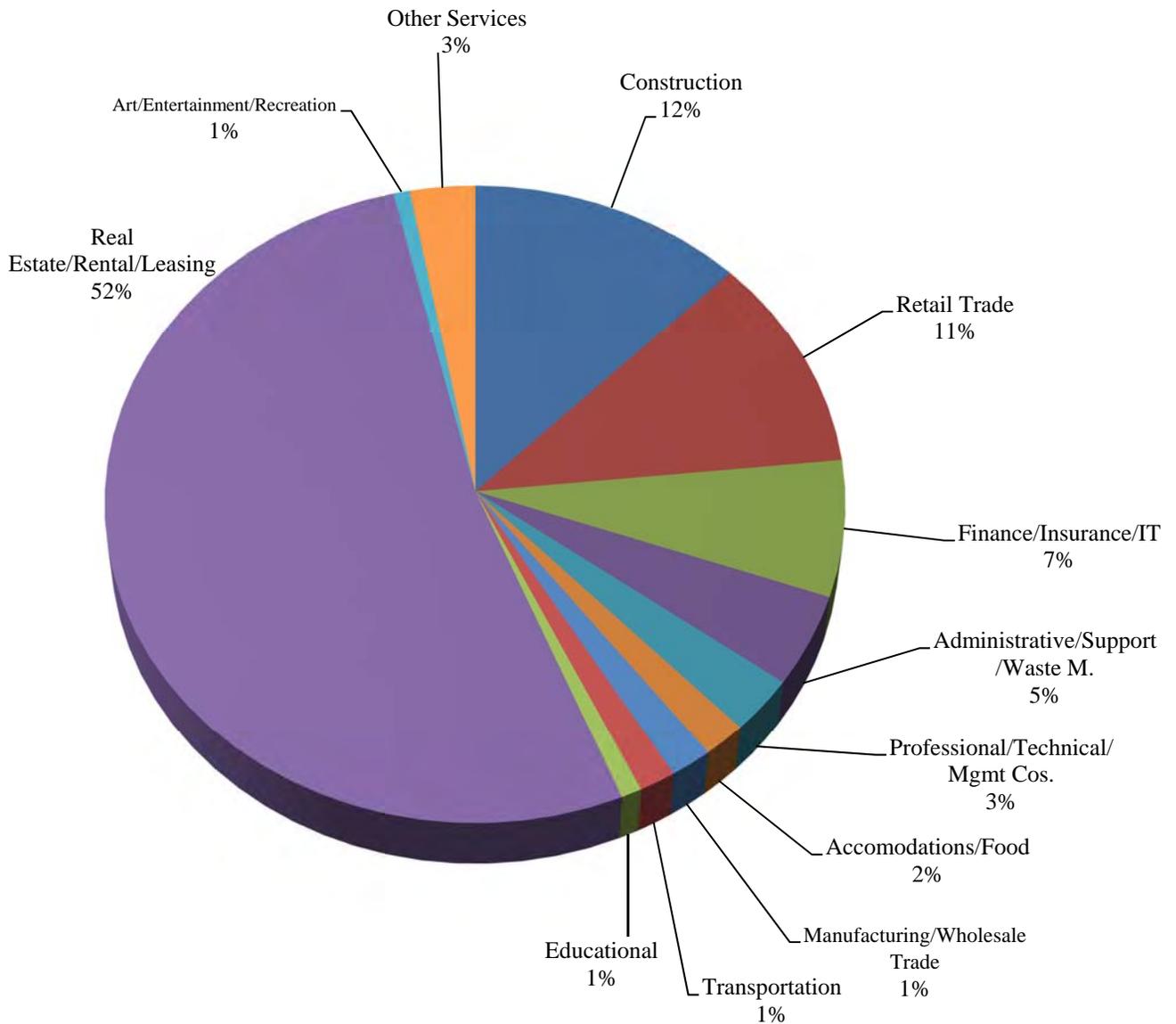
Gulf Shores \$27,556

Source: US Census Bureau – 2014 data latest available October 25, 2016

All About Gulf Shores, Alabama

Just the Facts

Gulf Shores, Alabama Business Profile



- | | | |
|-----------------------------------|------------------------------------|------------------------|
| ■ Construction | ■ Retail Trade | ■ Finance/Insurance/IT |
| ■ Administrative/Support/Waste M. | ■ Professional/Technical/Mgmt Cos. | ■ Accommodations/Food |
| ■ Manufacturing/Wholesale Trade | ■ Transportation | ■ Educational |
| ■ Real Estate/Rental/Leasing | ■ Art/Entertainment/Recreation | ■ Other Services |

All About Gulf Shores, Alabama

Just the Facts

Housing Statistics

Number of Housing Units	11,921
Owner-Occupied	6,628
Seasonal, Recreational or Occasional Use	5,293

Source: US Census Bureau Quick Facts

Housing Size

Housing Units by Size	
Studio Type	.4%
One Bedroom	7.9%
Two Bedrooms	41.0%
Three Bedrooms	36.4%
Four Bedrooms	9.7%
Five Bedrooms or more	4.5%

Just the Facts

Owned Homes, Apartments and Condos

Average Household Size	2.19
Median Year Structure was Built	2000
Median Value of Occupied Units	\$221,600

Rented Homes, Apartments and Condos

Average Household Size	2.23
Median Year Structure was Built	2000
Median Monthly Rent Asked for Vacant Units	\$891

Service Statistics:

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

Public Safety 2016	
Fire Protection	Police Protection
Fire Stations 4	Primary Patrol Districts 3*
Sworn Employees 42	Sworn Employees 47
Civilian Employees 1	Civilian Employees 18
*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-Use Paths.....18
Multi-Purpose Fields.....5	Bike Lanes.....9.8
Football Stadium 1	Sidewalks.....37.4
Swimming Pool..... 1	Combination Paths.....4
Play Grounds2	
Beach Volleyball Courts4	
Picnic Areas6	
Civic Center 1	
Library..... 1	
Boat Launching Facilities2	
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 Courts2	

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 2017

City of Gulf Shores, Alabama Budget 2017

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	X				
Police	X	X	X	X	X	
Fire & EMS	X		X	X		
Community Development	X					
Building	X					
Recreation & Cultural Affairs	X			X		
Special Events & Programs	X			X		
Library	X			X		
Recreation - Bodenhamer	X					
Recreation - Sportsplex	X			X		
Recreation - Parks	X			X		
Recreation - Beach	X					
Recreation - Cultural Center	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					
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 2017 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, 2016-B 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 9% Licenses and Permits. Over half (54%) of the General Fund expenditures are related to salaries. Transfers for Debt Service makes up 11.4% 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 21.7% of the General Fund expenditures and Capital is 4.4% 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 2015 additional funds of \$1.7 million were added to the reserves. The City is in compliance with the City's updated City Financial Policy adopted in 2016 with the passage of the 2017 budget. The 2016 City Financial Policy requires a General Fund cash reserve equal to sixty-five percent for 2017. General Revenue fund reserves in 2017 will comprise 35% of the General Fund Operating Budget and a Beach Reserve equivalent to 30% of the General Fund Budget. In 2016 the City was able to maintain 60% of the General Fund target level of reserves needed of \$10,952,433 (30%) and to the Beach Reserves \$10,952,433 (30%) in order to sustain operations during fluctuations of the revenue streams. Total reserve funds target for 2017 is \$22,928,800 or 65% 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 2017 continued objectives included a beach and city-wide 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. 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 2017 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. The 2014-A short-term debt will be converted to long-term debt in 2018.

2016-B GO WARRANT FUND

The 2016-B GO Warrant Fund is a 10 year term debt primarily used for the acquisition and construction of the Gulf Place Revitalization Project. These investments aim to increase public access and pedestrian safety along Highway 59 and Beach Boulevard.

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 2015 of \$534,967,860 were received from the Baldwin County Revenue Commissioner's Office, which would result in a debt limit of \$106,993,572. Our current debt limit is \$113,217,144, which is based on 2016 assessed property values of \$566,085,720. Current debt obligations are \$38 million. Projected 2017 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
2016	566,085,720	20%	113,217,144	38,396,001
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

As of October 31, 2016 the governmental long term debt consisted of the following:

General Obligation (GO) Warrants:

2016-B GO Warrants - Line of Credit available \$13,500,000

The 2016-B GO Warrants proceeds are being used to fund the Gulf Place Revitalization Project. Expenses include land acquisition, transportation efforts as well as public and pedestrian access improvement. We anticipate 2017 Debt Service payments of interest only of \$171,000 to be repaid from the General Fund. The line matures June 15, 2026.

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 \$12,103,600 and is repaid from the General Fund. Debt Service amount due in 2017 is \$367,990; 2018 amount due is \$367,090.

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 2017 Debt Service payments of interest only of \$150,000 to be repaid from the General Fund. The line matures December 15, 2018.

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 \$18,706,237 and is repaid from the General Fund. Debt Service amount due in 2017 is \$2,091,610; 2018 amount due is \$1,347,111.

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 \$5,150,430 and is repaid from the General Fund. Debt Service amount due in 2017 is \$1,062,208; 2018 amount due is \$1,247,808.

Debt service payments by year are as follows as of October 2017:

Debt Service Payments by Year

	Principal	Interest	Total
2017	2,834,154	1,212,808	4,046,962
2018	11,344,154	1,181,109	12,525,263
2019	2,265,000	970,245	3,235,245
2020	2,335,000	891,713	3,226,713
2021	2,625,000	834,649	3,459,649
2022	2,465,000	762,029	3,227,029
2023	2,715,000	708,944	3,423,944
2024	2,780,000	647,140	3,427,140
2025	2,840,000	582,150	3,422,150
2026	2,510,000	414,738	2,924,738
2027	2,620,000	215,226	2,835,226
2028	2,725,000	109,726	2,834,726
2029	0	0	0
Total	40,058,308	8,530,477	48,588,785

City of Gulf Shores, Alabama 2017 Budget Calendar

Date	Action
January 19, 2016	Special Council Meeting with Mayor and Council and project managers to discuss status updates of projects related to the Five Point Strategic Vision, Small Town, Big Beach 2025 Vision for Sustainability.
June 15 & 29, 2016	Department Heads meet to build Ten Year Capital Outlay Plan. Two 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 2017 Budget. Finance committee received Ten Year Capital Plan and 2017 Capital Budget Requests at the August 31st Finance Committee meeting.
July 28, 2016	Budget Preparation Instructions sent to Department Heads with request to not exceed 2016 budgeted amounts in total by Department. 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 objectives for specific units and programs. Objectives and measures need to be linked and outcome related. Budget Book 2017 request for updates were sent to departments August 30, 2016.
September 23, 2016	Budget Requests due to Finance & Administrative Services Director. Requests were compiled with recommendations for meeting needs with revenue sources.
October, 2016	City Administrator 2017 Budget recommendation prepared for Mayor and Council.
October 26, 2016	Council Fall retreat for Strategic Vision 2025 project updates.
November 2, 2016	Finance Committee reviews Budget Requests including Budget Message, General Fund revenue and expense projections, position and Capital requests.
November 21, 2016	Committee of the Whole (COW) meeting for full Council review
November 28, 2016	Council Adoption of 2017 Budget

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CITY OF GULF SHORES, ALABAMA
FINANCIAL SUMMARIES
TABLES AND GRAPHS
FISCAL YEAR 2017

TABLE 1
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2017

	Actual 2014	Actual 2015	Amended 2016	Adopted 2017	Dollar Change 2016 to 2017	Percent Change 2016 to 2017
REVENUES						
General Fund	26,986,061	27,311,267	29,395,403	30,254,607	859,204	2.92%
Special Revenue Funds:						
2% Lodging Tax	2,588,877	3,056,983	2,641,000	2,761,000	120,000	4.54%
Designated Taxes	462,692	452,224	415,000	435,000	20,000	4.82%
Impact Fees	540,672	416,500	401,500	642,000	240,500	59.90%
Library Board Fund	12	15	0	0	0	n/a
Capital Projects Funds:						
Beach Restoration	13	31,576	197,278	26,000	(171,278)	-86.82%
2008 GO Warrant	325,893	138	0	0	0	n/a
2012 Refunding	1	0	0	0	0	n/a
2014 GO Warrant	5	500,278	1,251,504	1,050,000	(201,504)	-16.10%
2016-B GO Warrant	0	0	0	0	0	
Capital Improvements/Grants	254,129	366	0	0	0	n/a
Storm Damage	1,287,280	6	0	0	0	n/a
Debt Service	2,011,857	1,975,344	0	0	0	n/a
TOTAL REVENUES	34,457,492	33,744,697	34,301,685	35,168,607	866,922	2.53%
EXPENDITURES						
General Fund	25,254,291	25,786,528	27,648,392	28,233,283	584,891	7.22%
Special Revenue Funds:						
2% Lodging Tax	0	0	0	0	0	0.00%
Designated Taxes	53,662	43,815	50,000	45,000	(5,000)	-10.00%
Impact Fees	342,413	242,879	69,500	442,000	372,500	535.97%
Library Board Fund	(660)	(50)	0	0	0	n/a
Capital Projects Funds:						
Beach Restoration	62,839	1,312,581	928,360	646,651	(281,709)	-30.34%
2008 GO Warrant	403,734	0	0	0	0	n/a
2012 Refunding	0	0	0	0	0	n/a
2014 GO Warrant	20,000	5,047,365	4,542,835	4,543,000	165	0.00%
2016 GO Warrant	0	0	2,884,129	6,471,646	3,587,517	124.39%
Capital Improvements/Grants	474,891	0	0	0	0	n/a
Storm Damage	1,145,758	29,400	0	0	0	n/a
Debt Service	5,601,105	13,750,611	4,366,382	4,051,787	(314,595)	-7.20%
TOTAL EXPENSES	33,358,033	46,213,129	40,489,598	44,433,367	3,943,769	9.74%
Excess of Revenues over						
Total Expenditures	1,099,459	(12,468,432)	(6,187,913)	(9,264,760)	6,280,519	-50.37%
OTHER FINANCING						
Bond Issue proceeds	890,000	15,044,148	7,260,070	9,964,646	2,704,576	37%
Bond Premium, net	0	1,012,189				
Loss on bond refunding	0	(948,650)				
Proceeds from sale capital assets	0	44,653	120,000	0	(120,000)	-100%
Transfers In	6,459,306	7,444,384	10,710,720	7,392,446	(3,318,274)	-31%
Transfers Out	(6,431,958)	(7,444,384)	(10,710,720)	(7,392,446)	3,318,274	-31%
Total Other Financing Uses	917,348	15,152,340	7,380,070	9,964,646	2,584,576	35.02%
Net Change in Fund Balance	2,016,807	2,683,908	1,192,157	699,886	(492,271)	-41.29%
Fund Balances - Beginning (restated)	24,487,556	26,336,092	29,020,000	30,212,157	1,192,157	4.11%
Fund Balances - Ending	26,504,363	29,020,000	30,212,157	30,912,043	699,886	2.32%

GRAPH 1
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2017

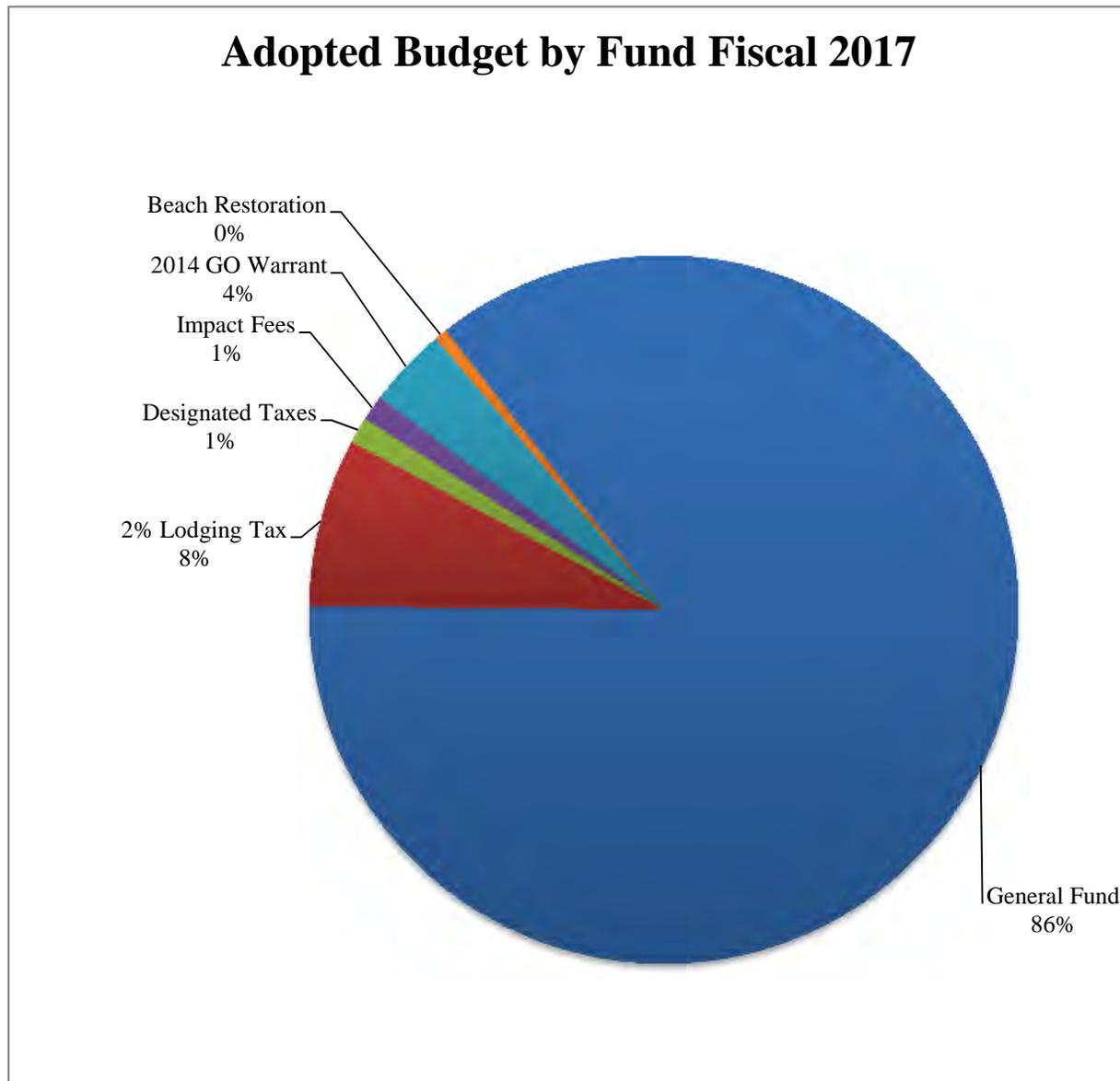
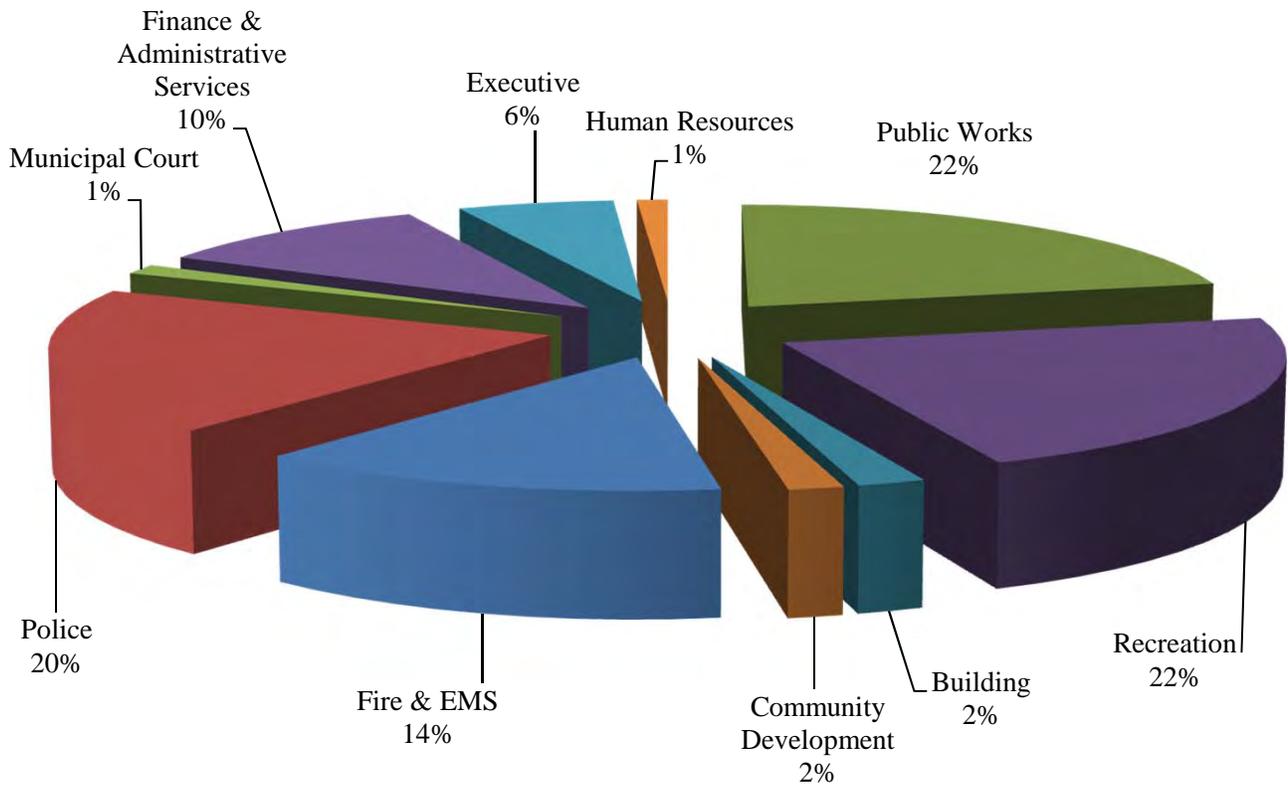


