

City of Gulf Shores, Alabama

ANNUAL FINANCIAL BUDGET

For Fiscal Year Ending December 31, 2020

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
2020 Budget
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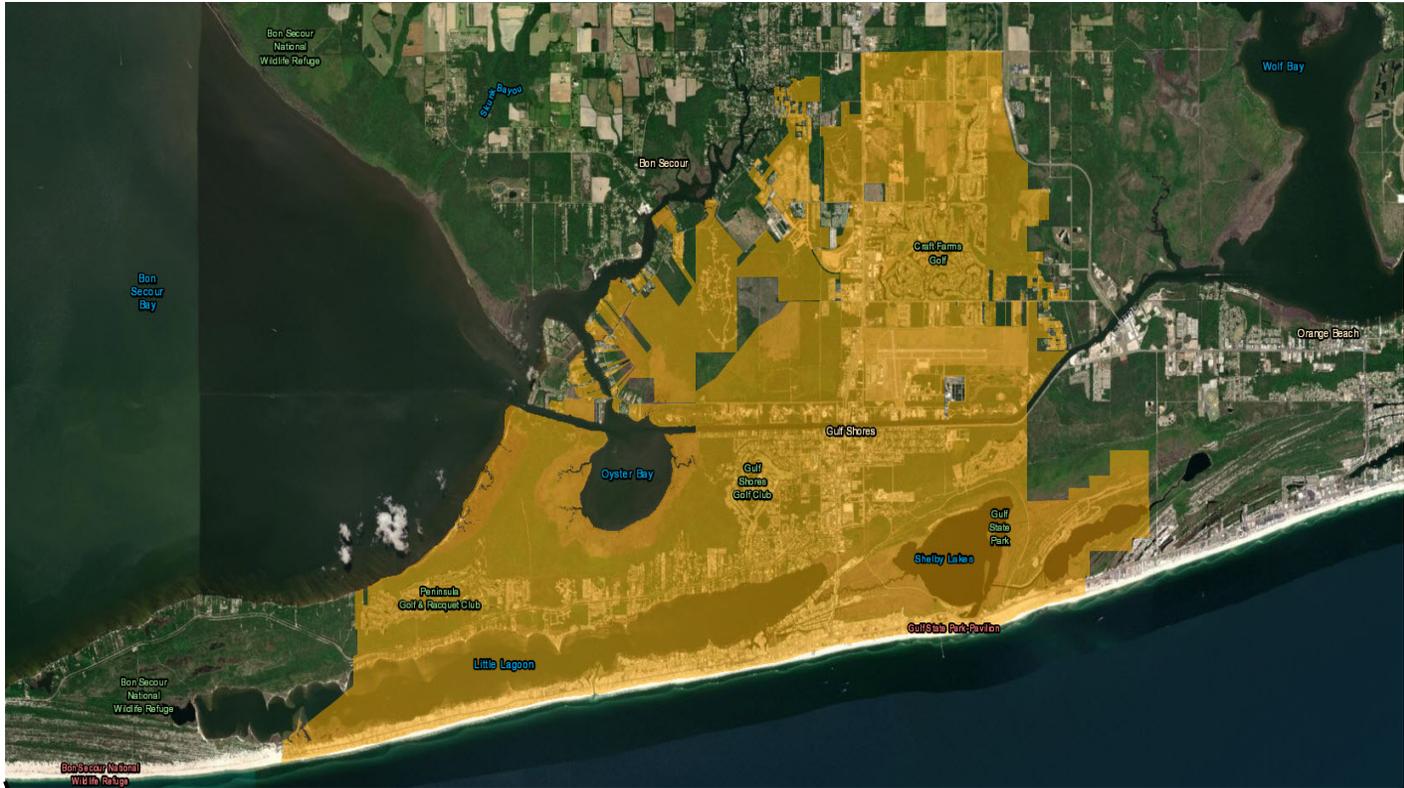
City of Gulf Shores, Alabama Mayor and Council

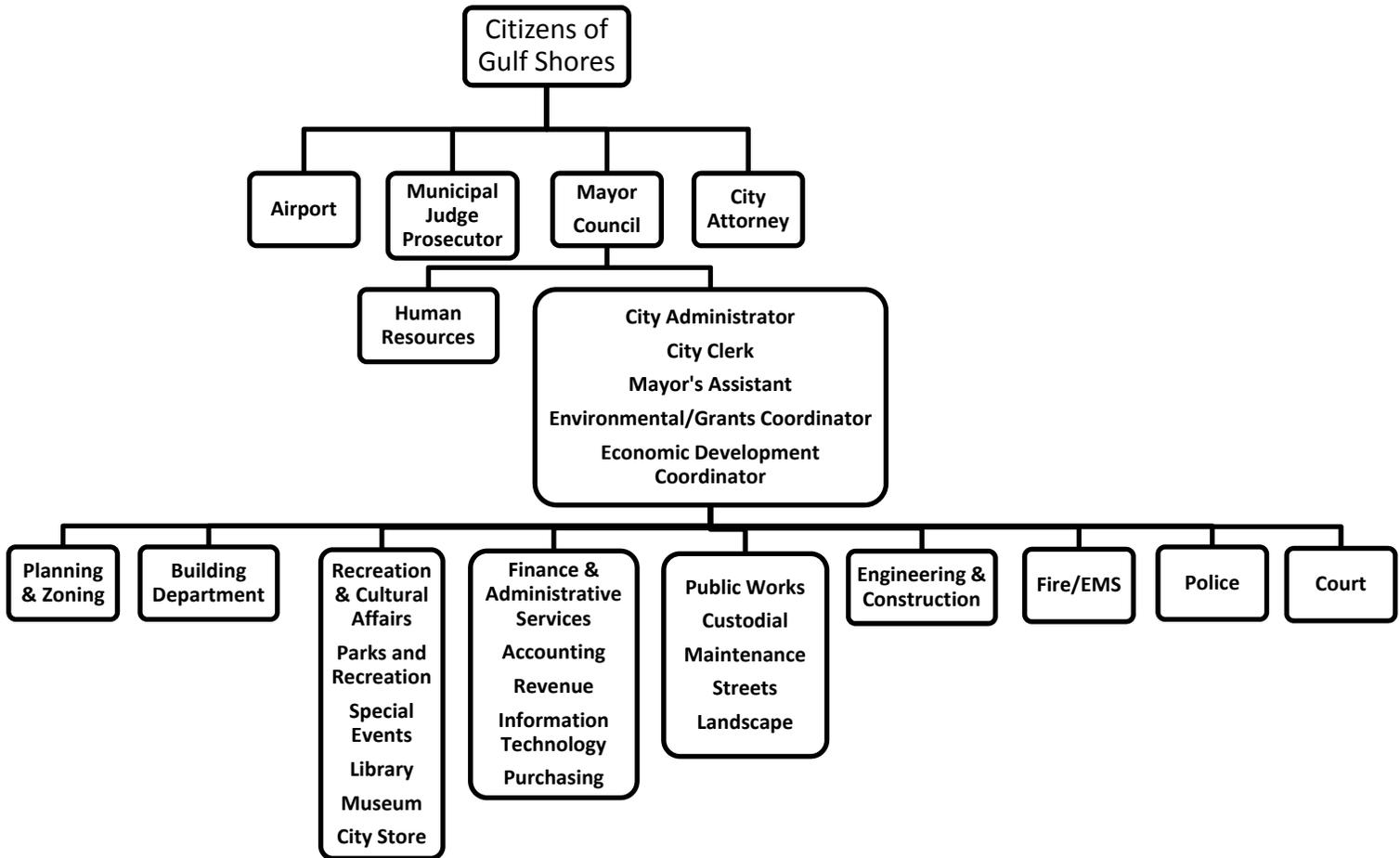


Left to Right Standing: Joe Garris, Stephen E. Jones, Jason Dyken, Gary Sinak
Left to Right Seated: Philip Harris, Robert Craft, Mayor

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, 2019

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, 2019 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. 6212-19
A RESOLUTION ADOPTING
CITY OF GULF SHORES
2020 BUDGET

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GULF SHORES,
ALABAMA, WHILE IN REGULAR SESSION ON November 25th, 2019 as follows:

Section 1. That the City of Gulf Shores 2020 Budget be adopted for the
City of Gulf Shores, Alabama, for Fiscal Year 2020 beginning January 1, 2020
and ending December 31, 2020.

GENERAL FUND BUDGET SUMMARY 2020
(JANUARY 1, 2020 THROUGH DECEMBER 31, 2020)

TOTAL REVENUES GENERAL FUND \$48,082,446

EXPENDITURES:

Executive	\$ 1,700,474	
Human Resources	706,728	
Finance & Administrative Svcs	3,131,841	
Municipal Court	452,108	
Police	6,884,735	
Fire & EMS	5,137,384	
Planning & Development	605,394	
Building	640,140	
Recreation & Cultural Affairs	443,077	
Events & Programs	848,025	
Library	666,397	
Recreation-Rec & Wellness	2,262,026	
Recreation-Sportsplex	1,229,432	
Recreation-Parks	577,262	
Recreation-City Store	181,126	
Recreation-City School Landscape	216,138	
Public Works:		
General Services	398,494	
Public Facilities-Custodial	570,823	
Public Facilities-Landscaping	924,725	
Streets	2,685,256	
Maintenance	1,240,592	
Engineering & Construction	699,035	
Airport Authority	152,587	
Outside Agencies	<u>2,018,343</u>	
SUBTOTAL OPERATIONS		\$34,372,142
Capital Outlay		
Executive Capital	1,100,000	
Finance & Admin	70,000	
Police – Capital Outlay	268,800	
Fire – Capital Outlay	55,000	
Planning & Zoning	25,000	
Building – Capital Outlay	36,000	
Recreation Sportsplex	95,000	
Recreation Parks	97,000	
Recreation Rec & Wellness	108,500	
Public Works Capital:		
Landscaping	140,000	
Custodial	35,000	

Streets 747,500

SUBTOTAL CAPITAL	\$2,777,800	
Operating Transfers Out	<u>\$10,624,883</u>	
Total General Fund Expenses		<u>\$47,774,825</u>
Budget Carry Forward General Fund		<u>\$ 307,621</u>

**OTHER FUND BUDGET SUMMARY 2020
(JANUARY 1, 2020 THROUGH DECEMBER 31, 2020)**

REVENUE EXPENDITURE

Special Revenue

2% Lodging Tax Revenue	3,572,428		
Transfer to General Fund		3,000,000	
Transfer to Beach Fund		<u>572,428</u>	
Total 2% Lodging Tax Expenses			<u>\$3,572,428</u>
Budget Carry Forward 2% Lodging			\$0

Police & Fire Related Grants

Police and Fire	512,000		
Transfer to General		457,000	
Muni Court Exps		45,000	
Police		<u>10,000</u>	
SUBTOTAL			<u>512,000</u>
Budget Carry Forward Police & Fire			\$0

