

City of Gulf Shores, Alabama

# ANNUAL FINANCIAL BUDGET

For Fiscal Year Ending December 31, 2018

Prepared by: Finance and Administrative Services Department



*Photos courtesy of  
Councilman Steve Jones  
Gulf Place and the Gulf Shores Public Beach*



[www.gulfshoresal.gov](http://www.gulfshoresal.gov)

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**2018 Budget**  
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## City of Gulf Shores, Alabama Mayor and Council

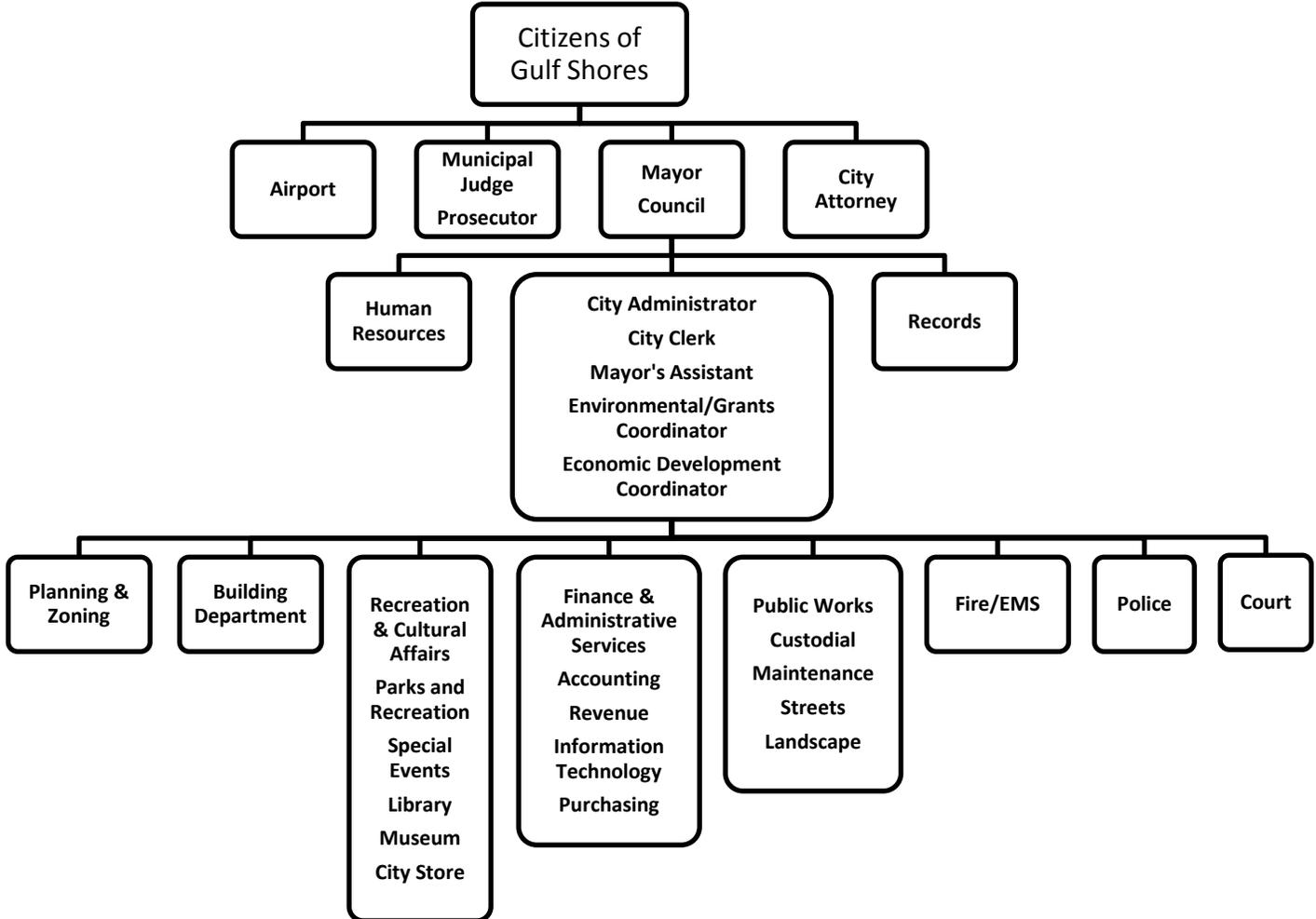


Left to Right Standing: Joe Garris, Stephen E. Jones, Jason Dyken, Gary Sinak  
Left to Right Seated: Philip Harris, Robert Craft, Mayor

# 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, 2017**

A handwritten signature in black ink, reading "Jeffrey R. Erner".

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, 2017 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. 5900 - 17**  
**A RESOLUTION ADOPTING**  
**CITY OF GULF SHORES**  
**2018 BUDGET**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GULF SHORES, ALABAMA, WHILE IN REGULAR SESSION ON November 27th, 2017 as follows:

**Section 1.** That the City of Gulf Shores 2018 Budget be adopted for the City of Gulf Shores, Alabama, for Fiscal Year 2018 beginning January 1, 2018 and ending December 31, 2018.

**GENERAL FUND BUDGET SUMMARY 2018**  
**(JANUARY 1, 2018 THROUGH DECEMBER 31, 2018)**

TOTAL REVENUES GENERAL FUND		\$39,282,499
<b><u>EXPENDITURES:</u></b>		
Executive	\$ 1,718,248	
Human Resources	341,820	
Finance & Administrative Svcs	3,016,025	
Municipal Court	411,344	
Police	5,827,360	
Fire & EMS	4,049,912	
Community Development	428,204	
Building	535,249	
Recreation & Cultural Affairs	368,936	
Events & Programs	796,219	
Library	627,782	
Recreation-Rec & Wellness	2,112,177	
Recreation-Sportsplex	1,184,846	
Recreation-Parks	564,886	
Recreation-City Store	181,423	
Public Works:		
General Services	798,909	
Public Facilities-Custodial	566,800	
Public Facilities-Landscaping	777,673	
Streets	2,154,672	
Maintenance	1,542,364	
Airport Authority	138,007	
Outside Agencies	<u>267,500</u>	
SUBTOTAL OPERATIONS		\$28,410,356
<b>Capital Outlay</b>		
Executive Capital	34,000	
Police – Capital Outlay	312,000	
Fire – Capital Outlay	436,800	
Building – Capital Outlay	42,000	
Recreation Sportsplex	65,308	
Recreation Parks	63,680	
Public Works Capital:		
Landscaping	83,000	
Streets	871,500	
Maintenance	40,000	
SUBTOTAL CAPITAL		\$1,948,288
Operating Transfers Out		<u>\$8,399,088</u>
Total General Fund Expenses		<u>\$38,757,732</u>
Budget Carry Forward General Fund		<u>\$ 524,767</u>

**OTHER FUND BUDGET SUMMARY 2018  
(JANUARY 1, 2018 THROUGH DECEMBER 31, 2018)**

	REVENUE	EXPENDITURE	
<b>Special Revenue</b>			
2% Lodging Tax Revenue	2,841,000		
Transfer to General Fund		2,475,747	
Transfer to Beach Restoration		50,000	
Transfer to Beach Fund		<u>663,606</u>	
Total 2% Lodging Tax Expenses			<u>\$3,189,353</u>
Budget Carry Forward 2% Lodging			\$ (348,353)
<b>Police &amp; Fire Related Grants</b>			
Police and Fire	455,000		
Transfer to General		410,000	
Muni Court Exps		<u>45,000</u>	
SUBTOTAL		455,000	
<b>Impact Fees Fund</b>			
Impact Fees Revenue	662,000		
Recreation Equipment		325,000	
Public Works		200,000	
Police		42,000	
Fire		<u>95,000</u>	
SUBTOTAL		662,000	
<b>Beach Restoration &amp; Projects Fund</b>			
Transfer from 2% Ldg Tax	713,606		
Recycling Revenue	40,000		
Parking Fees	600,000		
Grant-ADEM Recycling Program	<u>97,979</u>		
SUBTOTAL	1,451,585		
Beach Monitoring, Trapping & Dunes		73,000	
Police		310,747	
Fire – Beach		438,155	
Public Works – Streets		510,587	
Capital Outlay		<u>306,479</u>	
Total Beach Restoration & Projects			<u>\$1,638,968</u>
Budget Carry Forward Beach R & P			\$ (187,383)
<b>Capital Improvements Fund</b>			
Contributions – Sidewalk/Bikeway	30,000		
Transfer to 2014 GO fund		30,000	
<b>2014 GO Warrant Fund</b>			
Match proceeds (ADEM&ALDOT)	1,900,000		
Transfer from Sidewalk/Bikeway	30,000		
Proceeds from 2014 GO Warrant	<u>5,750,500</u>		
SUBTOTAL	\$7,680,500		
Capital Outlay Projects		7,680,500	

**2016 Taxable Line of Credit (LOC)**

Proceeds from 2016 Taxable LOC	5,039,500	
Gulf Place Redesign		5,039,500

**Debt Service Fund**

Transfers/Rent	3,559,088	
Bond Payments		3,559,088

**Public Education Building Authority Fund**

606,464

Budget Carryforward Public Ed		\$606.464
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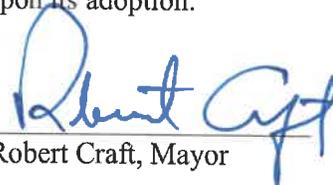
<b>Total All Funds Revenue</b>	<b>61,607,636</b>	
<b>Total All Funds Expense</b>	<b>61,012,141</b>	

General Fund Budget Carry Forward		\$ 524,767
Special Revenue Carry Forward		(348,353)
Beach Restoration & Projects Fund		(187,383)
Public Education Building Authority		<u>606.464</u>
Budget Carry Forward		<b><u>\$ 595.495</u></b>

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

ADOPTED this 27th day of November, 2017.

  
Wanda Parris, MMC  
City Clerk

  
Robert Craft, Mayor

C E R T I F I C A T E

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.5900-17 (prepared by City Clerk), which Resolution was duly and legally adopted at a regular meeting of the City Council on November 27, 2017.

  
City Clerk



November 27, 2017

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

RE: 2018 BUDGET MESSAGE

On behalf of the City of Gulf Shores government staff, we are pleased to deliver the Fiscal Year 2018 Budget for the City of Gulf Shores, Alabama for the period beginning January 1, 2018 and ending December 31, 2018. 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

## **2017 Successes:**

**Department Expenditure Management** – All departments operated within FY 2017 budget in line with the Core Value “We commit to excellence and the highest quality standards.”

**Reserves** – Increased General Fund Reserves to 65% from the prior year financial policy target of 60%.

**Debt** – Advance payments totaling \$3 million on the 2016 Line of Credit were made. The advance payments repaid the line of credit for work on the Gulf Place redesign. The long term ten year taxable line of credit of \$13.5 million was issued in 2016 primarily to facilitate construction of the Gulf Place redesign. Council approved advance payments on the line of credit to ensure enough funds were available to complete the scope of work and to ensure the line of credit can be paid off by 2026.

**Airport Authority** – In 2017 the Airport Authority completed the fourth 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 2017 accomplishments were:

- Obtained and donated to the City of Gulf Shores Fire Dept. an Aircraft Rescue and Fire-Fighting vehicle meeting the Index “A” requirements needed to accommodate air carrier aircraft.
- Had FAA conduct first ever 139 certification inspection which places the airport in the highest safety compliance stature.
- Added Lost Bay Helicopters helicopter operations
- Succeeded in getting Congress to approve an end to the moratorium on new tower requests.
- Added an Orange Beach representative to the Airport Authority Board.
- Acquired FAA and ALDOT Grants in the amount of \$360,794 for the replacement of Runway lights, installation of pilot controlled lighting, and new airfield generator for Runway 9-27, main runway.
- Increased airport operating revenues by 14% over airport operating revenues in 2016.
- Increased airport operating reserve fund to \$400,000 providing over 10 months operating budget balance.
- Performed cost benefit analysis for inclusion in new air traffic control tower program, if FAA approval to use ATCT fund is obtained.

**Beach Operations and Recycling Program** – 2017 Beach Operations proved to be another successful year. This is the second year of implementing the Leave Only Footprint Ordinance and has changed the culture of our visitors leaving personal belongings behind on the beach and has drastically changed the amount of litter on our beaches. City crews work with Fish and Wildlife programs to help protect nesting Sea Turtles. Eliminating challenges and obstacles for Sea Turtles and removing of all debris daily has proven to be a positive impact on nesting turtles. Last year over 18 Tons of material was collected and discarded overnight and this year is dramatically less.

In 2016 Residential Recycling, Community Recycling Drop off and Beach Side recycling totaled 638 Tons of Material. In 2017 Recycling has increased to over 800 Tons. The 20% increase in material is the result of easily accessible recycling along the beach front, residential single stream recycling, commercial business recycling and Community Recycling Drop off Locations.

**Benefit Cost Controls** – For the 2017 year the City had 76% of all City-insured employees and their spouses (317 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 2017, 61% of the City employees, 29% of their spouses and 10% of their dependents utilized the clinic producing a total of 2,313 clinic visits. These “redirected” visits resulted in a total savings of \$157,284 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 13 employees participated including two who completed the full triathlon. A total of 30 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 tax conversion completed in 2017. 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, helped 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 continues to diversify and expand its provision of physical, recreational and educational services north of the Intracoastal Waterway. Noteworthy in 2017 were the addition of Studio Fitness rooms & programs and expanded Teen WREC Club programming including educational fieldtrips, dances and volunteer opportunities. Continued support of the University of South Alabama Lecture Series as well as additional recreational programming offer economic and wellness opportunities north of the Gulf Beach District.

**Economic Development** – Commercial construction permits for valuations totaling \$21.7 million have been issued year to date FY 2017 which is 65% more than the amount issued in 2016. A development worth \$40 million may be issued construction permits before year end. The City completed a comprehensive retail market analysis which will aid in expanding existing businesses and recruiting

targeted new businesses to the community. The City partnered with the City of Mobile and the University of South Alabama to connect 100 young people from Mobile with summer employment in Gulf Shores. Participants gained workplace readiness training and on-the-job experience while providing employers with the additional workforce needed during the peak summer season.

**Education** - Auburn University broke ground to construct a new 23,000 square foot education complex adjacent to the City's planned Coastal Alabama Center for Higher Education along the Beach Express. The City Council established the Gulf Shores City School System which will provide the instrument to enhance education in the city through a sharpened focus on the distinct educational needs of local students. Continued investment in local education will spur residential growth, stimulate business investment and propel Gulf Shores toward a more diverse year-round economy.

**Fiber Optic Improvements City Sites** - Provided additional fiber optic connectivity to Canal Park Boat Launch, Meyer Park, Lagoon Pass Bathhouse and the Skate Park City sites for cameras for increased surveillance and security.

**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, is transforming this area into a more welcoming, accessible, pedestrian and bike-friendly environment for both residents and visitors. Phase IA improvements were completed at a cost of \$4.45 million, and 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 landscaping. 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.

**Recreation Capital Improvement Projects** – Major capital improvement projects for recreation were undertaken in 2017 that will benefit the City residents:

- Erie H. Meyer Civic Center – Refurbished performance stage, backstage areas and flooring, installed new carpet, LED production & room lighting and sound equipment, stage curtains, dance floor, banquet chairs and table settings.
- Cultural Center - Converted existing spaces to fitness and wellness studios, installed spin bikes, on-demand fitness software, free-weights, elliptical and TRX fitness equipment.
- Thomas B. Norton Library – Remodeled and updated library entrance, checkout desk, restrooms, reference libraries, and installed LED lighting.
- Gulf Shores Sportsplex – Installed two shade pavilions at track & field and baseball facilities.

**Transportation** - Completed two miles of 8 foot wide sidewalks along both sides of State Hwy 59. Constructed along the main arterial roadway in the heart of Gulf Shores, the new sidewalks provide thousands of pedestrians with aesthetically pleasing, safe, handicap accessible, recreational pathways

that connect to dozens of businesses and restaurants while providing relief to traffic congestion and connecting our Beach Walking District to our Waterway District. Completed a corridor/environmental study for a new 5-mile roadway that will provide relief to traffic congestion, improve connectivity to our Business & Aviation Park and future school campus while spurring the future economic growth of the Waterway District. The Lodging Tax was increased by 2% to fund new transportation projects identified in the Ten Year Capital Plan.

**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 2017 the City hosted the third annual Zydeco Festival, Fall Block Party at Meyer Park and a series of Saturday Art Markets to encourage a less-beach-dependent economy and long-term growth of other business sectors.

## **2018 Priorities:**

**General Fund Reserves** – The Fiscal Year 2018 Budget proposes to budget an additional \$1.9 million to fund a 70% Reserve to address concerns about FEMA’s ability to respond to future incidents. Of the 70% 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 35% of the General Fund Reserve is for beach replenishment should it be necessary in the event of a weather related emergency or disaster. The 2018 Budget proposes an operations reduction of \$301,337 or -.77%.

**City School System** – The Fiscal Year 2018 Budget proposes to allocate \$2 million towards the formation and operation of a Gulf Shores City School System. Enhancing education was identified as a top priority in Vision 2025. The formation of a Gulf Shores City School System will provide the instrument to achieve this goal through a sharpened focus on the distinct educational needs of local students. Continued investment in local education will spur residential growth, stimulate business investment and propel Gulf Shores towards a more diverse year-round economy.

**Debt** – Continue to reduce outstanding debt in 2018 – advance payments for land purchases on the 2014 non-taxable line of credit will be made. The 2014 non-taxable line has been 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. Five police vehicles with mileage in excess of 125,000 will be replaced. Three new police vehicles were approved. Two of the Police vehicles are for new COPS grant positions and 1 is for a new Beach Patrol position. Police Impact Fees will offset the expense of one of the new vehicles and Beach Funds will offset the cost of the Beach Patrol position truck. Fire has budgeted for one new Fire Truck. Street Resurfacing funds of \$700,000 are budgeted with \$200,000 of the resurfacing funds coming from Impact Fees. Replacement vehicles/equipment of

\$494,500 are budgeted for Public Works in the General Fund. Recreation and Cultural Affairs improvements will be paid with \$325,000 of Recreation Impact Fees.

**Economic Development** - Continue to prioritize the growth of the Gulf Beach District and Waterway Village District by identifying potential public-private partnerships and development opportunities in the area. Actively support the establishment of the Gulf Shores City School System to enhance educational opportunities and encourage residential relocation. Expand on the initial workforce development partnership with the City of Mobile and the University of South Alabama to include more employers throughout the region. 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.

**Gulf Place Phase II** - Phase 2 was awarded for \$4,670,868. Construction began in September 2017 and will be completed April 1, 2018. Phase 2 will include new restrooms, large public event and public green spaces, pedestrian beach accesses, new plaza entrance to Gulf Place from Beach Boulevard, a 20' wide beachfront boardwalk, connecting sidewalks, an interactive fountain, redesigned parking and drop-off locations, a beach maintenance storage area, a children's playground area, as well as new landscaping, hardscaping and lighting. This redevelopment is part of the City's Vision 2025 Plan for Sustainability and Strategic Plan 2015-2019 for improving and revitalizing the Gulf Beach District.

**Information Technology** – Since 2014 over 115 additional IP surveillance cameras have been added to the City network, with the management of each falling on the IT staff. IT assists with traffic monitoring and management done with cameras. IT is responsible for handling city cell phones billing and maintenance as well. A full-time IT Technician is recommended to assist with the additional workload.

**Recreation Projects** - Upgrades and renovations to City properties of \$325,000 are budgeted to benefit both residents and visitors:

- Bodenhamer Interior Repairs: Saunas, floor, paint
- Outdoor Fitness Equipment
- Sportsplex Painting, Phase II
- Track repair and restripe/paint
- Sims Park Dugouts and Bleacher replacement

**Transportation** – Numerous transportation projects are planned for 2018 with \$5.78 million City match funds including:

- Beach Boulevard Pedestrian and Median Improvements
- County Road 6 Traffic Signal Improvement
- Highway 59 Bridge Widening (Bayou Village)
- County Road 8 Improvements

Street resurfacing funds of \$500,000 are budgeted from the General Fund and \$200,000 from Impact Fees.

**Fire and Rescue** – Beach Lifeguard division of Recreation and Cultural Affairs will transfer to Fire and Rescue January 1, 2018 placing similar missions under one command structure and eliminating duplication of services. The Beach Lifeguard program will become part of Fire and Rescue’s 24-hour operations providing a new level of service for citizens and guests. In conjunction with funding this transfer, a Battalion Chief is being recommended.

**Police** – Three additional positions recommended. Two positions are for COPS Grant officers and one Beach Officer were budgeted to ensure community safety and to adequately meet additional demands.

**Personnel Expenses** – While the City continues to maintain personnel costs at 52.5% of budget, which is customarily between 60 to 75% for localities, the FY2018 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 2018 Budget proposes to budget \$158,000 for merit increases of 1.5% for above average to 2.5% for highest performing City employees at their anniversary dates in 2018 and \$170,000 for a 2% COLA January 13<sup>th</sup> to all employees except those that had scored unsatisfactory on their 2017 performance reviews. The 2% COLA for all first responders will also be a wage index adjustment to their scales for the purpose of keeping pace with starting salaries in area “competitor” jurisdictions.

## **Budget Adoption**

This budget was formally adopted by the City Council on November 13<sup>th</sup>, 2017 and establishes a fiscal plan for the City’s Fiscal Year January 1 to December 31, 2018. The budget provides for the policies and goals of the Council as discussed during planning retreats conducted throughout the year.

**Budget Preparation** began on July 24<sup>th</sup> and was finalized with adoption of the 2018 Budget by Council November 13<sup>th</sup>, 2017. The Finance Committee met regularly during the year to review ongoing 2017 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 60% to 65% at the close of Fiscal Year 2017. The 2017 Budget reserve target is 70% of revenues 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 2018 updated Financial Policy adopted is included later in this budget document.

Budget Preparation Instructions given to Department Heads July 24<sup>th</sup>, 2017 at the start of the budget process provided guidelines consistent with the adopted Financial Policies. Budget Expenditure Requests for 2018, should not exceed 2017 budgeted amounts, since the City will absorb five new positions, a merit and cost of living 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 that departments and Council were on the same page with no conflicting priorities. Departments were asked to specifically provide objective measures of progress toward accomplishing the department's mission as well as goals and objectives for units and programs. Strategies and priorities needed to be linked with City Council's adopted Strategic Plan.

The Financial Summaries Section of the 2018 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 2018. Also included by department are historical, current, and future financial data and staffing by department.

### **Current Fiscal Condition**

At the close of 2017, the City is projected to exceed the overall financial reserve target of 65% of budget or \$24.4 million comprised of \$13.164 million for the General Fund and \$11.283 million for Beach Reserves. Sales Tax collections through September 2017 increased by 4% over the record levels of the prior boom year. Lodging Tax collections were up 5% over the prior year. Building permits are projected to be slightly higher than 2016.

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 broke ground on construction 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 planned at the intersection of County Road 8 and the Foley Beach Express. It is proposed to include a new high school, Coastal Alabama 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 71 significant events in 2017. Noteworthy in 2017 was the City's presentation of the second National Collegiate Athletic Association (NCAA) Beach Volleyball Championship. This nationally televised event continues to provide significant exposure to Gulf Shores' beaches and the State of Alabama, and for which the City was awarded an additional 5 year contract to host the event through 2022. 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 timely capital investments in the Sportsplex Track & Field facilities have 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 Alabama State High School Track Championship and the Alabama Independent School Association (AISA) State Track Championship in 2018 as well as 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, Gulf Shores has been awarded an extension contract to host the National Association of Intercollegiate Athletics (NAIA) Outdoor Track & Field National Championship through 2019.

## **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 14<sup>th</sup>, 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 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 amongst 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 ensure 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 completed in 2017 included Highway 59 sidewalks and access management along with Bayou Village Bridge bike lane enhancements for healthier lifestyles.
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.

## ***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 Coastal Alabama 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 and Coastal Alabama 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 supported a resolution forming a separate City School Board and City School System to include a City High School, Alabama Middle School and 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 Coastal Alabama 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 Coastal Alabama 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 Gulf Shores City Schools, Coastal Alabama Community College, the University of South Alabama, the University of Alabama and other interested four-year institutions.
4. The City will seek a public-private partnership for the development of on-campus dormitories to serve as student housing.
5. 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 (PEBA) to assist in providing tax exempt bond financing for new and improved education facilities in 2016. The PEBA approved bond funding for the new Auburn Vet Facility and Campus in 2017 and construction began.
2. The City Council assembled approximately 225 acres at the intersection of County Road 8 and the Foley Beach Express for a public education facility recruitment and location. Construction began in 2017 on

the new Auburn University Vet Facility educational complex adjacent to the planned Coastal Alabama Center for Education Excellence campus.

3. The Mayor has appointed and is actively working with a primary and secondary public school task force to assist the City in separating from 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.

*ACHIEVEMENT:* Waterway Village has taken shape along the Intracoastal Waterway. The walkable waterfront district connects 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 received the ALAPA 2014 Outstanding Planning Award.

- Pedestrian-friendly Waterway District established with several thriving businesses for three years now.
- The district connects 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 attracts private enterprise investment as it becomes a hotspot for arts, culture and entertainment.
- The area’s pedestrian-friendly design helps 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 20<sup>th</sup> 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 partnered with the Gulf Coast Arts Alliance and businesses within Waterway Village to host monthly art shows, the annual Zydeco and Crawfish Festival and a fall festival 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. The Gulf State Park Lodge and Conference Center construction is nearly complete in 2017.

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 completed 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***

In 2017, the City of Gulf Shores considered 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 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 ensure all new developments or redevelopments are 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 10<sup>th</sup> Street and West 12<sup>th</sup> 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 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 2017 in Moody’s Rating Agency Annual Issuer Comment Report. The Council continues to focus on paying off short term debt as quickly as possible. Increased Sales, Lodging Tax, and Building Permit Collections in 2017 has enabled the City to maintain a very secure financial position.

## **SUMMARY OF THE FISCAL YEAR 2018 BUDGET**

### **Significant Budget Items and Trends**

At the October 11<sup>th</sup>, 2017 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 Five Year Transportation Capital Plan was presented to the Finance Committee Members at the September 2017 Finance Committee meeting.

Employee Pay Adjustments - In the 2018 Budget, \$158,000 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. Also in the 2018 Budget, \$170,000 was set aside for a one-time 2% Cost of Living Adjustment (COLA) January 13, 2018 for employees with ratings of satisfactory on their 2017 Performance Appraisal Review (PAR).

A summary of the recommended personnel changes for the Adopted 2018 Budget are 5 new full-time positions, an increase in part-time salary expense for Recreation & Cultural Affairs departments and an increase in Regular Salary expense for the conversion of one part-time position to full time in the Executive Department.

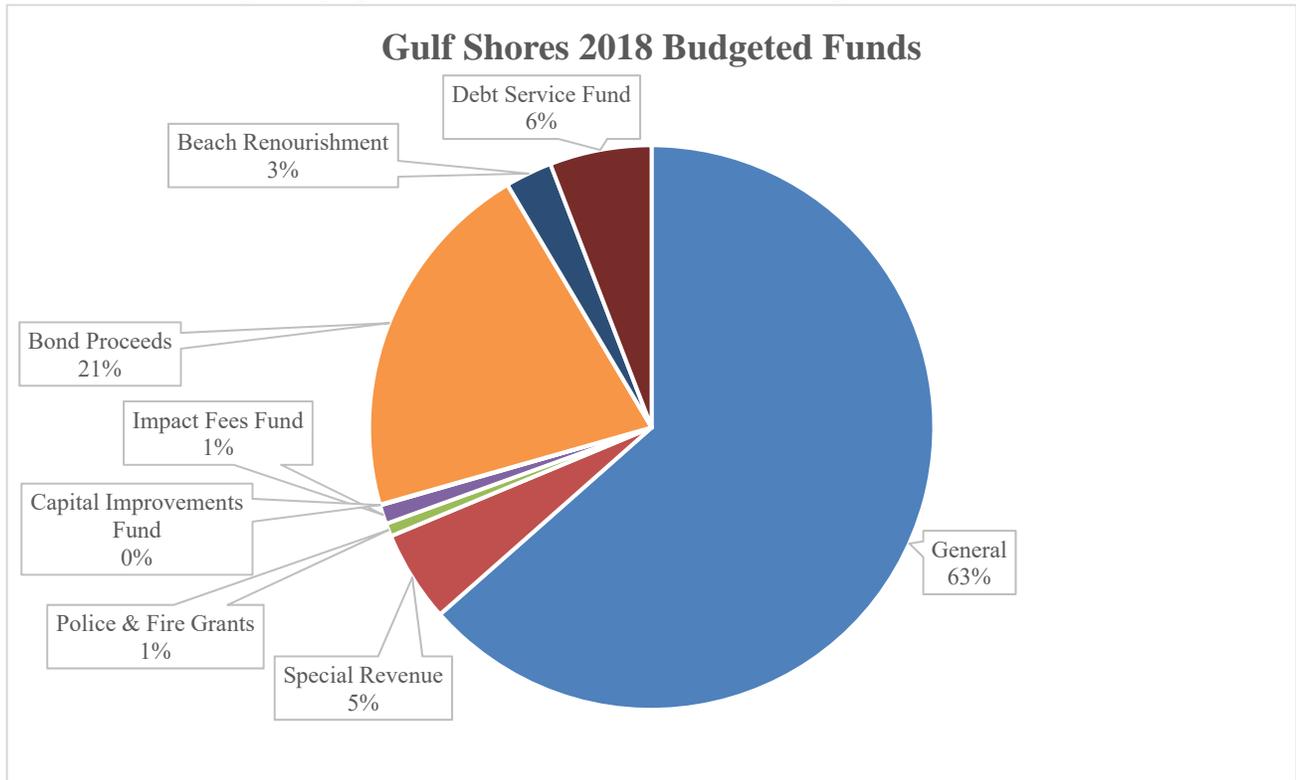
- **One Beach Battalion Chief paid through Beach Funds**
- **One Information Technology Specialist**
- **One Beach Community Officer (Beach Funds)**
- **Two Police Officers paid with COPS grant funds**

### Fund Structure

The Adopted All Funds Budget for Fiscal Year 2018 is \$61,012,141. This represents a net decrease of \$1,186,123 or 1.9% from the Amended Fiscal Year 2017 Budget of \$62,198,465. General Fund Expenses decreased by .77% or \$301,337. A synopsis of the total All Funds Budget appropriated is as follows:

	Amended Budget 2017	Adopted Budget 2018	Increase (Decrease)	% Change
General	39,059,070	38,757,732	(301,337)	-.77%
Special Revenue	2,570,651	3,189,353	618,702	24.07%
Police & Fire Grants	435,000	455,000	20,000	4.6%
Impact Fees Fund	642,000	662,000	20,000	3.12%
Capital Improvements Fund	124,680	30,000	(94,680)	-75.94%
Bond Proceeds 2014 A	4,446,980	7,680,500	3,233,520	72.71%
Bond Proceeds 2016 B	8,671,646	5,039,500	(3,632,146)	-41.89%
Beach Renourishment	696,651	1,638,968	942,317	135.26%
Debt Service Fund	5,551,787	3,559,088	(1,992,699)	-35.89%
<b>Total</b>	<b><u>\$62,198,465</u></b>	<b><u>\$61,012,141</u></b>	<b><u>(\$1,186,123)</u></b>	<b>-1.91%</b>

**Fund Relationship** - A graphic view of the 2018 All Funds Budget is as follows:



### **Financial Policies**

The City's 2010 Adopted Financial Policy was updated October 2017 and is included at the end of the 2018 Budget document. The updated Financial Policies formalize the plan to increase reserves by 5% annually to work towards a goal of 70% fund balance. While ambitious, the Finance Committee thinks the 70% 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 \$6.5 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.