TABLE 2
CITY OF GULF SHORES, ALABAMA
GENERAL FUND ADOPTED BUDGET
FISCAL YEAR 2017

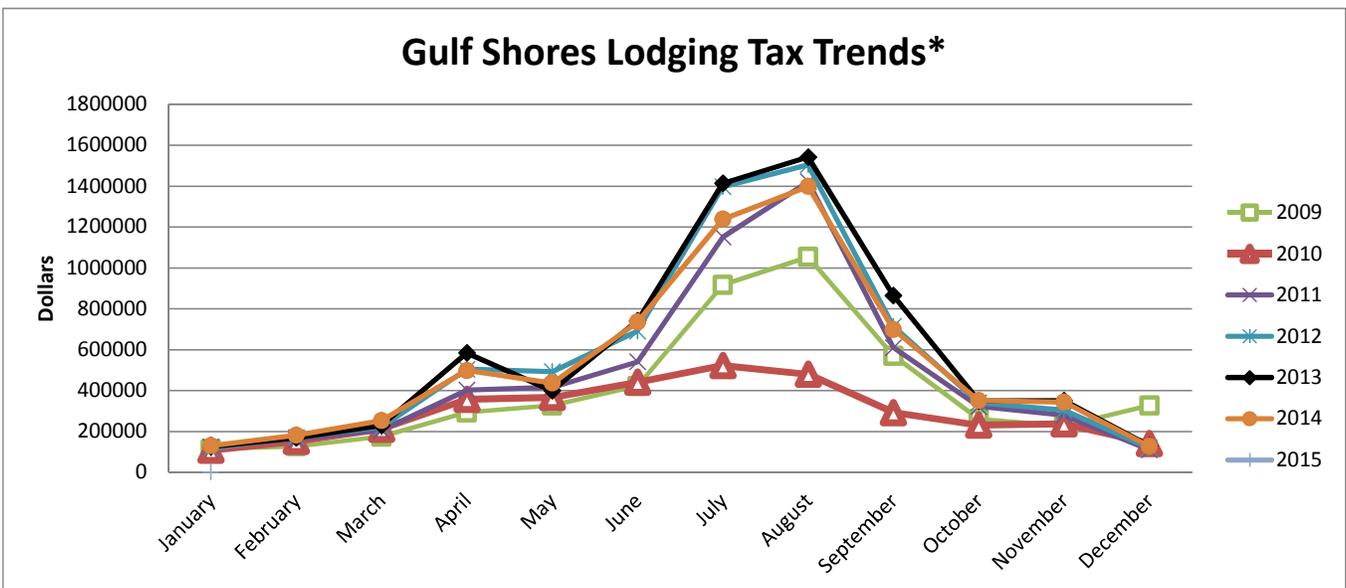
	Actual 2014	Actual 2015	Amended 2016	Adopted 2017	Dollar Change 2016 to 2017	Percent Change 2016 to 2017
REVENUES						
Property Taxes	2,525,504	2,687,300	2,721,845	2,871,000	149,155	5.48%
Sales Taxes	10,959,196	11,410,450	12,900,000	13,300,000	400,000	3.10%
Lodging Taxes	3,794,816	3,852,968	3,960,000	4,140,000	180,000	4.55%
Other Local Taxes	2,184,599	2,337,041	2,145,650	2,243,000	97,350	4.54%
Licenses and Permits	2,908,946	2,854,090	2,901,000	3,172,000	271,000	9.34%
Fines/Forfeitures	395,864	470,778	450,000	450,000	0	0.00%
Franchise/Utility	1,253,354	1,244,634	1,201,000	1,218,000	17,000	1.42%
Intergovern/Fed	169,815	189,451	91,855	91,855	0	0.00%
Intergovern/State	67,904	62,415	128,200	201,180	72,980	56.93%
Investments Income	19,189	28,763	20,000	20,000	0	0.00%
Other Receipts	2,706,874	2,139,008	2,604,271	2,517,572	(86,699)	-3.33%
BP Lost Revenues/Settlement	0	0	271,582	0	(271,582)	-100.00%
Other Financing Sources	0	34,369	0	30,000	30,000	n/a
TOTAL REVENUES	26,986,061	27,311,267	29,395,403	30,254,607	859,204	2.92%
EXPENDITURES						
Executive	1,035,309	1,252,548	1,450,971	1,576,071	125,100	8.62%
Human Resources	221,440	284,759	300,288	309,914	9,626	3.21%
Finance & Administrative Services	2,109,672	2,424,970	2,623,817	2,889,468	265,651	10.12%
Municipal Court	299,304	360,314	364,702	384,291	19,589	5.37%
Police	4,519,657	4,769,177	5,977,355	5,617,121	(360,234)	-6.03%
Parking Beach	0	0	85,000	0	(85,000)	-100.00%
Fire & EMS	3,889,208	3,613,763	3,842,449	3,848,124	5,675	0.15%
Planning & Zoning	385,282	357,951	403,143	451,550	48,407	12.01%
Building	485,372	429,276	525,785	551,456	25,671	4.88%
Recreation & Cultural Affairs	488,962	187,587	254,816	324,307	69,491	27.27%
Events & Programs	795,153	777,408	718,225	714,004	(4,221)	-0.59%
Library	528,147	594,622	589,608	596,016	6,408	1.09%
Recreation - Bodenhamer	1,544,079	1,667,291	1,595,686	1,590,175	(5,511)	-0.35%
Recreation - Sportsplex	1,115,775	1,140,659	1,107,821	1,370,310	262,489	23.69%
Recreation - Parks	392,210	435,244	564,801	564,610	(191)	-0.03%
Recreation - Beach	400,605	363,584	475,688	458,815	(16,873)	-3.55%
Cultural Center	783,081	393,031	503,839	409,950	(93,889)	-18.63%
City Store	0	0	222,399	183,737	(38,662)	-17.38%
Public Works - General Services	591,651	629,713	722,557	748,316	25,759	3.56%
Public Works - Custodial	515,390	630,580	611,109	598,833	(12,276)	-2.01%
Public Works - Landscaping	698,033	700,149	729,119	903,745	174,626	23.95%
Public Works - Streets	2,221,236	2,796,918	2,550,442	2,677,201	126,759	4.97%
Public Works - Maintenance	1,190,573	1,246,863	1,075,336	1,087,505	12,169	1.13%
Airport	0	0	125,936	130,264	4,328	3.44%
Appropriations	226,652	113,027	227,500	247,500	20,000	8.79%
Capital Outlay (Land)	817,500	617,094	0	0	0	n/a
TOTAL EXPENDITURES	25,254,291	25,786,528	27,648,392	28,233,283	584,891	2.12%
OTHER FINANCING SOURCES						
Bond Proceeds	840,000	573,612	1,780,417	0	(1,780,417)	-100.00%
Proceeds from the sale of capital assets	0	44,653	120,000	0	(120,000)	-100.00%
Operating Transfers In	2,601,409	2,689,362	2,712,871	2,490,000	(222,871)	-8%
Operating Transfers Out	(3,767,847)	(3,132,715)	(6,215,221)	(4,281,795)	1,933,426	-31.11%
Total Other Financing Sources	(326,438)	174,912	(1,601,933)	(1,791,795)	(189,862)	11.85%
Net Change in Fund Balance	1,405,332	1,699,651	145,078	229,529	84,451	58.21%
Prior Period Adjustment						
Fund Balances - Beginning restated	20,994,052	22,305,980	24,005,631	24,150,709	145,078	0.60%
Fund Balances - Ending	\$ 22,399,384	\$ 24,005,631	24,150,709	24,380,238	229,529	0.95%

2017 Departmental Budget



**TABLE 3
CITY OF GULF SHORES, ALABAMA
SPECIAL REVENUE FUND
LODGING TAX ADOPTED BUDGET
FISCAL YEAR 2017**

	Actual 2014	Actual 2015	Amended 2016	Adopted 2017	Dollar Change 2016 to 2017	Percent Change 2016 to 2017
REVENUES						
Taxes:						
Lodging Tax 2% Beach	2,587,475	3,055,494	2,640,000	2,760,000	120,000	4.55%
Interest Income	1,402	1,489	1,000	1,000	-	0.00%
Total Revenue	2,588,877	3,056,983	2,641,000	2,761,000	120,000	4.54%
EXPENDITURES						
Current:						
General government	0	0	0	0	0	0.00%
Total general government	0	0	0	0	0	0.00%
Excess of Revenues over Total Expenditures	2,588,877	3,056,983	2,641,000	2,761,000	120,000	4.54%
OTHER FINANCING USES						
Transfers Out	(1,862,700)	(3,400,000)	(2,631,082)	(2,520,651)	110,431	-4.20%
Total Other Financing Uses	(1,862,700)	(3,400,000)	(2,631,082)	(2,520,651)	110,431	-4.20%
Net Change in Fund Balance	726,177	(343,017)	9,918	240,349	230,431	2323.36%
Fund Balances - Beginning	913,744	1,639,921	1,296,904	1,306,822	9,918	0.76%
Fund Balances - Ending	\$1,639,921	\$1,296,904	\$1,306,822	\$1,547,171	240,349	18.39%



*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 2017

	Actual 2014	Actual 2015	Amended 2016	Adopted 2017	Dollar Change 2016 to 2017	Percent Change 2016 to 2017
REVENUES						
Taxes:						
Intergovernmental:						
State of Alabama	462,474	451,859	415,000	435,000	20,000	4.82%
Interest Income	218	365	0	0	0	n/a
Total Revenue	<u>462,692</u>	<u>452,224</u>	<u>415,000</u>	<u>435,000</u>	<u>20,000</u>	<u>4.82%</u>
EXPENDITURES						
Current:						
General Government	53,662	43,815	50,000	45,000	-5,000	-10.00%
Total General Government	<u>53,662</u>	<u>43,815</u>	<u>50,000</u>	<u>45,000</u>	<u>-5,000</u>	<u>-10.00%</u>
Excess of Revenues over Total Expenditures	<u>409,030</u>	<u>408,409</u>	<u>365,000</u>	<u>390,000</u>	<u>25,000</u>	<u>6.85%</u>
OTHER FINANCING USES						
Transfers Out	<u>(431,500)</u>	<u>(401,065)</u>	<u>(365,000)</u>	<u>(390,000)</u>	<u>36,065</u>	<u>-8.99%</u>
Total Other Financing Uses	<u>(431,500)</u>	<u>(401,065)</u>	<u>(365,000)</u>	<u>(390,000)</u>	<u>36,065</u>	<u>-8.99%</u>
Net Change in Fund Balance	<u>(22,470)</u>	<u>7,344</u>	<u>0</u>	<u>0</u>	<u>61,065</u>	<u>0.00%</u>
Fund Balances - Beginning	<u>168,837</u>	<u>146,367</u>	<u>153,711</u>	<u>153,711</u>	<u>0</u>	<u>0.00%</u>
Fund Balances - Ending	<u>\$146,367</u>	<u>\$153,711</u>	<u>\$ 153,711</u>	<u>\$ 153,711</u>	<u>0</u>	<u>0.00%</u>

**TABLE 5
CITY OF GULF SHORES, ALABAMA
SPECIAL REVENUE FUND
IMPACT FEES
ADOPTED BUDGET
FISCAL YEAR 2017**

	Actual 2014	Actual 2015	Amended 2016	Actual 2017	Dollar Change 2016 to 2017	Percent Change 2016 to 2017
REVENUES						
Impact Fees	540,482	415,941	401,500	642,000	240,500	59.90%
Interest Income	190	559	0	0	0	n/a
Total Revenue	<u>540,672</u>	<u>416,500</u>	<u>401,500</u>	<u>642,000</u>	<u>240,500</u>	<u>59.90%</u>
EXPENDITURES						
Capital Outlay						
Fire	50,054	25,403	40,000	62,000	22,000	55.00%
Recreation	197,462	217,476	0	305,000	305,000	n/a
Police	31,745	0	29,500	75,000	45,500	154.24%
Public Works	63,152	0	0	0	0	n/a
Total Capital Outlay	<u>342,413</u>	<u>242,879</u>	<u>69,500</u>	<u>442,000</u>	<u>372,500</u>	<u>535.97%</u>
Total Expenditures	<u>342,413</u>	<u>242,879</u>	<u>69,500</u>	<u>442,000</u>	<u>372,500</u>	<u>535.97%</u>
Excess of Revenues over Total Expenditures	<u>198,259</u>	<u>173,621</u>	<u>332,000</u>	<u>200,000</u>	<u>(132,000)</u>	<u>-39.76%</u>
OTHER FINANCING USES						
Transfers	326,972	120,000	332,000	200,000	(132,000)	-39.76%
Total Other Financing Uses	<u>326,972</u>	<u>120,000</u>	<u>332,000</u>	<u>200,000</u>	<u>(132,000)</u>	<u>-39.76%</u>
Net Change in Fund Balance	<u>(128,713)</u>	<u>53,621</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Fund Balances - Beginning	<u>362,241</u>	<u>228,528</u>	<u>282,149</u>	<u>282,149</u>	<u>0</u>	<u>0.00%</u>
Fund Balances - Ending	<u>\$228,528</u>	<u>\$282,149</u>	<u>\$ 282,149</u>	<u>\$ 282,149</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 2017

	Actual 2014	Actual 2015	Amended 2016	Adopted 2017	Dollar Change 2016 to 2017	Percent Change 2016 to 2017
REVENUES						
ADEM Recycling Grant	0	0	197,278	0	-197,278	-100%
Beach Revenue	13	31,576	0	26,000	26,000	n/a
Total Revenue	<u>13</u>	<u>31,576</u>	<u>197,278</u>	<u>26,000</u>	<u>-171,278</u>	<u>-86.82%</u>
EXPENDITURES						
Current Operating:						
Police	0	145,390	199,664	195,200	-4,464	-2.24%
Public Works	139	274,362	336,418	351,451	15,033	4.47%
Total Current	<u>139</u>	<u>419,752</u>	<u>536,082</u>	<u>546,651</u>	<u>10,569</u>	<u>1.97%</u>
Capital Outlay						
Police	0	78,071	0	0	0	n/a
Recreation Beach	0	31,563	0	0	0	n/a
Public Works	0	721,983	322,278	30,000	-292,278	-90.69%
Beach Monitoring	62,700	61,212	70,000	70,000	0	0.00%
Total Capital Outlay	<u>62,700</u>	<u>892,829</u>	<u>392,278</u>	<u>100,000</u>	<u>-292,278</u>	<u>-74.51%</u>
Total Expenditures	<u>62,839</u>	<u>1,312,581</u>	<u>928,360</u>	<u>646,651</u>	<u>-281,709</u>	<u>-30.34%</u>
Excess of Revenues over Total Expenditures	<u>-62,826</u>	<u>(1,281,005)</u>	<u>(731,082)</u>	<u>(620,651)</u>	<u>110,431</u>	<u>-15.11%</u>
OTHER FINANCING USES						
Transfers	<u>62,700</u>	<u>1,300,000</u>	<u>731,082</u>	<u>620,651</u>	<u>-110,431</u>	<u>-15.11%</u>
Total Other Financing Uses	<u>62,700</u>	<u>1,300,000</u>	<u>731,082</u>	<u>620,651</u>	<u>-110,431</u>	<u>-15.11%</u>
Net Change in Fund Balance	<u>-126</u>	<u>18,995</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Fund Balances - Beginning	<u>1,267</u>	<u>1,141</u>	<u>20,136</u>	<u>20,136</u>	<u>0</u>	<u>0.00%</u>
Fund Balances - Ending	<u>\$1,141</u>	<u>\$20,136</u>	<u>\$20,136</u>	<u>\$20,136</u>	<u>0</u>	<u>0.00%</u>

TABLE 7
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
BOND PROCEEDS 2008 A
ADOPTED BUDGET
FISCAL YEAR 2017

	Actual 2014	Actual 2015	Amended 2016	Adopted 2017	Dollar Change 2016 to 2017	Percent Change 2016 to 2017
REVENUES						
Bond Proceeds	0	132	0	0	0	0%
State Match	325,893	0	0	0	0	0%
Interest Income	0	6	0	0	0	0%
Total Revenue	<u>325,893</u>	<u>138</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EXPENDITURES						
Capital Outlay	<u>403,734</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Total Expenditures	<u>403,734</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Excess of Revenues over Total Expenditures	<u>(77,841)</u>	<u>138</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
OTHER FINANCING USES						
Transfers	<u>0</u>	<u>13,906</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Total Other Financing Uses	<u>0</u>	<u>13,906</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Net Change in Fund Balance	<u>(77,841)</u>	<u>14,044</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Fund Balances - Beginning	<u>63,797</u>	<u>(14,044)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Fund Balances - Ending	<u><u>(14,044)</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0%</u></u>

All remaining 2008A Bond/march proceeds were used in 2014 for Capital Projects

**TABLE 8
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
ADOPTED BUDGET
FISCAL YEAR 2017**

	Actual 2014	Actual 2015	Amended 2016	Adopted 2017	Dollar Change 2016 to 2017	Percent Change 2016 to 2017
REVENUES						
Grants Requiring Matching Funds						
Grants	254,129	366	0	0	0	n/a
Total Revenues	<u>254,129</u>	<u>366</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
EXPENDITURES						
Administrative	106	0	0	0	0	0%
Capital Outlay Projects					0	
ALDOT Sidewalks Handicap Access	0	0	0	0	0	0%
ALDOT Sidewalks 8 Feet Wide	69,550	0	0	0	0	0%
ALDOT Adaptive Signs	326,323	0	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	13,412	0	0	0	0	0%
ADECA-LWCF Little Lagoon	0	0	0	0	0	0%
Craft Farms North Roadway	65,500	0	0	0	0	0%
Dry Dock Basin	0	0	0	0	0	0%
Total Expenditures	<u>474,891</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
OTHER FINANCING SOURCES						
Transfer Out	100,000	(15,975)	0	0	0	0%
Total Other Financing Sources	<u>100,000</u>	<u>(15,975)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Net Change in Fund Balances	<u>(120,762)</u>	<u>(15,609)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Fund Balance - Beginning	<u>537</u>	<u>(120,225)</u>	<u>(135,834)</u>	<u>(135,834)</u>	<u>0</u>	<u>13%</u>
Fund Balance - Ending	<u>(120,225)</u>	<u>(135,834)</u>	<u>(135,834)</u>	<u>(135,834)</u>	<u>0</u>	<u>0%</u>

TABLE 9
CITY OF GULF SHORES, ALABAMA
STORM DAMAGE FUND
ADOPTED BUDGET
FISCAL YEAR 2017

	Actual 2014	Actual 2015	Amended 2016	Adopted 2017	Dollar Change 2016 to 2017	Percent Change 2016 to 2017
REVENUES						
Intergovernmental Grants						
State of Alabama	546,337	0	0	0	0	0%
Federal Government	101,749	0	0	0	0	0%
BP Grant(s)	639,005	0	0	0	0	0%
Deferred Revenue	0	0	0	0	0	0%
Interest Income	189	6	0	0	0	0%
Total Revenues	<u>1,287,280</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EXPENDITURES						
Emergency Protective Measures	13,813	0	0	0	0	0%
Engineering & Construction	0	0	0	0	0	0%
Buildings & Equipment	87,380	0	0	0	0	0%
Parks, Recreation & Other	0	29,400	0	0	0	0%
Waterway Development District	1,044,565	0	0	0	0	0%
Debris Removal	0	0	0	0	0	0%
Total Expenditures	<u>1,145,758</u>	<u>29,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
OTHER FINANCING SOURCES (USES)						
Transfer out Other Funds (General)	(42,937)	0	0	0	0	0%
Transfer from Other Funds	17,309	23,078	0	230,008	230,008	0%
Total Other Financing Uses	<u>(25,628)</u>	<u>23,078</u>	<u>0</u>	<u>230,008</u>	<u>230,008</u>	<u>0%</u>
Net Change in Fund Balance	<u>115,894</u>	<u>(6,316)</u>	<u>0</u>	<u>230,008</u>	<u>230,008</u>	<u>n/a</u>
Fund Balance - Beginning	<u>(285,723)</u>	<u>(169,829)</u>	<u>(176,145)</u>	<u>(176,145)</u>	<u>0</u>	<u>0%</u>
Fund Balance - Ending	<u><u>(169,829)</u></u>	<u><u>(176,145)</u></u>	<u><u>(176,145)</u></u>	<u><u>53,863</u></u>	<u><u>230,008</u></u>	<u><u>-131%</u></u>

TABLE 10
CITY OF GULF SHORES, ALABAMA
DEBT SERVICE FUND
ADOPTED BUDGET
FISCAL YEAR 2017

	Actual 2014	Actual 2015	Amended 2016	Adopted 2017	Dollar Change 2016 to 2017	Percent Change 2016 to 2017
REVENUES						
Taxes	1,892,723	1,937,817	0	0	0	
Rent Income	118,276	35,276	0	0	0	n/a
Interest	858	2,251	0	0	0	n/a
Total Revenues	<u>2,011,857</u>	<u>1,975,344</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
EXPENDITURES						
Principal and Interest	5,597,587	13,607,417	4,361,132	4,046,962	-314,170	-7.20%
Miscellaneous	3,519	4,600	5,250	4,825	-425	-8.10%
Total Expenses	<u>5,601,106</u>	<u>13,612,017</u>	<u>4,366,382</u>	<u>4,051,787</u>	<u>-314,595</u>	<u>-7.20%</u>
Excess of Revenues over Total Expenditures	<u>(3,589,249)</u>	<u>(11,636,673)</u>	<u>(4,366,382)</u>	<u>(4,051,787)</u>	<u>314,595</u>	<u>-7.20%</u>
OTHER FINANCING SOURCES (USES)						
Bond Issue Proceeds	0	8,830,000	0	0	0	n/a
Bond Premium, net	0	1,012,189	0	0	0	n/a
Loss on bond refunding	0	(948,650)	0	0	0	n/a
Transfers In	3,677,788	3,065,728	4,366,378	4,051,787	-314,591	-7.20%
Total Other Financing Uses	<u>3,677,788</u>	<u>11,959,267</u>	<u>4,366,378</u>	<u>4,051,787</u>	<u>-314,591</u>	<u>-7.20%</u>
Net Change in Fund Balance	<u>88,539</u>	<u>322,594</u>	<u>(4)</u>	<u>0</u>	<u>4</u>	<u>-100.00%</u>
Fund Balances - Beginning	<u>2,247,636</u>	<u>2,266,308</u>	<u>2,588,902</u>	<u>2,588,898</u>	<u>-4</u>	<u>0.00%</u>
Fund Balances - Ending	<u>\$ 2,336,175</u>	<u>\$ 2,588,902</u>	<u>\$ 2,588,898</u>	<u>\$ 2,588,898</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 2017

	Actual 2014	Actual 2015	Amended 2016	Adopted 2017	Dollar Change 2016 to 2017	Percent Change 2016 to 2017
REVENUES						
Grants Requiring Matching Funds						
Grants	0	500,273	1,251,504	1,050,000	(201,504)	-16.10%
Interest Income	5	5	0	0	0	0.00%
Total Revenues	<u>5</u>	<u>500,278</u>	<u>1,251,504</u>	<u>1,050,000</u>	<u>(201,504)</u>	<u>-16.10%</u>
EXPENDITURES						
Administrative	0	43	0	0	0	0.00%
Operations						
ADECA-LWCF Little Lagoon	0	0	0	120,000	120,000	n/a
ALDOT Sidewalks 8 Feet Wide	0	91,314	1,054,403	0	(1,054,403)	-100.00%
Rec Trail Fort Morgan Fairway	0	158,426	0	150,000	150,000	n/a
West 12th Street Public Access	0	0	100,000	0	(100,000)	-100.00%
Capital Outlay Projects						
Fire & EMS	0	99,892	811,678	0	(811,678)	-100.00%
Rec & Cultural Affairs	0	216,583	1,356,754	0	(1,356,754)	-100.00%
Public Works	0	282,759	1,220,000	4,273,000	3,053,000	250.25%
W 10th St Public Access	0	148,051	0	0	0	n/a
ALDOT Adaptive Signals	0	765,004	0	0	0	n/a
Land	20,000	3,285,293	0	0	0	n/a
Total Expenditures	<u>20,000</u>	<u>5,047,365</u>	<u>4,542,835</u>	<u>4,543,000</u>	<u>165</u>	<u>0.00%</u>
OTHER FINANCING SOURCES						
Bond Proceeds	50,000	5,640,536	2,479,653	3,493,000	1,013,347	40.87%
Transfer from General Funds	100	(22,310)	0	0	0	n/a
Total Other Financing Sources	<u>50,100</u>	<u>5,618,226</u>	<u>2,479,653</u>	<u>3,493,000</u>	<u>1,013,347</u>	<u>40.87%</u>
Net Change in Fund Balances	30,105	1,071,139	(811,678)	0	(201,669)	-100.00%
Fund Balance - Beginning	<u>0</u>	<u>30,105</u>	<u>1,101,244</u>	<u>289,566</u>	<u>259,461</u>	<u>-73.71%</u>
Fund Balance - Ending	<u><u>30,105</u></u>	<u><u>1,101,244</u></u>	<u><u>289,566</u></u>	<u><u>289,566</u></u>	<u><u>(811,678)</u></u>	<u><u>0.00%</u></u>

TABLE 12
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
2016-B GO WARRANT
ADOPTED BUDGET
FISCAL YEAR 2017

	Actual 2014	Actual 2015	Amended 2016	Adopted 2017	Dollar Change 2016 to 2017	Percent Change 2016 to 2017
REVENUES						
Grants Requiring Matching Funds						
Grants	0	0	0	0	0	0.00%
Interest Income	0	0	0	0	0	0.00%
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
EXPENDITURES						
Administrative	0	0	0	5,793	5,793	0.00%
Operations						
Executive Contract/Consulting S	0	0	932,699	877,815	(54,884)	-5.88%
PW Landscaping/Contract Labor	0	0	0	55,000	55,000	n/a
Capital Outlay Projects						
Executive Improvements Gulf Pl	0	0	1,951,430	5,533,038	3,581,608	183.54%
Total Expenditures	<u>0</u>	<u>0</u>	<u>2,884,129</u>	<u>6,471,646</u>	<u>3,587,517</u>	<u>124.39%</u>
OTHER FINANCING SOURCES						
Bond Proceeds	0	0	3,000,000	6,471,646	3,471,646	115.72%
Transfer to General Funds	0	0	(115,871)	0	115,871	n/a
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>2,884,129</u>	<u>6,471,646</u>	<u>3,587,517</u>	<u>124.39%</u>
Net Change in Fund Balances	0	0	0	0	(3,471,646)	n/a
Fund Balance - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Fund Balance - Ending	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>n/a</u></u>

Fund Balance and Major Revenue Sources

Fund Balance

The City of Gulf Shores adopted a 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 2017 is 65% of General Fund Expenditures. Of the total General Fund Balance target, Beach Fund Reserves comprise 35% 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 2014 to 2015 actual, 2016 year to date and 2017 Budgeted Reserves.