Impact Fees Fund

Impact Fees Revenue	1,559,400		
Recreation		615,000	
Public Works		650,000	
Police		94,400	
Fire		<u>200,000</u>	
SUBTOTAL			<u>\$1,559,400</u>
Budget Carry Forward Impact Fees			\$0

Beach Restoration & Projects Fund

Transfer from 2% Lodging Tax	572,428		
Recycling Revenue	40,000		
Parking Fees	<u>606,495</u>		
SUBTOTAL	1,218,923		
Police		308,170	
Fire – Beach		670,892	
Public Works – Streets		<u>244,090</u>	
Total Beach Restoration & Projects			<u>\$1,223,152</u>
Budget Carry Forward Beach R & P			\$ (4,229)

Capital Improvements Fund

Contributions – Sidewalk/Bikeway	30,000		
2019 Line of Credit	<u>6,200,000</u>		
SUBTOTAL	6,230,000		

Capital Outlay Projects	6,200,000	
General Fund Transfer	<u>30,000</u>	<u>\$6,230,000</u>
		\$0
Storm Damage Fund		
Transfer from General Fund	23,078	
Parks, Recreation & Other (G)	<u>55,000</u>	
Budget Carry Forward Storm Damage		<u>\$55,000</u>
		\$(31,922)
2016 Taxable Line of Credit (LOC)		
Proceeds from 2016 Taxable LOC	5,167,083	
Improvements Medical Facility	1,665,000	
Gulf Coast Center for Ecotourism	980,000	
ALDOT Capacity Project	2,022,083	
Little Lagoon Restoration Project	<u>500,000</u>	
SUBTOTAL		<u>\$5,167,083</u>
		\$0
Debt Service Fund		
Transfers/Interest	7,030,377	
Bond Payments	7,030,377	
		<u>\$0</u>
2018 GO Warrants		
Match/Proceeds from 2018 Warrants	11,157,000	
Capital Outlay Projects	10,907,000	
Transfer Out	<u>250,000</u>	
SUBTOTAL		<u>\$11,157,000</u>
		\$0
Public Education Building Authority Fund		
Budget Carryforward Public Ed	610,350	
		<u>\$610,350</u>
		\$0
Total All Funds Revenue	85,163,085	
Total All Funds Expense	84,281,265	
Budget Carry Forward:		
General Fund Budget		\$ 307,621
Beach Restoration & Projects Fund		\$ (4,229)
Storm Damage Fund		\$ (31,922)
Public Education Building Authority		<u>\$ 610,350</u>
Budget Carry Forward		<u>\$ 881,820</u>



Section 2, Article 10, Chapter 1, Part 1, Florida Statutes that this Resolution shall become effective upon its adoption.

ADOPTED this 25th day of November, 2019.

Robert Craft
 Robert Craft, Mayor



November 25, 2019

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

RE: 2020 BUDGET MESSAGE

On behalf of the City of Gulf Shores government staff, we are pleased to deliver the Fiscal Year 2020 Budget for the City of Gulf Shores, Alabama for the period beginning January 1, 2020 and ending December 31, 2020. 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

2019 Successes:

Reserves – General Fund Reserves maintained at amounts in excess of the 70% target.

Debt – In 2019 two debt issuances for Lines of Credit were made. One of the 2019 debt issues was non-taxable for \$15,000,000 for City School System capital needs and improvements to the school buildings acquired pursuant to the 2019 separation agreement. The other 2019 debt issue was \$9.8 million for a line of credit to be used for capital, public and municipal purposes following a disaster. Advance payments totaling \$2.25 million on the 2016 Line of Credit were made in 2019. The advance payments repaid the 2016 Line of Credit for purchase of additional land at Gulf Place and parking lot/Police Public Safety Building construction. 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.

Airport Authority – In 2019 the Airport Authority completed the fourth year of operating on a self-sustaining basis which included reimbursing the City of Gulf Shores for all airport personnel costs. Other significant Airport Authority 2019 accomplishments were:

- Completion of two new facilities by Jetwinds, LLC and Gulf Shores Power Sports totaling over 18,000 square feet.
- Exhibited the airport and Gulf Shores - Orange Beach as a destination at “Sun N Fun Fly In” in Lakeland, Florida attended by over 200,000 attendees.
- Prepared presentations and met directly with airline officials at Contour, Via, Southern Express and SkyWest Airlines.
- Succeeded in getting congressional approval to end the ten year moratorium on new tower entrants and submitted the first application to the FAA for a contract tower operation for the airport.
- Approved engineering contract with Barge Design for design and preparation of bid documents for new Control Tower (artist rendering below).



- Conducted successful 2018 Regional Fly-in by Aircraft Owners and Pilots Association attended by over 5,000 attendees.
- Completed site selection process with National Coordinator and all related agencies of the FAA responsible for approval of tower construction.
- Continued on going airport employee training program through Airport Digicast, American Association of Airport Executives, as required for commercial service and received national recognition for the same.
- Completed \$150,000 project with FAA and ALDOT assistance for drainage improvements and remarking of airport runways and taxiways to comply with commercial airport standards.
- Set up air carrier terminal project account and entered into engineering agreement for concept and preliminary design.
- Obtained five community partners to submit and sponsor a \$400,000 grant with the small community air service development program of the U.S. DOT for marketing and acquisition efforts to obtain new air service for the community.
- Obtained grant from FAA and ALDOT of \$423,000 for replacement of Taxiway “C, “E”, and “F” lighting systems.

Beach Operations and Recycling Program – 2019 Beach Operations continue to be successful and instrumental in keeping our beaches clean. This is the fourth 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 2019 five tons of material were collected and discarded overnight from the beach which has dramatically decreased from prior years.

In 2018 we reached our anticipated recycling numbers and they will continued to grow from an increase in Tourism, new residents, festivals, special events, and sport programs that have continued to support recycling efforts. The Recycling Program is continuing the beach recycle program, community drop off center, single stream recycling, commercial recycling and has reached out to the City of Orange Beach Commercial Recycling and Residential Recycling. Recycling markets are at an all-time low but vendors are still receiving our commodities.

Benefit Cost Controls – For the 2019 year the City had 75% of all City-insured employees (192) and 58% of their spouses (94 total) participate in the City’s wellness program by having the annual health assessments in November, 2018. Symbol Health has reported that during the first 10 months of the Employee Health Clinic operations for 2019, 98% of the City employees, 77% of their spouses and 53% of their dependents utilized the clinic producing a total of 1,647 clinic visits. These “redirected” visits resulted in a total savings of \$206,252 to the City’s health plan had these same visits been billed through normal venues.

The Mayor challenged departments to continue to focus on wellness by competing in a mini-triathlon and the Zydeco Festival 5K. A total of 13 employees participated including two who completed the full triathlon. A total of 29 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 2019 were the addition of popular family outdoor adventure programs including camping and paddling, as well as expanded 21st Century Grant funding of youth educational summer programs and camps in cooperation with Gulf Shores City 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 \$106.2 million were issued for FY 2018 which was 6.7% less than the amount issued in 2017. The City began construction on the final phase of the Commerce Drive loop within the Business and Aviation Park. This roadway and utility expansion will provide access to over 80 acres of industrial property bordering Jack Edwards National Airport that has been certified as an Alabama AdvantageSite by the Economic Development Partnership of Alabama. The Gulf Shores Airport Authority initiated the design of an air traffic control tower and commercial flight terminal at Jack Edwards National Airport to further efforts to establish regional commercial flights to and from Gulf Shores.

Education - Gulf Shores City Schools officially began as the first independent city school system in Baldwin County in 2019. The City completed over \$8 million in renovations and improvements to the school campuses to enhance safety, security, vehicle and pedestrian circulation, and the overall learning environment for the school system’s 2,200 students. This continued investment in local education will spur residential growth, stimulate business investment and propel Gulf Shores toward a more diverse year-round economy.







(Actual Photo of Elementary School Playground)

Fiber Optic Improvements City Sites - Provided additional fiber optic connectivity to Mo's Landing Boat Launch, West Beach Police Sub-Station and Fire Station 4. This additional network infrastructure has increased our fiber footprint throughout the city and provided critical network infrastructure for future expansion.

Gulf Place Phase III – Completion of the east portion of the 20 foot wide boardwalk, additional restrooms and a Public Safety Facility for Police operations. Construction was completed in April 2019. This last phase of the redevelopment of Gulf Place is part of the City's Vision 2025 Plan for Sustainability and Strategic Plan 2015-2020 for improving and revitalizing the Gulf Beach District.

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

The new Police Public Safety Facility and additional restrooms are shown on the next page.



Information Technology – At the end of 2019 the City has 170 surveillance cameras throughout the city and manages over 340 cameras. In 2019, IT added 26 additional cameras to include locations at Mo’s Landing, West Beach Police Sub Station, and Erie Myer Civic Center. We also added 170 City School surveillance cameras via VPN (Virtual Private Network) and these cameras are actively monitored by police dispatch. We added an additional portable solar powered camera that can be deployed anywhere in the city based on emergency responder / code enforcement needs.

Recreation Capital Improvement Projects – Major capital improvement projects for recreation were undertaken in 2019 that will benefit the City residents:

- Meyer Park – Installed new playground and upgraded play area amenities.



- Civic Center – Installed new exterior doors throughout the facility and upgraded HVAC control systems.



- Gulf Shores Sportsplex – Constructed new high jump facility.



- Gulf Shores Dog Park – Added an additional four acres of tree shaded dog park space.



The City continues to expand its foothold in the sports tourism market, hosting 72 significant events in 2019. 2019 saw the City's fourth presentation of the National Collegiate Athletic Association (NCAA) Beach Volleyball Championship. This nationally televised event continues to provide significant exposure to Gulf Shores and the State of Alabama. In addition, the City in conjunction with the Gulf Shores & Orange Beach Sports Commission successfully hosted a NCAA Division I softball tournament, as well as numerous United States Specialty Sports Association Global World Series and Alabama State High School baseball and softball tournaments.

Transportation - Completed the replacement of 8 traffic signals along Hwy 182 within our Beach District with new, hurricane-resilient, full adaptive, mast arm signals including new pedestrian crosswalks and wayfinding signage. We also installed an additional 1/2 mile of 8 foot wide sidewalks along both sides of State Hwy 182. The traffic signals & sidewalks 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. We are nearing completion of the Coastal Gateway Boulevard improvement project which includes upgrading approximately 2 miles of the existing 2-lane roadway to a 5-lane major collector road complete with sidewalks, bike lanes, street lights and traffic signal upgrades. We started construction of roadway within our Business and Aviation Park that will support a new corporate headquarters, control tower and future regional air travel carrier. We completed a Comprehensive Roadway Plan to identify the transportation infrastructure need for the next 20 years to meet future traffic demands.



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 2019 the City hosted the fifth 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 2019 to provide up to \$1 million for a Zoo operating reserve contingent upon the Zoo’s construction completion in February 2020.

2020 Priorities:

General Fund Reserves – The Fiscal Year 2020 Budget proposes to budget \$33.65 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), and to provide a stabilized fiscal environment to

City School System – The Fiscal Year 2020 Budget proposes to allocate another \$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. The separation agreement came into effect June 2019 and the Gulf Shores School System now operates independently of the Baldwin County Board of Education.