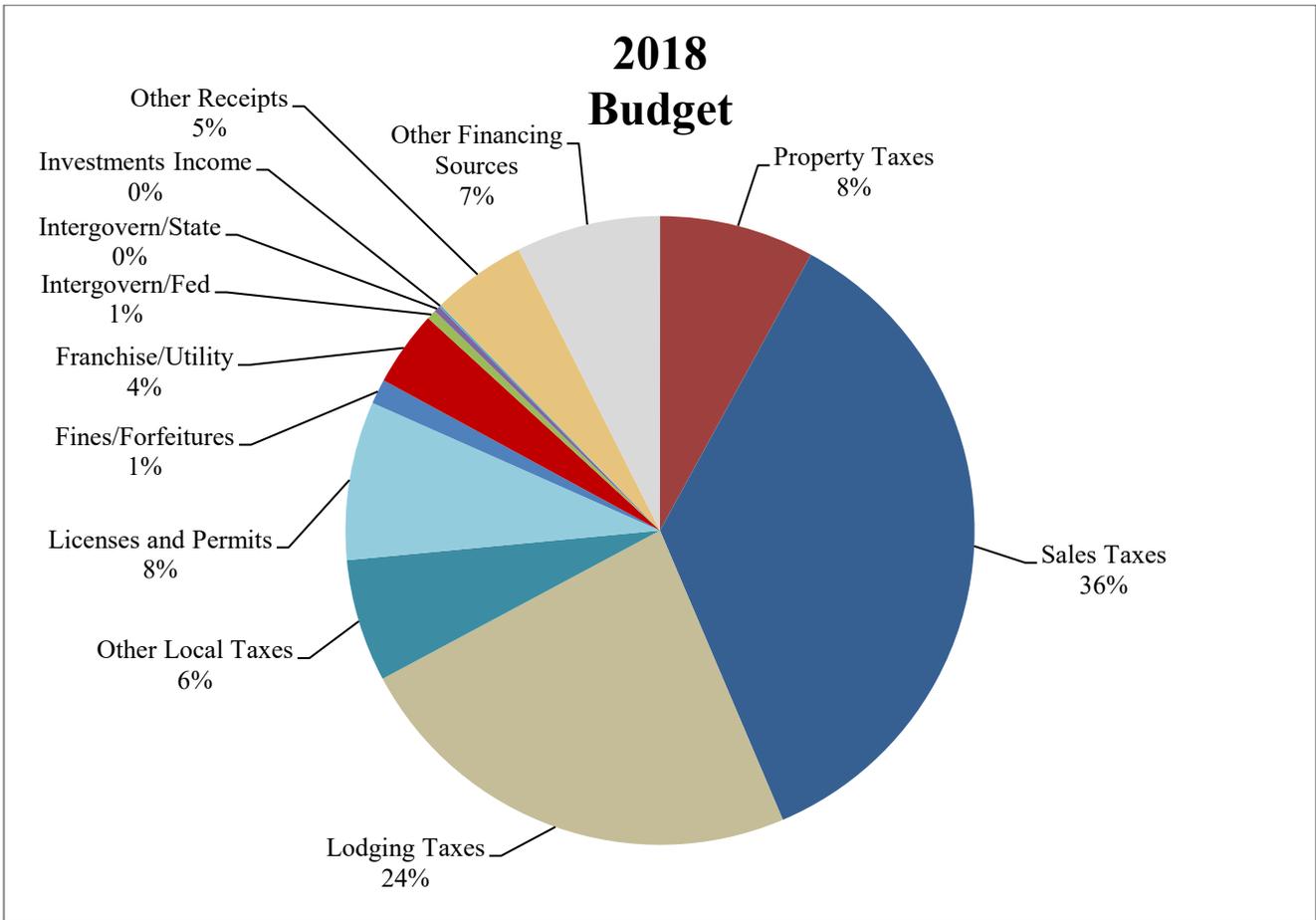
The Finance Committee in 2013 requested a longer term look at revenues, expense and reserve funds in line with the 10 year Capital Plan. Revenues, expense and reserve fund trends projections were updated in 2018 for a 10 year period with assumptions for growth more heavily weighted towards growth close 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 modestly at 3% more than revenues in line with the City's conservative spending patterns.

Annually 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 2018 the Debt Service Fund is 5.8% of total funds. In 2018 current debt service levels will reduce by \$1,992,699 and in 2018 debt service will increase by \$9.8 million due to the long term refinancing of the 2014 line of credit. The City will do a request for qualifications in late 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 2018	% of Budget
Property Taxes	3,130,000	8%
Sales Taxes	14,000,000	36%
Lodging Taxes	9,260,000	24%
Other Local Taxes	2,478,750	6%
Licenses and Permits	3,205,000	8%
Fines/Forfeitures	500,000	1%
Franchise/Utility	1,526,000	4%
Intergovern/State	126,200	.3%
Intergovern/Fed	193,224	.5%
Investments Income	40,000	.1%
Other Receipts	1,907,578	5%
Other Financing Sources	2,915,747	7%
<b>Total</b>	<b>39,282,499</b>	



Property, Sales, Lodging, and Other Local Taxes comprise 74% (4% more than 2017) 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 2017, the City continued to experience revenue growth.

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, utility equivalents, licenses, charges

for service, interest income, grants 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. Expenditures are recorded when the related fund liability incurred, as under accrual accounting. 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 2018 in order to identify future funding needs. Capital Outlays were requested for a ten year period beginning in 2018 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 2018, 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 2018.

## **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 2016 the City added \$2.4 million to its reserves. In 2017 reserves are projected to grow by another \$1.7 million. For 2018 we also expect to maintain a healthy fund balance of \$27,130,413 or 70% of the General Fund Adopted Budget Expenses of \$38,757,732. The General Fund Personnel, Operations and Debt Service Transfer expenses for 2018 decreased \$301,337 or -.77% from the 2017 Amended Budget.

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

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	<b>Square Miles</b>	<b>Climate</b>	<b>Topography</b>
Land Area	28.02 Square Miles		
Water Area	4.76 Square Miles		
Average Annual Temperature		69.6 Degrees	
Average Annual Rainfall		65 Inches	
Elevation			8 Feet

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### All About Gulf Shores, Alabama

## Just the Facts

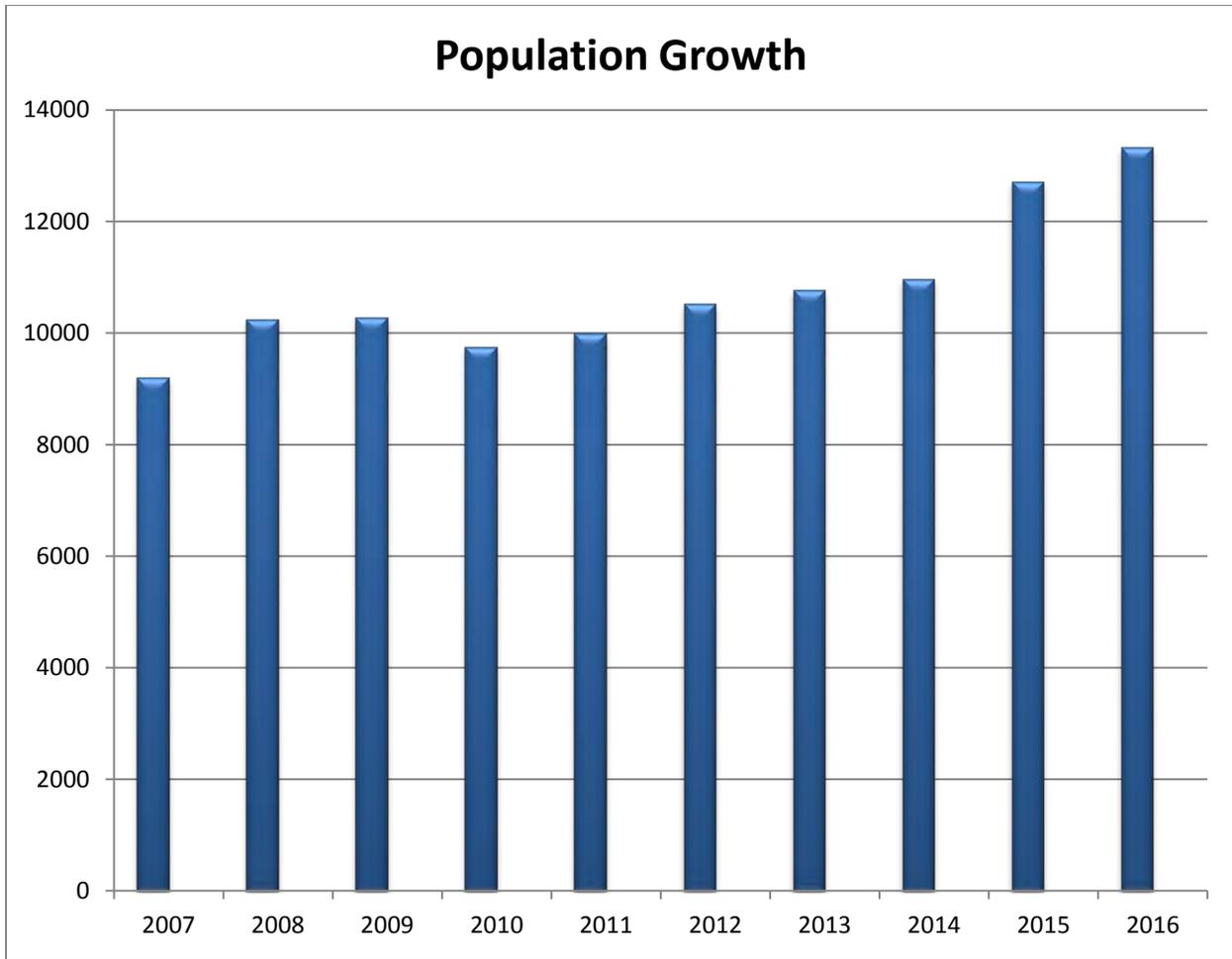
### Demographics

<b>Age, Race &amp; Gender Composition</b>	
White	92.9%
Hispanic	2.5%
Black	.4 %
American Indian	2.3%
Asian	1.9%
Female	55%
Male	45%
Age Under 5 Years	6.4%
Age 18 Years & Over	82.1%
Age 65 Years & Over	24.1%
Median Age is 48.1 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 2011-2015

## Just the Facts



Source: US Census Bureau Population Estimates, 2007 through 2016

Gulf Shores, Alabama population has increased by 45% during the past ten years.

**All About Gulf Shores, Alabama**

## Just the Facts

### Economic Highlights

#### Top Ten Employers in Gulf Shores, Alabama

	<b>Employer</b>	<b># of Employees</b>
1	The Hangout	725
2	Hangout Music Festival	500
3	LuLu's Landing, Inc.	490
4	Waterville	320
5	City of Gulf Shores	265
6	Wal-Mart	260
7	Gulf Shores Public Schools	245
8	Rouse's Enterprises	165
9	Publix Alabama	145
10	The Track Family Recreation Center	110

#### Gulf Shores licensed 7,974 types of businesses in 2016

**Per Capita Income within Gulf Shores in 2015  
was 7.3% higher than the United States level.**

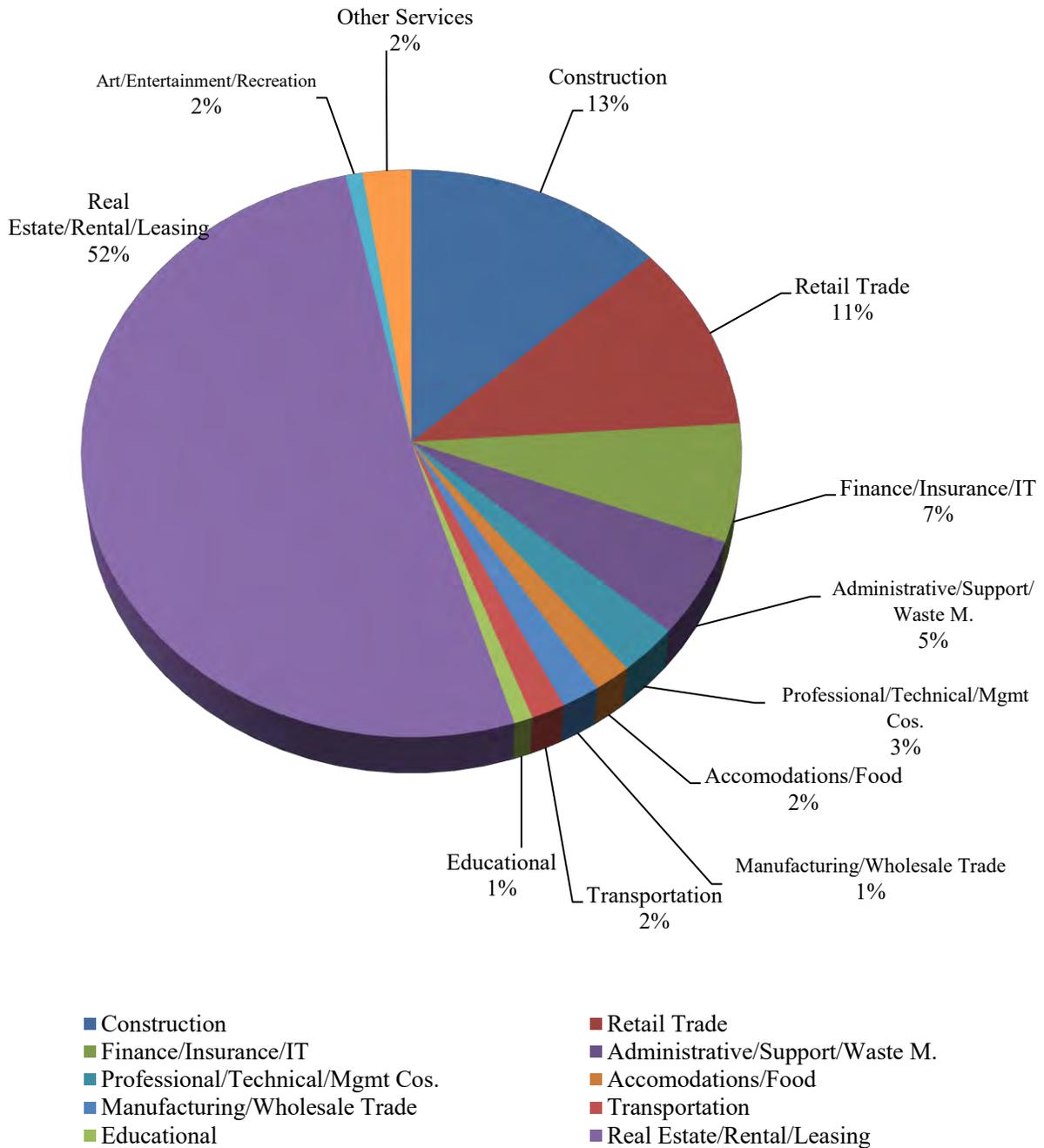
	<b>2015</b>
<b>United States</b>	<b>\$28,930</b>
<b>Gulf Shores</b>	<b>\$31,042</b>

**Source: US Census Bureau – 2015 data latest available October 4, 2017**

All About Gulf Shores, Alabama

## Just the Facts

### Gulf Shores, Alabama Business Profile



## Just the Facts

### Housing Statistics

Number of Housing Units	11,921
Owner-Occupied	6,604
Seasonal, Recreational or Occasional Use	5,317

**Source:** US Census Bureau Quick Facts

### Owned Homes, Apartments and Condos

Average Household Size	2.29
Median Value of Occupied Units	\$232,400

### Rented Homes, Apartments and Condos

Median Monthly Rent Asked for Vacant Units	\$897
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### Service Statistics:

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

<b>Public Safety 2017</b>	
<b>Fire Protection</b>	<b>Police Protection</b>
Fire Stations ..... 4	Primary Patrol Districts ..... 3*
Sworn Employees ..... 45	Sworn Employees ..... 47
Civilian Employees ..... 1	Civilian Employees ..... 20
*Tourist Season includes a 4 <sup>th</sup> district with 4 seasonal employees	

**All About Gulf Shores, Alabama**

## Just the Facts

### Park, Recreation & Cultural Affairs

#### Developed Park Properties

Neighborhood Park.....1	Community Park.....1
Regional Park.....1	Sports Park.....1
Skateboard Park.....1	Dog Park.....1
Special Use Parks.....3	

#### Special Use Facilities.....

Auditorium.....1	Civic Center.....1
Library.....1	Museum.....1
Community House.....1	Adult Activity Center.....1

#### Recreational Facilities

Recreation Centers.....2	Gymnasiums.....2
Swimming Pool.....1	Play Grounds.....2
Lighted Tennis Courts.....18	Multi-Purpose Fields.....5
Baseball/Softball Fields.....13	Football Stadium.....1
Beach Volleyball Courts.....4	Outdoor Basketball Courts.....3
Horseshoe Pits.....10	Bocce Ball Courts.....2
Boat Launches.....2	Shade Structures.....6

#### Trails (miles)

Multi-Use Paths.....18	Bike Lanes.....9.8
Sidewalks.....37.4	Combination Paths.....4

## Just the Facts

### Highways and Streets

Miles of Streets Maintained .....	84.22
Streetlights.....	2,403
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](http://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 2018**

# City of Gulf Shores, Alabama Budget 2018

## Fund/Department Cross Reference Table

Department/Division	FUND					
	General	Special Revenues	Police & Fire Grants	Impact Fees	Beach Fund	Debt Service Fund
<b>Executive</b>	X					
<b>Human Resources</b>	X					
<b>Finance &amp; Administrative Services</b>	X					
<b>Municipal Court</b>	X	X				
<b>Police</b>	X	X	X	X	X	
<b>Fire &amp; EMS</b>	X		X	X	X	
<b>Community Development</b>	X					
<b>Building</b>	X					
<b>Recreation &amp; Cultural Affairs</b>	X			X		
Special Events & Programs	X			X		
Library	X			X		
Recreation - Rec & Wellness	X			X		
Recreation - Sportsplex	X			X		
Recreation - Parks	X			X		
<b>Public Works - General Services</b>	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 that records all financial resources and liabilities which are segregated for a specific purpose, activity or objective. For 2018 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 74% Taxes and 8% Licenses and Permits. Over half (52.5%) of the General Fund expenditures are related to salaries. Transfers for Debt Service makes up 9.2% of the General Fund Budget and is used to pay for bond improvements. Other designated transfers for Lodging Tax related to Beach Activities comprise 7.3 % of the General Fund Expenditures. In 2018 a transfer of \$2 million or 5.2% of the General Fund was established to pay for school expenses. Operational costs comprise another 20.7% of the General Fund expenditures and Capital is 5% of the General Fund Expenditures. Capital Outlays in the General Fund Building Department are related to Alabama Department of Environmental Management (ADEM) expenditures.

**Fund Balance:** Cash reserves are sufficient to maintain solid financial strength for future years. In 2016 additional funds of \$2.4 million were added to the reserves. The City is in compliance with the City's updated City Financial Policy adopted in 2017 with the passage of the 2018 budget. The 2017 City Financial Policy requires a General Fund cash reserve equal to seventy percent for 2018. General Revenue fund reserves 2018 will comprise 35% of the General Fund Operating Budget and a Beach Reserve equivalent to 35% of the General Fund Budget. In 2017 the City was able to maintain 65% of the General Fund target level of reserves needed of \$13,164,296 (35%) and to the Beach Reserves \$11,283,682 (30%) in order to sustain operations during fluctuations of the revenue streams. Total reserve funds target for 2018 is \$27 million or 70% of the General Fund Budget for expenses of \$38,682,733.

## **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 2018 continued objectives included a beach and city-wide recycling program, as well as police enforcement, enhanced beach safety program and restoration efforts. Initial capital funding for the beach recycling and enforcement efforts was provided from transfers from the 2% Lodging Tax Special Revenues Fund and in 2018, Beach Parking Revenues were added to the Beach Restoration & Projects 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 2018 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 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 2016 of \$566,085,720 were received from the Baldwin County Revenue Commissioner’s Office, which would result in a debt limit of \$113,217,144. Our current debt limit is \$123,218,064, which is based on 2017 assessed property values of \$616,090,320. Current debt obligations are \$40 million. Projected 2018 Debt Service will constitute 5.8% of total fund expenditures and 9.2% of General Fund Expenditures (transfers for debt service). 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:

<b>Fiscal Year</b>	<b>Assessed Value</b>	<b>Debt Limit %</b>	<b>Debt Limit \$</b>	<b>Total Debt</b>
<b>2017</b>	616,090,320	20%	123,218,064	40,490,886
<b>2016</b>	566,085,720	20%	113,217,144	38,396,001
<b>2015</b>	534,967,860	20%	106,993,572	41,625,387
<b>2014</b>	499,994,940	20%	99,998,988	38,016,672
<b>2013</b>	478,341,860	20%	95,668,372	38,877,200

As of October 31, 2017 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 2018 Debt Service payments of interest only of \$200,000 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 \$11,942,105 and is repaid from the General Fund. Debt Service amount due in 2018 is \$367,990; 2019 amount due is \$366,190.

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

The 2014 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 2018 Debt Service payments of interest only of \$188,100 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 \$18,522,933 and is repaid from the General Fund. Debt Service amount due in 2018 is \$1,347,111; 2019 amount due is \$1,350,870.

**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 \$5,049,326 and is repaid from the General Fund. Debt Service amount due in 2018 is \$1,247,808; 2019 amount due is \$1,248,808.

Debt service payments by year are as follows as of October 2018:

**Debt Service Payments by Year**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	11,140,000	1,210,109	12,350,109
2019	3,741,000	1,135,619	4,876,619
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
<b>Total</b>	<b>38,496,000</b>	<b>7,512,043</b>	<b>46,008,043</b>

## City of Gulf Shores, Alabama 2018 Budget Calendar

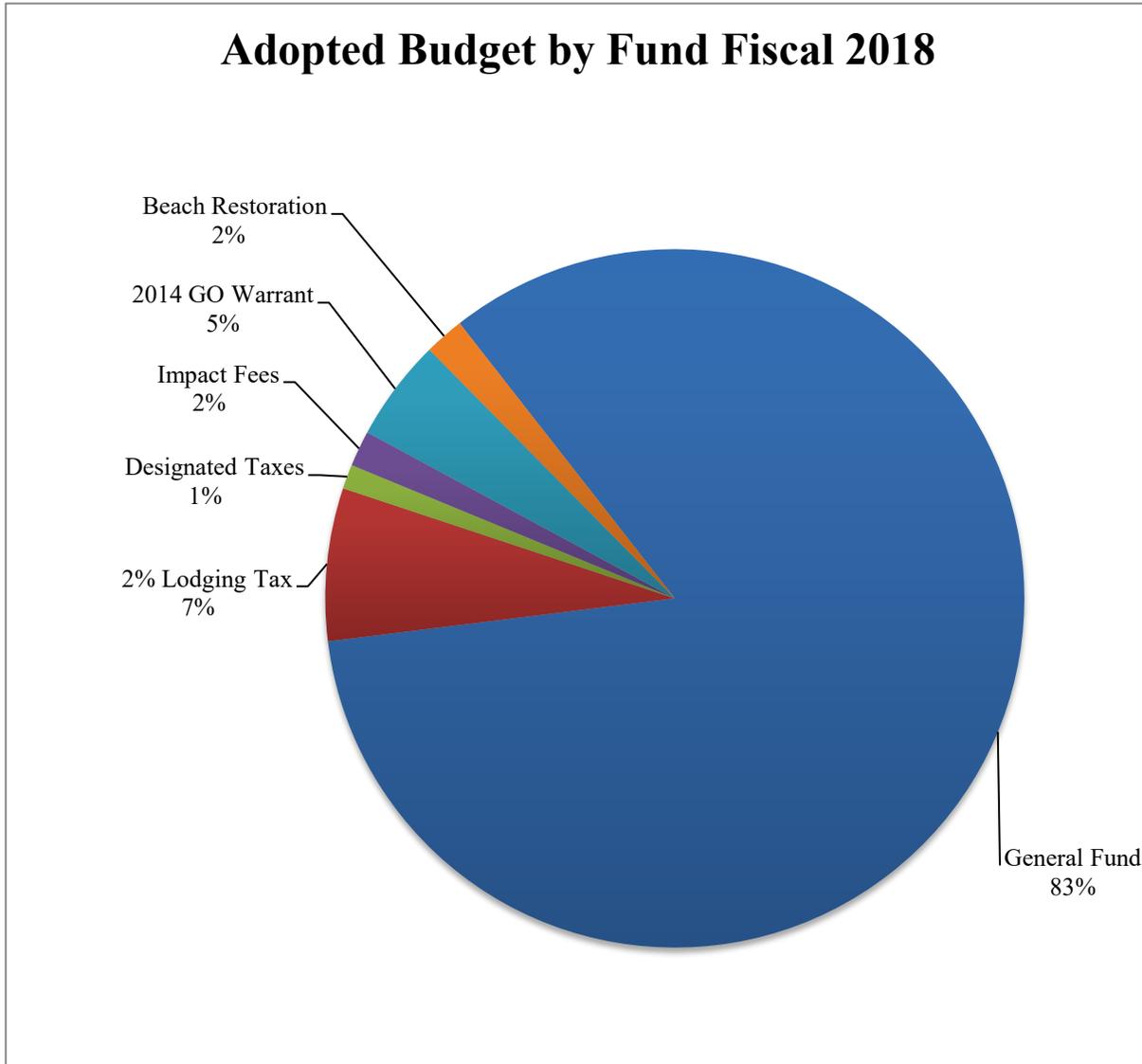
Date	Action
June 21, 2017	Council Retreat with Mayor and Council and project managers to discuss status updates of projects related to the Five Point Strategic Vision, Small Town, Big Beach 2025 Vision for Sustainability, sources of revenue and long-term debt.
June 16, 2017	Department Heads meet to build Ten Year Capital Outlay Plan. Departments heard the other departments' needs and collaborated on how best to meet city-wide needs within designated resources. Finance committee received Ten Year Capital Plan and 2017 Capital Budget Requests at the October 11th Finance Committee meeting.
July 24, 2017	Budget Preparation Instructions sent to Department Heads requested not to exceed 2017 budgeted amounts in total by Department in order to provide funds for the City clinic and positions approved mid-year 2017. The General Fund Budget requests should be consistent with the Vision 2025 Key Strategies and Priorities set by the Mayor and Council. Departments were 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. Examples of other jurisdictions performance measures and budget pages were distributed to the department heads by the City Administrator.
September 6, 2017	Revenue estimates, short and long term debt analysis updated for Council.
September 15, 2017	Budget Requests due to Finance & Administrative Services Director. Requests were compiled with recommendations for meeting needs with revenue sources.
September 16 to October 31, 2017	City Administrator 2017 Budget recommendation prepared for Mayor and Council.
November 1, 2017	Finance Committee reviews Budget Requests including Budget Message, General Fund revenue and expense projections, position and Capital requests.
November 20, 2017	Committee of the Whole (COW) meeting for full Council review
November 27, 2017	Council Adoption of 2018 Budget

**CITY OF GULF SHORES, ALABAMA**  
**FINANCIAL SUMMARIES**  
**TABLES AND GRAPHS**  
**FISCAL YEAR 2018**

**TABLE 1  
CITY OF GULF SHORES, ALABAMA  
CITY WIDE ADOPTED BUDGET  
FISCAL YEAR 2018**

	Actual 2015	Actual 2016	Amended 2017	Adopted 2018	Dollar Change 2017 to 2018	Percent Change 2017 to 2018
<b>REVENUES</b>						
General Fund	27,311,267	31,686,632	30,132,274	33,526,753	3,394,479	11.3%
Special Revenue Funds:						
2% Lodging Tax	3,056,983	2,935,125	2,761,000	2,841,000	80,000	2.9%
Designated Taxes	452,224	513,292	435,000	455,000	20,000	4.6%
Impact Fees	416,500	747,947	642,000	662,000	20,000	3.1%
Library Board Fund	15	0	0	0	0	0.0%
Capital Projects Funds:						
Beach Restoration	31,576	259,279	26,000	737,979	711,979	2738.4%
2008 GO Warrant	138	0	0	0	0	0.0%
2014 GO Warrant	500,278	779,629	1,210,680	1,900,000	689,320	56.9%
2016-B GO Warrant	0	0	0	0	0	0.0%
Capital Projects Funds	366	2,125	124,680	30,000	(94,680)	-75.9%
Storm Damage	6	0	0	0	0	0.0%
Debt Service	1,975,344	1,033,032	0	0	0	0.0%
Public Education Building A Fund	0	0	0	606,464	606,464	0.0%
<b>TOTAL REVENUES</b>	<b>33,744,697</b>	<b>37,957,061</b>	<b>35,331,634</b>	<b>40,759,196</b>	<b>5,427,562</b>	<b>15.4%</b>
<b>EXPENDITURES</b>						
General Fund	25,786,528	26,455,038	28,546,583	30,358,645	1,812,062	6.3%
Special Revenue Funds:						
2% Lodging Tax	0	0	0	0	0	0.0%
Designated Taxes	43,815	44,391	45,000	45,000	0	0.0%
Impact Fees	242,879	33,616	442,000	662,000	220,000	49.8%
Library Board Fund	(50)	0	0	0	0	0.0%
Capital Projects Funds:						
Beach Restoration	1,312,581	894,921	696,651	1,638,968	942,317	135.3%
2008 GO Warrant	0	0	0	0	0	0.0%
2014 GO Warrant	5,047,365	3,531,870	4,446,980	7,680,500	3,233,520	72.7%
2016 GO Warrant	0	1,739,171	6,471,646	5,039,500	(1,432,146)	-22.1%
Capital Projects Funds	0	0	0	0	0	0.0%
Storm Damage	29,400	0	0	0	0	0.0%
Debt Service	13,750,611	9,127,354	9,322,307	3,559,088	(5,763,219)	-61.8%
<b>TOTAL EXPENDITURES</b>	<b>46,213,129</b>	<b>41,826,361</b>	<b>49,971,167</b>	<b>48,983,701</b>	<b>(987,466)</b>	<b>-2.0%</b>
<b>Excess of Revenues over   Total Expenditures</b>	<b>(12,468,432)</b>	<b>(3,869,300)</b>	<b>(14,639,533)</b>	<b>(8,224,505)</b>	<b>6,415,028</b>	<b>-43.8%</b>
<b>OTHER FINANCING</b>						
Issuance of Debt	5,640,536	1,735,000	3,236,300	5,750,500	2,514,200	77.7%
Bond Issue proceeds	9,403,612	1,775,000	6,471,646	5,039,500	(1,432,146)	-22.1%
Bond Premium, net	1,012,189	0	0	0	0	0.0%
Loss on bond refunding	(948,650)	0	0	0	0	0.0%
Proceeds from sale capital assets	44,653	134,640	30,000	30,000	0	0.0%
Transfers In	7,444,385	11,184,891	13,237,118	7,188,441	(6,048,677)	-45.7%
Transfers Out	(7,444,385)	(11,184,891)	(13,237,118)	(9,188,441)	4,048,677	-30.6%
Total Other Financing Uses	15,152,340	3,644,640	9,737,946	8,820,000	(917,946)	-9.4%
<b>Net Change in Fund Balance</b>	<b>2,683,908</b>	<b>(224,660)</b>	<b>(4,901,587)</b>	<b>595,495</b>	<b>5,497,082</b>	<b>-112.1%</b>
<b>Fund Balances - Beginning (restated)</b>	<b>26,336,092</b>	<b>29,027,766</b>	<b>28,803,106</b>	<b>23,901,519</b>	<b>(4,901,587)</b>	<b>-17.0%</b>
<b>Fund Balances - Ending</b>	<b>29,020,000</b>	<b>28,803,106</b>	<b>23,901,519</b>	<b>24,497,014</b>	<b>595,495</b>	<b>2.5%</b>

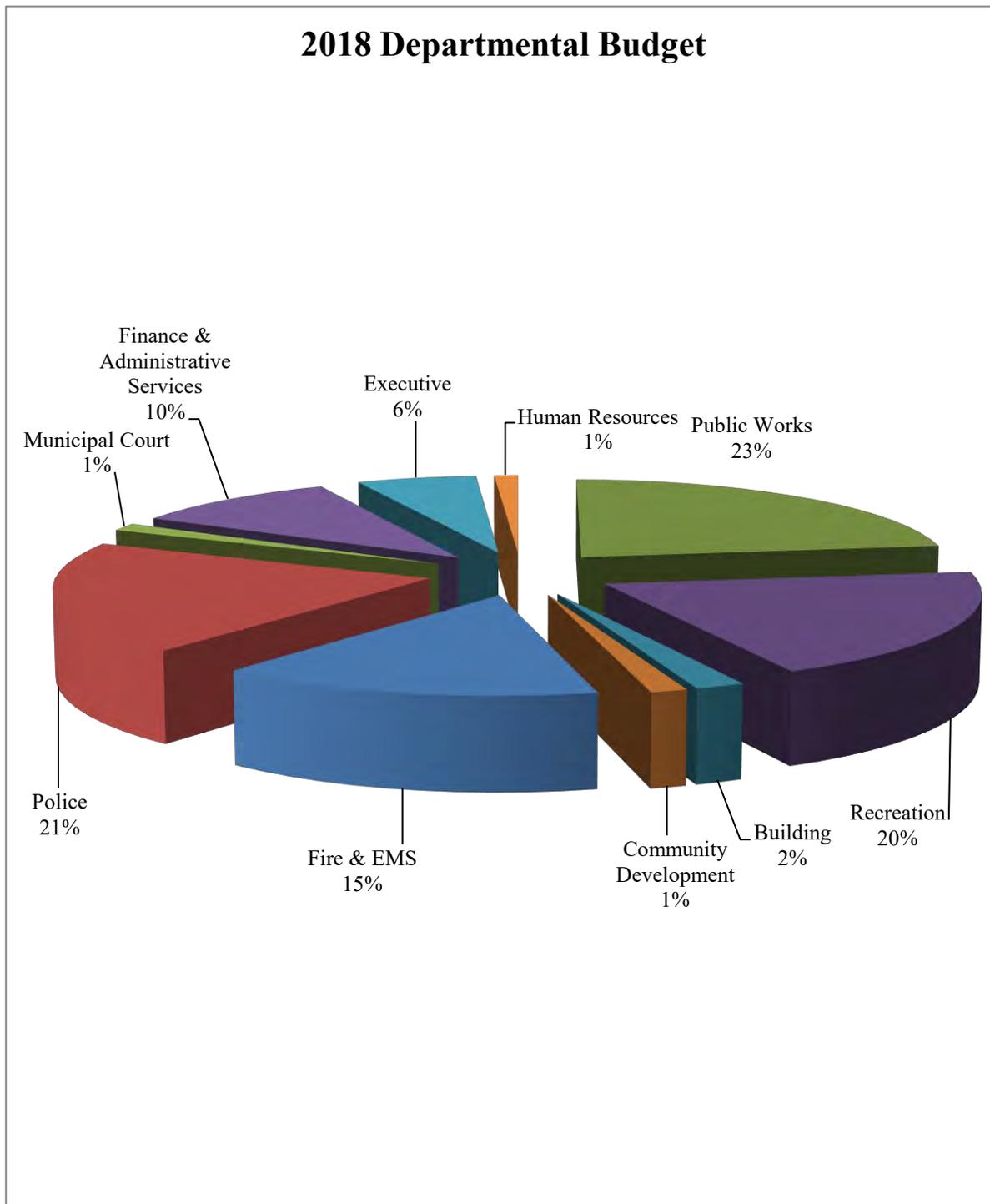
**GRAPH 1**  
**CITY OF GULF SHORES, ALABAMA**  
**CITY WIDE ADOPTED BUDGET**  
**FISCAL YEAR 2018**