General Fund Reserves	2014 Actual (Audited)	2015 Actual (Audited)	2016 Actual Year to Date	2017 Budget
Operating	\$ 10,442,873	\$11,285,310	\$11,344,546	\$10,000,965
Stabilization	<u>5,237,225</u>	<u>5,641,809</u>	<u>5,671,422</u>	<u>4,999,732</u>
Subtotal General Fund	\$15,679,989	\$16,927,119	\$17,015,968	\$15,000,697
Beach Reserves	<u>6,719,995</u>	<u>7,254,479</u>	<u>7,292,558</u>	<u>8,077,298</u>
Grand Total All Reserves	\$22,399,984	\$24,181,598	24,308,526	23,077,995

Major Revenue Sources

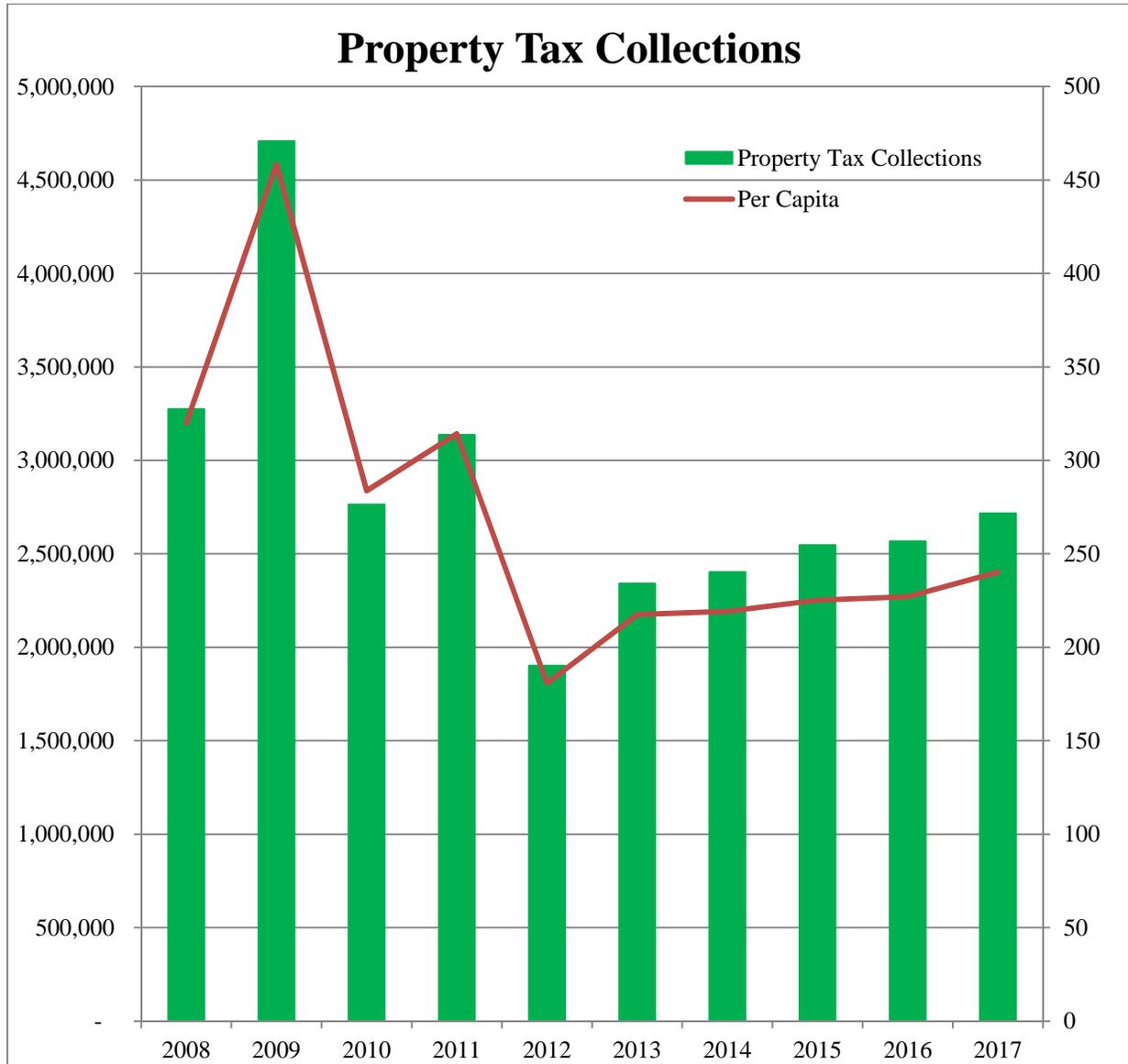
The City of Gulf Shores General Fund has four major funding sources that comprise approximately 70% of the General Fund. Shown below is a summary of the four major General Fund revenue sources and the percentage of the total General Fund Revenues for 2014 Actual, 2015 Actual, 2016 Actual Year to Date, and 2017 Budget:

Revenue Type	2014 Actual	% of Total	2015 Actual	% of Total	2016 Actual Year to Date	% of Total	2017 Budget
Property	\$ 2,403,011	7%	\$ 2,546,941	7%	1,040,483	3%	2,717,000
Sales	12,812,528	37%	13,309,826	37%	11,643,085	37%	13,300,000
Lodging	6,382,291	18%	6,908,462	19%	6,572,725	21%	6,900,000
Business Licenses	<u>3,313,484</u>	10%	<u>3,287,949</u>	9%	<u>3,400,317</u>	11%	<u>3,371,000</u>
Subtotal	\$24,911,314	72%	\$26,053,178	72%	\$22,656,610	72%	\$26,288,000

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 assumptions for the revenue estimates and significant revenue trends are described by each of the major revenue types are shown on the following pages. For 2017 the four funds comprise 74% of the General Fund projected revenues.

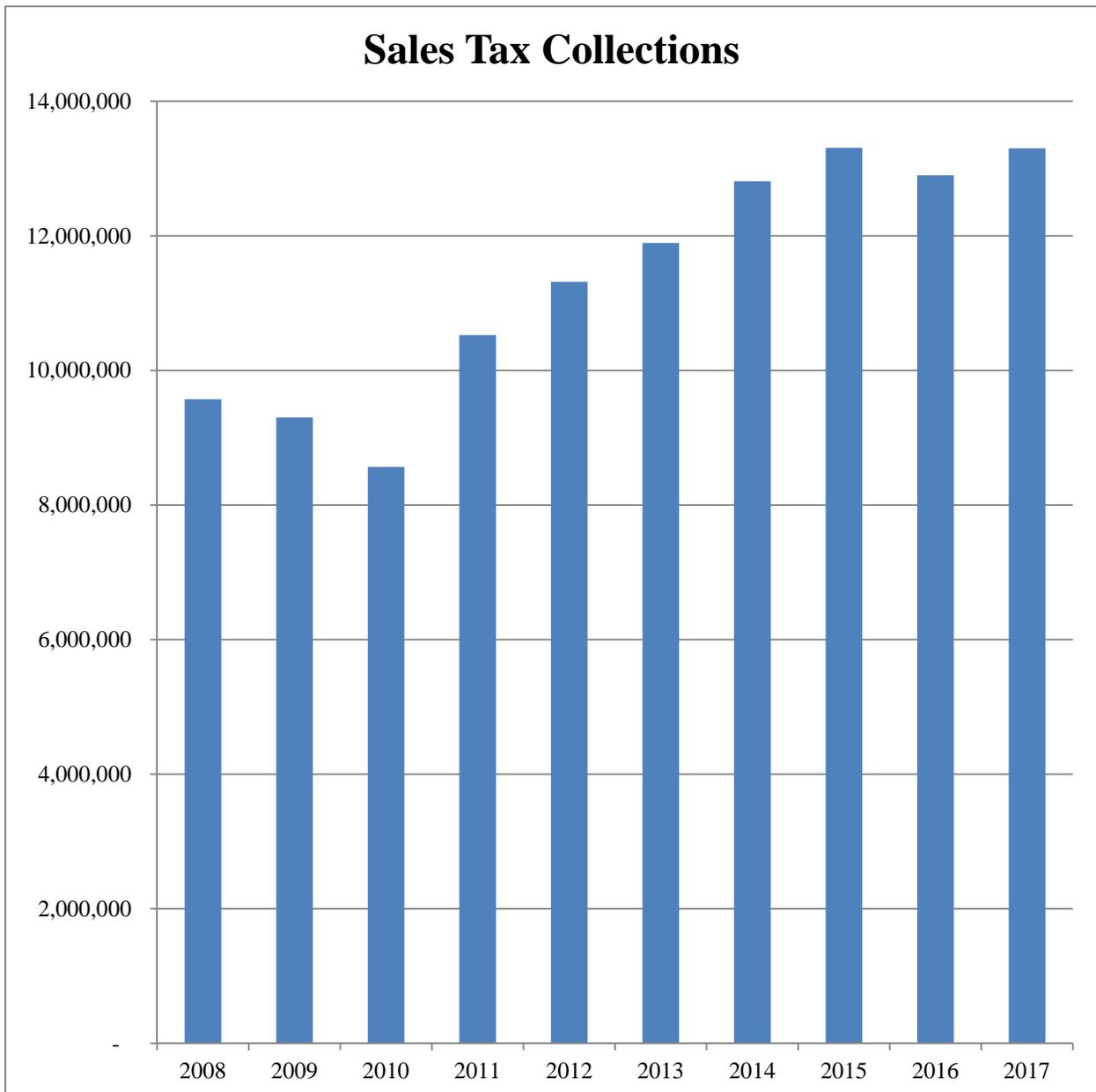
PROPERTY TAX

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 2017 budget are shown in the graph below.



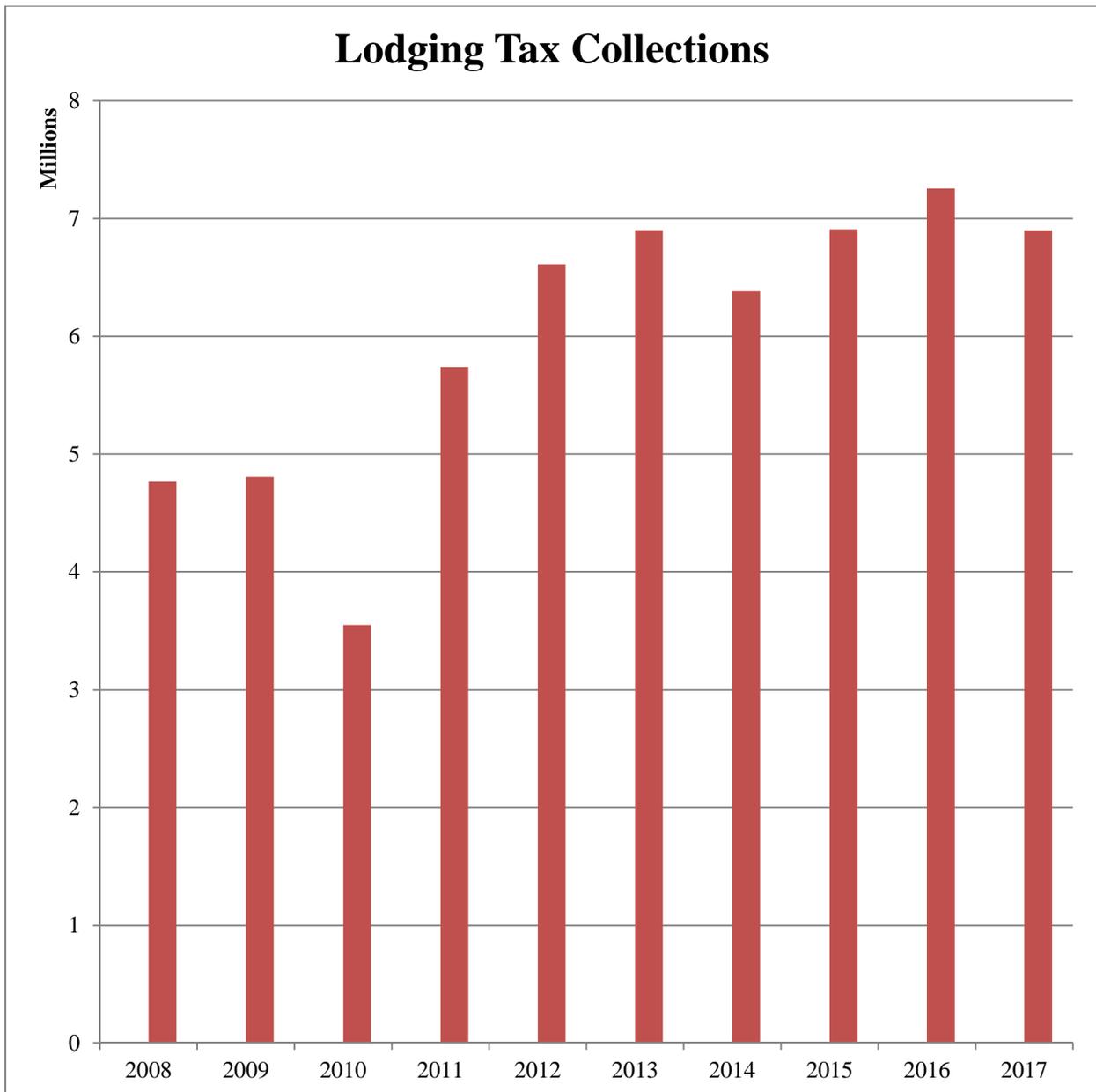
SALES TAX

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 2016 (through November) are higher than 2015, making 2016 the highest sales tax collection year ever at 7% higher than the former highest year collections of 2015. 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 6% increase in Sales Tax is projected for 2016, over 2015 actual 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 3%.



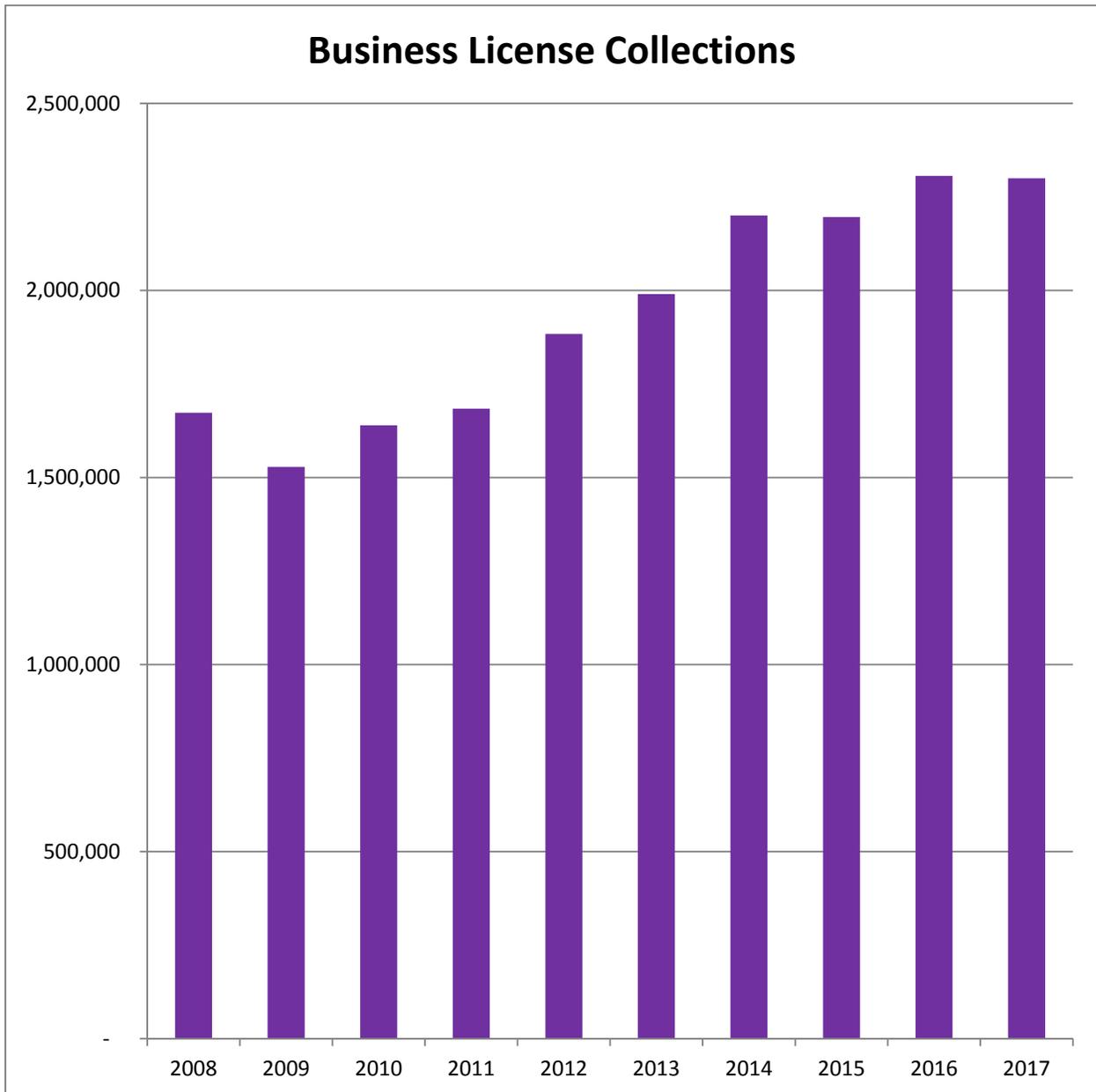
LODGING TAX

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 2015 were 8% higher than 2014. Lodging Taxes declined for 2014, due to de-annexation of 1500 businesses. Lodging Tax collections grew 8% in 2015 and are projected to grow 5% in 2016. Several events of national significance occurred in 2016 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 2015 were equal to 2014 high sales and lodging tax collections. Business license amounts are based on prior year gross receipts. Business License collections for the past nine years and 2017 budgeted are shown in the graph below. The ten year annual growth rate has averaged 2%.



CITY OF GULF SHORES, ALABAMA
Fiscal Year 2017 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 \$1,551,500 in City Capital Funds match funds approved for 2017 are below.

2017 Capital Equipment Budgeted from General Funds

Department	Description	Amount	Annual Cost to Operate
Building	Replace 2005 Ram 1500 from ADEM funds	22,000	2,976
Finance & Admin	Fiber Optic Improvements Citywide	50,000	
Fire	Polaris ATV from ADEM funds	20,000	New
Police	Replace 8 Vehicles (1 from Impact Fees)	239,500	26,449
Police	Radios (Debt Service - Operational)*	204,154	7,200
Recreation	Branding/Wayfinding Signage	10,000	
Recreation	Bodenhamer Improvements	20,000	
Recreation	Replace Chevy Colorado 2006	35,000	369
Recreation	Lifeguard Honda Big Red Replace 2	36,000	993
Recreation	Parks 3-Reel Mower Lease (Operational)*	35,000	New
Recreation	Parks Toro 7 deck Mower replace 2003 model	65,000	
Recreation	Parks Toro Z Mower replace 2005 model	12,000	
Recreation	Parks Top Dresser	29,000	
Recreation	Parks Dump Trailer/Body	22,000	
Recreation	Parks JD Field Rake Replace 2003	15,000	577
Recreation	Sportsplex Shade Tents (Coke Funds)	20,000	
Recreation	Sportsplex Painting	60,000	
Recreation	Cultural Center Equipment	10,000	
Public Works	Streets Replace #3002 C-3500HD	28,500	1,496
Public Works	Streets Replace #3031 Ford Crown Vic	24,500	530
Public Works	Custodial Replace #4001 Ford F150 Pick up	22,500	1,300
Public Works	Landscape replace #8003 Chevy C1500 Pick up	24,500	1,802
Public Works	Landscape replace #8013 Ford F150 Pick up	24,500	1,533
Public Works	Street Resurfacing	500,000	
Public Works	Windmill Bridge - Maintenance	100,000	
Public Works	Streets Recycling Trailer	10,000	2,166
Public Works	Landscape Kawasaki Mule Replace 2005 model	14,000	363
Public Works	Landscape JD Backhoe replace 1994 model	90,000	579
Public Works	Maintenance Fevee Low Boy Trailer replace 1966	40,000	n/a
Public Works	Maintenance Large Vehicle Diagnostic Tool	7,500	n/a
Total General Fund Capital Outlay Approved		1,551,500	

*Not included in the total Capital Outlay (Operational/Other Funds)

2017 Capital Equipment & Improvements Budgeted from Impact Fees

Fire	Replace Response Vehicle	35,000	375
Fire	Stair Chairs	7,000	New
Fire	Replacement Equipment	20,000	New
Police	Replace Vehicle (1)	35,000	350
Police	Prefab Offic Space at Middle School	40,000	400
Recreation	Sims Park Dugouts/Bleachers	50,000	
Recreation	Library Renovation	55,000	

Recreation	Enclosed Utility Trailer - Events	10,000
Recreation	Civic Center Renovation	190,000
	Total IMPACT FEES Capital Outlay	442,000

2017 Capital Equipment Budgeted in 2014 Short Term Borrowed Funds, Fund 40

		Total	City Match Funds	Annual Maintenance
Public Works	Hwy 59 Bridge Widening Bayou Village	530,000	530,000	5,300
Public Works	Hwy 59 Sidewalks Phase II (Not ALDOT funded)	700,000	700,000	7,000
Public Works	County Road 6 Turn Lanes at Highway 59	760,000	500,000	5,000
Public Works	Hwy 182 Improvements (Beach Boulevard)	2,283,000	1,643,000	16,430
Recreation Imp.	Little Lagoon Pass Fishing Pier	120,000	70,000	700
Recreation Imp.	Fort Morgan Trail Phase II to Lagoon Baptist Church	150,000	50,000	500
	Total CAPITAL IMPROVEMENTS FUND	4,543,000	3,493,000	34,930

2017 Capital Equipment Budgeted from Beach Funds

Public Works	Trailer - Recycle Center	10,000
Public Works	Office Space PrkwyS Landscaping/old Recycle Center	20,000
	Subtotal Public Works Streets Beach Funds	30,000
	Total BEACH IMPROVEMENTS FUND	30,000

2017 Capital Improvement Budgeted in 2016 Ten Year Term Borrowed Funds, Fund 42

Executive	Gulf Place Upgrades	5,533,038
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Total All Capital 12,099,538

General Funds	1,551,500
Impact Fees (\$120K PW transfer to General Fund)	442,000
Capital Improvements Borrowed Funds	9,026,038
Beach Funds	30,000
Total City Capital Expense	11,049,538

ALDOT/ADECA/DCNR Other Match total	1,050,000
	12,099,538

Capital Improvements 2016



10 new beach paystations replaced 8 existing and added 2 new locations

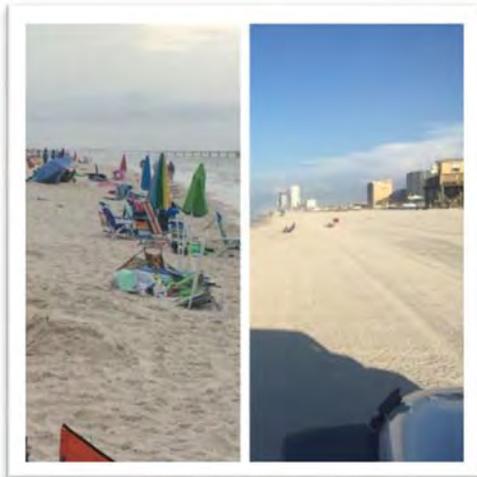


Highway 59 Sidewalk widened and repaved

Capital Improvements 2016



New equipment for the City's recycling program



250 tons of recyclables collected from drop off facilities and the beach in 2016. Success of the "Leave Only Footprints" initiative is apparent in the record number of sea turtle nests.