Debt – Continue to reduce outstanding debt in 2020 for outstanding long term debt including payments for a 2019 non-taxable line of credit warrant of \$15 million for City School System improvements and a nontaxable line of credit warrant of \$9.8 million to be used for emergencies.

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 115,000 will be replaced and one for a new officer will be added. Police Impact Fees will offset the expense of two of the six budgeted vehicles. Street Resurfacing funds of \$900,000 are budgeted with \$650,000 of the resurfacing funds coming from Impact Fees. Replacement vehicles/equipment of \$442,000 are budgeted for Public Works in the General Fund. Recreation and Cultural Affairs improvements will be paid with \$615,000 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 the goal of constructing a new eastern roadway connection from the Business and Aviation Park to the Beach Express.

Information Technology – Continue to update network devices and add to existing network infrastructure. This will allow us to leverage technology that provides solutions for the city and our residents. Expand fiber backbone to areas throughout the city. Actively recruit and continue to seek Franchisee(s) to expand and enhance internet services for commercial and residential users throughout the City.

Recreation Projects - Upgrades and renovations to City properties of \$615,000 are budgeted to benefit both residents and visitors:

- Shade Structures and Shade Tents at Sportsplex
- Meyer Park Improvements
- Bodenhamer Interior Repairs & Fitness Equipment Upgrades

- Bodenhamer Pool Deck Resurfacing
- New Kitchen Floor/Cabinets at Adult Activity Center
- Civic Center Improvements – Banquet Tables
- New Hammer Cage & Track Runway Upgrades

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 again host the Alabama State High School Track Championship and the Alabama Independent School Association State Track Championship in 2020, in addition to the National Association of Intercollegiate Athletics Outdoor Track & Field Championship. Due to the City’s dedication and commitment to environmental stewardship, the Gulf Shores Sportsplex has been awarded the Sports Turf Managers Association’s Environmentally Responsible Facility Certification, making Gulf Shores the first agency to receive certification in the State of Alabama.

Transportation – Numerous transportation projects are planned for 2020 with \$11.97 million City match funds including:

- Wayfinding/Signage
- Preemption Equipment for Fire vehicles access
- Beach Boulevard Transportation Improvements (2 new signal upgrades)
- Coastal Gateway Improvement
- West 20th Avenue/West 1st Street Intersection
- Beach Walking District/Streetscape Improvements
- Business and Aviation Improvements
- Design of the County Road 6 four lane to Sportsplex
- West Lagoon Avenue Roadway and Pedestrian Improvements
- Fort Morgan Trail Phase III widening and resurfacing approximately 1.5 miles
- Design of the Restore ALDOT Capacity Project
- Medical Complex Roadway Improvements

Street resurfacing funds of \$250,000 are budgeted from the General Fund and \$650,000 from Impact Fees.

Additional Positions 2020 (Three Full-time, minus one Part-time):

Police – One Communication Officer is recommended to adequately meet additional demands and one half year, thirty hour a week Administrative Coordinator position.

Recreation & Wellness – Eliminate 2 part-time less than 20 hours per week Program Assistant positions and add one Full Time Program Event Manager.

Public Works – One Administrative Analyst to assist the Public Works Director with managing budgets and ensuring the department operates more as a business model.

Personnel Expenses – While the City continues to maintain personnel costs at 49.8% of budget, which is customarily between 60 to 75% for localities, the FY2020 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 2020 Budget proposes to budget \$392,417 for merit increases of 1.5% for above average to 2.5% for highest performing City employees at their anniversary dates in 2020 and \$318,000 for a 2% Wage Index Adjustment effective the first full pay period in January, 2020 for employees scoring satisfactory on their 2019 performance reviews. The 2020 Budget also includes \$48,400 for wage adjustments recommended by a 2019 updated personnel compensation study, to establish a 110% market rate classification for all 1st responder City classifications and establish 2,184 annual work hours for Police and 2,928 annual work hours for Fire and Rescue 1st responder and compensate for the additional hours accordingly. For Police the additional cost is \$100,223 and for Fire the additional cost is \$130,223. Also included in the 2020 Budget is \$36,000 for conversion of Tier 2 to Tier 1 employees.

Space Utilization Study – \$100,000 for City Hall complex including Police/Jail facility. Space Utilization Study work began in late 2019 and will continue into 2020.

Budget Adoption

This budget was formally adopted by the City Council on November 25th, 2019 and establishes a fiscal plan for the City’s Fiscal Year, January 1 to December 31, 2020. 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 22nd and was finalized with adoption of the 2020 Budget by Council November 25th, 2019. The Finance Committee met regularly during the year to review ongoing 2019 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 maintained its General Fund Reserves of 70% at the close of Fiscal Year 2018 and is projected to close 2019 at 70% reserves. The 2020 Budget reserve target is 70% of revenues to address concerns about FEMA’s 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 2020 updated Financial Policy adopted is included later in this budget document.

Budget Preparation Instructions given to Department Heads July 22nd, 2019 at the start of the budget process provided guidelines consistent with the adopted Financial Policies. Budget Expenditure Requests for 2020, should not exceed 2019 budgeted amounts, since the City will include additional debt service requirements for new debt issued in 2019 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 2020 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 2020. Also included by department are historical, current, and future financial data and staffing by department.

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.

During the course of the year Budget Amendments are done to ensure the Council is aware of and approve expenditures beyond the original budgeted amount. Typically these over budget expenditures are the result of a change in Council priorities or departmental needs following the adoption of the budget. Interdepartmental transfers are done by budget amendment if an expenditure line is projected to go over \$5,000 of the original budget, or if a department is projected to go over the total amount originally budgeted. An explanation of the change in the budgeted amount is provided in the backup for the amendment. The last budget amendment of the year includes redistribution of the health insurance based on year-to-date actual departmental expenses since the City is self-insured and has a cap for total health insurance expenditures annually. For 2019 four budget amendments are projected to be done.

Current Fiscal Condition

At the close of 2019, the City is projected to exceed the overall financial reserve target of 70% of budget or \$36 million comprised of \$18 million for the General Fund and \$18 million for Beach Reserves. Sales Tax collections through September 2019 increased by 5% over the record levels of the prior boom year. Lodging Tax collections were up 31% over the same time period of the prior year. Twenty percent of the Lodging Tax collection increase was due to an increase from 5% to 7% for the City Lodging Tax. The State Park Lodge and a new hotel also contributed to the significant increase in collections. Building permits are projected to be slightly higher than 2018.

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. In 2018, Auburn University completed construction of a 24,000 square foot Veterinary Surgical Facility combined with a Cooperative Extension Service Office off Coastal Gateway Boulevard and the Foley Beach Express.

A new education campus will be built 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 72 significant events in 2019. Noteworthy in 2019 was the City's presentation of the fourth 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 2020, in addition to the National Association of Intercollegiate Athletics Outdoor Track & Field Championship. Due to the

City's dedication and commitment to environmental stewardship, the Gulf Shores Sportsplex has been awarded the Sports Turf Managers Association's Environmentally Responsible Facility Certification, making Gulf Shores the first agency to receive certification in the State of Alabama.

STRATEGIC PLANNING

The Mayor and Council formally adopted the Small Town, Big Beach Vision 2025 for Sustainability in June 2014. A five year Strategic Plan was developed to provide a detailed "game plan" to begin implementing the Council's Vision and was formally adopted by the City Council on October 27, 2014 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.
2. In 2019, the City partnered with AirMedCare Network to provide ground and air ambulance transport coverage from within Baldwin County to all Gulf Shores residents. This program will eliminate virtually all out-of-pocket expenses for ambulance transport for residents.
3. In 2019, construction began on a new 140,000 square foot independent and assisted living facility called Seagrass Village. The village is expected to be complete in 2020 and will offer 71 independent living units, 8 individual living cottages and 50 assisted living units.

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, Middle School and Elementary School in Gulf Shores.

By 2020, 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.
4. In 2018, the 24,000-square-foot Auburn University Educational Complex opened. The complex will offer veterinary care, aviation instruction, research administration and Alabama Extension support for that region.
5. In 2019, Gulf Shores City Schools officially began as the first independent city school system in Baldwin County. The City completed over \$8 million in renovations and improvements to the school campuses to enhance safety, security, vehicle and pedestrian circulation, and the overall learning environment for the school system’s 2,200 students.

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 Drive 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 awarded 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.
6. In 2018, the City and Baldwin County Economic Development Alliance successfully recruited Resicum International to relocate its corporate headquarters and construct an aerospace MRO facility at Jack Edwards National Airport.
7. In 2019, the City began construction on the final phase of the Commerce Drive loop within the Business and Aviation Park. This roadway and utility expansion will provide access to over 80 acres of industrial property bordering Jack Edwards National Airport.
8. In 2019, the Gulf Shores Airport Authority initiated the design of an air traffic control tower and commercial flight terminal at Jack Edwards National Airport to further efforts to establish regional commercial flights to and from Gulf Shores.

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 was 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.

The City of Gulf Shores assisted and supported 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 was completed 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’s 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 opened 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.

Over the last 5 years, the City of Gulf Shores has provided new public facilities, including new and improved beach access to enhance the numerous public beach areas throughout Gulf Shores.

In 2019, the City of Gulf Shores completed new, enhanced pedestrian and bicycle improvements along Hwy 182 from West 4th St. to West Lagoon Ave to foster a more walkable tourist destination that provides safe pedestrian access to dining, shopping and entertainment.

In 2019, the City of Gulf Shores completed the last phase of the Gulf Place Revitalization Project which transformed the city's most iconic stretch of beachfront and stimulated economic development within the Gulf Beach District by providing a more welcoming, accessible, pedestrian- and bike-friendly environment.

In 2020, the City of Gulf Shores will complete new, safer pedestrian and bicycle pathways from West Lagoon Ave to Little Lagoon Park.

In 2021, the City of Gulf Shores will complete pedestrian, landscaping, transportation and parking improvements within the Gulf Beach Walking District.

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

GULF BEACH DISTRICT – STRATEGIC PLAN STRATEGIES

1. The City has completed and will continue to 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 (completed)
 - b. Gulf Beach District to the Gulf State Park Lodge and Conference Center (completed)
 - c. Gulf Beach District to destinations north of the Intracoastal Waterway
2. 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.
3. The City has completed and will continue to implement pedestrian-friendly beachfront improvements that take advantage of the numerous public beach areas and provides a welcoming, safe and accessible environment.
4. 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.
5. In 2019, 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.
6. 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 2019, the City of Gulf Shores completed the last phase of the Gulf Place Revitalization.
4. In 2019, the City partnered with ALDOT and the Gulf State Park to 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.
5. In 2019, the City secured grants and partnerships with ALDOT to provide 4 miles of new 8' sidewalks and 5' bike lanes, 8 new signalized pedestrian crosswalks and 1.5 miles of landscaped medians along Beach Boulevard from Gulf State Park to West Lagoon Drive. Work was completed in conjunction with ALDOT resurfacing in winter 2019.