**TABLE 2  
CITY OF GULF SHORES, ALABAMA  
GENERAL FUND ADOPTED BUDGET  
FISCAL YEAR 2018**

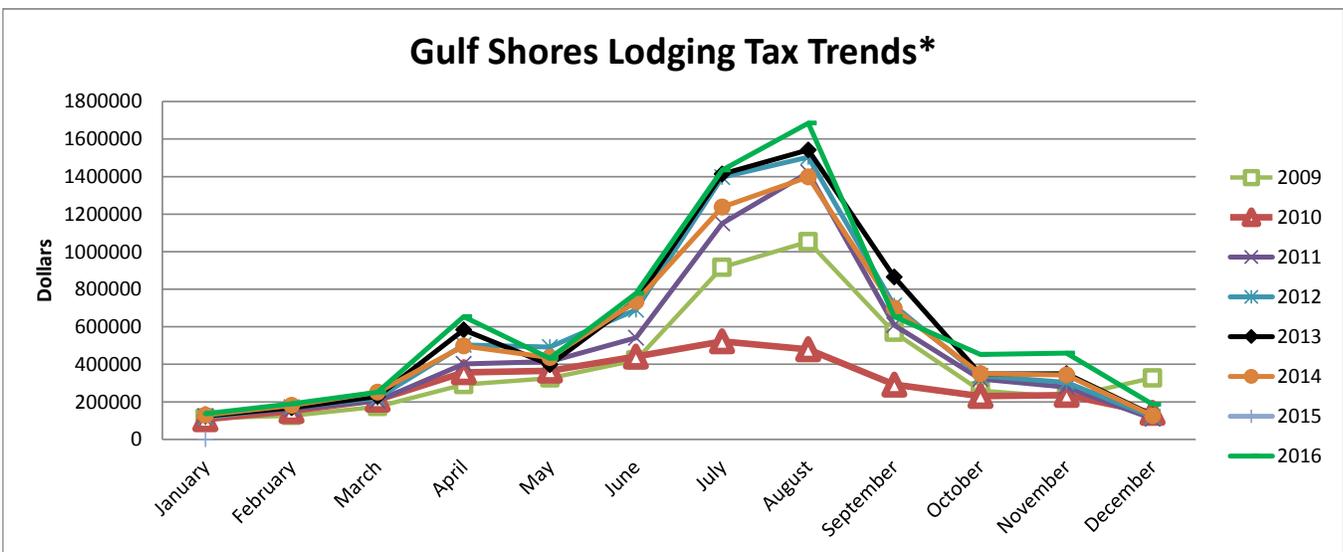
	Actual 2015	Actual 2016	Amended 2017	Adopted 2018	Dollar Change 2017 to 2018	Percent Change 2017 to 2018
<b>REVENUES</b>						
Property Taxes	2,687,300	2,842,586	2,871,000	3,130,000	259,000	9.02%
Sales Taxes	11,410,450	13,777,642	13,300,000	14,000,000	700,000	5.26%
Lodging Taxes	3,852,968	4,341,766	4,140,000	6,420,000	2,280,000	55.07%
Other Local Taxes	2,337,041	2,755,877	2,243,000	2,478,750	235,750	10.51%
Licenses and Permits	2,854,090	3,314,362	3,172,000	3,205,000	33,000	1.04%
Fines/Forfeitures	470,778	595,810	450,000	500,000	50,000	11.11%
Franchise/Utility	1,244,634	1,221,712	1,344,136	1,526,000	181,864	13.53%
Intergovern/Fed	189,451	150,682	91,855	193,225	101,370	110.36%
Intergovern/State	62,415	145,301	201,180	126,200	(74,980)	-37.27%
Investments Income	28,763	36,195	20,000	40,000	20,000	100.00%
Other Receipts	2,139,008	2,233,117	2,299,103	1,907,578	(391,525)	-17.03%
BP Lost Revenues/Settlement	0	271,582	0	0	0	n/a
Other Financing Sources	34,369	0	0	0	0	n/a
<b>TOTAL REVENUES</b>	<u>27,311,267</u>	<u>31,686,632</u>	<u>30,132,274</u>	<u>33,526,753</u>	<u>3,394,479</u>	<u>11.27%</u>
<b>EXPENDITURES</b>						
Executive	1,252,535	1,318,921	1,598,871	1,718,248	119,377	7.47%
Human Resources	284,759	252,622	317,614	341,820	24,206	7.62%
Finance & Administrative Services	2,424,970	2,518,395	2,878,768	3,016,025	137,257	4.77%
Municipal Court	360,314	433,340	394,291	411,344	17,053	4.32%
Police	4,769,177	5,323,689	5,617,121	6,139,360	522,239	9.30%
Fire & EMS	3,613,763	3,848,350	3,848,124	4,486,712	638,588	16.59%
Planning & Zoning	357,951	365,031	451,550	428,204	(23,346)	-5.17%
Building	429,276	518,931	551,456	577,249	25,793	4.68%
Recreation & Cultural Affairs	187,587	264,389	324,307	368,936	44,629	13.76%
Events & Programs	777,408	712,908	714,004	796,219	82,215	11.51%
Library	594,622	580,327	596,016	627,782	31,766	5.33%
Recreation - Bodenhamer	1,667,291	1,660,839	1,652,074	2,112,178	460,104	27.85%
Recreation - Sportsplex	1,140,659	1,062,596	1,370,310	1,250,154	(120,156)	-8.77%
Recreation - Parks	435,244	533,763	564,610	628,566	63,956	11.33%
Recreation - Beach	363,584	459,383	458,815	0	(458,815)	-100.00%
Cultural Center	393,031	488,236	373,551	0	(373,551)	-100.00%
City Store	0	187,743	183,737	181,423	(2,314)	-1.26%
Public Works - General Services	629,713	723,531	748,316	798,909	50,593	6.76%
Public Works - Custodial	630,580	574,595	558,035	566,800	8,765	1.57%
Public Works - Landscaping	700,149	753,588	903,745	860,673	(43,072)	-4.77%
Public Works - Streets	2,796,918	2,561,185	2,687,201	3,026,172	338,971	12.61%
Public Works - Maintenance	1,246,863	1,008,035	1,376,303	1,582,364	206,061	14.97%
Airport	13	0	130,264	138,007	7,743	5.94%
Appropriations	113,027	220,233	247,500	267,500	20,000	8.08%
Capital Outlay (Land)	617,094	84,408	0	34,000	34,000	n/a
<b>TOTAL EXPENDITURES</b>	<u>25,786,528</u>	<u>26,455,038</u>	<u>28,546,583</u>	<u>30,358,645</u>	<u>1,812,062</u>	<u>6.35%</u>
<b>OTHER FINANCING SOURCES</b>						
Bond Proceeds/Issuance of Debt	573,612	20,000	2,200,000	0	(2,200,000)	-100.00%
Proceeds from the sale of capital assets	44,653	134,640	30,000	30,000	0	0.00%
Operating Transfers In	2,689,362	3,752,612	2,490,000	2,885,747	395,747	15.89%
Operating Transfers Out	(3,132,715)	(6,701,197)	(7,751,787)	(5,559,088)	2,192,699	-28.29%
<b>Total Other Financing Sources</b>	<u>174,912</u>	<u>(2,793,945)</u>	<u>(3,031,787)</u>	<u>(2,643,341)</u>	<u>388,446</u>	<u>-12.81%</u>
<b>Net Change in Fund Balance</b>	<u>1,699,651</u>	<u>2,437,649</u>	<u>(1,446,096)</u>	<u>524,767</u>	<u>1,970,863</u>	<u>-136.29%</u>
Prior Period Adjustment						
<b>Fund Balances - Beginning (restated)</b>	<u>22,305,980</u>	<u>24,017,712</u>	<u>26,455,361</u>	<u>25,009,265</u>	<u>(1,446,096)</u>	<u>-5.47%</u>
<b>Fund Balances - Ending</b>	<u>\$ 24,005,631</u>	<u>26,455,361</u>	<u>25,009,265</u>	<u>25,534,032</u>	<u>524,767</u>	<u>2.10%</u>

**GRAPH 2**  
**CITY OF GULF SHORES, ALABAMA**  
**CITY WIDE ADOPTED BUDGET**  
**FISCAL YEAR 2018**



**TABLE 3  
CITY OF GULF SHORES, ALABAMA  
SPECIAL REVENUE FUND  
LODGING TAX ADOPTED BUDGET  
FISCAL YEAR 2018**

	Actual 2015	Actual 2016	Amended 2017	Adopted 2018	Dollar Change 2017 to 2018	Percent Change 2017 to 2018
<b>REVENUES</b>						
Taxes:						
Lodging Tax 2% Beach	3,055,494	2,933,709	2,760,000	2,840,000	80,000	2.90%
Interest Income	1,489	1,416	1,000	1,000	-	0.00%
<b>Total Revenue</b>	<b>3,056,983</b>	<b>2,935,125</b>	<b>2,761,000</b>	<b>2,841,000</b>	<b>80,000</b>	<b>2.90%</b>
<b>EXPENDITURES</b>						
Current:						
General government	0	0	0	0	0	0.00%
<b>Total general government</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>Excess of Revenues over Total Expenditures</b>	<b>3,056,983</b>	<b>2,935,125</b>	<b>2,761,000</b>	<b>2,841,000</b>	<b>80,000</b>	<b>2.90%</b>
<b>OTHER FINANCING USES</b>						
Transfers Out	(3,400,000)	(2,631,082)	(2,570,651)	(3,189,353)	(618,702)	24.07%
<b>Total Other Financing Uses</b>	<b>(3,400,000)</b>	<b>(2,631,082)</b>	<b>(2,570,651)</b>	<b>(3,189,353)</b>	<b>(618,702)</b>	<b>24.07%</b>
<b>Net Change in Fund Balance</b>	<b>(343,017)</b>	<b>304,043</b>	<b>190,349</b>	<b>(348,353)</b>	<b>(538,702)</b>	<b>-283.01%</b>
<b>Fund Balances - Beginning</b>	<b>1,639,921</b>	<b>1,296,904</b>	<b>1,600,947</b>	<b>1,791,296</b>	<b>190,349</b>	<b>11.89%</b>
<b>Fund Balances - Ending</b>	<b>\$ 1,296,904</b>	<b>\$ 1,600,947</b>	<b>\$ 1,791,296</b>	<b>\$ 1,442,943</b>	<b>(348,353)</b>	<b>-19.45%</b>



\*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 2018**

	Actual 2015	Actual 2016	Amended 2017	Adopted 2018	Dollar Change 2017 to 2018	Percent Change 2017 to 2018
<b>REVENUES</b>						
Taxes:						
Intergovernmental:						
State of Alabama	451,859	512,843	435,000	455,000	20,000	4.60%
Interest Income	365	449	0	0	0	n/a
<b>Total Revenue</b>	<u>452,224</u>	<u>513,292</u>	<u>435,000</u>	<u>455,000</u>	<u>20,000</u>	<u>4.60%</u>
<b>EXPENDITURES</b>						
Current:						
General Government	43,815	44,391	45,000	45,000	0	0.00%
<b>Total General Government</b>	<u>43,815</u>	<u>44,391</u>	<u>45,000</u>	<u>45,000</u>	<u>0</u>	<u>0.00%</u>
<b>Excess of Revenues over Total Expenditures</b>	<u>408,409</u>	<u>468,901</u>	<u>390,000</u>	<u>410,000</u>	<u>20,000</u>	<u>5.13%</u>
<b>OTHER FINANCING USES</b>						
Transfers Out	(401,066)	(373,000)	(390,000)	(410,000)	(20,000)	5.13%
<b>Total Other Financing Uses</b>	<u>(401,066)</u>	<u>(373,000)</u>	<u>(390,000)</u>	<u>(410,000)</u>	<u>(20,000)</u>	<u>5.13%</u>
<b>Net Change in Fund Balance</b>	<u>7,343</u>	<u>95,901</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
<b>Fund Balances - Beginning</b>	<u>146,367</u>	<u>153,710</u>	<u>249,611</u>	<u>249,611</u>	<u>0</u>	<u>0.00%</u>
<b>Fund Balances - Ending</b>	<u>\$ 153,710</u>	<u>\$ 249,611</u>	<u>\$ 249,611</u>	<u>\$ 249,611</u>	<u>0</u>	<u>0.00%</u>

**TABLE 5  
CITY OF GULF SHORES, ALABAMA  
SPECIAL REVENUE FUND  
IMPACT FEES  
ADOPTED BUDGET  
FISCAL YEAR 2018**

	Actual 2015	Actual 2016	Amended 2017	Adopted 2018	Dollar Change 2017 to 2018	Percent Change 2017 to 2018
<b>REVENUES</b>						
Impact Fees	410,941	746,976	642,000	662,000	20,000	3.12%
Interest Income	559	971	0	0	0	n/a
<b>Total Revenue</b>	<u>411,500</u>	<u>747,947</u>	<u>642,000</u>	<u>662,000</u>	<u>20,000</u>	<u>3.12%</u>
<b>EXPENDITURES</b>						
Capital Outlay						
Fire	25,403	33,616	62,000	95,000	33,000	53.23%
Recreation	217,476	0	305,000	325,000	20,000	6.56%
Police	0	0	75,000	42,000	(33,000)	-44.00%
Public Works	0	0	0	200,000	200,000	n/a
<b>Total Capital Outlay</b>	<u>242,879</u>	<u>33,616</u>	<u>442,000</u>	<u>662,000</u>	<u>220,000</u>	<u>49.77%</u>
<b>Total Expenditures</b>	<u>242,879</u>	<u>33,616</u>	<u>442,000</u>	<u>662,000</u>	<u>220,000</u>	<u>49.77%</u>
<b>Excess of Revenues over Total Expenditures</b>	<u>168,621</u>	<u>714,331</u>	<u>200,000</u>	<u>0</u>	<u>(200,000)</u>	<u>-100.00%</u>
<b>OTHER FINANCING USES</b>						
Transfers	120,000	332,000	200,000	0	(200,000)	-100.00%
<b>Total Other Financing Uses</b>	<u>120,000</u>	<u>332,000</u>	<u>200,000</u>	<u>0</u>	<u>(200,000)</u>	<u>-100.00%</u>
<b>Net Change in Fund Balance</b>	<u>48,621</u>	<u>382,331</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
<b>Fund Balances-Beginning(restated)</b>	<u>228,528</u>	<u>277,835</u>	<u>660,166</u>	<u>660,166</u>	<u>0</u>	<u>0.00%</u>
<b>Fund Balances - Ending</b>	<u>\$ 277,149</u>	<u>660,166</u>	<u>660,166</u>	<u>\$ 660,166</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 2018**

	Actual 2015	Actual 2016	Amended 2017	Adopted 2018	Dollar Change 2017 to 2018	Percent Change 2017 to 2018
<b>REVENUES</b>						
Interest Income	211	264	0	0	0	n/a
ADEM Recycling Grant	0	226,602	0	97,979	97,979	n/a
Parking Fees	0	0	0	600,000	600,000	n/a
Other	31,365	32,413	26,000	40,000	14,000	54%
<b>Total Revenue</b>	<u>31,576</u>	<u>259,279</u>	<u>26,000</u>	<u>737,979</u>	<u>711,979</u>	<u>2738%</u>
<b>EXPENDITURES</b>						
Current Operating:						
Police	145,390	181,125	195,200	310,747	115,547	59%
Public Works	274,299	661,026	431,451	784,566	353,115	82%
Recreation Beach	0	0	0	438,155	438,155	n/a
<b>Total Current</b>	<u>419,689</u>	<u>842,151</u>	<u>626,651</u>	<u>1,533,468</u>	<u>906,817</u>	<u>145%</u>
Capital Outlay						
Police	78,071	0	0	32,500	32,500	n/a
Recreation Beach	31,563	0	0	0	0	n/a
Public Works	721,983	0	0	20,000	20,000	n/a
Dune Enhancement	0	0	0	3,000	3,000	n/a
Beach Monitoring	61,212	52,800	70,000	50,000	(20,000)	-29%
<b>Total Capital Outlay</b>	<u>892,829</u>	<u>52,800</u>	<u>70,000</u>	<u>105,500</u>	<u>35,500</u>	<u>51%</u>
Beach Restoration						
Miscellaneous	63	(30)				
<b>Total Expenditures</b>	<u>1,312,581</u>	<u>894,921</u>	<u>696,651</u>	<u>1,638,968</u>	<u>942,317</u>	<u>135%</u>
<b>Excess of Revenues over Total Expenditures</b>	<u>(1,281,005)</u>	<u>(635,642)</u>	<u>(670,651)</u>	<u>(900,989)</u>	<u>(230,338)</u>	<u>34%</u>
<b>OTHER FINANCING USES</b>						
Transfers	<u>1,300,000</u>	<u>731,082</u>	<u>670,651</u>	<u>713,606</u>	<u>42,955</u>	<u>6%</u>
<b>Total Other Financing Uses</b>	<u>1,300,000</u>	<u>731,082</u>	<u>670,651</u>	<u>713,606</u>	<u>42,955</u>	<u>-15%</u>
<b>Net Change in Fund Balance</b>	<u>18,995</u>	<u>95,440</u>	<u>0</u>	<u>(187,383)</u>	<u>(187,383)</u>	<u>n/a</u>
<b>Fund Balances - Beginning</b>	<u>1,141</u>	<u>20,136</u>	<u>115,576</u>	<u>115,576</u>	<u>0</u>	<u>0%</u>
<b>Fund Balances - Ending</b>	<u>\$20,136</u>	<u>115,576</u>	<u>115,576</u>	<u>(71,807)</u>	<u>(187,383)</u>	<u>-162%</u>

**TABLE 7**  
**CITY OF GULF SHORES, ALABAMA**  
**CAPITAL IMPROVEMENT FUND**  
**BOND PROCEEDS 2008 A**  
**ADOPTED BUDGET**  
**FISCAL YEAR 2018**

	Actual 2015	Actual 2016	Amended 2017	Adopted 2018	Dollar Change 2017 to 2018	Percent Change 2017 to 2018
<b>REVENUES</b>						
Bond Proceeds	132	0	0	0	0	0%
State Match	0	0	0	0	0	0%
Interest Income	6	0	0	0	0	0%
<b>Total Revenue</b>	<u>138</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>EXPENDITURES</b>						
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>Excess of Revenues over Total Expenditures</b>	<u>138</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>OTHER FINANCING USES</b>						
Transfers	<u>13,906</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>Total Other Financing Uses</b>	<u>13,906</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>Net Change in Fund Balance</b>	<u>14,044</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>Fund Balances - Beginning</b>	<u>(14,044)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>Fund Balances - Ending</b>	<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>0%</u></u>

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

**TABLE 8  
CITY OF GULF SHORES, ALABAMA  
CAPITAL PROJECTS FUND  
ADOPTED BUDGET  
FISCAL YEAR 2018**

	Actual 2015	Actual 2016	Amended 2017	Adopted 2018	Dollar Change 2017 to 2018	Percent Change 2017 to 2018
<b>REVENUES</b>						
Interest Income	166	325	0	0	0	n/a
Other	200	1,800	124,680	30,000	(94,680)	-76%
<b>Total Revenues</b>	<u>366</u>	<u>2,125</u>	<u>124,680</u>	<u>30,000</u>	<u>(94,680)</u>	<u>-76%</u>
<b>EXPENDITURES</b>						
Administrative	0	0	0	0	0	0%
Capital Outlay Projects					0	
ALDOT Sidewalks Handicap Access	0	0	0	0	0	0%
ALDOT Sidewalks 8 Feet Wide	0	0	0	0	0	0%
ALDOT Adaptive Signs	0	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	0	0	0	0	0	0%
ADECA-LWCF Little Lagoon	0	0	0	0	0	0%
Craft Farms North Roadway	0	0	0	0	0	0%
Dry Dock Basin	0	0	0	0	0	0%
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>OTHER FINANCING SOURCES</b>						
Transfer Out	(15,975)	(154)	(124,680)	(30,000)	94,680	-76%
<b>Total Other Financing Sources</b>	<u>(15,975)</u>	<u>(154)</u>	<u>(124,680)</u>	<u>(30,000)</u>	<u>94,680</u>	<u>-76%</u>
<b>Net Change in Fund Balances</b>	<u>(15,609)</u>	<u>1,971</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>Fund Balance - Beginning</b>	<u>(120,225)</u>	<u>(135,834)</u>	<u>(133,863)</u>	<u>(133,863)</u>	<u>0</u>	<u>0%</u>
<b>Fund Balance - Ending</b>	<u><u>(135,834)</u></u>	<u><u>(133,863)</u></u>	<u><u>(133,863)</u></u>	<u><u>(133,863)</u></u>	<u><u>0</u></u>	<u><u>0%</u></u>

**TABLE 9**  
**CITY OF GULF SHORES, ALABAMA**  
**STORM DAMAGE CAPITAL PROJECTS FUND**  
**ADOPTED BUDGET**  
**FISCAL YEAR 2018**

	Actual 2015	Actual 2016	Amended 2017	Adopted 2018	Dollar Change 2017 to 2018	Percent Change 2017 to 2018
<b>REVENUES</b>						
Intergovernmental Grants						
State of Alabama	0	0	0	0	0	0%
Federal Government	0	0	0	0	0	0%
BP Grant(s)	0	0	0	0	0	0%
Deferred Revenue	0	0	0	0	0	0%
Interest Income	6	6	0	0	0	0%
<b>Total Revenues</b>	<u>6</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>EXPENDITURES</b>						
Emergency Protective Measures	0	0	0	0	0	0%
Engineering & Construction	0	0	0	0	0	0%
Buildings & Equipment	0	0	0	0	0	0%
Parks, Recreation & Other	29,400	0	0	0	0	0%
Waterway Development District	0	0	0	0	0	0%
Debris Removal	0	0	0	0	0	0%
<b>Total Expenditures</b>	<u>29,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer out Other Funds (General)	0	0	0	0	0	0%
Transfer from Other Funds	23,078	23,078	0	0	0	0%
<b>Total Other Financing Uses</b>	<u>23,078</u>	<u>23,078</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>Net Change in Fund Balance</b>	<u>(6,316)</u>	<u>23,084</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
<b>Fund Balance - Beginning</b>	<u>(169,829)</u>	<u>(176,145)</u>	<u>(176,145)</u>	<u>(176,145)</u>	<u>0</u>	<u>0%</u>
<b>Fund Balance - Ending</b>	<u>(176,145)</u>	<u>(153,061)</u>	<u>(176,145)</u>	<u>(176,145)</u>	<u>0</u>	<u>0%</u>

**TABLE 10**  
**CITY OF GULF SHORES, ALABAMA**  
**DEBT SERVICE FUND**  
**ADOPTED BUDGET**  
**FISCAL YEAR 2018**

	Actual 2015	Actual 2016	Amended 2017	Adopted 2018	Dollar Change 2017 to 2018	Percent Change 2017 to 2018
<b>REVENUES</b>						
Taxes	0	0	0	0	0	0%
Rent Income	35,276	499,015	0	0	0	0%
Interest	2,251	703	0	0	0	0%
Total Revenues	<u>37,527</u>	<u>499,718</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>EXPENDITURES</b>						
Principal and Interest	13,607,417	9,123,022	9,317,482	3,554,263	(5,763,219)	-61.85%
Miscellaneous	4,600	4,332	4,825	4,825	0	0.00%
Total Expenses	<u>13,612,017</u>	<u>9,127,354</u>	<u>9,322,307</u>	<u>3,559,088</u>	<u>(5,763,219)</u>	<u>-61.82%</u>
<b>Excess of Revenues over Total Expenditures</b>	<u>(13,574,490)</u>	<u>(8,627,636)</u>	<u>(9,322,307)</u>	<u>(3,559,088)</u>	<u>5,763,219</u>	<u>-61.82%</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Bond Issue Proceeds	8,830,000	0	0	0	0	0%
Bond Premium, net	1,012,189	0	0	0	0	0%
Loss on bond refunding	(948,650)	0	0	0	0	0%
Transfers In	5,003,545	7,211,433	9,322,307	3,559,088	(5,763,219)	-61.82%
Total Other Financing Uses	<u>13,897,084</u>	<u>7,211,433</u>	<u>9,322,307</u>	<u>3,559,088</u>	<u>(5,763,219)</u>	<u>-61.82%</u>
<b>Net Change in Fund Balance</b>	<u>322,594</u>	<u>(1,416,203)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>Fund Balances-Beginning(Restate</b>	<u>2,266,308</u>	<u>2,450,408</u>	<u>1,034,205</u>	<u>1,034,205</u>	<u>0</u>	<u>0%</u>
<b>Fund Balances - Ending</b>	<u>\$ 2,588,902</u>	<u>\$ 1,034,205</u>	<u>\$ 1,034,205</u>	<u>\$ 1,034,205</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 2018**

	Actual 2015	Actual 2016	Amended 2017	Adopted 2018	Dollar Adopted 2017 to 2018	Percent Change 2017 to 2018
<b>REVENUES</b>						
Grants Requiring Matching Funds						
Grants	500,273	779,629	1,210,680	1,900,000	689,320	56.94%
Interest Income	5	0	0	0	0	0%
<b>Total Revenues</b>	<u>500,278</u>	<u>779,629</u>	<u>1,210,680</u>	<u>1,900,000</u>	<u>689,320</u>	<u>56.94%</u>
<b>EXPENDITURES</b>						
Miscellaneous	43	97	0	0	0	0%
Operations						
ADECA-LWCF Little Lagoon	0	15,105	120,000	0	(120,000)	-100.00%
ALDOT Sidewalk Grants	91,314	1,219,046	725,680	0	(725,680)	-100.00%
Rec Trail Fort Morgan Fairway	158,426	1,120	150,000	0	(150,000)	-100.00%
West 12th Street Public Access	0	92,225	0	0	0	0%
Capital Outlay Projects						
Fire & EMS	99,892	811,678	0	0	0	0%
Rec & Cultural Affairs	216,583	1,209,137	88,800	0	(88,800)	-100.00%
Public Works	282,759	80,915	1,815,000	4,180,500	2,365,500	130.33%
W 10th St Public Access	148,051		0	0	0	0%
ALDOT Adaptive Signals	765,004		0	0	0	0%
Hwy 182 Improvements	0	82,533	1,500,000	3,500,000	2,000,000	133.33%
Land	3,285,293	20,014	47,500	0	(47,500)	-100.00%
<b>Total Expenditures</b>	<u>5,047,365</u>	<u>3,531,870</u>	<u>4,446,980</u>	<u>7,680,500</u>	<u>3,233,520</u>	<u>73%</u>
<b>OTHER FINANCING SOURCES</b>						
Bond Proceeds	5,640,536	1,715,000	3,111,620	5,750,500	2,638,880	85%
Transfers	(22,310)	0	124,680	30,000	(94,680)	0%
<b>Total Other Financing Sources</b>	<u>5,618,226</u>	<u>1,715,000</u>	<u>3,236,300</u>	<u>5,780,500</u>	<u>2,544,200</u>	<u>79%</u>
<b>Net Change in Fund Balances</b>	<u>1,071,139</u>	<u>(1,037,241)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>Fund Balance - Beginning</b>	<u>30,105</u>	<u>1,101,244</u>	<u>64,003</u>	<u>64,003</u>	<u>0</u>	<u>0%</u>
<b>Fund Balance - Ending</b>	<u>1,101,244</u>	<u>64,003</u>	<u>64,003</u>	<u>64,003</u>	<u>0</u>	<u>0%</u>

**TABLE 12  
CITY OF GULF SHORES, ALABAMA  
CAPITAL IMPROVEMENT FUND  
2016-B GO WARRANT  
ADOPTED BUDGET  
FISCAL YEAR 2018**

	Actual 2015	Actual 2016	Amended 2017	Adopted 2018	Dollar Adopted 2017 to 2018	Percent Change 2017 to 2018
<b>REVENUES</b>						
Grants Requiring Matching Funds						
Interest Income	0	0	0	0	0	0%
Other	0	0	0	0	0	0%
<b>Total Revenues</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>EXPENDITURES</b>						
Administrative	0		5,793	500	(5,293)	-91%
Operations						
Executive Contract/Consulting S	0		877,815	325,000	(552,815)	-63%
Public Works	0	770,177	55,000	75,000	20,000	36%
Capital Outlay Projects						
Executive Improvements Gulf Pl	0	968,994	5,533,038	4,639,000	(894,038)	-16%
<b>Total Expenditures</b>	<u>0</u>	<u>1,739,171</u>	<u>6,471,646</u>	<u>5,039,500</u>	<u>(1,432,146)</u>	<u>-22%</u>
<b>OTHER FINANCING SOURCES</b>						
Bond Proceeds	0	1,775,000	6,471,646	5,039,500	(1,432,146)	-22%
Transfer to General Funds	0	(115,871)	(2,200,000)	0	2,200,000	-100%
<b>Total Other Financing Sources</b>	<u>0</u>	<u>1,659,129</u>	<u>4,271,646</u>	<u>5,039,500</u>	<u>767,854</u>	<u>18%</u>
<b>Net Change in Fund Balances</b>	<u>0</u>	<u>(80,042)</u>	<u>(2,200,000)</u>	<u>0</u>	<u>2,200,000</u>	<u>-100%</u>
<b>Fund Balance - Beginning</b>	<u>0</u>	<u>0</u>	<u>(80,042)</u>	<u>(2,280,042)</u>	<u>(2,200,000)</u>	<u>2749%</u>
<b>Fund Balance - Ending</b>	<u><u>0</u></u>	<u><u>(80,042)</u></u>	<u><u>(2,280,042)</u></u>	<u><u>(2,280,042)</u></u>	<u><u>0</u></u>	<u><u>0%</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 2018 is 70% 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 2015 to 2016 actual, 2017 year to date and 2018 Budgeted Reserves.