Capital Improvements 2016



Sportsplex improvements, including new backstop padding and track & field equipment



Wayfinding signage project completed

CITY OF GULF SHORES, ALABAMA
TEN YEAR CAPITAL PLAN

City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2017

Department	Description	Priority	Suggested Fund Source	2017	2018	2019
CITY HALL	City Hall/Annex Repainting		General Fund		150,000	
	Replace Courier Car Impala (84K)					25,000
FINANCE & A	Subtotal FINANCE & ADMIN				150,000	25,000
EXECUTIVE	Replace 2006 Chevy Malibu (88K)				21,000	20,000
	Subtotal EXECUTIVE			-	21,000	20,000
CDD	Premise Inspector Truck-Replace		General Fund			
	Subtotal CDD					
BUILDING	Vehicles/Equipment		ADEM \$42K budget	22,000		
	Subtotal BUILDING			22,000	-	-
FIRE	Replace Response Vehicles	1	Impact Fees	35,000	70,000	70,000
	Ladder Truck		General Fund			800,000
	Ladder Truck (repaint if not new)					
	Replace Fire Engine				402,500	
	Replace Ambulance					
	Replace Utility Truck					
	Replace Holmatro Tool Set	1	Impact Fees		32,000	
	New Airport Fire Truck Expans.			Bond		
	Stair Chairs	1	Impact Fees	7,000		
	Polaris ATV	1	ADEM \$42K	20,000		
	Replacement Equipment	1	Impact Fees	20,000		20,000
	Replace Therrmal Imagers x 2					
	Air Bag Rescue Set					
	SCBA Air Compressor					
	Replace Cardio Defibrulators					
Airport Fire Station					2,000,000	
Fire Tower			General Fund			400,000
	Subtotal FIRE			82,000	504,500	3,290,000
POLICE	Justice Center - Expansion					
	Replace Vehicles (8)	1	General \$105K	239,500	241,895	244,314
	Replace Vehicle (1)	1	Impact Fees	35,000	35,350	35,704
	Prefab OfficeSpace@Middle School	1	Impact Fees	40,000		
	Jail Extension	1			250,000	1,000,000
	VieVu Cameras; COPS equipment					
	Pay Station Covers					
	Patrol Boat upgrade					
	Beach ATVs (4 replace)					80,000
	Handguns/Tasers/Vests			Beach Funds		
	Radios * (Debt Service)	1	APCO push upgrade	204,154	204,154	
	Radar Trailer					10,000
n Parking Pay Stations						
	Subtotal POLICE			518,654	731,399	1,370,017

2020	2021	2022	2023	2024	2025	2026	2027
-	-	-	-	-	-	-	-
25,000							
25,000							
-	-	-	-	-	-	-	-
410,500	410,500		150,000	80,000	150,000	425,000 1,250,000	200,000
20,000 20,000	20,000 20,000	20,000 30,000	20,000 20,000	20,000	20,000	20,000	20,000
				250,000			
450,500	450,500	50,000	190,000	350,000	170,000	1,695,000	220,000
246,757	249,225	251,717	254,234	256,776	259,344	261,938	264,557
36,061	36,421	36,785	37,153	37,525	37,900	38,279	38,662
			75,000	90,000			
		150,000					
282,818	285,646	438,502	366,387	384,301	297,244	300,217	303,219

City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2017

Department	Description	Priority	Suggested Fund Source	2017	2018	2019
PUBLIC WKS	Streets Resurfacing	4	General Fund	500,000	600,000	700,000
	Windmill Bridge - Maintenance	2		100,000		
	Road/Sidewalk Hwy 59 PhII Bayou	1	ALDOT Match	1,230,000	1,000,000	1,000,000
	Beach Blvd Improvements Hwy182			2,283,000	2,300,000	1,400,000
	TIGER		City Match 1.45 m yearly		3,810,000	3,810,000
	County Rd 8 Improvements				2,000,000	2,500,000
	Boardwalk WWVillage					400,000
	East 20th Street					
	County Rd 6 Turn Lanes @Hwy 59		Borrowed Funds	760,000		
	W 2nd Avenue Open ROW				450,000	
	County Road 6 (4 lane to Sportsp.)					2,500,000
	Access Management N of Hwy 59					1,000,000
	4th Street Bridge					400,000
	Little Lagoon Pass Fishing Pier		Borrowed Funds	120,000		
	Fort Morgan Trail Phase II to LBC	3	Borrowed Funds	150,000		
	Vehicles Replace Vehicles/Equipment	7		124,500	126,990	129,530
	Large Equip. Excavator				131,250	
	Street Sweeper				157,500	
	Dump Truck				100,000	
	Backhoe replacement	8		90,000		90,000
Bucket truck (pd off in 2016)		40-564-80710\$105K				
Knuckle Boom				165,000	176,800	
100 HP Tractor				65,000		
Beach Rake replacement	5				52,500	
Skid Steer				90,000		
Lowboy Trailor	6		40,000			
CID Annex Generator	10					
Small Equip. 50 HP Tractor	11					
UTVs (1)	9	General Fund	14,000	14,140	14,281	
Trailer - Recycle Center		Beach Funds	10,000			
Landscape Office redo/Old Recycle Ctr			20,000			
Large Vehicle Diagnostic Tool			7,500			
Zero Turn Mower					51,000	
Bush Hog				10,000		
Ditch Witch					30,000	
Subtotal PUBLIC WORKS				5,449,000	11,419,880	13,854,111
RECREATION	Branding/Wayfinding-Expansion		2014 GO Warrant	10,000		
	Vehicles Replace Chevy Tahoe		Impact Fees Transfer			
	r Replace 1998 15 Passenger Van					
	r Honda Big Reds x2	1		36,000	17,000	55,000
	r 2011 Beach Patrol Pickup					40,000
	r Replace Old Work Truck	1		35,000	25,000	25,000
	n Utility Vehicles		General Fund		28,000	
	Replace 3 Buses with 3 Vans					120,000
Large Equipment Replace 2 Buses					100,000	
People Mover Cart				10,000		
r 50hp Tractor with Turf Tires			Impact Fees			

2020	2021	2022	2023	2024	2025	2026	2027
800,000	900,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,010,000	1,020,100	1,030,301	1,040,604	1,051,010	1,061,520
1,400,000							
3,810,000	3,810,000						
225,000							
		2,500,000					
132,120	134,763	137,458	140,207	143,011	145,872	148,789	
			137,813	165,375			
	105,000		110,000		115,000		120,000
			95,000				
178,568	180,354			183,961			
			68,250				
110,000			-				
		20,000					
14,424	14,568	14,714	14,861	15,010	15,160	15,312	15,465
11,000		12,000		13,000		15,000	
		51,000					
	10,000			10,000			
				30,000			
7,681,113	6,154,685	4,745,172	2,586,231	2,590,658	2,316,636	2,230,111	2,196,985
	55,500		55,500		55,500		
62,000	30,000	31,000	31,000	44,000	31,000	31,000	34,000
	30,000			31,000			
				32,000			
		14,000					

City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2017

Department	Description	Priority	Suggested Fund Source	2017	2018	2019
Small Equipment	r 30hp Tractor					
	r Jet Skis(2)					
	r Spray Rig		Impact Fees \$38K			
	r Reel Mowers (3) Lease	1	Operational	35,000	35,000	35,000
	r 5 Gang Rotary Mower	1		65,000		
	r Grand Stand Mower 52"	2	General Fund	12,000	12,000	25,000
	r Zero Turn Mowers(s)	2	Impact Fees	-	24,000	
	n Vicon Spreader		General Fund			
	n Material Hauler (topdressing)	1		29,000		
	n Dump Trailer	2		22,000		
	n Soil Reliever				30,000	
	Airway Slicer		General Fund			
	Replace Soccer Scoreboard		Coca-Cola			
	r Field Rakes (2)					
	n Bodenhamer Renovation		01-553-80706			
	n Sims Park Dugouts/Bleachers	1	Impact Fees	50,000	25,000	
	Cultural Center Gym Floor		R&M Buildings			
	m Tennis Court Resurface-Hard					130,000
	m Tennis Court Resurface-Soft					
	m Kids Park Repairs				300,000	
	m Recreation Center Expansion					
	m Gym Plexiglass Replacement		General Fund \$15K			
	m Bodenhamer Interior Repairs	1		20,000	140,000	
	Bodenhamer Parking Lot/Lights	1			250,000	250,000
	e New Splash Park					
	m Library Renovation	1	Impact Fees	55,000		
	m New Kitchen Flr/Cabinets AAC		Moved to 2019			40,000
	Enclosed Utility Trailer		Impact Fees	10,000		
	e Civic Center Renovation	1	Impact Fees	190,000		100,000
	m Mo's Landing Improvements	3				100,000
e Parking Lot Lights/Bollards CC				35,000		
e Shade Tents at Sportsplex	2	Coke Agreement	20,000			
Sportplex Painting	1		60,000	40,000		
m Playground at 5-plex					50,000	
m Kids Park Pavilion Repairs						
m Football Field Renovation				100,000		
r Field Rake	1		15,000			
n Cultural Center Equipment	1		10,000			
Miscellaneous Wade Ward Park Boardwalk		Possible NRDA		250,000		
e Sportsplex Stadium Expansion						
Phase I Sportsplex BB/SB upgrades				100,000		
Recreation POS/Operating System	2	Operational	20,000			
Website Redesign				35,000		
Waterway Village Improvements				25,000		
e Gulf Place Upgrades		NRDA/Restore	5,533,038	6,466,962		
Lagoon Pass Park Upgrades		NRDA/Restore		1,500,000		
Subtotal RECREATION				6,227,038	9,447,962	1,070,000

City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2017

Department	Description	Priority	Suggested Fund Source	2017	2018	2019
FINANCE & A. IT DIVISION	SAN Upgrade	1	Operational	20,000		20,000
	Cisco Call Manager					50,000
	Physical Server replacement(s)	1	Operational	82,000		22,000
	Cisco 4506 Core Upgrade					
	Network Software	1	Operational	10,000	10,000	10,000
	Network Hardware	1	Operational	10,000		10,000
	Spillman Server	1	Operational	38,000	38,000	38,000
	Additional Backup Space				10,000	
	Fiber Optic Improvements Citywide	1	Capital	50,000	10,000	50,000
	Camera upgrades (Hardware)	2	Operational	35,000	10,000	
Subtotal IT DIVISION				245,000	78,000	200,000
GRAND TOTAL ALL DEPARTMENTS				12,543,692	22,352,741	19,829,129
By potential funding source:				Capital Only		
				ADEM	42,000	
				ALDOT	930,000	
				ADECA Ft.Mrgn trail 50%	100,000	
				DCNR Lagoon Pass	50,000	
				Coke	20,000	2,000,000
				Impact Fees Fire	62,000	
				Impact Fees Police	75,000	
				Impact Fees Rec	305,000	
				Impact Fees PW	120,000	
				Beach Funds	1,813,654	
				NRDA/2016 10 yr LOC	5,533,038	6,466,962
ALDOT Match \$1,056,062 - \$203K				Bond/Bank Finance	3,493,000	-
				Subtotal Other Funds	12,543,692	6,466,962
				City General Funds	-	15,885,779
				Operational	454,154	
				General Fund Capital vehicles/equipment/resurfng	1,551,500	Includes \$42K ADEM
				2016 10 Yr LOC	5,533,038	
				2014 Non taxable Borrowed Funds/Motorola \$600K	3,493,000	
				Beach Recycling	20,000	
				All Major projects total	12,543,692	
				All Major projects total w/out operations	12,099,538	

2020	2021	2022	2023	2024	2025	2026	2027
	20,000						
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		
38,000	38,000	38,000	38,000	38,000	38,000	19,000	
10,000		10,000		10,000		10,000	
10,000		10,000		10,000		10,000	
226,000	78,000	68,000	58,000	68,000	58,000	147,000	-
11,403,430	7,121,331	5,634,674	3,355,118	3,592,959	3,038,380	4,445,327	2,911,204
2,000,000							
2,000,000	-	-	-	-	-	-	-
9,403,430	7,121,331	5,634,674	3,355,118	3,592,959	3,038,380	4,445,327	2,911,204

City of Gulf Shores Revenue, Expense and Reserve Funds Usage projected 2017

\$1.5 million
new debt svc

	2016	Debt % of 3% Budget	2017	Debt % of -3% Budget	2018	Debt % of 2% Budget	2019	Debt % of 3% Budget	
Total Revenue (1)	36,532,820	18%	35,504,607	17%	36,414,699	19%	39,407,140	16%	
Total Expense	36,503,613	**	35,418,208		35,169,159		36,094,731		
Prior Year Debt	(4,760,536)		(6,493,666)		(6,171,962)		(7,097,534)		
Current Year Debt	6,493,666	18%	6,171,962	17%	7,097,534	20%	6,441,671	18%	
Capital Improvements Fund Match estimates	-		-		-		-		
Growth % net of debt							289,972	1%	
Estimated Annual Expenses	38,236,743		35,096,504		36,094,731		35,728,840		
Reserve Amount 10/10/2016	\$ 24,789,726	24,005,631	80%	24,301,708	83%	24,709,811	88%	25,029,779	84%
Reserve Balance *		24,005,631		24,301,708		24,709,811		25,029,779	
Return to Reserves (Revenue - Expenses)		296,077	***	408,103		319,968		3,678,300	
Reserve Balance with return to Reserves		24,301,708		24,709,811		25,029,779		28,708,079	
Reserves Target % of Expenses		22,942,046	60%	22,812,728	65%	25,266,312	70%	26,796,630	75%
Cash Reserves as % of Budget		67%		70%		71%		80%	

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

*Beginning 2016 reserve amount is from 2015 audit.

**Includes \$1,827,843 pay down of 2014 LOC principal

***2016 reserves includes \$2 million repay from the Lodging Tax fund for beach related expenses

****\$2.1 million new revenues from GS Park Lodge & Conference facility, Embassy Suites, Brett Robinson, ABACO, & Comfort Inn & Suites

1) Debt service payment add of \$1.075 million for Transportation Projects 2018; \$2.15 million by 2021

The City of Gulf Shores Revenue, Expense and Reserve Funds usage projected from 2016 to 2026 in the spreadsheet above. Two percent growth is projected on 2018. Three percent growth on total revenues is projected from 2019 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 1% through 2025 and 2% thereafter. Debt service is estimated at between \$6 to \$8.8 million annually, which may decrease depending on the amount of long term debt issued in 2018, 2020 and 2021. Provision is made in the projection for \$1.5 million beginning in 2017 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 2022. 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 2019.

(includes \$2.1 ***** \$1.5 million
million new revs) new debt svc

Debt													
2020	% of	2021	% of	2022	% of	2023	% of	2024	% of	2025	% of	2026	% of
3% Budget		3% Budget		4% Budget		4% Budget		2% Budget		2% Budget		2% Budget	
40,589,354	18%	41,807,035	20%	43,479,316	19%	45,218,489	19%	46,122,859	18%	47,045,316	18%	47,986,222	18%
35,728,840		36,734,280		38,338,016		38,404,154		38,902,815		39,210,775		39,821,407	
(6,441,671)		(7,154,239)		(8,462,175)		(8,229,555)		(8,426,470)		(8,429,666)		(8,424,676)	
7,154,239	19%	8,462,175	22%	8,229,555	21%	8,426,470	21%	8,429,666	21%	8,424,676	21%	8,852,264	21%
-		-		-		-		-		-		-	
500,000		505,000		510,050		515,151		520,302		525,505		530,760	
292,872	1%	295,800	1%	298,758	1%	301,746	1%	304,763	1%	615,622	2%	627,935	2%
37,234,280		38,843,016		38,914,204		39,417,966		39,731,077		40,346,912		41,407,690	
28,708,079	100%	32,063,154	113%	35,027,173	116%	39,592,285	132%	45,392,808	149%	51,784,590	168%	58,482,993	189%
28,708,079		32,063,154		35,027,173		39,592,285		45,392,808		51,784,590		58,482,993	
3,355,075		2,964,019		4,565,112		5,800,523		6,391,782		6,698,404		6,578,532	
32,063,154		35,027,173		39,592,285		45,392,808		51,784,590		58,482,993		65,061,526	
29,787,424	80%	33,016,564	85%	35,022,784	90%	37,447,068	95%	39,731,077	100%	40,346,912	100%	41,407,690	100%
90%		95%		103%		118%		133%		149%		163%	

CITY OF GULF SHORES, ALABAMA
DEPARTMENTAL INFORMATION
FISCAL YEAR 2017

City of Gulf Shores, Alabama
2017 Annual Budget
Personnel - All General Fund

Fund	Department	2015	2015	2016	2016	2017	2017
		Full time	Part time	Full time	Part time	Full time	Part time
General	Executive	11	1	11	1	11	1
	Human Resources	3	0	3	0	3	0
	Finance & Administrative Services	17	1	17	1	17	1
	Municipal Court	4	2	4	2	4	2
	Police	63	4	67	4	69	4
	Fire & EMS	43	-	44	-	46	-
	Community Development	4	-	4	-	4	-
	Building	5	-	6	-	6	-
	Recreation & Cultural Affairs	2	-	2	-	3	-
	Events & Programs	6	3	5	3	5	4
	Library	8	3	8	3	8	3
	Recreation - Bodenhamer	9	22	10	22	10	22
	Recreation - Sportsplex	7	2	8	2	8	2
	Recreation - Parks	6	-	5	-	5	-
	Recreation - Beach	1	13	1	13	1	13
	Recreation - Cultural Center	7	1	6	2	5	2
	Recreation - City Store	0	0	1	3	1	3
	Public Works - General Services	7	2	9	1	9	1
	Public Works - Custodial	10	-	10	-	9	-
	Public Works - Landscaping	9	-	10	-	10	-
	Public Works - Streets	19	-	20	-	20	-
	Public Works - Maintenance	12	-	8	-	9	-
	Airport Authority	2	-	2	-	2	-
	Total	255	54	261	57	265	58

PT = Part-time

New Full time Positions Approved 2017

Police	1 Communication Officer
Police	1 Detention Supervisor
Fire	1 Firefighter/EMT
Fire	1 Fire Paramedic

New Part time Position Approved 2017

Events & Programs	1 Program Assistant (no additional funds)
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**CITY OF GULF SHORES, ALABAMA
EXPENDITURES BY CATEGORY
BUDGET YEAR ENDING DECEMBER 31, 2017**

