

City of Gulf Shores, Alabama

ANNUAL FINANCIAL BUDGET

For Fiscal Year Ending December 31, 2019

Prepared by: Finance and Administrative Services Department



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



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CITY OF GULF SHORES, ALABAMA
2019 Budget
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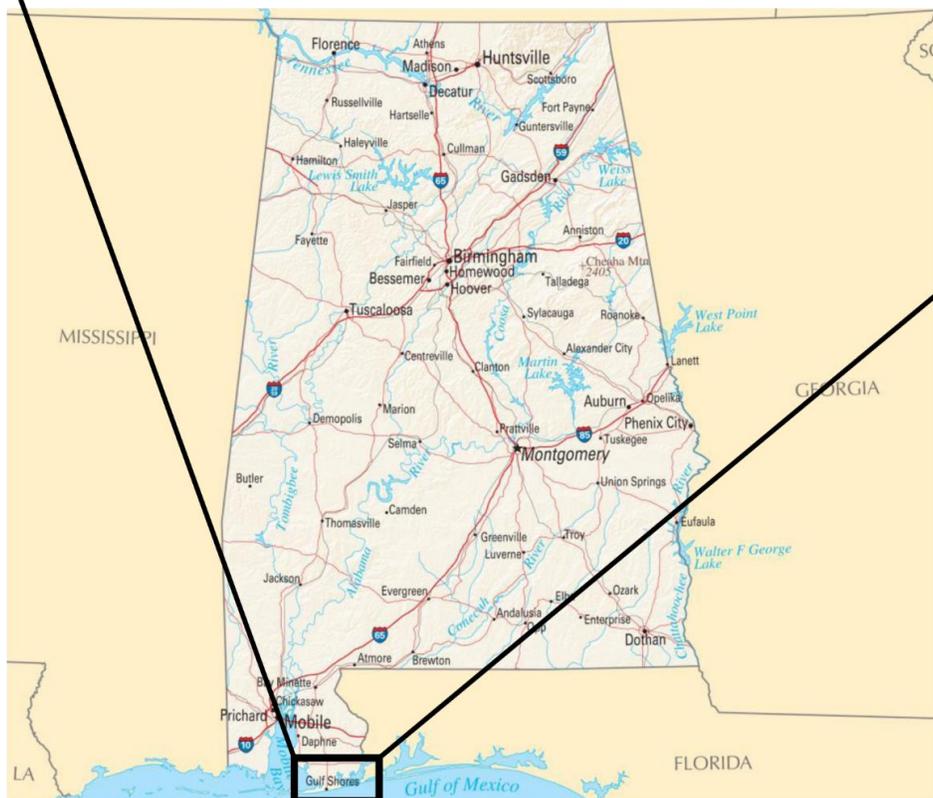
City of Gulf Shores, Alabama Mayor and Council

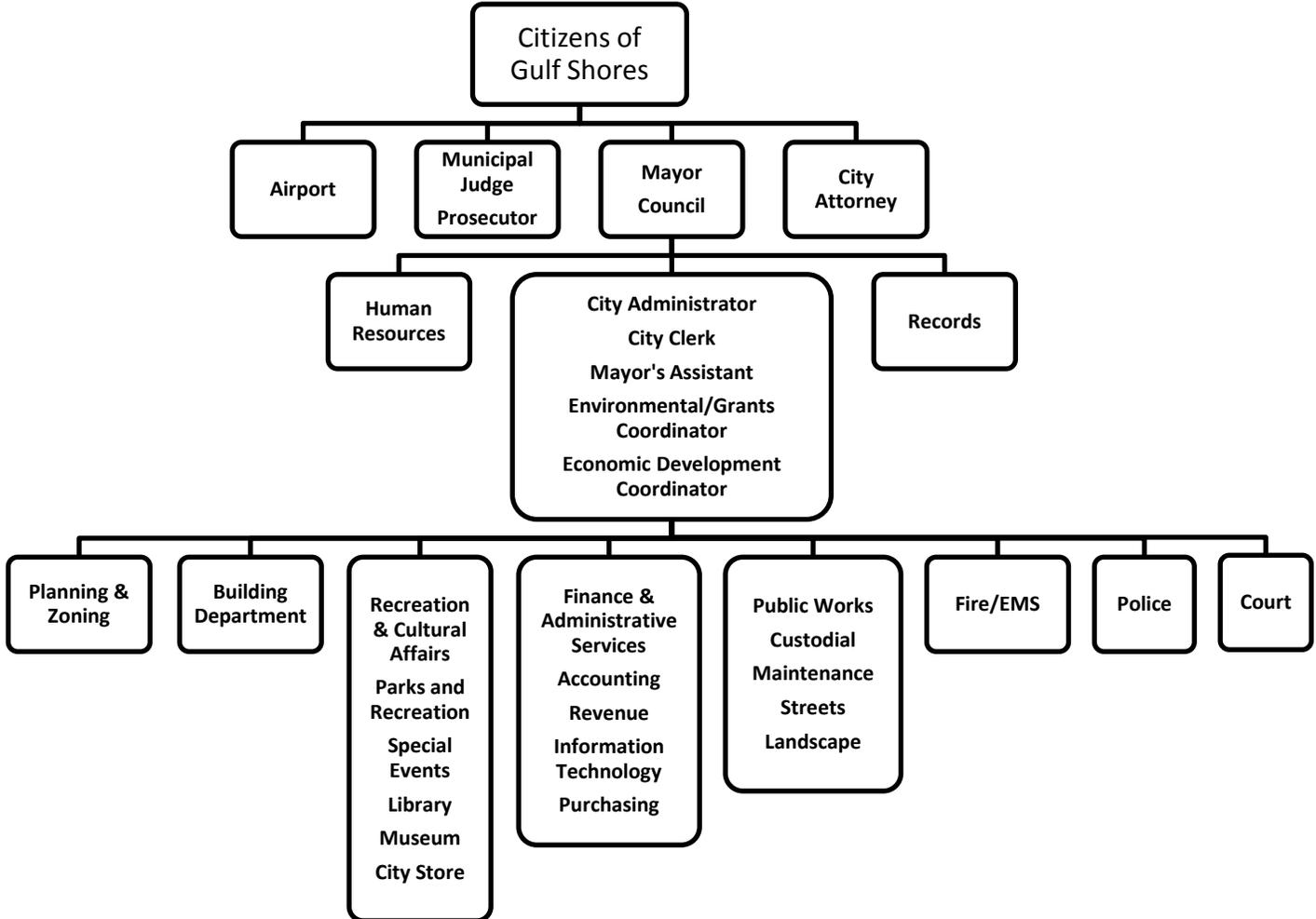


Left to Right Standing: Joe Garris, Stephen E. Jones, Jason Dyken, Gary Sinak
Left to Right Seated: Philip Harris, Robert Craft, Mayor

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, 2018

Christopher P. Morill

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, 2018 for the budget document created by the City. In order to receive the award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

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

RESOLUTION NO.
A RESOLUTION ADOPTING
CITY OF GULF SHORES
2019 BUDGET

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GULF SHORES, ALABAMA, WHILE IN REGULAR SESSION ON November 26th, 2018 as follows:

Section 1. That the City of Gulf Shores 2019 Budget be adopted for the City of Gulf Shores, Alabama, for Fiscal Year 2019 beginning January 1, 2019 and ending December 31, 2019.

GENERAL FUND BUDGET SUMMARY 2019
(JANUARY 1, 2019 THROUGH DECEMBER 31, 2019)

TOTAL REVENUES GENERAL FUND \$43,457,939

EXPENDITURES:

Executive	\$ 1,645,892	
Human Resources	707,698	
Finance & Administrative Svcs	2,764,429	
Municipal Court	410,402	
Police	6,043,726	
Fire & EMS	4,507,047	
Planning & Development	556,532	
Building	611,765	
Recreation & Cultural Affairs	398,114	
Events & Programs	817,923	
Library	640,522	
Recreation-Rec & Wellness	2,149,446	
Recreation-Sportsplex	1,197,324	
Recreation-Parks	590,149	
Recreation-City Store	174,849	
Public Works:		
General Services	883,879	
Public Facilities-Custodial	579,952	
Public Facilities-Landscaping	904,272	
Streets	2,620,087	
Maintenance	1,391,592	
Airport Authority	142,067	
Outside Agencies	<u>2,310,000</u>	
SUBTOTAL OPERATIONS		\$32,047,667
Capital Outlay		
Executive Capital	200,000	
Police – Capital Outlay	231,800	
Fire – Capital Outlay	150,000	
Building – Capital Outlay	42,000	
Recreation Sportsplex	128,000	
Recreation Parks	18,000	
Public Works Capital:		
Landscaping	111,000	
Streets	668,000	
General Services	<u>36,000</u>	
SUBTOTAL CAPITAL		\$1,584,800

Operating Transfers Out	<u>\$9,162,078</u>	
Total General Fund Expenses		<u>\$42,794,545</u>
Budget Carry Forward General Fund		<u>\$ 663,394</u>

**OTHER FUND BUDGET SUMMARY 2019
(JANUARY 1, 2019 THROUGH DECEMBER 31, 2019)**

	REVENUE	EXPENDITURE	
Special Revenue			
2% Lodging Tax Revenue	3,290,000		
Transfer to General Fund		2,714,278	
Transfer to Beach Restoration		55,000	
Transfer to Beach Fund		<u>520,722</u>	
Total 2% Lodging Tax Expenses			<u>\$3,290,000</u>
Budget Carry Forward 2% Lodging			\$0
Police & Fire Related Grants			
Police and Fire	465,000		
Transfer to General		470,000	
Muni Court Exps		<u>45,000</u>	
SUBTOTAL			<u>515,000</u>
Budget Carry Forward Police & Fire			\$ (50,000)
Impact Fees Fund			
Impact Fees Revenue	931,950		
Recreation		440,000	
Public Works		300,000	
Police		95,450	
Fire		<u>95,000</u>	
SUBTOTAL			<u>\$930,450</u>
Budget Carry Forward Impact Fees			\$1,500
Beach Restoration & Projects Fund			
Transfer from 2% Ldg Tax	575,722		
Recycling Revenue	85,000		
Parking Fees	600,000		
Grant-ADEM Recycling Program	<u>178,604</u>		
SUBTOTAL	1,439,326		
Beach Monitoring, Trapping & Dunes		23,000	
Executive		50,000	
Police		293,758	
Fire – Beach		638,761	
Public Works – Streets		227,703	
Capital Outlay		<u>284,604</u>	
Total Beach Restoration & Projects			<u>\$1,517,826</u>
Budget Carry Forward Beach R & P			\$ (78,500)
Capital Improvements Fund			
Contributions – Sidewalk/Bikeway	30,000		
Transfer to 2014 GO fund		30,000	

Storm Damage Fund

Transfer from General Fund	23,078		
Parks, Recreation & Other (G)		<u>53,000</u>	
Budget Carry Forward Storm Damage			<u>\$(29,922)</u>

2014 GO Warrant Fund

Expense ONLY			
Capital Outlay – 2018 Fire Trucks		900,000	
Budget Carry Forward 2014 GO			<u>(\$900,000)</u>

2016 Taxable Line of Credit (LOC)

Proceeds from 2016 Taxable LOC	3,145,000		
Gulf Place Phase III, Equipment		2,695,000	
Contract/Consulting Services		<u>450,000</u>	
		3,145,000	

Debt Service Fund

Transfers/Rent	5,850,000		
Bond Payments		5,850,000	

2018 GO Warrants

Match/Proceeds from 2018 Warrants	11,258,562		
Capital Outlay Projects		11,258,562	

Public Education Building Authority Fund

Budget Carryforward Public Ed	609,050		\$609,050
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Total All Funds Revenue **70,499,905**

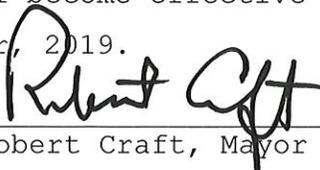
Total All Funds Expense **70,284,383**

Budget Carry Forward:

General Fund Budget	\$ 663,394
Police & Fire Grants	(50,000)
Impact Fees Fund	1,500
Beach Restoration & Projects Fund	(78,500)
Storm Damage Fund	(29,922)
2014 GO Warrant Fund	(900,000)
Public Education Building Authority	<u>609,050</u>
Budget Carry Forward	<u>\$ 215,522</u>

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

ADOPTED this 26th day of November, 2019.



Robert Craft, Mayor



Wanda K. Paris, MMC
City Clerk



November 27, 2018

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

RE: 2019 BUDGET MESSAGE

On behalf of the City of Gulf Shores government staff, we are pleased to deliver the Fiscal Year 2019 Budget for the City of Gulf Shores, Alabama for the period beginning January 1, 2019 and ending December 31, 2019. 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

2018 Successes:

Reserves – Increased General Fund Reserves to 70% from the prior year financial policy target of 65%.

Debt – In 2018 two debt issuances were made. One of the 2018 debt issues was taxable for \$15,260,000 and advance payments totaling \$10,292,810 on the 2016 Line of Credit and \$2,654,338 on a nontaxable warrant were made. The advance payments repaid the 2016 Line of Credit for work on the Gulf Place redesign and the purchase of a medical building. The 2016 long term ten year taxable line of credit of \$13.5 million was originally issued primarily to facilitate construction of the Gulf Place redesign. Council approved advance payments on the 2016 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. The \$2,654,338 payment on the 2014 nontaxable warrant were for prior year land purchases at the Airport and for a possible future educational facility.

The second 2018 debt issue was nontaxable for \$25 million and \$3,432,491 was used to pay on a 2014 nontaxable line used primarily for transportation projects. The remaining funds of \$21,567,509 will be used for city-wide transportation improvement projects planned for four years starting in 2018 and scheduled for completion by 2021. Debt Service payments on the \$25 million 2018 nontaxable issue are approximately \$1.75 million annually and are covered by the 2% Lodging Tax increase of 2018. The Lodging Tax was increased by 2% beginning in May 2018 to fund new transportation projects identified in the Ten Year Capital Plan.

Airport Authority – In 2018 the Airport Authority completed the third 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 2018 accomplishments were:

- Worked with the Baldwin County Economic Development Alliance and the City to secure the relocation of Resicum/AeroPro to Gulf Shores – providing major repair and overhaul, charter and flight instruction services, to construct over 22,000 of square feet hangar facilities at Horak Complex (new airport apron).
- Completed development of new airport web site and new identity (FLYJKA.com), specializing in business development and pilot services.
- Secured new tenant Southern Sky Aviation – a maintenance, repair and overhaul firm specializing in airline maintenance and air charter.
- Secured new tenant JetWinds, LLC – construction of a new 10,000 SF aircraft hangar in the Southwest corporate hangar area.
- Secured new tenant Gulf Shores Power Sports, LLC – construction of a new 8,100 SF aircraft hangar in the Southwest corporate hangar area.
- Saw the completion of two new facilities by Gulf Air Center totaling 34,740 sf of new hangar storage, both leased up 100% within days of project completion.
- Joined forces with BCEDA and Mobile Chamber of Commerce to exhibit at MRO Conference Americas, touting the Aerospace opportunities for the region.

- Began re-branding effort to create an effective advertising campaign to encourage new industry to move here and worked with BCEDA on “Business where you Beach” campaign of which Resicum is a prime example.
- Added M & B Holdings as a new operator to existing airport facilities.
- Completed replacement of Runway 9-27 lighting system under budget and under contracted amount, and installed pilot controlled lighting reducing airport utility costs by \$12,000 per year.
- Submitted proposal and was awarded the 2018 Regional Fly-in by Aircraft Owners and Pilots Association to be held in October 2018.
- Instituted App 139 GIS Airport Inspection and Maintenance System to provide digital, work orders, and records covering, grounds, pavement, lighting, fuel storage and vehicles, systems and Wildlife Management in order to comply with commercial service requirements.
- Worked with Fire Department to obtain full certification of firefighters for air carrier and federally required training for commercial service operations.
- Instituted on-going airport employee training program through Airport Digicast, American Association of Airport Executives, as required for commercial service.
- Obtained \$150,000 grant from FAA and ALDOT for reimbursement to City for drainage improvements and remarking of airport runways and taxiways.
- Obtained donated aircraft for fire department training activities on airport.
- Completed pressure washing of Runway 9/27 Markings and Southwest taxiway areas, \$10,000 project

Beach Operations and Recycling Program – 2018 Beach Operations proved to be another successful year. This is the third 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 continue to work with Fish and Wildlife Environmental programs to help protect nesting Sea Turtles. Eliminating challenges for Sea Turtles and removing of all debris nightly has proven to be a positive impact on nesting turtles. In 2018 ten tons of material was collected and discarded overnight from the beach and dramatically decreased from prior years.

In 2017 Residential Recycling, Community Recycling Drop off and Beach Side recycling totaled 800 Tons of Material. In 2018 Recycling has increased to over 1,000 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. Recycling for 2019 is anticipated to grow to over 1,200 tons.

Benefit Cost Controls – For the 2017 year the City had 70% of all City-insured employees and their spouses (301 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 2018, 96% of the City employees, 76% of their spouses and 58% of their dependents

utilized the clinic producing a total of 1,792 clinic visits. These “redirected” visits resulted in a total savings of \$195,282 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 17 employees participated including one who completed the full triathlon. A total of 20 employees completed the Zydeco Festival 5K run/walk.

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 2018 were the expansion of Studio Fitness rooms & programs and 21st Century Grant funding of youth educational summer programs and camps in cooperation with Gulf Shores Schools. 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 \$113.8 million were issued for FY 2017 which was 27.5% more than the amount issued in 2016. The City successfully recruited Resicum International to locate its headquarters and a new aerospace MRO facility at Jack Edwards National Airport which will bring highly-skilled, diversified jobs with an annual payroll well over \$1 million. The City announced a public-private partnership to develop an \$85 million mixed-use project which will include a 229-room Embassy Suites hotel across from the newly revitalized Gulf Place beachfront. The City expanded its workforce development partnership with the City of Mobile by connecting well over 100 young people from the Mobile area with summer employment opportunities with local businesses. This successful partnership provides participants with valuable on-the-job training and helps fill critical positions for local businesses.

Education - Auburn University completed construction of 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 newly created Gulf Shores City School System hired a School Superintendent to facilitate enhanced 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 II- The City’s most prominent stretch of beach front property at the junction of Highway 59 and Beach Boulevard was transformed with the completion of Phase II of the Gulf Place Revitalization Project. 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 2 was awarded for \$4,670,868. Construction began in September 2017 and was completed April 1, 2018. Phase 2 included 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. It provided 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.

Information Technology –At the end of 2017 the City had installed and was managing 122 surveillance cameras throughout the city. In 2018, IT added 25 additional cameras to include locations at Meyer Park, Canal Park, Lagoon Pass, the Skate Park, Sims Park, and the new Beach Safety Building.

Recreation Capital Improvement Projects – Major capital improvement projects for recreation were undertaken in 2018 that will benefit the City residents:

- Johnnie Sims Park – Constructed baseball/softball dugouts, bleacher areas and installed new fence.
- Bodenhamer Recreation Center – Installed new saunas, updated restrooms, new flooring, and renovated pool house.
- Gulf Shores Sportsplex – Painted the baseball/softball complex, installed road side fence and entrance gates.
- Gulf Shores Dog Park – Upgraded park seating and installed new pet drinking fountains.

The City continues to expand its foothold in the sports tourism market, hosting 71 significant events in 2018.

Transportation - Completed two miles of 8 foot wide sidewalks along both sides of State Hwy 182. The sidewalks & bike paths are located along our highest density beachfront properties and connect our beachfront visitors to the various businesses and attractions while providing an alternate to motor vehicles. Public Works also installed landscape buffers between the bike lanes and sidewalks to provide an aesthetically pleasing, safe, handicap accessible, recreational pathway. We completed design and bidding to widen Coastal Gateway Boulevard; a 5-lane highway that has become a major gateway into the City and is a complete street with sidewalks, bike lanes and lighting. Worked with Economic Development to obtain an Industrial Access Grant to construct additional roadways to support new business and employment opportunities. Replaced Windmill Ridge Road bridge deck and added an 8' sidewalk to the Bayou Village Bridge.

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 2018 the City hosted the fourth annual Zydeco Festival and a series of Saturday

Art Markets to encourage a less-beach-dependent economy and long-term growth of other business sectors.

The City agreed in 2018 to provide up to \$1 million for a Zoo operating reserve contingent upon the Zoo's construction completion in February 2020.

2019 Priorities:

General Fund Reserves – The Fiscal Year 2019 Budget proposes to budget an additional \$3 million to continue 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 2019 Budget proposes an operations increase of \$495,505 or 3.82%.

City School System – The Fiscal Year 2019 Budget proposes to allocate \$2 million City appropriation towards operation of a Gulf Shores City School System. Enhancing education was identified as a top priority in Vision 2025. The 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. It is anticipated the separation agreement will come into effect June 2019 and the Gulf Shores School System will operate independently of the Baldwin County Board of Education.

Debt – Continue to reduce outstanding debt in 2019 for outstanding long term debt including payments for a 2018 taxable issue of \$15 million and a nontaxable issue of \$25 million.

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. Police Impact Fees will offset the expense of one of the vehicles. Street Resurfacing funds of \$800,000 are budgeted with \$300,000 of the resurfacing funds coming from Impact Fees. Replacement vehicles/equipment of \$315,000 are budgeted for Public Works in the General Fund. Recreation and Cultural Affairs improvements will be paid with \$410,000 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. Also, to encourage and facilitate new private development in the Beach Area and Waterway Districts. Actively support 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 III – Will include completion of the east portion of the 20 foot wide boardwalk, additional restrooms and a Public Safety Facility for Police operations. This last phase of the redevelopment of Gulf Place 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 – Help facilitate new Police camera system and store to the cloud for longer retention periods for investigations. Actively recruit and continue to seek Franchisee(s) to expand and enhance internet services for commercial and residential users throughout the City. Expand fiber backbone to Meyer Park, City Boat Launch, Lagoon Pass, and new Lifeguard Office at 2nd Street.

Recreation Projects - Upgrades and renovations to City properties of \$490,000 are budgeted to benefit both residents and visitors:

- High Jump at Sportsplex Improvements
- Bodenhamer Pool Deck Resurface
- Dog Park Expansion
- Civic Center Doors Replacement
- Sportsplex Shade Structures
- Meyer Park Improvements

Transportation – Numerous transportation projects are planned for 2019 with \$8 million City match funds including:

- Beach Boulevard Pedestrian and Median Improvements
- Beach Walking District Improvements
- Coastal Gateway Boulevard Improvements

Street resurfacing funds of \$500,000 are budgeted from the General Fund and \$300,000 from Impact Fees.

Additional Positions 2019 (Ten Full-time, One Part-time):

Building – Add one Building and Environmental Inspector I due to increased construction volume. The position is offset with Rental Inspection Fees revenue.

Fire and Rescue – Fire Department successfully applied for and received a Firefighter/EMT SAFER Grant which will fund 6 Firefighter/EMTs at 80% federal funding for the first year (2019) and additional federal funding for years two and three.

Police – One additional patrol officer is recommended to adequately meet additional demands.

Planning & Zoning – Add the Director of Planning and Community Development position to be responsible for comprehensive planning, community development redevelopment, and overall City strategic planning.

Recreation & Wellness – Add one part-time lifeguard to assist with aquatic programs in the summer and the necessity for additional safety personnel to accommodate expanding participant levels. Position cost will be offset by revenues from the summer swim team, group swim lessons, water aerobics and safety courses.

Public Works – One Traffic Technician to assist with the maintenance of traffic signals due to the expansion of adaptive signals from 14 to 20 and to have 24 hours/7 days support coverage.

Personnel Expenses – While the City continues to maintain personnel costs at 51% of budget, which is customarily between 60 to 75% for localities, the FY2019 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 2019 Budget proposes to budget \$396,600 for merit increases of 1.5% for above average to 2.5% for highest performing City employees at their anniversary dates in 2018 and \$162,100 for a 2% Wage Index Adjustment effective the first full pay period January, 2019 for employees scoring satisfactory on their 2018 performance reviews. The 2019 Budget also includes \$40,000 for an updated personnel compensation study.

Space Utilization Study – \$100,000 for City Hall complex including Police/Jail facility.

Budget Adoption

This budget was formally adopted by the City Council on November 26th, 2018 and establishes a fiscal plan for the City's Fiscal Year January 1 to December 31, 2019. 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 12th and was finalized with adoption of the 2019 Budget by Council November 26th, 2018. The Finance Committee met regularly during the year to review ongoing 2018 Budget expenditures compared to budget, progress towards achieving set revenue targets, and accomplishment of the City's Financial Goals formally adopted in 2010 and updated annually beginning with the 2015 Budget. The City Council increased its General Fund Reserves from 65% to 70% at the close of Fiscal Year 2018. The 2019 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 2019 updated Financial Policy adopted is included later in this budget document.

Budget Preparation Instructions given to Department Heads July 23th, 2018 at the start of the budget process provided guidelines consistent with the adopted Financial Policies. Budget Expenditure

Requests for 2019, should not exceed 2018 budgeted amounts, since the City will include additional debt service requirements for new debt issued in 2018 and continuing allocations for the City School system.

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 2019 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 2019. Also included by department are historical, current, and future financial data and staffing by department.

Current Fiscal Condition

At the close of 2018, the City is projected to exceed the overall financial reserve target of 70% of budget or \$26.8 million comprised of \$13.4 million for the General Fund and \$13.4 million for Beach Reserves. Sales Tax collections through September 2018 increased by 6.2% over the record levels of the prior boom year. Lodging Tax collections were up 7% over the same time period of the prior year. Building permits are projected to be slightly higher than 2017.

The City continues to thrive economically, even more so with the increase in the national economic activity. 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 continues to expand 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 completed construction of a 25,000 square foot Veterinary Surgical Facility combined with a Cooperative Extension Service Office off Coastal Gateway Boulevard and the Foley Beach Express in 2018.

A new education campus is planned at the intersection of Coastal Gateway Boulevard 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 2018. Noteworthy in 2018 was the City's presentation of the third 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 2019 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 14th, 2016. The purpose of the Strategic Plan includes:

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

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

The Strategic Plan 2015 – 2019 Laying the Foundation for 2025 is included in its entirety and updated for progress to date 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. Coastal Gateway Boulevard (renamed Coastal Gateway in 2018) was accepted as a City roadway
 - b. An at-grade/signalized intersection will be completed at Coastal Gateway
 - c. County Road 4/Cotton Creek Bridge improvements were 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. In 2018, the City bought the former Sacred Heart Medical Facility for a potential free standing Emergency Department and Hospital. The City goal is to negotiate and secure tenants to operate a freestanding Emergency Department as well as expanded medical office space for specialists.

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 (Coastal Gateway Boulevard) acceptance as a City roadway
 - b. An at grade/signalized intersection will be completed at Coastal Gateway
 - 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 was completed in 2018.
2. The City Council assembled approximately 225 acres at the intersection of Coastal Gateway Boulevard and the Foley Beach Express for a public education facility recruitment and location. Construction was completed in 2018 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 2020, the City will construct a new roadway extension linking the Business and Aviation Park and Waterway East Boulevard to Cotton Creek Drive and the Foley Beach Express.

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

WATERWAY DISTRICT – STRATEGIC PLAN STRATEGIES

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

WATERWAY VILLAGE – Accomplishments

1. City staff 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. BUILD 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 and were completed in 2018.
 - Enhancements in the Gulf State Park will invite locals and visitors to become ambassadors for the Alabama Gulf Coast. RESTORE Grant funds were received by the Gulf State Park for an interpretive learning center.
 - 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 2018.

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 the Intracoastal Waterway
 - c. The development of the proposed East Beach Boulevard bypass

GULF STATE PARK – Accomplishments

1. The State of Alabama completed construction of a 350 room Hilton-branded lodge, 180 seat restaurant and 40,000 square foot conference facility that is scheduled to open fall 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 2019, 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.

In 2018, the City of Gulf Shores completed 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 completed Phase II of the Gulf Place Revitalization Project which transformed 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. In 2018, the City entered 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 resulted in cleaner, safer and more environmentally-friendly beaches for residents and visitors to enjoy. The City secured grants and

constructed new beach access facilities at West 10th and West 12th Streets. Also in 2016, the City Council adopted a new Gulf Place Master Plan and the first phase of construction is completed.

3. In 2018, 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 was completed in conjunction with ALDOT resurfacing in fall 2017/winter 2018.

Short-Term Goals/Factors Impacting Budget Development

The City's bond rating of Aa2 was reaffirmed November 2018 in Moody's Rating Agency Annual Issuer Comment Report and by Standard & Poor's (S&P) April 2018 Ratings Direct Report as AA+/Stable. The Council will continue to pay off short term debt as quickly as possible. Increased Sales, Lodging Tax, and Building Permit Collections in 2018 has enabled the City to remain very secure financially.

Short-term expenditure issues impacting the City budget in 2019 were the issuance of new debt in 2018 causing debt service to double from \$3 million to \$6 million with the issuance of the long term debt and the Council commitment to designate another \$2 million for the Gulf Shores school system expenses. Department Heads were informed in the Budget Preparation Instructions that any new positions or initiatives will need to be covered from internally generated savings due to the increased debt cost and the ongoing school system support commitments.

SUMMARY OF THE FISCAL YEAR 2019 BUDGET

Significant Budget Items and Trends

At the October 24th, 2018 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 July 2018 Finance Committee meeting.

Employee Pay Adjustments - In the 2019 Budget, \$396,600 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 2019 Budget, \$162,100 was set aside for a Wage Index Adjustment effective the first full pay period in 2019 for employees with ratings of satisfactory on their 2018 Performance Appraisal Review (PAR).