SUMMARY OF THE FISCAL YEAR 2020 BUDGET

Significant Budget Items and Trends

At the October 23rd, 2019 Finance Committee meeting, the City of Gulf Shores budget was presented to the Council by Department with a breakout of Fixed Personnel and Operations Costs, Additional Personnel, and Capital Requests that contained many of the items on the Ten Year Capital Plan. A Ten Year Transportation Capital Plan was presented to the Finance Committee Members at the July 2019 Finance Committee meeting.

Employee Pay Adjustments - In the 2020 Budget, \$392,417 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 2020 Budget, \$318,000 was set aside for a Wage Index Adjustment effective the first full pay period in 2020 for employees with ratings of satisfactory on their 2019 Performance Appraisal Review (PAR).

A summary of the recommended personnel changes for the Adopted 2020 Budget are three new full-time positions, one part-time Police Department position and a decrease in two part-time less than 20 hours positions for the Recreation & Cultural Affairs department:

- One Police Communications Officer**
- One Police Part-time Administrative Coordinator**
- One Full Time Program Event Position**
- One Public Works Administrative Analyst**

Short-Term Goals/Factors Impacting Budget Development

The City's bond rating of Aa2 was noted November 7, 2019 in Moody's Rating Agency Annual 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 2019 has enabled the City to remain very secure financially.

Short-term expenditure issues impacting the City budget in 2020 were the issuance of new debt in 2018 causing debt service to increase from \$6 million to \$9 million primarily for transportation projects and the Council commitment to designate another \$2 million for the Gulf Shores school system expenses. The debt service increase for transportation furthers advancement on the City’s Well-Organized Infrastructure Initiative. Designation of \$2 million for Gulf Shores City School System Expenses advances the City’s Progressive Education initiative. Payment of \$2.25 million in 2019 on the 2016B Taxable line of credit for land acquired for additional parking on the east side of Gulf Place and towards the construction of the Police Public Safety building advance the Gulf Beach District strategies.

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.

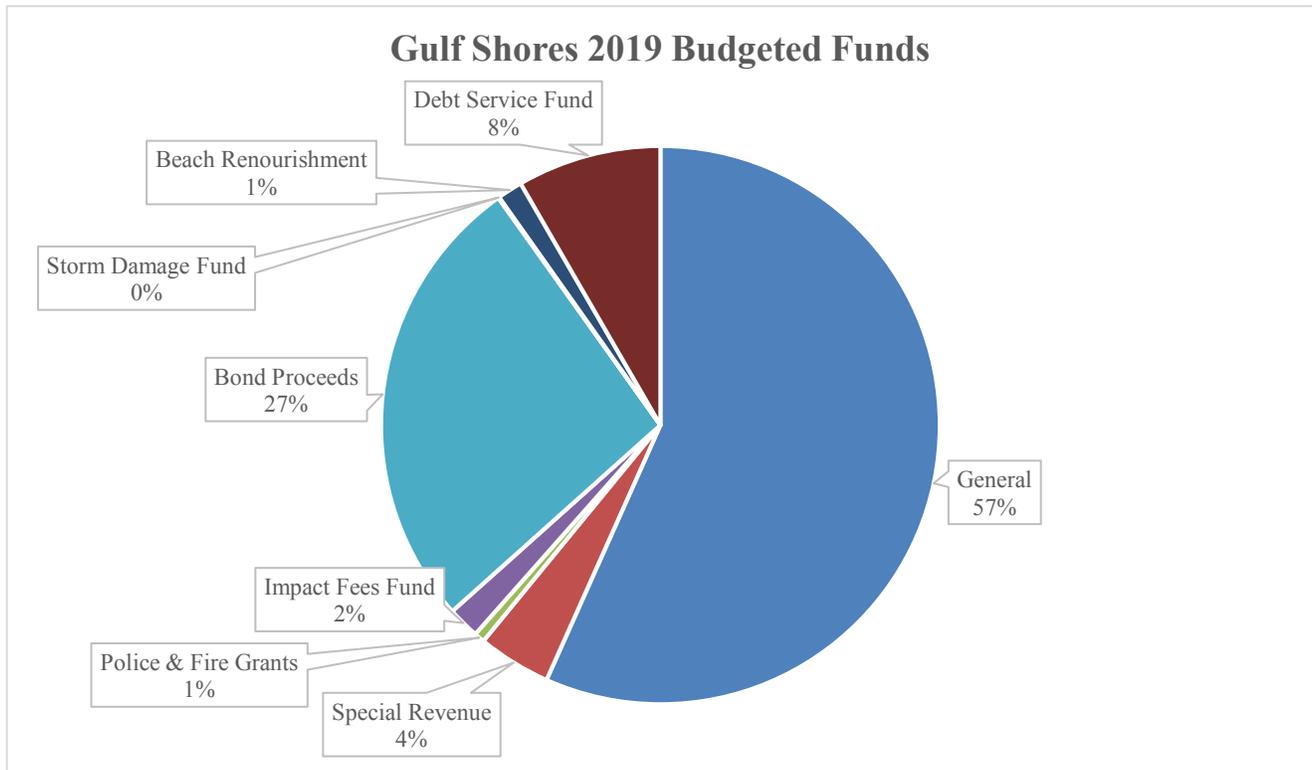
Fund Structure

The Adopted All Funds Budget for Fiscal Year 2020 is \$84,281,559. This represents a net decrease of \$12,470,806 or 12.89% from the Amended Fiscal Year 2019 Budget of \$96,752,091. General Fund Expenses decreased by 7.21% or \$3,710,308. A synopsis of the total All Funds Budget appropriated is as follows:

	Amended Budget 2019	Adopted Budget 2020	Increase (Decrease)	% Change
General	51,485,133	47,774,825	-3,710,308	-7.21%
Special Revenue	3,290,000	3,572,428	282,428	8.58%
Police & Fire Grants	515,000	512,000	-3,000	-.58%
Impact Fees Fund	985,450	1,559,400	573,950	58.24%
Beach Restoration & Projects	1,517,826	1,223,152	-294,674	-19.41%
Capital Improvements Fund	8,830,000	6,230,000	-2,600,000	-29.45%
Bond Proceeds 2014 A	900,000	0	-900,000	-100.00%
Storm Damage Fund	53,000	55,000	2,000	3.77%

Bond Proceeds 2016 B	8,650,000	5,167,083	-3,482,917	-40.26%
Debt Service Fund	8,984,000	7,030,377	-1,953,623	-21.75%
Bond Proceeds 2018	11,541,662	11,157,000	-384,662	-3.33%
Total	<u>\$ 96,752,071</u>	<u>\$84,281,265</u>	<u>-\$12,470,806</u>	-12.89%

Fund Relationship - A graphic view of the 2020 All Funds Budget is as follows:



Financial Policies

The City’s 2010 Adopted Financial Policy was updated October 2019 and is included at the end of the 2020 Budget document. Additionally the City adopted an Investment Policy in 2019 and is included at the end of the 2020 document following the Financial Policy. 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 2019 for a 10 year period with assumptions for growth more heavily weighted towards growth close to current experience at 4% to 2024 followed by more moderate growth projections in years 2025 to 2029 at 2%. Expenses were projected to grow modestly at 2 to 3% more than revenues in line with the City’s conservative spending patterns.

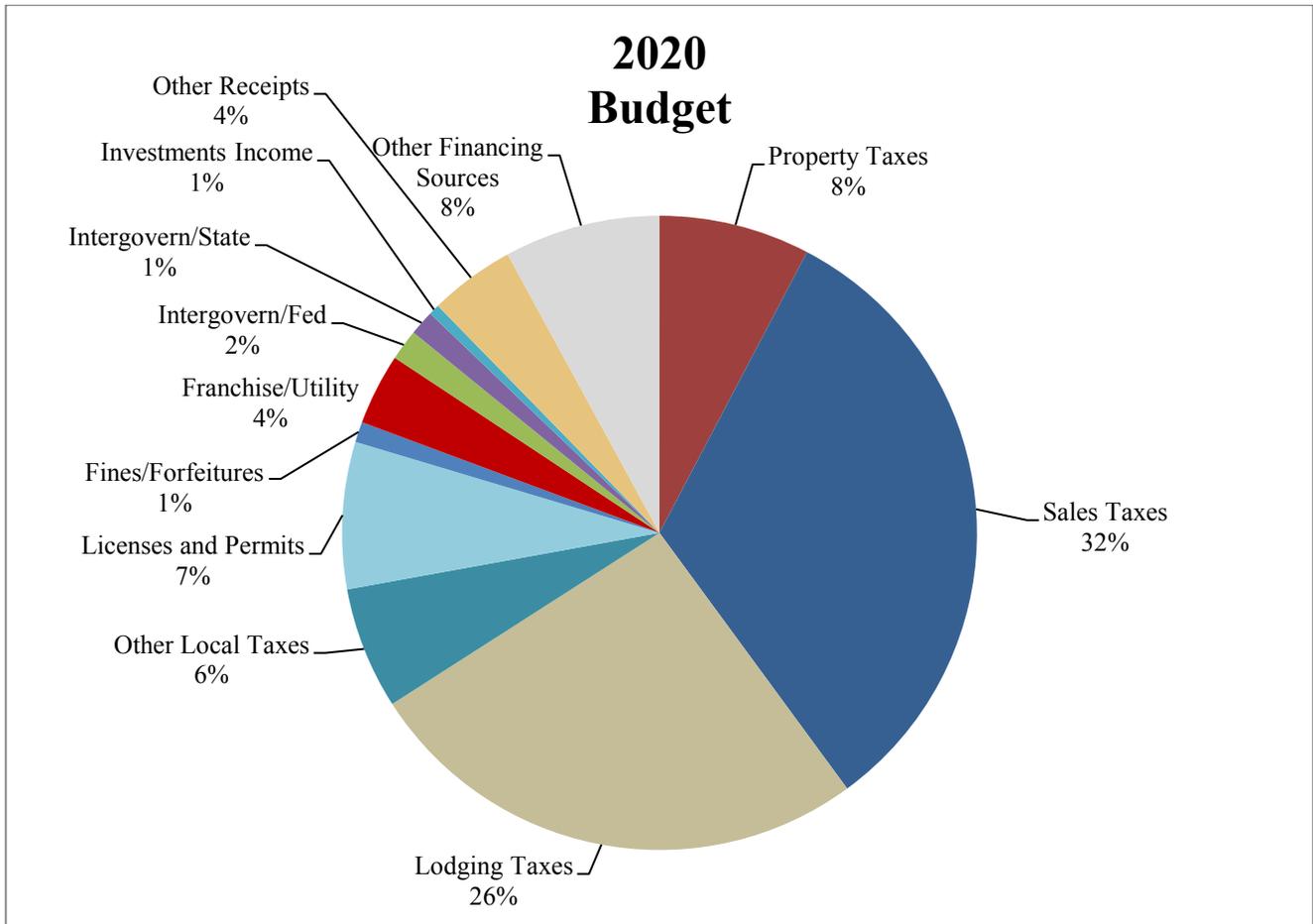
Annually the Finance Committee reviews the 10 year Revenue, Expense and Reserve funds usage projections. Modifications are made as needed and various debt scenarios are included in the projections to see how the debt would impact reserve funding and whether the established 70% annual reserve target increase can be maintained. In 2020 the Debt Service Fund is 8% of total funds. In 2020 current debt service levels decreased by \$1,953,623. In early 2019 the City did a request for a line of credit rate to fund the City School Improvements and further advance Education goals of the Vision 2025 Strategic Plan.