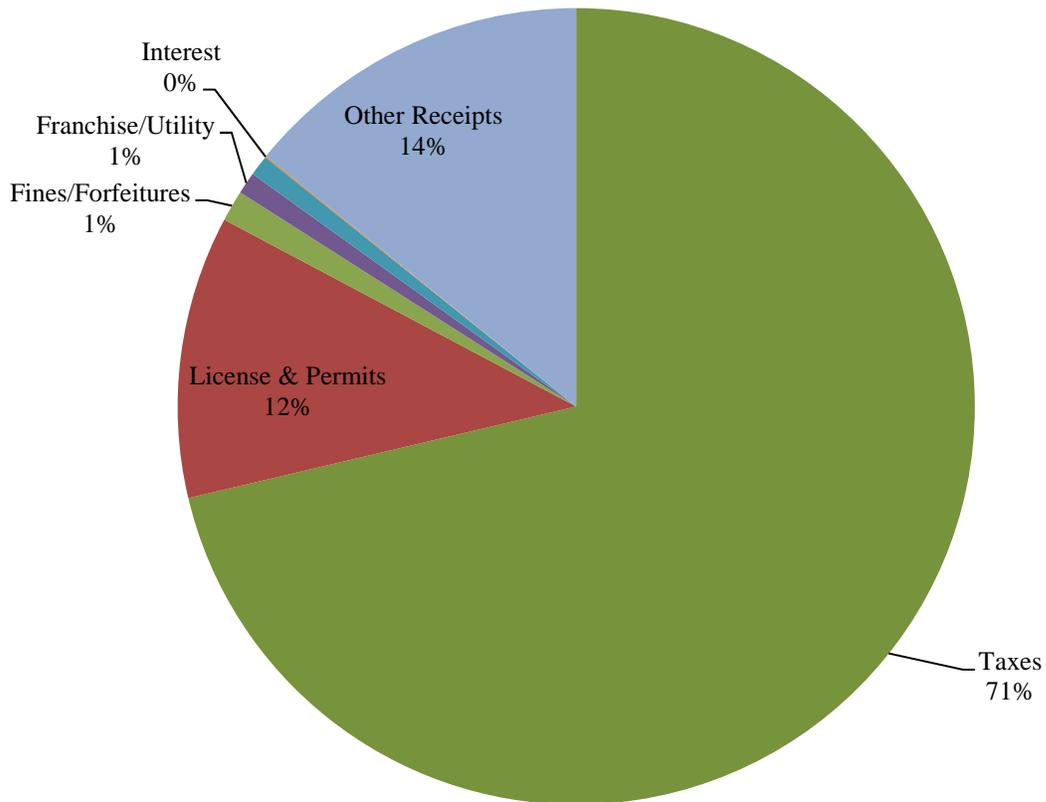
Department	Personnel	Operations	Capital Outlay	Debt Service	Transfers	Total
General Fund:						
Executive	770,096	805,975	-			1,576,071
Human Resources	214,764	95,150	-			309,914
Finance & Administrative Services	1,474,450	1,365,018	50,000			2,889,468
Municipal Court	371,001	13,290	-			384,291
Police	4,556,601	821,020	239,500			5,617,121
Fire & EMS	3,346,524	501,600	-			3,848,124
Planning & Zoning	331,140	120,410	-			451,550
Building	461,906	47,550	42,000			551,456
Recreation & Cultural Affairs	287,570	26,737	10,000			324,307
Special Events & Programs	342,155	371,849	-			714,004
Library	501,551	94,465	-			596,016
Recreation - Bodenhamer	1,165,379	404,796	20,000			1,590,175
Recreation - Sportsplex	668,175	471,135	231,000			1,370,310
Recreation - Parks	364,990	172,620	27,000			564,610
Recreation - Beach	272,147	150,668	36,000			458,815
Recreation - Cultural Center	271,930	128,020	10,000			409,950
City Store	100,247	83,490	-			183,737
Public Works - General Services	691,166	57,150	-			748,316
Public Works - Custodial	498,183	78,150	22,500			598,833
Public Works - Landscaping	573,045	137,700	193,000			903,745
Public Works - Streets	1,074,401	939,800	663,000			2,677,201
Public Works - Maintenance	552,005	528,000	7,500			1,087,505
Airport Authority	130,264					130,264
Appropriations	0	247,500				247,500
Transfers Out	0	0			7,041,795	7,041,795
General Fund Totals	<u>19,019,690</u>	<u>7,662,093</u>	<u>1,551,500</u>	<u>0</u>	<u>7,041,795</u>	<u>35,275,078</u>
Other Funds:						
Special Revenue						
2% Lodging Tax - Transfer Out					2,520,651	2,520,651
Designated Taxes					435,000	435,000
Impact Fees			642,000			642,000
Capital Projects Funds (Fund 40)			4,543,000			4,543,000
Capital Projects Taxable (Fund 42)			6,471,646			6,471,646
Beach Restoration & Projects	490,951	55,700	100,000			646,651
Debt Service				4,051,787		4,051,787
Subtotal Other Funds	<u>490,951</u>	<u>55,700</u>	<u>11,756,646</u>	<u>4,051,787</u>	<u>2,955,651</u>	<u>19,310,735</u>
Grand Total	<u>19,510,641</u>	<u>7,717,793</u>	<u>13,308,146</u>	<u>4,051,787</u>	<u>9,997,446</u>	<u>54,585,813</u>
					Total Expenditures	<u>\$ 54,585,813</u>

The City of Gulf Shores, Alabama

General Fund Budget Summary

GENERAL FUND REVENUE	2014 Actual	2015 Actual	2016 Amended Budget	2017 Council Adopted	% of Total General Fund
Taxes	23,944,313	25,281,070	24,367,495	25,314,000	71%
License & Permits	3,856,041	3,767,987	3,792,000	4,072,000	11%
Fines/Forfeitures	395,864	470,778	450,000	450,000	1%
Franchise/Utility	306,259	330,737	310,000	318,000	1%
Intergovernmental	237,719	251,866	220,055	293,035	1%
Interest	19,189	28,763	20,000	20,000	0%
Other Receipts	6,148,282	5,481,004	7,373,270	5,037,572	14%
Total General Fund Revenues	34,907,667	35,612,205	36,532,820	35,504,607	100%

General Fund Revenue FY 2017



The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

	2014	2015	2016	2017	% Change	2018
	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	Projected
EXECUTIVE						
Expenditures						
Personnel	566,712	741,775	730,685	770,096	5%	781,603
Operations	468,597	474,873	720,286	805,975	12%	570,975
Capital Outlay	817,500	651,047	0	0	n/a	0
Executive Total	1,852,809	1,867,695	1,450,971	1,576,071	9%	1,352,578

Executive Personnel

	2014	2015	2016	2017
	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	1	1	1
Environmental Grants Coord	1	1	1	1
Records & Archives Clerk	0	0	0	0
Asst. Admin/City Clerk	1	1	1	1
Administrative Assistant (PT)	1	1	1	1
Total Personnel	11	12	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 newly elected administration will be sworn in on Monday, November 7, 2016.

The goal of the City Council is to continue to implement the Vision 2025 Plan for Sustainability by focusing on the five core values (medical, education, Gulf State Park, Waterway District and Gulf Beach District) to preserve our uniqueness as a family oriented year-round resort destination with an excellent quality of life and sense of neighborhood community through recreational and environmental management necessary for sustainability.

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.

Environmental/Grants Coordinator: Continue to focus on revitalizing the Gulf Beach District by developing plans for infrastructure improvements including sidewalks, parking, improved roads, signalization, complete streets, and public activity areas. Re-submit application for TIGER 2017 grant funding for Waterway Village Multimodal Access Project to improve vehicular and pedestrian access and safety.

Economic Development Coordinator - Serves as liaison with public, private and non-profit organizations for business attraction, creation, expansion and retention.

Department: Executive (Continued)

Major Accomplishments:

Mayor and Council authorized core value projects:

Ordinance to regulate architectural standards (*Economic Dev./Sustainability*)
Ordinance to regulate construction of pier structures (*Economic Dev./Sustainability*)
Ordinance to provide for ejection of undesirable guests (*Public Safety*)
Ordinance to prohibit possession or consumption of alcohol on beach project sand areas (*Public Safety*)
Ordinance to allow cottage subdivisions in BT Business Tourist Zone (*Economic Dev.*)
Ordinance updating development standards at Business and Aviation Park (*Economic Dev.*)
Ordinance to further regulate gasoline powered watersports equipment rental business (*Gulf Beach District*)
Ordinance to regulate erection of tents and shelters; abandonment of beach equipment; solicitation and related activities (*Gulf Beach District*)
Amend Zoning Ordinance - Add Education District (*Education*)
Construct 8' Sidewalks on Hwy 59 (*Public Safety*)
Approve MOA with Baldwin County - Emergency Management Support Facility (*Public Safety*)
Authorize Public Private Partnership (*Vision 2025 Critical Action #5 - Gulf Beach District*)
Authorize Gulf Place Project Phase 1 Program Mgmt Design and Project Development (*Gulf Beach District*)
Successfully recruited Auburn University to construct a new education complex adjacent to the City's planned Coastal Alabama Center for Higher Education along the Beach Express. (*Vision 2025 Critical Action-Education*)
Successfully recruited the area's first craft brewery, Big Beach Brewing Company, to locate in Waterway Village. Partnered with the Baldwin County Economic Development Alliance, Coastal Alabama Business Chamber, Gulf Shores and Orange Beach Tourism, Gulf Shores Airport Authority and City of Orange Beach to launch the Business Where You Beach economic development marketing campaign. (*Core Value -Economic Development*)
Worked alongside the Gulf Shores Airport Authority to successfully recruit Platinum Air Center to construct a new FBO facility in the Business and Aviation Park at Jack Edwards Airport targeted to serve the needs of corporate aviation travelers. (*Core Value - Economic Development/Sustainability*)
Worked with the Baldwin County Board of Education to establish a Special Tax District for the Gulf Shores High School feeder pattern to provide new opportunities to generate additional funding for local school construction and to enhance educational opportunities for local students. (*Vision 2025 Critical Action #2 - Education*)

Goals:

(*Core Value - Economic Prosperity in a business friendly atmosphere*) Continue to provide outstanding professional service and support to the Mayor, Council, City Clerk's Association guidelines, and University of Administrator, internal staff and citizens while offering Alabama continuing education training for Alabama excellent customer service to citizens through good Municipal Clerks. (*Continuing Education*)
communication, technology, and transparent reporting.

Objectives:

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.
Accurate and timely publication of weekly Council agendas and meeting documents. Provide Excellent Customer Service. (*Core Value - We commit to excellence and the highest quality standards*)

Environmental Grants Coordinator:

Re-submit application for TIGER 2017 grant funding for Waterway Village Multimodal Access Project. Improve vehicular and pedestrian access and safety in the Waterway Village. (*Waterway District*)
Improve Gulf Beach District infrastructure including sidewalks, parking, improved roads, signalization, complete streets, and public activity areas. Continue to focus on revitalizing the Gulf Beach District. (*Gulf Beach District*)

Department Executive (Continued)

Goals:

Economic Development Coordinator:

Continue to focus on growing the Waterway Village district.

Complete a city-wide retail market analysis to assess development opportunities and to develop targeted recruitment strategies.

Expand on the initial launch of the Business Where You Beach marketing campaign.

Work with the Alabama Department of Transportation and the Gulf Shores Airport Authority for a new eastern roadway connection.

Objectives:

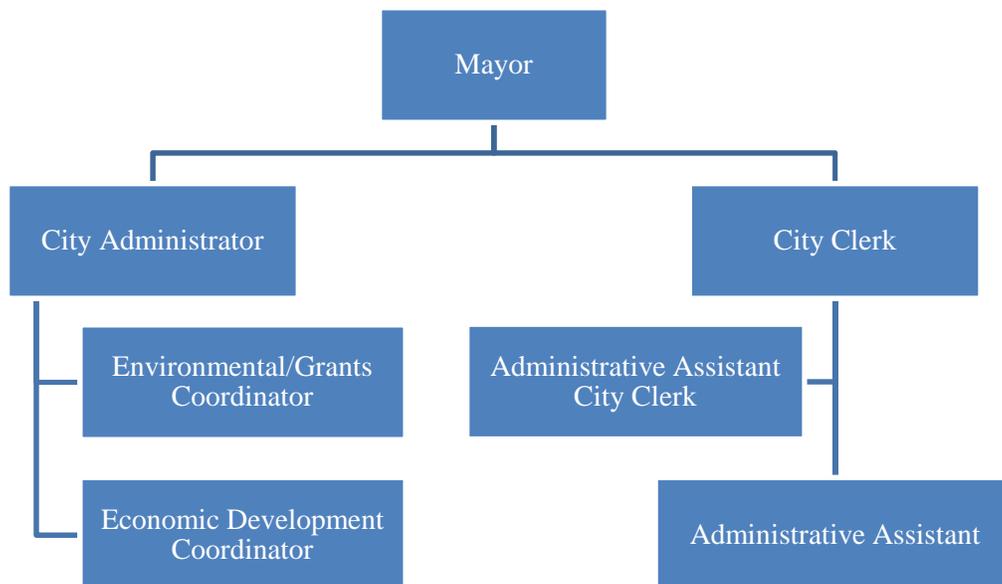
Help existing businesses expand and recruit new businesses to locate in the Waterway Village. *(Waterway District Development)*

Improve business in the Highway 59 corridor, Waterway Village and Gulf Beach District. *(Economic Development)*

Recruit corporate, white-collar jobs to the area. *(Economic Development/Sustainability)*

Construct a new eastern roadway connection from the Business and Aviation Park to the Beach Express. *(Economic Development/Sustainability)*

EXECUTIVE DEPARTMENT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

	2014	2015	2016	2017	% Change	2018
	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	Projected
HUMAN RESOURCES						
Expenditures						
Personnel	186,066	214,033	218,453	214,764	-2%	225,824
Operations	35,373	70,726	81,835	95,150	16%	93,871
Capital Outlay	0	0	0	0	n/a	0
Human Resources Total	221,439	284,759	300,288	309,914	3%	319,695

Human Resources Personnel

	2014	2015	2016	2017
	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	0	0	0
Admin. Asst. II (Full-time)	0	1	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:

Established an open enrollment program to engage all 285 employees and explained to them their benefit packages and answer any questions they may have. Recognized 46 employees for their years of service to the City of 5,10,15, 20, 25, and 30 year increments. Established a performance appraisal training system with Applied Learning for our supervisors and department heads.

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.

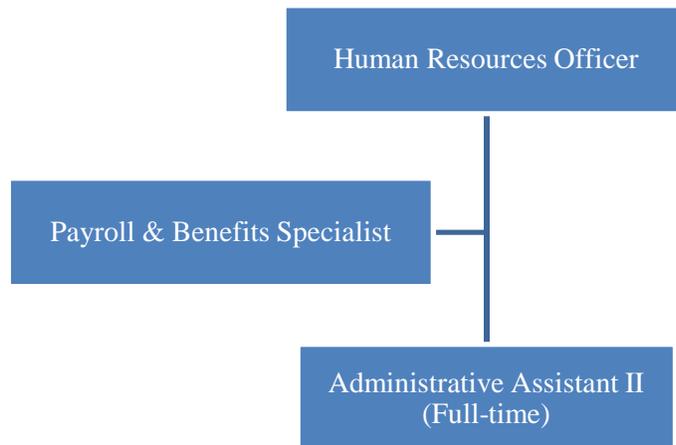
Create an Accident Review Committee.

Work with Symbol and Wellness Coach to implement health challenges.

Implement Step Therapy Program for Rx Specialty Drugs.

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 2017 Budget

FINANCE AND ADMINISTRATIVE SERVICES	2014	2015	2016	2017	% Change	2018
	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	Projected
Expenditures						
Personnel	1,245,848	1,424,369	1,436,993	1,474,450	3%	1,503,611
Operations	862,009	1,000,601	1,165,824	1,365,018	17%	1,273,414
Capital Outlay	0	0	21,000	50,000	n/a	10,000
Finance & Admin Total	2,107,857	2,424,970	2,623,817	2,889,468	10%	2,787,025

Finance & Administrative Services Personnel

	2014	2015	2016	2017
Positions	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	1	1
Financial Tech II	1	1	2	2
Financial Tech III	1	1	0	0
Revenue Division Coordinator	0	0	1	1
Revenue Tech	1	1	1	1
Purchasing Officer	1	1	1	1
Purchasing Tech	1	1	1	1
Revenue Supervisor	1	1	1	1
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	1	1	1
Accountant (Part-time)	1	1	1	1
Admin Asst. I	1	1	1	1
Total Personnel	17	18	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 2016 Budget Document and Certificate of Achievement for Excellence in Financial Reporting for the 2015 Comprehensive Annual Financial Report (CAFR) - sixth consecutive year award received. The City's current bond rating is AA+.

Revenue/IT - Citizenserve migration for Tax reporting began mid-year 2016 and will be fully available for use by staff and customers by January 2017.

IT - Cisco VoIP telephone system was upgraded adding additional functionality and features, such as voicemail to email and Jabber client for intradepartmental communications. Upgraded the primary core network switch, offering increased speed and expandability of our network. Pertinent outlying switches were also replaced increasing the stability and efficiency of the network.

IT - City limits, Police jurisdiction and street center lines were made available on the City's website at <http://www.gulfshoresal.gov/index.aspx?NID=710>. The City's Beach access map/app is now available at: <http://www.gulfshoresal.gov/index.aspx?NID=917>.

IT Systems Administrator elected Vice President of Alabama Government Management Information Sciences organization.

Purchasing Officer elected to Chair the South Alabama Purchasing Association (SAPA). Presented updated Purchasing, Procurement Card and new Fixed Asset Manuals for successful adoption by Council.

Revenue Coordinator elected Secretary of the statewide Alabama Municipal Revenue Officers Association.

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.

Add to the existing fiber backbone to include outlying facilities and locations to enhance citywide network.

Update the Recreation Division software platform to provide a more user-friendly and accessible portal for staff and patrons alike.

Make additional online interactive maps/apps available for city facilities, regulations, and economic development plans for employee and public access.

Submit 2016 Comprehensive Annual Financial Report for Government Finance Officer's Association (GFOA) Certificate of Excellence in Financial Reporting Award and submit 2017 Budget for GFOA Distinguished Budget Presentation Award.

Objectives:

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

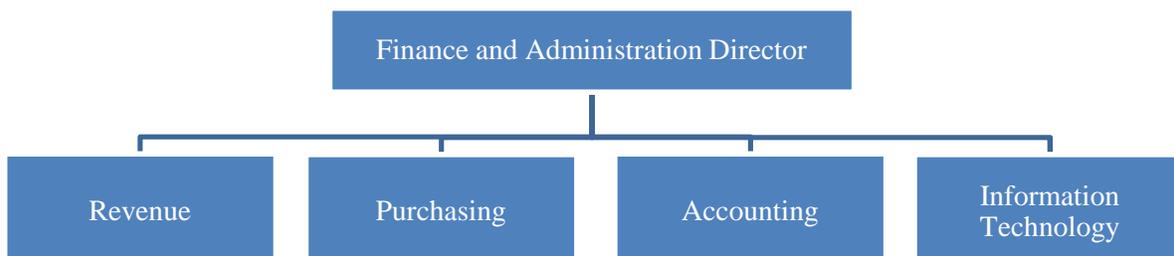
Run fiber to City areas including Meyer Park, City boat launches and public beach access bathhouses.

Purchase new CSI software and configure new web portal for customers, to include registrations, account management and online payments.

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 2017 Budget

	2014	2015	2016	2017	% Change	2018
	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	Projected
MUNICIPAL COURT						
Expenditures						
Personnel	287,892	347,093	351,762	371,001	5%	386,420
Operations	11,412	13,220	12,940	13,290	3%	12,940
Capital Outlay	0	0	0	0	n/a	0
Municipal Court Total	299,304	360,313	364,702	384,291	5%	399,360

Municipal Court Personnel

	2014	2015	2016	2017
	Actual	Actual	Budget	Adopted
Positions				
Municipal Court Judge	1	1	1	1
Municipal Court Prosecutor	1	1	1	1
Municipal Court Administrator	1	1	1	1
Court Magistrate	2	3	3	3
Total Personnel	5	6	6	6

Municipal Court Functions:

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

Municipal Court Prosecutor: The Municipal Court Prosecutor is appointed by the Mayor to represent the Executive Branch of the City in the Prosecution of those charged with violating Municipal Code Violations and the Code of Alabama in the Municipal Court and upon Appeal to the Circuit Court of Baldwin County. A Municipal Prosecutor 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:

Continued improvement of 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.

As with Traffic Citations working with IT and the Court software provider to put in place an electronic parking ticket citation system.

Objectives:

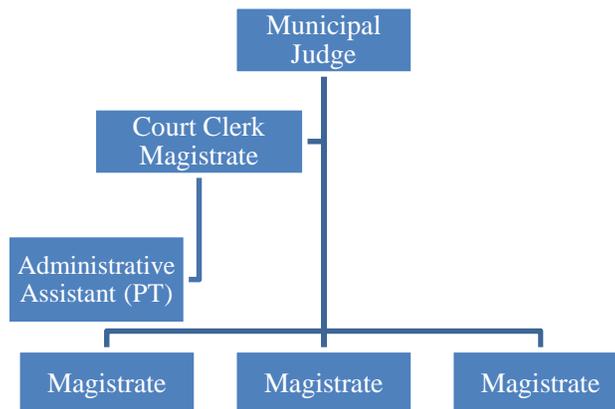
Continued expansion and use of Credit/Debit Cards, online payments, and Guilty/Waivers to avoid Court appearance in uncontested cases.

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.

To expedite the issuance, data entry and ability of cited persons to pay online for parking citations.

MUNICIPAL COURT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

	2014	2015	2016	2017	% Change	2018
	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	Projected
POLICE						
Expenditures						
Personnel	3,820,182	3,939,857	4,302,985	4,556,601	6%	4,532,908
Operations	566,041	535,233	795,870	821,020	3%	795,870
Capital Outlay	20,789	201,485	878,500	239,500	-73%	265,500
Police Total	4,407,012	4,676,575	5,977,355	5,617,121	-6%	5,594,278

Police Personnel

	2014	2015	2016	2017	
Positions	Actual	Actual	Budget	Adopted	
Police Chief	1	1	1	1	
Deputy Chief	1	1	1	1	
Lieutenant	3	3	3	3	
Investigator Sergeant	1	1	1	1	
Investigator Corporal	0	0	0	0	
Investigator	3	4	4	4	
Juvenile Investigator Corporal	1	0	0	0	
Support Services Sergeant	0	1	1	1	
Narcotics Investigator	3	2	3	3	
SRO / Juvenile Sergeant	0	1	1	1	
School Resource Officer	1	1	1	1	
SRO / Corporal	0	0	1	1	COPS 1
CRO / Corporal	1	1	1	1	
Patrol Sergeant	3	3	3	3	
K9 Patrol Sergeant	1	1	1	1	
Patrol Corporal	3	4	4	4	
K9 Corporal	1	0	0	0	
K9 Officer	3	2	3	3	
Patrol Officer	16	18	17	17	COPS 1
Communication Officer	6	7	6	7	
Communications Supervisor	0	0	1	1	
Detention Supervisor Corporal	1	1	1	1	
Detention Supervisor	0	0	0	1	
Detention Officer	8	8	8	8	
Animal Control Officer	1	1	1	1	
Administrative Assistant I	1	1	1	1	
Administrative Supervisor	1	1	1	1	
Community Service Officers	0	0	2	2	Beach Funding
Part Time Positions:					
Beach Rangers (Seasonal)	0	4	4	4	Beach Funding
Total Personnel	60	67	71	73	

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.