A summary of the recommended personnel changes for the Adopted 2019 Budget are 10 new full-time positions and an increase in temporary/seasonal expense for Recreation & Cultural Affairs department:

One Police Officer

Six Firefighter/EMT- Safer Grant

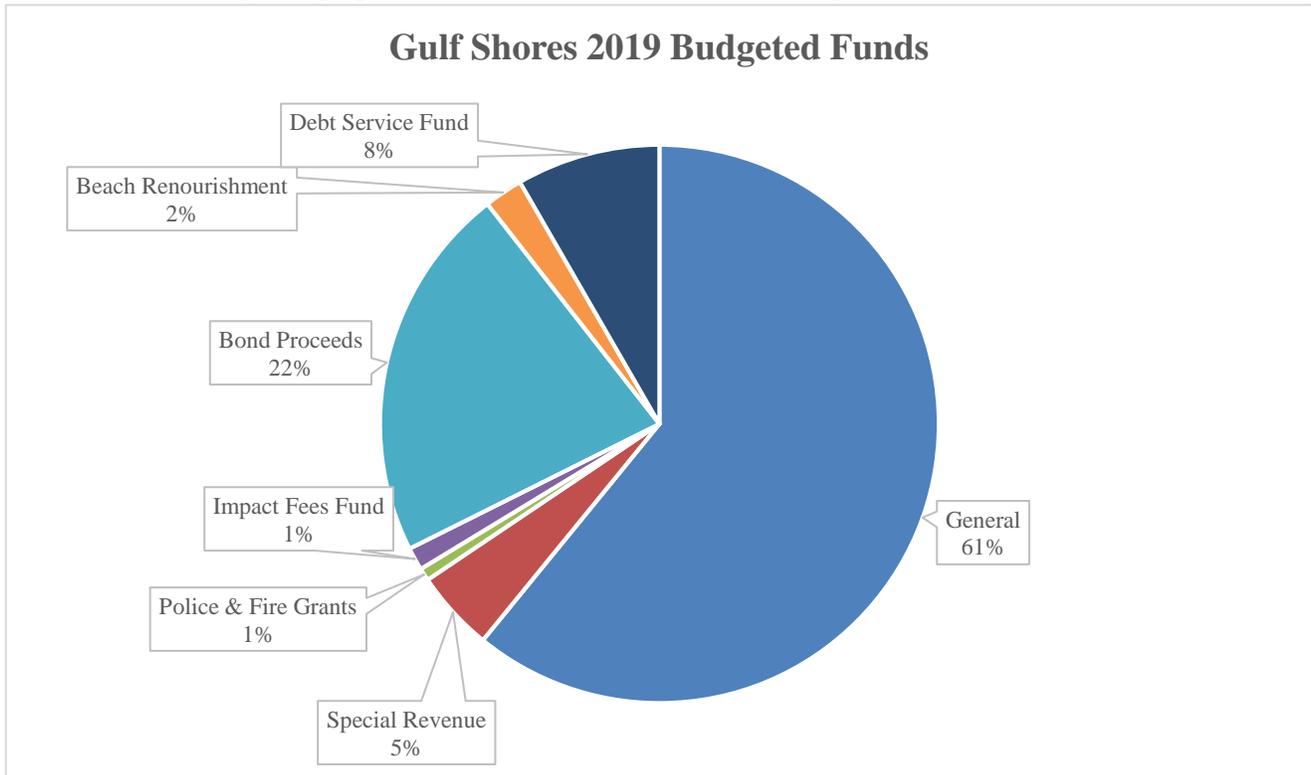
One Director of Planning & Community Development
One Building and Environmental Inspector I
One Seasonal Lifeguard- Pool
One Traffic Technician

Fund Structure

The Adopted All Funds Budget for Fiscal Year 2019 is \$70,284,383. This represents a net decrease of \$35,378,333 or 33.5% from the Amended Fiscal Year 2018 Budget of \$105,662,716. General Fund Expenses increased by 11.42% or \$4,385,678. A synopsis of the total All Funds Budget appropriated is as follows:

	Amended Budget 2018	Adopted Budget 2019	Increase (Decrease)	% Change
General	38,408,867	42,794,545	4,385,678	11.42%
Special Revenue	3,224,353	3,290,000	65,647	2.04%
Police & Fire Grants	455,000	515,000	60,000	13.19%
Impact Fees Fund	714,000	930,450	216,450	30.31%
Beach Restoration & Projects	1,623,968	1,517,826	-106,142	-6.54%
Capital Improvements Fund	30,000	30,000	0	0%
Bond Proceeds 2014 A	9,328,700	900,000	-8,428,700	-90.35%
Storm Damage Fund	75,000	53,000	-22,000	-29.33%
Bond Proceeds 2016 B	8,271,070	3,145,000	-5,126,070	-61.98%
Debt Service Fund	19,971,050	5,850,000	-14,121,050	-70.71%
Bond Proceeds 2018	23,560,708	11,258,562	-12,302,146	-52.21%
Total	<u>\$105,662,716</u>	<u>\$70,284,383</u>	<u>-\$35,378,333</u>	-33.5%

Fund Relationship - A graphic view of the 2019 All Funds Budget is as follows:



Financial Policies

The City’s 2010 Adopted Financial Policy was updated October 2018 and is included at the end of the 2019 Budget document. The updated Financial Policies formalize the plan to maintain reserves (fund balance) at 70% of budgeted expenditures. While ambitious, the Finance Committee thinks the 70% fund balance goal can be maintained 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 \$7.25 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.

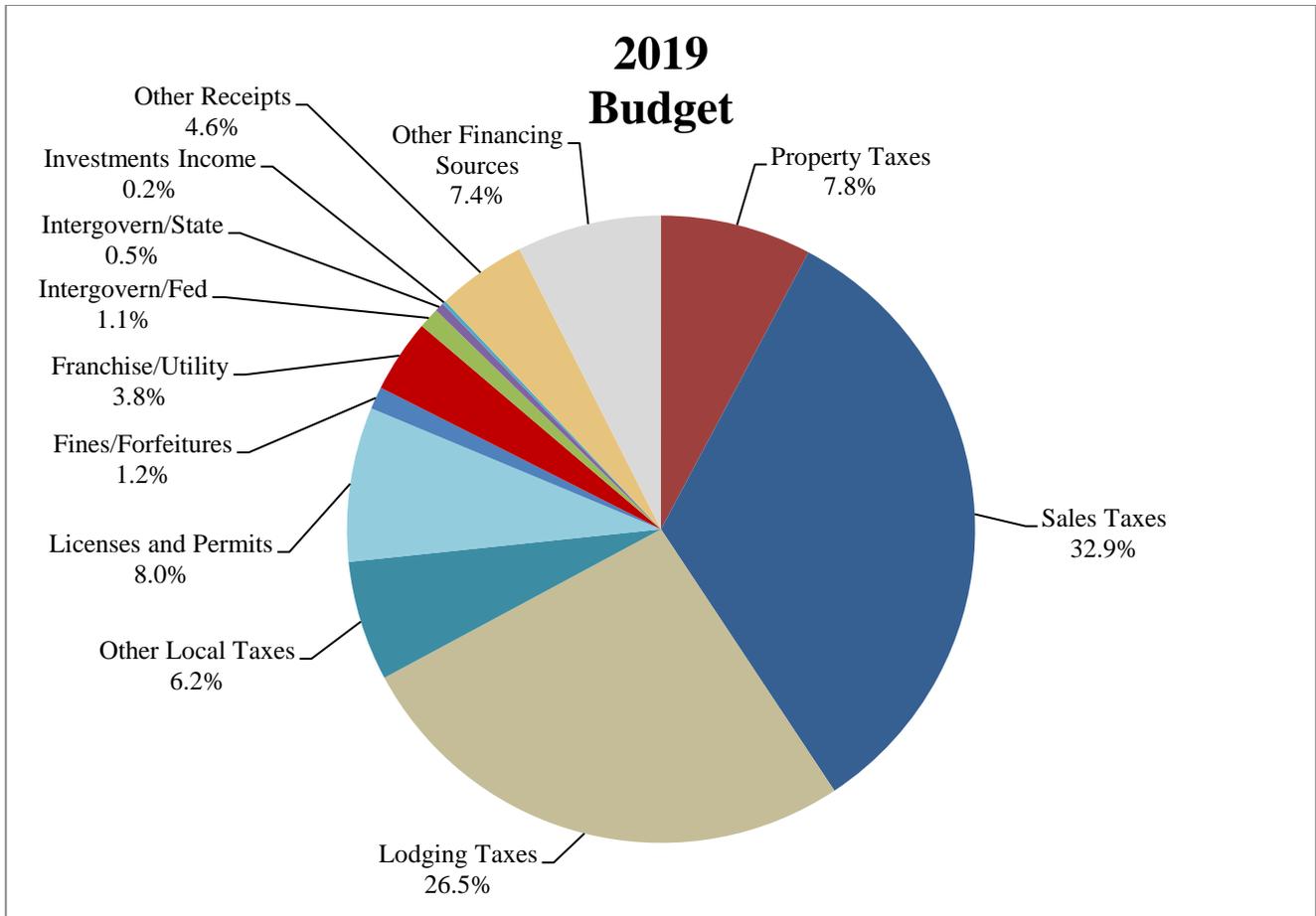
The Finance Committee in 2013 requested a longer term look at revenues, expense and reserve funds in line with the 10 year Capital Plan. Revenues, expense and reserve fund trends projections were updated in 2018 for a 10 year period with assumptions for growth more heavily weighted towards growth close to current experience at 3 to 4% to 2024 followed by more moderate growth projections in years 2025 to 2028 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 70% annual reserve target increase can be maintained. In 2019 the Debt Service Fund is 8.3% of total funds. In 2019 current debt service levels increased by \$583,391 and in 2018 debt service increase by \$42 million due to the long term refinancing of 2014 and 2016 lines of credit. The City did a request for qualifications in 2018 for long term debt rates to determine how best to fund the goals of the Vision 2025 Strategic Plan. The City Council decided to go with traditional municipal bond financing in 2018.

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 2019	% of Budget
Property Taxes	3,380,000	8%
Sales Taxes	14,300,000	33%
Lodging Taxes	11,500,000	26%
Other Local Taxes	2,690,000	6%
Licenses and Permits	3,461,000	8%
Fines/Forfeitures	500,000	1.2%
Franchise/Utility	1,640,000	4%
Intergovern/State	206,200	.5%
Intergovern/Fed	465,342	1.1%
Investments Income	80,000	.2%
Other Receipts	2,001,119	5%
Other Financing Sources	3,234,278	7%
Total	43,457,939	



Property, Sales, Lodging, and Other Local Taxes comprise 73.4% (.6% less 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 2018, 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.

Long-Range Financial Planning

The Finance Committee regularly reviews projections for City Revenue, Expenditures and Reserve Fund balance in order to prepare for future years' budgets. Revenues are projected for ten years based on the latest data available for local economic trends. Out years revenues are projected at a range of 2 to 4% growth per year. Expenditure growth is projected on an even more conservative basis than the revenue projections at only 2 to 3% annually. Debt Service as a percentage of total Revenues and Expenditures is also projected for ten years within a range acceptable to the Finance Committee. Reserves are planned

to remain at or above a target level of 70% of expenditures. At the end of this document, the updated Financial Policy for 2019 is included and include planned allocations of reserves.

Detailed analysis of Debt Service by issue are presented to the Finance Committee at each monthly meeting. Graphs are updated showing debt service expenditures by year until retirement as well as total outstanding principal balance by year at year end. Currently, the longest debt service is scheduled to be retired in 2038.

Each year, the ten year capital plan is updated. Capital plans for rolling stock and equipment for the upcoming fiscal year are based on City wide need and funding is determined by the annual allocation set aside for capital purchases. City Department Heads were asked to create an out year budget along with their budget for 2019 in order to identify future funding needs. Capital Outlays were requested for a ten year period beginning in 2019 and in July 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, a City signage program, transportation and City facility improvements were included in the Ten Year Capital Outlay Plan for 2019, enabling the City to replace worn out equipment and vehicles with less ongoing maintenance costs as well as maintain City assets. Cost savings on maintenance of older vehicles and equipment will offset some of the expense in 2019. Capital asset thresholds for the City are:

Land	\$ 5,000
Buildings/Improvements	\$100,000
Emergency/Fire/Police Vehicles and Equipment	\$ 15,000
Other Vehicles and Equipment	\$ 10,000
Parks and Recreational Facilities	\$ 50,000
Office Equipment	\$ 5,000

In the City's Financial Statements depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful live by type of assets is:

Infrastructure	30-40 years
Buildings	25-40 years
Building improvements	20-30 years
Machinery and equipment	5-15 years
Furniture and fixtures	3-15 years

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).

Respectfully submitted,



Steve Griffin, City Administrator



Cynthia King, Director Finance & Administrative Services

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 is 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.

Just the Facts

All about Gulf Shores, Alabama

Government

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

More Facts

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

Geographic Characteristics of Gulf Shores, Alabama

	Square Miles	Climate	Topography
Land Area	28.15 Square Miles		
Water Area	4.76 Square Miles		
Average Annual Temperature		70 Degrees	
Average Annual Rainfall		65 Inches	
Elevation			8 Feet

Just the Facts

Demographics

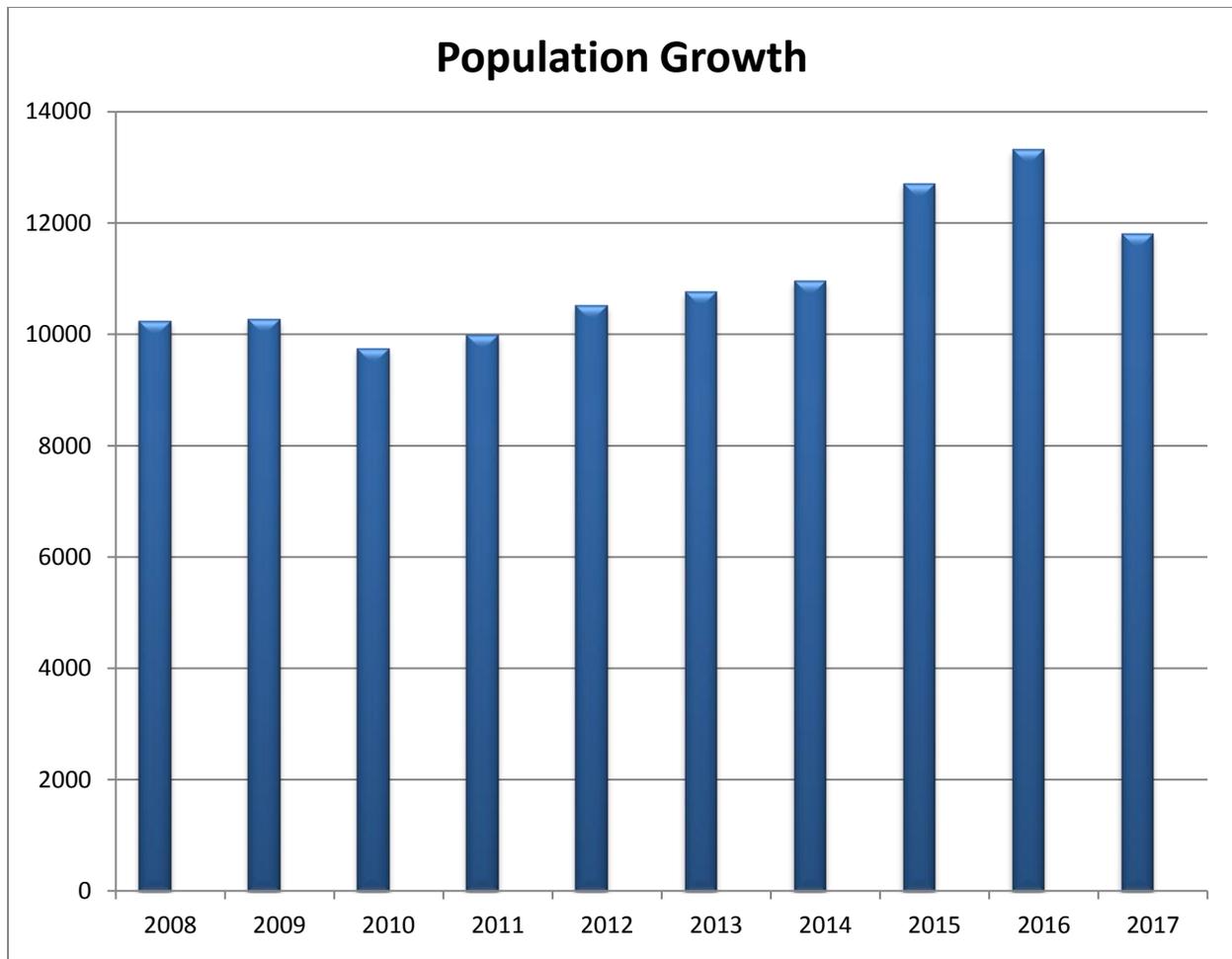
Age, Race & Gender Composition	
White	90.3%
Hispanic	3.1%
Black	0%
American Indian	.5%
Asian	4.1%
Female	56%
Male	44%
Age Under 5 Years	7.3%
Age 18 Years & Over	69.4%
Age 65 Years & Over	23.3%
Median Age is 47 Years*	

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

Figures based on US Census Bureau Quick Facts as of July 1, 2017

*Median Age from Data USA

Just the Facts



Source: US Census Bureau Population Estimates, 2008 through 2017

Gulf Shores, Alabama population has increased by 15% during the past ten years.

The 2017 population estimate of 11,809 is significantly less than the 2016 estimate of 13,315.

Just the Facts

Economic Highlights

Top Ten Employers in Gulf Shores, Alabama

	Employer	# of Employees
1	The Hangout	735
2	Hangout Music Festival	525
3	Waterville	330
4	LuLu's Landing, Inc.	320
5	Wal-Mart	275
6	City of Gulf Shores	270
7	Gulf Shores Public Schools	250
8	Rouse's Enterprises	185
9	Publix Alabama	155
10	Gulf State Park	115

Gulf Shores licensed 8,246 types of businesses in 2017

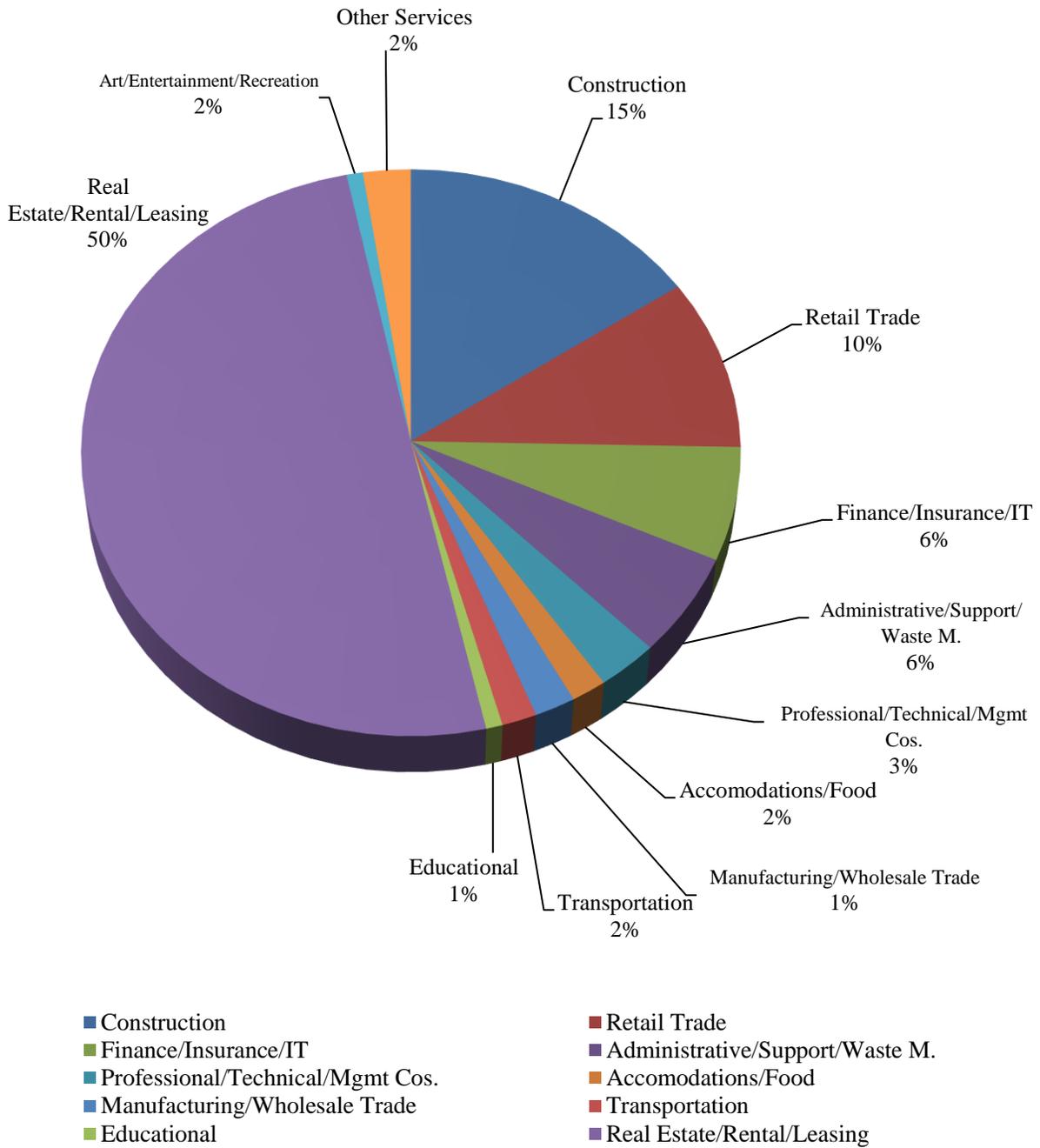
**Per Capita Income within Gulf Shores in 2016
was 6.7% higher than the United States level.**

	2016
United States	\$29,829
Gulf Shores	\$31,814

Source: US Census Bureau – 2016 data latest available October 2, 2018

Just the Facts

Gulf Shores, Alabama Business Profile



Housing Statistics

Just the Facts

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	2.36
Median Value of Occupied Units	\$236,600

Rented Homes, Apartments and Condos

Median Monthly Rent Asked for Vacant Units	\$969
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Service Statistics:

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

Public Safety 2018	
Fire Protection	Police Protection
Fire Stations 4*	Primary Patrol Districts 3
Sworn Employees 45	Sworn Employees 49
Civilian Employees 1	Civilian Employees 21
*Tourist Season includes 4 seasonal employees	

Park, Recreation & Cultural Affairs
Developed Park Properties

Just the Facts

Neighborhood Parks.....2	Community Park.....1
Regional Parks.....2	Sports Park.....1
Skateboard Park.....1	Dog Park.....1
Special Use Parks.....4	
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 Pools.....2	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 Court.....2
Boat Launches.....3	Shade Structures.....6
Trails (miles)	
Multi-Use Paths.....18	Bike Lanes.....9.8
Sidewalks.....37.5	Combination Paths.....4

Highways and Streets	
Miles of Streets Maintained.....	84.22
Streetlights.....	2,403

Just the Facts

Traffic Signals..... 24

Educational System

Elementary School 1

Middle School 1

High School..... 1

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

Community College 1

Historic Sites

Fort Morgan

Knob Hill – Historic Marker

Camp Withers – Historic Marker

Callaway Home – Registered Historic Home

For More Information

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

CITY OF GULF SHORES, ALABAMA
FINANCIAL SUMMARIES
FISCAL YEAR 2019

City of Gulf Shores, Alabama Budget 2019

Fund/Department Cross Reference Table

Department/Division	FUND					
	General	Special Revenues	Police & Fire Grants	Impact Fees	Beach Fund	Debt Service Fund
Executive	X					
Human Resources	X					
Finance & Administrative Services	X					
Municipal Court	X	X				
Police	X	X	X	X	X	
Fire & EMS	X		X	X	X	
Community Development	X					
Building	X					
Recreation & Cultural Affairs	X			X		
Special Events & Programs	X			X		
Library	X					
Recreation - Rec & Wellness	X			X		
Recreation - Sportsplex	X			X		
Recreation - Parks	X			X		
Public Works - General Services	X			X		
Public Works - Custodial	X					
Public Works - Landscaping	X					
Public Works - Streets	X			X	X	
Public Works - Maintenance	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 2019 the City of Gulf Shores has the following funds: General, Special Revenue, Police & Fire Related Grants, Impact Fees, Beach Restoration & Projects, Storm Damage Fund, 2016-B GO Warrant Fund, 2018-A and 2018-B Warrant Funds 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 73% Taxes and 8% Licenses and Permits. Over half (51%) of the General Fund expenditures are related to salaries. Transfers for Debt Service makes up 13.7% of the General Fund Budget and is used to pay for bond improvements. Other designated transfers for Lodging Tax related to Beach Activities comprise 7.7 % of the General Fund Expenditures. In 2018 an initial transfer of \$2 million or 5.2% of the General Fund was established to pay for school expenses. In 2019 an additional \$2 million representing 4.7% of the General Fund for school expenses has been budgeted. Operational costs comprise 18.4% of the General Fund expenditures and Capital is 3.7% 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 2017 additional funds of \$2.7 million were added to the reserves. The City is in compliance with the City's updated City Financial Policy adopted in 2018 with the passage of the 2019 budget. The 2017 City Financial Policy requires a General Fund cash reserve equal to seventy percent for 2019. General Revenue fund reserves 2019 will comprise 35% of the General Fund Operating Budget and a Beach Reserve equivalent to 35% of the General Fund Budget. In 2018 the City was able to maintain 70% of the General Fund target level of reserves needed of \$13,443,104 (35%) and to the Beach Reserves \$13,443,104 (35%) in order to sustain operations during fluctuations of

the revenue streams. Total reserve funds target for 2019 is \$29.96 million or 70% of the General Fund Budget expenses of \$42,794,544.

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. In May 2018 an additional 2% city-wide Lodging Tax was enacted to offset debt borrowed in 2018 for transportation projects.

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 was 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.

2018-A & B GO WARRANT FUNDS

The 2018-A GO Warrant is a 20 year term debt used to pay down the 2014 GO Warrant Fund, purchase capital equipment and fund improvements to road infrastructure throughout the City. Capital improvements funds are used for projects such as state transportation projects that require a City match. These improvements should reduce the operational costs for repair and maintenance in 2019 and future years and significantly improve traffic flow in and around the City. The 2018-B GO Warrant Fund is a 15 year term debt used to pay down the 2014 and 2016-B GO Warrant Funds. The remainder will be used for various economic development projects.

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 2017 of \$616,090,320 were received from the Baldwin County Revenue Commissioner's Office, which would result in a debt limit of \$123,218,064. Our current debt limit is \$133,621,840, which is based on 2018 assessed property values of \$668,109,200. Current debt obligations are \$68 million. Projected 2019 Debt Service will constitute 8.3% of total fund expenditures and 13.7% 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:

Fiscal Year	Assessed Value	Debt Limit %	Debt Limit \$	Total Debt
2018	668,109,200	20%	133,621,840	68,065,000
2017	616,090,320	20%	123,218,064	40,490,886
2016	566,085,720	20%	113,217,144	38,396,001
2015	534,967,860	20%	106,993,572	41,625,387
2014	499,994,940	20%	99,998,988	38,016,672

As of October 31, 2018 the governmental long term debt consisted of the following:

General Obligation (GO) Warrants:

2018 A and 2018 B GO Warrants – Issue Amount \$37,080,000

The 2018-A and 2018-B GO Warrants provided funds for capital vehicle and equipment purchases and various grant matches for transportation projects. Proceeds also paid off \$6 million on the 2014-GO line of credit and \$10.3 million on the 2016-B line of credit. The Aggregate Debt Service (Principal and Interest) owed on the issue is \$55,733,792 and is repaid from the General Fund. Debt Service amount due in 2019 is \$3,065,038; 2020 amount due is \$3,065,488.

2017-A GO Warrants – Issue Amount \$7,500,000

The 2017-A GO Warrants refunded the remainder of the 2008-A GO Warrants, as well as paid down \$3.8 million on the 2014-GO line of credit. The Aggregate Debt Service (Principal and Interest) owed on the issue is \$8,597,466 and is repaid from the General Fund. Debt Service amount due in 2019 is \$871,115; 2020 amount due is \$871,327.

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 2019 Debt Service payments of interest only of \$62,000 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 \$11,574,565 and is repaid from the General Fund. Debt Service amount due in 2019 is \$366,190; 2020 amount due is \$365,290.

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 do not currently have any funds drawn on the line. 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 \$16,448,573 and is repaid from the General Fund. Debt Service amount due in 2019 is \$1,350,870; 2020 amount due is \$2,217,240.

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

	Principal	Interest	Total
2019	3,340,695	2,408,463	5,749,158
2020	4,279,920	2,325,832	6,605,752
2021	4,384,398	2,202,874	6,587,272
2022	4,859,139	2,072,043	6,931,182
2023	4,979,148	1,935,115	6,914,263
2024	5,119,433	1,791,163	6,910,596
2025	5,265,003	1,639,259	6,904,262
2026	5,150,864	1,479,358	6,630,222
2027	5,347,025	1,282,343	6,629,368
2028	4,675,000	1,076,588	5,751,588
2029	2,180,000	886,293	3,066,293
2030	2,275,000	794,420	3,069,420
2031	2,365,000	697,845	3,062,845
2032	2,470,000	596,705	3,066,705
2033	2,575,000	490,355	3,065,355
2034	1,370,000	378,750	1,748,750
2035	1,440,000	310,250	1,750,250
2036	1,510,000	238,250	1,748,250
2037	1,590,000	162,750	1,752,750
2038	1,665,000	83,250	1,748,250
Total	66,840,625	22,851,906	89,692,531

City of Gulf Shores, Alabama 2019 Budget Calendar

Date	Action
June 5, 2018	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.
July 12, 2018	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 2018 Capital Budget Requests at the July 25th Finance Committee meeting.
July 23, 2018	Budget Preparation Instructions sent to Department Heads requested not to exceed 2018 budgeted amounts in total by Department in order to provide funds for the City School System and the additional debt of \$3 million issued in 2018. 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.
August 29, 2018	Revenue estimates, short and long term debt analysis update Finance Committee.
September 14, 2018	Budget Requests due to Finance & Administrative Services Director. Requests were compiled with recommendations for meeting needs with revenue sources.
September 17 to October 23, 2018	City Administrator 2019 Budget recommendation prepared for Mayor and Council.
October 24, 2018	Finance Committee reviews Budget Requests including Budget Message, General Fund revenue and expense projections, position and Capital requests.
November 19, 2018	Committee of the Whole (COW) meeting for full Council review
November 26, 2018	Council Adoption of 2019 Budget

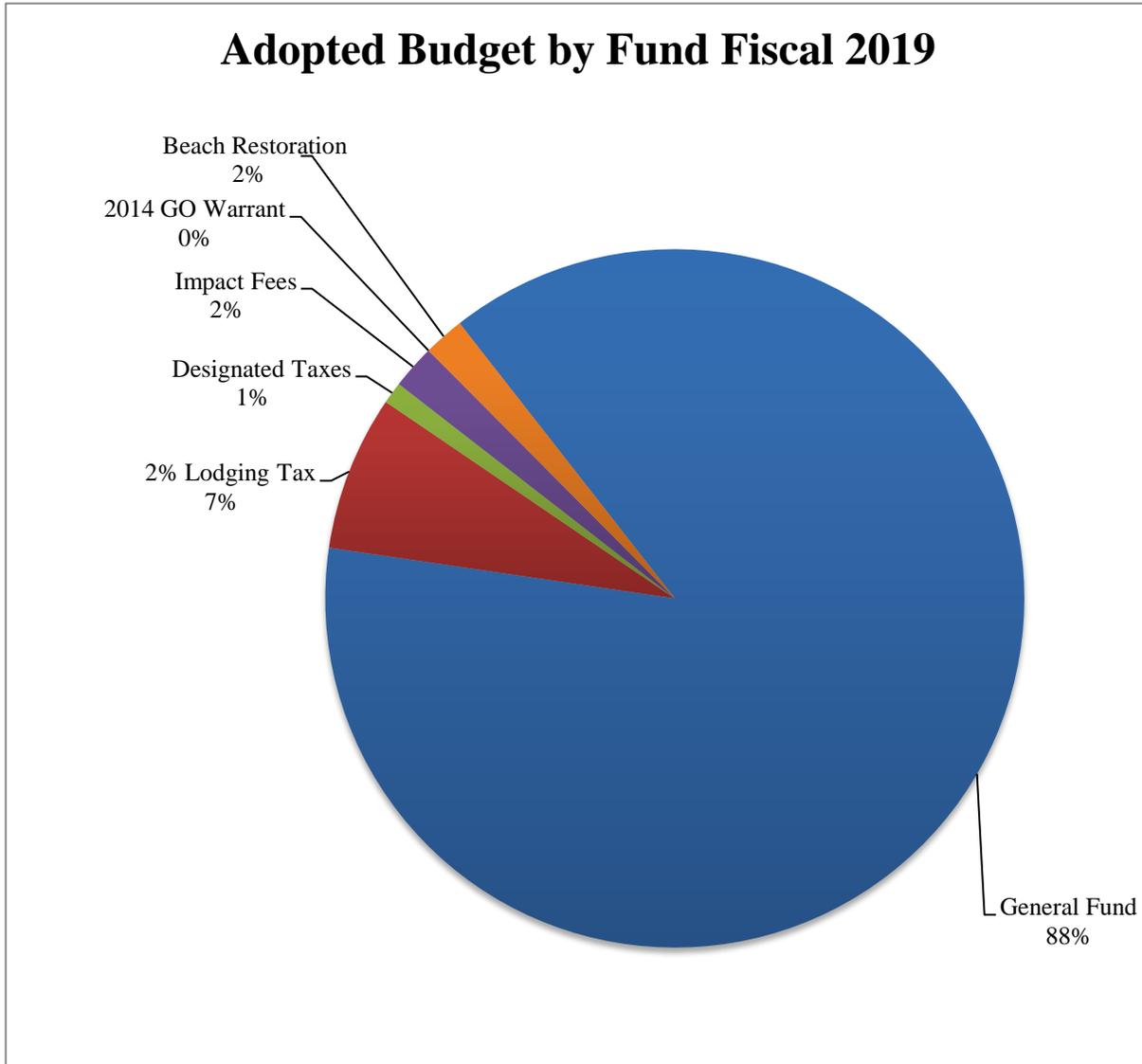
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CITY OF GULF SHORES, ALABAMA
FINANCIAL SUMMARIES
TABLES AND GRAPHS
FISCAL YEAR 2019