Revenue Trends

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

	Revenue Budget 2020	% of Budget
Property Taxes	3,697,949	8%
Sales Taxes	15,500,000	32%
Lodging Taxes	12,500,000	26%
Other Local Taxes	2,990,000	6%
Licenses and Permits	3,601,000	7%
Fines/Forfeitures	500,000	1%
Franchise/Utility	1,750,000	4%
Intergovern/State	609,900	1.3%

Intergovern/Fed	757,342	1.6%
Investments Income	263,250	.5%
Other Receipts	2,096,005	4%
Other Financing Sources	<u>3,817,000</u>	8%
Total	48,082,446	



Property, Sales, Lodging, and Other Local Taxes comprise 72% (1.4% less than 2019) 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 2019, 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 2020 is included and includes planned allocations of reserves.

Detailed analysis of Debt Service by issue are presented to the Finance Committee during the year. 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 2020 in order to identify future funding needs. Capital Outlays were requested for a ten year period beginning in 2020, 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 2020, 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 2020. 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 life 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 6,500 acres of land partially located in Gulf Shores with 27 miles of paved trails for hiking and biking. The park includes 2.5 miles of white sand beaches, a 496 site campground, plus both fresh and saltwater fishing and swimming.
- 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	28.28 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

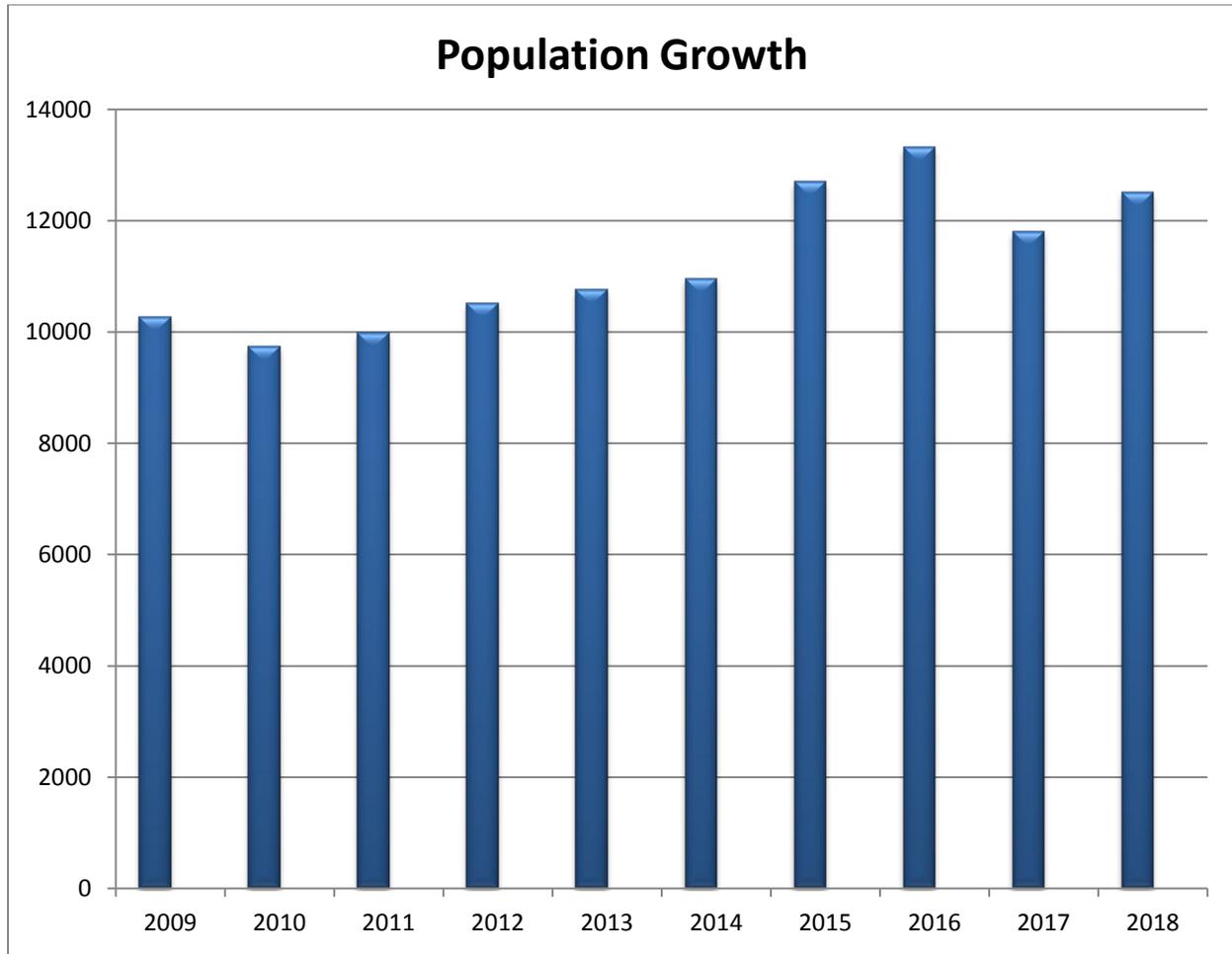
Age, Race & Gender Composition	
White	94.3%
Hispanic	3.3%
Black	.3%
American Indian	.2%
Asian	1%
Female	55%
Male	45%
Age Under 5 Years	2.5%
Age 18 Years & Over	60.2%
Age 65 Years & Over	26.1%
Median Age is 51.6 Years*	

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, 2018.

*Median Age from Data USA

Just the Facts



Source: US Census Bureau Population Estimates, 2009 through 2018

Gulf Shores, Alabama population has increased by 22% during the past ten years.

The 2018 population estimate of 12,517 is 6 percent more than the 2017 estimate of 11,809.

Just the Facts

Economic Highlights

Top Ten Employers in Gulf Shores, Alabama

	Employer	Total Employees	FT	PT
1	The Hangout	735	35	700
2	Hangout Music Festival	525	0	525
3	City of Gulf Shores	343	270	73
4	Waterville	330	20	310
5	Lulus Landing, Inc.	320	225	95
6	Wal-Mart	275	275	0
7	The Lodge at Gulf State Park	270	183	73
8	Gulf Shores Public Schools	223	216	7
9	Rouse's Enterprises	185	185	0
10	Publix Alabama	155	65	90

Gulf Shores licensed 8,555 types of businesses in 2018

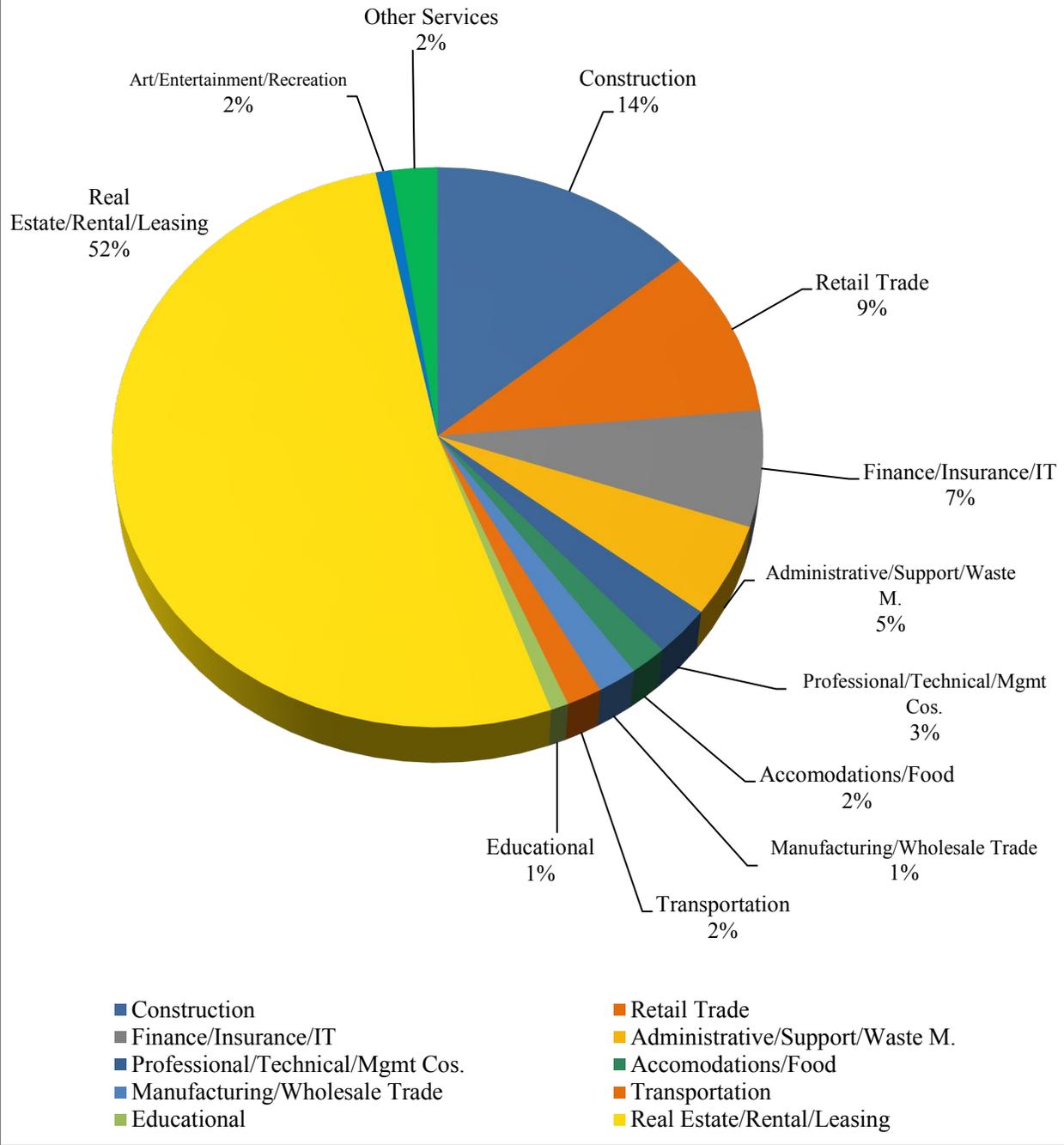
**Per Capita Income within Gulf Shores in 2017
was 23% higher than the United States level.**

	2017
United States	\$31,177
Gulf Shores	\$38,449

Source: US Census Bureau Quick Facts

Just the Facts

Gulf Shores, Alabama Business Profile



Just the Facts

Housing Statistics

Number of Housing Units	12,959
Owner-Occupied	5,498
Seasonal, Recreational or Occasional Use	7,471