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:

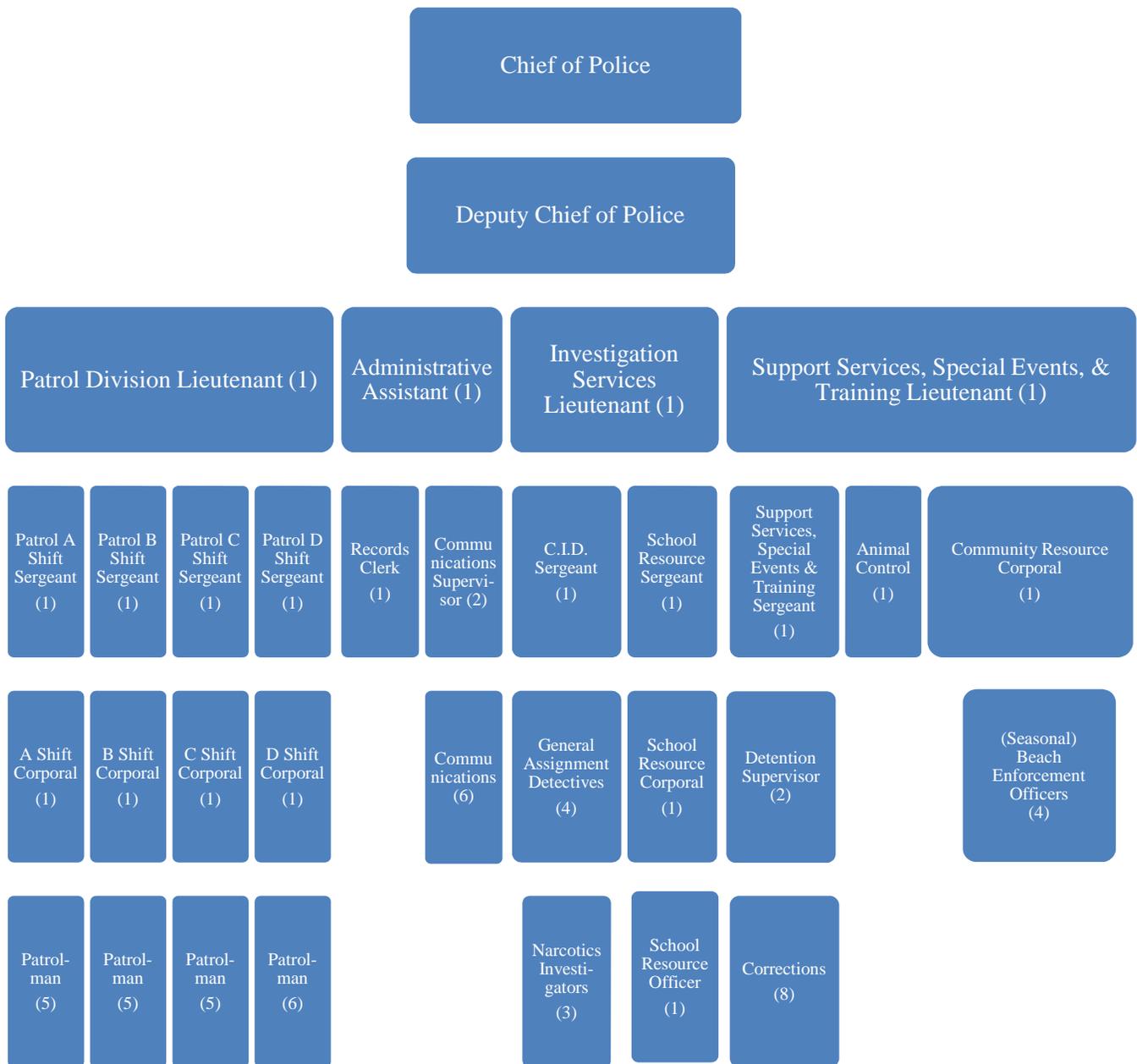
- Protect Life and Property
- Respond to Calls for Service
- Maintain Order
- Protect Constitution
- Proactively Enforce the Law
- Prevent Crime
- Promote Traffic Safety
- Investigate Crime
- Assist in Prosecution
- Promote Community
- Solve Problems
- Maintain Public Confidence in the Police Department

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 2017 Budget

	2014	2015	2016	2017	% Change	2018
FIRE	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	Projected
Expenditures						
Personnel	3,038,759	3,163,034	3,149,349	3,346,524	6%	3,408,558
Operations	358,556	428,696	493,100	501,600	2%	501,600
Capital Outlay	491,893	22,032	200,000	0	-100%	0
Fire Total	3,889,208	3,613,762	3,842,449	3,848,124	0%	3,910,158

Fire Personnel

	2014	2015	2016	2017
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	13
Firefighter/Paramedic	8	8	15	14
Firefighter/EMT	18	18	12	12
Admin Assistant	1	1	1	1
Total Personnel	43	43	44	46

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:

Received ISO Class 1 rating.

Vision 2025 Key Strategy Met: Community Planning

Expanded fire science career academy at Gulf Shores High School. In 2016 the first graduate of this academy completed Volunteer Firefighter I, Emergency Medical Technician and the Alabama Fire College bridge program to become a career firefighter I and II. Our vision of the Fire Science Academy has been met and is exceeding expectations by providing real world career opportunities to our local graduates.

Vision 2025 Key Strategy met: Progressive Education

Expanded our Advance Life Support capabilities. Four current Firefighter/EMTs are enrolled in Advanced EMT or Paramedic certification.

Vision 2025 Key Strategy met: Leading Edge Healthcare

Replaced out dated cardiac monitor/defibrillators with eight (8) Philips MRx's. These devices are cutting edge technology allowing our Paramedics to provide the highest care possible. Other features include transmit capabilities allowing real time remote viewing of the patients vitals by physicians.

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

Received the **Mission Lifeline: Gold Recognition** in Cardiac Care from the American Heart Association.

Vision 2025 Key Strategy Met: Leading Edge Healthcare

Received a Life Safety Achievement for 2015 from the National Association of State Fire Marshals

Goals:

Reduce response times

Vision 2025 Key Strategy:

Medical-Prompt access to leading edge care

Create North Gulf Shores Fire Station

Vision 2025 Key Strategy:

Community Planning-Infrastructure

Expand Fire Science Academy to include pool lifeguard and USLA Open water Lifeguard Certifications

Vision 2025 Key Strategy:

Education

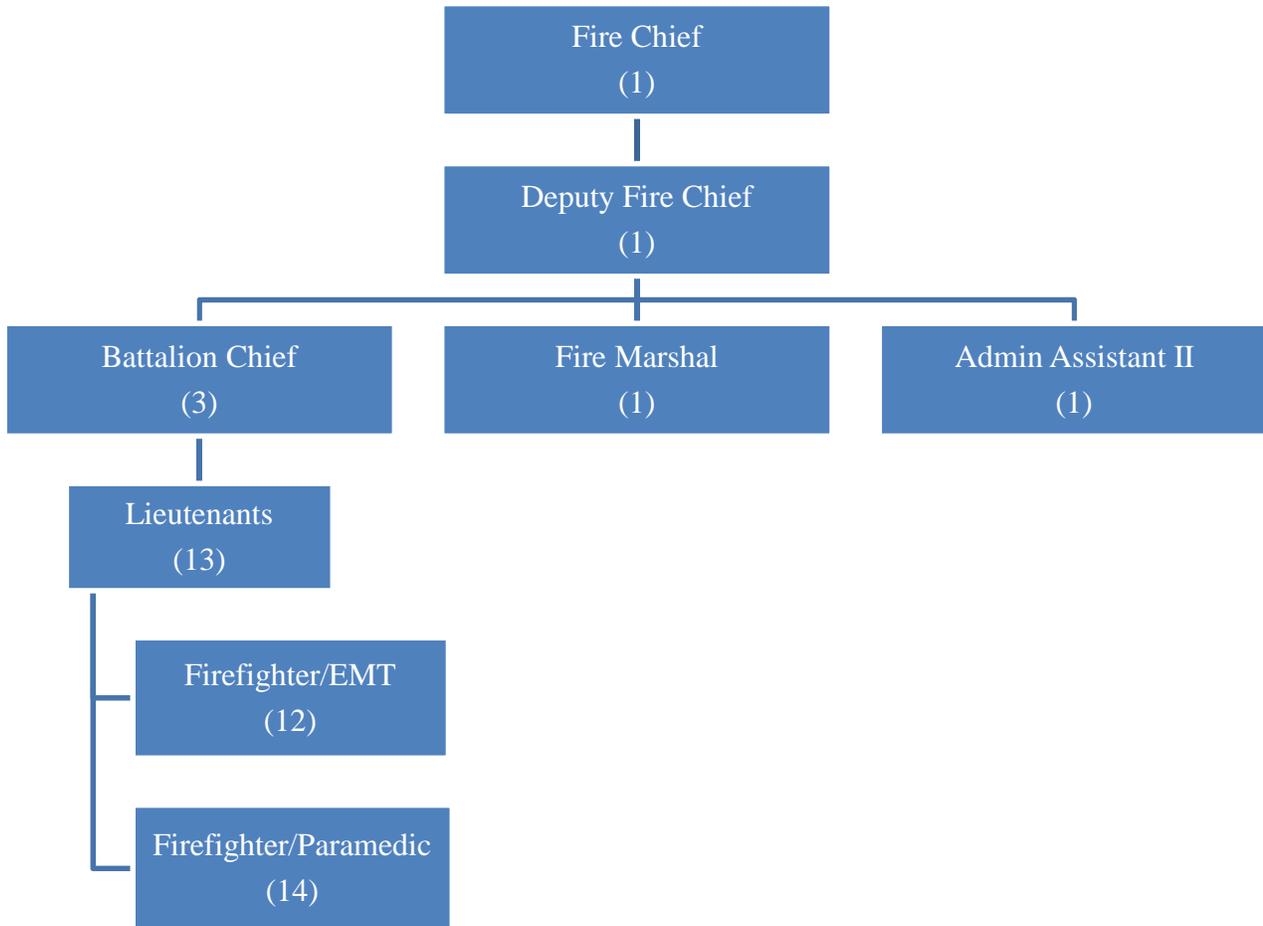
Objectives:

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.

Create a full-time North Gulf Shores Fire Rescue response.

Certify our high school students in pool lifeguard and USLA Open water Lifeguard Certifications. Objective is to create a pool of qualified candidates for employment at local pools and our beach.

FIRE DEPARTMENT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

	2014	2015	2016	2017	% Change	2018
	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	Projected
PLANNING & ZONING						
Expenditures						
Personnel	291,396	311,757	327,733	331,140	1%	336,619
Operations	93,885	46,194	75,410	120,410	60%	75,410
Capital Outlay	0	0	0	0	n/a	0
Planning & Zoning Total	385,281	357,951	403,143	451,550	12%	412,029

Planning & Zoning Personnel

	2014	2015	2016	2017
	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:

Installed Bluebeam software which allowed the Planning, Fire, and Public Works Departments to review applications digitally. Bluebeam in concert with the Citizenserve software improves work efficiency and quality, allows for real time interdepartmental reviews, and has reduced paper consumption.

Amended the Cottage Subdivision regulations which made cottage subdivision development feasible. Cottage subdivisions are more in keeping with the current development character of Gulf Shores and in most cases reduce the allowable density.

Revised the Business & Aviation Park Overlay Zone regulations. The changes were brought about by the classification of the Business and Industrial Park as an Alabama Advantage Site which occurred in September of 2015 and the renewed interest in recruiting businesses which are compatible with Gulf Shores' tourist economy to the park.

Assisted with redesign of the Planning & Zoning portion of the City's website. The redesign provides concise information about all Planning & Zoning applications and procedures and enables applicants to apply digitally.

Department: Planning & Zoning

Goals:

Complete the Subdivision Regulations update.

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.

Completely digitize the plans review process by January 1, 2017

Sustainability - Full implementation of the Bluebeam/Citizserve 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.

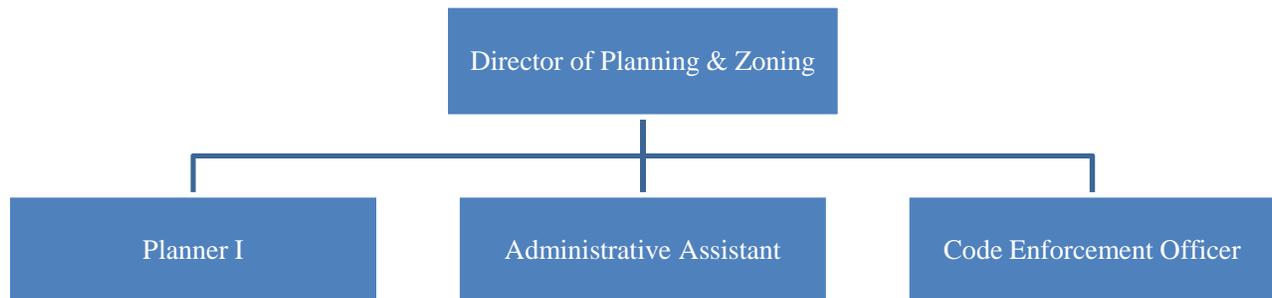
Strive to achieve bike and walk-friendly community status

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.

Amend the Envision Gulf Shores zoning regulations to expand/modify the walking district, improve site and architectural design, so future development of the beach areas reinforce and improve the City's sense of place and quality of life.

Community Planning - A primary goal of the Vision 2015 Plan is improvement in the aesthetic looks, revitalization of the city, and improved transportation for vehicles, pedestrians and bicycles. A measure of success is adoption of a zoning amendment.

PLANNING & ZONING ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

	2014	2015	2016	2017	% Change	2018
BUILDING	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	Projected
Expenditures						
Personnel	369,148	365,606	439,335	461,906	5%	465,235
Operations	46,146	38,672	44,450	47,550	7%	44,450
Capital Outlay	70,078	24,998	42,000	42,000	0%	42,000
Building Total	485,372	429,276	525,785	551,456	5%	551,685

Building Personnel

	2014	2015	2016	2017
Positions	Actual	Actual	Budget	Adopted
Building Official	1	1	1	1
Inspectors	4	3	4	4
Administrative Assistant II	1	1	1	1
Total Personnel	6	5	6	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.

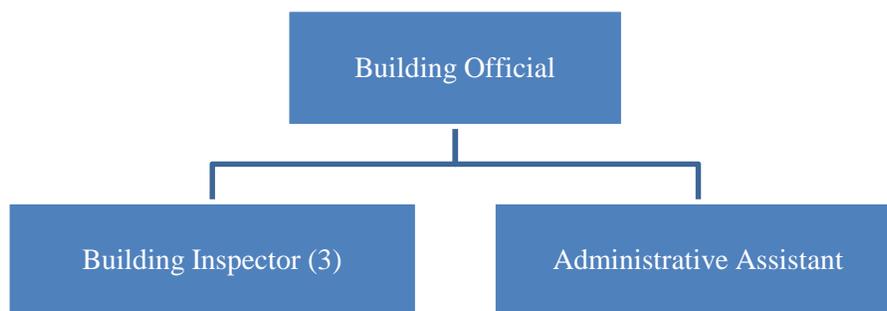
Objectives:

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 2017 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, responsibly utilizing the resources provided.

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, and fostering equitable partnerships with like-wise organizations to enhance local arts, cultural and entertainment. The City Store is an important part of this Division and provides an outlet for City service information and the opportunity for the public to obtain "Small Town, Big Beach" City merchandise which further establishes our brand.

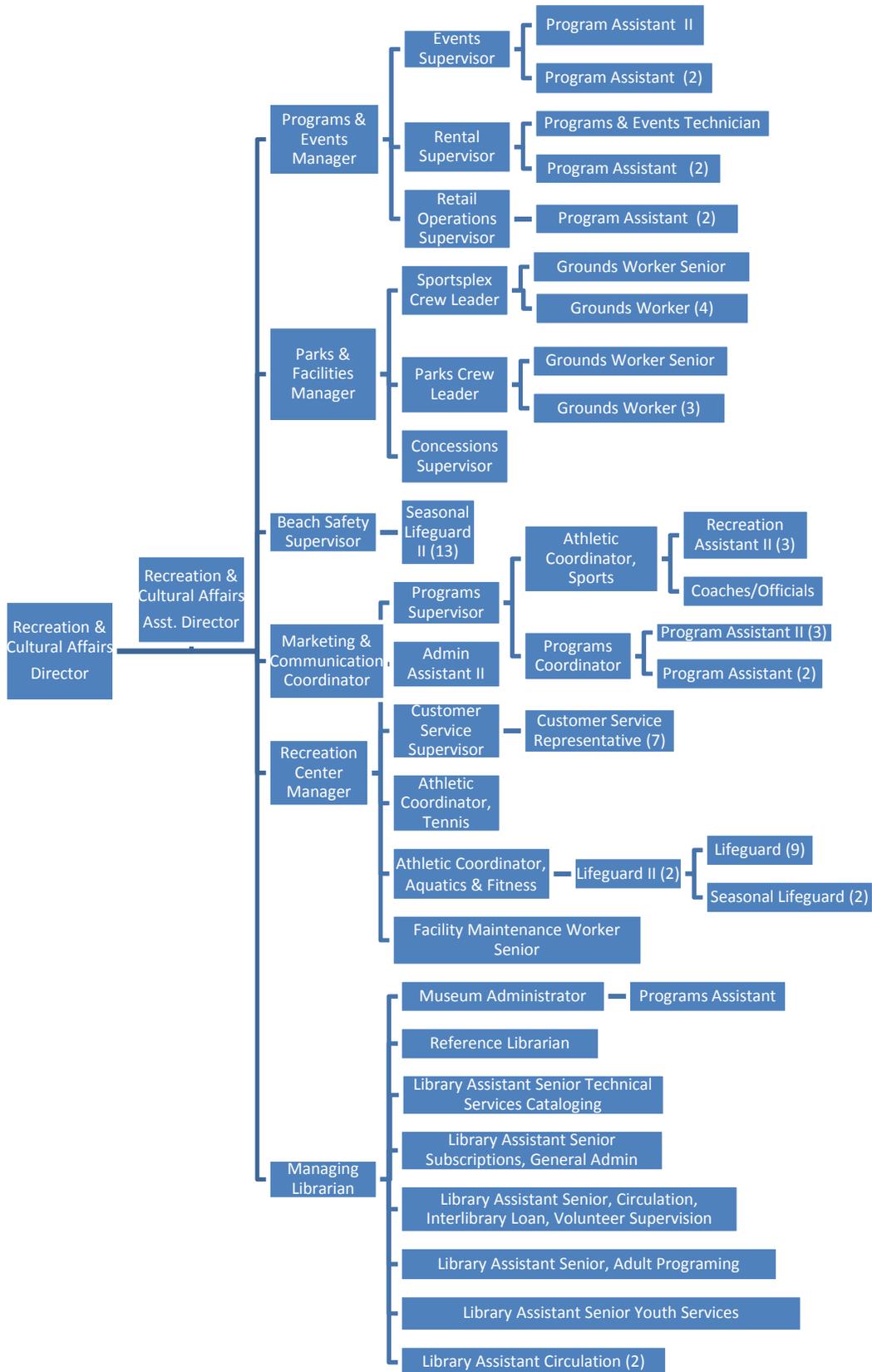
Library & Museum Division: The Thomas B. Norton Public Library offers residents and visitors a wealth of useful services, helpful resources, and, of course, books. Also included is free Wi-Fi, library cards free for anyone with picture ID and valid mailing address, photocopying, printing, faxing, and 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 and Gulf Shores Cultural Center which are membership and/or daily fee-based community centers that receive over 150,000 visits annually. These facilities serve as hubs for all recreational athletics and house City of Gulf Shores Recreation Division staff offices. Both centers offer a wide variety of recreational activities including fitness center, indoor pool, racquet ball, gymnasium, tennis, pickle ball and indoor track. Additionally youth and adult programming including educational, creative and cultural arts classes, and life-long learning opportunities are offered.

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 2017 Budget

	2014	2015	2016	2017	% Change	2018
RECREATION & CULTURAL AFFAIRS	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	Projected
Expenditures						
Personnel	124,190	162,109	220,475	287,570	30%	296,501
Operations	10,969	25,478	34,342	26,737	-22%	26,737
Capital Outlay/Signage	353,803	0	0	10,000	n/a	10,000
RCA Total	488,962	187,587	254,817	324,307	27%	333,238

Recreation & Cultural Affairs Personnel

	2014	2015	2016	2017	
Positions	Actual	Actual	Budget	Adopted	
Director	1	1	1	1	
Assistant Director	0	1	1	1	
Marketing & Com. Coordinator	0	0	0	1	transfer from 551
Total Personnel	1	2	2	3	

Major Accomplishments:

Accepted Mayor's Proclamation for July is Parks & Recreation Month (*Environmental Stewardship & Sustainability*)

Successfully managed the inaugural NCAA National Beach Volleyball Championship, the 7th Hangout Music Festival, AVCA National Sand Volleyball Championship, NAIA National and AAHSA Track & Field Championships, and COGS Mardi Gras Parade (*Economic, Geographic & Seasonal Diversification*)

Hosted the 2016 USA Lecture Series and international artists at the Cultural Center (*Progressive Education*)

Established the Wicked Waterway Village Halloween event (*Waterway District*)

Renovated the Bodenhamer Recreation Center's pool facilities and Meyer Tennis complex, greatly enhancing patrons use and safety (*Community Planning*)

Established equitable partnership agreements with the South Baldwin Community Theater, Gulf Coast Arts Alliance and Gulf State Park, further enhancing local arts, cultural and entertainment (*Prosperity*)

Audited and reorganized departmental staff to maximize efficiency and enhance public service (*Well-Organized Infrastructure*)

Goals:

Support Vision 2025 Core Values through events and activities which foster seasonal diversification-becoming less beach-dependent while providing enhanced quality of life for our residents, visitors and retirees.