TABLE 1
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2019

	Actual 2016	Actual 2017	Amended 2018	Adopted 2019	Dollar Change 2018 to 2019	Percent Change 2018 to 2019
REVENUES						
General Fund	31,686,632	34,031,821	36,366,752	40,223,661	3,856,909	10.6%
Special Revenue Funds:						
2% Lodging Tax	2,935,125	3,079,598	2,876,000	3,290,000	414,000	14.4%
Designated Taxes	513,292	509,425	455,000	465,000	10,000	2.2%
Impact Fees	747,947	895,148	714,000	931,950	217,950	30.5%
Library Board Fund	0	236	0	0	0	0.0%
Capital Projects Funds:						
Beach Restoration	259,279	54,381	687,979	863,604	175,625	25.5%
2014 GO Warrant	779,629	153,416	1,700,000	0	(1,700,000)	-100.0%
2016-B GO Warrant	0	0	0	0	0	0.0%
2018 GO Warrant	0	0	10,000	3,180,849	3,170,849	
Capital Projects Funds	2,125	125,703	30,000	30,000	0	0.0%
Storm Damage	6	91,010	65,625	0	(65,625)	0.0%
Debt Service	1,033,046	1,023	10,000	0	(10,000)	0.0%
TOTAL REVENUES	37,957,081	38,941,761	42,915,356	48,985,064	6,069,708	14.1%
EXPENDITURES						
General Fund	26,455,038	27,482,568	31,952,857	33,632,467	1,679,610	5.3%
Special Revenue Funds:						
2% Lodging Tax	0	0	0	0	0	0.0%
Designated Taxes	44,391	35,658	45,000	45,000	0	0.0%
Impact Fees	33,616	371,829	714,000	930,450	216,450	30.3%
Library Board Fund	0	0	0	0	0	0.0%
Capital Projects Funds:						
Beach Restoration	894,921	694,225	1,623,968	1,517,826	(106,142)	-6.5%
2014 GO Warrant	3,531,870	2,874,562	9,328,700	900,000	(8,428,700)	-90.4%
2016 GO Warrant	1,739,171	5,904,839	8,271,070	3,145,000	(5,126,070)	-62.0%
Capital Projects Funds	0	0	0	0	0	0.0%
Storm Damage	0	13,186	75,000	53,000	(22,000)	0.0%
Debt Service	9,127,354	16,731,776	18,761,816	2,784,962	(15,976,854)	-85.2%
TOTAL EXPENDITURES	41,826,361	54,108,643	70,772,411	43,008,705	(27,763,706)	-39.2%
Excess of Revenues over Total Expenditures	(3,869,280)	(15,166,882)	(27,857,055)	5,976,359	33,833,414	-121.5%
OTHER FINANCING						
Issuance of Debt	3,510,000	9,620,000	6,214,626	3,145,000	(3,069,626)	-49.4%
Bond Issue proceeds	0	7,500,000	40,080,000	8,047,713	(32,032,287)	-79.9%
Proceeds from sale capital assets	134,640	425,645	30,000	50,000	20,000	66.7%
Transfers In	11,184,891	15,043,991	30,280,548	12,952,078	(17,328,470)	-57.2%
Transfers Out	(11,184,891)	(15,043,991)	(30,280,548)	(12,952,078)	17,328,470	-57.2%
Total Other Financing Uses	3,644,640	17,545,645	46,324,626	11,242,713	(35,081,913)	-75.7%
Net Change in Fund Balance	(224,640)	2,378,763	18,467,571	17,219,072	(1,248,499)	-6.8%
Fund Balances - Beginning (restated)	29,027,766	28,772,840	31,151,603	49,619,174	18,467,571	59.3%
Fund Balances - Ending	28,803,126	31,151,603	49,619,174	66,838,246	17,219,072	34.7%

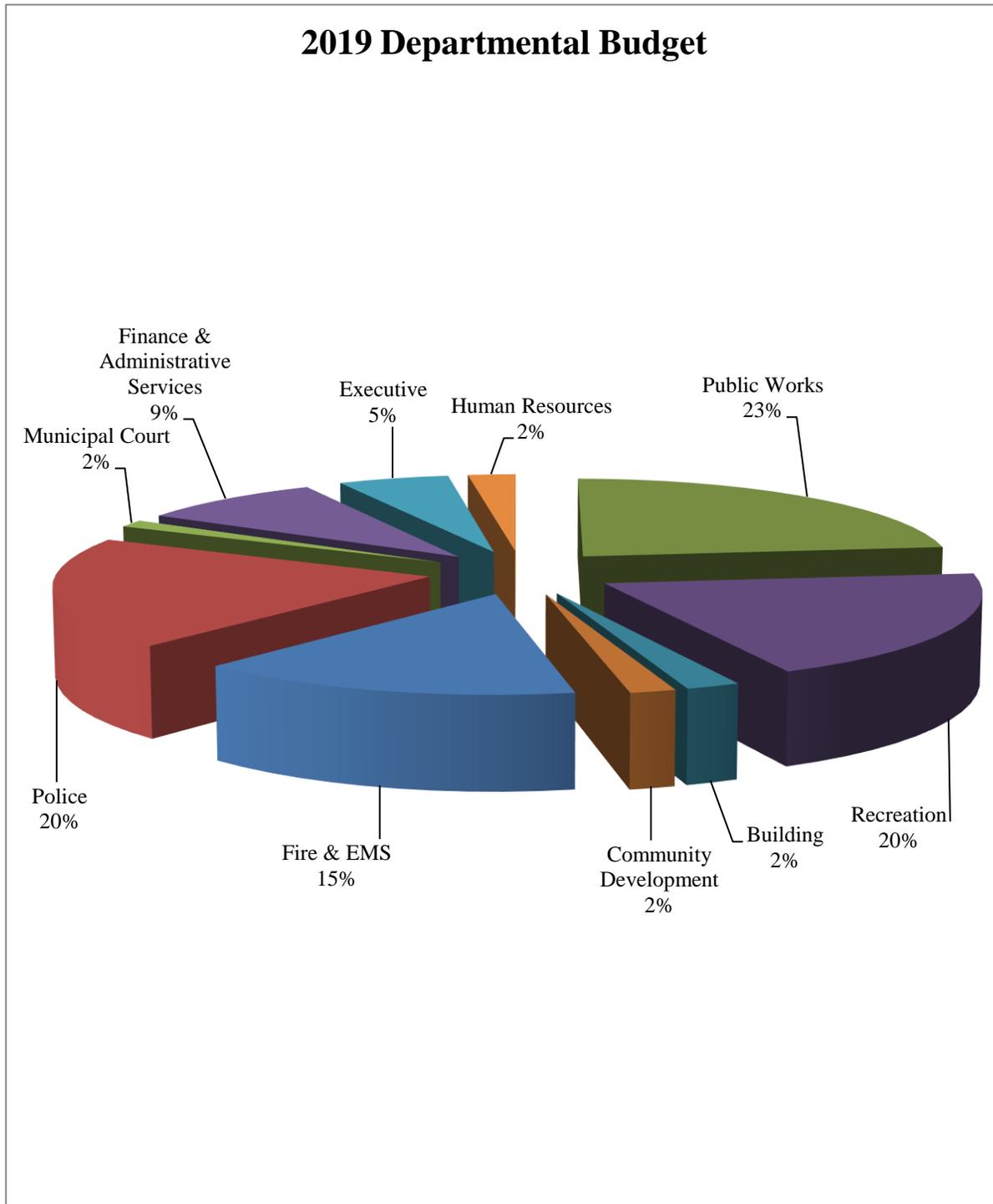
GRAPH 1
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2019



**TABLE 2
CITY OF GULF SHORES, ALABAMA
GENERAL FUND ADOPTED BUDGET
FISCAL YEAR 2019**

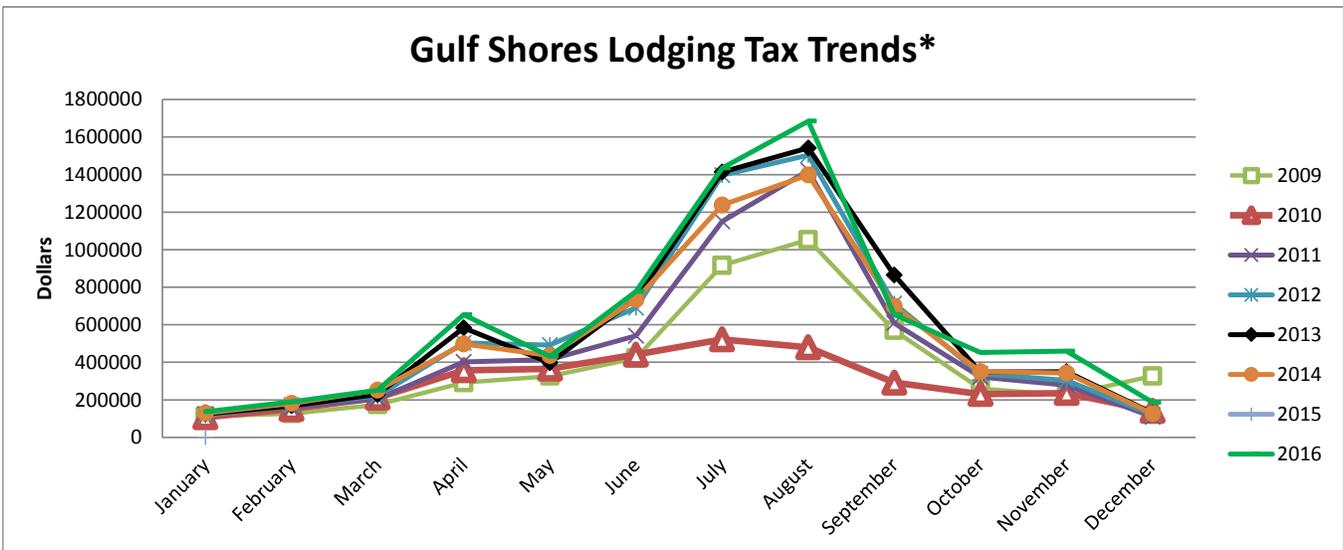
	Actual 2016	Actual 2017	Amended 2018	Adopted 2019	Dollar Change 2018 to 2019	Percent Change 2018 to 2019
REVENUES						
Property Taxes	2,842,586	3,064,738	3,130,000	3,380,000	250,000	7.99%
Sales Taxes	13,777,642	14,588,992	14,000,000	14,300,000	300,000	2.14%
Lodging Taxes	4,341,766	4,685,929	9,260,000	11,500,000	2,240,000	24.19%
Other Local Taxes	2,755,877	3,108,744	2,478,750	2,690,000	211,250	8.52%
Licenses and Permits	3,314,362	3,342,128	3,205,000	3,461,000	256,000	7.99%
Fines/Forfeitures	595,810	513,813	500,000	500,000	0	0.00%
Franchise/Utility	1,221,712	1,410,132	1,526,000	1,640,000	114,000	7.47%
Intergovern/Fed	150,682	345,519	193,224	465,342	272,118	140.83%
Intergovern/State	145,301	342,790	126,200	206,200	80,000	63.39%
Investments Income	36,195	40,711	40,000	80,000	40,000	100.00%
Other Receipts	2,233,117	2,588,325	1,907,578	2,001,119	93,541	4.90%
BP Lost Revenues/Settlement	271,582	0	0	0	0	n/a
Other Financing Sources	0	0	0	0	0	n/a
TOTAL REVENUES	<u>31,686,632</u>	<u>34,031,821</u>	<u>36,366,752</u>	<u>40,223,661</u>	<u>3,856,909</u>	<u>10.61%</u>
EXPENDITURES						
Executive	1,318,921	1,399,337	1,718,248	1,645,892	(72,356)	-4.21%
Human Resources	252,622	311,650	658,820	707,698	48,878	7.42%
Finance & Administrative Services	2,518,395	2,705,770	2,751,025	2,764,429	13,404	0.49%
Municipal Court	433,340	470,139	411,344	410,402	(942)	-0.23%
Police	5,323,689	5,349,618	6,139,360	6,275,526	136,166	2.22%
Fire & EMS	3,848,350	3,782,219	4,049,912	4,657,047	607,135	14.99%
Planning & Zoning	365,031	406,066	428,204	556,532	128,328	29.97%
Building	518,931	500,839	577,249	653,765	76,516	13.26%
Recreation & Cultural Affairs	264,389	346,260	368,936	398,114	29,178	7.91%
Events & Programs	712,908	635,957	796,219	817,923	21,704	2.73%
Library	580,327	577,655	627,782	640,522	12,740	2.03%
Recreation - Bodenhamer	1,660,839	1,622,901	2,112,178	2,149,445	37,267	1.76%
Recreation - Sportsplex	1,062,596	1,290,542	1,226,846	1,325,324	98,478	8.03%
Recreation - Parks	533,763	496,300	616,886	608,149	(8,737)	-1.42%
Recreation - Beach (Beach fund 2018)	459,383	479,220 *	0	0	0	n/a
Cultural Center	488,236	403,780	0	0	0	n/a
City Store	187,743	174,377	181,423	174,849	(6,574)	-3.62%
Public Works - General Services	723,531	719,066	798,909	919,879	120,970	15.14%
Public Works - Custodial	574,595	504,302	566,800	579,952	13,152	2.32%
Public Works - Landscaping	753,588	1,054,410	860,673	1,015,272	154,599	17.96%
Public Works - Streets	2,561,185	2,365,695	3,026,172	3,288,087	261,915	8.65%
Public Works - Maintenance	1,008,035	1,414,664	1,582,364	1,391,592	(190,772)	-12.06%
Airport	0	0	138,007	142,068	4,061	2.94%
Appropriations	220,233	254,767	2,267,500	2,310,000	42,500	1.87%
Capital Outlay (Land)	84,408	217,034	48,000	200,000	152,000	n/a
TOTAL EXPENDITURES	<u>26,455,038</u>	<u>27,482,568</u>	<u>31,952,857</u>	<u>33,632,467</u>	<u>1,679,610</u>	<u>5.26%</u>
OTHER FINANCING SOURCES						
Bond Proceeds/Issuance of Debt	20,000	0	0	0	0	n/a
Proceeds from the sale of capital assets	134,640	425,645	30,000	50,000	20,000	66.67%
Operating Transfers In	3,752,612	4,994,000	2,885,747	3,184,278	298,531	10.35%
Operating Transfers Out	(6,701,197)	(9,254,660)	(3,581,411)	(5,873,078)	(2,291,667)	63.99%
Total Other Financing Sources	<u>(2,793,945)</u>	<u>(3,835,015)</u>	<u>(665,664)</u>	<u>(2,638,800)</u>	<u>(1,973,136)</u>	<u>296.42%</u>
Net Change in Fund Balance	<u>2,437,649</u>	<u>2,714,238</u>	<u>3,748,231</u>	<u>3,952,394</u>	<u>204,163</u>	<u>5.45%</u>
Prior Period Adjustment						
Fund Balances - Beginning (restated)	<u>24,017,712</u>	<u>26,455,363</u>	<u>29,169,601</u>	<u>32,917,832</u>	<u>3,748,231</u>	<u>12.85%</u>
Fund Balances - Ending	<u>\$ 26,455,361</u>	<u>29,169,601</u>	<u>32,917,832</u>	<u>36,870,226</u>	<u>3,952,394</u>	<u>12.01%</u>

GRAPH 2
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2019



**TABLE 3
CITY OF GULF SHORES, ALABAMA
SPECIAL REVENUE FUND
LODGING TAX ADOPTED BUDGET
FISCAL YEAR 2019**

	Actual 2016	Actual 2017	Amended 2018	Adopted 2019	Dollar Change 2018 to 2019	Percent Change 2018 to 2019
REVENUES						
Taxes:						
Lodging Tax 2% Beach	2,933,709	3,077,899	2,875,000	3,289,000	414,000	14.40%
Interest Income	1,416	1,699	1,000	1,000	-	0.00%
Total Revenue	2,935,125	3,079,598	2,876,000	3,290,000	414,000	14.39%
EXPENDITURES						
Current:						
General government	0	0	0	0	0	0.00%
Total general government	0	0	0	0	0	0.00%
Excess of Revenues over Total Expenditures	2,935,125	3,079,598	2,876,000	3,290,000	414,000	14.39%
OTHER FINANCING USES						
Transfers Out	(2,631,082)	(2,570,651)	(3,224,353)	(3,290,000)	(65,647)	2.04%
Total Other Financing Uses	(2,631,082)	(2,570,651)	(3,224,353)	(3,290,000)	(65,647)	2.04%
Net Change in Fund Balance	304,043	508,947	(348,353)	0	348,353	-100.00%
Fund Balances - Beginning	1,296,904	1,600,947	2,109,894	1,761,541	(348,353)	-16.51%
Fund Balances - Ending	\$ 1,600,947	\$ 2,109,894	\$ 1,761,541	\$ 1,761,541	-	0.00%



*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 2019

	Actual 2016	Actual 2017	Amended 2018	Adopted 2019	Dollar Change 2018 to 2019	Percent Change 2018 to 2019
REVENUES						
Taxes:						
Intergovernmental:						
State of Alabama	512,843	508,862	455,000	465,000	10,000	2.20%
Interest Income	449	563	0	0	0	n/a
Total Revenue	<u>513,292</u>	<u>509,425</u>	<u>455,000</u>	<u>465,000</u>	<u>10,000</u>	<u>2.20%</u>
EXPENDITURES						
Current:						
General Government	44,391	35,658	45,000	45,000	0	0.00%
Total General Government	<u>44,391</u>	<u>35,658</u>	<u>45,000</u>	<u>45,000</u>	<u>0</u>	<u>0.00%</u>
Excess of Revenues over Total Expenditures	<u>468,901</u>	<u>473,767</u>	<u>410,000</u>	<u>420,000</u>	<u>10,000</u>	<u>2.44%</u>
OTHER FINANCING USES						
Transfers Out	<u>(373,000)</u>	<u>(443,000)</u>	<u>(410,000)</u>	<u>(470,000)</u>	<u>(60,000)</u>	<u>14.63%</u>
Total Other Financing Uses	<u>(373,000)</u>	<u>(443,000)</u>	<u>(410,000)</u>	<u>(470,000)</u>	<u>(60,000)</u>	<u>14.63%</u>
Net Change in Fund Balance	<u>95,901</u>	<u>30,767</u>	<u>0</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>n/a</u>
Fund Balances - Beginning	<u>153,710</u>	<u>249,611</u>	<u>280,378</u>	<u>280,378</u>	<u>0</u>	<u>0.00%</u>
Fund Balances - Ending	<u>\$ 249,611</u>	<u>\$ 280,378</u>	<u>\$ 280,378</u>	<u>\$ 230,378</u>	<u>(50,000)</u>	<u>-17.83%</u>

TABLE 5
CITY OF GULF SHORES, ALABAMA
SPECIAL REVENUE FUND
IMPACT FEES
ADOPTED BUDGET
FISCAL YEAR 2019

	Actual 2016	Actual 2017	Amended 2018	Adopted 2019	Dollar Change 2018 to 2019	Percent Change 2018 to 2019
REVENUES						
Impact Fees	746,976	893,495	714,000	931,950	217,950	30.53%
Interest Income	971	1,653	0	0	0	n/a
Total Revenue	<u>747,947</u>	<u>895,148</u>	<u>714,000</u>	<u>931,950</u>	<u>217,950</u>	<u>30.53%</u>
EXPENDITURES						
Capital Outlay						
Fire	33,616	52,359	95,000	95,000	0	0.00%
Recreation	0	298,320	362,000	440,000	78,000	21.55%
Police	0	21,150	57,000	95,450	38,450	67.46%
Public Works	0	0	200,000	300,000	100,000	50.00%
Total Capital Outlay	<u>33,616</u>	<u>371,829</u>	<u>714,000</u>	<u>930,450</u>	<u>216,450</u>	<u>30.32%</u>
Total Expenditures	<u>33,616</u>	<u>371,829</u>	<u>714,000</u>	<u>930,450</u>	<u>216,450</u>	<u>30.32%</u>
Excess of Revenues over Total Expenditures	<u>714,331</u>	<u>523,319</u>	<u>0</u>	<u>1,500</u>	<u>1,500</u>	<u>n/a</u>
OTHER FINANCING USES						
Transfers to other funds	<u>(332,000)</u>	<u>(451,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Total Other Financing Uses	<u>(332,000)</u>	<u>(451,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Net Change in Fund Balance	<u>382,331</u>	<u>72,319</u>	<u>0</u>	<u>1,500</u>	<u>1,500</u>	<u>0.00%</u>
Fund Balances-Beginning(restated)	<u>277,835</u>	<u>660,166</u>	<u>732,485</u>	<u>732,485</u>	<u>0</u>	<u>0.00%</u>
Fund Balances - Ending	<u>\$ 660,166</u>	<u>732,485</u>	<u>732,485</u>	<u>\$ 733,985</u>	<u>1,500</u>	<u>0.20%</u>

TABLE 6
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
BEACH RESTORATION AND PROJECTS FUND
ADOPTED BUDGET
FISCAL YEAR 2019

	Actual 2016	Actual 2017	Amended 2018	Adopted 2019	Dollar Change 2018 to 2019	Percent Change 2018 to 2019
REVENUES						
Interest Income	264	361	0	0	0	n/a
ADEM Recycling Grant	226,602	0	97,979	178,604	80,625	82%
Parking Fees	0	0	510,000	600,000	90,000	18%
Other	32,413	54,020	80,000	85,000	5,000	6%
Total Revenue	<u>259,279</u>	<u>54,381</u>	<u>687,979</u>	<u>863,604</u>	<u>175,625</u>	<u>26%</u>
EXPENDITURES						
Current Operating:						
Executive	0	0	0	50,000	50,000	n/a
Police	181,125	192,179	274,004	293,758	19,754	7%
Public Works	661,026	454,346	510,587	227,703	(282,884)	-55%
Fire Beach	0	0	474,898	638,761	163,863	35%
Total Current	<u>842,151</u>	<u>646,525</u>	<u>1,259,489</u>	<u>1,210,222</u>	<u>(49,267)</u>	<u>-4%</u>
Capital Outlay						
Police	0	0	50,000	20,000	(30,000)	-60%
Fire Beach	0	0	17,500	96,000	78,500	449%
Public Works	0	0	273,979	168,604	(105,375)	-38%
Dune Enhancement	0	0	23,000	23,000	0	0%
Beach Monitoring	52,800	47,700	0	0	0	n/a
Total Capital Outlay	<u>52,800</u>	<u>47,700</u>	<u>364,479</u>	<u>307,604</u>	<u>(56,875)</u>	<u>-16%</u>
Beach Restoration						
Miscellaneous	(30)	0	0	0	0	
Total Expenditures	<u>894,921</u>	<u>694,225</u>	<u>1,623,968</u>	<u>1,517,826</u>	<u>(106,142)</u>	<u>-7%</u>
Excess of Revenues over						
Total Expenditures	<u>(635,642)</u>	<u>(639,844)</u>	<u>(935,989)</u>	<u>(654,222)</u>	<u>281,767</u>	<u>-30%</u>
OTHER FINANCING USES						
Transfers In from Other Funds	731,082	670,651	748,606	575,722	(172,884)	-23%
Total Other Financing Uses	<u>731,082</u>	<u>670,651</u>	<u>748,606</u>	<u>575,722</u>	<u>(172,884)</u>	<u>-7%</u>
Net Change in Fund Balance	<u>95,440</u>	<u>30,807</u>	<u>(187,383)</u>	<u>(78,500)</u>	<u>108,883</u>	<u>n/a</u>
Fund Balances - Beginning	<u>20,136</u>	<u>115,576</u>	<u>146,383</u>	<u>(41,000)</u>	<u>(187,383)</u>	<u>-128%</u>
Fund Balances - Ending	<u>\$115,576</u>	<u>146,383</u>	<u>(41,000)</u>	<u>(119,500)</u>	<u>(78,500)</u>	<u>191%</u>

**TABLE 7
CITY OF GULF SHORES, ALABAMA
CAPITAL PROJECTS FUND
ADOPTED BUDGET
FISCAL YEAR 2019**

	Actual 2016	Actual 2017	Amended 2018	Adopted 2019	Dollar Change 2018 to 2019	Percent Change 2018 to 2019
REVENUES						
Interest Income	325	223	0	0	0	n/a
Other	1,800	125,480	30,000	30,000	0	0%
Total Revenues	<u>2,125</u>	<u>125,703</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>0%</u>
EXPENDITURES						
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%
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
OTHER FINANCING SOURCES						
Transfer Out	(154)	(124,680)	(30,000)	(30,000)	0	0%
Total Other Financing Sources	<u>(154)</u>	<u>(124,680)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>0</u>	<u>0%</u>
Net Change in Fund Balances	<u>1,971</u>	<u>1,023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Fund Balance - Beginning	<u>(135,834)</u>	<u>(133,863)</u>	<u>(132,840)</u>	<u>(132,840)</u>	<u>0</u>	<u>0%</u>
Fund Balance - Ending	<u><u>(133,863)</u></u>	<u><u>(132,840)</u></u>	<u><u>(132,840)</u></u>	<u><u>(132,840)</u></u>	<u><u>0</u></u>	<u><u>0%</u></u>

TABLE 8
CITY OF GULF SHORES, ALABAMA
STORM DAMAGE CAPITAL PROJECTS FUND
ADOPTED BUDGET
FISCAL YEAR 2019

	Actual 2016	Actual 2017	Amended 2018	Adopted 2019	Dollar Change 2018 to 2019	Percent Change 2018 to 2019
REVENUES						
Intergovernmental Grants						
State of Alabama	0	0	9,375	0	(9,375)	-100%
Federal Government	0	0	56,250	0	(56,250)	-100%
Grants	0	91,004	0	0	0	0%
Deferred Revenue	0	0	0	0	0	0%
Interest Income	6	6	0	0	0	0%
Total Revenues	<u>6</u>	<u>91,010</u>	<u>65,625</u>	<u>0</u>	<u>(65,625)</u>	<u>-100%</u>
EXPENDITURES						
Emergency Protective Measures	0	0	0	0	0	0%
Engineering & Construction	0	13,186	0	0	0	n/a
Buildings & Equipment	0	0	0	0	0	0%
Parks, Recreation & Other	0	0	75,000	53,000	(22,000)	-29%
Waterway Development District	0	0	0	0	0	0%
Debris Removal	0	0	0	0	0	0%
Total Expenditures	<u>0</u>	<u>13,186</u>	<u>75,000</u>	<u>53,000</u>	<u>(22,000)</u>	<u>0%</u>
OTHER FINANCING SOURCES (USES)						
Transfer out Other Funds (General)	0	0	0	0	0	0%
Transfer from Other Funds	23,078	23,078	0	23,078	23,078	n/a
Total Other Financing Uses	<u>23,078</u>	<u>23,078</u>	<u>0</u>	<u>23,078</u>	<u>23,078</u>	<u>0%</u>
Net Change in Fund Balance	<u>23,084</u>	<u>100,902</u>	<u>(9,375)</u>	<u>(29,922)</u>	<u>(20,547)</u>	<u>219%</u>
Fund Balance - Beginning	<u>(176,145)</u>	<u>(153,061)</u>	<u>(153,061)</u>	<u>(162,436)</u>	<u>(9,375)</u>	<u>6%</u>
Fund Balance - Ending	<u>(153,061)</u>	<u>(52,159)</u>	<u>(162,436)</u>	<u>(192,358)</u>	<u>(29,922)</u>	<u>18%</u>

TABLE 9
CITY OF GULF SHORES, ALABAMA
DEBT SERVICE FUND
ADOPTED BUDGET
FISCAL YEAR 2019

	Actual 2016	Actual 2017	Amended 2018	Adopted 2019	Dollar Change 2018 to 2019	Percent Change 2018 to 2019
REVENUES						
Taxes	533,314	0	0	0	0	0%
Rent Income	499,015	0	0	0	0	0%
Interest	703	1,023	10,000	0	(10,000)	0%
Total Revenues	<u>1,033,032</u>	<u>1,023</u>	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>	<u>0%</u>
EXPENDITURES						
Principal/Interest/Issuance Cost	9,123,022	16,728,177	18,758,741	2,781,887	(15,976,854)	-85.17%
Miscellaneous	4,332	3,599	3,075	3,075	0	0.00%
Total Expenses	<u>9,127,354</u>	<u>16,731,776</u>	<u>18,761,816</u>	<u>2,784,962</u>	<u>(15,976,854)</u>	<u>-85.16%</u>
Excess of Revenues over Total Expenditures	<u>(8,094,322)</u>	<u>(16,730,753)</u>	<u>(18,751,816)</u>	<u>(2,784,962)</u>	<u>15,966,854</u>	<u>-85.15%</u>
OTHER FINANCING SOURCES (USES)						
Bond Issue Proceeds		7,500,000			0	#DIV/0!
Transfers Out	(1,031,587)	0	(1,209,234)	(3,065,038)	(1,855,804)	153.47%
Transfers In	6,678,119	9,231,582	19,961,050	5,850,000	(14,111,050)	-70.69%
Total Other Financing Uses	<u>5,646,532</u>	<u>16,731,582</u>	<u>18,751,816</u>	<u>2,784,962</u>	<u>(15,966,854)</u>	<u>-85.15%</u>
Net Change in Fund Balance	<u>(2,447,790)</u>	<u>829</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>#DIV/0!</u>
Fund Balances-Beginning(Restate	<u>2,450,408</u>	<u>2,618</u>	<u>3,447</u>	<u>3,447</u>	<u>0</u>	<u>0%</u>
Fund Balances - Ending	<u>\$ 2,618</u>	<u>\$ 3,447</u>	<u>\$ 3,447</u>	<u>\$ 3,447</u>	<u>0</u>	<u>0.00%</u>