General Fund Reserves	2015 Actual (Audited)	2016 Actual (Audited)	2017 Actual Year to Date	2018 Budget
<b>Operating</b>	\$11,285,310	\$12,616,442	\$12,881,436	\$11,638,947
<b>Stabilization</b>	<u>5,641,809</u>	<u>6,214,068</u>	<u>6,334,588</u>	<u>5,995,821</u>
<b>Subtotal General Fund</b>	\$16,927,119	\$18,830,510	\$19,216,024	\$17,634,768
<b>Beach Reserves</b>	<u>7,254,479</u>	<u>7,624,851</u>	<u>8,249,725</u>	<u>9,495,645</u>
<b>Grand Total All Reserves</b>	<b>\$24,181,598</b>	<b>\$26,455,361</b>	<b>27,465,749</b>	<b>27,130,413</b>

## Major Revenue Sources

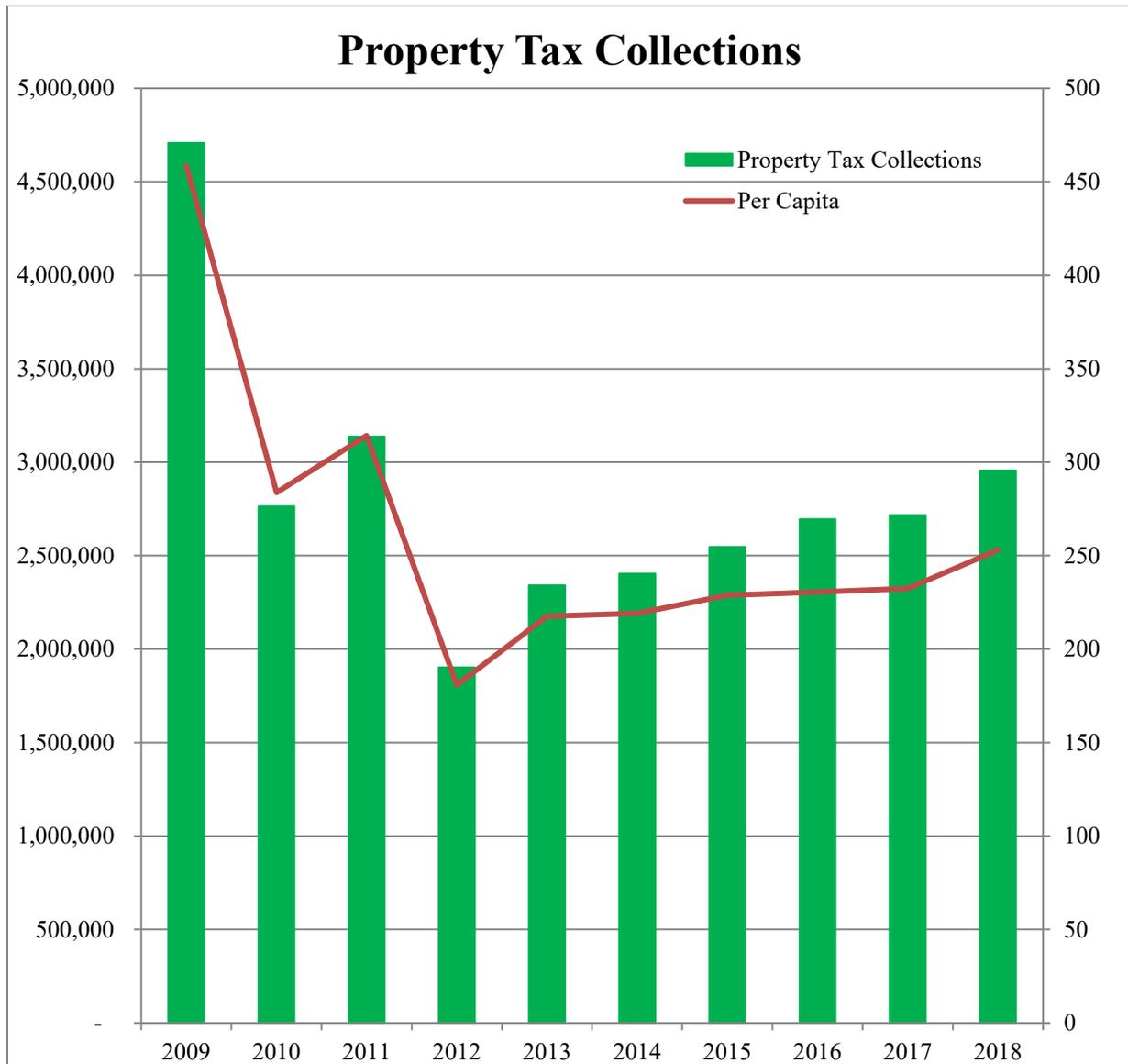
The City of Gulf Shores General Fund has four major funding sources that comprise approximately 75% of the General Fund. Shown below is a summary of the four major General Fund revenue sources and the percentage of the total General Fund Revenues for 2015 Actual, 2016 Actual, 2017 Actual Year to Date, and 2018 Budget:

Revenue Type	2015 Actual	% of Total	2016 Actual	% of Total	2017 Actual Year to Date	% of Total	2018 Budget
<b>Property</b>	\$ 2,546,941	7%	\$ 2,695,038	7%	1,113,222	3%	2,957,000
<b>Sales</b>	13,309,826	37%	14,279,457	37%	11,739,726	36%	14,000,000
<b>Lodging</b>	6,908,462	19%	7,275,475	19%	6,601,976	20%	9,260,000
<b>Business Licenses</b>	<u>3,287,949</u>	9%	<u>3,425,719</u>	9%	<u>3,414,335</u>	11%	<u>3,371,000</u>
<b>Subtotal</b>	<b>\$26,053,178</b>	<b>72%</b>	<b>\$27,675,689</b>	<b>72%</b>	<b>\$22,869,259</b>	<b>72%</b>	<b>\$29,588,000</b>

Since the four major funding sources comprise approximately 75% 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 2018 the four funds comprise 75% of the General Fund projected revenues.

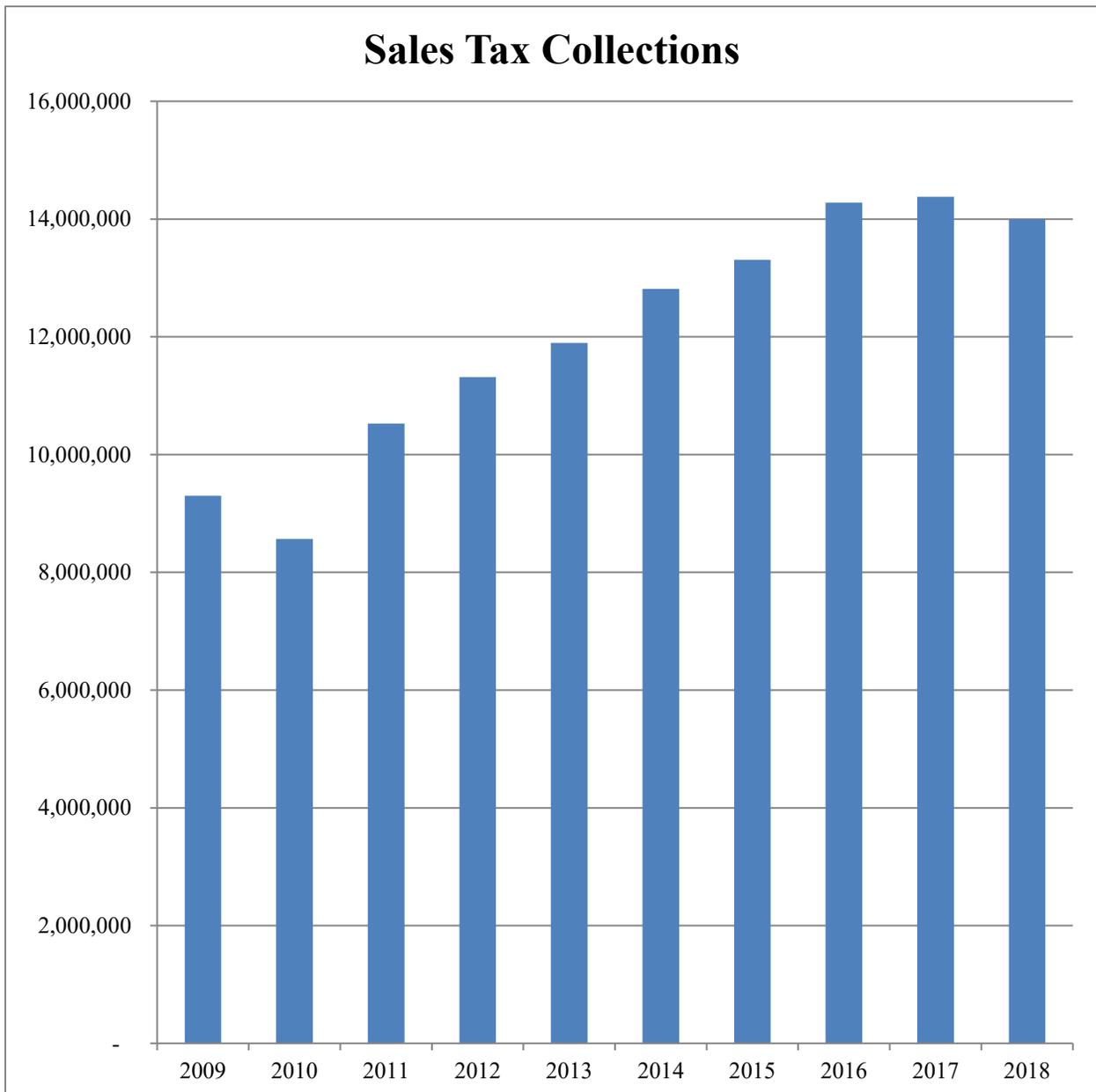
## PROPERTY TAX

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 2018 budget are shown in the graph below.



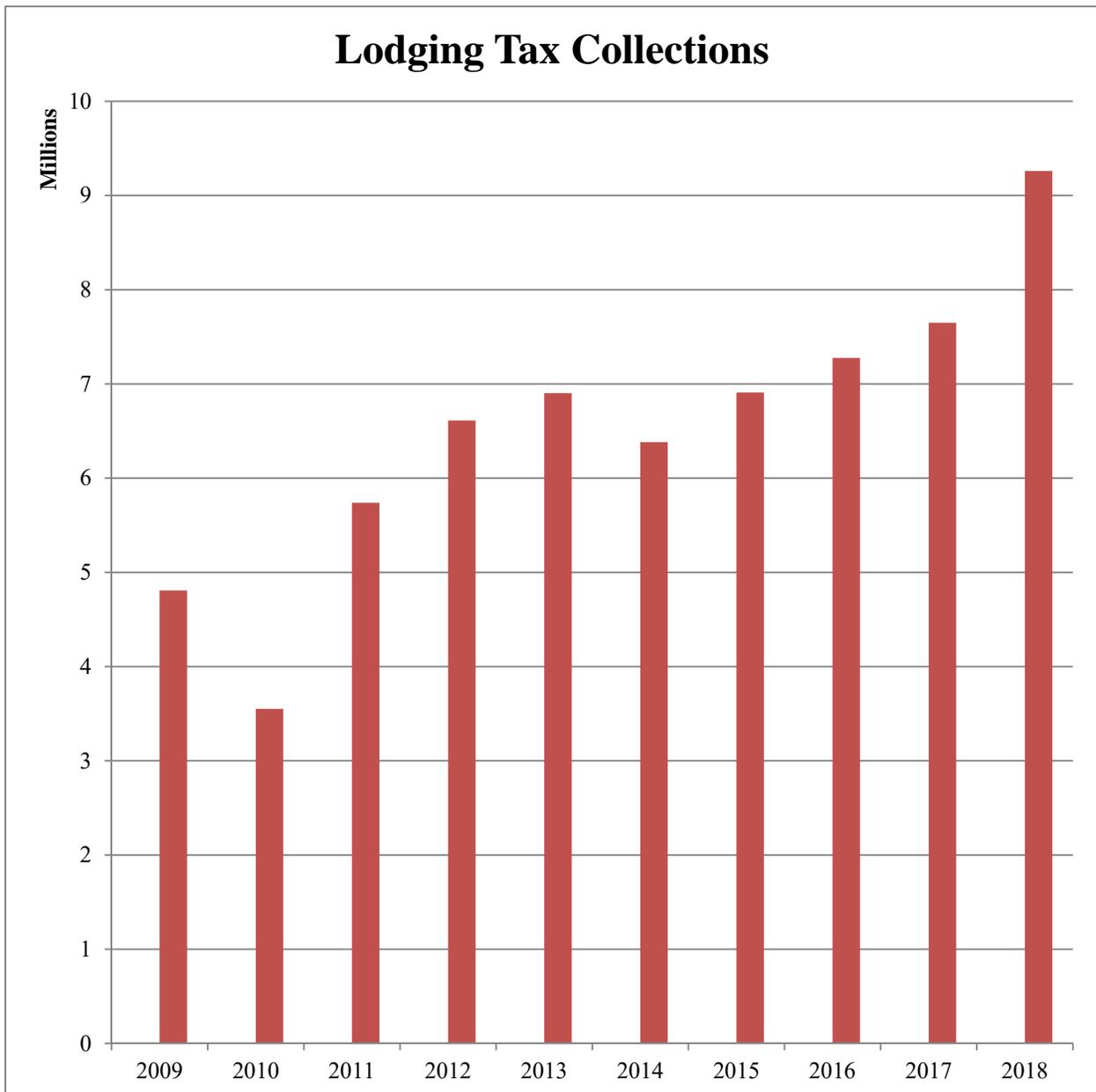
## SALES TAX

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 were 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 1% increase in Sales Tax is projected for 2017, over 2016 actual reflecting increased tourism. Trend lines for the past ten years and 2018 Budget are shown in the graph below. The ten year compounded growth rate for sales and lodging taxes is 4%.



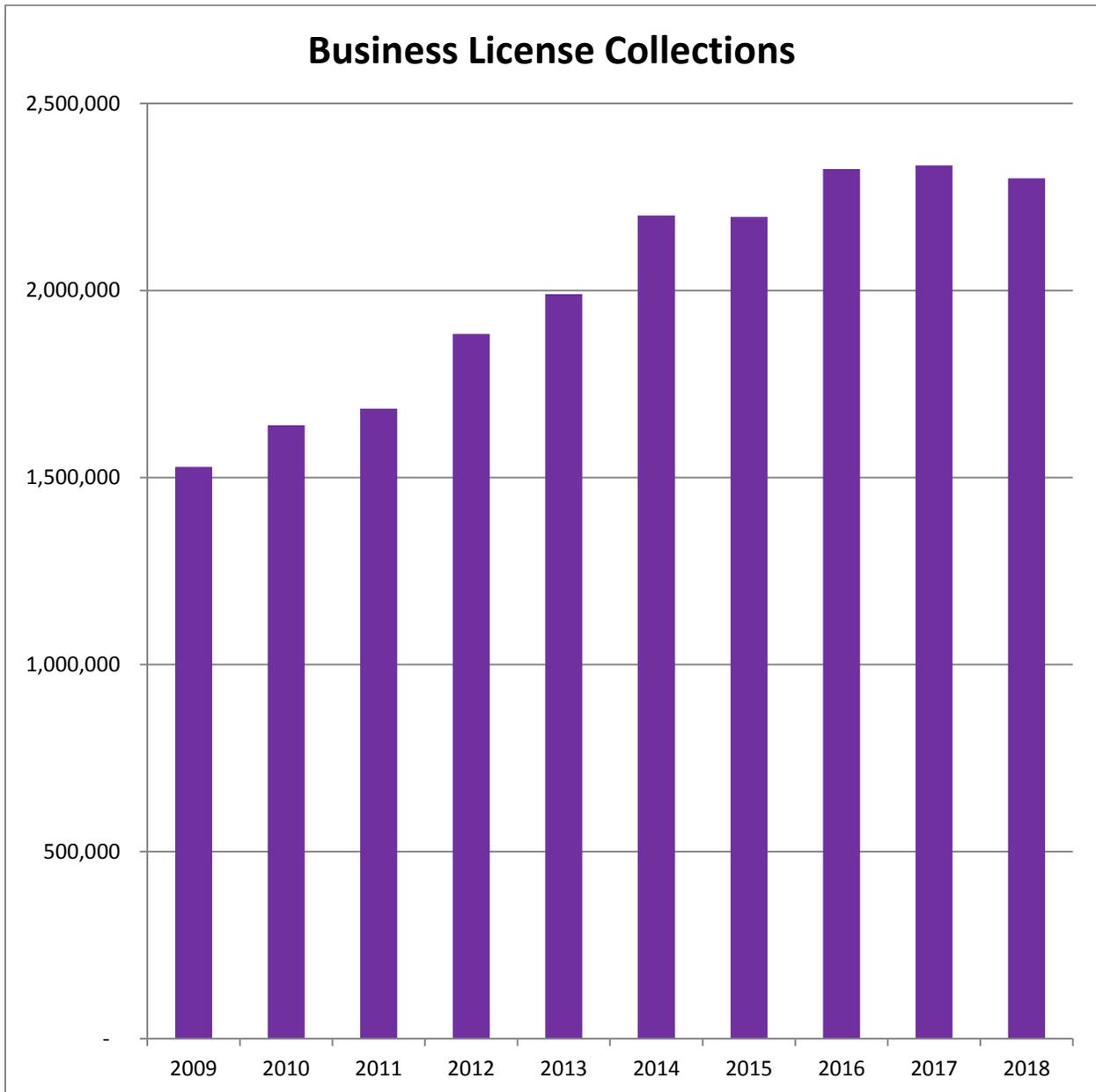
## LODGING TAX

Lodging Tax was increased for 2018 by 2% to offset the capital cost of transportation improvements. Of the 13% collected on all short-term property rentals in the City. The City's portion of the 13% Lodging Tax collections will be 7%, the Alabama Gulf Coast Convention and Visitor's Bureau portion remains at 2%, and the State portion remains at 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 2016 were 5% higher than 2015. Lodging Taxes declined for 2014, due to de-annexation of 1500 businesses. Lodging Tax collections grew 5% in 2016 and are projected to grow 4% in 2017. Several events of national significance occurred in 2017 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 2016 were 3% more than 2015 business license collections. Business license amounts are based on prior year gross receipts. Business License collections for the past nine years and 2018 budgeted are shown in the graph below. The ten year annual growth rate has averaged 4%.



**CITY OF GULF SHORES, ALABAMA**  
**Fiscal Year 2018 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 \$1,948,288 in City Capital General funds approved for 2018 are below.

**2018 Capital Equipment Budgeted from General Funds**

<b>Department</b>	<b>Description</b>	<b>Amount</b>	<b>Annual Cost to Operate</b>
Executive	Replace 2006 Chevy Malibu (88K)	34,000	
Building	Vehicles/Equipment ADEM \$42K Budget	28,000	
Building	Polaris ATV from ADEM funds	14,000	
Police	Replace 5 Vehicles, 3 new, (1 Impact Fees, 1 Beach funds)	262,000	26,449
Police	Architech fees for current jail extension	50,000	
Fire & EMS	One Fire Truck	436,800	
Rec Sportsplex	Replace work truck	30,000	
Rec Sportsplex	Reel Mower - Equipment Lease for 2 mowers	23,308	
Rec Sportsplex	Replace zero-turn mowers	12,000	
Rec Parks	Reel Mower - Equipment Lease for 1 mower	11,680	
Rec Parks	Replace Utility Vehicle	28,000	
Rec Parks	Replace zero-turn mowers (2)	24,000	
Public Works	Landscape Replace #8003 3/4 Ton Truck	32,000	1,300
Public Works	Landscape Replace #8593 UTV	13,000	500
Public Works	Landscape Replace #8614 Mini Skid	38,000	500
Public Works	Streets Replace #3565 Street Sweeper w/Small Sweeper	117,500	4,000
Public Works	Streets Replace #3615 & 3551 Trailers	19,000	0
Public Works	Street Resurfacing	500,000 *	
Public Works	Streets Replace #3591 UTV	15,000	500
Public Works	Streets Replace #3590 Slope Mower	100,000	2,500
Public Works	Streets Replace #3556 Gradall	120,000	4,000
Public Works	Maintenance Replace #7038 3/4 Ton Truck	32,000	1,300
Public Works	Maintenance Diagnostic Equipment	8,000	
Public Works	Maintenance Replace Pool Heater - Operations R&M	15,000 **	
Public Works	Maintenance Conveyor Belts Recycling Ctr Ops R&M	9,000 **	
Public Works	Maintenance Police Carpet	12,000 **	
Public Works	Maintenance Re-paint & Re-roof Annex -Operations R&M	300,000 **	
<b>Total General Fund Capital Outlay Approved</b>		<b>1,948,288</b>	

\* \$200,000 of Resurfacing is charged to Impact Fees

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

**2018 Capital Equipment & Improvements Budgeted from Impact Fees**

Rec & Wellness	Interior Repairs - Saunas, floor, paint	100,000	
Rec & Wellness	Outdoor fitness equipment	20,000	
Rec & Wellness	2 Vans to replace 2 FTA Busses	100,000	
Rec Sportsplex	Repaint Sportsplex Phase 2	60,000	
Rec Sportsplex	Track repair and restripe/paint	20,000	
Rec Parks	Sims park dugout conversion	25,000	
Fire	Replace Response Vehicle	75,000	800
Fire	Intersection Preemption Equipment	20,000	New
Police	One new Vehicle (1)	42,000	420
Public Works Streets	Street Resurfacing Construction	200,000	
<b>Total IMPACT FEES Capital Outlay</b>		<b>662,000</b>	

**2018 Capital Budgeted from Beach Funds**

Police	Vehicle - 1 new 1/2 ton truck for Beach duties	32,500	
Public Works Streets	100 HP Tractor replaces Unit 3517 Motor Grader	100,000	2,500
Public Works Streets	Belly Broom	76,000	
Public Works Streets	ADEM Recycling Grant	97,979	
Public Works Streets	Monitoring-Beach Renourishment - Phase III	50,000	
Administrative	Trapping & Monitoring/Dune Enhancement	23,000	
<b>Total BEACH IMPROVEMENTS FUND</b>		<b>379,479</b>	

**2018 Capital Projects Budgeted in 2014 Short Term Borrowed Funds, Fund 40**

		Total	City Match Funds	Annual Maintenance
Public Works	County Road 8 Improvements:	3,480,500	2,980,500	29,805
Public Works	Traffic Signal County Rd. 6	200,000	-	-
Public Works	Hwy 59 Bridge Widening - Bayou Village	500,000	500,000	5,000
Public Works	Hwy 182 Improvements (Beach Boulevard)	3,500,000	2,300,000	23,000
<b>Total CAPITAL IMPROVEMENTS FUND</b>		<b>7,680,500</b>	<b>5,780,500</b>	<b>57,805</b>

**2018 Capital Improvement Budgeted in 2016 Ten Year Term Borrowed Funds, Fund 42**

Executive	Gulf Place Upgrades	<b>4,639,000</b>
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**Total All Capital 15,309,267**

**General Funds 1,948,288**

**Impact Fees 662,000**

**Capital Improvements Borrowed Funds 10,419,500**

**Beach Funds 379,479**

**Total City Capital Expense 13,409,267**

ALDOT/ADECA/DCNR Other Match total 1,900,000

15,309,267

Capital Improvements 2017

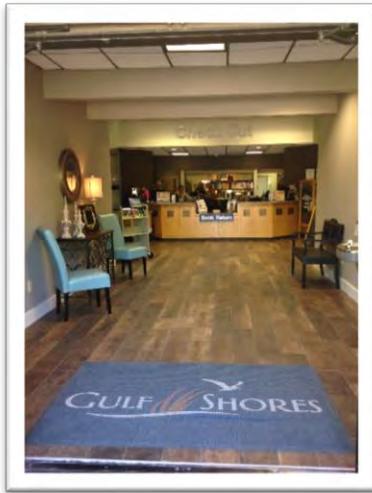


*Civic Center*



*Fire Department*

Capital Improvements 2017



*Library*



*Sportsplex*



*Public Works Equipment*

Capital Improvements 2017

*Public Works Equipment*



**CITY OF GULF SHORES, ALABAMA**  
**TEN YEAR CAPITAL PLAN**

City of Gulf Shores  
Capital Improvement Program  
Ten Year Plan beginning 2018

Department	Description	Priority	Suggested Fund Source	2018	2019	2020
<b>PW - Maint</b>	CID Roof/Repainting		General Fund	300,000		
	Replace Courier Car Impala (84K)				25,000	
<b>FINANCE &amp; A</b>	<b>Subtotal FINANCE &amp; ADMIN</b>				25,000	
<b>EXECUTIVE</b>	Replace 2006 Chevy Malibu (88K)			34,000	20,000	
	<b>Subtotal EXECUTIVE</b>			34,000	20,000	-
<b>CDD</b>	Premise Inspector Truck-Replace		General Fund			25,000
	<b>Subtotal CDD</b>					25,000
<b>BUILDING</b>	Vehicles/Equipment		ADEM \$42K budget	28,000		
	<b>Subtotal BUILDING</b>			28,000	-	-
<b>FIRE</b>	Replace Response Vehicles	1	Impact Fees	75,000	38,000	
	Ladder Truck		General Fund			
	Replace Fire Engine**			436,800	436,800	
	Replace Ambulance					
	Replace Utility Truck					
	Replace Holmatro Tool Set	1	Impact Fees			35,000
	New Airport Fire Truck Expans.		Bond			
	Stair Chairs	1	Impact Fees			
	Polaris ATV	1	ADEM \$42K	14,000		
	Replacement Equipment	1	Impact Fees	20,000	20,000	20,000
	Replace Therrmal Imagers x 2					
	SCBA Air Pack Refurbish				150,000	150,000
	Air Bag Rescue Set					
	SCBA Air Compressor					
	Replace Cardio Defibulators					
	Airport Fire Station					
Fire Tower		General Fund		400,000		
	<b>Subtotal FIRE</b>			545,800	1,044,800	205,000
<b>POLICE</b>	Justice Center - Expansion					
	Replace Vehicles (5)	1	General \$105K	262,000	264,620	267,266
	Replace Vehicle (1)	1	Impact Fees	42,000	42,420	42,844
	Prefab OfficeSpace@Middle School	1	Impact Fees			
	Jail Extension; Architech 2018	1		50,000	200,000	1,000,000
	VieVu Cameras; COPS equipment					
	Pay Station Covers					
	Patrol Boat upgrade					
	1/2 ton truck for Beach Duties new			32,500		
	Beach ATVs (4 replace)		Beach Funds		80,000	
	Handguns/Tasers/Vests		Beach Funds			
	Radios * (Debt Service)	1	APCO push upgrade		10,000	
	Radar Trailer					
	n Parking Pay Stations					
	<b>Subtotal POLICE</b>			386,500	597,040	1,310,110

2021	2022	2023	2024	2025	2026	2027
-	-	-	-	-	-	-
-	-	-	-	-	-	-
420,000	800,000	150,000	80,000	150,000	1,250,000 450,000	40,000
20,000		20,000				20,000
20,000	20,000	20,000	20,000	20,000	20,000	20,000
150,000	40,000					
2,000,000			300,000			
<b>2,610,000</b>	<b>860,000</b>	<b>190,000</b>	<b>400,000</b>	<b>170,000</b>	<b>1,720,000</b>	<b>80,000</b>
269,939	272,638	275,365	278,118	280,899	283,708	286,546
43,273	43,705	44,142	44,584	45,030	45,480	45,935
		75,000				
			90,000			
	150,000					
<b>313,212</b>	<b>466,344</b>	<b>394,507</b>	<b>412,702</b>	<b>325,929</b>	<b>329,188</b>	<b>332,480</b>

City of Gulf Shores  
Capital Improvement Program  
Ten Year Plan beginning 2018

Department	Description	Priority	Suggested Fund Source	2018	2019	2020
<b>PUBLIC WKS</b>	Streets Resurfacing	4	General Fund	700,000	800,000	900,000
	Windmill Bridge - Maintenance	2				
	Road/Sidewalk Hwy 59 PhII Bayou	1	ALDOT Match	500,000	1,000,000	1,000,000
	Beach Blvd Improvements Hwy182			2,300,000	1,400,000	1,400,000
	TIGER		City Match 1.45 m	1,000,000	3,810,000	3,810,000
	County Rd 8 Improvements			1,980,500	2,700,000	1,500,000
	Boardwalk WWVillage				400,000	
	East 20th Street					225,000
	County Rd 6 Turn Lanes @Hwy 59		Borrowed Funds		1,800,000	1,800,000
	W 2nd Avenue Open ROW				2,500,000	
	County Road 6 (4 lane to Sportsp.)				1,000,000	
	Access Management N of Hwy 59					
	4th Street Bridge				100,000	450,000
	West Lagoon Avenue					
<b>Subtotal 2018</b>				<b>5,780,500</b>	<b>14,710,000</b>	
	Little Lagoon Pass Fishing Pier		Borrowed Funds			
	Fort Morgan Trail Phase II to LBC	3	Borrowed Funds		150,000	150,000
Vehicles	Replace Vehicles/Equipment	7		102,000	104,040	106,121
Large Equip.	Excavator			120,000		
	Street Sweeper			117,500		
	Dump Truck (Trailer 2018)			19,000		
	Backhoe replacement	8			90,000	
	Bucket truck (pd off in 2016)		40-564-80710\$105K			
	Knuckle Boom				161,200	162,812
	100 HP Tractor			100,000		
	Belly Broom			76,000		
	ADEM Recycling Grant/Monitoring			170,979		
	Beach Rake replacement	5	Beach Funds		52,500	
	Slope Mower			100,000		110,000
	Lowboy Trailor	6				
	CID Annex Generator	10				
	Small Equip.	50 HP Tractor	11			
	UTVs (2)	9	General Fund	28,000	15,150	15,302
	Trailer - Recycle Center		Beach Funds			11,000
	Landscape Office redo/Old Recyle Ctr					
	Large Vehicle Diagnostic Tool			8,000		
	Zero Turn Mower				51,000	
	Bush Hog					
	Ditch Witch					
			283,500			
<b>Subtotal PUBLIC WORKS</b>				<b>7,321,979</b>	<b>16,133,890</b>	<b>11,640,234</b>
<b>RECREATION</b>	Branding/Wayfinding-Expansion		2014 GO Warrant			
	r Honda Big Reds x2	1			55,000	
	r 2011 Beach Patrol Pickup				40,000	
	r Replace Old Work Truck	1		30,000	30,000	62,000
	n Utility Vehicles		General Fund	28,000	13,000	
r Ford Transit Van x2			100,000			
Large Equipment	People Mover Cart					

2021	2022	2023	2024	2025	2026	2027
1,000,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
1,000,000	1,010,000	1,020,100	1,030,301	1,040,604	1,051,010	1,061,520
3,810,000	2,810,000					
	2,500,000	2,500,000				
	2,500,000					
450,000						
150,000						
108,243	110,408	112,616 126,000	114,869	117,166	119,509	
105,000		110,000	123,375	115,000		120,000
		95,000				
164,440	166,085	105,000	167,729			
		-				
	20,000					
15,455	15,609 12,000	15,765	15,923 13,000	16,082	16,243 15,000	16,405
10,000	51,000		10,000 30,000			
<b>6,813,138</b>	<b>10,295,102</b>	<b>5,184,481</b>	<b>2,605,196</b>	<b>2,388,852</b>	<b>2,301,762</b>	<b>2,297,925</b>
55,500		55,500		55,500		
30,000	31,000	31,000	44,000 31,000	31,000	31,000	34,000
30,000			32,000			
	14,000				120,000	

City of Gulf Shores  
Capital Improvement Program  
Ten Year Plan beginning 2018

Department	Description	Priority	Suggested Fund Source	2018	2019	2020
	r 50hp Tractor with Turf Tires		Impact Fees			
	r 30hp Tractor					34,000
	r Jet Skis(2)					30,000
	r Spray Rig		Impact Fees \$38K			40,000
	r Reel Mowers (3) Lease 2018	1	Operational	34,988	35,000	37,000
	n Sidewinder Mower (Gulf Place)					
	r 5 Gang Rotary Mower	1				
	r Grand Stand Mower 52"	2	General Fund		25,000	
	r Zero Turn Mowers(s)	2		36,000		25,000
	n Vicon Spreader		General Fund			
	n Material Hauler (topdressing)	1				
	n Dump Trailer	2				
	n Soil Reliever					
	n Roller Packer					
	Airway Slicer		General Fund			
Small Equipment	Replace Soccer Scoreboard		Coca-Cola			
	r Field Rakes (2)					
	n Bodenhamer Renovation		01-553-80706			
	n Sims Park Dugouts/Bleachers	1	Impact Fees	25,000		
	Cultural Center Gym Floor		R&M Buildings			
m	Tennis Court Resurface-Hard				130,000	
m	Tennis Court Resurface-Soft					60,000
m	Kids Park Repairs			-		
	r Sims Park Playground replacement				300,000	
	n Outdoor Fitness equipment			20,000		
m	Recreation Center Expansion					2,000,000
m	Gym Plexiglass Replacement		General Fund \$15K			
m	Bodenhamer Interior Repairs	1		100,000	160,000	
	Bodenhamer Parking Lot/Lights	1				
e	New Splash Park					
m	Library Renovation	1	Impact Fees		20,000	
m	New Kitchen Flr/Cabinets AAC		Moved to 2019			40,000
	Enclosed Utility Trailer		Impact Fees			
e	Civic Center Renovation	1	Impact Fees			100,000
m	Mo's Landing Improvements	3				
e	Parking Lot Lights/Bollards CC					50,000
e	Shade Tents at Sportsplex	2	Coke Agreement			
	Sportplex Painting	1		60,000		
	r Track Repair & Paint			20,000		
m	Playground at 5-plex				50,000	
m	Kids Park Pavilion Repairs					
m	Football Field Renovation					100,000
	r Field Rake	1				
	n Cultural Center Equipment	1		-	100,000	
Miscellaneous	Wade Ward Park Boardwalk		Possible NRDA			
	e Sportsplex Stadium Expansion					
	Phase I Sportsplex BB/SB upgrades				50,000	
	r City Christmas Decorations			40,000	50,000	50,000
	Recreation POS/Operating System	2	Operational			

2021	2022	2023	2024	2025	2026	2027
			26,000			
37,000	37,000	40,000	40,000	40,000	42,000	42,000
		28,000		70,000		
	26,000		27,000			
						15,000
250,000						
100,000						
	100,000					100,000
250,000						
50,000	50,000	50,000	50,000	50,000	50,000	50,000

City of Gulf Shores  
Capital Improvement Program  
Ten Year Plan beginning 2018

Department	Description	Priority	Suggested Fund Source	2018	2019	2020
	Waterway Village Improvements				25,000	35,000
	Subtotal 2018			<b>493,988</b>	<b>1,083,000</b>	<b>2,663,000</b>
	Gulf Place Upgrades		NRDA/Restore	4,639,000	1,300,000	
	Lagoon Pass Park Upgrades		NRDA/Restore		1,500,000	
	<b>Subtotal RECREATION</b>			<b>5,132,988</b>	<b>3,883,000</b>	<b>2,663,000</b>
<b>FINANCE &amp; A. IT DIVISION</b>	SAN Upgrade	1	Operational		20,000	
	Cisco Call Manager				50,000	
	Physical Server replacement(s)	1	Operational		22,000	60,000
	Cisco 4506 Core Upgrade					98,000
	Network Software	1	Operational	10,000	10,000	10,000
	Network Hardware	1	Operational		10,000	
	Spillman Server	1	Operational	38,000	38,000	38,000
	Additional Backup Space			10,000		10,000
	Fiber Optic Improvements Citywide	1	Capital	-	50,000	
	Camera upgrades (Hardware)	2	Operational	10,000		10,000
	<b>Subtotal IT DIVISION</b>			<b>68,000</b>	<b>200,000</b>	<b>226,000</b>
<b>GRAND TOTAL ALL DEPARTMENTS</b>				<b>13,517,267</b>	<b>21,903,730</b>	<b>16,069,345</b>
	By potential funding source:		<b>Capital Only</b>			
			ADEM	42,000		
			ALDOT			
			ADECA Ft.Mrgn trail 50%			
			DCNR Lagoon Pass			
			Coke	-	-	
			Impact Fees Fire	95,000		
			Impact Fees Police	42,000		
			Impact Fees Rec	325,000		
			Impact Fees PW	200,000		
			Beach Funds	379,479		
			NRDA/2016 10 yr LOC	4,639,000		
			Restore Funds	-	1,500,000	
	ALDOT Match \$1,056,062 - \$203K		Bond/Bank Finance	5,780,500	-	2,000,000
			Subtotal Other Funds	11,502,979	1,500,000	2,000,000
			<b>City General Funds</b>	<b>2,014,288</b>	<b>20,403,730</b>	<b>14,069,345</b>
			Operational	466,000		
			General Fund Capital vehicles/equipment/resurfng	1,948,288	2,414,288	(35,712)
			2016 10 Yr LOC	4,639,000		
			2014 Non taxable Borrowed Funds/Motorola \$600K	5,780,500		
			Restore Funds		1,500,000	
			Impact Fees	662,000		
			Beach Recycling	379,479		
			All Major projects total	13,875,267		
			All Major projects total w/out operations	13,409,267		

2021	2022	2023	2024	2025	2026	2027
<b>802,500</b>	<b>258,000</b>	<b>204,500</b>	<b>250,000</b>	<b>246,500</b>	<b>243,000</b>	<b>241,000</b>
20,000						
10,000	10,000	10,000	10,000	10,000	98,000	
10,000		10,000		10,000	10,000	
38,000	38,000	38,000	38,000	38,000	19,000	
	10,000		10,000		10,000	
	10,000		10,000		10,000	
<b>78,000</b>	<b>68,000</b>	<b>58,000</b>	<b>68,000</b>	<b>58,000</b>	<b>147,000</b>	<b>-</b>
<b>10,616,849</b>	<b>11,947,445</b>	<b>6,031,488</b>	<b>3,735,898</b>	<b>3,189,281</b>	<b>4,740,951</b>	<b>2,951,406</b>
-	-	-	-	-	-	-
<b>10,616,849</b>	<b>11,947,445</b>	<b>6,031,488</b>	<b>3,735,898</b>	<b>3,189,281</b>	<b>4,740,951</b>	<b>2,951,406</b>

2,003,154

**City of Gulf Shores Revenue, Expense and Reserve Funds  
Usage projected 2018**

\$1.5 million  
new debt svc over 2018 & 2019

(includes \$2.1 million new revs) \*\*

	Debt		Debt		Debt		Debt		
	2017	% of	2018	% of	2019	% of	2020	% of	
	-9% Budget		2% Budget		3% Budget		3% Budget		
Total Revenue (1)	35,481,607	17%	39,512,499	13%	40,579,482	14%	41,796,866	15%	
Total Expense	35,479,232		36,507,960		37,618,046		39,084,978		
Prior Year Debt	(7,556,087)		(6,061,337)		(5,100,608)		(5,592,017)		
Current Year Debt	6,061,337	17%	5,100,608	14%	5,592,017	14%	6,299,761	15%	
Capital Improvements Fund Match estimates	-		-				500,000		
Growth % net of debt					975,523	3%	1,004,789	3%	
Estimated Annual Expenses	33,984,482		35,547,231		39,084,978		41,297,511		
Reserve Amount 12/31/16	\$ 24,789,726	26,455,363	75%	27,952,488	77%	31,917,756	85%	33,412,260	85%
<b>Reserve Balance *</b>		26,455,363		27,952,488		31,917,756		33,412,260	
Return to Reserves (Revenue - Expenses)		1,497,125		3,965,268		1,494,504		499,355	
Reserve Balance with return to Reserves		27,952,488		31,917,756		33,412,260		33,911,615	
<b>Reserves Target % of Expenses - advance debt payments</b>	<b>22,928,800</b>	<b>65%</b>	<b>24,883,062</b>	<b>70%</b>	<b>27,359,485</b>	<b>75%</b>	<b>33,038,009</b>	<b>80%</b>	
Cash Reserves as % of Budget	79%		87%		89%		87%		
Reserve Target as % of Revenues			25,555,572	70%					
(1) Revenue growth from 2012 to 2016 averaged 7%					27,359,485	70%	28,908,258	70%	
Difference between original reserve target and 70% reserves					6,052,775		4,129,751		

\*Beginning 2017 reserve amount is from 2016 audit.