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

Objectives:

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

Through a "new" redesigned website in 2017, 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 2017 Budget

RECREATION	2014	2015	2016	2017	% Change	2018
EVENTS & PROGRAMS	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	Projected
Expenditures						
Personnel	362,976	391,519	363,471	342,155	-6%	351,339
Operations	432,177	385,889	354,754	371,849	5%	371,249
Capital Outlay	0	0	0	0	0%	0
Events & Programs Total	795,153	777,408	718,225	714,004	-1%	722,588

Events & Programs Personnel

	2014	2015	2016	2017	
Positions	Actual	Actual	Budget	Adopted	
Programs & Events Manager	1	1	1	1	
Programs & Events Supervisor	1	1	1	0	
Events Coordinator (PT)	1	0	0	0	
Programs & Events Tech	1	1	1	1	
Rental Supervisor	1	1	1	1	
Marketing & Communications	1	1	1	0	Move to RCA dept 550
Event Supervisor	0	0	0	1	
Program Assistant II	0	0	0	1	
Programs Assistants (PT)	3	3	3	4	
Retail Operator Coordinator	0	1	0	0	Moved to City Store 2016
Total Personnel	9	9	8	9	

Major Accomplishments:

- Produced the 2nd Annual Zydeco Music & Crawfish Festival (*Economic, Geographic & Seasonal Diversification*)
- Assumed Mardi Gras parade production, and introduced 4th of July salute to military veterans (*Prosperity*)
- Established "A Sunny Day" in Gulf Shores commemorating Gulf Shores tourism (*Prosperity*)
- Identified the City Store building as eligible for State Historical Registry (*Community Planning*)
- Purchased new lightweight tables for rental facilities (*Community Planning*)
- Streamlined and enhanced public facility rental processes (*Sustainability*)
- Improved rental operations by creating procedure manuals, new contracts, checklists, surveys (*Sustainability*)
- Successfully executed the City website redesign (*Well-Organized Infrastructure*)
- Inventoried and introduced new branded items to be used for City-wide marketing and promotion including

Goals:

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:

Create an incentive based Cultural District for Arts & Entertainment

Foster City/Artist relationships to establish public art

Survey stakeholders to evaluate standards of excellence

The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

RECREATION LIBRARY	2014	2015	2016	2017	% Change	2018
	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	Projected
Expenditures						
Personnel	445,525	514,534	493,343	501,551	2%	511,318
Operations	82,621	80,088	96,265	94,465	-2%	95,965
Capital Outlay	0	0	0	0	0%	0
Library Total	528,146	594,622	589,608	596,016	1%	607,283

Library Personnel

	2014	2015	2016	2017
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:

Successfully served over 70,000 on-site library visitors during calendar year 2016 (*Vision 2025: Core Value - Enhance the sense of place*)

Maintained Alabama State Association's Gold Standard Library Award (*Sustainability*)

Integrated a new Library webpage into City's website (*Community Planning*)

Established a library-based public art display in cooperation with the Gulf Coast Arts Alliance (*Prosperity*)

Developed a "Miss Sunny" museum exhibit documenting and showcasing local tourism history (*Progressive Education*)

Enhanced local youth outreach efforts in partnership with Gulf Shores Elementary School, including the development of Mother's Day Out programs and expanded children Storytime events (*Progressive Education*)

Goals:

Sustain a system of diverse, outstanding library services to patrons of all ages
Provide patrons access to technology and enhanced internet connectivity
Maintain the regular function of the library and museum to reinforce the sense of place

Objectives:

Enhance patron experience and standards of excellence through thoughtful facility revitalizations
Maintain Alabama State Association Library standards
Expand state of the art library programs and inclusive educational opportunities
Expand e-book collection through sufficient Wi-Fi

The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

BODENHAMER RECREATION CENTER	2014	2015	2016	2017	% Change	2018
	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	Projected
Expenditures						
Personnel	1,107,261	1,137,838	1,129,884	1,165,379	3%	1,216,509
Operations	436,818	365,135	395,802	404,796	2%	406,557
Capital Outlay	0	164,319	70,000	20,000	n/a	20,000
Bodenhamer Total	1,544,079	1,667,292	1,595,686	1,590,175	0%	1,643,066

Bodenhamer Personnel

	2014	2015	2016	2017
Positions	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	0	0
Athletic Coordinator, Sports	1	1	1	1
Athletic Coordinator, Tennis	1	1	1	1
Athletic Coordinator, Aquatics	1	1	1	1
Lifeguard II	2	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	11	11	10	10
Recreation Assistant (PT)	9	9	3	4
Life Guards (PT)	9	9	11	11
Customer Service Rep (PT)	4	4	7	7
Fitness Assistants (PT)	2	2	1	0
Total Part Time Personnel	24	24	22	22

Major Accomplishments:

Renovated the Bodenhamer Recreation Center's pool and Meyer Tennis complex (*Community Planning*)
 Audited and reassigned specific Events and Programs staff to the Recreation Division in effort to streamline management, maximize efficiency and enhance public service (*Well-Organized Infrastructure*)
 Improved user education and policy reducing injuries through facilities and programs (*Sustainability*)
 Maintained and expanded inclusive community wellness initiatives and goal driven fitness programs (*Prosperity*)

Goals:

Enhance user POS experience and accessibility

 Conduct program & facility inventory and analysis

Objectives:

Implement new recreation software platform

 Introduce 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 2017 Budget

RECREATION	2014	2015	2016	2017	% Change	
SPORTSPLEX	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	2018 Projected
Expenditure						
Personnel	537,944	616,205	647,732	668,175	3%	673,075
Operations	390,085	406,861	431,289	471,135	9%	474,296
Capital Outlay	187,746	117,593	28,000	231,000	725%	0
Sportsplex Total	1,115,775	1,140,659	1,107,021	1,370,310	24%	1,147,371

Sportsplex Personnel

	2014	2015	2016	2017
Positions	Actual	Actual	Budget	Adopted
Manager	1	1	1	1
Crew Leader	1	1	1	1
Grounds Worker Senior	1	1	2	2
Customer Service Rep	1	1	1	1
Grounds Worker	3	3	3	3
Total Personnel	7	7	8	8
Recreation Assistants (PT)	2	2	2	2
Total Part Time Personnel	2	2	2	2

Major Accomplishments:

Provided superior athletic facilities and experiences to local, regional and national sports and athletic organizations (*Economic, Geographic and Seasonal Diversification*)
Purchased and implemented state of the art concessions point of sale and inventory system (*Sustainability*)
Authored and implemented cash handling and deposit policies and procedures (*Well-Organized Infrastructure*)
Maintained strong partnerships with local, regional and national stakeholders and advised Sport Tourism representatives on potential athletic opportunities and current limitations (*Prosperity*)
Renovated championship track & field facilities and purchased professional-series softball backstop padding (*Community Planning*)

Goals:

Conduct a park and facility inventory and analysis

Review park and athletic facility maintenance best practices and trends

Objectives:

Realize capacities & establish maintenance service and time standards

Encourage and enhance professional and technical skill development of divisional staff

The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

RECREATION	2014	2015	2016	2017	% Change	2018
PARKS	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	Projected
Expenditures						
Personnel	244,449	292,847	346,379	364,990	5%	362,957
Operations	147,761	145,303	174,222	172,620	-1%	173,160
Capital Outlay	0	-2,807	44,200	27,000	n/a	0
Parks Total	392,210	435,343	564,801	564,610	0%	536,117

Parks Personnel

	2014	2015	2016	2017
Positions	Actual	Actual	Budget	Adopted
Manager	0	0	0	0
Crew Leader	1	1	1	1
Grounds Worker	5	5	4	4
Total Personnel	6	6	5	5

Major Accomplishments:

Engaged local community groups including Boy Scouts, Gulf Shores Elementary, and Friends of the Dog Park to design and implement impactful park improvements (*Community Planning & Prosperity*)
 Restructured division leadership and structure to maximize efficiency and improve service standards (*Well-Organized Infrastructure*)
 Hosted local and regional high school and collegiate tournaments and athletic practices (*Economic, Geographic & Seasonal Diversity*)
 Renovated Sims Park pavilion, irrigation and Kids Park entrance (*Sustainability & Environmental Stewardship*)

Goals:

Conduct a park and facility inventory and analysis

Review park and athletic facility maintenance best practices and trends

Objectives:

Realize capacities & establish maintenance service and time standards

Encourage and enhance professional and technical skill development of divisional staff

The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

RECREATION BEACH	2014	2015	2016	2017	% Change	2018
	Actual	Actual	Amended Budget*	Council Adopted	2016 to 2017	Projected
Expenditures						
Personnel	198,644	228,445	256,826	272,147	6%	279,299
Operations	196,713	134,049	157,863	150,668	-5%	156,463
Capital Outlay	5,248	1,090	146,000	36,000	n/a	0
Beach Total	400,605	363,584	560,689	458,815	-18%	435,762

*Beach Pay Stations \$85,000 included with Capital Outlay

Beach Personnel

	2014	2015	2016	2017
	Actual	Actual	Budget	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:

Provided superior beach visitor experience and safety through excellent service standards (*Prosperity & Environmental Stewardship*)

Maintained National Agency Certification through the United States Lifesaving Association (*Sustainability*)

Directed controlled parking enhancements and expanded services (*Community Planning*)

Advised the National Weather Service on NWS Beach and Surf Zone Forecast improvements (*Sustainability*)

Contributed to forthcoming USLA Open Water Lifesaving textbook revision (*Progressive Education*)

Partnered with Gulf Shores High School Transition Program to offer on-site professional rescuer training to students (*Progressive Education*)

Provided pertinent technical and beach safety data for Gulf Place design (*Gulf Beach District*)

Goals:

Provide a family friendly atmosphere and superior customer service to residents and visitors alike

Continue to provide trained, professional lifeguard services

Assist Federal, State and local agencies with marine safety and environmental protection of our waterways, protective dune system and beaches

Monitor City waterfront and controlled parking 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

Provide quality hospitality management education and customer service training for employees

Increase enforcement and public education to inform our residents and guest on how to protect and preserve our unique natural resources

Enforce and mitigate quality of life violations and conflicts to ensure a relaxed, no hassle environment

The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

RECREATION	2014	2015	2016	2017	% Change	
CULTURAL CENTER	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	2018 Projected
Expenditures						
Personnel	290,497	286,730	325,339	271,930	-16%	286,695
Operations	131,351	106,129	123,500	128,020	4%	141,020
Capital Outlay	361,232	172	55,000	10,000	n/a	0
Cultural Center	783,080	393,031	503,839	409,950	-19%	427,715

Cultural Center Personnel

	2014	2015	2016	2017
	Actual	Actual	Budget	Adopted
Positions				
Programs & Events Supervisor	1	1	1	1
Events Coordinator	1	2	2	1
Programs Asst	3	3	3	3
Programs Asst II	1	0	0	0
Programs Asst (PT)	2	2	2	2
Total Personnel	8	8	8	7

Major Accomplishments:

Successfully hosted the 2016 University of South Alabama Lecture Series and international artists at the Cultural Center (*Progressive Education*)

Fostered partnerships with Gulf Shores public schools in an effort to share and maximize youth programs (*Economic, Geographic and Seasonal Diversification*)

Established the Teen Summer Program assisting inter-organizational community projects (*Prosperity*)

Established and implemented facility policies and procedures aimed at enhancing patron experience (*Well-Organized Infrastructure*)

Greatly expanded Active Adult programming, including educational, athletic and fitness-based opportunities (*Community Planning*)

Audited and reassigned division staff to the Recreation Division in effort to streamline management, maximize efficiency and enhance public service (*Well-Organized Infrastructure*)

Goals:

Realize and maximize existing Cultural Center facility use, programming and development

Continue to enhance the Teen Program

Explore facility rental and revenue generating opportunities for corporate team building

Invite program providers to utilize CC for community enrichment

Objectives:

Establish an innovative on-site fitness component that complements and expands existing Bodenhamer programs

Expand organized athletic skill enhancement clinics

Provide programming that fosters mentorship between youth and adults

Establish at risk youth, teen & family programs

The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

CITY STORE	2014 Actual	2015 Actual	2016 Amended Budget	2017 Council Adopted	% Change 2016 to 2017	2018 Projected
Expenditures						
Personnel	0	0	89,889	100,247	n/a	100,605
Operations	0	0	111,010	83,490	n/a	152,590
Capital Outlay	0	0	21,500	0	n/a	0
CITY STORE Total	0	0	222,399	183,737	n/a	253,195

CITY STORE Personnel

	2014 Actual	2015 Actual	2016 Budget	2017 Adopted
Positions				
Retail Operator Coordinator	0	0	1	1
Program Assistant <20 hrs week	0	0	3	3
Total Personnel	0	0	4	4

Major Accomplishments:

Successfully showcased the Small Town, Big Beach brand to over 10,000 City Store visitors during calendar year 2016 (*Vision 2025: Core Value - Enhance the sense of place*)

Developed and implemented supply cost saving strategies, and increased sales by 60.25% (*Prosperity*)

Assumed responsibility for City-wide customer service standards of excellence (*Sustainability*)

Expanded retail locations to the Bodenhamer Rec Center, Meyer Tennis Center and City Museum (*Community Planning*)

Introduced Miss Sunny merchandise-line (*Prosperity*)

Goals:

Continue to expand the City of Gulf Shores' brand and marketability locally, regionally and nationally through thoughtful merchandise distribution

Evaluate, test and enhance online sales

Objectives:

Expand merchandise base on seasonal schedule

Introduce new items that fit the look, feel & quality of merchandise that we currently have in stock

Lower cost of goods on merchandise by purchasing in larger quantities; thereby increasing profit margins

Increase custom, locally-made Small Town, Big Beach merchandise

Public Works Department Functions:

Fiscal Year 2017 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 and provides engineering services for the City. Public Works is comprised of the Custodial, Landscaping, 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.

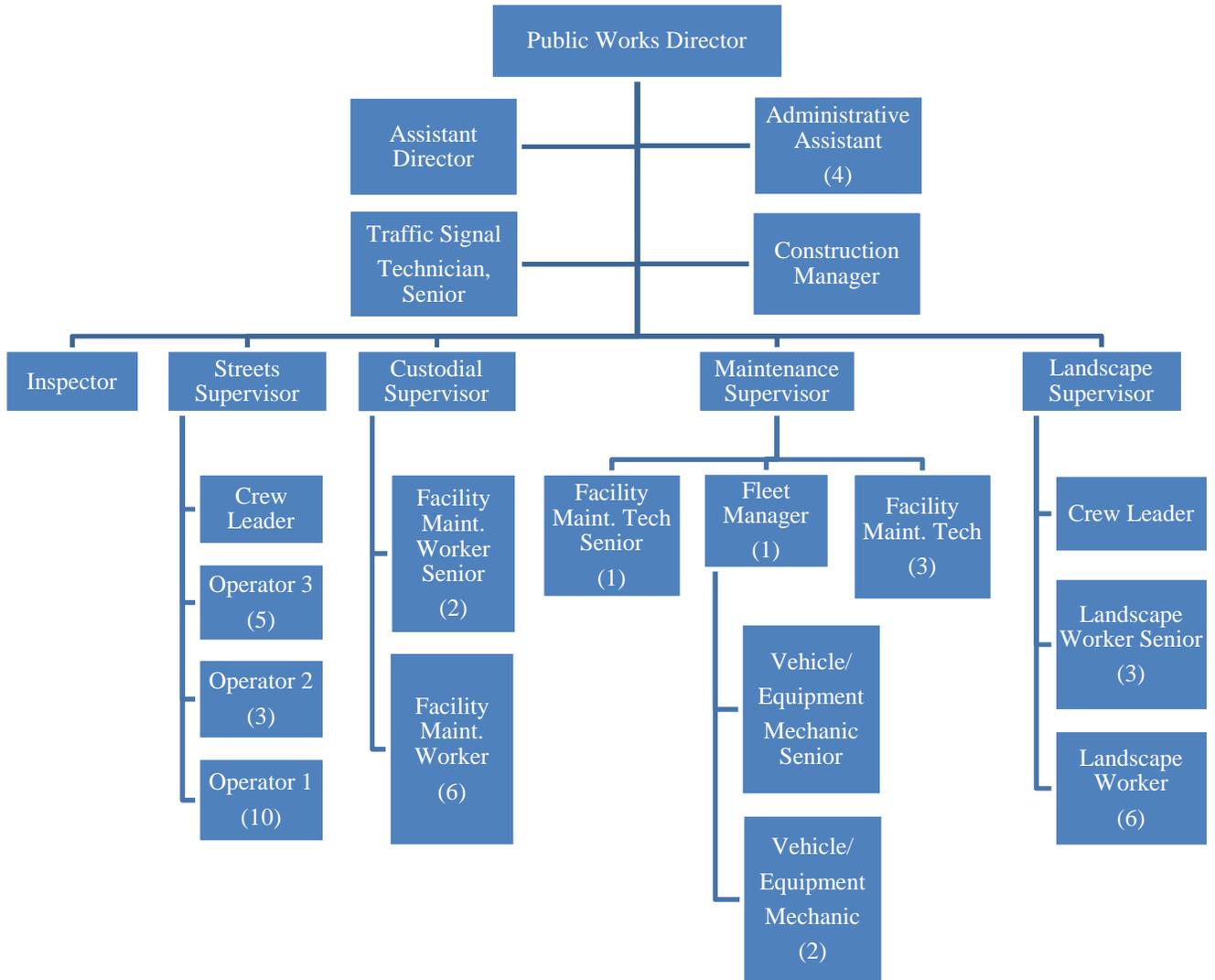
The Custodial Division has the task of keeping our municipal buildings clean and safe. Additionally, they work hard in maintaining the cleanliness of all of our public beach facilities. The Custodial Division also provides critical support to other departments for large City-sponsored events including 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 2017 Budget

	2014	2015	2016	2017	% Change	2018
PUBLIC WORKS	Actual	Actual	Amended	Council	2016 to	Projected
GENERAL SERVICES			Budget	Adopted	2017	
Expenditures						
Personnel	519,777	573,251	666,187	691,166	4%	701,468
Operations	71,874	56,461	56,370	57,150	1%	56,650
Capital Outlay	0	0	0	0	n/a	0
PW General Services Total	591,651	629,712	722,557	748,316	4%	758,118

Public Works General Services Personnel

	2014	2015	2016	2017
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	3	3
Administrative Assistant (PT)	2	2	1	1
Courier	1	1	1	1
Construction Mgr	1	1	1	1
Transportation Tech Senior	0	0	1	1
Total Personnel	9	9	10	10

Major Accomplishments:

Developed and implemented the "Leave Only Footprints" initiative.

Developed Waterway East Extension project with ALDOT.

Implemented Hwy 59 Access Management Plan and 8' Sidewalks.

Worked with City staff to develop Gulf Place Improvements project.

Expanded municipal recycling center and improved efficiency.

Developed long term transportation & infrastructure improvement projects.

Goals:

Phase 2 Access Management and 8 feet sidewalks.

Improve CR6/Hwy 59 Intersection

Begin construction on Waterway East Extension.

Implement Hwy 182 Improvements.

Support other City Departments with projects.

Objectives:

Coordinate plans with ALDOT/businesses.

Work with ALDOT to implement project.

Coordinate roadway designs with ALDOT.

Coordinate project with ALDOT.

Help City staff achieve their project goals.

The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

PUBLIC WORKS CUSTODIAL	2014 Actual	2015 Actual	2016 Amended Budget	2017 Council Adopted	% Change 2016 to 2017	2018 Projected
Expenditures						
Personnel	453,165	562,042	488,959	498,183	2%	501,651
Operations	62,225	68,538	78,150	78,150	0%	78,150
Capital Outlay	0	0	44,000	22,500	0%	22,500
PW Custodial Total	515,390	630,580	611,109	598,833	-2%	602,301

Public Works Custodial Personnel

	2014 Actual	2015 Actual	2016 Budget	2017 Adopted
Positions				
Supervisor	1	1	1	1
Facility Maintenance Worker	6	6	7	6
Facility Maintenance Worker Sr	1	3	2	2
Total Personnel	8	10	10	9

Major Accomplishments:

Overtime reduction by employing more efficient scheduling to cover needs without sacrificing quality. Further enhanced our Green Cleaning Initiative through environmentally friendly practices, training, and education.

Replaced hand soap throughout the city with a "green" formula. Continue to seek out vendors offering "green" alternatives.

Replacing older equipment with more updated items containing better HEPA filtration and Gold Seal rated air quality outputs.

Acquired 31 hand dryers for our high volume facilities, further reducing waste and costs.

Goals:

Continue seeking out facilities where hand dryers are more practical.

Increased awareness as to how we can better serve our residents and visitors.

Provide support to other departments, and ensure that all recyclable materials make it to the appropriate sorting area.

Minimize environmental impacts.

Conserve fuel and time.

Objectives:

Observe savings on supplies through use of hand dryers, and proceed with more as funds are available.

Further education of staff on environmentally friendly practices to promote health and cleanliness in a safe manner.

Monitor our recycling participation to ensure we are as efficient as possible.

Use "green" EPA-approved products.

Promote and encourage team cleaning and a mindful approach to assessing tasks.

The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

PUBLIC WORKS LANDSCAPE	2014 Actual	2015 Actual	2016 Amended Budget	2017 Council Adopted	% Change 2016 to 2017	2018 Projected
Expenditures						
Personnel	549,658	577,140	575,519	573,045	0%	585,002
Operations	118,198	123,009	121,600	137,700	13%	137,700
Capital Outlay	30,176	0	32,000	193,000	n/a	49,000
PW Landscape Total	698,032	700,149	729,119	903,745	24%	771,702

Public Works Landscape Personnel

	2014 Actual	2015 Actual	2016 Budget	2017 Adopted
Positions				
Supervisor-Horticulture	1	1	1	1
Crew Leader	1	1	1	1
Landscape Worker Senior	3	4	4	4
Landscape Worker	4	3	4	4
Total Personnel	9	9	10	10

Major Accomplishments:

Bike Trail - Continue to install swings, arbors, and trash cans at designated areas along Bike Trail and Mo's Landing. Native Tree Planting Along Fort Morgan Bike Trail - Planted 100 Mayhaw trees along Fort Morgan Bike Trail to attract butterflies.

Environmental Career Academy - Worked with students to grow annuals in greenhouse and landscape projects around campus. Also Supervisor and Crew Leader worked with program as instructors.

Renovate And Landscape New Public Works II - install irrigation, install landscaping (ornamentals & Palms), install drainage, and build tool room, and storage, etc.

Landscape 13th St. Parking and Board Walk - Install landscaping (plants & palms). Landscape 10th St. Parking - Install landscaping (plants & palms).

Hwy 59 Sidewalk Project - Install palms, sod and irrigation along R-O-W on South Hwy 59 from Windmill Ridge to Hwy 182.

Goals:

Re-Landscape City Hall

Environmental Projects

Business Bed Renovation & ROW Landscaping on Hwy. 59 South

New Greenhouse at High School

Envision Gulf Shores Gulf Place & Walking District

Objectives:

Remove old landscaping and add new ornamentals and trees.

Install nature trails, boardwalks, and environmental education centers along Fort Morgan Bike Trail.

Rework beds along Hwy. 59 South for new sidewalk project.

Install new greenhouse at High School.

Install landscaping in Gulf Place and Hwy. 182 by adding palms, ornamentals, irrigation, and hardscaping.

The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

PUBLIC WORKS	2014	2015	2016	2017	% Change	
STREETS	Actual	Actual	Amended Budget	Council Adopted	2016 to 2017	2018 Projected
Expenditures						
Personnel	1,057,124	1,056,854	1,048,742	1,074,401	2%	1,103,720
Operations	910,619	863,733	887,200	939,800	6%	929,800
Capital Outlay	253,528	876,330	614,500	663,000	8%	1,288,000
PW Streets Total	2,221,271	2,796,917	2,550,442	2,677,201	5%	3,321,520

Public Works Streets Personnel

	2014	2015	2016	2017	
Positions	Actual	Actual	Actual	Adopted	
Supervisor-Streets	1	1	1	1	
Crew Leader	1	1	1	1	
Detail Maintenance Worker	0	0	1	1	
Equipment Oper I	7	8	7	7	
Equipment Oper II	3	3	3	3	
Equipment Oper III	5	5	5	5	
Recycle/Oper I	0	2	2	2	(2 Beach Funds)
Total Personnel	17	20	20	20	

Major Accomplishments:

- Recycle Facility retrofit and equipment installation.
- Leave Only Footprints program implemented and maintained for 2016 season. Record turtle nest year.
- Gulf Place Revitalization, sand relocation and demo for First Phase.
- Gravel road improvements city wide implemented with 100% recycled gravel.
- Mosquito control improvements/expansion utilizing new equipment and control products.
- Beach maintenance and cleaning expanded from the State Park to Laguna Key.
- Hwy 59 North, ROW erosion areas corrected.
- Assisted Hwy 59 South Street & Sidewalk improvements.
- 60% improvement to Ft Morgan Bike Trail maintenance.

Goals:

- Expand and/or improve the City Recycling Programs
- Continue Leave Only Footprints.
- Support Gulf Place Improvements.
- Aggressively continue Mosquito Control.
- Improve drainage, trail & sidewalk maintenance.

Objectives:

- Continue to use grant monies to purchase equipment and supplies.
- Improve program based on "lessons learned" in 2016.
- Support project as needed by City.
- Stay current on technology and mosquito born viruses.
- Continue to document and improve maintenance scheduling.

The City of Gulf Shores, Alabama
Fiscal Year 2017 Budget

PUBLIC WORKS MAINTENANCE	2014 Actual	2015 Actual	2016 Amended Budget	2017 Council Adopted	% Change 2016 to 2017	2018 Projected
Expenditures						
Personnel	665,425	709,985	545,336	552,005	1%	568,989
Operations	493,613	536,879	521,000	528,000	1%	528,000
Capital Outlay	31,535	0	9,000	7,500	n/a	50,000
PW Maintenance Total	1,190,573	1,246,864	1,075,336	1,087,505	1%	1,146,989

Public Works Maintenance Personnel

	2014 Actual	2015 Actual	2016 Amended	2017 Adopted
Positions				
Supervisor Maintenance	1	1	1	1
Facility Maintenance Tech	4	5	2	3
Vehicle/Equipment Mechanic	3	3	3	3
Detailer/Maintenance Worker	1	1	0	0
Facility Maint Tech-Cultural Ctr	1	1	0	0
Facility Maint Senior	1	1	1	1
Vehicle Maintenance Tech Sr	1	1	0	0
Fleet Manager	0	0	1	1
Total Personnel	12	13	8	9

Major Accomplishments:

Gutter system at the City Store to shed water away from the building.
 Built comfort stations for 10th and 12th street.
 Complete rewiring of the Recycle building to 3-phase power.
 Completed an install of an HVAC unit in the streets breakroom.
 Converted the Kids Park pavilion to LED lights and rewired the entire area to bring up to electrical code.
 Renovated the scoreboards at the Soccer fields
 Built arial training platforms at the firing range.