TABLE 10
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
2014 GO WARRANT
ADOPTED BUDGET
FISCAL YEAR 2019

	Actual 2016	Actual 2017	Amended 2018	Adopted 2019	Dollar Adopted 2018 to 2019	Percent Change 2018 to 2019
REVENUES						
Grants Requiring Matching Funds						
Grants	779,629	153,416	1,700,000	0	(1,700,000)	-100.00%
Interest Income	0	0	0	0	0	0%
Total Revenues	<u>779,629</u>	<u>153,416</u>	<u>1,700,000</u>	<u>0</u>	<u>(1,700,000)</u>	<u>-100.00%</u>
EXPENDITURES						
Miscellaneous	97	193	0	0	0	0%
Operations						
ADECA-LWCF Little Lagoon	15,105	0	120,000	0	(120,000)	-100.00%
ALDOT Sidewalk Grants	1,219,046	0	0	0	0	n/a
Rec Trail Fort Morgan Fairway	1,120	0	0	0	0	n/a
West 12th Street Public Access	92,225	0	0	0	0	n/a
Capital Outlay Projects						
Fire & EMS	811,678	0	0	900,000	900,000	n/a
Rec & Cultural Affairs	1,209,137	0	0	0	0	n/a
Public Works	80,915	2,851,982	4,923,700	0	(4,923,700)	-100.00%
W 10th St Public Access	0	0	0	0	0	n/a
ALDOT Adaptive Signals	0	0	0	0	0	n/a
Hwy 182 Improvements	82,533	0	3,925,000	0	(3,925,000)	-100.00%
Capital Outlay	20,014	22,387	360,000	0	(360,000)	-100.00%
Total Expenditures	<u>3,531,870</u>	<u>2,874,562</u>	<u>9,328,700</u>	<u>900,000</u>	<u>(8,428,700)</u>	<u>-90%</u>
OTHER FINANCING SOURCES						
Bond Proceeds	1,715,000	2,010,000	3,000,000	0	(3,000,000)	-100%
Transfers	0	124,680	4,628,700	0	(4,628,700)	-100%
Total Other Financing Sources	<u>1,715,000</u>	<u>2,134,680</u>	<u>7,628,700</u>	<u>0</u>	<u>(7,628,700)</u>	<u>-100%</u>
Net Change in Fund Balances	<u>(1,037,241)</u>	<u>(586,466)</u>	<u>0</u>	<u>(900,000)</u>	<u>(900,000)</u>	<u>n/a</u>
Fund Balance - Beginning (Restated)	<u>1,101,244</u>	<u>33,716</u>	<u>(552,750)</u>	<u>(552,750)</u>	<u>0</u>	<u>0%</u>
Fund Balance - Ending	<u>64,003</u>	<u>(552,750)</u>	<u>(552,750)</u>	<u>(1,452,750)</u>	<u>(900,000)</u>	<u>163%</u>

**TABLE 11
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
2016-B GO WARRANT
ADOPTED BUDGET
FISCAL YEAR 2019**

	Actual 2016	Actual 2017	Amended 2018	Adopted 2019	Dollar Adopted 2018 to 2019	Percent Change 2018 to 2019
REVENUES						
Grants Requiring Matching Funds						
Interest Income	0	0	0	0	0	0%
Other	0	0	0	0	0	0%
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EXPENDITURES						
Administrative	0	0	500	0	(500)	n/a
Operations						
Executive Contract/Consulting S	0	866,647	427,000	450,000	23,000	5%
Public Works	770,177	2,696	75,000	0	(75,000)	-100%
Capital Outlay Projects						
Land	0	0	2,908,057	0	(2,908,057)	-100%
Executive Improvements Gulf Pl	968,994	5,035,496	4,860,513	2,695,000	(2,165,513)	-45%
Total Expenditures	<u>1,739,171</u>	<u>5,904,839</u>	<u>8,271,070</u>	<u>3,145,000</u>	<u>(5,126,070)</u>	<u>-62%</u>
OTHER FINANCING SOURCES						
Bond Proceeds	1,775,000	7,610,000	6,214,626	3,145,000	(3,069,626)	-49%
Transfer from 2018-B GO	0	0	2,056,444			
Transfer to General Funds	(115,871)	(2,200,000)	0	0	0	n/a
Total Other Financing Sources	<u>1,659,129</u>	<u>5,410,000</u>	<u>8,271,070</u>	<u>3,145,000</u>	<u>(3,069,626)</u>	<u>-62%</u>
Net Change in Fund Balances	<u>(80,042)</u>	<u>(494,839)</u>	<u>0</u>	<u>0</u>	<u>2,056,444</u>	<u>n/a</u>
Fund Balance - Beginning	<u>0</u>	<u>(80,042)</u>	<u>(574,881)</u>	<u>(574,881)</u>	<u>0</u>	<u>0%</u>
Fund Balance - Ending	<u>(80,042)</u>	<u>(574,881)</u>	<u>(574,881)</u>	<u>(574,881)</u>	<u>0</u>	<u>0%</u>

TABLE 12
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
2018 GO WARRANT
ADOPTED BUDGET
FISCAL YEAR 2019

	Actual 2016	Actual 2017	Amended 2018	Adopted 2019	Dollar Adopted 2018 to 2019	Percent Change 2018 to 2019
REVENUES						
Grants Requiring Matching Funds				1,859,849	1,859,849	n/a
Interest Income	0	0	10,000	46,000	36,000	360%
Other	0	0	0	1,275,000	1,275,000	n/a
Total Revenues	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>3,180,849</u>	<u>3,170,849</u>	<u>0%</u>
EXPENDITURES						
Administrative	0	0	0		0	n/a
Operations						
Executive Contract/Consulting S	0	0	0		0	n/a
Business & Aviation Park	0	0	0	1,168,640	1,168,640	n/a
Capital Outlay Projects						
Transportation Improvements/Land	0	0	0	10,089,922	10,089,922	n/a
Bond Issuance Costs	0	0	525,924		(525,924)	-100%
Total Expenditures	<u>0</u>	<u>0</u>	<u>525,924</u>	<u>11,258,562</u>	<u>10,732,638</u>	<u>2041%</u>
OTHER FINANCING SOURCES						
Bond Proceeds	0	0	37,080,000	8,047,713	(29,032,287)	-78%
Transfer from Capital Improvement Fund	0	0	0	30,000	30,000	n/a
Transfer to 2014 GO Fund	0	0	(4,598,700)	0	4,598,700	-100%
Transfer to 2016-B Fund	0	0	(2,056,444)		2,056,444	-100%
Transfer to Debt Service Fund	0	0	(16,379,640)	0	16,379,640	-100%
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>14,045,216</u>	<u>8,077,713</u>	<u>(5,967,503)</u>	<u>-42%</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>13,529,292</u>	<u>0</u>	<u>(13,529,292)</u>	<u>n/a</u>
Fund Balance - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,529,292</u>	<u>13,529,292</u>	<u>n/a</u>
Fund Balance - Ending	<u>0</u>	<u>0</u>	<u>13,529,292</u>	<u>13,529,292</u>	<u>0</u>	<u>0%</u>

CITY OF GULF SHORES
FUND BALANCE

In 2010 the City adopted a formal Financial Policy with reserve targets established. Since 2010, the City General Fund Balance data are as follows:

Year	Fund Balance	% of Total Expenditures*	Change in Fund Balance
2010	\$13,735,069	45%	\$ 150,784
2011	\$17,683,620	50%	\$ 3,948,551
2012	\$18,604,609	50%	\$ 920,989
2013	\$20,994,052	54%	\$ 2,389,443
2014	\$22,399,386	66%	\$ 1,405,334
2015	\$24,005,631	71%	\$ 1,606,245
2016	\$26,455,361	78%	\$ 2,449,730
2017	\$29,169,601	76%	\$ 2,714,240
2018	\$31,407,735	79%	\$2,091,448**Estimated

In 2017 the City added \$2.7 million to its reserves. In 2018 reserves are projected to grow by another \$2 million. For 2019 we also expect to maintain a healthy fund balance of \$29,956,180 or 70% of the General Fund Adopted Budget Expenses of \$42,794,544. The General Fund Personnel, Operations and Debt Service Transfer expenses for 2019 increased \$4,385,677 or 11% from the 2018 Amended Budget. Debt Service Transfer expense for 2019 increased by \$2,705,667 or 42% from 2018 Debt Service Expense. Personnel and Operations expense increased by \$1,679,010 or 5.3% from 2018.

*Expenditures are net of bond re-financing(s)

**Estimated as of 10/18/18; does not include \$1.5 million Gulf Shores Board of Education reserve

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 and capped at 70% in 2018. The updated City of Gulf Shores financial policy is included at the end of the budget document. The Fund Balance target for 2019 is 70% of General Fund Expenditures. Of the total General Fund Balance target, General Fund Reserves comprise half of the fund balance and Beach Reserves 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 2016 to 2017 actual, 2018 year to date and 2019 Budgeted Reserves.

General Fund Reserves	2016 Actual (Audited)	2017 Actual (Audited)	2018 Actual Year to Date	2019 Budget
Operating	\$8,809,636	\$9,728,062	\$8,966,550	\$9,975,408
Stabilization	<u>4,418,045</u>	<u>4,856,738</u>	<u>4,476,554</u>	<u>5,002,683</u>
Subtotal General Fund	\$13,227,681	\$14,584,800	\$13,443,104	\$14,978,091
Beach Reserves	<u>13,227,682</u>	<u>14,584,801</u>	<u>18,463,152</u>	<u>14,978,091</u>
Grand Total All Reserves	\$26,455,363	\$29,169,601	31,906,256	29,956,182

Major Revenue Sources

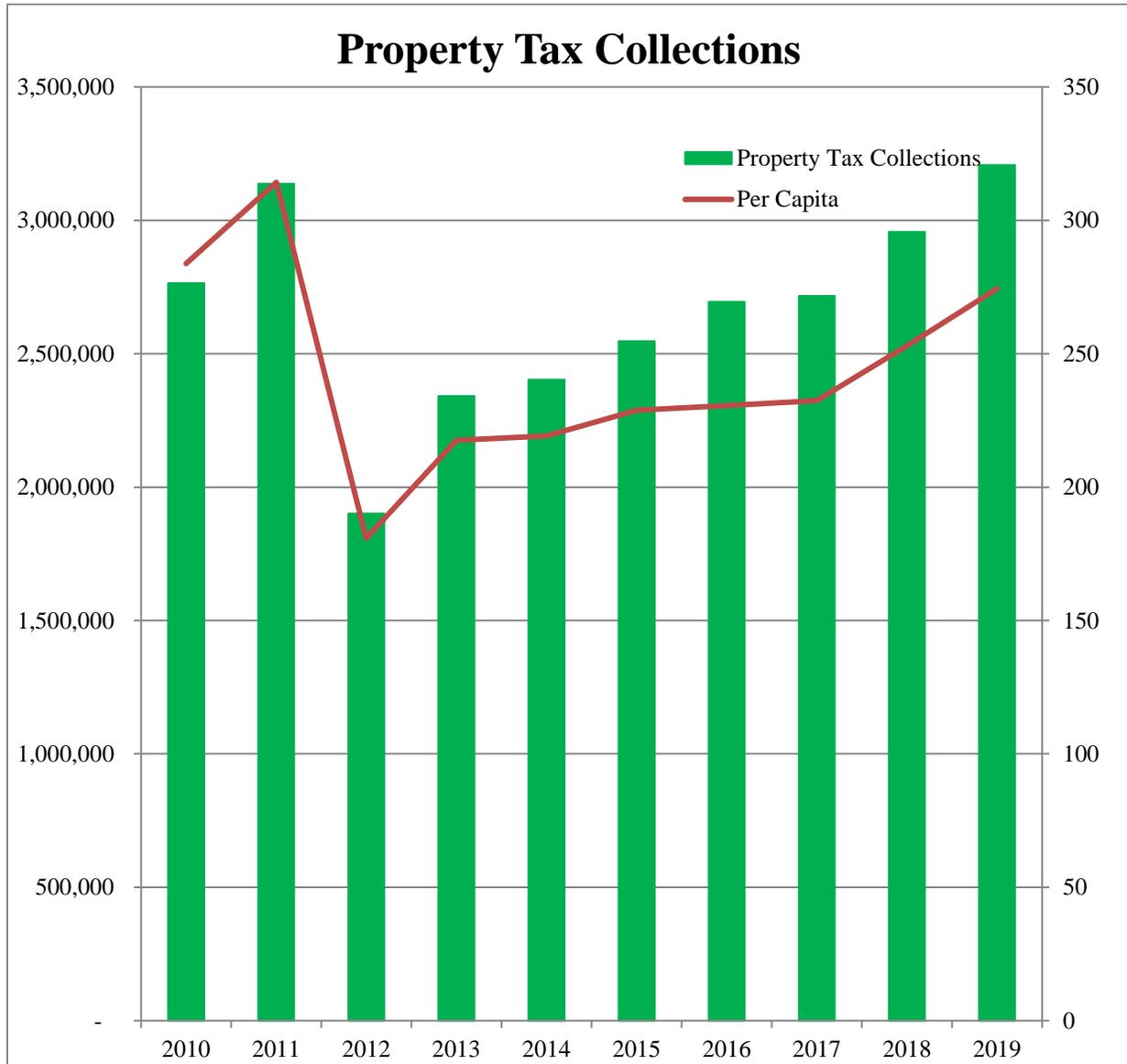
The City of Gulf Shores General Fund has four major funding sources that comprise approximately 75% of the General Fund. Shown below is a summary of the four major General Fund revenue sources and the percentage of the total General Fund Revenues for 2016 Actual, 2017 Actual, 2018 Actual Year to Date, and 2019 Budget:

Revenue Type	2016 Actual	% of Total	2017 Actual	% of Total	2018 Actual Year to Date	% of Total	2019 Budget
Property	\$ 2,695,038	7%	\$2,889,182	7%	1,613,800	5%	3,206,000
Sales	14,279,457	37%	14,588,992	34%	12,458,181	38%	14,300,000
Lodging	7,275,475	19%	7,763,827	18%	9,101,631	28%	11,500,000
Business Licenses	<u>3,425,719</u>	9%	<u>3,451,203</u>	8%	<u>3,583,502</u>	11%	<u>3,480,000</u>
Subtotal	\$27,675,689	72%	\$28,693,204	67%	\$26,757,114	82%	\$32,486,000

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 2019 the four funds comprise 75% of the General Fund projected revenues.

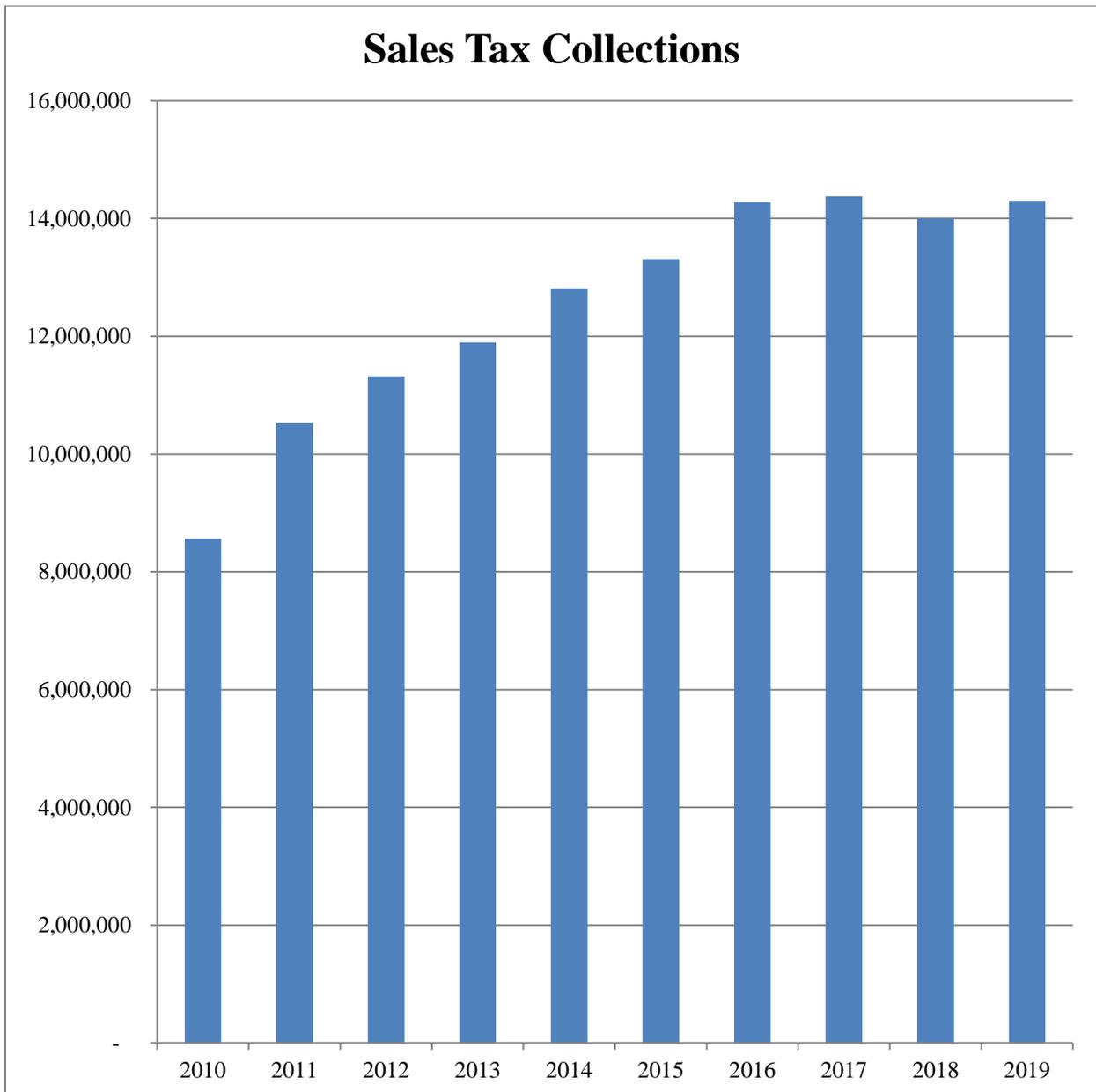
PROPERTY TAX

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 have been slowly increasing since 2012 due to market recovery and new construction. Property tax collections for the past nine years and 2019 budget are shown in the graph below.



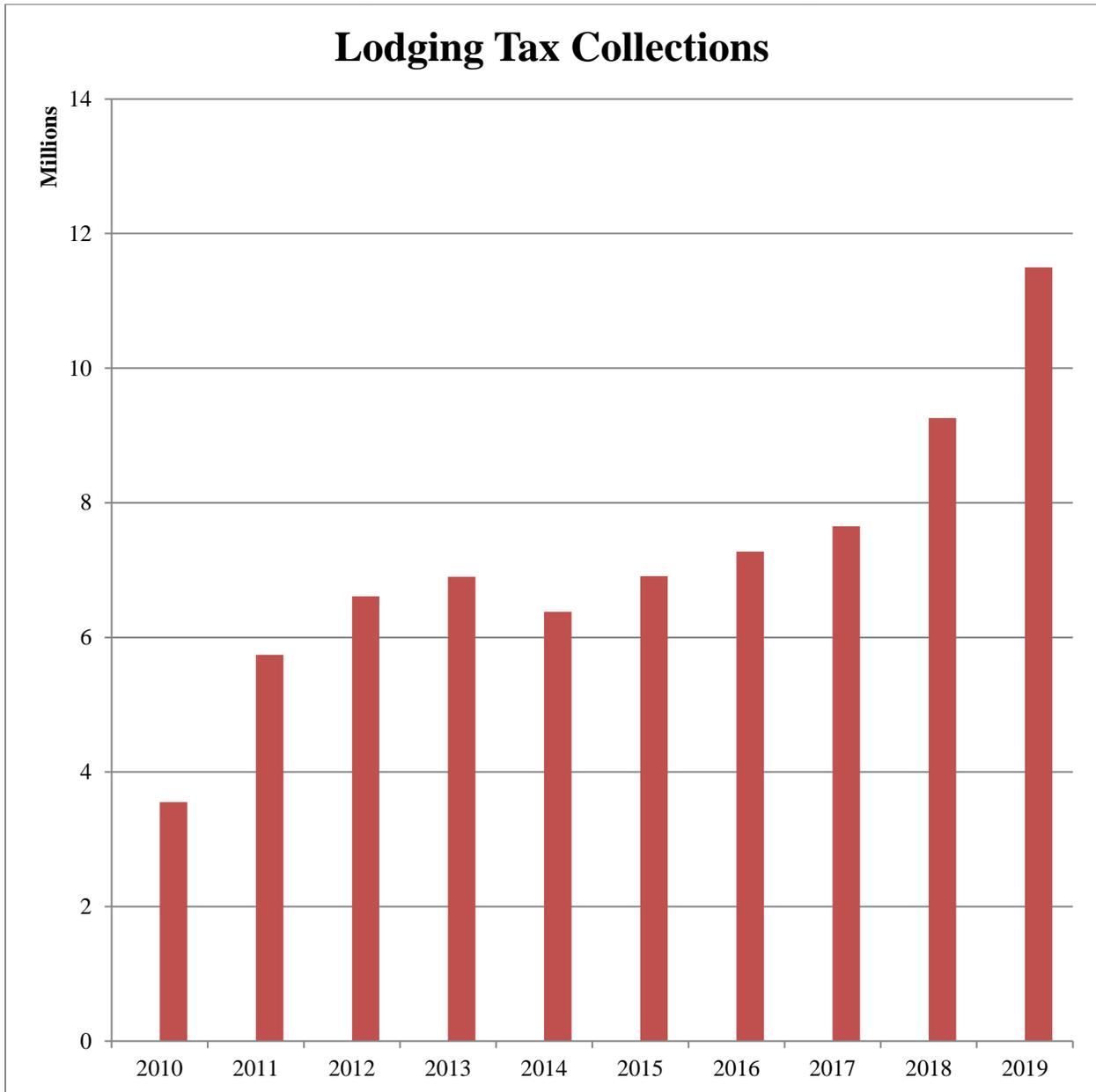
SALES TAX

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 2017 were higher than 2016, making 2017 the highest sales tax collection year ever at 2% higher than the former highest year collections of 2016. A 2.1% increase in Sales Tax is projected for 2019 over 2018 actual reflecting increased tourism. Trend lines for the past eight years and 2018 and 2019 Budgets are shown in the graph below. The ten year compounded growth rate for sales and lodging taxes is 4.9%.



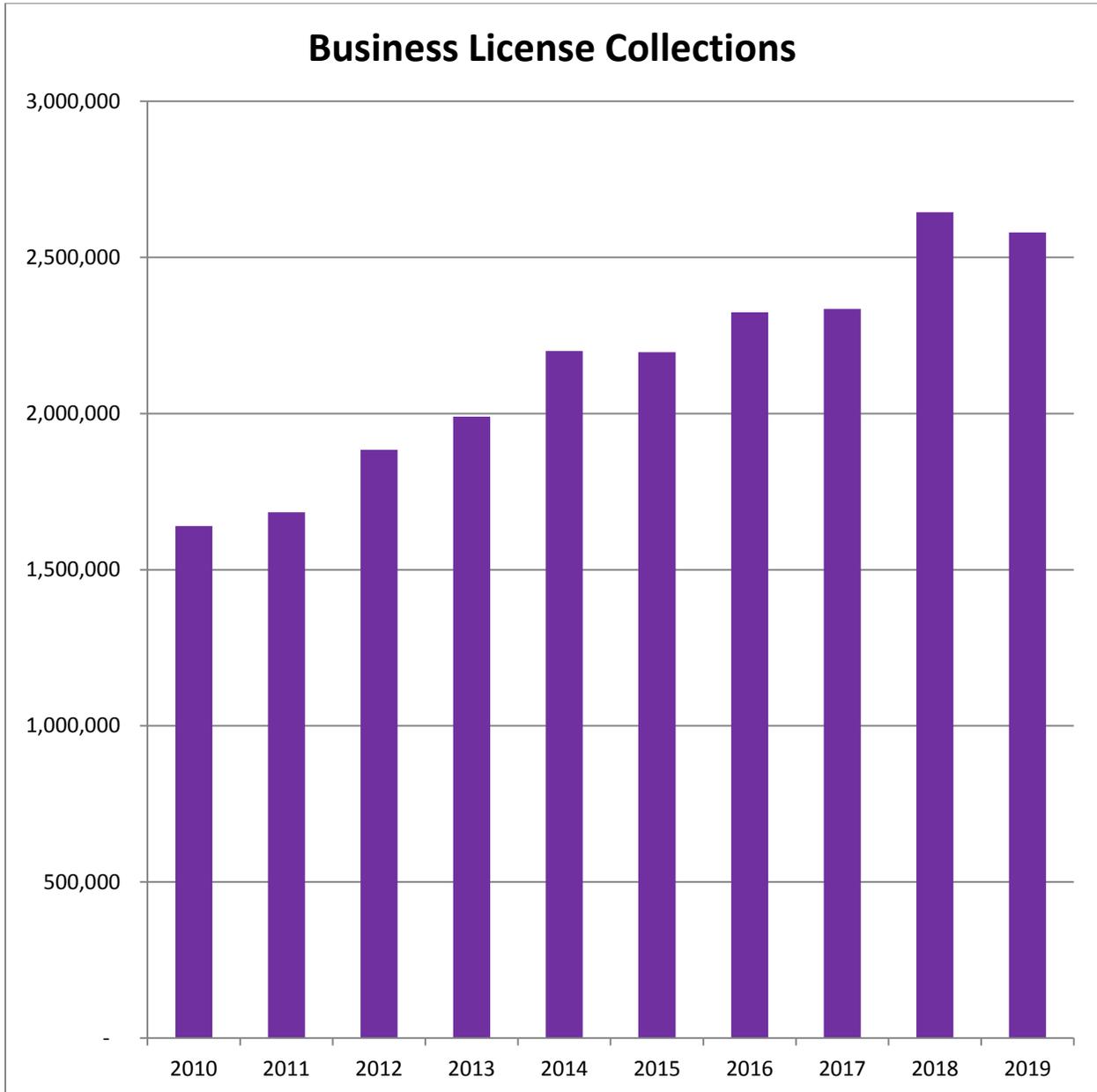
LODGING TAX

Lodging Tax was increased by 2% effective May 2018 to offset the capital cost of transportation improvements. 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 factor contributing to the Lodging Tax collection increase is enhanced collection efforts of Vacation Rental By Owner (VRBO) properties. Lodging Taxes declined for 2014, due to de-annexation of 1,500 businesses. Lodging Tax collections for 2017 were 6% higher than 2016 and have equivalent growth of 7% YTD October 1, 2018. The City entered a Voluntary Collections Agreement with Airbnb effective November 2018 and The Gulf State Park Lodge and Conference Center is scheduled to open in November 2018.



BUSINESS LICENSE

Business Licenses are renewable in January and vary depending on the type of business and gross receipts. Business License revenue collections for 2017 were even with 2016 business license collections. Business license amounts are based on prior year gross receipts. Business License collections for the past nine years and 2019 budgeted are shown in the graph below. The ten year annual growth rate has averaged 4%.



CITY OF GULF SHORES, ALABAMA
Fiscal Year 2019 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 \$1,634,800 in City Capital General funds approved for 2019 are below.

2019 Capital Equipment Budgeted from General Funds

Department	Description	Amount	Annual Cost to Operate
Executive	Land - Habitat Management Plan reimbursed by NFWF	200,000	
Executive	Space Allocation Study for City Hall Complex (includes Police)	100,000	
Finance & Admin	<i>Fiber Optic Improvements Citywide**</i>	50,000	
Building	Fire Rescue Boat ADEM \$42K Budget	42,000	
Police	Replace 5 Vehicles, 2 new, total 7	181,800	
Fire & EMS	SCBA Air Pack Refurbish	150,000	
Rec Sportsplex	Replace 1/2 ton Colorado Truck #6062	35,000	
<i>Rec Sportsplex</i>	<i>Reel Mower - Equipment Lease for 2 mowers**</i>	35,000	
Rec Parks	Grand Stand Mowers	18,000	
Rec Sportsplex	50hp Tractor with Turf Tires	45,000	
<i>Rec Parks</i>	<i>Reel Mower - Equipment Lease for 1 mower**</i>	11,680	
Rec Sportsplex	Replace Utility Vehicle	28,000	
Rec Sportsplex	Roller Packer	20,000	
Public Works	Landscape Back Hoe Replacement	111,000	500
Public Works	Streets Knuckle Boom	140,000	15,000
Public Works	Landscaping Zero Turn Mowers (2)	28,000	4,000
Public Works	Street Resurfacing	500,000 *	
Public Works	Streets Replace #3054 Pickup 1/2 ton	36,000	500
Total General Fund Capital Outlay Approved		1,634,800	

* \$300,000 additional Resurfacing is charged to Impact Fees

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

2019 Capital Equipment & Improvements Budgeted from Impact Fees

Rec & Wellness	Meyer Park Improvements	35,000	
Rec & Wellness	Dog Park Expansion	15,000	
Rec & Wellness	Bodenhamer Pool Deck Resurface	150,000	
Rec & Wellness	Hard Tennis Courts Resurfacing	90,000	
Rec Programs	Civic Center Renovation	30,000	
Rec Programs	Parade Float	25,000	
Rec Sportsplex	Shade Sails 5plex Softball	65,000	
Rec Sportsplex	Track High Jump Improvements for Collegiate/High School	30,000	
Fire	Polaris ATV	14,000	800
Fire	Replacement Equipment	20,000	
Fire	Preemption Equipment for Traffic Signals	61,000	
Police	Replacement Vehicle Equipment	45,450	455
Police	Dispatch Console Upgrade	25,000	
Police	Radar Trailer	25,000	
Public Works Streets	Street Resurfacing Construction	300,000	
Total IMPACT FEES Capital Outlay		930,450	

2019 Capital Budgeted from Beach Funds

Fire	Replace Beach Response Vehicle	40,000	
Fire	Replace 3 UTVs	56,000	2,500
Police	Replace Beach ATV	20,000	
Public Works Streets	Recycling Equipment	168,604	
Total BEACH IMPROVEMENTS FUND		284,604	

2019 Capital Projects Budgeted in 2018 Borrowed Funds for Transportation, Fund 43

		Total	City Match Funds	Annual Maintenance
Public Works	Business & Aviation Park (City Match for design in 2018)	1,168,640	45,000	
Public Works	Fort Morgan Trail Phase III (\$100K City; \$400K ADECA)	500,000	100,000	
Public Works	Coastal Gateway Improvements	6,625,546	6,625,546	33,128
Public Works	Walking District Parking/Streetscape	2,718,376	1,134,376	5,672
Public Works	Hwy 182 Improvements - West 6th St Signal	100,000	100,000	200
Public Works	Land	50,000	50,000	250
Public Works	Little Lagoon Pier	96,000	46,000	1,000
Total CAPITAL IMPROVEMENTS FUND		11,258,562	8,100,922	40,250

2019 Capital Improvement Budgeted in 2016 Ten Year Term Borrowed Funds, Fund 42

Executive	Gulf Place Phase III	2,600,000
Public Works	Gulf Place Upgrades (Speed Humps, Shade Structure)	55,000
Recreation	Branding/Wayfinding	40,000
Subtotal Taxable Borrowed Funds		<u>2,695,000</u>

2019 RESTORE GRANT Funded projects (100% Reimbursable)

Recreation	Cousteau Capital	3,000,000
Executive	Little Lagoon Restoration	1,000,000
Executive	Lagoon Pass Park Upgrades	1,500,000
Executive	NFWF Land	200,000
		<u>5,700,000</u>

Total All Capital 22,545,416

General Funds 1,634,800

Impact Fees 930,450

Capital Improvements Borrowed Funds 10,795,922

Beach Funds 284,604

Restore Funds 5,700,000

Total City Capital Expense 19,345,776

ALDOT/ADECA/DCNR Other Match total 2,699,640

Developer's Fees Durham \$1.2 million total over 2 years 500,000

Total All Capital Revenue Sources 22,545,416



New Construction at Gulf Place



Highway 59 Lighted Pedestrian Bridge



New Equipment & Vehicles



Capital Improvements 2018



Highway 182 (Beach Blvd. Improvements)