\*\*\$1.6 million new revenues from GS Park Lodge & Conference facility, Embassy Suites, Brett Robinson, ABACO, & Comfort Inn & Suites

1) Debt service payment add of \$1.5 million for Transportation Projects 2018 & 2019; \$2.12 million by 2021

The City of Gulf Shores Revenue, Expense and Reserve funds are projected from 2017 to 2027 in the spreadsheet above. Two percent revenue growth is projected for 2018. Three percent revenue growth is projected from 2019 to 2021, four percent growth is projected for 2022 and 2023 and 2% is projected from 2024 to 2026. Expenses net of debt service are projected to grow conservatively at 3% through 2027. Debt service is estimated at between \$5.1 and \$7.7 million annually, which may increase depending on the amount of long term debt issued in 2018, 2020 and 2021. Provision is made in 2018 for \$1.95 million in rolling stock and major capital repair expense and \$1.9 million in matching funds. Reserve targets reach 70% in 2018 and will be maintained at that level for the near future.

\$618,087		\$561,698											
new debt svc		new debt svc						new debt svc					
2021	Debt % of	2022	Debt % of	2023	Debt % of	2024	Debt % of	2025	Debt % of	2026	Debt % of	2027	Debt % of
	3% Budget		4% Budget		4% Budget		2% Budget		2% Budget		2% Budget		2% Budget
43,050,772	15%	44,772,803	15%	46,563,715	15%	47,494,990	16%	48,444,890	16%	49,413,787	14%	49,413,787	11%
40,797,511		42,065,379		43,516,826		44,811,700		46,507,493		47,667,328		48,326,170	
(6,299,761)		(6,532,697)		(6,918,163)		(7,115,077)		(7,679,971)		(7,674,981)		(7,134,052)	
6,532,697	15%	6,918,163	16%	7,115,077	16%	7,679,971	16%	7,674,981	16%	7,134,052	15%	5,517,537	11%
-		-		-		-		-		-		-	
505,000		510,050		515,151		520,302		525,505		530,760		536,068	
1,034,932	3%	1,065,980	3%	1,097,960	3%	1,130,899	3%	1,164,826	3%	1,199,770	3%	1,235,764	3%
<b>42,570,379</b>		<b>44,026,876</b>		<b>45,326,850</b>		<b>47,027,795</b>		<b>48,192,833</b>		<b>48,856,930</b>		<b>48,481,486</b>	
33,911,615	83%	34,392,008	82%	35,137,936	81%	36,374,801	81%	36,841,996	79%	37,094,053	78%	37,650,910	78%
33,911,615		34,392,008		35,137,936		36,374,801		36,841,996		37,094,053		37,650,910	
480,393		745,927		1,236,865		467,195		252,056		556,858		932,302	
34,392,008		35,137,936		36,374,801		36,841,996		37,094,053		37,650,910		38,583,212	
<b>36,184,823</b>	<b>85%</b>	<b>39,624,188</b>	<b>90%</b>	<b>43,060,508</b>	<b>95%</b>	<b>47,027,795</b>	<b>100%</b>	<b>48,192,833</b>	<b>100%</b>	<b>48,856,930</b>	<b>100%</b>	<b>48,481,486</b>	
	84%		84%		84%		82%		80%		79%		80%
29,799,266	70%	30,818,813	70%	31,728,795	70%	32,919,456	70%	33,734,983	70%	34,199,851	70%	33,937,040	70%
6,385,557		8,805,375		11,331,713		14,108,338		14,457,850		14,657,079		14,544,446	

**CITY OF GULF SHORES, ALABAMA**  
**DEPARTMENT INFORMATION**  
**FISCAL YEAR 2018**

**City of Gulf Shores, Alabama  
2018 Annual Budget  
Personnel - All General Fund**

Fund	Department	2016	2016	2017	2017	2018	2018
		Full time	Part time	Full time	Part time	Full time	Part time
General	Executive	11	1	11	1	12	0
	Human Resources	3	0	3	0	3	0
	Finance & Administrative Services	17	1	17	1	18	1
	Municipal Court	4	2	4	2	4	2
	Police	67	4	69	4	70	4
	Fire & EMS	44	-	46	-	48	30
	Community Development	4	-	4	-	4	0
	Building	6	-	6	-	6	0
	Recreation & Cultural Affairs	2	-	3	-	3	0
	Events & Programs	5	3	5	4	5	4
	Library	8	3	8	3	8	3
	Recreation - Bodenhamer	10	22	10	22	19	21
	Recreation - Sportsplex	8	2	8	2	7	1
	Recreation - Parks	5	-	5	-	6	1
	Recreation - Beach	1	13	1	13	0	0 Moved to Fire 2018
	Recreation - Cultural Center	6	2	5	2	0	0 Moved to Bodenhamer 2018
	Recreation - City Store	1	3	1	3	1	3
	Public Works - General Services	9	1	9	1	9	1
	Public Works - Custodial	10	-	9	-	9	0
	Public Works - Landscaping	10	-	10	-	10	0
	Public Works - Streets	20	-	20	-	20	0
	Public Works - Maintenance	8	-	9	-	9	0
	Airport Authority	2	-	2	-	2	0
	<b>Total</b>	<b>261</b>	<b>57</b>	<b>265</b>	<b>58</b>	<b>273</b>	<b>71</b>

PT = Part-time

New Full time Positions Approved 2018

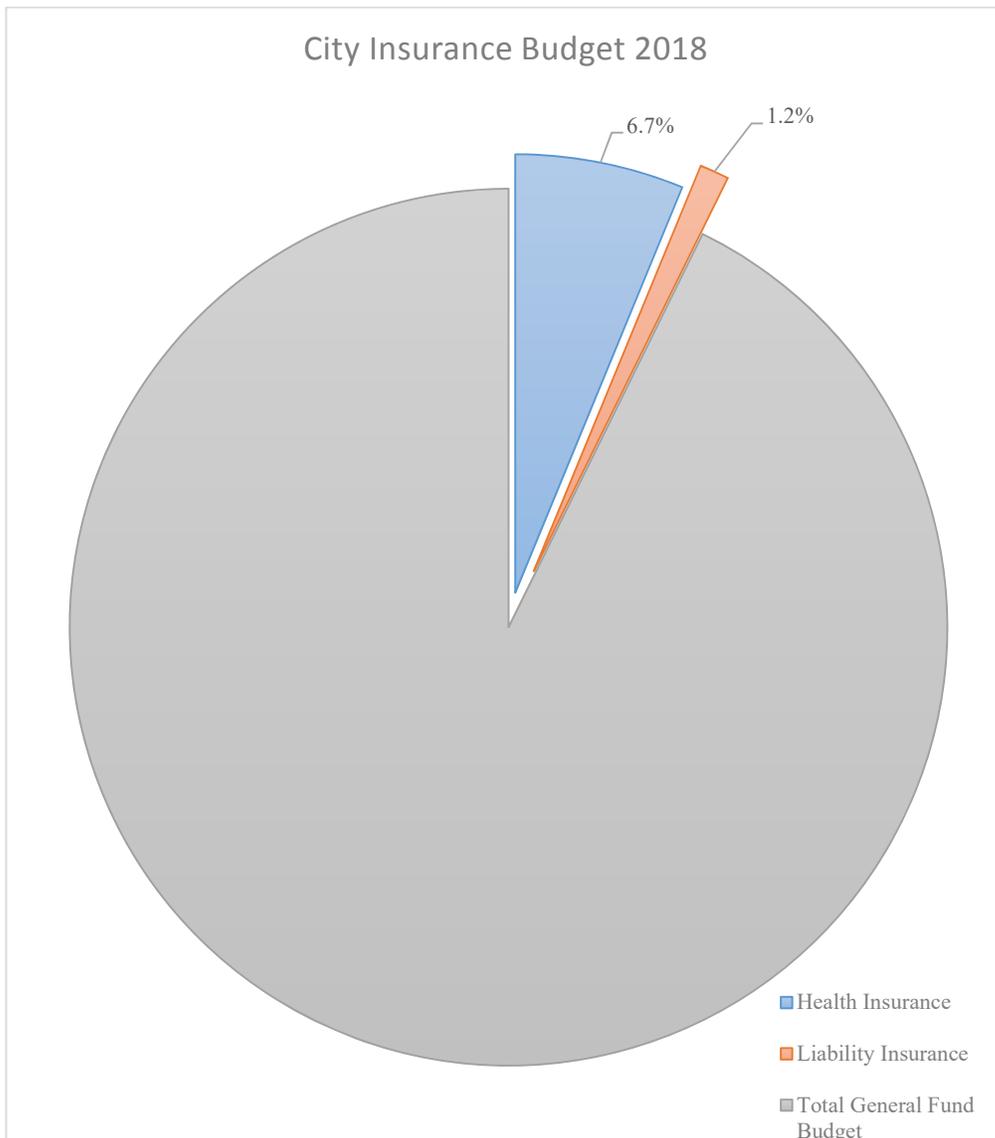
- Executive Reclass Admin 1
- Fire Battalion Chief for Beach 1
- Finance & Admin IT Specialist 1
- Police COPS Grant Positions 2
- Police - Beach 1

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

<b>Department</b>	<b>Personnel</b>	<b>Operations</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Transfers</b>	<b>Total</b>
<b>General Fund:</b>						
Executive	842,273	875,975	34,000			1,752,248
Human Resources	233,870	107,950	-			341,820
Finance & Administrative Services	1,622,528	1,393,497	-			3,016,025
Municipal Court	398,054	13,290	-			411,344
Police	4,978,962	848,398	312,000			6,139,360
Fire & EMS	3,548,312	501,600	436,800			4,486,712
Planning & Zoning	350,794	77,410	-			428,204
Building	487,699	47,550	42,000			577,249
Recreation & Cultural Affairs	341,554	27,382	-			368,936
Special Events & Programs	369,521	426,698	-			796,219
Library	533,367	94,415	-			627,782
Recreation - Rec & Wellness	1,609,152	503,025	-			2,112,177
Recreation - Sportsplex	702,336	482,510	65,308			1,250,154
Recreation - Parks	374,813	190,073	63,680			628,566
City Store	97,033	84,390	-			181,423
Public Works - General Services	741,259	57,650	-			798,909
Public Works - Custodial	488,650	78,150	-			566,800
Public Works - Landscaping	613,973	163,700	83,000			860,673
Public Works - Streets	1,165,672	989,000	871,500			3,026,172
Public Works - Maintenance	675,364	867,000	40,000			1,582,364
Airport Authority	138,007					138,007
Appropriations	0	267,500				267,500
Transfers Out	0	0			8,399,088	8,399,088
General Fund Totals	<u>20,313,193</u>	<u>8,097,163</u>	<u>1,948,288</u>	<u>0</u>	<u>8,399,088</u>	<u>38,757,732</u>
<b>Other Funds:</b>						
Special Revenue						
2% Lodging Tax - Transfer Out					3,189,353	3,189,353
Designated Taxes					455,000	455,000
Impact Fees			662,000			662,000
Capital Improvements-Fund 38 Trans					30,000	30,000
Capital Projects Funds (Fund 40)			7,680,500			7,680,500
Capital Projects Taxable (Fund 42)	75,000	325,500	4,639,000			5,039,500
Beach Restoration & Projects	940,383	319,106	379,479			1,638,968
Debt Service				3,559,088		3,559,088
Subtotal Other Funds	<u>1,015,383</u>	<u>644,606</u>	<u>13,360,979</u>	<u>3,559,088</u>	<u>3,674,353</u>	<u>22,254,409</u>
<b>Grand Total</b>	<b><u>21,328,576</u></b>	<b><u>8,741,769</u></b>	<b><u>15,309,267</u></b>	<b><u>3,559,088</u></b>	<b><u>12,073,441</u></b>	<b><u>61,012,141</u></b>
<b>Total Expenditures</b>						<b><u>\$ 61,012,141</u></b>

## City Insurance Budget 2018

	Budget 2018	% of Total Budget
<b>Health Insurance</b>	<b>\$2,597,196</b>	<b>6.7%</b>
<b>Liability Insurance</b>	<b>\$451,000</b>	<b>1.2%</b>
<b>Total General Fund Budget</b>	<b>\$38,757,732</b>	



**Health Insurance is included in the Personnel expense for each departmental budget.**

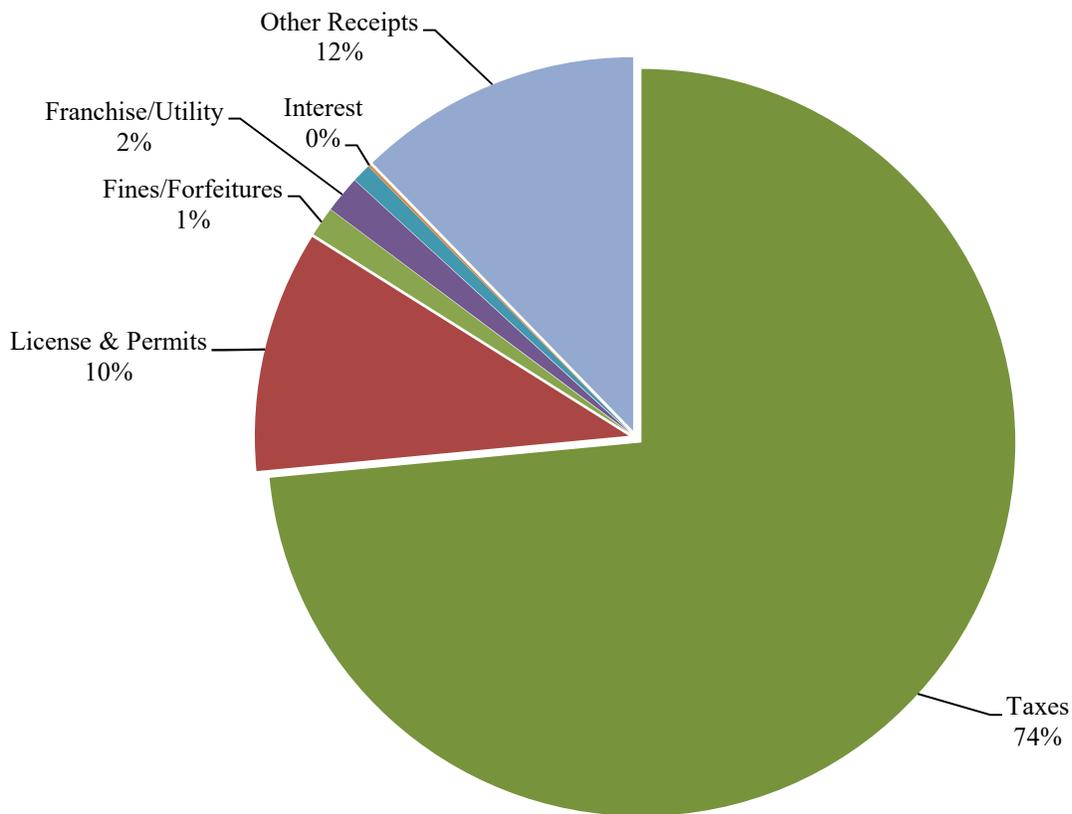
**Liability Insurance is included in the Finance & Administrative Services budget as an operations expense.**

# The City of Gulf Shores, Alabama

## General Fund Budget Summary

<b>GENERAL FUND REVENUE</b>	2015 Actual	2016 Actual	2017 Amended Budget	2018 Council Adopted	% of Total General Fund
Taxes	25,281,070	27,184,893	25,314,000	28,868,750	73%
License & Permits	3,767,987	4,238,024	4,072,000	4,105,000	10%
Fines/Forfeitures	470,778	595,810	450,000	500,000	1%
Franchise/Utility	330,737	298,050	318,000	626,000	2%
Intergovernmental	251,866	295,983	293,035	319,424	1%
Interest	28,763	36,195	20,000	40,000	0%
Other Receipts	5,481,004	6,411,948	7,145,239	4,823,325	12%
<b>Total General Fund Revenues</b>	<b>35,612,205</b>	<b>39,060,903</b>	<b>37,612,274</b>	<b>39,282,499</b>	<b>100%</b>

### General Fund Revenue FY 2018



**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

	2015	2016	2017	2018	% Change	2019
	Actual	Actual	Amended Budget	Council Adopted	2017 to 2018	Projected
<b>EXECUTIVE</b>						
Expenditures						
Personnel	741,775	772,366	777,096	842,273	8%	859,118
Operations	474,873	546,549	820,975	875,975	7%	805,975
Capital Outlay	651,047	0	0	34,000	n/a	20,000
<b>Executive Total</b>	<b>1,867,695</b>	<b>1,318,915</b>	<b>1,598,071</b>	<b>1,752,248</b>	10%	<b>1,685,093</b>

**Executive Personnel**

	2015	2016	2017	2018
Positions	Actual	Actual	Budget	Adopted
Mayor	1	1	1	1
Council Members	5	5	5	5
City Administrator	1	1	1	1
City Clerk	1	1	1	1
Economic Dev Coord	1	1	1	1
Environmental Grants Coord	1	1	1	1
Records & Archives Clerk	0	0	0	1
Asst. Admin/City Clerk	1	1	1	1
Administrative Assistant (PT)	1	1	1	0
<b>Total Personnel</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>

**Executive Department Functions:**

The Mayor and Council Members perform the legislative functions of the city. The current elected administration will serve until November 7, 2020.

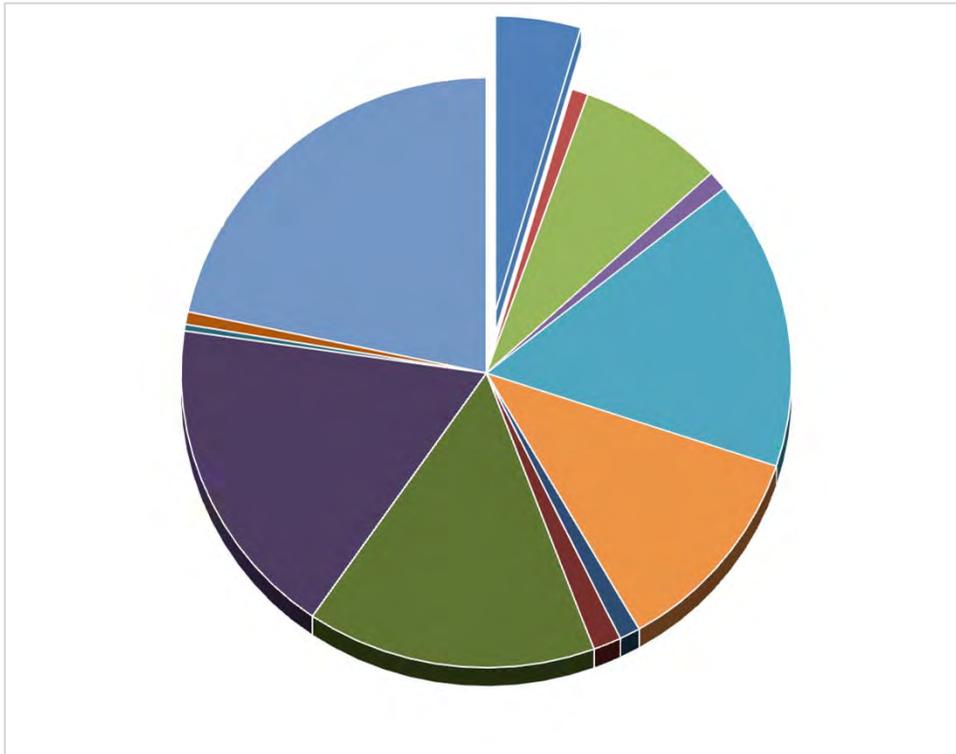
The goal of the City Council is to continue to implement the Vision 2025 Plan for Sustainability by focusing on the five core values (medical, education, Gulf State Park, Waterway District and Gulf Beach District).

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.

Environmental/Grants Coordinator: Continue to focus on revitalizing the Gulf Beach District.

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

Expenditure Budget 2018  
 \$ 1,752,248  
 4.52% of General Government



General Government Expenditure Budget: \$38,757,732

**Department: Executive**  
**Major Accomplishments:**

***Mayor and Council authorized core value projects:***

- Ordinance to provide for Transportation Network Service - Vehicles for Hire (***Sustainability/Public Safety***)
- Ordinance to update regulations for FEMA Flood Damage Control (***Economic Dev./Sustainability***)
- Established Bicycle and Pedestrian Advisory Committee (***Recreation and Public Safety***)
- Auburn University constructing post graduate Veterinary Educational Facility (***Education***)
- Gulf Shores Public Beach Renovation- Phase 1 - Complete (***Gulf Beach District***)

***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.

**Executive Staff:**

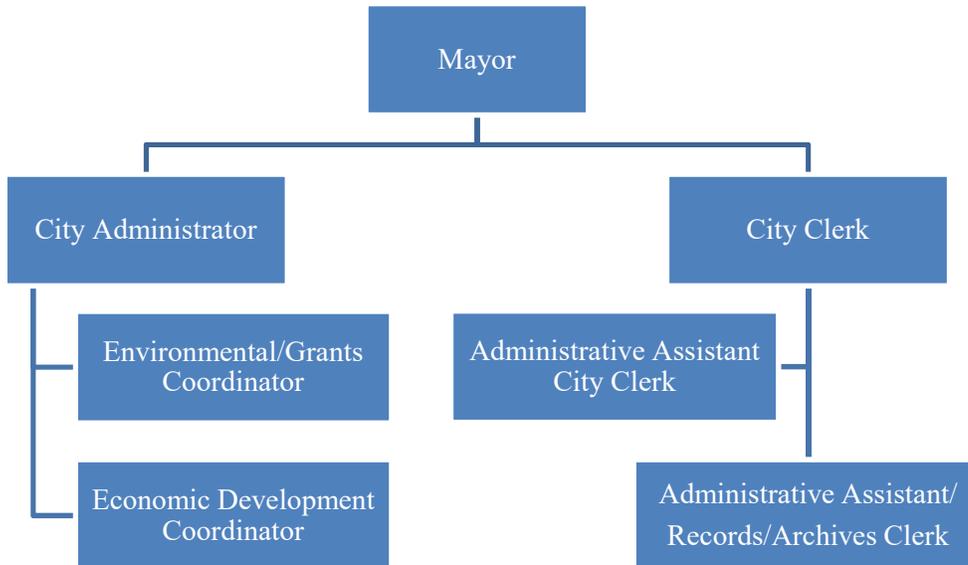
Continue to provide outstanding professional service and support to the Mayor, Council, City Administrator and internal staff while offering excellent customer service to citizens through good communication, technology and transparent reporting.

**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 2018 grant funding for Waterway Village Multimodal Access Project to improve vehicular and pedestrian access and safety. Pursue funding for environmental restoration projects, manage projects once funded.

**Executive Office**

	<b>2017 Actual</b>	<b>2018 Target</b>
<b>Goals</b>		
City Council Agenda dispatch packages available by deadline	99%	100%
Ordinances processed	25	
Resolutions processed	89	

**EXECUTIVE DEPARTMENT ORGANIZATIONAL CHART**



**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

	2015 Actual	2016 Actual	2017 Amended Budget	2018 Council Adopted	% Change 2017 to 2018	2019 Projected
<b>HUMAN RESOURCES</b>						
Expenditures						
Personnel	214,033	184,129	214,764	233,870	9%	238,547
Operations	70,726	68,493	102,850	107,950	5%	102,650
Capital Outlay	0	0	0	0	n/a	0
<b>Human Resources Total</b>	<b>284,759</b>	<b>252,622</b>	<b>317,614</b>	<b>341,820</b>	<b>8%</b>	<b>341,197</b>

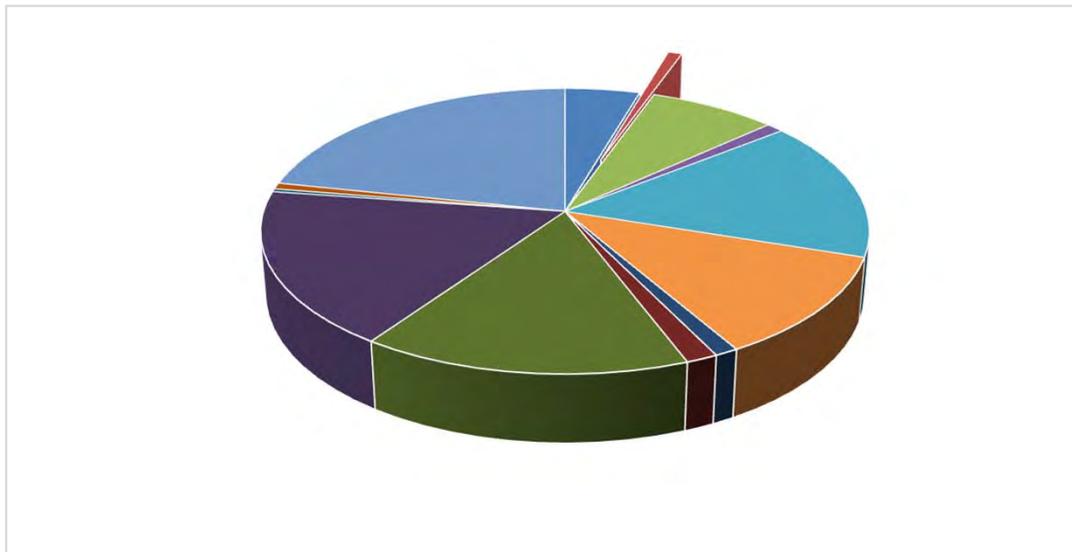
**Human Resources Personnel**

	2015 Actual	2016 Actual	2017 Budget	2018 Adopted
Positions				
Human Resources Officer	1	1	1	1
Payroll & Benefits Specialist	1	1	1	1
Admin. Asst. II (Part-time)	0	0	0	0
Admin. Asst. II (Full-time)	1	1	1	1
<b>Total Personnel</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

**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 include 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.

Expenditure Budget 2018  
 \$ 341,820  
 .009% of General Government



General Government Expenditure Budget: \$38,757,732

<b>Major Accomplishments:</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	<b>2018 Target</b>
Established Safety Program by reducing worker's compensation premiums by 5%	Goal 5%	Savings \$22,634	Maintain
Increased Employee Participation in Wellness Program	75%	82%	90%
HR Officer elected President of local SHRM chapter Baldwin County SHRM	Goal	Complete	n/a

**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.

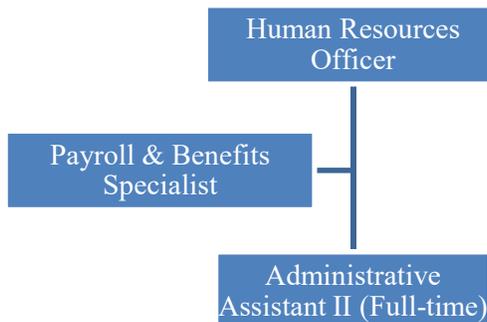
**Goals:**

Establish Onboarding program to promote streamline hiring of qualified candidates.

Safety Program Implementation to include utilizing the city's clinic in reducing workers compensation injuries and creating prevention program.