Source: US Census Bureau Community Facts

Owned Homes, Apartments and Condos

Average Household Size	2.07
Median Value of Occupied Units	\$251,100

Rented Homes, Apartments and Condos

Median Monthly Rent Asked for Vacant Units	\$993
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Service Statistics:

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

Public Safety 2019	
Fire Protection	Police Protection
Fire Stations.....4	Primary Patrol Districts 3
Sworn Employees.....51	Sworn Employees 50
Civilian Employees.....1	Civilian Employees..... 21
Beach Division Seasonal...34	

Just the Facts

Park, Recreation & Cultural Affairs

Developed Park Properties

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.....3
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

Just the Facts

Miles of Streets Maintained	84.22
Streetlights.....	2,449
Traffic Signals.....	25

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 2020

City of Gulf Shores, Alabama Budget 2020

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			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					
Public Works - Engineering	X					
Appropriations	X					
Transfers Out						X

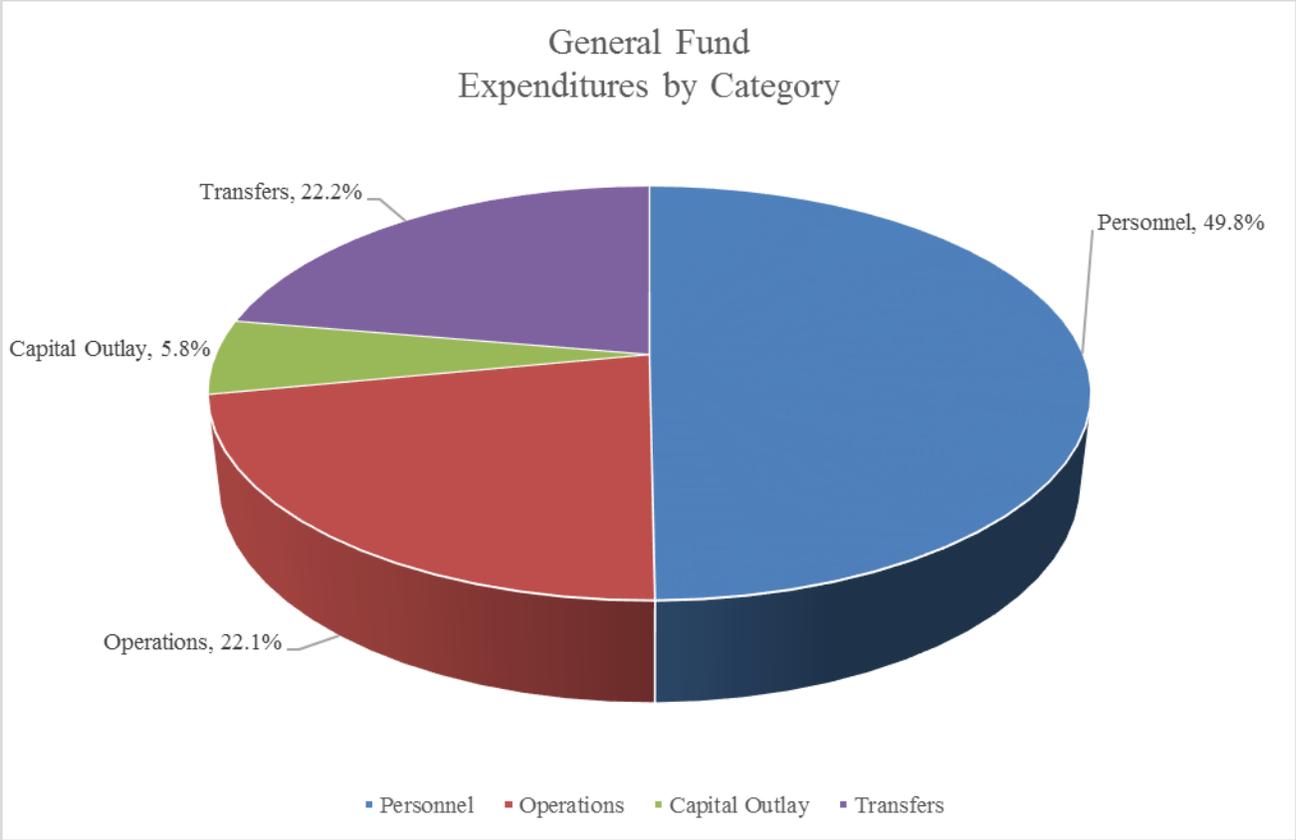
Fund Description

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 2020, the City of Gulf Shores has the following funds: General, Special Revenue, Police & Fire Related Grants, Impact Fees, Beach Restoration & Projects, Capital Improvements Fund, Storm Damage Fund, 2016-B GO Warrant Fund, 2018-A and 2018-B Warrant Funds, 2019 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 72% Taxes and 7% Licenses and Permits. Almost half (49.8%) of the General Fund expenditures are related to salaries. Transfers for Debt Service makes up 14.7% of the General Fund Budget and is used to pay for bond improvements. Other designated transfers for Lodging Tax related to Beach Activities comprise 7.5 % of the General Fund Expenditures. In 2019 a balance of \$1,477,568 of the initial \$2 million allocated for 2018 was amended in the 2019 budget and transferred to the school system along with \$2 million originally budgeted in 2019 for City School expenses, and a “due-to” the General Fund of \$582,479 was established for expense needs exceeding \$4 million (\$2 million budgeted for both 2018 and 2019). Total school system expenses represented 7.7% of the General Fund expenses in 2019. In 2020, another \$2 million representing 4.2% of the General Fund for school expenses has been budgeted. Operational costs comprise 22.1% of the General Fund expenditures, and Capital is 5.8% of the General Fund Expenditures. Capital Outlays in the General Fund Building Department are related to Alabama Department of Environmental Management (ADEM) expenditures.

The General Fund expenditures by Category are shown on the graph on the next page.



Fund Balance: Cash reserves are sufficient to maintain solid financial strength for future years. In 2018 additional funds of \$7.45 million were added to the reserves. The City is in compliance with the City’s updated City Financial Policy adopted in 2019 with the passage of the 2020 budget. The 2019 City Financial Policy requires a General Fund cash reserve equal to seventy percent for 2020. General Revenue fund reserves 2020 will comprise 35% of the General Fund Operating Budget and a Beach Reserve equivalent to 35% of the General Fund Budget. In 2019 the City was able to maintain 70% of the General Fund target level of reserves needed of \$18,019,797 (35%) and to the Beach Reserves \$18,019,796 (35%) in order to sustain operations during fluctuations of the revenue streams. Total reserve funds target for 2020 is \$33,442,378 or 70% of the General Fund Budget expenses of \$47,774,825.

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 2019 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. In 2019 Lifeguard services were moved from the General Fund to the Beach Restoration Fund and became a subset of the Fire Department.

CAPITAL IMPROVEMENTS FUND

The Capital Improvements Fund has not been utilized since 2015, as bond funds and lines of credit have been largely used to fund such projects. In 2019 the City opted to house the \$15 million 2019-C line of credit proceeds in this fund. The line will be used to fund capital expenses related to the newly-formed Gulf Shores City School System.

2016-B GO WARRANT FUND

The 2016-B GO Warrant Fund is a 10 year term debt primarily used for the acquisition and construction of the Gulf Place Revitalization Project. These investments aim to increase public access and pedestrian safety along Highway 59 and Beach Boulevard. This fund is also used to procure land or fund improvements to real estate ventures that will be public-private partnerships.

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 2019 of \$734,155,980 were received from the Baldwin County Revenue Commissioner’s Office, which would result in a debt limit of \$146,831,196. Our current debt limit is \$133,621,840, which is based on 2018 assessed property values of \$668,109,200. Current debt obligations are \$75 million. Projected 2020 Debt Service will constitute 8.3% of total fund expenditures and 14.7% 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
2019	734,155,980	20%	146,831,196	74,930,871
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

As of October 31, 2019 the governmental long term debt consisted of the following:

General Obligation (GO) Warrants:

2019 C GO Warrant – Line of Credit available \$15,000,000

The 2019-C Warrant proceeds are used to fund the Gulf Shores City School System capital needs and improvements to school buildings acquired during the 2019 separation agreement. Expenses include transportation improvements, security enhancements, deferred maintenance and information

technology and hardware. We anticipate 2020 Debt Service payments of interest only of \$330,000 to be repaid from the General Fund. The line matures March 15, 2026.

2019-B GO Warrant - Line of Credit available \$9,800,000

The 2019-B Warrant is available for capital public and municipal purposes within the City, including in the wake of a natural disaster, such as a hurricane. To date we have not used any proceeds available on the line. We do not anticipate any debt service payments in 2020. The line matures January 31, 2024.

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 \$53,938,695 and is repaid from the General Fund. Debt Service amount due in 2020 is \$3,065,488; 2021 amount due is \$3,060,688.

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 \$7,735,327 and is repaid from the General Fund. Debt Service amount due in 2019 is \$871,327; 2020 amount due is \$870,587.

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 \$142,500 to be repaid from the General Fund. The line matures June 15, 2026. Additional principal payments may be made when funds are available and approved by the Finance Committee.

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 \$11,207,925 and is repaid from the General Fund. Debt Service amount due in 2019 is \$365,290; 2020 amount due is \$364,390.

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 \$15,109,583 and is repaid from the General Fund. Debt Service amount due in 2020 is \$2,217,240; 2021 amount due is \$2,215,000.