Highway 59 Sidewalk Improvements



Executive Annex Painting and New Roof

CITY OF GULF SHORES, ALABAMA
TEN YEAR CAPITAL PLAN

City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2019

Department	Description	Priority	Suggested Fund Source	2019	2020
FINANCE & A	Replace Courier Car Impala (86K)				25,000
	Subtotal FINANCE & ADMIN			-	25,000
EXECUTIVE	Land - NFWF			200,000	350,000
	City Hall Space Allocation Study			100,000	
	Subtotal EXECUTIVE			300,000	350,000
CDD	Premise Inspector Truck-Replace		General Fund		25,000
	Subtotal CDD				25,000
BUILDING	Vehicles/Equipment		ADEM \$42K budget	Fire - boat	42,000
	Subtotal BUILDING			-	42,000
FIRE	Replace Response Vehicles Ladder Truck	1	Impact Fees		40,000
	Replace Fire Engine*				
	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		14,000	
	Replacement Equipment	1	Impact Fees	20,000	20,000
	Preemption Signal Equipment		Impact Fees	61,000	
	Replace Therrmal Imagers x 2				
	SCBA Air Pack Refurbish			150,000	150,000
	Air Bag Rescue Set				
	SCBA Air Compressor				
	Replace Cardio Defibrulators				
	Airport Fire Station				
	Oyster Bay Fire Station		2018 Borrowed Funds 43	50,000	70,000
	Fire Tower		General Fund		
	Fire/Rescue Boat		Brandon / ADEM	42,000	
	Beach Rescue	Replace Response Vehicles		Beach Fund	40,000
Replace UTVs			Beach Fund	56,000	
AEDs Beach			Beach Fund		20,000
Replace Jet skis			Beach Fund		30,000
Subtotal FIRE				433,000	405,000
POLICE	Justice Center - Expansion				
	Replace Vehicles (4)	1	General \$105K	181,800	183,618
	Replacement Vehicle (1)	1	Impact Fees	45,450	45,905
	Prefab OfficeSpace@Middle School	1	Impact Fees		
	Jail Extension (City Hall Space Alloc	1			200,000
	Watch Guard Body/Car Cameras				
Expansion	Pay Station Covers				
	Patrol Boat upgrade				

2021	2022	2023	2024	2025	2026	2027	2028
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
450,000	80,000		800,000	1,050,000	1,250,000	180,000	75,000
		150,000		150,000			500,000
	40,000	150,000					
		40,000					
18,000	18,000	18,000		18,000		18,000	18,000
20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
	40,000						
150,000							
		150,000					
		2,000,000	300,000				
70,000							
400,000							
				65,000			
40,000							
	72,000	18,000		72,000		18,000	72,000
		36,000					
					38,000		
1,148,000	270,000	2,582,000	1,120,000	1,375,000	1,308,000	236,000	685,000
185,454	187,309	189,182	191,074	192,984	194,914	196,863	198,832
46,364	46,827	47,295	47,768	48,246	48,729	49,216	49,708
1,000,000							
	125,000	125,000	125,000	125,000	125,000	125,000	125,000
		75,000					

City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2019

Department	Description	Priority	Suggested Fund Source	2019	2020
	1/2 ton truck for Beach Duties new		Beach Funds		35,000
	Beach ATVs		Beach Funds	20,000	20,000
	Dispatch Console Upgrade			25,000	
	Radar Trailer			25,000	
	Parking Pay Stations				
	Subtotal POLICE			297,250	484,523
PUBLIC WKS	Streets Resurfacing	4	General Fund	800,000	900,000
	Windmill Bridge - Maintenance	2			
	Beach Blvd Improvements Hwy182			100,000	
	*** BUILD GRANT		City Match 3.4 m 2019 from taxable borrowed funds	750,000	750,000
	*** RESTORE ALDOT Capacity project		Design 100% City not budgeted	400,000	1,400,000
	Coastal Gateway Improvements			6,625,546	2,839,520
	Boardwalk WW Village			400,000	
	East 20th Street				
	County Rd 6 Turn Lanes @Hwy 59		Borrowed Funds		
	Walking District Parking/Streetscape		\$1.2 million Durham	2,718,376	1,671,624
	Business and Aviation Park			1,168,640	
	County Road 6 (4 lane to Sportsp.)				
	Access Management N of Hwy 59		May roll into RESTORE		
	4th Street Bridge				
	Little Lagoon 100% ADECA			96,000	
	West Lagoon Avenue			100,000	450,000
	Land (Adjacent to Sportsplex)				
	Subtotal			10,708,562	4,511,144
	City funds estimate			10,208,562	3,061,144
				subtotal City funds to 2021	
	Little Lagoon Pass Fishing Pier		Borrowed Funds		
	Fort Morgan Trail Phase II LBC	3	Borrowed/Grant Funds	500,000	
Vehicles	Replace Vehicles/Equipment	7		36,000	35,000
Large Equip.	Excavator				
	Street Sweeper				
	Dump Truck (Trailer 2018)				
	Backhoe replacement	8		111,000	
	Bucket truck (pd off in 2016)		40-564-80710\$105K		
	Knuckle Boom 2			140,000	145,000
	100 HP Tractor				
	Belly Broom				
	ADEM Recycling Grant/Monitoring				
	Beach Rake replacement	5	Beach Funds		80,000
	Side/Brush Cutter				110,000
	Semi Truck (pulls lowboy trailer)	6			

2021	2022	2023	2024	2025	2026	2027	2028
	36,000		37,000		38,000		39,000
		45,000				50,000	
	150,000					200,000	
1,231,818	545,136	481,477	400,842	366,230	406,643	621,079	412,540
1,000,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
	—2,500,000	—2,500,000					
2,350,000	2,350,000						
1,000,000							
—450,000							
3,350,000	2,350,000	-					
3,350,000	2,350,000	-					
23,858,406							
150,000		150,000		150,000		150,000	
140,000	142,800	145,656	148,569	151,541	154,571	157,663	160,816
		126,000					135,000
			125,000				
105,000			110,000	115,000		120,000	
125,000							
		135,000			140,000		
146,450	147,915	149,394		153,000	154,530	156,075	157,636
	105,000						110,000
					90,000		
			80,000			80,000	
	65,000						

City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2019

Department	Description	Priority	Suggested Fund Source	2019	2020
	Generator	10			
	UTV, Recycling Equipment	9	ADEM Recycling	168,604	170,290
	Trailer - Recycle Center		Beach Funds		11,000
	Large Vehicle Diagnostic Tool				
	Zero Turn Mower 4			28,000	28,000
	Ditch Witch				
	Floor Cleaner				10,000
	Subtotal PUBLIC WORKS			13,642,166	8,150,434
RECREATION	Branding/Wayfinding			40,000	
	r Replace Vehicles			35,000	37,000
	r Replace Utility Vehicles 2			28,000	14,000
	r 50hp Tractor with Turf Tires			45,000	
	r Spray Rig		Impact Fees		
	r Reel Mowers (3) Lease 2018		Operational	35,000	37,000
	r 5 Gang Rotary Mower				65,000
	r Grand Stand Mowers		General Fund	18,000	
	r Zero Turn Mowers(s)				25,000
	n Vicon Spreader		General Fund		
	n Roller Packer		Not on 2018 schedule	20,000	
	r Field Rakes				
	m Tennis Court Resurface-Hard			90,000	
	m Tennis Court Resurface-Soft				
	m Sims Park Backstop/Concrete Pads				40,000
	r Kids Park Playground Replacement		up from \$300K		125,000
	n Dog Park Expansion		Not on 2018 schedule	15,000	
	m Meyer Park Improvements			35,000	
	n Outdoor Fitness Equipment				20,000
	e Recreation Center North				
	m Bodenhamer Interior Repairs		Impact Fees		160,000
	m Bodenhamer Pool Deck Resurface		Not on 2018 schedule	150,000	
	m Bodenhamer Parking Lot		Was 2021 at \$250K		150,000
	e New Splash Park				
	m Library Renovation				
	m New Kitchen Flr/Cabinets AAC				30,000
	e Civic Center Renovation		Was 2020	30,000	
	m Mo's Landing Improvements				
	n Shade Sails 5plex Softball		Not on 2018 schedule	65,000	
	m Sportplex Painting				
	m Track Repair			30,000	
	m Football Field Renovation				100,000
	r Fitness Equipment				100,000
Miscellaneous	Wade Ward Park Boardwalk		Possible NRDA		
	e Sportsplex Stadium Expansion				
	r City Christmas Decorations			50,000	50,000
	n Parade Float		Not on 2018 schedule	25,000	
	Waterway Village Improvements				
	Subtotal 2019			711,000	953,000

2021	2022	2023	2024	2025	2026	2027
171,993	50,000 173,713 12,000	175,450	177,204	178,977 13,000	180,766	182,574 15,000
15,000	15,300	15,606	15,918	16,236 30,000	16,561 12,000	16,892
29,061,849	4,161,727	4,497,106	1,756,692	1,907,754	1,848,429	1,978,204
37,000	37,000	37,000	37,000	37,000	37,000	40,000
28,000			32,000	16,000		34,000
37,000	40,000 37,000	40,000	40,000	40,000 70,000	42,000	42,000
		20,000				
	26,000		27,000			
		30,000	30,000			
60,000						
300,000						
450,000	300,000					
50,000						
12,000	100,000					100,000
300,000						
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 2019

Department	Description	Priority	Suggested Fund Source	2019	2020
FINANCE & A. IT DIVISION	*** Cousteau Capital		100% Restore	3,000,000	3,000,000
	e Gulf Place Upgrades			2,655,000	
	*** Little Lagoon Restoration		100% Restore	1,000,000	1,000,000
	*** Lagoon Pass Park Upgrades		NRDA/Restore	1,500,000	
	Subtotal RECREATION			8,866,000	4,953,000
	SAN Upgrade	1	Operational		
	Cisco Call Manager				
	Dell Isilon Storage Device		Capital Lease	35,458	35,458
	Physical Server replacement(s)	1	Operational	29,542	60,000
	Cisco 4506 Core Upgrade		Capital		
Additional Backup Space				10,000	
Fiber Optic Improvements Citywide	1		50,000		
Camera upgrades (Hardware)	2	Operational		10,000	
Subtotal IT DIVISION			115,000	115,458	
GRAND TOTAL ALL DEPARTMENTS			23,653,416	14,550,415	
By potential funding source:					
Capital Only					
ADEM			42,000		
ALDOT					
ADECA Ft.Mrgn trail 50%					
DCNR Lagoon Pass					
Coke			-		
Impact Fees Fire			95,000		
Impact Fees Police			95,450		
Impact Fees Rec			440,000		
Impact Fees PW			300,000		
Beach Funds			284,604		
NRDA/2016 10 yr LOC			2,695,000		
*** Restore/NFWF			5,700,000		
Bond/Bank/Developer Finance			11,258,562	-	
Subtotal Other Funds			20,910,616	-	
City General Funds			2,742,800	14,550,415	
Operational General			700,000		
General Fund Capital vehicles/equipment			892,800		
ADEM			42,000	1,634,800	
2016 10 Yr LOC			2,695,000		
2018 Non taxable Borrowed Funds			10,758,562		
Durham Development - total \$1.2 million parking spaces fee			500,000		
Restore Funds			5,700,000		
Impact Fees			930,450		
Beach Recycling			284,604		
All Major projects total			22,503,416		
All Major projects total w/out operations & Restore			16,103,416		

2021	2022	2023	2024	2025	2026	2027
2,900,000						
1,000,000	1,000,000	1,000,000	1,000,000			
5,224,000	1,590,000	1,177,000	1,216,000	213,000	129,000	266,000
	20,000					
50,000						
35,458				190,000		
	98,000				98,000	
	10,000		10,000		10,000	
	50,000					
	10,000		10,000		10,000	
85,458	188,000	-	20,000	190,000	118,000	-
36,751,125	6,754,863	8,737,583	4,513,534	4,051,984	3,810,072	3,101,284
-	-	-	-	-	-	-
36,751,125	6,754,863	8,737,583	4,513,534	4,051,984	3,810,072	3,101,284

City of Gulf Shores Revenue, Expense and Reserve Funds Usage projected 2019

(includes \$2.1 million new revs) **

		Debt % of Budget	2018	Debt % of Budget	2019	Debt % of Budget	2020	Debt % of Budget	2021
Total Revenue (1)	16%		39,282,499	9%	43,457,939	13%	44,725,752	15%	46,514,782
Total Expense			38,788,345		42,794,545		43,970,206	3%	44,826,800
Prior Year Debt			(6,406,442)		(3,587,773)		(5,749,158)		(6,605,752)
Current Year Debt	17%		3,587,773	9%	5,749,158	13%	6,605,752	15%	6,587,272
Capital Improvements Fund Match estimates			-		-		-		-
Growth % net of debt					-		-		1,146,631
Estimated Annual Expenses			35,969,676		44,955,930		44,826,800		45,954,951
Reserve Amount 12/31/17	\$ 29,169,601	71%	29,169,901	75%	32,482,724	76%	30,984,733	70%	30,883,685
Reserve Balance *			29,169,901		32,482,724		30,984,733		30,883,685
Return to Reserves (Revenue - Expenses)			3,312,823		(1,497,991)		(101,048)		559,831
Reserve Balance with return to Reserves			32,482,724		30,984,733		30,883,685		31,443,516
Reserves Target % of Expenses	65%		25,178,773	70%	31,469,151	70%	35,861,440	70%	39,061,709
Cash Reserves as % of Budget			84%		72%		70%		70%
			27,151,842	70%					
(1) Revenue growth from 2010 to 2017 averaged 5%					31,469,151	70%	31,378,760	70%	32,168,466
Difference between original reserve target and 70% reserves					(484,418)		4,482,680		6,893,243

*Beginning 2018 reserve amount is from 2017 audit.

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

The City of Gulf Shores Revenue, Expense and Reserve funds are projected from 2018 to 2028 in the spreadsheet above. Two percent revenue growth is projected for 2018. Three percent revenue growth is projected from 2019 to 2020, four percent growth is projected for 2021 to 2023 and 2% is projected from 2024 to 2028. Expenses net of debt service are projected to grow conservatively at 2% to 3% through 2028. Debt service is estimated at between \$5.1 and \$6.9 million annually, which may increase depending on the amount of long term debt issued in 2019, 2020 and 2021. Provision is made in 2019 for \$1.5 million in rolling stock and major capital repair expense and \$542,000 in matching funds. Reserve targets reach 70% in 2018 and will be maintained at that level for the near future.

Debt % of	2022	Debt % of	2023	Debt % of	2024	Debt % of	2025	Debt % of	2026	Debt % of	2027	Debt % of	2028	Debt % of
Budget	4%	Budget	4%	Budget	2%	Budget								
14%	48,375,373	14%	50,310,388	14%	51,316,596	13%	52,342,928	13%	53,389,787	12%	54,457,582	12%	55,546,734	10%
2%	45,954,951	3%	47,086,215	2%	47,872,397	2%	49,097,474	3%	50,356,746	3%	51,386,281	2%	52,728,108	3%
	(6,587,272)		(6,931,182)		(6,914,263)		(6,910,596)		(6,904,262)		(6,630,222)		(6,629,368)	
14%	6,931,182	15%	6,914,263	14%	6,910,596	14%	6,904,262	14%	6,630,222	13%	6,629,368	12%	5,751,588	
	-		-		-		-		-		-		-	
	500,000		505,000		510,050		515,151		520,302		525,505		530,760	
3%	787,354	2%	803,101	2%	1,228,744	3%	1,265,606	3%	1,303,575	3%	1,342,682	3%	1,382,962	3%
	47,586,215		48,377,397		49,607,524		50,871,897		51,906,583		53,253,613		53,764,051	
69%	31,443,516	68%	32,232,674	68%	34,165,666	71%	35,874,738	73%	37,345,769	74%	38,828,973	76%	40,032,942	76%
	31,443,516		32,232,674		34,165,666		35,874,738		37,345,769		38,828,973		40,032,942	
	789,158		1,932,992		1,709,072		1,471,031		1,483,204		1,203,969		1,782,683	
	32,232,674		34,165,666		35,874,738		37,345,769		38,828,973		40,032,942		41,815,626	
70%	42,827,594	70%	45,958,527	70%	49,607,524	70%	50,871,897	70%	51,906,583	70%	53,253,613	70%	53,764,051	70%
	70%		73%		75%		76%		77%		78%		79%	
70%	33,310,351	70%	33,864,178	70%	34,725,267	70%	35,610,328	70%	36,334,608	70%	37,277,529	70%	37,634,835	70%
	9,517,243		12,094,349		14,882,257		15,261,569		15,571,975		15,976,084		16,129,215	

CITY OF GULF SHORES, ALABAMA
DEPARTMENT INFORMATION
FISCAL YEAR 2019

City of Gulf Shores, Alabama
2019 Annual Budget
Personnel - All General Fund

Fund	Department	2017	2017	2018	2018	2019	2019
		Full time	Part time	Full time	Part time	Full time	Part time
General	Executive	11	1	12	0	12	0
	Human Resources	3	0	3	0	3	0
	Finance & Administrative Services	17	1	18	1	18	1
	Municipal Court	4	2	4	2	4	2
	Police	69	4	70	4	71	0
	Fire & EMS	46	-	48	30	55	30
	Community Development	4	-	4	0	5	0
	Building	6	-	6	0	7	0
	Recreation & Cultural Affairs	3	-	3	0	3	0
	Events & Programs	5	4	5	4	5	4
	Library	8	3	8	3	8	3
	Recreation - Bodenhamer	10	22	19	21	19	22
	Recreation - Sportsplex	8	2	7	1	7	0
	Recreation - Parks	5	-	6	1	6	1
	Recreation - Beach	1	13	0	0	0	0 Moved to Fire 2018
	Recreation - Cultural Center	5	-	0	0	0	0 Moved to Bodenhamer
	Recreation - City Store	1	3	1	3	1	3
	Public Works - General Services	9	1	9	1	10	1
	Public Works - Custodial	9	-	9	0	9	0
	Public Works - Landscaping	10	-	10	0	11	0
	Public Works - Streets	20	-	20	0	20	0
	Public Works - Maintenance	9	-	9	0	9	0
	Airport Authority	2	-	2	0	2	0
	Total	265	56	273	71	285	67

PT = Part-time

New Full time Positions Approved 2019

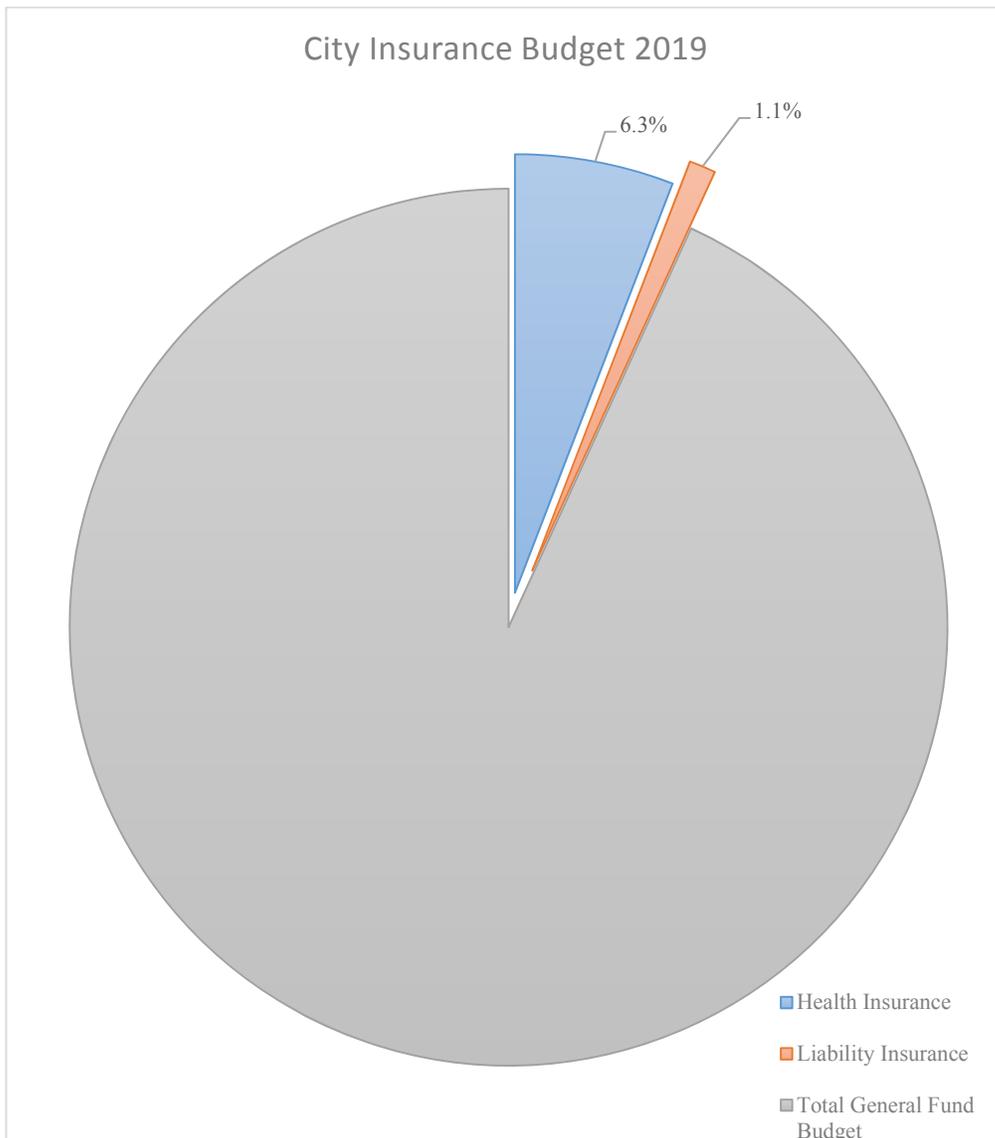
Police Officer	1
Firefighter/EMT- Safer Grant	6
Director of Planning & Community Development	1
Building and Environmental Inspector I	1
Traffic Technician	1
Seasonal Lifeguard- Pool	1
Total Approved	11

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

Department	Personnel	Operations	Capital Outlay	Debt Service	Transfers	Total
General Fund:						
Executive	876,917	768,975	300,000			1,945,892
Human Resources	556,926	150,772	-			707,698
Finance & Administrative Services	1,402,544	1,361,885	-			2,764,429
Municipal Court	397,112	13,290	-			410,402
Police	5,147,176	896,550	181,800			6,225,526
Fire & EMS	3,992,147	514,900	150,000			4,657,047
Planning & Zoning	476,622	79,910	-			556,532
Building	560,615	51,150	42,000			653,765
Recreation & Cultural Affairs	356,152	41,962	-			398,114
Special Events & Programs	387,689	430,234	-			817,923
Library	538,442	102,080	-			640,522
Recreation - Rec & Wellness	1,649,928	499,517	-			2,149,445
Recreation - Sportsplex	721,414	475,910	128,000			1,325,324
Recreation - Parks	398,736	191,413	18,000			608,149
City Store	97,839	77,010	-			174,849
Public Works - General Services	820,579	63,300	36,000			919,879
Public Works - Custodial	482,872	97,080	-			579,952
Public Works - Landscaping	693,442	210,830	111,000			1,015,272
Public Works - Streets	1,491,587	1,128,500	668,000			3,288,087
Public Works - Maintenance	686,092	705,500	-			1,391,592
Airport Authority	142,067					142,067
Appropriations	0	2,260,000				2,260,000
Transfers Out	0	0			9,162,078	9,162,078
General Fund Totals	<u>21,876,898</u>	<u>10,120,768</u>	<u>1,634,800</u>	<u>0</u>	<u>9,162,078</u>	<u>42,794,544</u>
% of Total	51.1%	23.6%	3.8%		21.4%	
Other Funds:						
Special Revenue						
2% Lodging Tax - Transfer Out					3,290,000	3,290,000
Designated Taxes					515,000	515,000
Impact Fees			930,450			930,450
Beach Restoration & Projects	870,954	339,268	307,604			1,517,826
Capital Improvements-Fund 38 Trans					30,000	30,000
Storm Damage Fund			53,000			53,000
Capital Projects Funds (Fund 40)			900,000			900,000
Capital Projects Taxable (Fund 42)		450,000	2,600,000			3,050,000
Capital Projects NonTax (Fund 43)			11,258,562			11,258,562
Debt Service				5,850,000		5,850,000
Subtotal Other Funds	<u>870,954</u>	<u>789,268</u>	<u>16,049,616</u>	<u>5,850,000</u>	<u>3,835,000</u>	<u>27,394,838</u>
Grand Total	<u>22,747,852</u>	<u>10,910,036</u>	<u>17,684,416</u>	<u>5,850,000</u>	<u>12,997,078</u>	<u>70,189,382</u>
				Total Expenditures	\$	<u>70,189,382</u>

City Insurance Budget 2019

	Budget 2018	% of Total Budget
Health Insurance	\$2,686,493	6.3%
Liability Insurance	\$451,000	1.1%
Total General Fund Budget	\$42,794,545	



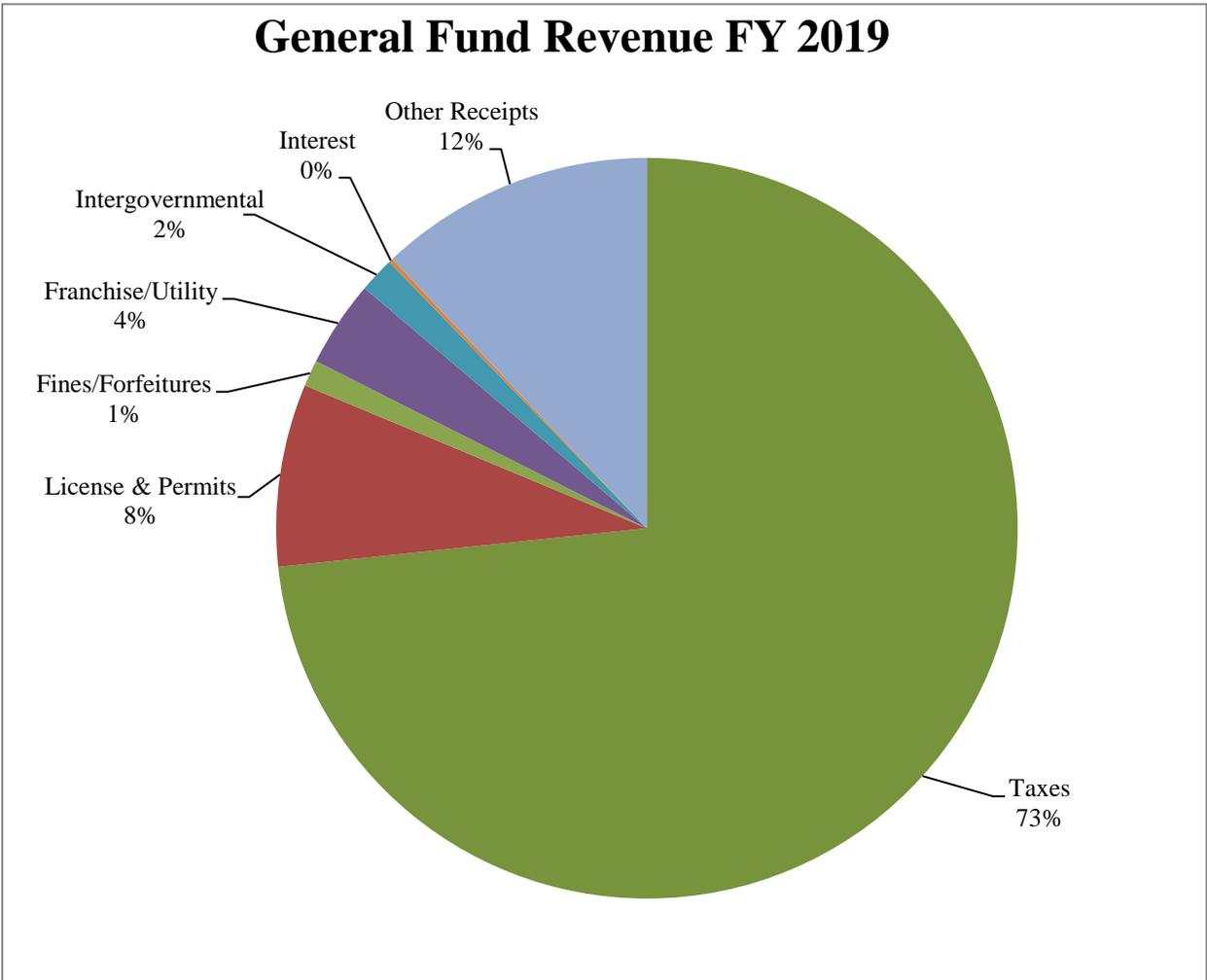
Health Insurance is included in the Personnel expense for each departmental budget.

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

The City of Gulf Shores, Alabama

General Fund Budget Summary

GENERAL FUND REVENUE	2016 Actual	2017 Actual	2018 Amended Budget	2019 Council Adopted	% of Total General Fund
Taxes	27,184,893	28,525,918	28,868,750	31,870,000	73%
License & Permits	4,238,024	3,427,679	4,105,000	3,461,000	8%
Fines/Forfeitures	595,810	513,813	500,000	500,000	1%
Franchise/Utility	298,050	1,410,132	626,000	1,640,000	4%
Intergovernmental	295,983	688,309	319,424	671,542	2%
Interest	36,195	40,711	40,000	80,000	0%
Other Receipts	6,411,948	7,922,806	4,823,325	5,235,397	12%
Total General Fund Revenues	39,060,903	42,529,368	39,282,499	43,457,939	100%



The City of Gulf Shores, Alabama
Fiscal Year 2019 Budget

	2016	2017	2018	2019	% Change	2020
	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	Projected
EXECUTIVE						
Expenditures						
Personnel	772,366	841,734	842,273	876,917	4%	882,383
Operations	546,549	557,604	875,975	768,975	-12%	768,975
Capital Outlay	0	217,034	48,000	300,000	n/a	350,000
Executive Total	1,318,915	1,616,372	1,766,248	1,945,892	10%	2,001,358

Executive Personnel

	2016	2017	2018	2019
	Actual	Actual	Budget	Adopted
Positions				
Mayor	1	1	1	1
Council Members	5	5	5	5
City Administrator	1	1	1	1
City Clerk	1	1	1	1
Economic Dev Coord	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
Total Personnel	12	12	12	12

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.

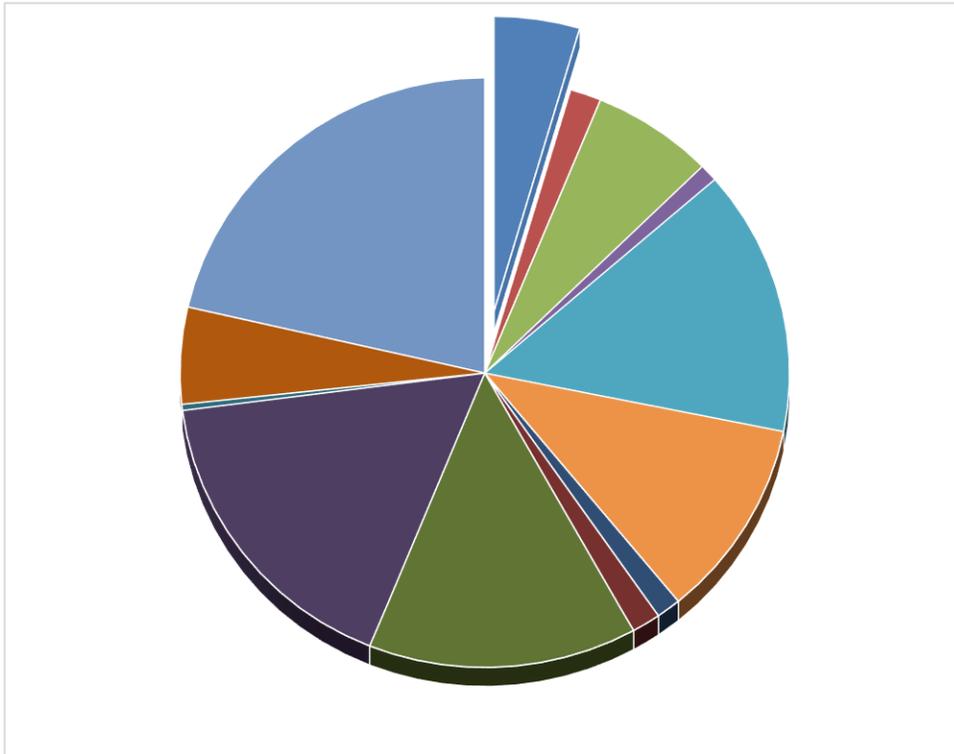
The goal of the City Council is to continue to implement the Vision 2025 Plan for Sustainability by focusing on the five core values (medical, education, Gulf State Park, Waterway District and Gulf Beach District).