<b>Objectives:</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	<b>2018 Target</b>
Work with CivicHR on implementing our documents into their onboarding program	Goal	Yes	Expand
Quarterly Reports from Millennium on Work Comp injuries to establish safety needs.	Goal	Complete	Expand
Work with Symbol Clinic on reducing workers compensation injuries by creating an injury prevention program.	Goal	Goal	Goal
Work with Symbol on creation of reports to measure outcomes and cost effective programs.	Goal	Goal	Goal

**HUMAN RESOURCES ORGANIZATIONAL CHART**



**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

<b>FINANCE AND ADMINISTRATIVE SERVICES</b>	2015	2016	2017	2018	% Change	2019
	Actual	Actual	Amended Budget	Council Adopted	2017 to 2018	Projected
Expenditures						
Personnel	1,424,369	1,479,543	1,466,750	1,622,528	11%	1,654,979
Operations	1,000,601	1,017,582	1,362,018	1,393,497	2%	1,348,185
Capital Outlay	0	21,270	50,000	0	n/a	75,000
<b>Finance &amp; Admin Total</b>	<b>2,424,970</b>	<b>2,518,395</b>	<b>2,878,768</b>	<b>3,016,025</b>	<b>5%</b>	<b>3,078,164</b>

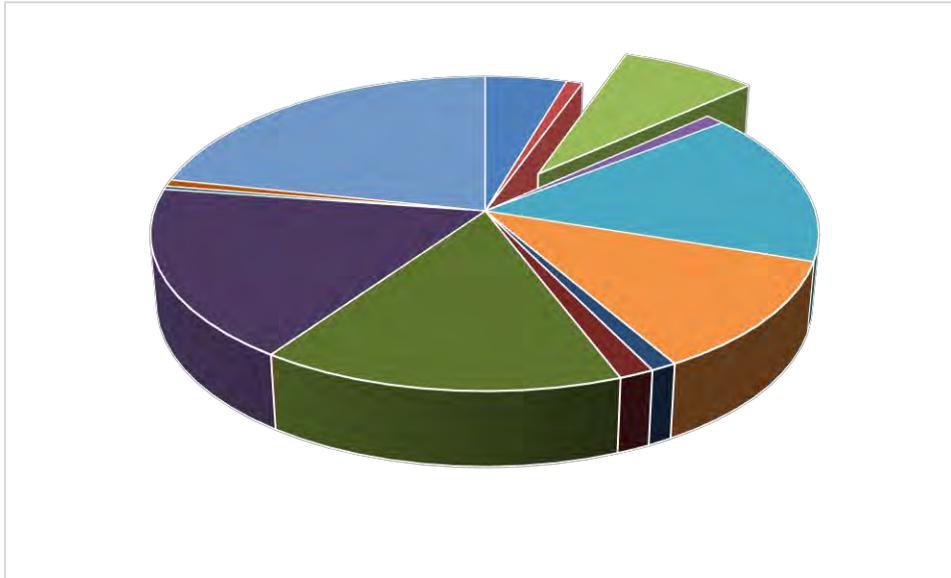
**Finance & Administrative Services Personnel**

	2015	2016	2017	2018
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	1	1	1
Financial Tech II	1	2	2	2
Financial Tech III	1	0	0	0
Revenue Division Coordinator	0	1	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 Technician	1	1	1	2
Accountant (Part-time)	1	1	1	1
Admin Asst. I	1	1	1	1
<b>Total Personnel</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>19</b>

**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.

Expenditure Budget 2018  
 \$ 3,016,025  
 8% of General Government



General Government Expenditure Budget: \$38,757,732

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

**Major Accomplishments:**

	<b>2016 Actual</b>	<b>2017 Budget</b>	<b>2018 Target</b>
Received GFOA Certificate of Recognition for Budget Preparation and Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Goal
Maintain or improve City's current bond rating at AA+	Yes	Goal	Goal
Revenue/IT - Citizenserve migration for financial reports	Yes	Yes	Goal
Revenue/IT - Citizenserve migration for financial reports	Goal	Complete	Maintain
IT - Network core switch replaced/upgraded allowing 1GB data traffic	Goal	Complete	Maintain
IT - Systems Administrator served as 1st Vice President of Alabama Government Management Information Sciences organization.	Goal	Complete	n/a
Revenue Coordinator served as Secretary of the statewide Alabama Municipal Revenue Officers Association.	Goal	Complete	n/a
IT - PD surveillance camera system upgraded ensuring security.	Goal	Complete	Expand
IT-Fiber backbone expanded to Meyer Park, City Boat Launch, Lagoon Pass, and new Lifeguard Office at 2nd Street (West Beach Blvd).	Goal	Complete	Expand
Maintain reserves at percentage of revenue as set by Council.	60%	65%	70%

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

☐Maintain customer focused service environment that exceeds the expectations of our community and citizens.

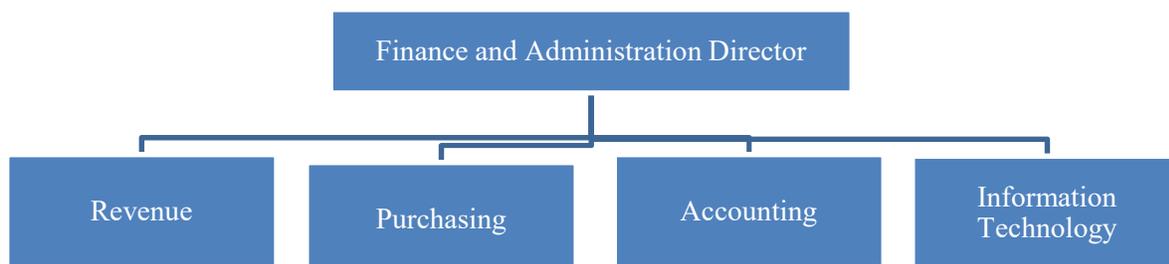
Continue to add to the existing fiber to include outlying facilities/locations to enhance citywide network.

Submit 2017 Comprehensive Annual Financial Report for Government Finance Officer's Association (GFOA) Certificate of Excellence in Financial Reporting Award and submit 2018 Budget for GFOA Distinguished Budget Presentation Award.

Establish notification procedures to alert property owners of upcoming short-term rental inspection expirations and inform new owners of the inspection requirement. Coordinate with the Building Department to ensure all short term rentals are in continued compliance with inspection standards adopted in 2014. 99% of short term rental inspections completed to date.

	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Target</b>
<b>Objectives:</b> Out of 28 municipal facilities/locations, 21 are currently interconnected via our fiber backbone. Four locations have fiber projects in progress and will be completed by 4th quarter 2017. Our goal is to implement the remaining three additional fiber runs in 2018.	21	25	28
Currently ninety-four cameras are installed throughout municipal facilities/locations. Forty-four were added or upgraded in 2017. In 2018 we will add 26 cameras at Meyer, Skate Park, Lagoon Pass and Canal Boat Launch.	50	94	128
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 Vision 2025 goals.	Met	Goal	Goal
Rental Licenses Issued	4,079	4,049	4,100

**FINANCE AND ADMINISTRATION ORGANIZATIONAL CHART**



**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

	2015	2016	2017	2018	% Change	2019
	Actual	Actual	Amended Budget	Council Adopted	2017 to 2018	Projected
<b>MUNICIPAL COURT</b>						
Expenditures						
Personnel	347,093	420,469	381,001	398,054	4%	406,015
Operations	13,220	12,871	13,290	13,290	0%	13,290
Capital Outlay	0	0	0	0	n/a	0
<b>Municipal Court Total</b>	<b>360,313</b>	<b>433,340</b>	<b>394,291</b>	<b>411,344</b>	4%	<b>419,305</b>

**Municipal Court Personnel**

	2015	2016	2017	2018
	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	3	3	3	3
<b>Total Personnel</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

**Municipal Court Functions:**

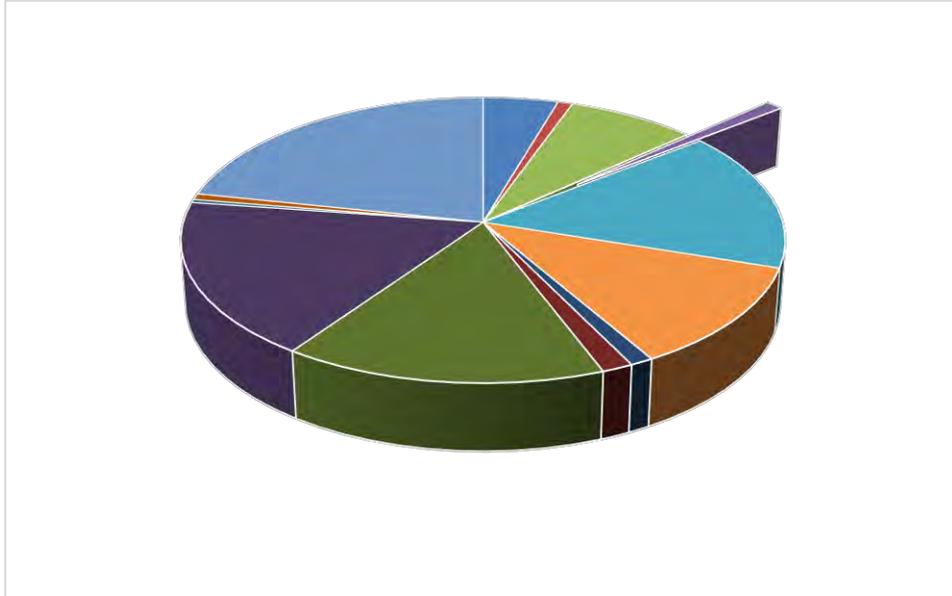
**Municipal Court Judge:** The Municipal Court Judge resides over the Municipal Court Clerk and Magistrate(s), and hears any cases brought before the Gulf Shores Municipal Court. Appointed and approved by the Mayor and City Council. The position of Municipal Court Judge is created by the Code of Alabama 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.

Expenditure Budget 2018  
\$ 411,344  
*1% of General Government*



General Government Expenditure Budget: \$38,757,732

**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.

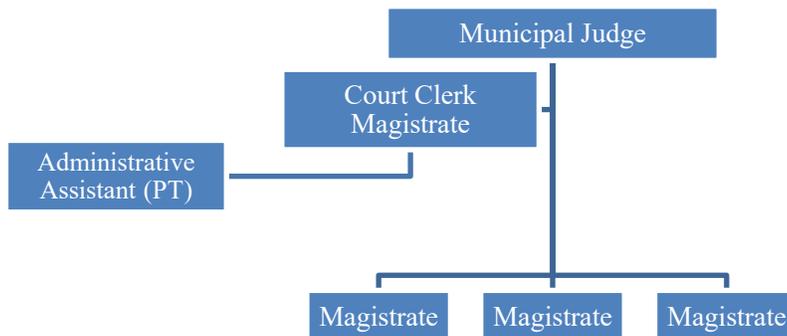
Ongoing effort to reduce inmate population with use of Court payment monitoring, rehabilitation treatment opportunities, and alternative sentencing.

Continue to streamline records retention and retrieval by continuing implementation of electronic scanning of Court documents decreasing necessary file storage space.

Working with IT and the Court software provider to put in place an electronic parking ticket citation system.

<b>Key Measures</b>	<b>2017</b>	<b>2018</b>
	<b>Actual</b>	<b>Projection</b>
Total Criminal Processes handled by 4 Magistrates from 8/15/2016 to 08/14/2017 (not including Bond Hearings per arrest or window/phone interactions and Parking Tickets.)	16,400	16,800
Cost per process based on Total Court budget for year of report that includes Judge and Prosecution Salaries as well as Operating costs.	\$24.04	\$23.79
Average Revenue per Criminal Process based on Revenue Collected for period 8/15/2016 to 8/14/2017 for 2017 and \$980,000 projected for 2018.	\$56.77	\$58.33

**MUNICIPAL COURT ORGANIZATIONAL CHART**



**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

	2015	2016	2017	2018	% Change	2019
	Actual	Actual	Amended Budget	Council Adopted	2017 to 2018	Projected
<b>POLICE</b>						
Expenditures						
Personnel	3,939,857	4,428,119	4,556,601	4,978,962	9%	5,078,541
Operations	535,233	656,389	821,020	848,398	3%	942,520
Capital Outlay	201,485	239,181	239,500	312,000	30%	442,000
<b>Police Total</b>	<b>4,676,575</b>	<b>5,323,689</b>	<b>5,617,121</b>	<b>6,139,360</b>	9%	<b>6,463,061</b>

**Police Personnel**

	2015	2016	2017	2018	
	Actual	Actual	Budget	Adopted	
Positions					
Police Chief	1	1	1	1	
Deputy Chief	1	1	1	1	
Lieutenant	3	3	3	3	
Investigator Sergeant	1	1	1	1	
Investigator	4	4	4	4	
Support Services Sergeant	1	1	1	1	
Narcotics Investigator	2	3	3	3	
SRO / Juvenile Sergeant	1	1	0	0	
School Resource Officer	1	1	1	1	
SRO / Corporal	0	1	1	1	COPS 1
CRO / Corporal	1	1	1	1	
Public Safety Academy Corpora	0	0	1	1	
Fleet / Property Room Sergeant	0	0	1	1	
Patrol Sergeant	3	3	3	3	
K9 Patrol Sergeant	1	1	1	1	
Patrol Corporal	4	4	4	4	
K9 Officer	2	3	3	3	
Patrol Officer	18	15	15	17	COPS 1 (2 new 2018)
Communication Officer	7	6	7	7	
Communications Supervisor	0	1	1	1	
Detention Supervisor Corporal	1	1	0	0	
Detention Supervisor	0	0	1	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	2	2	2	Beach Funding
Community Service Officer				1	Beach Funding
Part Time Positions:					
Beach Rangers (Seasonal)	4	4	4	4	Beach Funding
<b>Total Personnel</b>	<b>67</b>	<b>69</b>	<b>71</b>	<b>74</b>	

**Department: Police**

**Police Department Functions**

The Gulf Shores Police Department has three major divisions to provide the community and our visitors with service and protection.

**Mission Statement**

To Serve, Protect, and enhance the quality of life.

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

**Organizational Values**

We dedicate ourselves to these values with the goal of providing excellent services and programs to meet the needs of our community and those within our organization. They guide our actions and serve as the framework for the decisions and contributions we make every day – at every level.

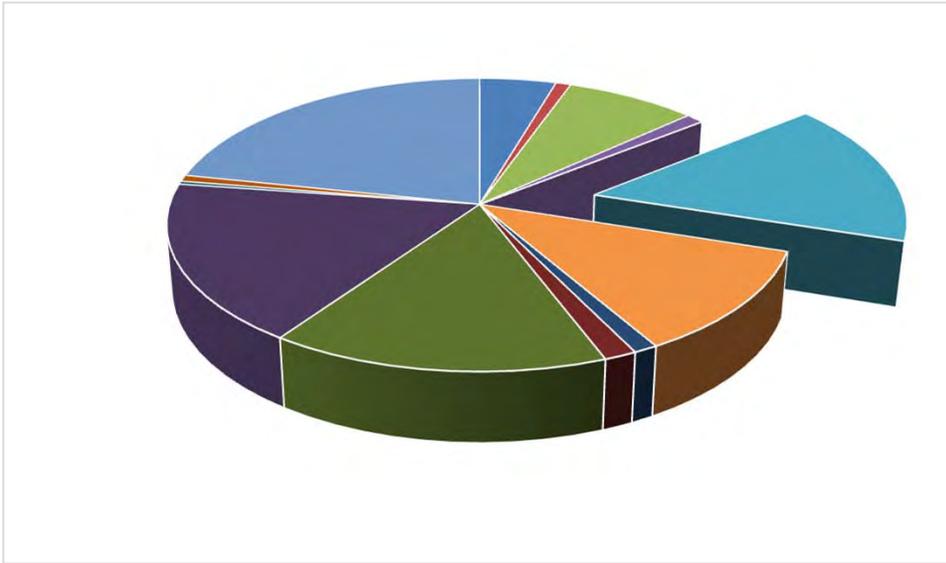
1. Integrity
2. Respect
3. Service
4. Teamwork

**Goals**

Goals are established by the Chief of Police and extend to all agency levels, becoming increasingly more specific. Provided below is a list of general goals shared on a continuous basis throughout GSPD. More specific goals are stated on an annual basis in alignment with the fiscal year budget.

1. Protect life and property
2. Respond to calls for service
3. Protect constitutional guarantees
4. Proactively enforce the law
5. Prevent crime
6. Promote traffic safety
7. Investigate crime
8. Assist in prosecution
9. Promote community partnerships
10. Solve problems
11. Maintain public confidence in the police department

Expenditure Budget 2018  
 \$ 6,139,360  
 15.8% of General Government



General Government Expenditure Budget: \$38,757,732

### Major Accomplishments

In FY 2016 GSPD accomplished several of our primary goals. Of note was a significant increase in the number of officer initiated drug arrests. Self-initiated arrests are a good indicator of how proactive and well trained an agency is regarding criminal enforcement. Proactive drug enforcement also has a significant impact on other crimes. Between 2015 and 2016 these types of arrests increased by more than 71%.

**2015 Drug Arrests**  
**353**

**2016 Drug Arrests**  
**606**

The City of Gulf Shores also realized a significant decrease in Part 1 Index Crimes. Part 1 offenses are crimes selected by the Federal Bureau of Investigation to be reported on a specified section of the Uniform Crime Report and include: Criminal Homicide, Forcible Sex Offenses, Robbery, Aggravated Assault, Burglary, Theft, Motor Vehicle Theft, and Arson. As an agency we are reluctant to take too much credit for reductions in crime since so many factors determine crime rates. We are however pleased with these results which show a nearly 4.7% reduction in Part 1 crimes.

**2015 Part 1 Crimes**  
**720**

**2016 Part 1 Crimes**  
**686**

In addition, the percentage of Gulf Shores' total crimes increased by 14%.

**Police (Continued)**

<b>2015 Total of all Crimes</b>	<b>2016 Total of all Crimes</b>
<b>3035</b>	<b>3455</b>

<b>2015 Percentage of Part 1 Crimes as Compared to Total Crimes</b>
<b>24%</b>

<b>2016 Percentage of Part 1 Crimes as Compared to Total Crimes</b>
<b>20%</b>

Demands on GSPD grew along with the increased permanent and tourist populations and resulted in more than a 15% increase in total calls for service and in the workload of our Communications Division – a 5% increase:

<b>2015 Total Calls for Service</b>	<b>2016 Total Calls for Service</b>
<b>16,598</b>	<b>19,167</b>

<b>2015 Communications Processed</b>	<b>2016 Communications Processed</b>
<b>31,876</b>	<b>33,430</b>

Along with increased self-initiated arrest activity and more calls for service, comes unfortunately greater response times as demonstrated in this two-year comparison:

<b>2015 Average Response Time</b>	<b>2016 Average Response Time</b>
<b>5:16</b>	<b>6:31</b>

GSPD maintains a Community Policing Philosophy. One component of that philosophy is our increased social media outreach which increased significantly. Available records from the last half of 2015 indicate that our Social Media Contacts via Facebook were 321,671 and for FY16 were 4,054,339.

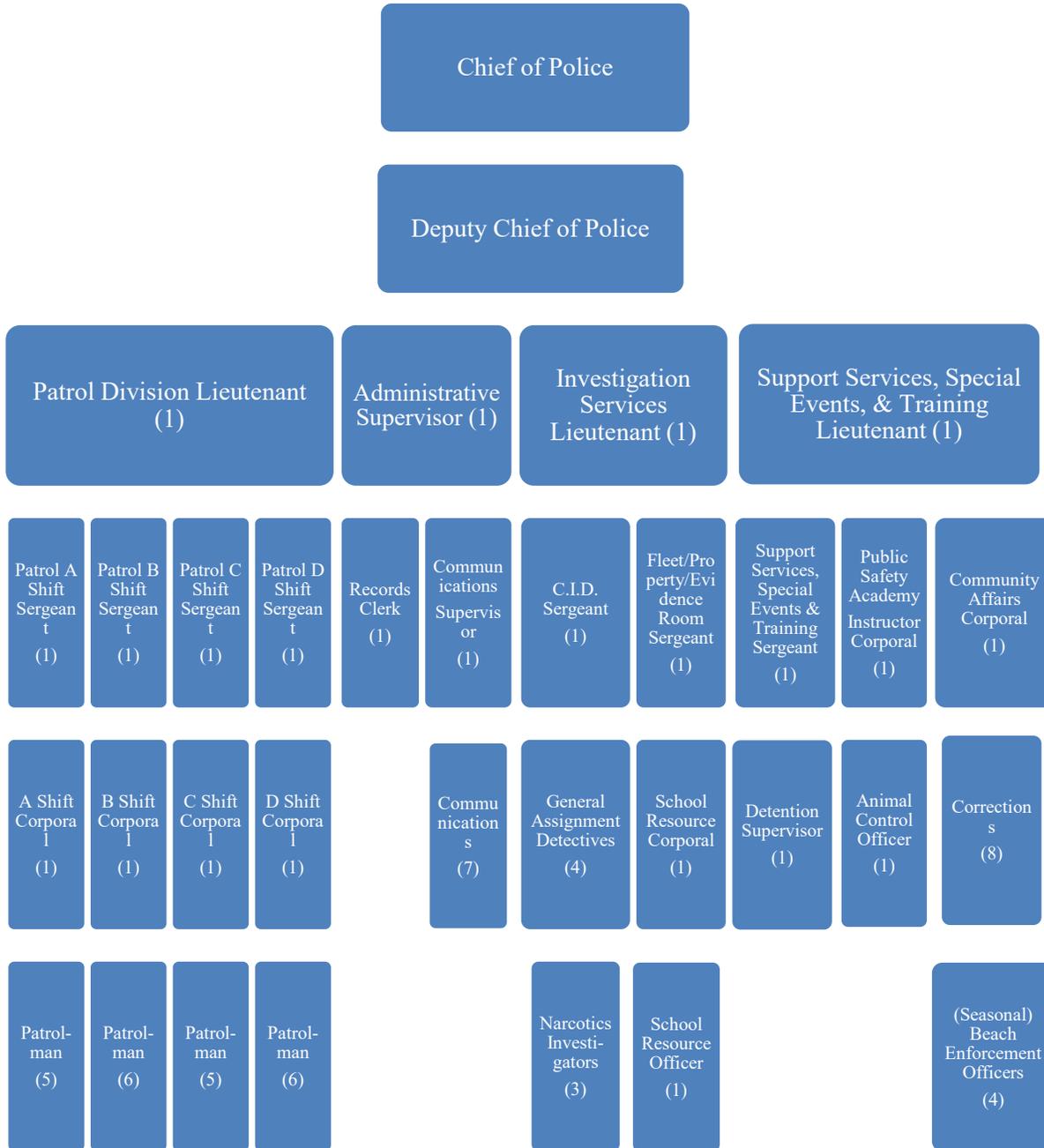
**Future Outlook- Personnel**

In 2010 the Police Department operated with an authorized total sworn staff compliment of 43. Today the agency has an authorized sworn staff of only 47. The increase allowed an additional officer to work at our schools and to protect the children there. Another officer was assigned to Community Affairs and an additional 2 officers were assigned to patrol our beach district. Our goal is to have an authorized total sworn staff of 51.

**Future Outlook- Technology**

Information technology, to include body worn cameras, cameras deployed in hot-spots, computer aided dispatching, records management, and crime mapping are now common and critical tools in law enforcement. GSPD was among the first departments in the nation to employ body worn cameras (in 2010) and will continue to actively explore ways to harness technology to meet the needs of the community.

## POLICE DEPARTMENT ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama  
Fiscal Year 2018 Budget**

	2015	2016	2017	2018	% Change	2019
<b>FIRE</b>	Actual	Actual	Amended Budget	Council Adopted	2017 to 2018	<b>Projected</b>
Expenditures						
Personnel	3,163,034	3,240,353	3,346,524	3,548,312	6%	<b>3,619,278</b>
Operations	428,696	407,997	501,600	501,600	0%	<b>501,600</b>
Capital Outlay	22,032	200,000	0	436,800	n/a	<b>550,000</b>
<b>Fire Total</b>	<b>3,613,762</b>	<b>3,848,350</b>	<b>3,848,124</b>	<b>4,486,712</b>	17%	<b>4,670,878</b>

**Fire Personnel**

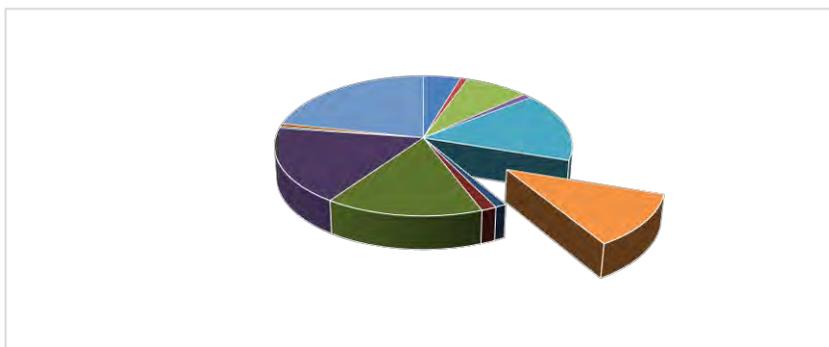
	2015	2016	2017	2018	
Positions	Actual	Actual	Budget	Adopted	
Fire Chief	1	1	1	1	
Deputy Chief	1	1	1	1	
Fire Marshal	1	1	1	1	
Battalion Chief	3	3	3	4	
Lieutenant	10	10	13	14	
Firefighter/Paramedic	8	15	14	15	
Firefighter/EMT	18	12	12	11	
Admin Assistant	1	1	1	1	
Seasonal Lifeguards	0	0	0	30	*Moved from Recreation
<b>Total Personnel</b>	<b>43</b>	<b>44</b>	<b>46</b>	<b>78</b>	added part-time to reduce overtime

**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.

**CORE Value:**

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



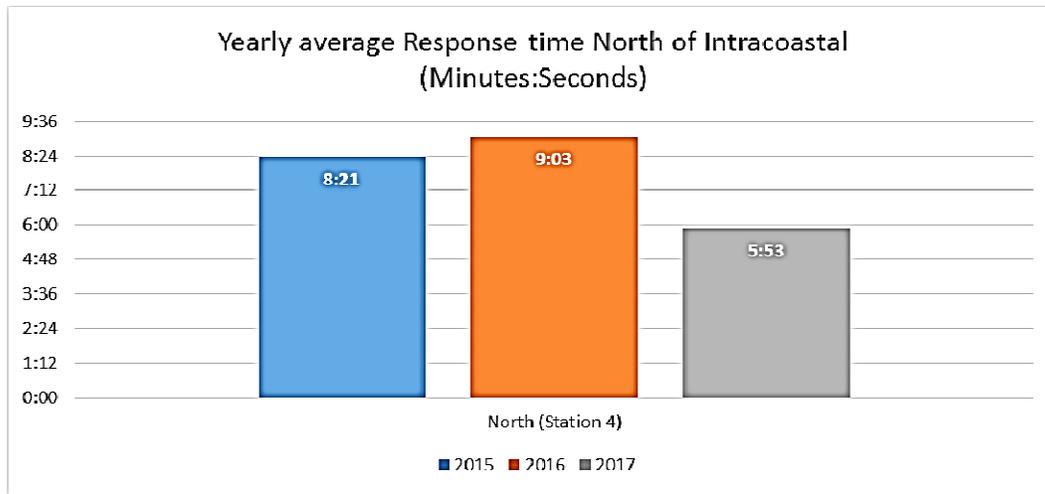
Expenditure Budget 2018  
\$ 4,486,712  
*11.6% of General Government*

General Government Expenditure Budget: \$38,757,732

**Department: Fire**

**Major Accomplishments:**

We have partnered with Huggers Landing/Oyster Bay Volunteer Fire Department allowing us to place personnel and a Fire Engine in their station on Oak Road West to meet existing and future demands of our Citizens. Reducing response times in this area by two minutes was the goal, and we achieved that goal. As of Sept 1, 2017, Station 4 has an average response time to all calls for service of five minutes and fifty-three seconds in their response zone. Before this arrangement with Huggers Landing VFD, a unit from one of our stations on the Island served this area. **Vision 2025 Key Strategy: Community Planning-Infrastructure**



Two members earned instructor certification in open water lifeguard training through the United States Lifesaving Association (USLA) to cross train Fire Department staff in house.

**Vision 2025 Key Strategy: Leading Edge Healthcare (Safety)**

Expanded educational opportunities for our High School students participating in the Fire Science Academy to include American Red Cross pool lifeguard and USLA Open Water Lifeguard Certifications.

**Vision 2025 Key Strategy: Education**

Partnered with Jack Edwards National Airport Authority to meet their need to have the appropriate aircraft rescue and firefighting (ARFF) vehicle for the response, mitigation, evacuation and possible rescue of passengers and crew of a plane involved in an airport ground emergency. The Airport Authority purchased the vehicle needed, then donated it to our department. **Vision 2025 Key Strategy: Sustainability-Standards of excellence in service.**

**Goals:**

January 1, 2018, the Beach Lifeguards will transfer from Parks and Recreation into the Department of Fire & Emergency Services. This merger will place similar missions under one command structure, eliminating duplication of services. Bringing the Beach Lifeguards into our 24-hour operations, the Beach Lifeguard program has a new level of duty for our Citizens and guests.

**Vision 2025 Key Strategy: Community Planning-Infrastructure**

<b>Key Indicators</b>	<b>2016 Actual</b>	<b>2017 Projected</b>
<b>911 Calls for Service</b>		
EMS Incidents	2111	2200
Fire Incidents	1037	1100
<b>Total Incidents</b>	3148	3300
Percentage of overlapping calls	40.63%	42%
Department average response time. (Dispatch to arrival)	0:06:19	0:06:00

***Vision 2025 Action 1 : Medical***

**Fire Science Academy- High School**

Certified as Volunteer Firefighters	6	5
Certified in CPR	125	100
Certified in First Aid	50	30
Certified in Emergency Responder	42	30
Certified as Pool Lifeguard	16	10
Certified as USLA Lifeguard	4	5

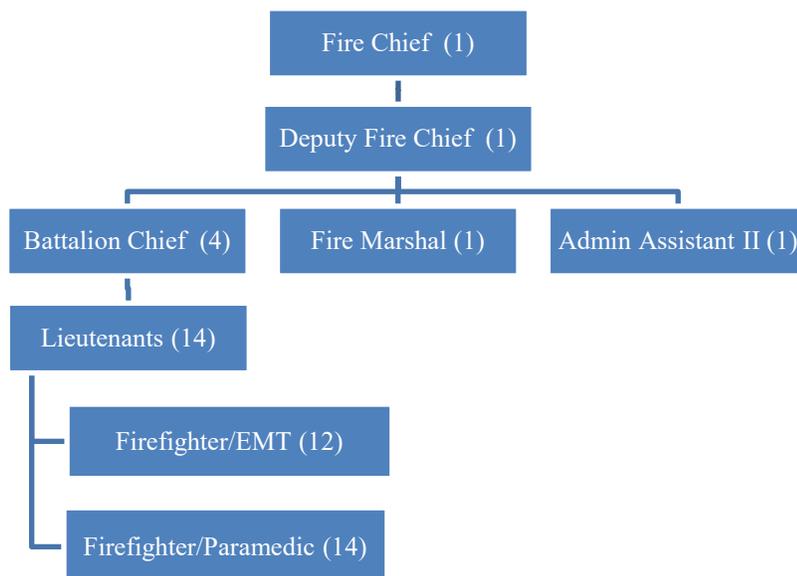
***Vision 2025 Action 2: Education***

**Community Outreach**

CPR cards	267	200
First Aid cards	51	40
Child Seats installed	28	20
Fire Extinguisher Training	4	10
Snowbird Club (BP screens)	30	30
Fire Prevention out reach visits	42	50

***Vision 2025 Key Strategy: Community Planning-Safety & Welfare***

**FIRE DEPARTMENT ORGANIZATIONAL CHART**



**The City of Gulf Shores, Alabama  
Fiscal Year 2018 Budget**

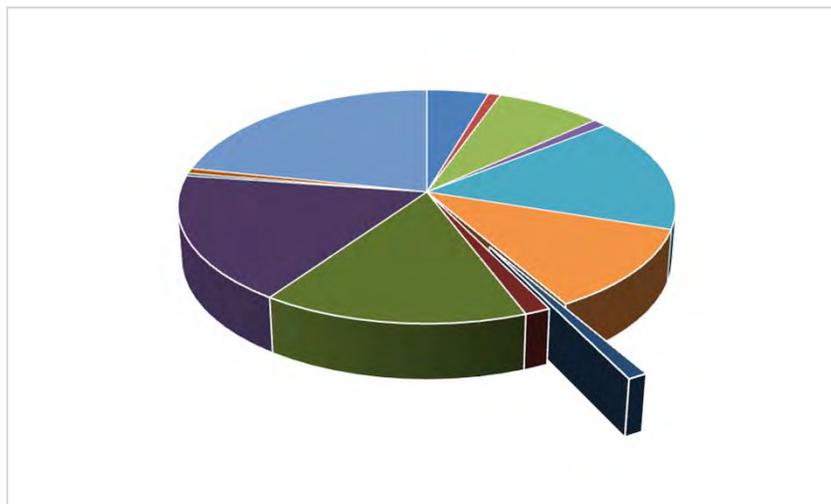
	2015	2016	2017	2018	% Change	2019
<b>PLANNING &amp; ZONING</b>	Actual	Actual	Amended Budget	Council Adopted	2017 to 2018	<b>Projected</b>
Expenditures						
Personnel	311,757	322,178	331,140	350,794	6%	<b>357,810</b>
Operations	46,194	42,853	120,410	77,410	-36%	<b>120,410</b>
Capital Outlay	0	0	0	0	n/a	<b>0</b>
<b>Planning &amp; Zoning Total</b>	<b>357,951</b>	<b>365,031</b>	<b>451,550</b>	<b>428,204</b>	<b>-5%</b>	<b>478,220</b>

**Planning & Zoning Personnel**

	2015	2016	2017	2018
Positions	Actual	Actual	Budget	Adopted
Director	1	1	1	1
Planner I	1	1	1	1
Code Enforcement Officer	1	1	1	1
Administrative Assistant	1	1	1	1
<b>Total Personnel</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>

**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.



Expenditure Budget 2018  
\$ 428,204  
*1.1% of General Government*

General Government Expenditure Budget: \$38,757,732

<b>Major Accomplishments:</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Target</b>
Adopted the revised Subdivision Regulations		Complete	
Digitized the plans review process		Complete	
Created a Bicycle and Pedestrian Advisory Committee		Complete	
Developed Mobile Vendor Court Regulations		Complete	
Code Enforcement Officer uses laptop computer to better integrate work in the field with Citizenserve which improved work efficiency		Complete	
<b>Planning &amp; Zoning Department Goals:</b>			
Strive to achieve bike and walk friendly community status			Goal
Amend the zoning regulations in the Gulf Beach District to expand/modify the walking district, improve site and architectural design, parking, setback, storm water management regulations			Goal
Complete digital archiving of all files			Goal
Continue to improve the digital plan review process			Maintain
<b>Program Activities and Workload Measures</b>			
Rezoning	5	6	5
Site Plans	18	13	15
Variances	6	6	6
Conditional Use Permits	0	1	1
Preliminary Subdivision Plats	4	5	5
Final Subdivision Plats	12	5	8
Zoning Text Amendments Initiated	2	3	3
Zoning Text Amendments completed	1	1	3
Total Code Enforcement Cases	317	280	300
Cases Open	15	102	50
Cases Closed	299	175	250
Citations Written	19	27	25
Arrests	4	2	3
Court Appearances	19	27	20

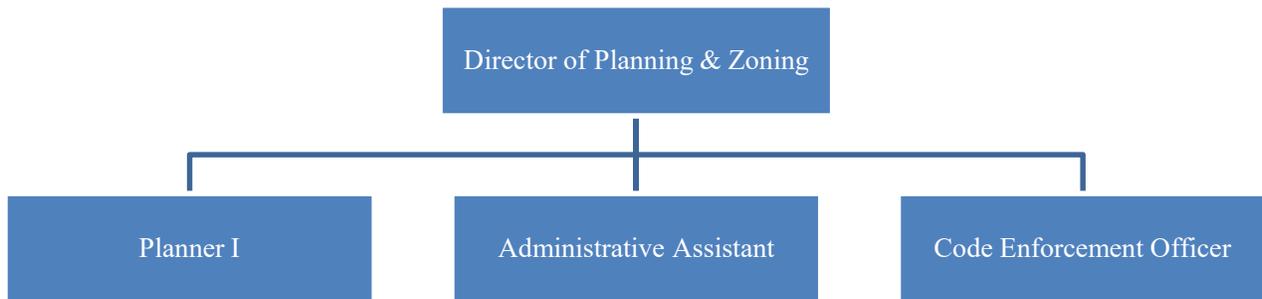
**Objectives:**

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. Designation as a Walk and Bicycle Friendly Community is a measure of success.