Goals:

Continue to improve our HVAC preventive maintenance program, which will reduce power consumption and repair costs.
 Minimize Freon pollution during vehicle repairs
 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:

Internal cleaning, checklists and sign off sheets for each HVAC system
 Purchase Freon recovery system for shop.
 Install occupancy sensors and LED light in buildings.
 Perform load balancing test on larger facilities.
 Improving the preventative maintenance schedules and check lists before leaving the shop

**CITY OF GULF SHORES, ALABAMA
EXPENDITURES BY CATEGORY
PROJECTED BUDGET YEAR ENDING DECEMBER 31, 2018**

Department	Personnel	Operations	Capital	Debt Service	Transfers	Total
General Fund:						
Executive	781,603	570,975				1,352,578
Human Resources	225,824	93,871				319,695
Finance & Administrative Services	1,503,611	1,273,414	10,000			2,787,025
Municipal Court	386,420	12,940				399,360
Police	4,532,908	795,870	265,500			5,594,278
Fire & EMS	3,408,558	501,600				3,910,158
Community Development	336,619	75,410				412,029
Building	465,235	44,450	42,000			551,685
Recreation & Cultural Affairs	296,501	26,737	10,000			333,238
Special Events & Programs	351,339	371,249				722,588
Library	511,318	95,965				607,283
Recreation - Bodenhamer	1,230,184	406,557	20,000			1,656,741
Recreation - Sportsplex	673,075	474,296				1,147,371
Recreation - Parks	362,957	173,160				536,117
Recreation - Beach	279,299	156,463				435,762
Recreation - Cultural Center	286,695	141,020				427,715
City Store	100,605	152,590				253,195
Public Works - General Services	701,468	56,650				758,118
Public Works - Custodial	501,651	78,150	22,500			602,301
Public Works - Landscaping	585,002	137,700	49,000			771,702
Public Works - Streets	1,103,720	929,800	1,288,000			3,321,520
Public Works - Maintenance	568,989	528,000	50,000			1,146,989
Airport Authority	134,332					134,332
Appropriations		277,500				277,500
Transfers Out					15,664,359	15,664,359
General Fund Totals	<u>19,327,913</u>	<u>7,374,367</u>	<u>1,757,000</u>	<u>0</u>	<u>15,664,359</u>	<u>44,123,639</u>
Other Funds:						
Special Revenue						
2% Lodging Tax - Transfer Out					2,544,925	2,544,925
Designated Taxes					435,000	435,000
Impact Fees			485,350			485,350
Capital Projects Funds (Fund 40)			5,493,000			5,493,000
Capital Projects Taxable (Fund 42)		239,351	5,021,450			5,260,801
Beach Restoration & Projects	494,225	55,700	95,000			644,925
Debt Service**				12,864,359		12,864,359
Subtotal Other Funds	<u>494,225</u>	<u>295,051</u>	<u>11,094,800</u>	<u>12,864,359</u>	<u>2,979,925</u>	<u>27,728,360</u>
Grand Total	<u>19,822,138</u>	<u>7,669,418</u>	<u>12,851,800</u>	<u>12,864,359</u>	<u>18,644,284</u>	<u>71,851,999</u>

Forecast Summary:

Personnel expenses are projected to increase less than 1% from 2017 to 2018. Operating Expenses are projected to decline in 2018, primarily due to one time computer expenses budgeted in 2017. Debt Service is projected to increase in 2018 by \$8.8 million reflecting conversion of the 2014 non-taxable line of credit of \$9 million into long term debt. Capital expenses are projected to be \$9.8 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 two percent is projected for 2024 to 2026. Expenses net of debt service are projected to grow more conservatively at 1% 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. 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.

**2014 \$9 million line of credit to be refinanced as long term debt.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Building permits issued	872	572	459	422	385	566	589	657	610	586
Building inspections conducted	8,222	3,172	1,763	1,065	1,016	1,263	1,570	1,951	2,172	2,337
Business Licenses issued*	8,677	7,566	7,083	7,491	7,554	10,016	10,281	10,562	7,164	7,551
Police										
Physical arrests	1,529	1,558	1,604	1,423	1,394	1,527	1,387	1,602	1,280	1,510
Traffic violations	1,726	2,008	1,858	1,268	1,484	1,641	1,824	1,997	1,500	1,595
Officers	36	35	40	39	39	41	43	43	43	45
Fire										
Emergency responses*	-	-	2,108	2,280	2,307	2,790	2,785	2,972	2,903	3,073
Fires extinguished*	-	-	59	52	30	70	92	92	64	72
Inspections**	-	-	413	335	467	920	1,071	1,200	1,800	1,800
Full time staff*	24	36	48	39	42	43	43	43	43	43
Part time staff*	-	-	6	-	-	-	-	-	-	-
Volunteer Firefighters*	-	-	17	17	8	8	8	8	8	8
Public Works										
Street resurfacing (linear feet)	50,020	-	12,491	-	19,380	-	-	10,560	3,455	12,270

*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	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	4	4	4	4	4	4	4	4	4
Parks and recreation*										
Football/Track Stadium			1	1	1	1	1	1	1	1
Softball/Baseball fields			15	15	15	15	15	15	15	15
Soccer field			1	1	1	1	1	1	1	1
Parks			8	8	8	8	8	8	8	8
Tennis Courts			18	18	18	18	18	18	18	18
Basketball Courts			2	2	2	2	2	2	3	3
Swimming Pool			1	1	1	1	1	1	1	1
Gymnasium			1	1	1	1	1	2	2	2
Transit - minibusses			5	5	5	5	5	5	5	5
Public Works										
Maintained Streets (miles)	61.88	62.89	63	64	65.05	67.22	69.27	69.27	74	74
Traffic Signals*			24	24	24	24	24	24	24	24
Streetlights*			2,201	2,201	2,234	2,234	2,234	2,234	2,234	2,234

*Information not available for the prior years

Schedule 3
City of Gulf Shores
Population

Census Year	City of Gulf Shores
1960	356
1970	909
1980	1,349
1990	3,261
2000	5,044
2010	9,741
2011	9,982
2012	10,118
2013	10,765
2014	10,963
2015	11,131

Per Capita Income

	1979	1989	1999	2010	2014
Gulf Shores	7,761	17,414	24,356	28,522	27,751
State of Alabama	5,894	11,486	18,189	22,984	23,936

Median Family Income

	1989	1999	2010	2014
Gulf Shores	34,257	51,862	45,801	45,777
State of Alabama	28,688	41,657	42,081	43,511

Source: United States Bureau of the Census Quick Facts

Schedule 4
Unemployment Rates

	2013	2014	2015
Baldwin County	5.80%	6.10%	5.40%
Alabama	6.44%	6.80%	6.00%

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 TWENTY

Rank	Employer	Employees
1	The Hangout	664
2	Hangout Music Festival	500
3	LuLu's Landing, Inc.	465
4	Waterville	315
5	City of Gulf Shores	269
6	Gulf Shores Public Schools	241
7	Wal-Mart	238
8	Rouse's Enterprises	145
9	McDonald's	140
10	Publix Alabama	131
11	Original Oyster House	120
12	The Track Family Recreation Center	110
13	Gulf State Park	105
14	Target	83
15	Sea N Suds	80
16	Best Western	68
17	Gulf Shores Tacky Jacks	68
18	South Baldwin Medical Center	66
19	Pinnacle 14 Cinemas	62
20	Kaiser Realty by Wyndham Vacation Rentals	60

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
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
2015	2,674,839	534,967,860
		Levy Rate
State of Alabama		6.5 mills
City of Gulf Shores		5 mills
Baldwin County:		
General		5 mills
Schools		9 mills
Roads and Bridges		2.5 mills
Special School District		3 mills
Fire		1.5 mills
Health		.5 mills
	Total	33 Mills

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 Taxpayers
Current Year and Ten Years Ago

Taxpayer	2016			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Baldwin Co Electric	\$ 6,842,300	1	20.10%	\$ 6,878,100	4	10.77%
Mid America Apartments LP	5,185,960	2	15.23%			
The Links at Gulf Shores	4,412,260	3	12.96%			
Villas at Bon Secour Owner LLC	3,125,220	4	9.18%			
Wal-Mart Real Estate Business	2,711,220	5	7.96%	4,642,120	7	7.27%
21300 Sweetwater LLC	2,617,080	6	7.69%			
Phoenix Gulf Shores LLC	2,588,800	7	7.60%			
Beach Place Development LLC	2,508,260	8	7.37%			
Howard Resort Inns, Inc	2,069,280	9	6.08%	5,121,220	6	8.02%
Target Corporation	1,982,360	10	5.82%			
East Beach Development				14,162,780	1	22.19%
Holiday Development LLC	-		-	7,992,620	2	12.52%
Seawind Development				7,725,140	3	12.10%
Crystal Shores West LLC	-		-	5,880,000	5	9.21%
JCL Investments LLC				4,242,920	8	6.65%
Colonial Properties Services Inc	-		-	3719640	9	5.83%
Brett Robinson	-		-	3,471,000	10	5.44%
Total	\$ 34,042,740		100.00%	\$ 63,835,540		100.00%

Source: Baldwin County Revenue Commissioner's Office.

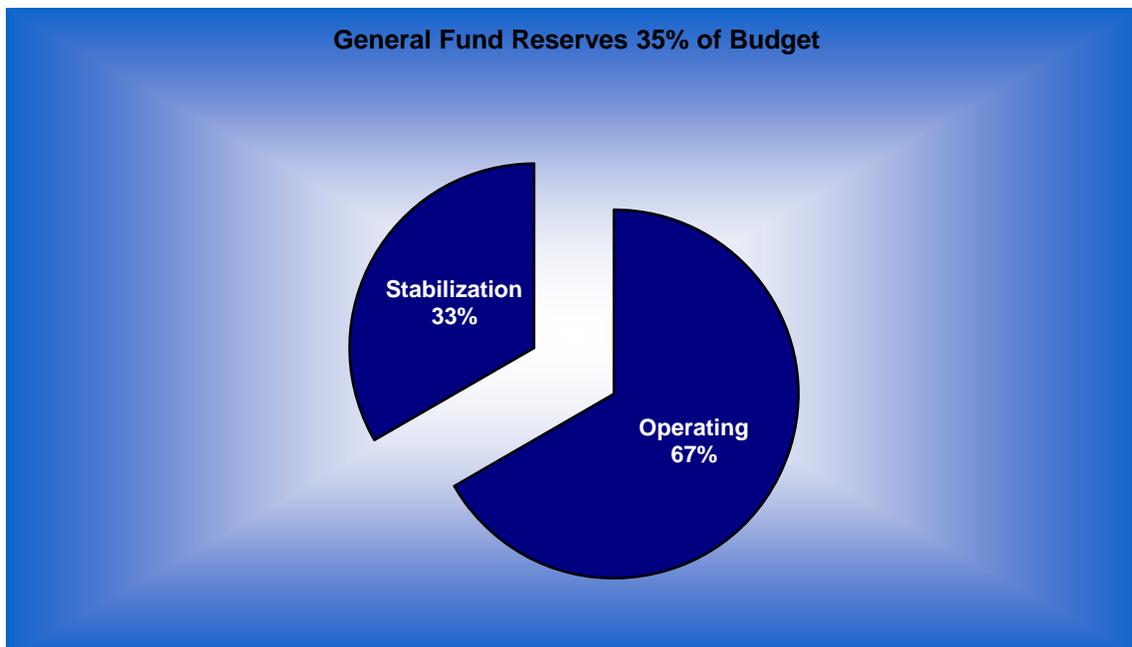
**CITY OF GULF SHORES
FINANCIAL POLICIES
NOVEMBER 2016**

FINANCIAL PLANNING POLICIES

Fund Balance Reserve Account – Stabilization and Operating Funds

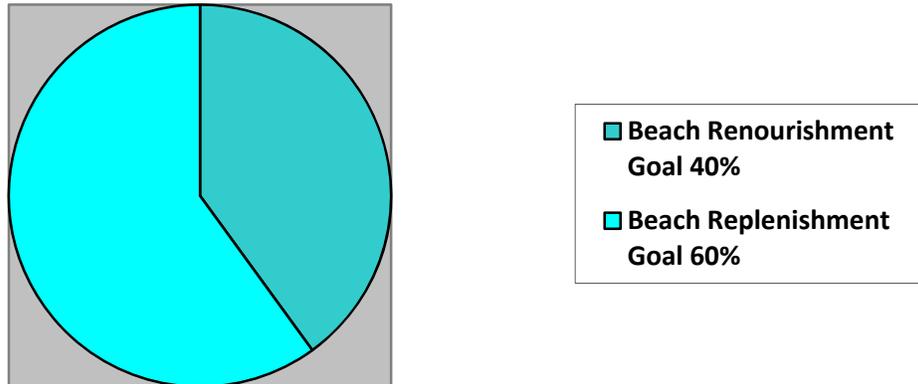
The City of Gulf Shores will build through prudent financial management a cash reserve equal to thirty-five percent of the General Fund Operating Budget. The General Fund Stabilization Reserve will enable the city to withstand fluctuations in tourism revenue streams related to the nearby travel industry and provide a stabilized fiscal environment to maintain and enhance bond ratings allowing the city to borrow at competitive rates. Of the thirty-five 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 35% 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 2017 the total General Fund Reserves target is \$12,346,277 equivalent to thirty-five percent of the \$35,275,078 budget. Operating reserves target for 2017 is \$8,148,543 (2/3 of target) and Stabilization Funds target is \$4,197,734 (1/3).



A Beach Replenishment Reserve Fund target of thirty percent of the General Fund budget for 2017 would be \$10,582,523.

Beach Reserves Goal 30% of Budget



Operating/Capital Expenditure Accountability

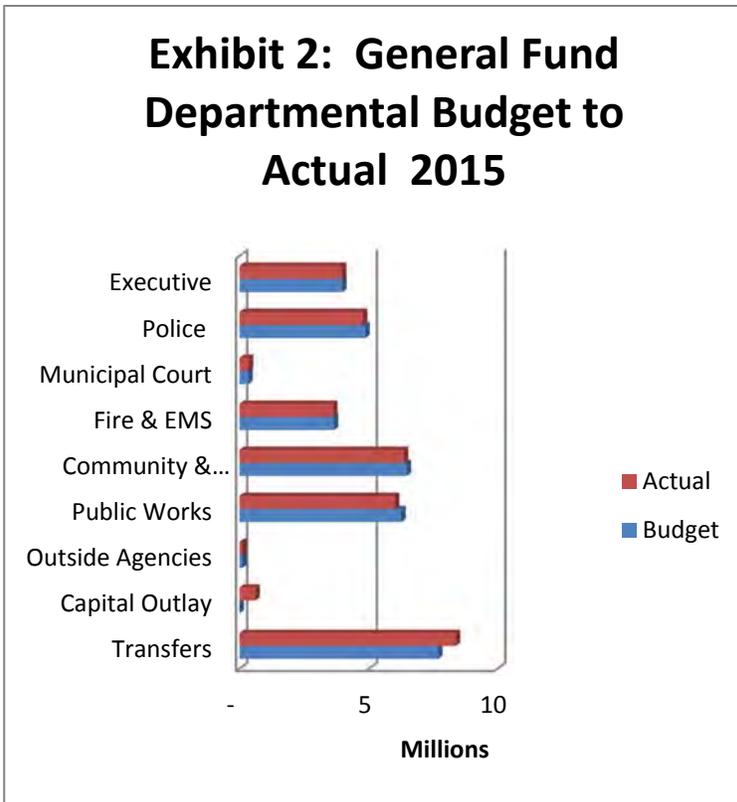
Actual expenditures to budget are compared on a monthly basis. The City Council Finance Committee receives a summary report quarterly of revenues and expenditures compared to budget and the City Administrator receives a detailed report monthly. Department heads are responsible for monitoring their own 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 18%; Recreation and Cultural Affairs 14.4%; and City Hall (Executive, Human Resources, Finance and Administration) at 13.5%. Building and Planning and Zoning comprise 2.3% of General Fund expense. Capital Outlay comprise 1.8%

The following table and graph are expenditures by category compared to budget for the most recent fiscal year end 2015.

General Fund Departmental Budget to Actual 2015

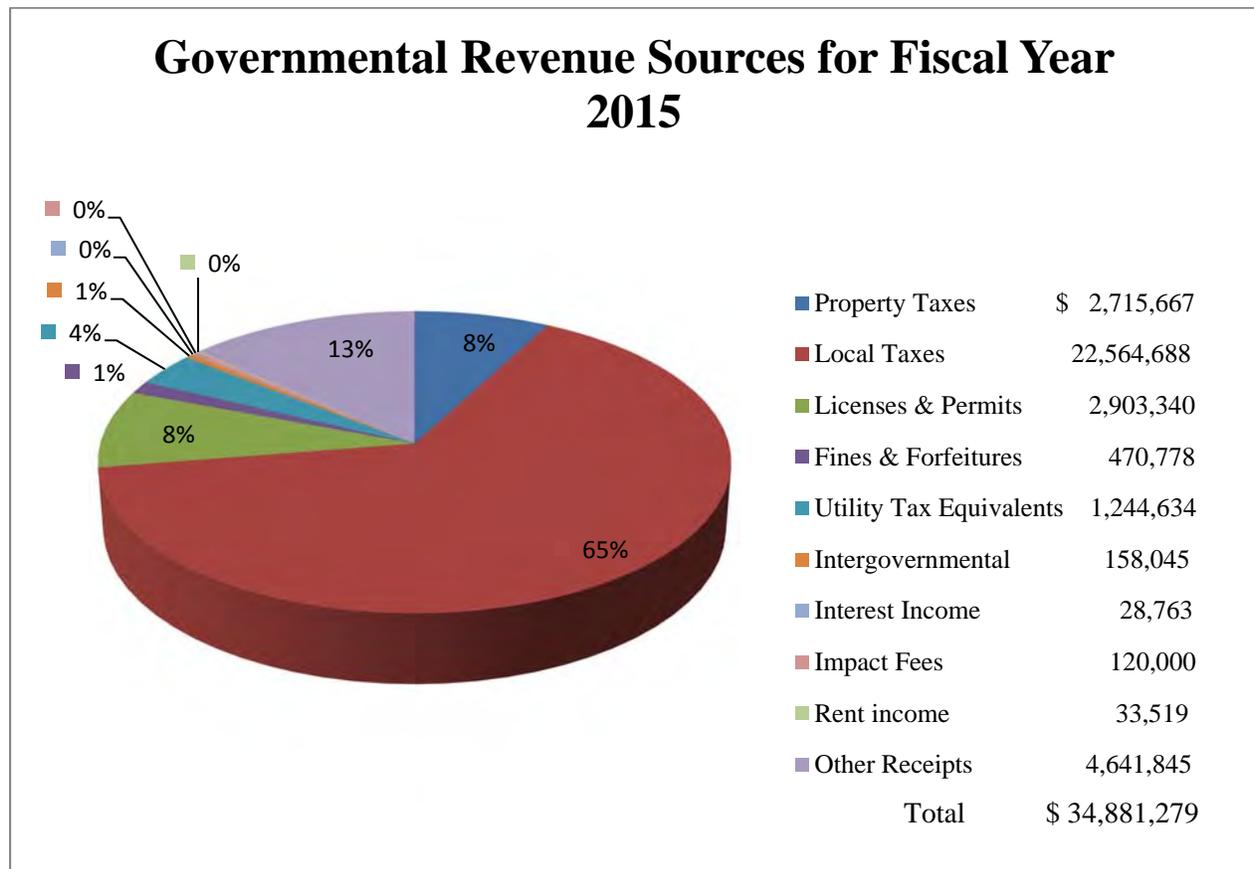
	<u>Budget</u>	<u>Actual</u>	<u>% of total expenses</u>
Transfers	7,677,857	8,369,476	25%
Capital Outlay	6,000	617,094	2%
Outside Agencies	113,150	113,027	0%
Public Works	6,247,502	6,004,236	18%
Community & Economic Affairs	6,451,040	6,346,653	19%
Fire & EMS	3,645,000	3,613,763	11%
Municipal Court	345,154	360,314	1%
Police	4,859,706	4,769,177	14%
Executive	<u>3,965,892</u>	<u>3,962,264</u>	12%
Total	<u>33,311,301</u>	<u>34,156,004</u>	100%



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 eight 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 one percent; and Other Receipts/Financing Sources at seven 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 2015.



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 2016. 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 2017 City debt service is budgeted at 7.4 % of total expenditures and 11.4% 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. September 7, 2016 Moody's Rating Agency provided a credit overview of the City stating the credit position for Gulf Shores is very high quality, and the City's Aa2 rating slightly exceeds the median rating of Aa3 for US cities.

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
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

In addition to the outstanding GO Warrants, the City has two lines of credit consisting of a nontaxable \$9 million line issued in 2014 for four years and a taxable \$13.5 million line issued in 2016 for ten years. The 2014 line will be replaced with a long-term debt issue planned for 2018.

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, 2016, was \$566,085,720 resulting in a debt limit of \$113,217,144.

The City’s total principal amount of long term indebtedness at December 31, 2016, will be \$40,058,308. Currently there is \$4.5 million in short-term debt that will be replaced with long-term debt in a future debt issue. Based on the debt limit of \$113,217,144 the City could hereafter issue up to approximately \$73,158,836 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 2015 population of the City of 11,131 the annual G.O. long term debt per capita for outstanding debt is \$3,598. 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 9,741 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 seven 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 ongoing expenditures with current recurring revenues. One-time revenue can be used to increase the undesignated fund balance, pay down outstanding short-term debt 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 or exceed 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.

In 2016 the Finance Committee established a guideline for all personnel expenses including benefits not to exceed 60% of the General Fund Budget. For 2017 personnel expenses are budgeted at 54% of the General Fund Budget.

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

Accrual: A method of accounting that recognizes income when earned and expenses when incurred regardless of when cash is received or disbursed.

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

Balanced Budget: A budget in which revenues are equal to expenditures.

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.

Defining Terms

Glossary

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.

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.

Depreciation: Allocating the cost of a tangible asset over its useful life.

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.

Enterprise Fund: Separate accounting and financial reporting for municipal services for which a fee is charged in exchange for goods or services.

Defining Terms

Glossary

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.

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.

Defining Terms

Glossary

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.

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

Major Fund: Funds whose revenues, expenditures/expenses, assets or liabilities are at least 10 percent of the total for their fund category (governmental or enterprise) and 5 percent of the aggregate of all governmental and enterprise funds in total.

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.

Defining Terms

Glossary

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

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

P

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

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

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.

Defining Terms

Glossary

X

Y

Z