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: focus on obtaining and management of grants and projects for the Gulf Beach District and Ecotourism.

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

Expenditure Budget 2019
 \$ 1,945,892
 4.3% of General Government



General Government Expenditure Budget: \$42,794,544

Department: Executive

Major Accomplishments:

Mayor and Council authorized core value projects:

- Ordinance to establish Drone Regulations (*Gulf Beach/Public Safety*)
- Ordinance to define Gulf Beach Use Regulations (*Gulf Beach/Public Safety*)
- Resolution for development of Gulf Coast Center for Ecotourism and Sustainability (*Eco. Dev./Sustainability*)
- Resolution for preparation of Habitat Management Plan for Bon Secour / Oyster Bay Wetland Acquisition Project (*Environmental Sustainability*)
- Completion of Auburn University construction of post graduate Veterinary Educational Facility (*Education*)
- Gulf Shores Public Beach Revitalization - Phase 1A and Phase 2 are Complete;
Phase 1B complete in 2019 - (*Gulf Beach District*)
- Zoo Foundation, Inc. 2018-A Bond Financing (*Economic Development*)
- Established Gulf Shores City Board of Education (*Education*)
- Executed Development Agreement for construction of major hotel and conference center (*Eco. Development*)

Economic Development Coordinator:

- Airport Business and Aviation Park Expansion - Resicum International Company
- Secured Development Agreement with DD Partners, LLC for construction of Embassy Suites Hotel
- Provided coordination and support to establishing Gulf Shores City School Board
- Continued expansion of 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 Office

	2018 Actual	2019 Target
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Goals

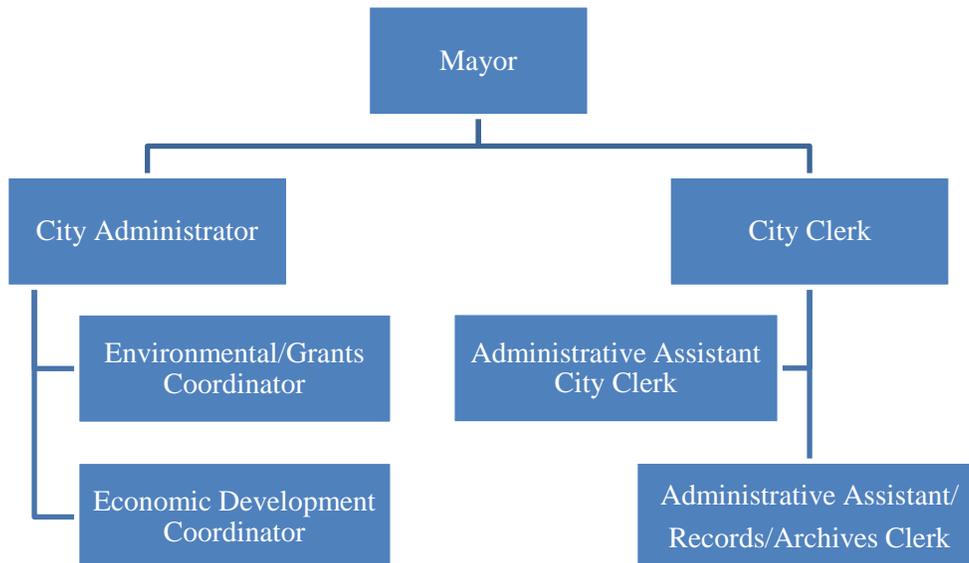
City Council Agenda dispatch packages available by deadline	99%	100%
Ordinances processed	27	
Resolutions processed	111	

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 grants to revitalize the Waterway District and the Gulf Beach District to improve infrastructure including sidewalks, parking, improved roads, signalization, complete streets, and public activity areas. Submit application for BUILD 2019 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 DEPARTMENT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2019 Budget

	2016 Actual	2017 Actual	2018 Amended Budget	2019 Council Adopted	% Change 2018 to 2019	2020 Projected
HUMAN RESOURCES						
Expenditures						
Personnel	184,129	232,410	550,870	556,926	1%	562,495
Operations	68,493	79,240	107,950	150,772	40%	111,691
Capital Outlay	0	0	0	0	n/a	0
Human Resources Total	252,622	311,650	658,820	707,698	7%	674,186

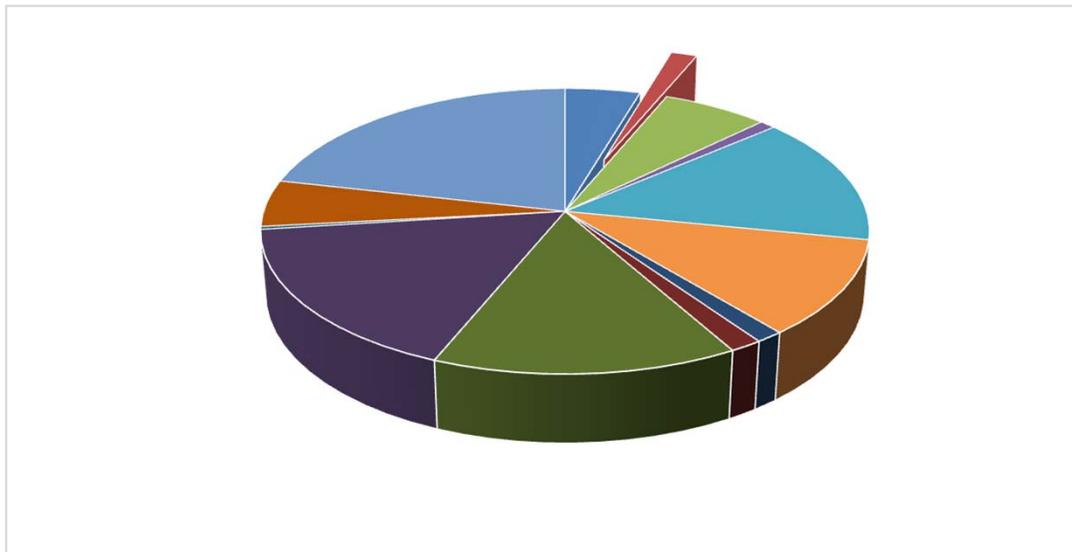
Human Resources Personnel

	2016 Actual	2017 Actual	2018 Budget	2019 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
Total Personnel	3	3	3	3

Human Resources Department Functions:

The Human Resources Department's main function is the administration of the City's compensation and benefits strategy in order to attract and retain the best qualified applicants for the job. The department's functions also 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 2019
 \$ 707,698
 1.7% of General Government



General Government Expenditure Budget: \$42,794,544

Major Accomplishments:	2016 Actual	2017 Budget	2018 Target
Increased Employee Participation in Wellness Program	75%	82%	90%
Implemented Onboarding program to streamline hiring process	0	25%	75%
Reduce Work Comp claims and cost with Triage Program	0	25%	75%

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.

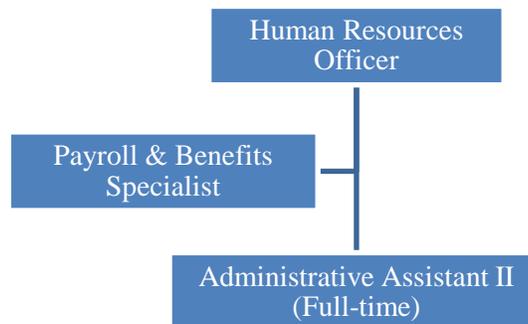
Goals:

Establish new Symbol Wellness Point System to promote participation in the program.

Safety Program Implementation to include utilizing the city's clinic in reducing workers compensation injuries and creating prevention program. Reduce workers compensation cost by participating in the Triage Nurse Program establish by Millennium.

Objectives:	2017 Actual	2018 Budget	2019 Target
Quarterly Reports from Millennium on Work Comp injuries to establish safety needs, use Triage Nurse Program to reduce workers compensation cost.	0	25%	75%
Work with Symbol Clinic on reducing workers compensation injuries by creating an injury prevention program.	0	25%	100%
Work with Symbol on creation of reports to measure outcomes and cost effective programs.	0	50%	100%

HUMAN RESOURCES ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2019 Budget

FINANCE AND ADMINISTRATIVE SERVICES	2016	2017	2018	2019	% Change	2020
	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	Projected
Expenditures						
Personnel	1,479,543	1,523,694	1,357,528	1,402,544	3%	1,411,089
Operations	1,017,582	1,133,394	1,393,497	1,361,885	-2%	1,380,364
Capital Outlay	21,270	48,682	0	0	n/a	0
Finance & Admin Total	2,518,395	2,705,770	2,751,025	2,764,429	0%	2,791,453

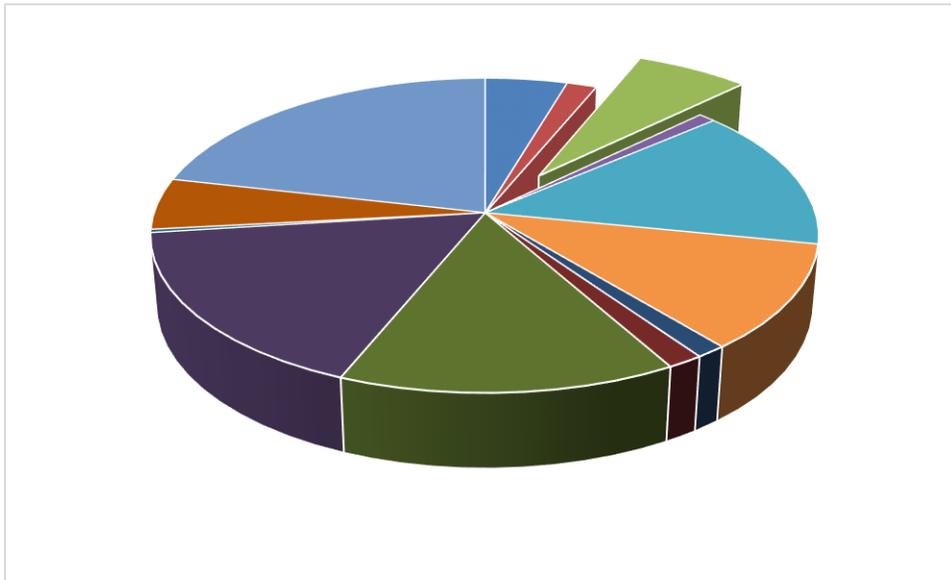
Finance & Administrative Services Personnel

	2016	2017	2018	2019
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
Information Systems Supervisor	0	0	1	1
Network Administrator	1	1	1	1
Systems Administrator	1	1	0	1
Information Tech Technician	1	1	2	1
Accountant (Part-time)	1	1	1	1
Admin Asst. I	1	1	1	1
Total Personnel	18	18	19	19

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 2019
 \$ 2,764,429
 6.5% of General Government



General Government Expenditure Budget: \$42,794,544

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

Major Accomplishments:

	2017 Actual	2018 Budget	2019 Target
Submit prior to start of fiscal (calendar) year City Budget for consideration for GFOA Certificate of Recognition for Budget Preparation and achieve award.	Submitted 12/2/2016 Received	Submitted 12/6/2017 Received	Goal 12/14/2018
Submit within 6 months of year end the Comprehensive Annual Financial Report for consideration for the Certificate of Achievement for Excellence in Financial Reporting.	Submitted 6/14/2017 Received	Submitted 5/30/2018 Received	Goal 6/28/2019
Maintain or improve City's current bond rating at AA+.	n/a	Affirmed	Maintain
IT - Network core switch replaced/upgraded allowing 1 GB data traffic.	Complete	n/a	n/a
IT - PD surveillance camera system upgraded ensuring security.	Complete	Expand	n/a
IT - Fiber backbone expanded to Meyer Park, City Boat Launch, Lagoon Pass, and new Lifeguard Office at 2nd Street (West Beach Blvd).	Complete	n/a	n/a
Maintain reserves at percentage of revenue as set by Council.	65%	70%	70%

Finance and Administration Continued

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

Goals:

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

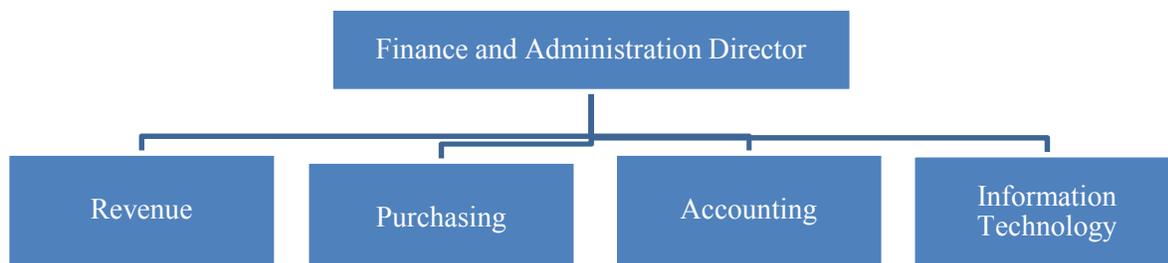
Continue to add to the existing fiber to include outlying facilities/locations to enhance citywide network.

Submit 2018 Comprehensive Annual Financial Report for Government Finance Officer's Association (GFOA) Certificate of Excellence in Financial Reporting Award and submit 2019 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.

	2017 Actual	2018 Budget	2019 Target
Objectives: Out of 29 municipal facilities/locations, all are currently interconnected via our fiber backbone. Our 2018 goal was to complete fiber runs to Meyer Park, Lagoon Pass, Canal Boat Launch, Skate Park and the new Gulf Place Safety building. All were completed by 3rd quarter, 2018.	28	29	Maintain
Currently one hundred twenty three (123) cameras are installed throughout municipal facilities/locations. In 2018 cameras were added at Meyer & Skate Parks, Lagoon Pass, Canal Boat Launch, & Sim's Park Concessions. New cameras were installed at the safety building and beach bath house. 13 more cameras are scheduled to go up at Gulf Place for Phase III renovations.	94	123	136
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	Met	Goal
Rental Licenses Issued	4,049	4,084	4,100

FINANCE AND ADMINISTRATION ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2019 Budget

	2016	2017	2018	2019	% Change	2020
	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	Projected
MUNICIPAL COURT						
Expenditures						
Personnel	420,469	458,178	398,054	397,112	0%	408,912
Operations	12,871	11,961	13,290	13,290	0%	13,290
Capital Outlay	0	0	0	0	n/a	0
Municipal Court Total	433,340	470,139	411,344	410,402	0%	422,202

Municipal Court Personnel

	2016	2017	2018	2019
	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
Total Personnel	6	6	6	6

Municipal Court Functions:

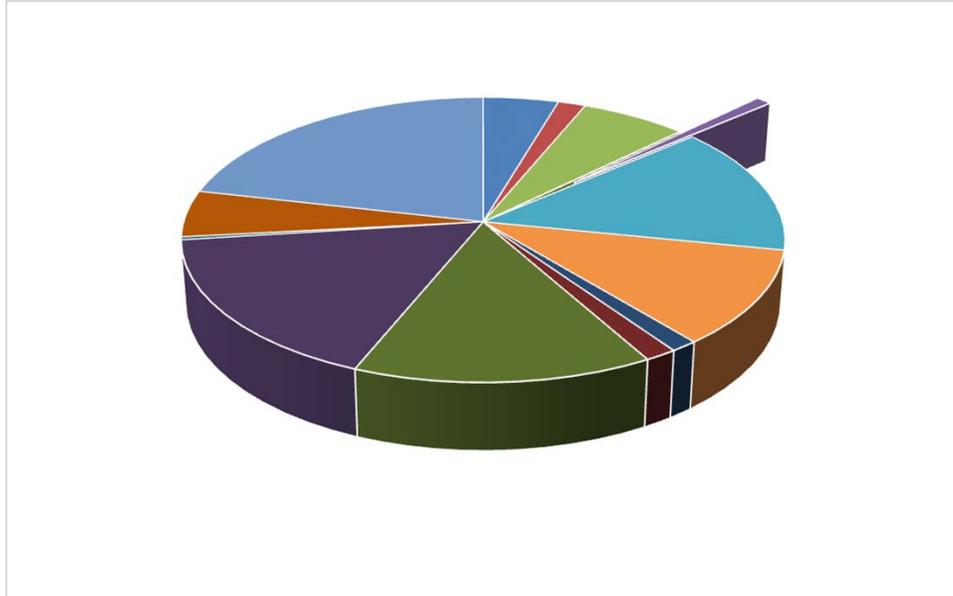
Municipal Court Judge: The Municipal Court Judge resides over the Municipal Court Clerk and Magistrate(s), and hears any cases brought before the Gulf Shores Municipal Court. Appointed and approved by the Mayor and City Council. The position of Municipal Court Judge is created by the Code of Alabama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

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

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

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

Expenditure Budget 2019
\$ 410,402
1% of General Government



General Government Expenditure Budget: \$42,794,544

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.

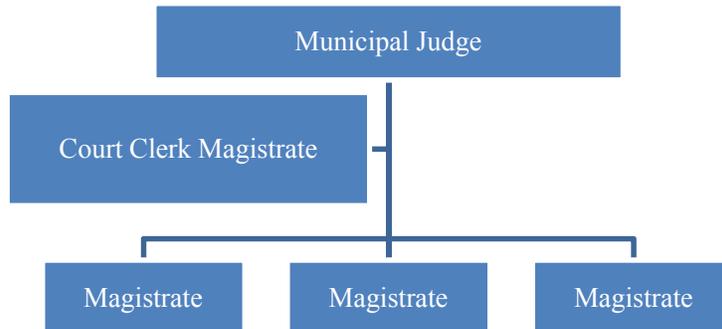
Ongoing effort to reduce inmate population with use of Court payment monitoring, rehabilitation treatment opportunities, and alternative sentencing.

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.

Key Measures	2017 Actual	2018 Budget	2019 Projection
Total Criminal Processes handled by 4 Magistrates from 8/12/2017 to 08/12/2018 (not including Bond Hearings per arrest or window/phone interactions and Parking Tickets.)	16,400	18,400	18,600
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	\$24.23	\$23.97
Average Revenue per Criminal Process based on Revenue Collected for period 8/12/2017 to 8/12/2018 for 2018 and \$1,115,000 projected for 2019.	\$56.77	\$57.67	\$59.95

MUNICIPAL COURT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2019 Budget

	2016	2017	2018	2019	% Change	2020
	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	Projected
POLICE						
Expenditures						
Personnel	4,428,119	4,449,014	4,978,962	5,147,176	3%	5,209,791
Operations	656,389	670,690	848,398	896,550	6%	887,550
Capital Outlay	239,181	229,915	312,000	181,800	-42%	383,618
Police Total	5,323,689	5,349,619	6,139,360	6,225,526	1%	6,480,959

Police Personnel

	2016	2017	2018	2019
	Actual	Actual	Budget	Adopted
Positions				
Police Chief	1	1	1	1
Deputy Chief	1	1	1	1
Lieutenant	3	3	3	3
Investigator Command Sergeant	0	0	0	1
Investigator Sergeant	1	1	1	0
Investigator	4	4	4	4
Support Services Command Srg	0	0	0	1
Support Services Sergeant	1	1	1	0
Narcotics Investigator	3	3	3	2
SRO / Juvenile Sergeant	1	0	0	0
School Resource Officer	1	1	1	1
SRO/Sergeant	0	0	0	1
SRO / Corporal	1	1	1	0
CRO/Sergeant	0	0	0	1
CRO / Corporal	1	1	1	0
Public Safety Academy Sergean	0	0	0	1
Public Safety Academy Corpora	1	1	1	0
Fleet/Property R Command Srgt	0	0	0	1
Fleet / Property Room Sergeant	1	1	1	0
Patrol Command Sergeant	0	0	0	4
Patrol Sergeant	3	3	3	4
K9 Patrol Sergeant	1	1	1	0
Patrol Corporal	4	4	4	0
K9 Officer	2	3	3	5
Patrol Officer	18	15	15	19
Communication Officer	6	7	7	7
Communications Supervisor	1	1	1	1
Detention Supervisor Corporal	1	0	0	0
Detention Supervisor	0	1	1	1
Detention Officer	8	8	8	8
Animal Control Officer	1	1	1	0

Department: Police (Continued)

Administrative Assistant I	1	1	1	1	
Administrative Supervisor	1	1	1	1	
Community Service Officers	2	2	2	2	Beach Funding
Part Time Positions:					
Beach Rangers (Seasonal)	4	4	4	0	Beach Funding
Total Personnel	73	71	71	71	

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.

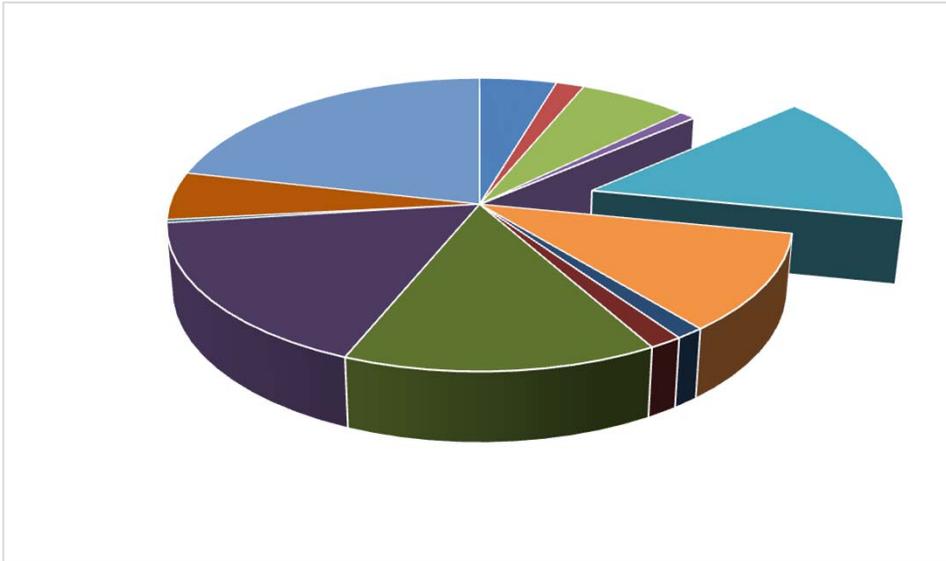
1. Integrity
2. Respect
3. Service
4. Teamwork

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 2019
 \$ 6,225,526
 14.7% of General Government



General Government Expenditure Budget: \$42,794,544

Major Accomplishments

Despite a shortage in sworn personnel in FY 2017 GSPD again accomplished several of our primary goals. Self-initiated drug arrests - already significant in previous years - increased again. 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 2016 and 2017 these types of arrests increased by 1%.

	2016 Actual	2017 Actual	2018 YTD	2019 Proposed
Drug Arrests	606	611	500	629

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 12% reduction in Part 1 crimes!

	2016 Actual	2017 Actual	2018 YTD	2019 Proposed
Part 1 Crimes	686	601	434	619

The percentage of Gulf Shores' total crimes also decreased by 7%.

Police (Continued)

	2016	2017	2018	2019
	Actual	Actual	YTD	Proposed
Total of all crimes	3,455	3,200	2,727	3,296

	2016	2017	2018	2019
	Actual	Actual	YTD	Proposed
Percentage of Part 1 Crimes as Compared to Total Crimes	20%	19%	16%	18%

Demands on GSPD grew along with the increased permanent and tourist populations and resulted in more than a 6% increase in total calls for service and in the workload of our Communications Division – a 4% increase:

	2016	2017	2018	2019
	Actual	Actual	YTD	Proposed
Total Calls for Service	19,167	20,259	16,721	20,866

	2016	2017	2018	2019
	Actual	Actual	YTD	Proposed
Communications Processed	33,430	34,880	28,129	35,926

Along with increased arrest activity, staff shortages, and more calls for service, results in greater response times as demonstrated in this two-year comparison:

	2016	2017	2018	2019
	Actual	Actual	YTD	Proposed
Average Response Time	6:31	7:04	6:55	7:04

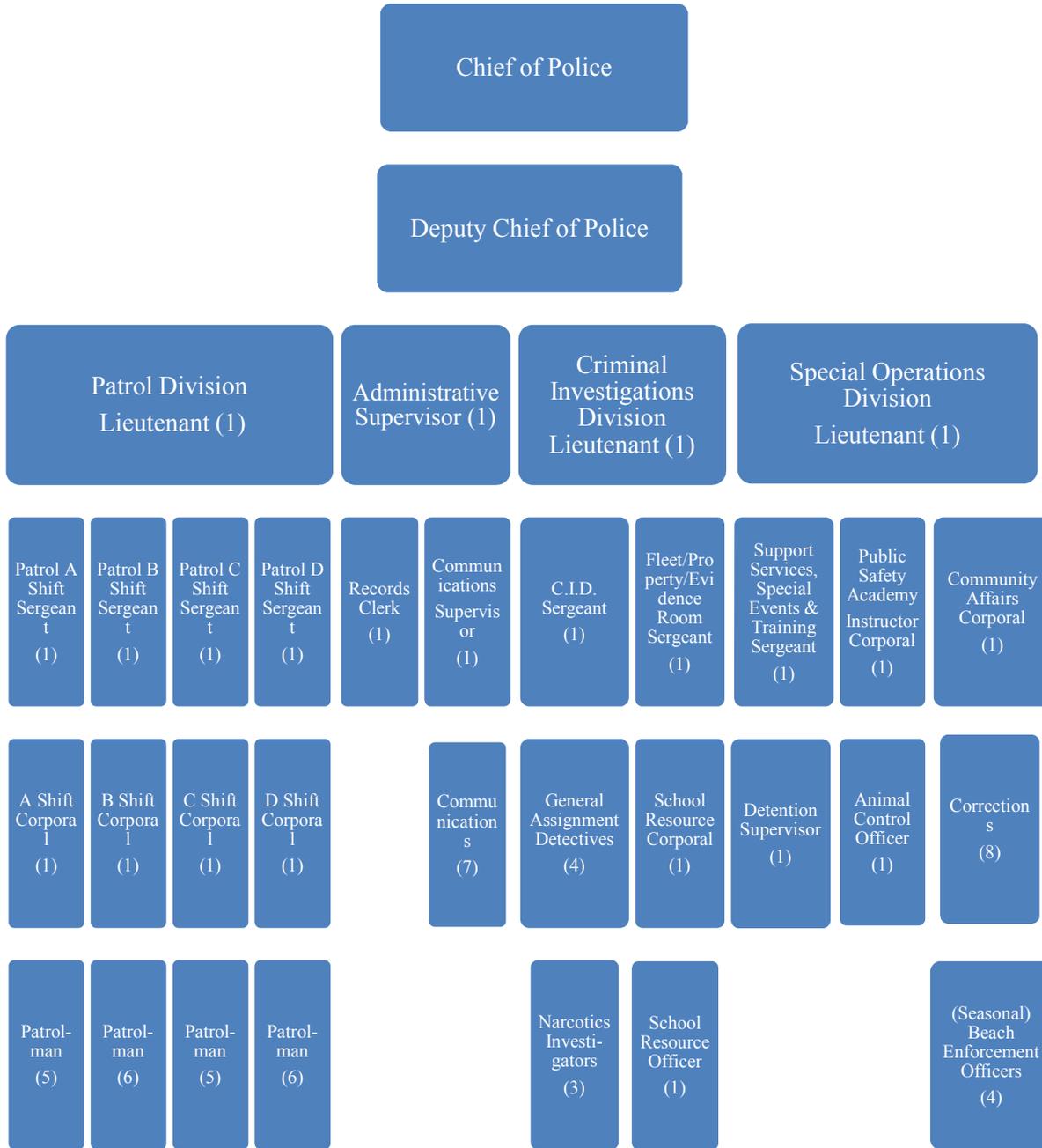
Future Outlook- Personnel

The Police Department operates with an authorized total sworn staff. For a variety of reasons, it is rare that we are ever fully staffed. We have additional officers to work at our schools and to protect our most precious and vulnerable. As we go forward it will become necessary to add additional sworn and non-sworn personnel.

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 2019 Budget

	2016	2017	2018	2019	% Change	2020
FIRE	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	Projected
Expenditures						
Personnel	3,240,353	3,350,115	3,548,312	3,992,147	13%	4,004,909
Operations	407,997	432,103	501,600	514,900	3%	514,900
Capital Outlay	200,000	0	0	150,000	n/a	150,000
Fire Total	3,848,350	3,782,218	4,049,912	4,657,047	15%	4,669,809

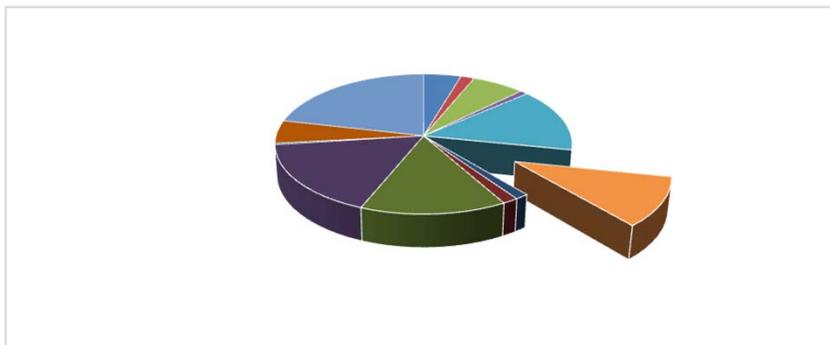
Fire Personnel

	2016	2017	2018	2019	
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	18	*6 from FEMA Grant
Admin Assistant	1	1	1	1	
Seasonal Lifeguards	0	0	0	30	*Beach Fund
Total Personnel	43	44	46	85	

Fire Department Functions:

Our mission is to enhance public safety and support quality of life through direct immersion in our communities. We want to be good neighbors in our “Small Town” by expertly blending outreach and education via community risk reduction programs. We deliver exceptional services and improve our community’s needs by continually measuring outcomes.

CORE Value:



Expenditure Budget 2019
 \$ 4,657,047
 10.9% of General Government

General Government Expenditure Budget: \$42,794,544

Department: Fire & Emergency Services

Major Accomplishments:

Vision 2025 Key Strategy, Community Planning-Infrastructure:

January 2018, the beach lifeguards transferred from Parks and Recreation into the Department of Fire & Emergency Services. This merger eliminated duplication of rescue services. We doubled the number of lifeguards on duty and staffed the Gulf State Park Pavilion Beach, with limited budget impact.

April 2018, Completed traffic control project with Public Works by installed traffic signal control devices on Fire Engines, increasing traffic safety and reducing response delays.

June 2018, the Beach Enforcement unit (Beach Rangers) transferred into our Beach Division. This move also reduced unnecessary duplication of service. Increased patrol efficiency and increased educational interactions covering safety and environmental best practices.

September 2018, Awarded SAFER Grant by FEMA/Homeland Security for six new firefighter/EMT positions.

Vision 2025 Key Strategy, Leading Edge Healthcare:

March 2018, Expanded Advanced Life Support capabilities to Gulf Shores Lifeguards for the beach and adjacent areas.

August 2018, Received American Heart Association (AHA) Certification as Training Center.