Debt service payments by year are as follows as of October 2019:

	Principal	Interest	Total
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	63,499,930	20,443,443	83,943,373

City of Gulf Shores, Alabama 2020 Budget Calendar

Date	Action
June 13, 2019	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 2020 Capital Budget Requests at the July 25th Finance Committee meeting.
July 22, 2019	Budget Preparation Instructions sent to Department Heads requested not to exceed 2019 budgeted amounts in total by Department in order to continue to provide funds for the City School System, the additional debt service on \$40 million issued in 2018 and the loss of some Hangout Music Festival reimbursements. 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 the 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 28, 2019	Revenue estimates, short and long term debt analysis update Finance Committee.
September 13, 2019	Budget Requests due to Finance & Administrative Services Director. Requests compiled with recommendations for meeting needs with revenue sources.
September 16 to October 22, 2019	City Administrator 2020 Budget recommendation prepared for Mayor and Council.
October 23, 2019	Finance Committee reviews Budget Requests including Budget Message, General Fund revenue and expense projections, position and Capital requests.
November 18, 2019	Committee of the Whole (COW) meeting for full Council review
November 25, 2019	Council Adoption of 2020 Budget

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CITY OF GULF SHORES, ALABAMA
FINANCIAL SUMMARIES
TABLES AND GRAPHS
FISCAL YEAR 2020

**TABLE 1
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2020**

	Actual 2017	Actual 2018	Amended 2019	Adopted 2020	Dollar Change 2019 to 2020	Percent Change 2019 to 2020
REVENUES						
General Fund	34,031,821	38,337,208	44,526,805	40,694,018	(3,832,787)	-8.6%
Special Revenue Funds:						
2% Lodging Tax	3,079,598	3,379,295	3,290,000	3,572,428	282,428	8.6%
Designated Taxes	509,425	789,713	465,000	512,000	47,000	10.1%
Impact Fees	895,148	874,159	986,950	1,559,400	572,450	58.0%
Library Board Fund	236	106	0	0	0	n/a
Capital Projects Funds:					0	n/a
Beach Restoration	54,381	649,289	863,604	640,000	(223,604)	-25.9%
2014 GO Warrant	153,416	1,231,493	0	0	0	n/a
2016-B GO Warrant	0	0	500,000	3,152,292	2,652,292	530.5%
2018 GO Warrant	0	64,568	2,861,000	1,214,220	(1,646,780)	-57.6%
Capital Projects Funds	125,703	33,708	8,830,000	6,230,000	(2,600,000)	-29.4%
Storm Damage	91,010	3	0	0	0	n/a
Debt Service	1,023	5,379	0	0	0	0.0%
TOTAL REVENUES	<u>38,941,761</u>	<u>45,364,922</u>	<u>62,323,359</u>	<u>57,574,358</u>	<u>(4,749,001)</u>	<u>-7.6%</u>
EXPENDITURES						
General Fund	27,482,568	30,074,531	39,189,055	37,149,951	(2,039,104)	-5.2%
Special Revenue Funds:						
2% Lodging Tax	0	0	0	0	0	n/a
Designated Taxes	35,658	77,772	45,000	55,000	10,000	22.2%
Impact Fees	371,829	734,539	985,450	1,559,400	573,950	58.2%
Library Board Fund	0	0	0	0	0	n/a
Capital Projects Funds:					0	n/a
Beach Restoration	694,225	1,618,892	1,517,826	1,215,665	(302,161)	-19.9%
2014 GO Warrant	2,874,562	5,770,985	900,000	0	(900,000)	-100.0%
2016 GO Warrant	5,904,839	7,486,605	7,780,000	5,167,083	(2,612,917)	-33.6%
2018 GO Warrant	0	463,121	10,781,895	10,907,000	122,105	1.1%
Capital Projects Funds	0	0	8,800,000	6,200,000	(2,600,000)	-29.5%
Storm Damage	13,186	66,950	53,000	55,000	2,000	3.8%
Debt Service	16,731,776	20,280,798	8,984,000	7,030,377	(1,953,623)	-21.7%
TOTAL EXPENDITURES	<u>54,108,643</u>	<u>66,574,193</u>	<u>79,036,226</u>	<u>69,339,476</u>	<u>(9,821,855)</u>	<u>-12.3%</u>
Excess of Revenues over Total Expenditures	<u>(15,166,882)</u>	<u>(21,209,271)</u>	<u>(16,712,867)</u>	<u>(11,765,118)</u>	<u>5,072,854</u>	<u>-29.6%</u>
OTHER FINANCING						
Issuance of Debt	17,120,000	46,258,330	8,150,000	2,014,791	(38,108,330)	-82.4%
Bond Premium	0	3,450,789	0	0	0	
Bond Discount	0	(74,102)	0	0	0	
Proceeds from sale capital assets	425,645	105,288	50,000	80,000	(55,288)	-52.5%
Transfers In	15,043,991	29,140,443	14,426,845	11,362,882	(14,713,598)	-50.5%
Transfers Out	(15,043,991)	(29,140,443)	(14,426,845)	(11,362,882)	14,713,598	50.5%
Total Other Financing Uses	<u>17,545,645</u>	<u>49,740,305</u>	<u>8,200,000</u>	<u>2,094,791</u>	<u>(41,540,305)</u>	<u>-83.5%</u>
Net Change in Fund Balance	<u>2,378,763</u>	<u>28,531,034</u>	<u>(8,512,867)</u>	<u>(9,670,327)</u>	<u>(37,043,901)</u>	<u>-129.8%</u>
Fund Balances - Beginning (restated)	<u>28,772,840</u>	<u>31,151,606</u>	<u>59,682,640</u>	<u>51,169,773</u>	<u>28,531,034</u>	<u>91.6%</u>
Fund Balances - Ending	<u>31,151,603</u>	<u>59,682,640</u>	<u>51,169,773</u>	<u>41,499,446</u>	<u>(8,512,867)</u>	<u>-14.3%</u>

GRAPH 1
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2020

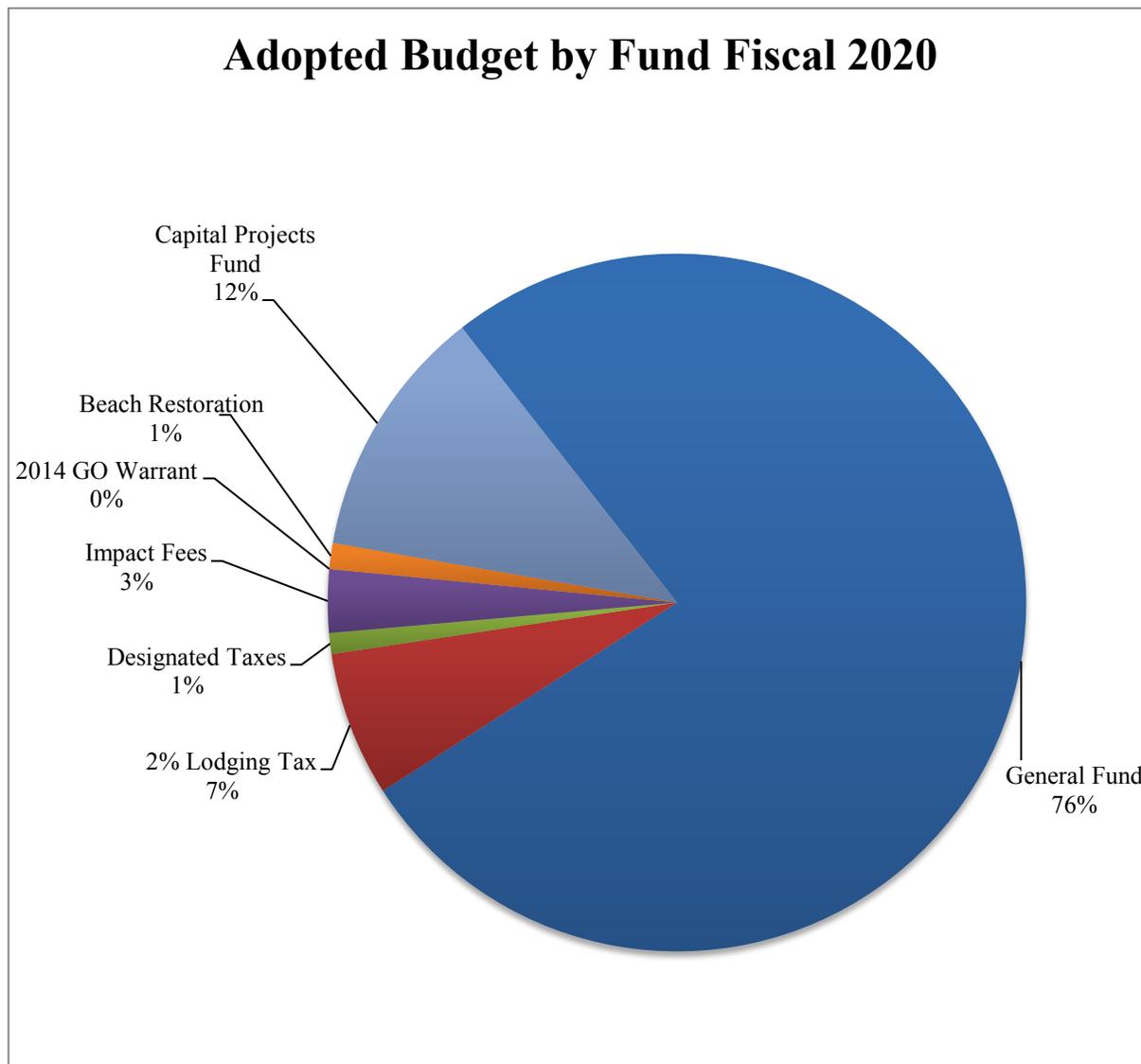
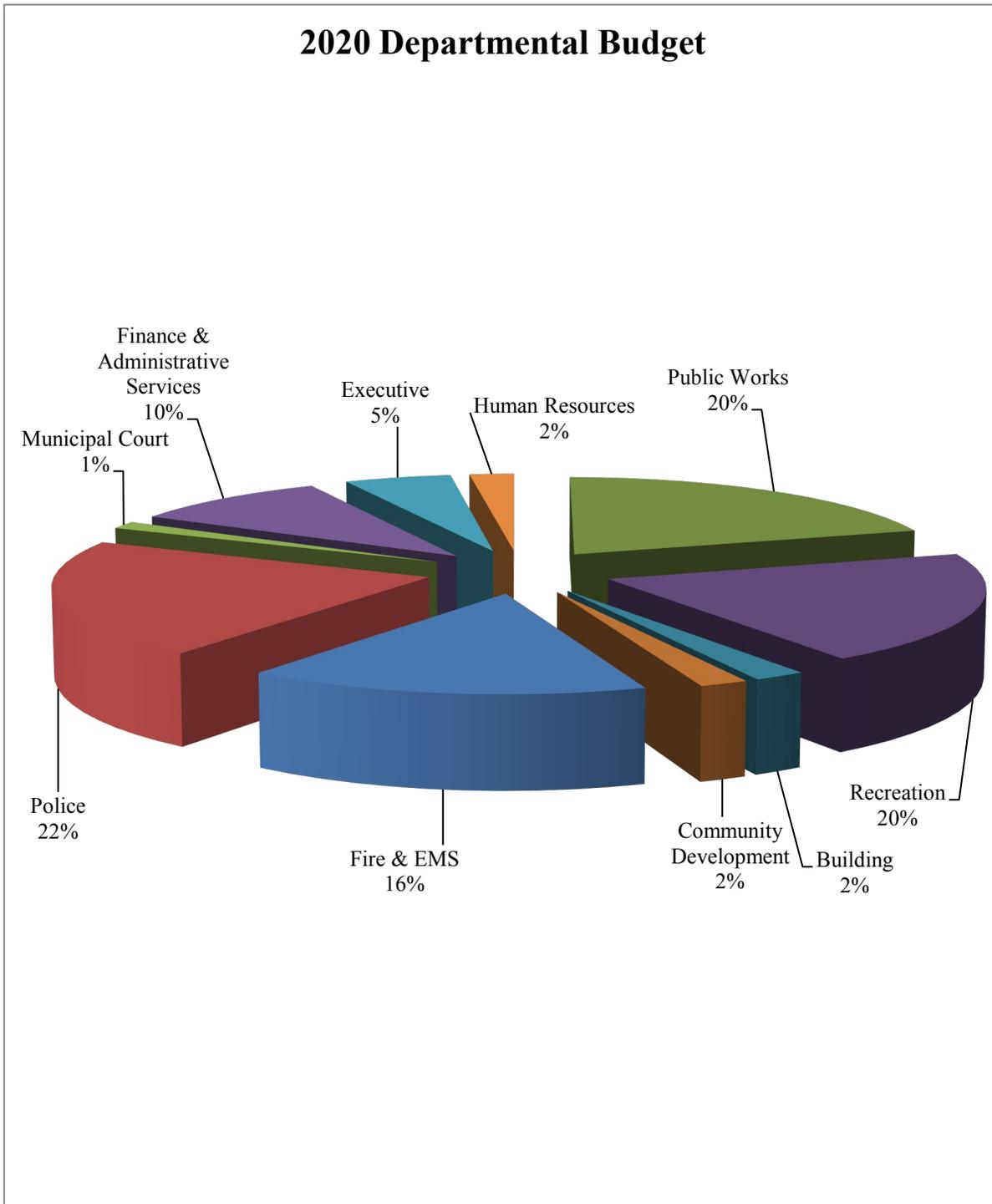