Community Planning - A primary goal of the Vision 2025 Plan is new development and revitalization of buildings and infrastructure which will enhance sense of place and quality of life. Action 5 of the Vision 2025 Plan is Gulf Beach District, "The construction of a walkable, energetic beachfront district will attract tourism, stimulate local business, and encourage business and residential relocation". A measure of success is adoption of a zoning amendment for the Gulf Beach District.

Core Values - The City commits to excellence and the highest quality standards. Making continuous improvements to the plan review process assures the city's customers and city staff of quality and efficient service and a high value experience. A measure of success is meeting the plan review deadlines and meeting dates 100% of the time.

**PLANNING & ZONING ORGANIZATIONAL CHART**



## The City of Gulf Shores, Alabama Fiscal Year 2018 Budget

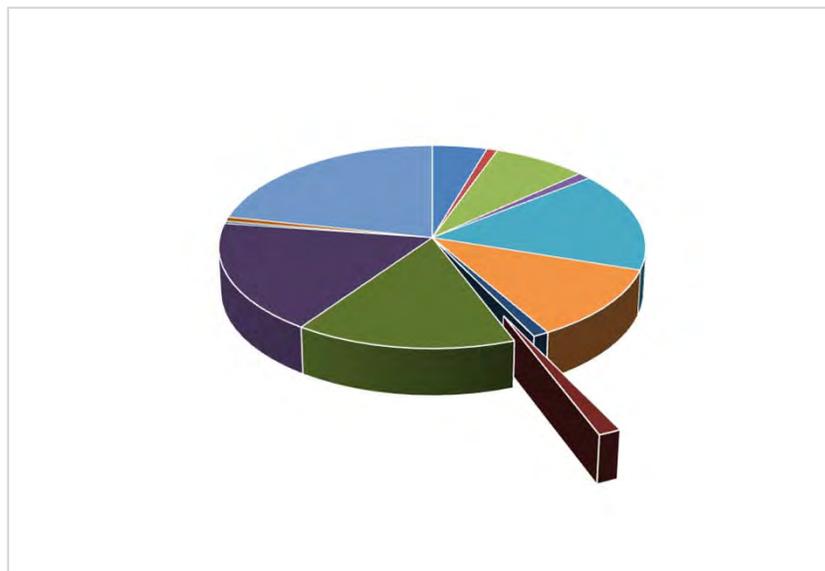
	2015	2016	2017	2018	% Change	2019
	Actual	Actual	Amended Budget	Council Adopted	2017 to 2018	Projected
<b>BUILDING</b>						
Expenditures						
Personnel	365,606	448,612	461,906	487,699	6%	497,453
Operations	38,672	38,630	47,550	47,550	0%	47,550
Capital Outlay	24,998	31,690	42,000	42,000	0%	42,000
<b>Building Total</b>	<b>429,276</b>	<b>518,932</b>	<b>551,456</b>	<b>577,249</b>	5%	<b>587,003</b>

### Building Personnel

	2015	2016	2017	2017
	Actual	Actual	Budget	Adopted
Positions				
Building Official	1	1	1	1
Inspectors	3	4	4	4
Administrative Assistant II	1	1	1	1
<b>Total Personnel</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>

### 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.



Expenditure Budget 2018  
\$ 577,249  
1.5% of General Government

General Government Expenditure Budget: \$38,757,732

**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 City has maintained 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 building department has gone completely paperless for inspections and reporting. New software has allowed the department to email inspection reports and take request via the website. *The enforcement of these regulations help ensure a more sustainable community.*

The Building Department has also effectively performed safety inspections for ALL short term rental units/structures. *This allows our owners and visitors a safer environment to live and visit.*

**Department: Building**

<b>Goals:</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	<b>2018 Target</b>
Lower the City's CRS rating to a level 7.	Class 8	Class 7 Prep	Goal Class 7
Continue the safety inspections for all rental units within the Corporate limits and Police Jurisdiction creating a safer environment for our tourists.	Completed inspections	Begin 2nd phase	2nd year of 2nd phase
Implement the new FEMA Flood Maps for construction standards and insurance purposes	2007 Flood Maps	2017 preliminary	2017 maps effective

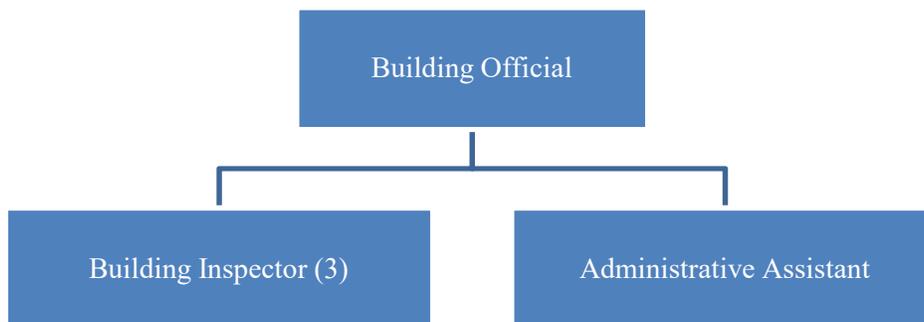
**Objectives:**

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.

Develop Outreach programs to aid citizens with the new regulations.

**BUILDING DEPARTMENT ORGANIZATIONAL CHART**



## Recreation & Cultural Affairs Department Functions:

Fiscal Year 2018 Budget

The Gulf Shores Recreation & Cultural Affairs Department enriches lives and fosters harmony within the community through area-wide leisure services targeted to improve healthy lifestyles, educational and recreational opportunities, public participation, and environmental and economical stewardship. The Department serves to support Vision 2025 and assists in the delivery of the City's mission through the provision of high quality park and recreation services, and public information. The Department is comprised of the following areas:

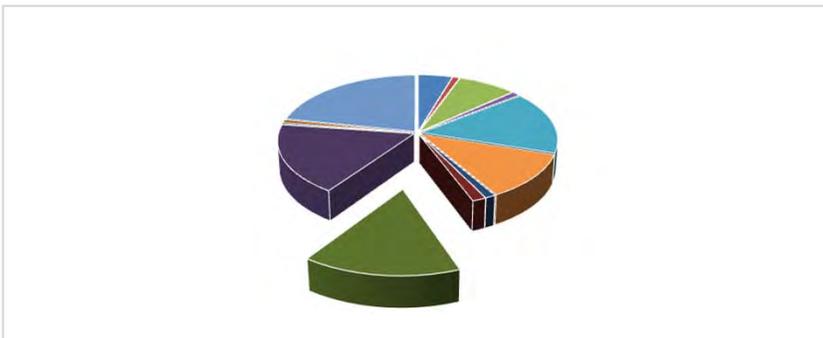
**Events Division:** This Division is responsible for City events including parades and festivals, managing the rental facilities, programming which takes place at various locations, and fostering equitable partnerships with like-wise organizations to enhance local arts, cultural and entertainment. The 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 230,000 visits annually. These facilities serve as hubs for all recreational athletics and wellness, and house City of Gulf Shores Recreation Division staff offices. Both recreation complexes 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.

**Marketing & Communications:** This area is responsible for the coordination of City-Wide Identification and Brand Identity, and manages the City website and social media. Additionally, this area coordinates with the Public Information Officer to release information to the media related to City message and develops contacts and relationships with media representatives to create opportunities for keeping the City and its services in front of the public and community.



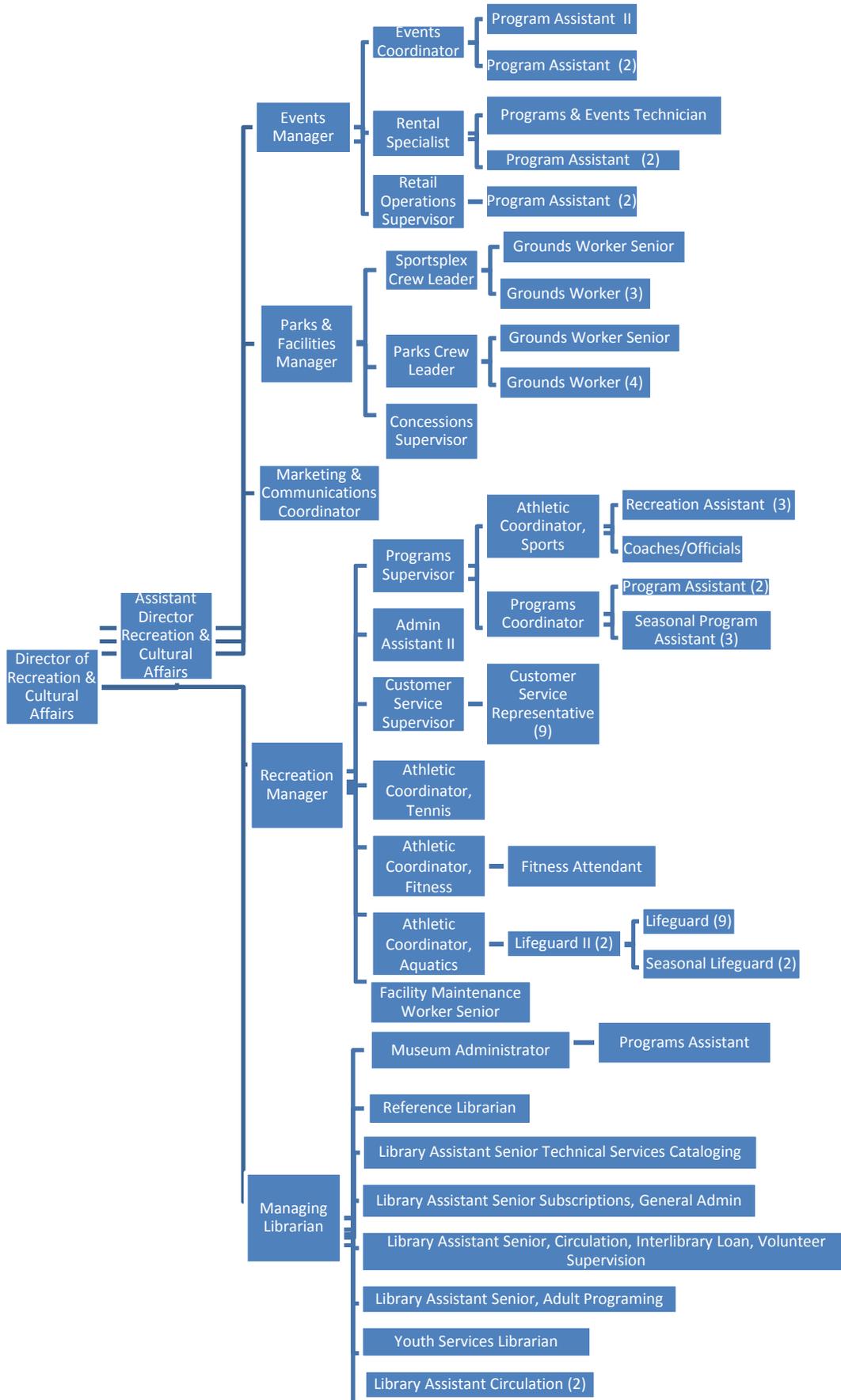
Expenditure Budget 2018

\$ 5,965,257

15.4% of General Government

General Government Expenditure Budget: \$38,757,732

# RECREATION & CULTURAL AFFAIRS DEPARTMENT ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

	2015	2016	2017	2018	% Change	2019
<b>RECREATION &amp; CULTURAL AFFAIRS</b>	Actual	Actual	Amended Budget	Council Adopted	2017 to 2018	<b>Projected</b>
Expenditures						
Personnel	162,109	250,073	287,570	341,554	19%	<b>344,970</b>
Operations	25,478	14,155	26,737	27,382	2%	<b>26,737</b>
Capital Outlay/Signage	0	161	10,000	0	n/a	<b>0</b>
<b>RCA Total</b>	<b>187,587</b>	<b>264,389</b>	<b>324,307</b>	<b>368,936</b>	14%	<b>371,707</b>

**Recreation & Cultural Affairs Personnel**

	2015	2016	2017	2018
Positions	Actual	Actual	Budget	Adopted
Director	1	1	1	1
Assistant Director	1	1	1	1
Marketing & Com. Coordinator	0	0	1	1
<b>Total Personnel</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>

**Major Accomplishments:**

1. Conducted a City-wide Park & Recreation Needs Assessment (*Community Planning*)
2. Establishing Cultural Center fitness studios and expanded wellness programs (*Community Planning*)
3. Produced the Auburn University Educational Complex groundbreaking (*Progressive Education*)
4. Reorganized departmental staff to maximize efficiency and enhance public service (*Sustainability*)
5. Established and improved equitable partnerships with local businesses, schools and agencies (*Prosperity*)

**Goals:**

Support Vision 2025 and assist the delivery of the City's mission through the provision of high quality park and recreation services to exceed community needs.

Implement best practices to protect the natural environment and maximize sustainable recreational opportunities.

		2016	2017	2018
<b>Performance Measures:</b>	<b>Units</b>	<b>Actual</b>	<b>Actual</b>	<b>Target</b>
Recreation Memberships	Each	4,203	6,233	6,500
Facility Visits	Each	N/A	295,986	305,000
Facility Rentals	Each	1,814	1869	1900
Programs Offered	Each	N/A	434	440
Parkland Maintained	Acres	213	213	216
Citizens Satisfied w/ Services	%	N/A	87%	90%

**Objectives:**

1. Prepare and adopt a comprehensive Parks & Recreation Master Plan (*Community Planning*)
2. Develop and adopt Park & Facilities user rules & regulations, including Gulf Place (*Prosperity*)
3. Assist the development of management and public access plans for acquired waterfront and wetland properties (*Environmental Stewardship*)

**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

<b>RECREATION</b>	2015	2016	2017	2018	% Change	<b>2019</b>
<b>EVENTS</b>	Actual	Actual	Amended Budget	Council Adopted	2017 to 2018	<b>Projected</b>
Expenditures						
Personnel	391,519	366,042	366,446	369,521	1%	<b>369,521</b>
Operations	385,889	346,867	426,698	426,698	0%	<b>371,849</b>
Capital Outlay	0	0	0	0	0%	<b>0</b>
<b>Events Total</b>	<b>777,408</b>	<b>712,909</b>	<b>793,144</b>	<b>796,219</b>	0%	<b>741,370</b>

**Events Personnel**

	2015	2016	2017	2018	
Positions	Actual	Actual	Budget	Adopted	
Events Manager	1	1	1	1	
Programs & Events Supervisor	1	1	0	0	
Programs & Events Tech	1	1	1	1	
Rental Supervisor	1	1	1	1	
Marketing & Communications	1	1	0	0	Move to RCA dept. 550
Event Supervisor	0	0	1	1	
Program Assistant II	0	0	1	1	
Programs Assistants (PT)	3	3	4	4	
Retail Operator Coordinator	1	0	0	0	Moved to City Store 2016
<b>Total Personnel</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>9</b>	

**Major Accomplishments:**

1. Partnered with Waterway Village restaurants to produce Music at Meyer series (*Waterway Village*)
2. Implemented new Rental Facility Reservation Software, contracts and surveys (*Sustainability*)
3. Procured \$12,000 in grant funding to support local events and partnership organizations (*Prosperity*)
4. Established the Waterway Village Fall Block Party event (*Enhance sense of place*)
5. Assisted Civic Center renovations to modify and expand performances (*Well-Organized Infrastructure*)

**Goals:**

Improve the public assembly permit process and user interface.

Evaluate and maximize rental facility use.

**Objectives:**

1. Develop and implement a permit review and recommendation committee. (*Prosperity*)
2. Design and distribute new print material for rental facilities. (*Prosperity*)

**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

	2015	2016	2017	2018	% Change	2019
<b>RECREATION</b>	Actual	Actual	Amended	Council	2017 to	<b>Projected</b>
<b>LIBRARY</b>			Budget	Adopted	2018	
Expenditures						
Personnel	514,534	493,343	501,551	533,367	6%	<b>538,701</b>
Operations	80,088	86,910	94,465	94,415	0%	<b>94,415</b>
Capital Outlay	0	0	0	0	0%	<b>0</b>
<b>Library Total</b>	<b>594,622</b>	<b>580,253</b>	<b>596,016</b>	<b>627,782</b>	5%	<b>633,116</b>

**Library Personnel**

	2015	2016	2017	2018
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
<b>Total Personnel</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>

**Major Accomplishments:**

1. Served over 70,000 on-site library visitors during calendar year 2017 (*Prosperity*)
2. Facilitated 226 educational programs during calendar year 2017 (*Progressive Education*)
3. Assisted with Library capital improvements including ADA upgrades (*Well-Organized Infrastructure*)
4. Received Alabama State Association's Gold Standard Library Award (*Sustainability*)
5. Received State Historical Registry sign for Fort Withers (*Enhance the sense of place*)

**Goals:**

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

Provide patrons access to technology and enhanced internet connectivity.

Expand the functions of the library and museum to reinforce the sense of place.

**Objectives:**

1. Develop a new marketing concept to promote online library services (*Prosperity*)
2. Host one traveling museum exhibit (*Progressive Education*)
3. Partner with the Cultural Center to expand the Historical Lecture Series (*Progressive Education*)

**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

	2015	2016	2017	2018	% Change	2019
<b>RECREATION</b>	Actual	Actual	Amended	Council	2017 to	<b>Projected</b>
<b>REC &amp; WELLNESS</b>			Budget	Adopted	2018	
Expenditures						
Personnel	1,424,568	1,512,822	1,247,278	1,609,152	29%	<b>1,625,244</b>
Operations	471,264	511,771	404,797	503,025	24%	<b>404,796</b>
Capital Outlay	164,491	124,482	700	0	n/a	<b>0</b>
<b>Rec &amp; Wellness Total</b>	<b>2,060,323</b>	<b>2,149,075</b>	<b>1,652,775</b>	<b>2,112,177</b>	<b>28%</b>	<b>2,030,040</b>

**Rec & Wellness Personnel**

	2015	2016	2017	2018
Positions	Actual	Actual	Budget	Adopted
Recreation Manager	1	1	1	1
Maintenance Worker, Senior	1	1	1	1
Maintenance Worker	1	0	0	0
Athletic Coordinator, Sports	1	1	1	1
Athletic Coordinator, Tennis	1	1	1	1
Athletic Coordinator, Fitness	0	0	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
Customer Service Rep	0	0	4	4
Programs Supervisor	1	1	1	1
Programs Coordinator	2	2	1	1
Programs Assistant	3	3	2	2
Recreation Assistant (PT)	9	3	3	3
Lifeguards (PT)	9	11	11	11
Customer Service Rep (PT)	4	7	5	5
Programs Asst (PT)	2	2	3	2
Fitness Assistants (PT)	2	1	0	0
<b>Total Personnel</b>	<b>43</b>	<b>40</b>	<b>41</b>	<b>40</b>

**Major Accomplishments:**

1. Increased general membership 12%, served over 230,000 patron visits in calendar year 2016 (*Sustainability*)
2. Developed and hired a Fitness Coordinator position in effort meet citizen needs (*Prosperity*)
3. Collaborated with Gulf Shores Elementary School to grow SPARC programs (*Progressive Education*)
4. Assisted the procurement of a 21st Century Grant expanding RCA youth programs (*Progressive Education*)
5. Created innovative teen club & programming designed to mentor and motivate tweens (*Sustainability*)
6. Implemented improved online background screening services for volunteer coaches (*Sustainability*)
7. Developed and improved membership rate structure enhancing facility & program access (*Prosperity*)
8. Increased aquatic program participation; Swim Team (17%), group swim (23%), private lessons (47%) (*Sustainability*)

**Goals:**

Increase youth sports participation.

Improve existing facilities and infrastructure.

Enhance community relations through improved communications.

Expand and diversify existing programs.

**Objectives:**

1. Create a collaborative forum with GSHS Athletic Director, coaches and programs (*Prosperity*)
2. Increase parental involvement through direct community outreach (*Sustainability*)
3. Implement an interactive communication system for parents and coaches (*Sustainability*)
4. Establish a proactive, long term improvement list for each facility (*Community Planning*)
5. Perform routine patron/participant surveys (*Prosperity*)
6. Develop a new marketing concept to engage participants (*Prosperity*)
7. Introduce and test trending recreation & fitness demands in all Division areas (*Leading Edge Healthcare*)

**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

	2015	2016	2017	2018	% Change	2019
<b>RECREATION</b>	Actual	Actual	Amended	Council	2017 to	<b>Projected</b>
<b>SPORTSPLEX</b>			Budget	Adopted	2018	
Expenditure						
Personnel	616,205	586,978	668,175	702,336	5%	<b>709,359</b>
Operations	406,861	446,945	471,135	482,510	2%	<b>471,135</b>
Capital Outlay	117,593	28,733	231,000	65,308	-72%	<b>0</b>
<b>Sportsplex Total</b>	<b>1,140,659</b>	<b>1,062,656</b>	<b>1,370,310</b>	<b>1,250,154</b>	<b>-9%</b>	<b>1,180,494</b>

**Sportsplex Personnel**

	2015	2016	2017	2018
	Actual	Actual	Budget	Adopted
Positions				
Manager	1	1	1	1
Crew Leader	1	1	1	1
Grounds Worker Senior	1	1	1	1
Grounds Worker	3	3	3	3
Concessions Supervisor	0	0	1	1
Customer Service Rep	1	1	0	0
Recreation Assistants (PT)	2	2	2	1
<b>Total Personnel</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>8</b>

**Major Accomplishments:**

1. Hosted 1st annual AISA Track & Field Championship (*Economic, Geographic and Seasonal Diversification*)
2. Increased concessions sales by 6% (*Sustainability*)
3. Developed strong partnerships with local, regional and national stakeholders and advised Sport Tourism representatives on potential athletic opportunities and current limitations (*Prosperity*)
4. Assisted the development of an area-wide sports facility feasibility study (*Community Planning*)

**Goals:**

Audit current park and athletic facility maintenance best practices and trends.

Realize capacities & establish maintenance service and time standards.

**Objectives:**

1. Draft and adopt Park Maintenance Management Plan (*Sustainability*)
2. Achieve STMA Environmental Facility Certification (*Environmental Stewardship*)

**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

	2015	2016	2017	2018	% Change	2019
<b>RECREATION</b>	Actual	Actual	Amended Budget	Council Adopted	2017 to 2018	<b>Projected</b>
<b>PARKS</b>						
Expenditures						
Personnel	292,847	327,519	364,990	374,813	3%	<b>378,561</b>
Operations	145,303	166,250	172,620	190,073	10%	<b>172,620</b>
Capital Outlay	-2,807	39,993	27,000	63,680	n/a	<b>0</b>
<b>Parks Total</b>	<b>435,343</b>	<b>533,762</b>	<b>564,610</b>	<b>628,566</b>	<b>11%</b>	<b>551,181</b>

**Parks Personnel**

	2015	2016	2017	2018
Positions	Actual	Actual	Budget	Adopted
Crew Leader	1	1	1	1
Crew Leader, Senior	2	1	1	1
Grounds Worker	5	4	4	4
Recreation Assistant (PT)	1	1	1	1
<b>Total Personnel</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>7</b>

**Major Accomplishments:**

1. Engaged local community groups in the design of impactful park improvements (*Community Planning*)
2. Facilitated local and regional high school and collegiate tournaments, and athletic practices (*Economic, Geographic & Seasonal Diversity*)
3. Renovated dog park fencing and expanded pet amenities (*Sustainability*)
4. Increased Skateboard Park access and expanded hours of operation (*Sustainability*)

**Goals:**

Audit current park and athletic facility maintenance best practices and trends.

Realize capacities & establish maintenance service and time standards.

**Objectives:**

1. Draft and adopt maintenance management plan (*Sustainability*)
2. Achieve STMA Environmental Facility Certification (*Environmental Stewardship*)

**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

	2015	2016	2017	2018	% Change	2019
<b>RECREATION</b>	Actual	Actual	Amended	Council	2017 to	<b>Projected</b>
<b>BEACH</b>			Budget	Adopted*	2018	
Expenditures						
Personnel	228,445	252,665	272,147	0	-100%	0
Operations	134,049	147,919	150,668	0	-100%	0
Capital Outlay	1,090	58,799	36,000	0	n/a	0
<b>Beach Total</b>	<b>363,584</b>	<b>459,383</b>	<b>458,815</b>		-100%	<b>0</b>

**\*Moved to the Beach Fund 2018**

**Beach Personnel**

	2015	2016	2017	2018
Positions	Actual	Actual	Budget	Adopted
Beach Safety Supervisor	1	1	1	<b>Moved</b>
Lifeguard II (PT)	0	0	0	<b>to Fire</b>
Lifeguards (Seasonal)	13	13	13	<b>Department</b>
<b>Total Personnel</b>	<b>14</b>	<b>14</b>	<b>14</b>	

**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

**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

	2015	2016	2017	2018	% Change	2019
<b>RECREATION</b>	Actual	Actual	Amended	Council	2017 to	<b>Projected</b>
<b>CULTURAL CENTER</b>			Budget	Adopted*	2018	
Expenditures						
Personnel	286,730	311,465	235,531	0	-100%	0
Operations	106,129	123,449	128,020	0	-100%	0
Capital Outlay	172	53,322	10,000	0	n/a	0
<b>Cultural Center</b>	<b>393,031</b>	<b>488,236</b>	<b>373,551</b>	<b>0</b>	<b>-100%</b>	<b>0</b>

**\*Moved to Rec & Wellness Programs 2018**

**Cultural Center Personnel**

	2015	2016	2017	2018
	Actual	Actual	Budget	Adopted
Positions				
Programs & Events Supervisor	1	1	1	<b>Moved to</b>
Events Coordinator	2	2	1	<b>Recreation</b>
Programs Asst	3	3	3	<b>&amp; Wellness</b>
Programs Asst II	0	0	0	
Programs Asst (PT)	2	2	2	
<b>Total Personnel</b>	<b>8</b>	<b>8</b>	<b>7</b>	

**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 2018 Budget**

<b>CITY STORE</b>	2015	2016	2017	2018	% Change	<b>2019</b>
	Actual	Actual	Amended Budget	Council Adopted	2017 to 2018	<b>Projected</b>
Expenditures						
Personnel	0	78,376	100,247	97,033	n/a	<b>98,533</b>
Operations	0	90,265	83,490	84,390	n/a	<b>83,490</b>
Capital Outlay	0	19,102	0	0	n/a	<b>0</b>
<b>CITY STORE Total</b>	<b>0</b>	<b>187,743</b>	<b>183,737</b>	<b>181,423</b>	n/a	<b>182,023</b>

**CITY STORE Personnel**

	2015	2016	2017	2018
	Actual	Actual	Budget	Adopted
Positions				
Retail Operator Coordinator	0	0	1	1
Program Assistant <20 hrs.week	0	0	3	3
<b>Total Personnel</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>

**Major Accomplishments:**

1. Greeted over 5,000 City Store visitors during calendar year 2017 (*Enhance the sense of place*)
2. Implemented merchandise cost of goods and inventory process and policies (*Sustainability*)
3. Increased counter sales by 14% and web-based sales by 23% (*Prosperity*)
4. Increased website visits by 55% (*Well-Organized Infrastructure*)
5. Established the City Store site as a State Historical Registry building (*Enhance the sense of place*)

**Goal:**

Expand the City of Gulf Shores' brand and marketability locally, regionally and nationally through thoughtful merchandise distribution.

**Objectives:**

1. Introduce two custom, locally-made Small Town, Big Beach merchandise items (*Enhance the sense of place*)
2. Increase website visits through the addition of two marketing concepts (*Prosperity*)

**Public Works Department Functions:**

Fiscal Year 2018 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 rights-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.

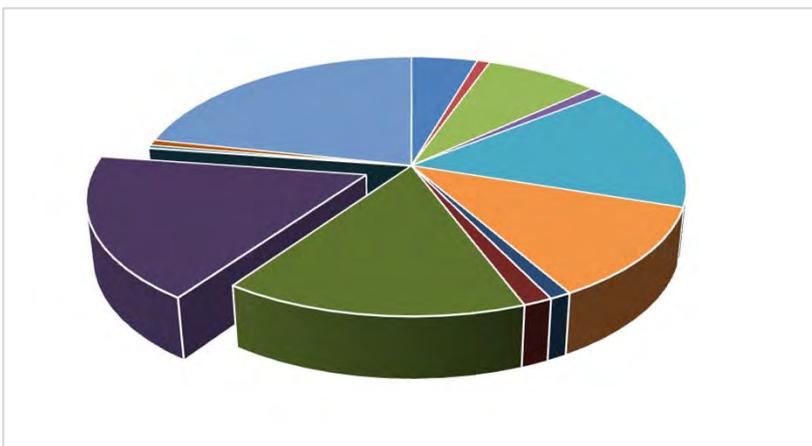
The Custodial Division has the task of keeping our municipal buildings clean and safe. Additionally, they work hard in maintaining the cleanliness of all of our public beach facilities. The Custodial Division also provides critical support to other departments for large City-sponsored events including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

The Landscape Division designs, installs and maintains all landscaping in the rights-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 rights-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.