Goals:

Vision 2025 Key Strategy, Community Planning-Infrastructure:

1. Secure appropriate location for a permanent fire station in North Gulf Shores
2. Deploy two additional lifeguard towers, expanding lifeguard service for Phase 3 of Gulf Place and Gulf State Park Lodge

Vision 2025 Key Strategy, Education:

1. Expand lifeguard training at Gulf Shores High School to create a certified ready pool of seasonal workforce.
2. Expand Junior Lifeguard summer camp program.

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

1. Increase Beach Lifeguard recruitment program in surrounding communities
2. Increase public education for Beach Safety to include the National Beach Safety Week

Vision 2025 Key Strategy, Environmental Stewardship:

1. Research and implement a "Learn to Sail" program

Key Indicators	2017 Actual	2018 Budget	2019 Projected
911 Calls for Service			
EMS Incidents	2128	1575	2400
Fire Incidents	981	904	1200
Total Incidents	3109	2479	3600
Percentage of overlapping calls	37.02%	32%	30%
Department average response time. (Dispatch to arrival)	0:05:59	0:06:17	0:06:00

Vision 2025 Key Strategy: Community Planning-Safety & Welfare

Fire Science Academy- High School

Certified as Volunteer Firefighters	6	4	4
Certified in CPR	125	50	75
Certified in First Aid	50	0	20
Certified in Emergency Responder	42	41	50
Certified as Pool Lifeguard	16	10	15
Certified as USLA Lifeguard	4	0	4

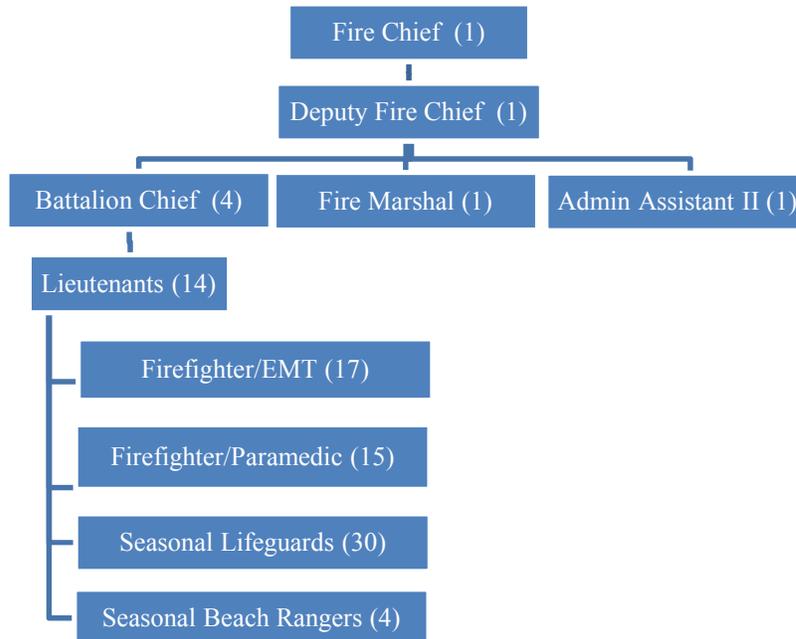
Vision 2025 Action 2: Education

Community Outreach

CPR cards	267	445	250
First Aid cards	51	40	40
Child Seats installed	28	20	24
Fire Extinguisher Training	4	10	10
Fire Prevention out reach visits	42	90	100

Vision 2025 Key Strategy: Community Planning-Safety & Welfare

FIRE DEPARTMENT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama Fiscal Year 2019 Budget

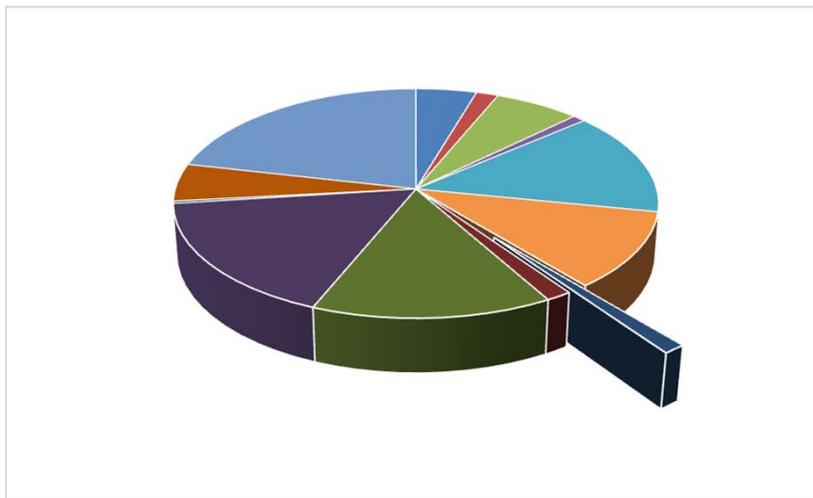
	2016	2017	2018	2019	% Change	2020
	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	Projected
PLANNING & ZONING						
Expenditures						
Personnel	322,178	319,020	350,794	476,622	36%	481,831
Operations	42,853	85,046	77,410	79,910	3%	77,410
Capital Outlay	0	0	0	0	n/a	0
Planning & Zoning Total	365,031	404,066	428,204	556,532	30%	559,241

Planning & Zoning Personnel

	2016	2017	2018	2019
	Actual	Actual	Budget	Adopted
Positions				
Director	1	1	1	1
Coordinator	0	0	0	1
Planner I	1	1	1	1
Code Enforcement Officer	1	1	1	1
Administrative Assistant	1	1	1	1
Total Personnel	4	4	4	5

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 2019

\$ 556,532 1.3%
1.3% of General Government

General Government Expenditure Budget: \$42,794,544

2018 Major Accomplishments:

In June 2018, City of Gulf Shores achieved Bronze Level Bike Friendly Community status from the League of American Bicyclists

In January 2018 completed digital archiving of all files

Renamed County Road 8 East to Coastal Gateway Boulevard

Created a City of Gulf Shores bike & pedestrian map that can be distributed in brochure form and displayed digitally on the City's webpage

By December 2018 adopt a new R-1-5A zoning district

By December 2018 amend the Code of Ordinances to regulate small cell technology facilities

2019 Planning & Zoning Department Goals:

Target Date June 2019- Amend Gulf Beach District zoning regulations to improve site and architectural design parking, multi-modal transportation, setback, storm water management regulations

Target Date February 2019 - Amend the subdivision amenities and other applicable codes to develop standards for park and open space land dedication or payment of fee in lieu of dedication

Target Date June 2019- Complete a build-out analysis of the city and utilizing the data from the build-out analysis make recommendations for rezoning certain properties in accordance with the Land Use Plan

Target Date February 2019 - Amend the vacation rental regulations to restrict rentals in the R-3/R-4 districts

Target Date December 2019 -Submit for Walk Friendly Community Status

Continually improve the digital plan review process to improve efficiency so 100% of applications are processed and meet the one month review timeline

Program Activities and Workload Measures	2017 Actual	2018 Budget	2019 Target	2020 Target
Rezoning	5	6	5	5
Site Plans	18	10	14	15
Variations	6	5	4	4
Conditional Use Permits	0	3	2	2
Preliminary Subdivision Plats	4	4	4	4
Final Subdivision Plats	12	5	5	5
Zoning Text Amendments Initiated	2	3	3	2
Zoning Text Amendments completed	1	1	3	3
Total Code Enforcement Cases	317	320	320	325
Cases Open	15	58	35	40
Cases Closed	299	262	275	275
Citations Written	19	50	35	40
Arrests	4	3	3	2
Court Appearances	19	22	20	20

Objectives:

Community Planning - A primary goal of the Vision 2025 Plan is new development and revitalization of buildings and infrastructure 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 - Gulf Shores protects and enhances the quality of life for our residents, visitors and retirees. Ensuring quality open space and amenities for new subdivisions in Gulf Shores directly enhances the quality of life for the residents of Gulf Shores.

Conducting and completing a city-wide build out analysis will allow the city to study how future buildout of Gulf Shores affects infrastructure needs which aligns with 2 key strategies and priorities of the Vision 2025 Plan; Well Organized Infrastructure and Sustainability. How future growth in Gulf Shores is planned and designed has a direct correlation on the infrastructure needs, preservation of natural resources, and community health and wellness.

Community Planning - It has come to the City's attention the allowance of vacation rentals in existing multi-family developments has a detrimental effect on the quality of life of existing and future residents. Amending the vacation rental regulations to disallow short term rentals in these zoning districts is consistent with the goal of enforcing zoning requirements to protect the health, safety and welfare of residents.

Prosperity - Expanding the City's 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 Friendly Community is a measure of success.

Core Values - The City commits to an 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 2019 Budget

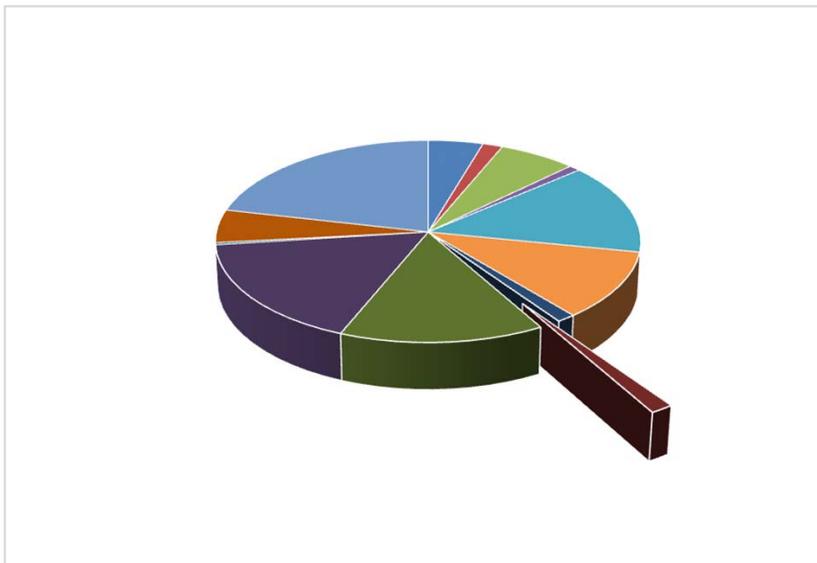
	2016 Actual	2017 Actual	2018 Amended Budget	2019 Council Adopted	% Change 2018 to 2019	2020 Projected
BUILDING						
Expenditures						
Personnel	448,612	418,351	487,699	560,615	15%	563,793
Operations	38,630	39,202	47,550	51,150	8%	49,650
Capital Outlay	31,690	43,286	42,000	42,000	0%	67,000
Building Total	518,932	500,839	577,249	653,765	13%	680,443

Building Personnel

	2016 Actual	2017 Actual	2018 Budget	2019 Adopted
Positions				
Building Official	1	1	1	1
Inspectors	3	4	4	5
Administrative Assistant II	1	1	1	1
Total Personnel	5	6	6	7

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 2019
\$ 653,765 1.5%
1.5% of General Government

General Government Expenditure Budget: \$42,794,544

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	2017	2018	2019
Goals:	Actual	Budget	Target
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

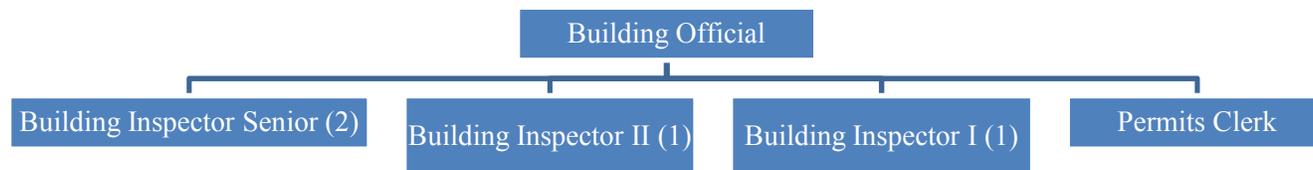
Objectives:

Educate the public regarding the new FEMA Flood Maps and how they effect insurance. Develop outreach programs to inform the public of these new maps.

Create a data base to allow the City to coordinate meetings and inspections with Rental Management Properties.

Adopt up to date codes to ensure a sustainable community.

BUILDING DEPARTMENT ORGANIZATIONAL CHART



Key Indicators		FY 16 Actual	FY 17 Actual	FY 18 YTD *	FY 19 Projected
Annual Inspections		5,326	5,969	4,261	6,500
Residential New Construction Permits		250	255	187	290
Commercial New Construction Permits		30	33	32	42
Commercial Electrical Permits		47	92	74	110
Residential Electrical Permits		324	357	269	395
Commercial Plumbing Permits		28	29	30	38
Residential Plumbing Permits		280	277	184	394
Commercial Mechanical Permits		42	59	45	65
Residential Mechanical Permits		478	471	341	500

Key Measures		FY 16 Actual	FY 17 Actual	FY 18 YTD *	FY 19 Projected
Inspections Performed on Day Requested		100%	99%	98%	95%
Residential Plans Reviewed Within 2 Weeks		99%	96%	85%	80%
Commercial Plans Reviewed Within 4 Weeks		95%	95%	80%	75%
Safety Inspections Performed As Required		90%	95%	80%	80%

Annual Revenues		FY 16 Actual	FY 17 Actual	FY 18 YTD *	FY 19 Projected
Annual Revenues Collected		\$ 804,830	\$ 829,975	\$ 573,676	\$ 875,000

* YTD Totals Represent Figures from January through August 2018.

Recreation & Cultural Affairs Department Functions:

Fiscal Year 2019 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:

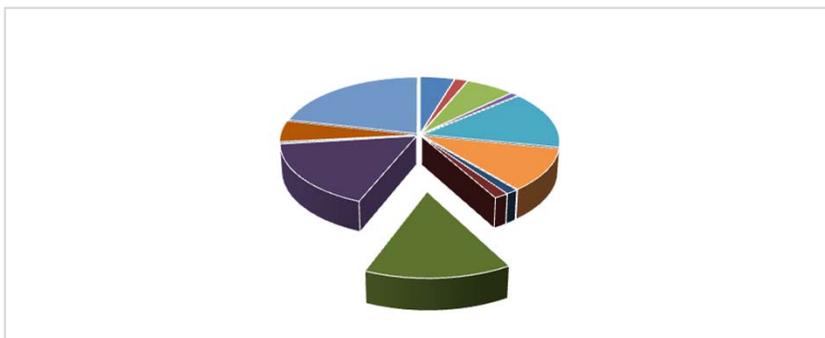
Events Division: This Division is responsible for City events including parades and festivals, managing the rental facilities, programming which takes place at various locations, and fostering equitable partnerships with like-wise organizations to enhance local arts, cultural and entertainment. The City 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 300,000 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

\$ 6,114,326

14.3% of General Government

General Government Expenditure Budget: \$42,794,544

RECREATION & CULTURAL AFFAIRS DEPARTMENT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2019 Budget

	2016	2017	2018	2019	% Change	2020
RECREATION & CULTURAL AFFAIRS	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	Projected
Expenditures						
Personnel	250,073	315,955	341,554	356,152	4%	359,714
Operations	14,155	27,523	27,382	41,962	53%	40,782
Capital Outlay/Signage	161	2,782	0	0	n/a	0
RCA Total	264,389	346,260	368,936	398,114	8%	400,496

Recreation & Cultural Affairs Personnel

	2016	2017	2018	2019
	Actual	Actual	Budget	Adopted
Positions				
Director	1	1	1	1
Assistant Director	1	1	1	1
Marketing & Com. Coordinator	0	0	1	1
Total Personnel	2	2	3	3

Major Accomplishments:

1. Prepared and adopted a comprehensive Park & Recreation Master Plan (*Community Planning*)
2. Reinvisioned and expanded resident and visitor Recreation Membership programs (*Community Planning*)
3. Reorganized departmental staff to maximize efficiency and enhance public service (*Sustainability*)
4. Negotiated a 5-year NCAA Beach Volleyball Championship extension (*Prosperity*)

Goals:

		2017	2018	2019
Performance Measures:	Units	Actual	Actual	Target
Park & Rec Master Plan	Status	Draft	Adopt	Implement
Recreation Memberships	Each	6,233	6,500	6,800
Facility Visits	Each	295,968	369,909	400,000
Programs Offered	Each	434	441	450
Events Hosted	Each	39	40	40
Parkland Maintained	Acres	213	216	223
City Website Visits	Each	532,901	550,000	575,000
Citizens Satisfied w/ Services	%	87%	87%	90%

Objectives:

1. Implement action plans set forth in the Park & Recreation Master Plan (*Community Planning*)
2. Foster an equitable partnership with GS School System superintendent, coaches and programs (*Prosperity*)
3. Assist the development of management and public access plans for acquired wetland properties.
4. Develop a departmental recycling program plan in support of the City-wide recycling initiative. (*Environmental Stewardship*)

The City of Gulf Shores, Alabama
Fiscal Year 2019 Budget

RECREATION	2016	2017	2018	2019	% Change	
EVENTS	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	2020 Projected
Expenditures						
Personnel	366,042	287,210	377,021	387,689	3%	391,566
Operations	346,867	348,747	419,198	430,234	3%	430,194
Capital Outlay	0	0	0	0	0%	0
Events Total	712,909	635,957	796,219	817,923	3%	821,760

Events Personnel

	2016	2017	2018	2019	
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
Total Personnel	9	8	9	9	

Major Accomplishments:

1. Produced the 2018 Palmer Williams Youth Sports event for local children (*Progressive Education*)
2. Implemented comprehensive rental facility virtual tours (*Enhance sense of place*)
4. Established the Wild & Wicked Beach Bash event (*Enhance sense of place*)
5. Implemented holiday street decorations plan (*Well-Organized Infrastructure*)
6. Revised City Sports Facility and Open Track Agreements (*Well-Organized Infrastructure*)

Goals:

		2017	2018	2019
	Units	Actual	Budget	Target
Community Events Produced	Each	39	40	40
Facility Rentals	Each	1,814	1,900	2,000
Citizens Satisfied w/ Events	%	n/a	84%	85%

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 2019 Budget

RECREATION LIBRARY	2016	2017	2018	2019	% Change	2020
	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	Projected
Expenditures						
Personnel	493,343	492,003	533,367	538,442	1%	541,565
Operations	86,910	85,652	94,415	102,080	8%	94,740
Capital Outlay	0	0	0	0	0%	0
Library Total	580,253	577,655	627,782	640,522	2%	636,305

Library Personnel

	2016	2017	2018	2019
	Actual	Actual	Budget	Adopted
Positions				
Managing Librarian	1	1	1	1
Library Assistant Senior	4	4	4	4
Library Assistant	1	1	1	1
Reference Librarian	1	1	1	1
Museum Coordinator	1	1	1	1
Programs Assistant (PT)	1	1	1	1
Library Assistant (PT)	2	2	2	2
Total Personnel	11	11	11	11

Major Accomplishments:

1. Served over 70,000 on-site library visitors during calendar year 2018 (*Prosperity*)
2. Facilitated 226 educational programs during calendar year 2018 (*Progressive Education*)
3. Expanded the Teen Book Club (*Progressive Education*)
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:

		2017	2018	2019
	Units	Actual	Budget	Target
Library Visits	Each	84,388	85,500	90,000
Public Computers Sessions	Each	11,372	13,500	14,000
Electronic Files Accessed	Each	44,094	46,000	48,000
Programs Offered	Each	348	350	350
Meeting Room Rentals	Each	279	280	280
AL Gold Star Standard Award	Maintain	Yes	Yes	Yes

Objectives:

1. Develop a marketing concept to promote online library services & local history (*Prosperity*)
2. Manage local archaeological research efforts for the benefit of the City (*Sustainability*)
3. Host a traveling museum exhibit (*Progressive Education*)
4. Collaborate with SPARC to produce an Outdoor Storywalk Program (*Progressive Education*)

The City of Gulf Shores, Alabama
Fiscal Year 2019 Budget

RECREATION	2016	2017	2018	2019	% Change	
REC & WELLNESS	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	2020 Projected
Expenditures						
Personnel	1,512,822	1,216,265	1,609,152	1,649,928	3%	1,670,675
Operations	511,771	406,025	502,626	499,517	-1%	499,517
Capital Outlay	124,482	611	0	0	n/a	20,000
Rec & Wellness Total	2,149,075	1,622,901	2,111,778	2,149,445	2%	2,190,192

Rec & Wellness Personnel

	2016	2017	2018	2019
Positions	Actual	Actual	Budget	Adopted
Recreation Manager	1	1	1	1
Maintenance Worker, Senior	1	1	1	1
Athletic Coordinator, Sports	1	1	1	1
Athletic Coordinator, Tennis	1	1	1	1
Athletic Coordinator, Fitness	0	1	1	1
Athletic Coordinator, Aquatics	1	1	1	1
Lifeguard II	2	2	2	2
Administrative Asst II	1	1	1	1
Fitness Attendants	1	1	1	1
Customer Service Supervisor	1	1	1	1
Customer Service Rep	0	4	4	4
Recreation Supervisor	1	1	1	1
Programs Coordinator	2	1	1	1
Programs Assistant	3	2	2	2
Recreation Assistant (PT)	3	3	3	3
Lifeguards (PT)	11	11	11	12
Customer Service Rep (PT)	7	5	5	5
Programs Asst (PT)	2	3	2	2
Fitness Assistants (PT)	1	0	0	0
Total Personnel	40	41	40	41

Major Accomplishments:

1. Increased general membership 6%, served over 270,000 patron visits in calendar year 2018 (*Sustainability*)
2. Developed and hired a Youth Athletic Coordinator position in effort to meet citizen needs (*Prosperity*)
3. Collaborated with Gulf Shores Elementary School to offer the 2018 Summer Camp (*Progressive Education*)
4. Created an innovative Junior Counselor Program to mentor and motivate tweens (*Sustainability*)
5. Expanded active adult programming including outdoor adventures and educational workshops (*Sustainability*)
6. Increased aquatic program participation; Swim Team (49%) and private swim lessons (18%) (*Sustainability*)
7. Produced the 2018 University of South Alabama Lecture Series (*Progressive Education*)
8. Fostered partnerships with Gulf Shores public schools in an effort to share and maximize youth programs (*Economic, Geographic and Seasonal Diversification*)
9. Created an innovative Junior Counselor Program to mentor and motivate tweens (*Progressive Education*)
10. Established and implemented facility policies and procedures aimed at enhancing patron experience (*Well-Organized Infrastructure*)
11. Expanded Outdoor Adventure programming, including educational, athletic and fitness-based opportunities (*Sustainability*)

Goals:

		2017	2018	2019
	Units	Actual	Budget	Target
Recreation Memberships	Each	6,233	6,491	6,800
Facility Visits	Each	295,986	369,909	390,000
Programs Offered	Each	434	441	441
Volunteers Recruited	Each	147	220	250
Citizens Satisfied w/ Services	%	n/a	n/a	85%

Objectives:

1. Foster an equitable partnership with GS School System superintendent, coaches and programs (*Prosperity*)
2. Develop exchange of services agreement with Swim Team 501c3 (*Sustainability*)
3. Implement an interactive communication system for parents and coaches (*Sustainability*)
4. Develop a sustainable volunteer recruitment and retention plan (*Sustainability*)
5. Perform routine patron/participant surveys (*Prosperity*)
6. Introduce and test trending recreation & fitness demands in all Division areas (*Leading Edge Healthcare*)
7. Expand on-site fitness and wellness programs that complement existing Bodenhamer programs (*Prosperity*)
8. Expand organized athletic skill enhancement clinics (*Prosperity*)
9. Develop and test programming that fosters mentorship between youth and adults (*Sustainability*)
10. Expand at risk youth, teen & family programs (*Prosperity*)

The City of Gulf Shores, Alabama
Fiscal Year 2019 Budget

	2016	2017	2018	2019	% Change	2020
RECREATION	Actual	Actual	Amended	Council	2018 to	Projected
SPORTSPLEX			Budget	Adopted	2019	
Expenditure						
Personnel	586,978	628,201	702,336	721,414	3%	728,628
Operations	446,945	457,038	482,510	475,910	-1%	478,010
Capital Outlay	28,733	205,304	42,000	128,000	205%	114,000
Sportsplex Total	1,062,656	1,290,543	1,226,846	1,325,324	8%	1,320,638

Sportsplex Personnel

	2016	2017	2018	2019
	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	1	0
Total Personnel	9	9	8	7

Major Accomplishments:

1. Hosted 1st annual Legacy Regional Youth Football Championship (*Economic, Geographic and Seasonal Diversification*)
2. Increased concessions sales by 6% (*Sustainability*)
3. Maintained strong partnerships with local, regional and national stakeholders and advised Sport Tourism representatives on potential athletic opportunities and current limitations (*Prosperity*)

Goals:

		2017	2018	2019
	Units	Actual	Budget	Target
Parkland Maintained	Acres	98	98	98
Nat. Championships Hosted	Each	1	1	1
State Championships Hosted	Each	2	2	2
Tournaments Hosted	Each	26	27	28
High School Games Hosted	Each	51	51	70

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 2019 Budget

RECREATION	2016	2017	2018	2019	% Change	
PARKS	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	2020 Projected
Expenditures						
Personnel	327,519	318,766	374,813	398,736	6%	402,723
Operations	166,250	150,151	190,073	191,413	1%	197,943
Capital Outlay	39,993	27,383	52,000	18,000	n/a	139,000
Parks Total	533,762	496,300	616,886	608,149	-1%	739,666

Parks Personnel

	2016	2017	2018	2019
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
Total Personnel	9	7	7	7

Major Accomplishments:

1. Engaged local community groups in the design of impactful park improvements (*Community Planning*)
2. Constructed new Sims Park ballfield dugouts and revitalized the Gulf Shores Dog Park (*Community Planning*)
3. Facilitated local and regional high school and collegiate tournaments, and athletic practices (*Economic, Geographic & Seasonal Diversity*)

Goals:

		2017	2018	2019
	Units	Actual	Budget	Target
Parkland Maintained	Acres	115	118	125
Nat. Championships Hosted	Each	1	1	1
State Championships Hosted	Each	2	2	2
Tournaments Hosted	Each	26	27	28
High School Games Hosted	Each	51	51	70

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 2019 Budget

CITY STORE	2016	2017	2018	2019	% Change	2020
	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	Projected
Expenditures						
Personnel	78,376	69,010	97,033	97,839	1%	98,817
Operations	90,265	105,367	84,390	77,010	-9%	81,010
Capital Outlay	19,102	0	0	0	n/a	0
CITY STORE Total	187,743	174,377	181,423	174,849	-4%	179,827

CITY STORE Personnel

	2016	2017	2018	2019
	Actual	Actual	Budget	Adopted
Positions				
Retail Operator Coordinator	0	0	1	1
Program Assistant <20 hrs.week	0	0	3	3
Total Personnel	0	0	4	4

Major Accomplishments:

1. Greeted over 12,000 City Store visitors during calendar year 2018 (*Enhance the sense of place*)
2. Increased counter sales by 8% and web-based sales by 20% (*Prosperity*)
3. Increased website visits by 10% (*Well-Organized Infrastructure*)

Goal:

		2017	2018	2019
	Units	Actual	Budget	Target
On-Site Store Visits	Each	10,531	12,000	14,500
Sales - counter	Each	4,113	4,200	4,500
Sales - web-based	Each	136	150	200
Available Products	Each	59	65	67
City Store Website Visits	Each	12,166	13,000	14,000

Objectives:

1. Introduce two unique/trending Small Town, Big Beach merchandise items (*Enhance the sense of place*)
2. Increase website visits through the addition of two marketing concepts (*Prosperity*)
3. Offer merchandising incentives to local business outlets (*Prosperity*)
4. Increase store revenues to offset expenses (*Sustainability*)

Public Works Department Functions:

Fiscal Year 2019 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.