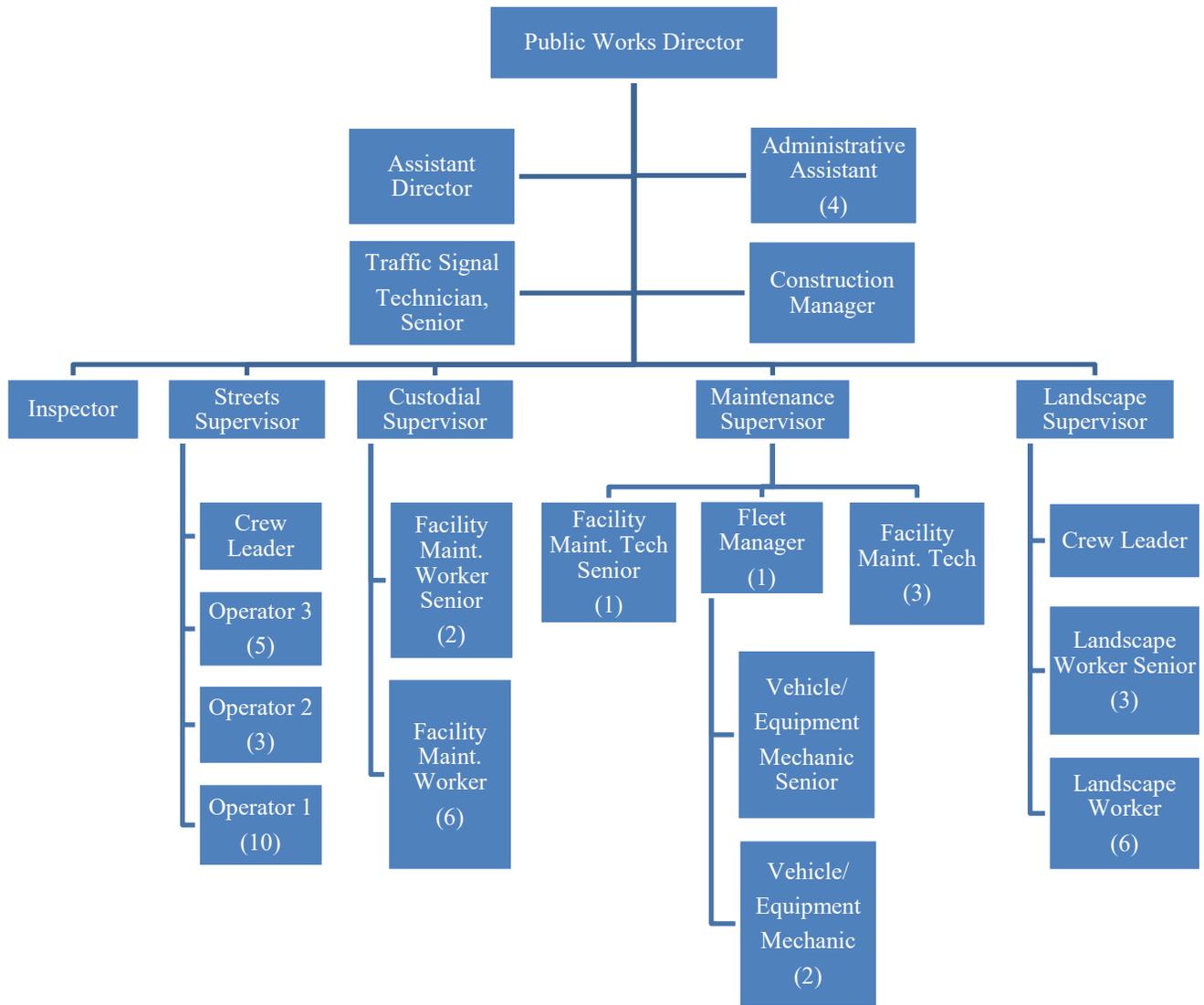
The Maintenance Division is responsible for both the new construction and remodeling of City facilities, monitoring and maintaining the daily mechanical operations that encompass all City buildings, vehicles and equipment, and monitoring and repairing traffic signals throughout the City. They are the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

Expenditure Budget 2018  
\$ 6,834,918  
*17.6% of General Government*



General Government Expenditure Budget: \$38,757,732

## PUBLIC WORKS ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

	2015	2016	2017	2018	% Change	2019
<b>PUBLIC WORKS</b>	Actual	Actual	Amended Budget	Projected	2017 to 2018	<b>Projected</b>
<b>GENERAL SERVICES</b>						
Expenditures						
Personnel	573,251	666,246	691,166	741,259	7%	<b>748,672</b>
Operations	56,461	57,284	57,150	57,650	1%	<b>57,650</b>
Capital Outlay	0	0	0	0	0%	<b>27,000</b>
<b>PW General Services Total</b>	<b>629,712</b>	<b>723,530</b>	<b>748,316</b>	<b>798,909</b>	<b>7%</b>	<b>833,322</b>

**Public Works General Services Personnel**

	2015	2016	2017	2018
	Actual	Actual	Budget	Projected
Positions				
Director	1	1	1	1
Assistant Director	1	1	1	1
Inspector	1	1	1	1
Administrative Assistant	2	3	3	3
Administrative Assistant (PT)	2	1	1	1
Courier	1	1	1	1
Construction Mgr.	1	1	1	1
Transportation Tech Senior	0	1	1	1
<b>Total Personnel</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>10</b>

**Major Accomplishments:**

1. Connected Beach District to Waterway District via Hwy 59 Sidewalks
2. Completed the environmental permitting process to expand the Waterway District North
3. Worked with City staff to complete Gulf Place Phase I Improvements project.
4. Improved the quality of life for residents by constructing new neighborhood sidewalks and added glass, florescent and electronic recycling.

		2016	2017	2018
<b>Goals:</b>	<b>Units</b>	<b>Actual</b>	<b>Budget</b>	<b>Target</b>
Materials Recycled	Tons	633	704	750
Transportation Improvements	Dollars	\$1,720,661	\$4,535,000	\$7,645,500
Sidewalks Constructed	Linear Feet	1,600	22,440	22,440
Streets Resurfaced	Miles	1.55	1.53	2.00
Streets Maintained	Miles	80.49	84.22	85.00

**Objectives:**

To achieve Vision 2025 goals by implementation of sustainability, transportation and quality of life projects.

**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

<b>PUBLIC WORKS CUSTODIAL</b>	2015	2016	2017 Amended	2018	% Change	2019
	Actual	Actual	Budget	Projected	2017 to 2018	Projected
Expenditures						
Personnel	562,042	477,012	457,385	488,650	7%	490,045
Operations	68,538	54,806	78,150	78,150	0%	78,150
Capital Outlay	0	42,777	22,500	0	-100%	27,000
<b>PW Custodial Total</b>	<b>630,580</b>	<b>574,595</b>	<b>558,035</b>	<b>566,800</b>	2%	<b>595,195</b>

**Public Works Custodial Personnel**

	2015	2016	2017	2018
	Actual	Actual	Budget	Projected
Positions				
Supervisor	1	1	1	1
Facility Maintenance Worker	6	7	6	6
Facility Maintenance Worker Sr	3	2	2	2
<b>Total Personnel</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>9</b>

**Major Accomplishments:**

1. Improved sustainability by replacing paper towel dispensers with hand dryers
2. Utilized "green" products to minimize chemical applications
3. Purchsed HEPA filter vacums to reduce allergens.
4. Purchased "metered" chemical dispenser to reduce chemical usage/waste.

<b>Goals:</b>	<b>Units</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	<b>2018 Target</b>
Reduced Paper Towel Usage	Cases	232	200	175
Reduced Chemical Usage	Gallons	130	100	90
City Events Supported	Each	34	44	54

**Objectives:**

Continue seeking out facilities where hand dryers are more practical.

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

**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

<b>PUBLIC WORKS</b>	2015	2016	2017	2018	% Change	2019
<b>LANDSCAPE</b>	Actual	Actual	Amended Budget	Projected	2017 to 2018	Projected
Expenditures						
Personnel	577,140	604,284	573,045	613,973	7%	<b>620,113</b>
Operations	123,009	117,150	137,700	163,700	19%	<b>163,700</b>
Capital Outlay	0	32,153	193,000	83,000	-57%	<b>122,000</b>
<b>PW Landscape Total</b>	<b>700,149</b>	<b>753,587</b>	<b>903,745</b>	<b>860,673</b>	-5%	<b>905,813</b>

**Public Works Landscape Personnel**

	2015	2016	2017	2018
Positions	Actual	Actual	Budget	Projected
Supervisor-Horticulture	1	1	1	1
Crew Leader	1	1	1	1
Landscape Worker Senior	4	4	4	4
Landscape Worker	3	4	4	4
<b>Total Personnel</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>10</b>

**Major Accomplishments:**

1. Improved quality of life for residents and visitors by re-landscaping the Hwy 59 sidewalks and rights-of-way.
2. Supported education by assisting with the construction of an additional green house for the High School.
3. Improved sustainability by replacing numerous landscape materials with less-water, consuming varieties.

<b>Goals:</b>	<b>Units</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	<b>2018 Target</b>
Annuals Planted	Each	36,288	42,260	50,000
Multi-Use Trails Maintained	Miles	10.50	13.50	17.50
Landscape Beds Maintained	SF	120,180	121,380	123,000
New Trees Planted	Each	55	70	95

**Objectives:**

To continue to enhance the quality of life and sustainability of the community by improving the landscaping and utilizing low-impact design methods.

**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

<b>PUBLIC WORKS</b>	2015	2016	2017	2018	% Change	<b>2019</b>
			Amended		2017 to	
<b>STREETS</b>	Actual	Actual	Budget	Projected	2018	<b>Projected</b>
Expenditures						
Personnel	1,056,854	1,084,091	1,074,401	1,165,672	8%	<b>1,177,329</b>
Operations	863,733	901,727	949,800	989,000	4%	<b>956,900</b>
Capital Outlay	876,330	575,368	663,000	871,500	31%	<b>1,066,000</b>
<b>PW Streets Total</b>	<b>2,796,917</b>	<b>2,561,186</b>	<b>2,687,201</b>	<b>3,026,172</b>	13%	<b>3,200,229</b>

**Public Works Streets Personnel**

	2015	2016	2017	2018	
Positions	Actual	Actual	Budget	Projected	
Supervisor-Streets	1	1	1	1	
Crew Leader	1	1	1	1	
Detail Maintenance Worker	0	1	1	1	
Equipment Oper I	8	7	7	7	
Equipment Oper II	3	3	3	3	
Equipment Oper III	5	5	5	5	
Recycle/Oper I	2	2	2	2	(2 Beach Funds)
<b>Total Personnel</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	

**Major Accomplishments:**

1. Expanded recycling opportunities to include glass, electronics and fluorescent bulbs.
2. Cleared and graded the Gulf Place Phase I site to save City thousands of dollars.
3. Assisted Landscape Division with Hwy 59 Sidewalk Improvements.
4. Expanded underbrush maintenance of the Ft. Morgan Bike Trail

<b>Goals:</b>	<b>Units</b>	2016	2017	2018
		<b>Actual</b>	<b>Budget</b>	<b>Target</b>
Drainage Ditches Cleaned	Linear Feet	24,625	32,500	35,000
Yard Debris Collected	Cubic Yards	26,822	27,714	29,000
Potholes Paved	Tons Asphalt	48	96	100
Mosquito Spraying	Acres	62,101	66,000	70,000

**Objectives:**

To continue to support various City projects and events to maximize budget savings while improving maintenance frequency of drainage and transportation infrastructure.

**The City of Gulf Shores, Alabama**  
**Fiscal Year 2018 Budget**

<b>PUBLIC WORKS MAINTENANCE</b>	2015	2016	2017 Amended Budget	2018 Projected	% Change 2017 to 2018	<b>2019 Projected</b>
Expenditures						
Personnel	709,985	543,237	612,803	675,364	10%	<b>682,118</b>
Operations	536,879	455,910	758,500	867,000	14%	<b>653,000</b>
Capital Outlay	0	8,888	5,000	40,000	700%	<b>40,000</b>
<b>PW Maintenance Total</b>	<b>1,246,864</b>	<b>1,008,035</b>	<b>1,376,303</b>	<b>1,582,364</b>	15%	<b>1,375,118</b>

**Public Works Maintenance Personnel**

	2015 Actual	2016 Actual	2017 Budget	2018 Projected
Positions				
Supervisor Maintenance	1	1	1	1
Facility Maintenance Tech	5	2	3	3
Vehicle/Equipment Mechanic	3	3	3	3
Detailer/Maintenance Worker	1	0	0	0
Facility Maint Tech-Cultural Ctr	1	0	0	0
Facility Maint Senior	1	1	1	1
Vehicle Maintenance Tech Sr	1	0	0	0
Fleet Manager	0	1	1	1
<b>Total Personnel</b>	<b>13</b>	<b>7</b>	<b>9</b>	<b>9</b>

**Major Accomplishments:**

1. Improved efficiency by performing more in-house repairs on vehicles with diagnostic equipment.
2. Improved quality of life for citizens and visitors by constructing comfort station at West 13th public beach access.
3. Improved sustainability by installing automatic light switches, replacing standard lights with LEDs and purchased Freon reclamation unit to contain greenhouse gasses.
4. Remodeled numerous City facilities.

<b>Goals:</b>	<b>Units</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	<b>2018 Target</b>
Energy Savings w/LED & Auto Switches	Dollars	3,766	12,048	33,000
LED Lights Installed	Each	183	513	1,000
Auto-Switches Installed	Each	0	27	60
Work Orders Completed	Each	1,433	1,602	1,800

**Objectives:**

Continue to improve quality of life for citizens and employees by remodeling existing City facilities while improving sustainability with energy saving retrofits.

**CITY OF GULF SHORES, ALABAMA  
EXPENDITURES BY CATEGORY  
PROJECTED BUDGET YEAR ENDING DECEMBER 31, 2019**

<b>Department</b>	<b>Personnel</b>	<b>Operations</b>	<b>Capital</b>	<b>Debt Service</b>	<b>Transfers</b>	<b>Total</b>
<b>General Fund:</b>						
Executive	859,118	805,975	20,000			1,685,093
Human Resources	238,547	102,650				341,197
Finance & Administrative Services	1,654,979	1,348,185	75,000			3,078,164
Municipal Court	406,015	13,290				419,305
Police	5,078,541	942,520	442,000			6,463,061
Fire & EMS	3,619,278	501,600	550,000			4,670,878
Community Development	357,810	120,410	-			478,220
Building	497,453	47,550	42,000			587,003
Recreation & Cultural Affairs	344,970	26,737	-			371,707
Special Events & Programs	369,521	371,849	-			741,370
Library	538,701	94,415	-			633,116
Recreation - Bodenhamer	1,625,244	404,796	-			2,030,040
Recreation - Sportsplex	709,359	471,135	-			1,180,494
Recreation - Parks	378,561	172,620	-			551,181
City Store	98,533	83,490	-			182,023
Public Works - General Services	748,672	57,650	27,000			833,322
Public Works - Custodial	490,045	78,150	27,000			595,195
Public Works - Landscaping	620,113	163,700	122,000			905,813
Public Works - Streets	1,177,329	956,900	1,066,000			3,200,229
Public Works - Maintenance	682,118	653,000	40,000			1,375,118
Airport Authority	136,839					136,839
Appropriations		247,500				247,500
Transfers Out					9,113,444	9,113,444
General Fund Totals	<u>20,631,745</u>	<u>7,664,122</u>	<u>2,411,000</u>	<u>0</u>	<u>9,113,444</u>	<u>39,820,311</u>
<b>Other Funds:</b>						
<b>Special Revenue</b>						
2% Lodging Tax - Transfer Out					2,950,651	2,950,651
Designated Taxes					455,000	455,000
Impact Fees			642,000			642,000
Capital Projects Taxable (Fund 42)			3,612,500			3,612,500
Beach Restoration & Projects	941,165	395,168	145,000			1,481,333
Debt Service**				4,397,598		4,397,598
Subtotal Other Funds	<u>941,165</u>	<u>395,168</u>	<u>4,399,500</u>	<u>4,397,598</u>	<u>3,405,651</u>	<u>13,539,082</u>
<b>Grand Total</b>	<b><u>21,572,910</u></b>	<b><u>8,059,290</u></b>	<b><u>6,810,500</u></b>	<b><u>4,397,598</u></b>	<b><u>12,519,095</u></b>	<b><u>53,359,393</u></b>

**Forecast Summary:**

Personnel expenses are projected to increase 1.6% from 2018 to 2019. Operating Expenses are projected to decline in 2019. Debt Service is projected to increase in 2019 by \$838,510 reflecting projected new borrowing for a line of credit of \$9 million for road construction projects. Capital expenses are projected to be \$6.8 million based on the 10 year capital plan, partially funded with borrowed funds.

Pages 90 and 91 contain the City of Gulf Shores Revenue, Expense and Reserve Funds usage projected from 2017 to 2027. 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 at 3% through 2027. Debt service is estimated at between \$5.1 to \$7.7 million annually, which may increase depending on the amount of long term debt issued in 2018 and 2019. Reserve targets are increased by 5% to 70% cash reserves to be maintained through 2027. The reserve projection is conservative as the City has currently reached reserves at 70% of General Fund Expenditures.

**Schedule 1  
City of Gulf Shores  
Operating Indicators by Function/Program  
Past 10 years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Building permits issued	572	459	422	385	566	589	657	610	586	782
Building inspections conducted	3,172	1,763	1,065	1,016	1,263	1,570	1,951	2,172	2,337	2,537
Business Licenses issued*	7,566	7,083	7,491	7,554	10,016	10,281	10,562	7,164	7,551	7,974
Police										
Physical arrests	1,558	1,604	1,423	1,394	1,527	1,387	1,602	1,280	1,510	2,048
Traffic violations	2,008	1,858	1,268	1,484	1,641	1,824	1,997	1,500	1,595	2,029
Officers	35	40	39	39	41	43	43	43	45	47
Fire										
Emergency responses*	-	2,108	2,280	2,307	2,790	2,785	2,972	2,903	3,073	3,146
Fires extinguished*	-	59	52	30	70	92	92	64	72	83
Inspections**	-	413	335	467	920	1,071	1,200	1,800	1,800	1,975
Full time staff	36	48	39	42	43	43	43	43	43	44
Part time staff	-	6	-	-	-	-	-	-	-	-
Volunteer Firefighters*	-	17	17	8	8	8	8	8	8	10
Public Works										
Street resurfacing (linear feet)	-	12,491	-	19,380	-	-	10,560	3,455	12,270	8,200
Sidewalks (linear feet)*										1,600
Bike Lanes (linear feet)*										780

\*Information not available for prior year(s)

\*\*2014 increase due to better data collection and the 2014 Inpection Ordinance

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

Function/Program	<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>	<u>2016</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	4	4	4	4	4	4	4	4	4	4
Parks and recreation*										
Football/Track Stadium		1	1	1	1	1	1	1	1	1
Softball/Baseball fields		15	15	15	15	15	15	15	15	15
Soccer field		1	1	1	1	1	1	1	1	1
Parks		8	8	8	8	8	8	8	8	8
Tennis Courts		18	18	18	18	18	18	18	18	18
Basketball Courts		2	2	2	2	2	2	3	3	5
Swimming Pool		1	1	1	1	1	1	1	1	1
Gymnasium		1	1	1	1	1	2	2	2	2
Transit - minibusses		5	5	5	5	5	5	5	5	5
Public Works										
Maintained Streets (miles)	62.89	63	64	65.05	67.22	69.27	69.27	74	74	75.67
Traffic Signals*		24	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	2,402

\*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
2016	11,689

**Per Capita Income**

	1979	1989	1999	2010	2015
Gulf Shores	7,761	17,414	24,356	28,522	31,877
State of Alabama	5,894	11,486	18,189	22,984	24,091

**Median Family Income**

	1989	1999	2010	2015
Gulf Shores	34,257	51,862	45,801	47,662
State of Alabama	28,688	41,657	42,081	43,623

Source: United States Bureau of the Census Quick Facts

**Schedule 4**  
**Unemployment Rates**

	2013	2014	2016
Baldwin County	5.80%	6.10%	5.40%
Alabama	6.44%	6.80%	5.98%

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

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

**Top Ten**

Rank	Employer	Employees
1	The Hangout	725
2	Hangout Music Festival	500
3	LuLu's Landing, Inc.	490
4	Waterville	320
5	City of Gulf Shores	265
6	Wal-Mart	260
7	Gulf Shores Public Schools	245
8	Rouse's Enterprises	165
9	Publix Alabama	145
10	The Track Family Recreation	110

**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
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
2016	2,823,961	566,085,720
		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
<b>Total</b>		<b>33 Mills</b>

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

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

<u>Taxpayer</u>	<u>2016</u>			<u>2006</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Baldwin Co Electric	\$ 6,842,300	1	1.21%	\$ 6,878,100	4	1.10%
Mid-America Apartments LP FKA C	5,690,780	2	1.01%			
The Links at Gulf Shores	4,412,260	3	0.78%			
The Links at Gulf Shores LP	4,212,660	4	0.74%			
Villas at Bon Secour Owner LLC	3,125,320	5	0.55%			
Walmart Real Estate Business Trust	2,711,220	6	0.48%	\$ 4,642,120	7	0.74%
21300 Sweetwater LLC	2,617,080	7	0.46%			
Phoenix Gulf Shores LLC	2,588,800	8	0.46%			
Beach Place Development LLC	2,508,260	9	0.44%			
Howard Resort Inns Inc	2,158,940	10	0.38%	5,121,220	6	0.82%
East Beach Development	-		-	14,162,780	1	2.26%
Holiday Development LLC	-		-	7,992,620	2	1.27%
Seawind Development Co LLC	-		-	7,725,140	3	1.23%
Crystal Shores West LLC	-		-	5,880,000	5	0.94%
JCL Investments LLC	-		-	4,242,920	8	0.68%
Colonial Properties Services Inc	-		-	3,719,640	9	0.59%
Robinson, William T Jr Etal Brett	-		-	3,471,000	10	0.55%
<b>Total</b>	<b>\$ 566,085,720</b>		<b>6.51%</b>	<b>\$ 627,037,700</b>		<b>10.18%</b>

Source: Baldwin County Revenue Commissioner's Office.

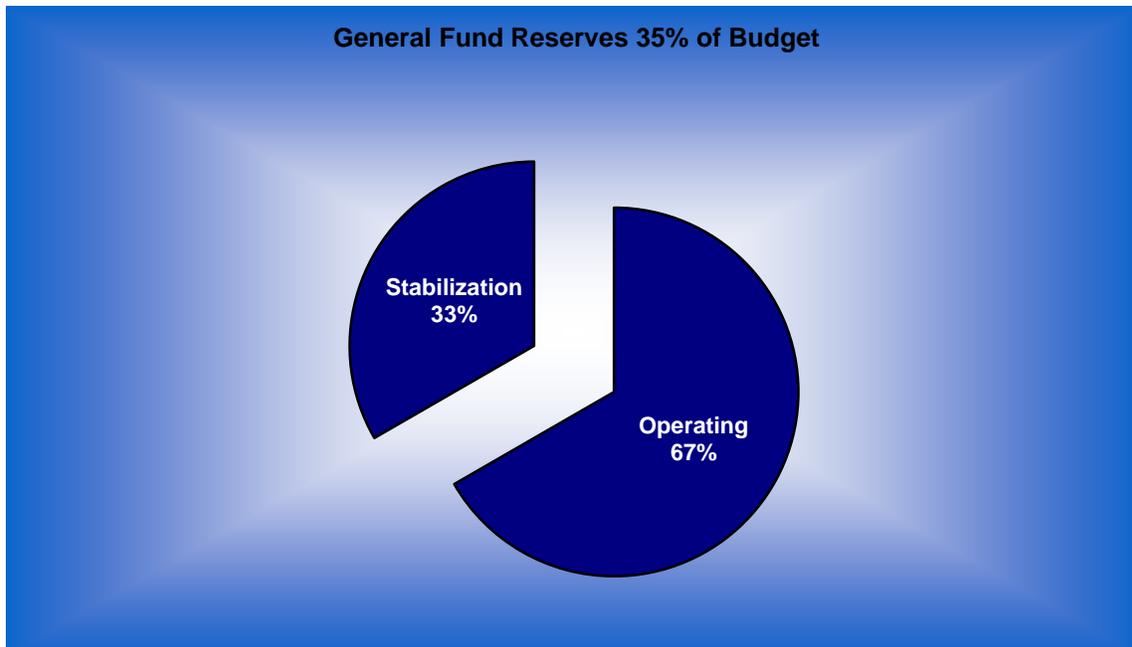
**CITY OF GULF SHORES  
FINANCIAL POLICIES  
NOVEMBER 2017**

**FINANCIAL PLANNING POLICIES**

**Fund Balance Reserve Account – Stabilization and Operating Funds**

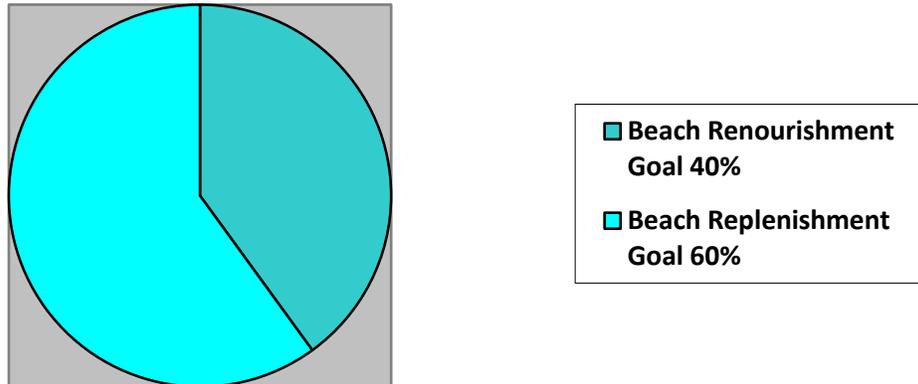
The City of Gulf Shores will build through prudent financial management a cash reserve equal to thirty-five percent of the General Fund Operating Budget. The General Fund Stabilization Reserve will enable the city to withstand fluctuations in tourism revenue streams related to the nearby travel industry 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 2018 the total General Fund Reserves target is \$13,565,206 equivalent to thirty-five percent of the \$38,757,732 budget. Operating reserves target for 2018 is \$8,953,036 (2/3 of target) and Stabilization Funds target is \$4,612,170 (1/3).



A Beach Replenishment Reserve Fund target of thirty-five percent of the General Fund budget for 2018 would be \$13,565,206.

## Beach Reserves Goal 35% of Budget



### Operating/Capital Expenditure Accountability

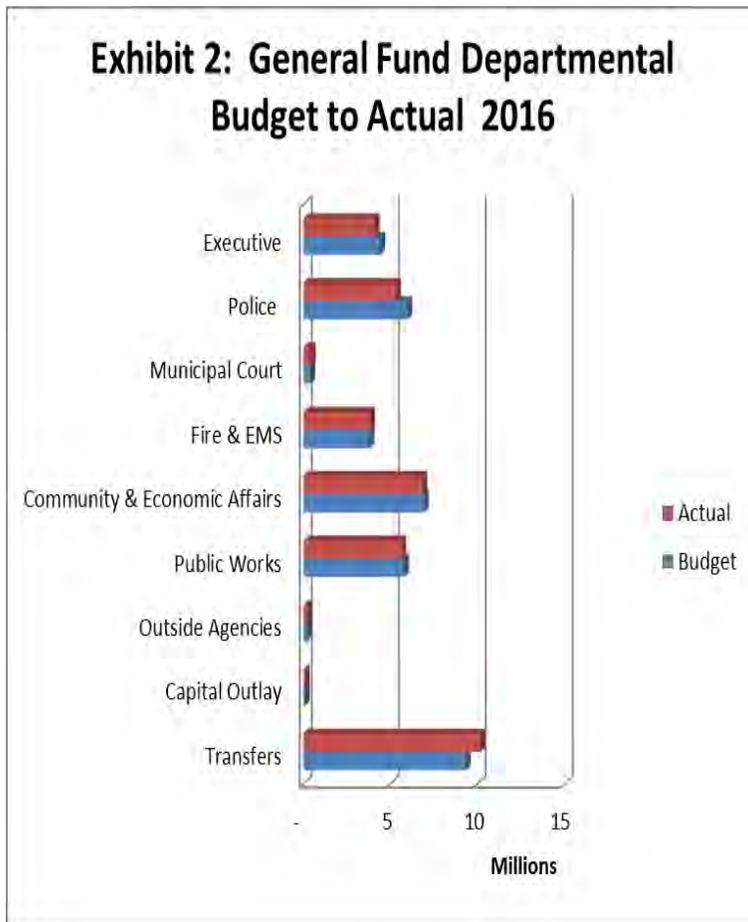
Actual expenditures to budget are compared on a monthly basis. The City Council Finance Committee receives a summary report quarterly of revenues and expenditures compared to budget and the City Administrator receives a detailed report monthly. Department heads are responsible for monitoring their own 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) 27% of expenditures; Operating Transfers for Debt Service at 28%; Public Works at 15%; Recreation and Cultural Affairs 16.2%; and City Hall (Executive, Human Resources, Finance and Administration) at 11.15%. Building and Planning and Zoning comprise 2.4% of General Fund expense. Capital Outlay comprise .2%

The following table and graph are expenditures by category compared to budget for the most recent fiscal year end 2016.

General Fund Departmental Budget to Actual 2016

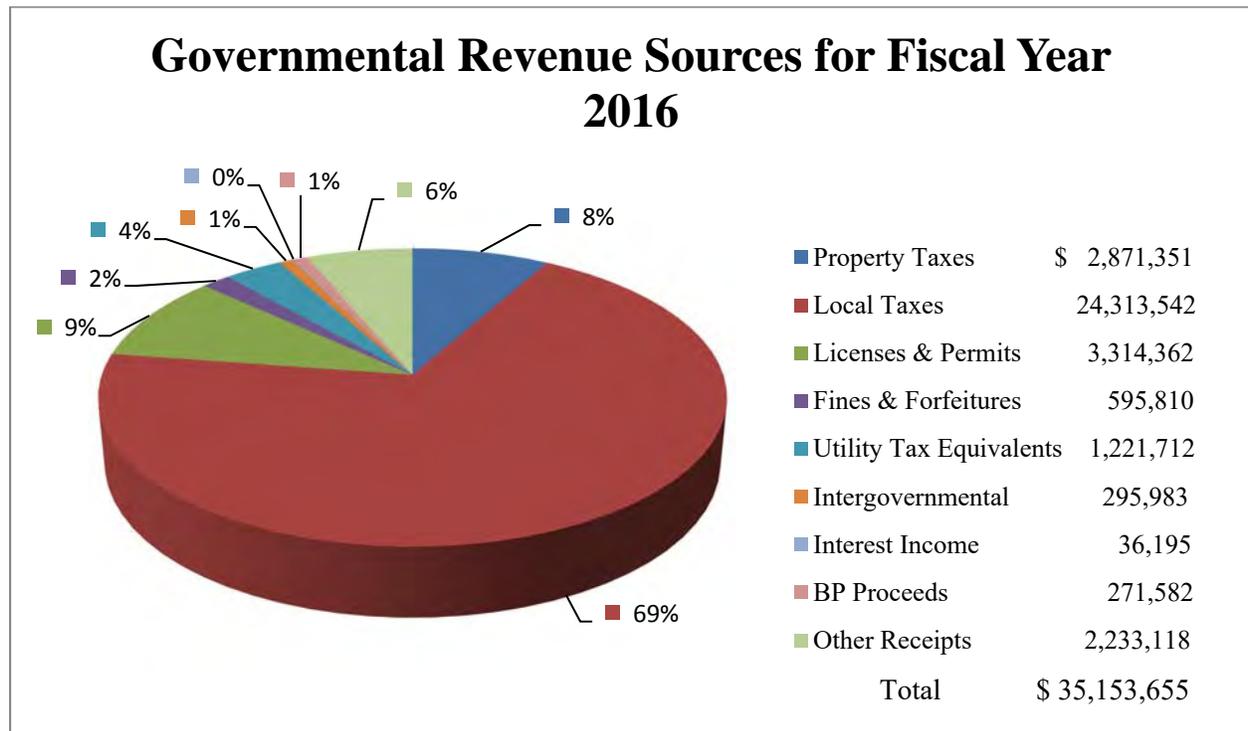
	<u>Budget</u>	<u>Actual</u>	<u>% of total expenses</u>
Transfers	9,347,280	10,168,220	28%
Capital Outlay	85,000	84,408	0%
Outside Agencies	227,500	220,233	1%
Public Works	5,789,299	5,620,933	15%
Community & Economic Affairs	6,922,513	6,834,146	19%
Fire & EMS	3,806,449	3,848,350	11%
Municipal Court	400,702	433,340	1%
Police	5,976,355	5,323,689	15%
Executive	4,421,075	4,089,941	11%
<b>Total</b>	<u>36,976,173</u>	<u>36,623,260</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-nine percent of General Fund Revenues. Licenses and Permits are nine percent of General Fund Revenues. Other City tax revenues include Fines/Forfeiture at two percent; Business License Fees at six percent; Intergovernmental Income at one percent; and Other Receipts/Financing Sources at six 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 2016.



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 2017. 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 2018 City debt service is budgeted at 5.8 % of total expenditures and 9.2% 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, 2017 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:

	<b><u>BOND RATING</u></b>		
	<b>Final Payment</b>	<b>Moody’s</b>	<b>S&amp;P</b>
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, 2017, was \$616,090,320 resulting in a debt limit of \$123,218,064.

The City’s total principal amount of long term indebtedness at December 31, 2017, will be \$40,058,308. Currently there is \$6.2 million in short-term debt that will be replaced with long-term debt in a future debt issue. Based on the debt limit of \$123,218,064, the City could hereafter issue up to approximately \$83,159,756 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 2016 population of the City of 11,689 the annual G.O. long term debt per capita for outstanding debt is \$3,427. 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 on-going 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 2018 personnel expenses are budgeted at 52.5% 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

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

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

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

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

**Appraised Value:** The anticipated fair market value of property.

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

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

#### B

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

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

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

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

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

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

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

## Defining Terms

### Glossary

#### C

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

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

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

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

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

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

**Capital Outlay:** Expenditures for the acquisition of capital assets.

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

#### D

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

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

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

#### E

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

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

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

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

## Defining Terms

### Glossary

#### F

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

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

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

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

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

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

#### G

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

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

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

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

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

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

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

## Defining Terms

### Glossary

#### H

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

#### I

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

**Interest Income:** Revenue generated from city investments.

#### J

#### K

#### L

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

#### M

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

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

#### N

#### O

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

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

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

#### P

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

## Defining Terms

### **Glossary**

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

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

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

### **Q**

### **R**

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

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

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

### **S**

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

### **T**

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

### **U**

### **V**

### **W**

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

### **X**

### **Y**

### **Z**