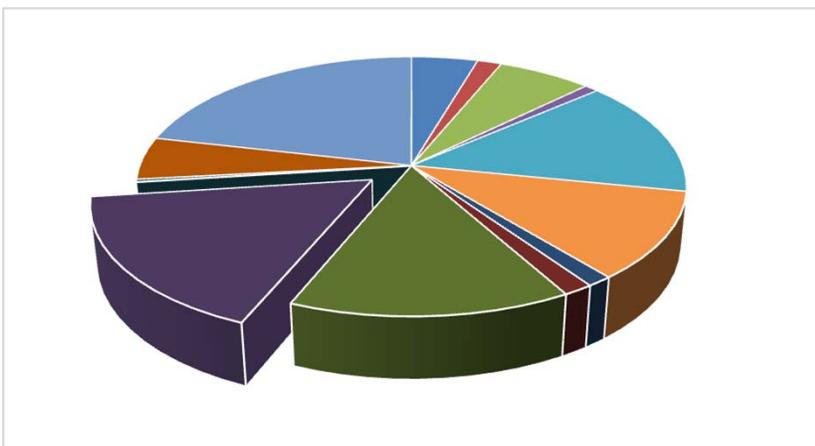
The General Services Division develops long-term strategic infrastructure planning, oversees beachside trash/recycling programs, provides inspection and engineering services, and maintains the various traffic control systems for the City. In addition, the General Services Division provides critical information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

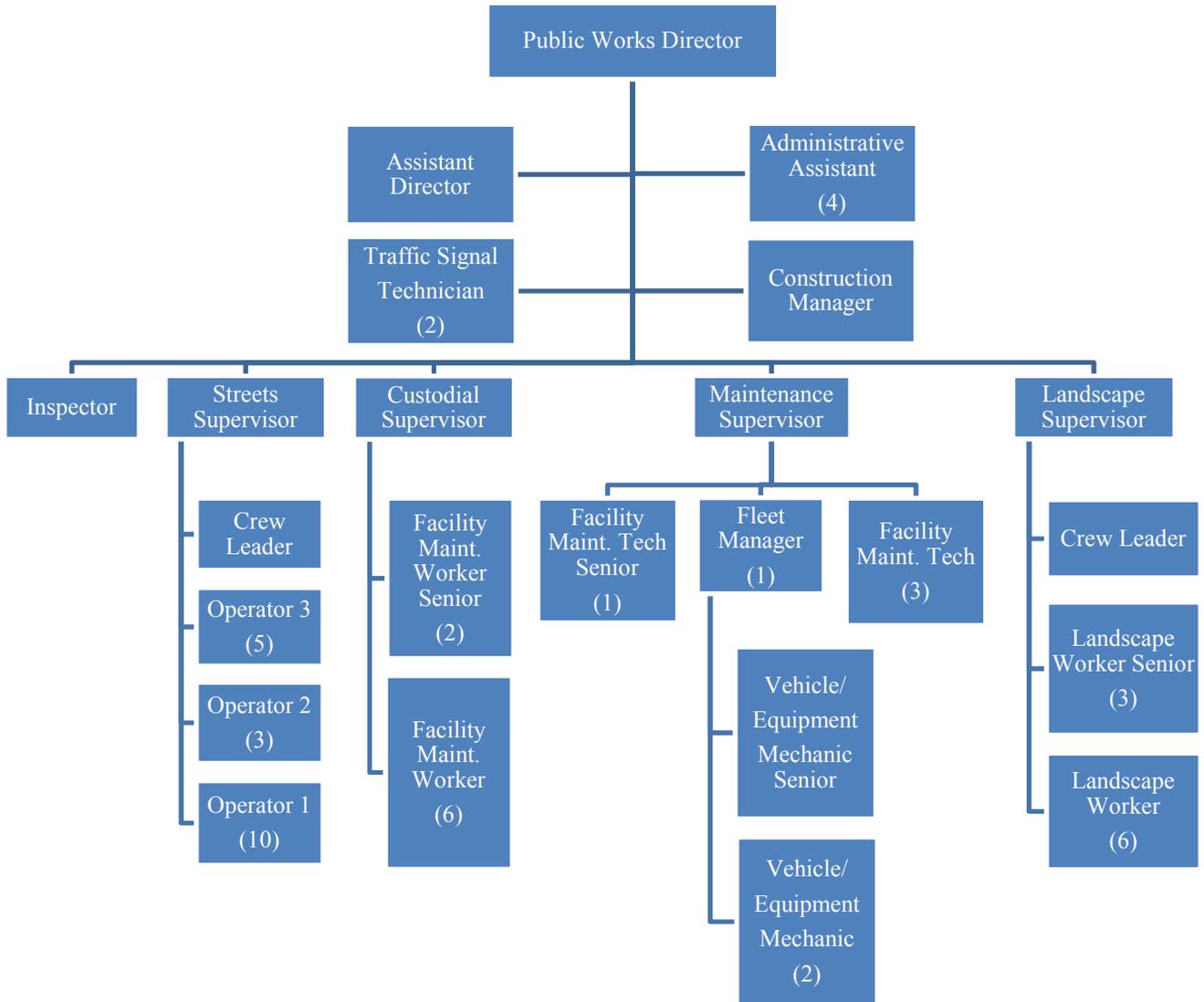
The Maintenance Division is responsible for both the new construction and remodeling of City facilities, monitoring and maintaining the daily mechanical operations that encompass all City buildings, vehicles and equipment, and monitoring and repairing traffic signals throughout the City. They are the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



Expenditure Budget 2019
\$ 7,194,782
16.8% of General Government

General Government Expenditure Budget: \$42,794,544

PUBLIC WORKS ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2019 Budget

	2016	2017	2018	2019	% Change	2020
PUBLIC WORKS	Actual	Actual	Amended	Council	2018 to	Projected
GENERAL SERVICES			Budget	Adopted	2019	
Expenditures						
Personnel	666,246	669,135	741,259	820,579	11%	828,785
Operations	57,284	49,931	57,650	63,300	10%	63,300
Capital Outlay	0	0	0	36,000	0%	35,000
PW General Services Total	723,530	719,066	798,909	919,879	15%	927,085

Public Works General Services Personnel

	2016	2017	2018	2019
	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 Techs	0	1	1	2
Total Personnel	9	10	10	11

Major Accomplishments:

1. Completed 4 miles of 8' sidewalks, lighting, and landscaping along Hwy 182.
2. Widened Hwy 59, added 8' sidewalk and LED lights to Bayou Village Bridge and replaced Windmill Ridge Road Bridge
3. Worked with City staff to complete Gulf Place Phase II Improvements project.
4. Expanded our recycling program City-wide to prevent loss of recycling service to residents when a regional

		2017	2018	2019
Goals:	Units	Actual	Budget	Target
Materials Recycled	Tons	633	704	1,100
Transportation Improvements	Dollars	\$1,720,661	\$4,535,000	\$10,743,922
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 2019 Budget

	2016	2017	2018	2019	% Change	2020
PUBLIC WORKS	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	Projected
CUSTODIAL						
Expenditures						
Personnel	477,012	415,897	488,650	482,872	-1%	487,701
Operations	54,806	65,551	78,150	97,080	24%	97,080
Capital Outlay	42,777	22,854	0	0	n/a	45,000
PW Custodial Total	574,595	504,302	566,800	579,952	2%	629,781

Public Works Custodial Personnel

	2016	2017	2018	2019
	Actual	Actual	Budget	Projected
Positions				
Supervisor	1	1	1	1
Facility Maintenance Worker	7	6	6	6
Facility Maintenance Worker Sr	2	2	2	2
Total Personnel	10	9	9	9

Major Accomplishments:

1. Supported every City sponsored event, and every sporting and entertainment event
2. Purchased a chemical free sanitizing steamer to aid in "green" cleaning
3. All vacuums will possess HEPA filtration by the end of 2018
4. Added additional "metered" chemical dispenser to reduce chemical

Goals:	Units	2017 Actual	2018 Budget	2019 Target
Reduced Paper Towel Usage	Cases	232	200	175
Reduced Disinfectant Chemical Usage	Gallons	130	100	90
City Events Supported	Each	34	100	100

Objectives:

1. Increase the number of "metered" dispensers to increase efficiency and limit waste.
2. Support All City sponsored, sporting, entertainment, and rental events City wide.
3. Provide support to other departments, and ensure all recyclable materials make it to appropriate sorting area.

The City of Gulf Shores, Alabama
Fiscal Year 2019 Budget

PUBLIC WORKS	2016	2017	2018	2019	% Change	
LANDSCAPE	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	2020 Projected
Expenditures						
Personnel	604,284	658,617	613,973	693,442	13%	700,376
Operations	117,150	203,216	163,700	210,830	29%	210,830
Capital Outlay	32,153	192,577	83,000	111,000	34%	35,000
PW Landscape Total	753,587	1,054,410	860,673	1,015,272	18%	946,206

Public Works Landscape Personnel

	2016	2017	2018	2019
Positions	Actual	Actual	Budget	Projected
Supervisor-Horticulture	1	1	1	1
Crew Leader	1	1	1	1
Landscape Worker Senior	4	4	4	5
Landscape Worker	3	4	4	4
Total Personnel	9	10	10	11

Major Accomplishments:

1. Improved quality of life for residents and visitors by installing two miles of landscaped medians along Hwy 182, 100 longleaf pines, and a sensory garden for the handicapped.
2. Supported education by building an additional green house for the High School and assisting the students with growing their own landscaping materials for their campus.
3. Improved sustainability by replacing numerous landscape materials with less-water, consuming varieties.
4. Added a ISA Certified Arborist to the staff to help provide professional management for the cities urban greenhouse for planting in and around the city and school campus.

Goals:	Units	2017 Actual	2018 Budget	2019 Target
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	200	200

Objectives:

1. To continue to enhance the quality of life and sustainability of the community by improving the landscaping and utilizing low-impact design methods.
2. Develop a reforestation plan to reintroduce native trees back to the area.
3. Enhance the environment by installing nature trails, boardwalks and environmental education centers along nature trails.
4. Enhance the Fort Morgan Bike Trail by adding rest stations and landscaping.
5. Adding a greenhouse at the Landscape Shop to grow in seasonal ornamentals and be able to store them over the winter for reuse.

The City of Gulf Shores, Alabama
Fiscal Year 2019 Budget

	2016	2017	2018	2019	% Change	2020
PUBLIC WORKS	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	Projected
STREETS						
Expenditures						
Personnel	1,084,091	1,130,891	1,165,672	1,491,587	28%	1,471,899
Operations	901,727	857,229	989,000	1,128,500	14%	1,128,500
Capital Outlay	575,368	377,574	871,500	668,000	-23%	799,000
PW Streets Total	2,561,186	2,365,694	3,026,172	3,288,087	9%	3,399,399

Public Works Streets Personnel

	2016	2017	2018	2019	
Positions	Actual	Actual	Budget	Projected	
Supervisor-Streets	1	1	1	1	
Crew Leader	1	1	1	1	
Detail Maintenance Worker	1	1	1	1	
Equipment Oper I	7	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)
Total Personnel	20	20	20	20	

Major Accomplishments:

1. Assist in the Gulf Place Phase II Revitalization .
2. Support for the HWY 59 sidewalk and pedestrian bridge project.
3. Jack Edwards runway and street drainage improvements.
4. Recycle Program expansion to facilitate a more productive operation.
5. Support for the HWY 182 East & West Beach street and sidewalk project.

Goals:	Units	2017 Actual	2018 Budget	2019 Target
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:

Provide all City services in a Safe and Cost Effective manner. Continued support for Public Works special projects related to Streets, Schools, Hospital and Beach.

The City of Gulf Shores, Alabama
Fiscal Year 2019 Budget

	2016	2017	2018	2019	% Change	2020
PUBLIC WORKS MAINTENANCE	Actual	Actual	Amended Budget	Council Adopted	2018 to 2019	Projected
Expenditures						
Personnel	543,237	674,320	675,364	686,092	2%	692,953
Operations	455,910	733,082	867,000	705,500	-19%	705,500
Capital Outlay	8,888	6,695	40,000	0	-100%	0
PW Maintenance Total	1,008,035	1,414,097	1,582,364	1,391,592	-12%	1,398,453

Public Works Maintenance Personnel

	2016	2017	2018	2019
Positions	Actual	Actual	Budget	Projected
Supervisor Maintenance	1	1	1	1
Facility Maintenance Tech	2	3	3	3
Vehicle/Equipment Mechanic	3	3	3	3
Detailer/Maintenance Worker	0	0	0	0
Facility Maint Tech-Cultural Ctr	0	0	0	0
Facility Maint Senior	1	1	1	1
Vehicle Maintenance Tech Sr	0	0	0	0
Fleet Manager	1	1	1	1
Total Personnel	8	9	9	9

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 installing decorative LED lighting along pathways and remodeled public spaces at the Bodenhamer Center.
3. Improved sustainability by installing automatic light switches, replacing standard lights with LEDs and purchased Freon reclamation unit to contain greenhouse gasses.

Goals:	Units	2017 Actual	2018 Budget	2019 Target
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, 2020**

Department	Personnel	Operations	Capital	Debt Service	Transfers	Total
General Fund:						
Executive	882,383	768,975	350,000			2,001,358
Human Resources	562,495	111,691				674,186
Finance & Administrative Services	1,411,089	1,380,364	-			2,791,453
Municipal Court	408,912	13,290				422,202
Police	5,209,791	887,550	383,618			6,480,959
Fire & EMS	4,004,909	514,900	150,000			4,669,809
Planning and Zoning	481,831	77,410	-			559,241
Building	563,793	49,650	67,000			680,443
Recreation & Cultural Affairs	359,714	40,782	-			400,496
Special Events & Programs	391,566	430,194	-			821,760
Library	541,565	94,740	-			636,305
Recreation - Bodenhamer	1,670,675	499,517	20,000			2,190,192
Recreation - Sportsplex	728,628	478,010	114,000			1,320,638
Recreation - Parks	402,723	197,943	139,000			739,666
City Store	98,817	81,010	-			179,827
Public Works - General Services	828,785	63,300	35,000			927,085
Public Works - Custodial	487,701	97,080	45,000			629,781
Public Works - Landscaping	700,376	210,830	35,000			946,206
Public Works - Streets	1,471,899	1,128,500	799,000			3,399,399
Public Works - Maintenance	692,953	705,500	-			1,398,453
Airport Authority	142,067					142,067
Appropriations		2,267,500				2,267,500
Transfers Out					10,041,863	10,041,863
General Fund Totals	<u>22,042,672</u>	<u>10,098,736</u>	<u>2,137,618</u>	<u>0</u>	<u>10,041,863</u>	<u>44,320,889</u>
Other Funds:						
Special Revenue						
2% Lodging Tax - Transfer Out					3,449,390	3,449,390
Designated Taxes					515,000	515,000
Impact Fees			1,206,000			1,206,000
Beach Restoration & Projects	870,952	319,268	276,606			1,466,826
Capital Improvements-Fund 38 Trans			30,000			30,000
Storm Damage Fund			4,600,000			4,600,000
Capital Projects Taxable (Fund 42)		200,000				200,000
Capital Projects NonTax (Fund 43)			4,581,144			4,581,144
Debt Service**				6,729,785		6,729,785
Subtotal Other Funds	<u>870,952</u>	<u>519,268</u>	<u>10,693,750</u>	<u>6,729,785</u>	<u>3,964,390</u>	<u>22,778,145</u>
Grand Total	<u>22,913,624</u>	<u>10,618,004</u>	<u>12,831,368</u>	<u>6,729,785</u>	<u>14,006,253</u>	<u>67,099,034</u>

Forecast Summary:

Personnel expenses are projected to increase .75% from 2019 to 2020. Operating Expenses are projected to decline in 2020. Debt Service is projected to increase in 2019 by \$879,785 reflecting projected debt service for a 2019 line of credit of \$9 million for construction projects. Capital expenses are projected to be \$12.8 million based on the 10 year capital plan, partially funded with borrowed funds.

Pages **94 and 95** contain the City of Gulf Shores Revenue, Expense and Reserve Funds usage projected from 2019 to 2028. Three percent growth on total revenues is projected through 2020, four percent is projected for 2021 to 2023 and two percent is projected for 2024 to 2028. Expenses net of debt service are projected to grow at 2% to 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 2019. Reserve targets are 70% cash reserves to be maintained through 2028. 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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Building permits issued	459	422	385	566	589	657	610	586	782	896
Building inspections conducted	1,763	1,065	1,016	1,263	1,570	1,951	2,172	2,337	3,098	3,914
Business Licenses issued	7,083	7,491	7,554	10,016	10,281	10,562	7,164	7,551	7,974	8,392
Police										
Physical arrests	1,604	1,423	1,394	1,527	1,387	1,602	1,280	1,510	2,048	1,879
Traffic violations	1,858	1,268	1,484	1,641	1,824	1,997	1,500	1,595	2,029	2,058
Officers	40	39	39	41	43	43	43	45	47	47
Fire										
Emergency responses	2,108	2,280	2,307	2,790	2,785	2,972	2,903	3,073	3,146	3,149
Fires extinguished	59	52	30	70	92	92	64	72	83	54
Inspections*	413	335	467	920	1,071	1,200	1,800	1,800	1,975	1,950
Full time staff	48	39	42	43	43	43	43	43	44	46
Part time staff	6	-	-	-	-	-	-	-	-	-
Volunteer Firefighters	17	17	8	8	8	8	8	8	10	4
Public Works										
Street resurfacing (linear feet)	12,491	-	19,380	-	-	10,560	3,455	12,270	8,200	8,100
Sidewalks (linear feet)									1,600	10,760
Bike Lanes (linear feet)									780	2,800

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

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	1
Softball/Baseball fields	15	15	15	15	15	15	15	15	15	15
Soccer field	1	1	1	1	1	1	1	1	1	1
Parks	8	8	8	8	8	8	8	8	8	8
Tennis Courts	18	18	18	18	18	18	18	18	18	18
Basketball Courts	2	2	2	2	2	2	3	3	5	5
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Gymnasium	1	1	1	1	1	2	2	2	2	2
Transit - minibusses	5	5	5	5	5	5	5	5	5	5
Public Works										
Maintained Streets (miles)	63	64	65.05	67.22	69.27	69.27	74	74	75.67	84.22
Traffic Signals*	24	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	2,403	2,403

*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	2016
Gulf Shores	7,761	17,414	24,356	28,522	31,814
State of Alabama	5,894	11,486	18,189	22,984	24,736

Median Family Income

	1989	1999	2010	2016
Gulf Shores	34,257	51,862	45,801	50,814
State of Alabama	28,688	41,657	42,081	44,758

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	735
2	Hangout Music Festival	525
3	Waterville	330
4	LuLu's Landing, Inc.	320
5	Wal-Mart	275
6	City of Gulf Shores	270
7	Gulf Shores Public Schools	250
8	Rouse's Enterprises	185
9	Publix Alabama	155
10	Gulf State Park	115

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
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	2,335,949	468,268,740
2013	2,390,195	478,341,860
2014	2,491,031	499,994,940
2015	2,666,050	534,967,860
2016	2,822,072	566,085,720
2017	3,077,766	616,090,320
		Levy Rate
		State of Alabama 6.5 mills
		City of Gulf Shores 5 mills
		Baldwin County:
		General 5 mills
		Schools 9 mills
		Roads and Bridges 2.5 mills
		Special School District 3 mills
		Fire 1.5 mills
		Health .5 mills
	Total	33 Mills

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

Schedule 7
City of Gulf Shores
Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	2017			2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
100 Emerald Greens LLC	\$ 8,468,740	1	1.37%			
Baldwin Co Electric	6,319,840	2	1.03%	8,805,120	6	1.02%
Mid America Apartments LP	6,084,440	3	0.99%			
Phoenix Gulf Shores LLC	5,306,400	4	0.86%			
Villas at Bon Secour	3,102,040	5	0.50%			
RCG-Gulf Shores LLC	3,067,660	6	0.50%			
21300 Sweetwater LLC	2,949,540	7	0.48%			
Walmart Real Estate Business Trust	2,870,480	8	0.47%			
Beach Place Development LLC	2,507,720	9	0.41%			
Waterville USA Inc	2,392,280	10	0.39%			
East Beach Development	-		-	27,935,720	3	3.22%
Holiday Development LLC	-		-	39,172,040	1	4.52%
Seawind Development Co LLC				32,809,700	2	3.79%
Crystal Tower LLC	-		-	24,889,180	4	2.87%
SDC Eagles LLC				12,872,960	5	1.49%
Bon Secour Village LLC				6,474,360	7	0.75%
Sanibel Development				4,249,800	8	0.49%
Oceania Condominium LLC	-		-	3,840,000	9	0.44%
Howard Resort Inns Inc				3,558,740	10	0.41%
Total Assessment (All GS)	<u>\$ 616,090,320</u>		<u>6.99%</u>	<u>\$ 866,383,116</u>		<u>19.00%</u>

Source: Baldwin County Revenue Commissioner's Office.

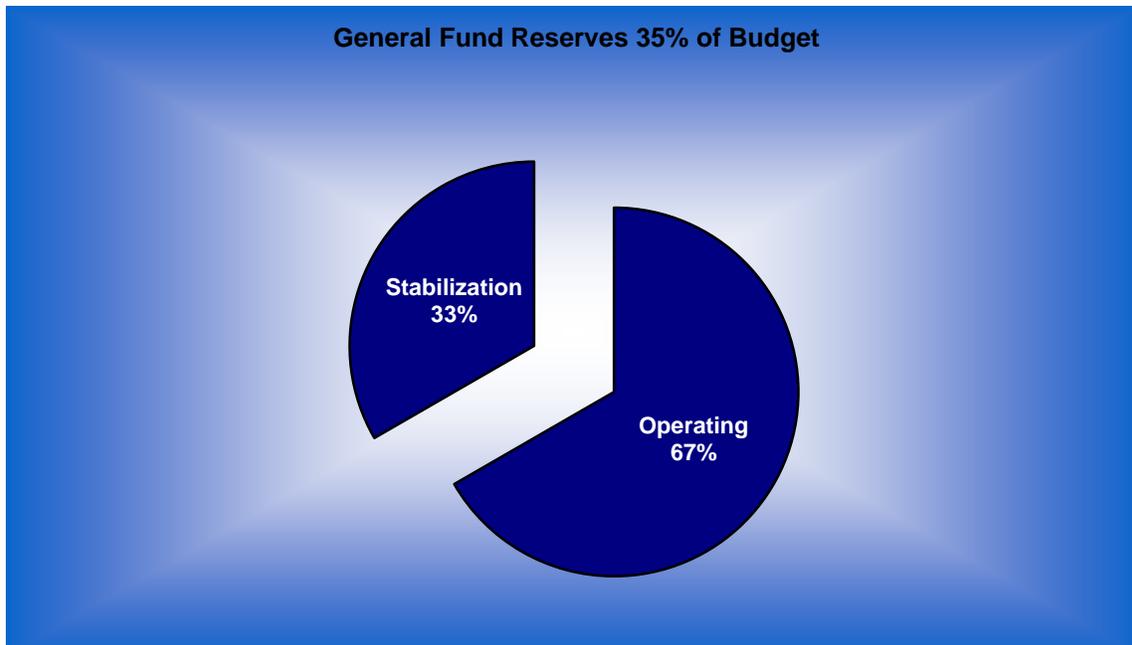
**CITY OF GULF SHORES
FINANCIAL POLICIES
NOVEMBER 2018**

FINANCIAL PLANNING POLICIES

Fund Balance Reserve Account – Stabilization and Operating Funds

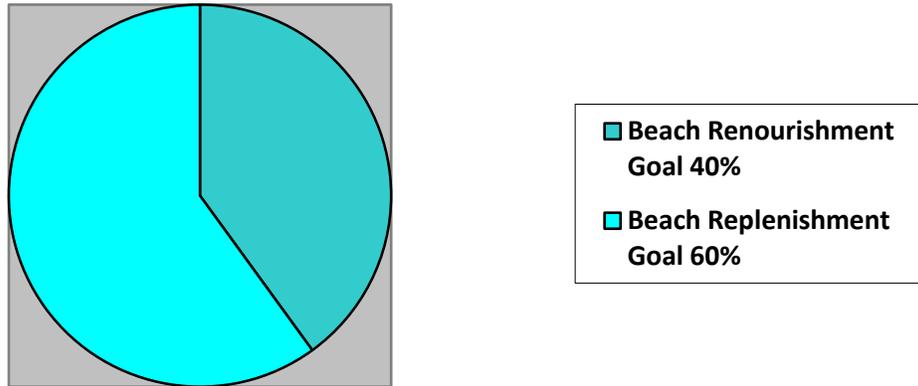
The City of Gulf Shores will build through prudent financial management a cash reserve equal to thirty-five percent of the General Fund Operating Budget. The General Fund Stabilization Reserve will enable the city to withstand fluctuations in tourism revenue streams related to the nearby travel industry 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 2019 the total General Fund Reserves target is \$14,978,090 equivalent to thirty-five percent of the \$42,794,544 budget. Operating reserves target for 2019 is \$9,975,408 (2/3 of target) and Stabilization Funds target is \$5,002,682 (1/3).



A Beach Replenishment Reserve Fund target of thirty-five percent of the General Fund budget for 2019 would be \$14,978,090.

Beach Reserves Goal 35% of Budget



Operating/Capital Expenditure Accountability

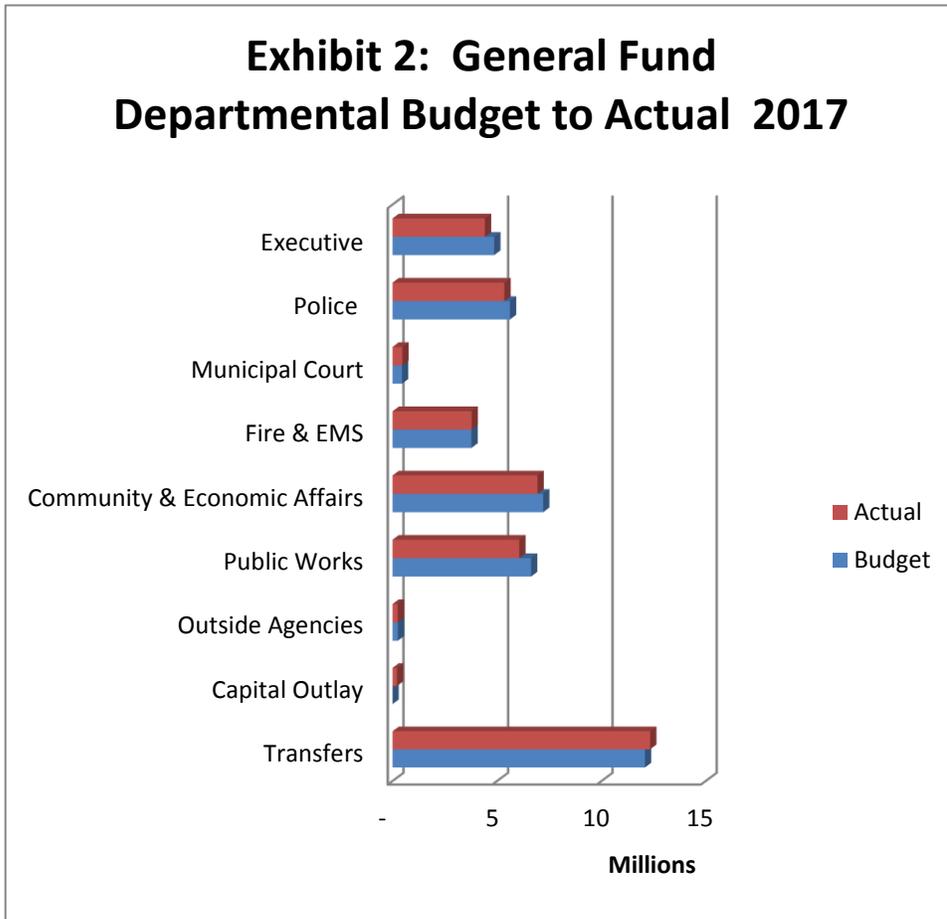
Actual expenditures to budget are compared on a monthly basis. The City Council Finance Committee receives a summary report quarterly of revenues and expenditures compared to budget and the City Administrator receives a detailed report monthly. Department heads are responsible for monitoring their own 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) 23% of expenditures; Operating Transfers for Debt Service at 31%; Public Works at 15%; Recreation and Cultural Affairs 17%; and City Hall (Executive, Human Resources, Finance and Administration) at 11%. Building and Planning and Zoning comprise 2% of General Fund expense. Capital Outlay comprise 1%.

The following table and graph are expenditures by category compared to budget for the most recent fiscal year end 2017.

General Fund Departmental Budget to Actual 2017

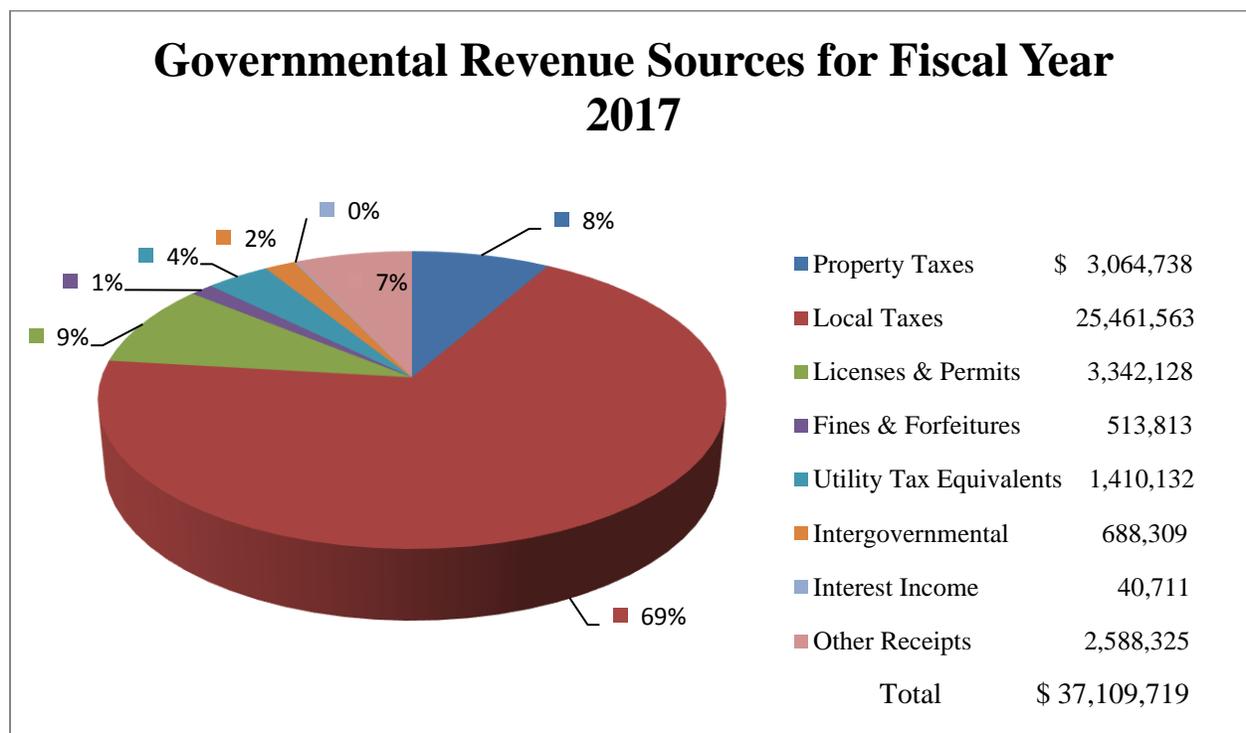
	<u>Budget</u>	<u>Actual</u>	<u>% of total expense</u>
Transfers	12,082,307	12,332,559	31%
Capital Outlay	0	217,034	1%
Outside Agencies	257,500	254,767	1%
Public Works	6,623,864	6,058,137	15%
Community & Economic Affairs	7,203,680	6,933,897	17%
Fire & EMS	3,773,124	3,782,219	9%
Municipal Court	454,291	470,139	1%
Police	5,616,121	5,349,618	13%
Executive	<u>4,862,253</u>	<u>4,416,757</u>	11%
Total	<u>40,873,140</u>	<u>39,815,127</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 one percent; Business License Fees at nine percent; Intergovernmental Income at two percent; and Other Receipts/Financing Sources at seven percent. The City of Gulf Shores is dependent on local taxes primarily from tourism as the main source of revenue. If a downturn is experienced in one area, contingency plans will be implemented to reduce revenues and increase transfers from permissible funding sources until funding levels have stabilized. The graph that follows shows revenue collections by type for the most recent fiscal year 2017.



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 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 8.3 % of total expenditures and 21.4% of General Fund expenditures.

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

April 3, 2018 Standard and Poor's Ratings Services confirmed its rating of Gulf Shores' general obligation (GO) debt as 'AA+/Stable'. The rating reflected Standard and Poor's assessment of the City's strong economy, management, budgetary performance with very strong flexibility and liquidity, which has helped maintain and improved fund balance levels. General fund reserves above 50% of expenditures had been recognized for the past several years. November, 2018 Moody's Rating Agency also provided a credit overview of the City stating the credit position for Gulf Shores is very high quality, and the City's Aa2 rating slightly exceeds the median rating of Aa3 for US cities.

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

	<u>BOND RATING</u>		
	Final Payment	Moody’s	S&P
2006-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
2017-A G.O. Warrant	12/15/2027	Aa2	AA+/Stable
2018-A G.O. Warrant	12/15/2038	Aa2	AA+/Stable
2018-B G.O. Warrant	12/15/2033	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 (ends December, 2018) and a taxable \$13.5 million line issued in 2016 for ten years. Another line of credit may be issued in 2019.

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 as of 8/13/2018, was \$668,109,200 resulting in a debt limit of \$133,621,840.

The City’s total principal amount of long term indebtedness at December 31, 2018, will be \$66,840,625. Based on the debt limit of \$133,621,840, the City could hereafter issue up to approximately \$66,781,215 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 \$5,718. 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 51.1% of the General Fund Budget.

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

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

LONG-RANGE PLANNING

Capital Improvements

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

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

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

CASH MANAGEMENT POLICY

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

Cash and Cash Equivalents

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

Deposits and Investments

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

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

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

Short-Term Inter fund Receivables/Payables

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

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

ASSET INVENTORY

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

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

Defining Terms

Glossary

A

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

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

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

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

ALDOT – Alabama Department of Transportation

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

Appraised Value: The anticipated fair market value of property.

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

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

B

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

Baldwin County Economic Development Alliance – “BCEDA” Alliance that assisted the airport in securing the relocation of Resicum/AeroPro to Gulf Shores.

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

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

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

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

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

Defining Terms

Glossary

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.

Business Where You Beach – Part of a BCEDA re-branding effort to create an effective advertising campaign to encourage new industry to move to Gulf Shores.

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

C

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

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

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

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

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

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

Capital Outlay: Expenditures for the acquisition of capital assets.

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

D

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

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

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

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

Defining Terms

Glossary

E

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

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

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

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

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

F

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

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

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

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

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

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

G

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

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

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

Defining Terms

Glossary

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.

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

Jack Edwards National Airport – “JKA” Gulf Shores Airport located off Highway 59 and operated by the Airport Authority of the City of Gulf Shores.

K

L

Leave Only Footprints Campaign – Implemented by Ordinance in 2015 to change the culture of visitors leaving personal belongings behind on the beach. The program has drastically changed the amount of litter on City beaches.

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

M

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

Defining Terms

Glossary

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

NFWF – National Fish and Wildlife Federation. NFWF will provide funding to purchase wetland areas in the City for preservation.

O

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

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

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

P

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

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

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.

Defining Terms

Glossary

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