TABLE 2
CITY OF GULF SHORES, ALABAMA
GENERAL FUND ADOPTED BUDGET
FISCAL YEAR 2020

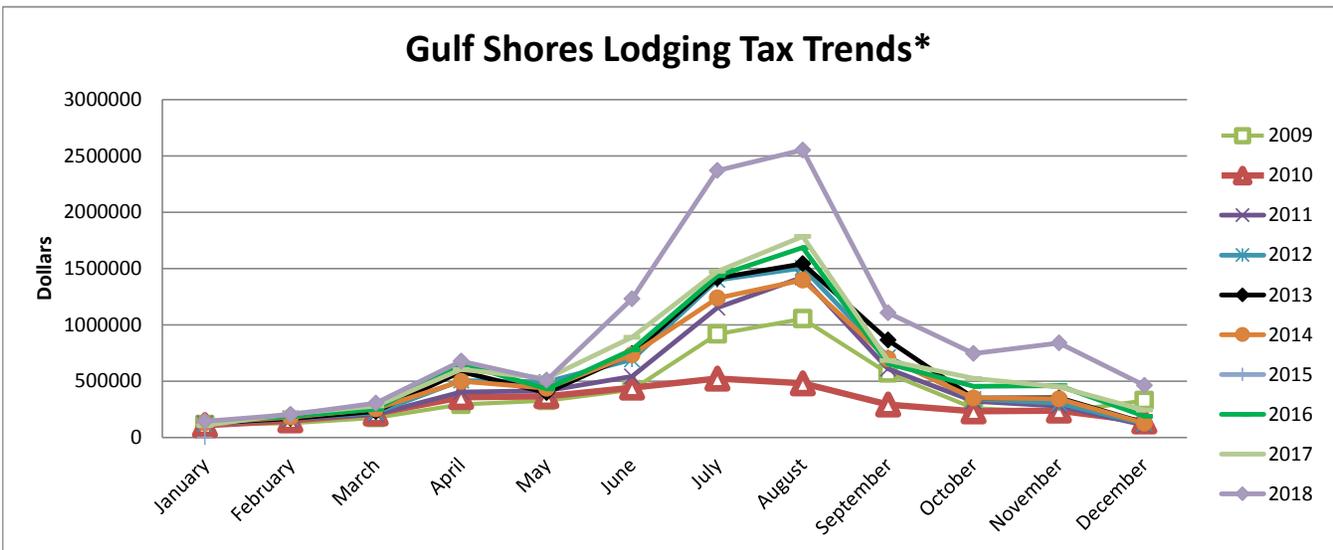
	Actual 2017	Actual 2018	Amended 2019	Adopted 2020	Dollar Change 2019 to 2020	Percent Change 2019 to 2020
REVENUES						
Property Taxes	3,064,738	3,387,950	3,380,000	3,697,949	317,949	9.41%
Sales Taxes	14,588,992	15,745,717	16,000,000	15,500,000	(500,000)	-3.13%
Lodging Taxes	4,685,929	7,761,940	9,711,000	8,928,572	(782,428)	-8.06%
Other Local Taxes	3,108,744	3,188,492	3,070,000	2,990,000	(80,000)	-2.61%
Licenses and Permits	3,342,128	3,482,009	3,911,000	3,601,000	(310,000)	-7.93%
Fines/Forfeitures	513,813	595,069	500,000	500,000	0	0.00%
Franchise/Utility	1,410,132	1,560,508	1,740,000	1,750,000	10,000	0.57%
Intergovern/Fed	345,519	314,127	3,907,486	757,342	(3,150,144)	-80.62%
Intergovern/State	342,790	199,546	206,200	609,900	403,700	195.78%
Investments Income	40,711	91,893	80,000	263,250	183,250	229.06%
Other Receipts	2,588,325	2,009,957	2,021,119	2,096,005	74,886	3.71%
BP Lost Revenues/Settlement	0	0	0	0	0	n/a
Other Financing Sources	0	0	0	0	0	n/a
TOTAL REVENUES	34,031,821	38,337,208	44,526,805	40,694,018	(3,832,787)	-8.61%
EXPENDITURES						
Executive	1,399,337	1,742,540	1,784,148	1,700,474	(83,674)	-4.69%
Human Resources	311,650	638,704	707,698	706,728	(970)	-0.14%
Finance & Administrative Services	2,705,770	2,439,563	2,804,429	3,201,841	397,412	14.17%
Municipal Court	470,139	407,106	410,402	452,108	41,706	10.16%
Police	5,349,618	6,417,317	6,237,531	7,153,535	916,004	14.69%
Fire & EMS	3,782,219	4,081,253	5,021,662	5,192,384	170,722	3.40%
Planning & Zoning	406,066	413,328	611,532	630,394	18,862	3.08%
Building	500,839	529,519	688,765	676,140	(12,625)	-1.83%
Recreation & Cultural Affairs	346,260	393,674	398,114	443,077	44,963	11.29%
Events & Programs	635,957	689,361	817,923	848,025	30,102	3.68%
Library	577,655	607,878	640,522	666,397	25,875	4.04%
Recreation - Bodenhamer	1,622,901	2,058,324	2,149,445	2,370,526	221,081	10.29%
Recreation - Sportsplex	1,290,542	1,154,499	1,345,324	1,324,432	(20,892)	-1.55%
Recreation - Parks	496,300	600,621	608,149	674,262	66,113	10.87%
Recreation - Landscaping City School	0	0	132,662	216,138	83,476	n/a
Recreation - Beach (Beach fund 2018)	479,220	0	0	9	9	n/a
Cultural Center (2018 in Bodenhamer)	403,780	5,905	0	0	0	n/a
City Store	174,377	179,898	174,849	181,126	6,277	3.59%
Public Works - General Services	719,066	750,302	919,879	398,494	(521,385)	-56.68%
Public Works - Custodial	504,302	540,244	579,952	605,823	25,871	4.46%
Public Works - Landscaping	1,054,410	997,601	1,015,272	1,064,725	49,453	4.87%
Public Works - Streets	2,365,695	2,972,871	3,240,087	3,432,756	192,669	5.95%
Public Works - Maintenance	1,414,664	1,550,113	1,391,592	1,240,592	(151,000)	-10.85%
Engineering & Construction	0	0	0	699,035	699,035	n/a
Airport	0	323	142,068	152,587	10,519	7.40%
Appropriations	254,767	780,818	3,604,906	2,018,343	(1,586,563)	-44.01%
Capital Outlay (Land)	217,034	122,769	3,762,144	1,100,000	(2,662,144)	n/a
TOTAL EXPENDITURES	27,482,568	30,074,531	39,189,055	37,149,951	(2,039,104)	-5.20%
OTHER FINANCING SOURCES						
Proceeds from the sale of capital assets	425,645	105,288	50,000	80,000	30,000	60.00%
Operating Transfers In	4,994,000	3,009,638	4,084,278	3,737,000	(347,278)	-8.50%
Operating Transfers Out	(9,254,660)	(3,922,560)	(9,007,078)	(7,053,455)	1,953,623	-21.69%
Total Other Financing Sources	(3,835,015)	(807,634)	(4,872,800)	(3,236,455)	1,636,345	-33.58%
Net Change in Fund Balance	2,714,238	7,455,043	464,950	307,612	(157,338)	-33.84%
Prior Period Adjustment						
Fund Balances - Beginning	26,455,363	29,169,601	36,624,644	37,089,594	464,950	1.27%
Fund Balances - Ending	29,169,601	36,624,644	37,089,594	37,397,206	307,612	0.83%

GRAPH 2
CITY OF GULF SHORES, ALABAMA
CITY WIDE ADOPTED BUDGET
FISCAL YEAR 2020



**TABLE 3
CITY OF GULF SHORES, ALABAMA
SPECIAL REVENUE FUND
LODGING TAX ADOPTED BUDGET
FISCAL YEAR 2020**

	Actual 2017	Actual 2018	Amended 2019	Adopted 2020	Dollar Change 2019 to 2020	Percent Change 2019 to 2020
REVENUES						
Taxes:						
Lodging Tax 2% Beach	3,077,899	3,377,059	3,289,000	3,571,428	282,428	9%
Interest Income	1,699	2,236	1,000	1,000	-	0%
Total Revenue	3,079,598	3,379,295	3,290,000	3,572,428	282,428	9%
EXPENDITURES						
Current:						
General government	0	0	0	0	0	0%
Total general government	0	0	0	0	0	0%
Excess of Revenues over Total Expenditures	3,079,598	3,379,295	3,290,000	3,572,428	282,428	9%
OTHER FINANCING USES						
Transfers Out	(2,570,651)	(3,224,353)	(3,290,000)	(3,572,428)	(282,428)	9%
Total Other Financing Uses	(2,570,651)	(3,224,353)	(3,290,000)	(3,572,428)	(282,428)	9%
Net Change in Fund Balance	508,947	154,942	0	0	0	0%
Fund Balances - Beginning	1,600,947	2,109,894	2,264,836	2,264,836	0	0%
Fund Balances - Ending	\$ 2,109,894	\$ 2,264,836	\$ 2,264,836	2,264,836	0	0%



***2010 Lodging Tax Losses due to BP Oil Spill. 2018 includes a 28.5% increase in Lodging Tax rate.**

TABLE 4
CITY OF GULF SHORES, ALABAMA
SPECIAL REVENUE FUND
DESIGNATED TAXES
ADOPTED BUDGET
FISCAL YEAR 2020

	Actual 2017	Actual 2018	Amended 2019	Adopted 2020	Dollar Change 2019 to 2020	Percent Change 2019 to 2020
REVENUES						
Taxes:						
Intergovernmental:						
State of Alabama	508,862	788,576	465,000	512,000	47,000	10%
Interest Income	563	1,137	0	0	0	n/a
Total Revenue	<u>509,425</u>	<u>789,713</u>	<u>465,000</u>	<u>512,000</u>	<u>47,000</u>	<u>10%</u>
EXPENDITURES						
Current:						
General Government	35,658	77,772	45,000	55,000	10,000	22%
Total General Government	<u>35,658</u>	<u>77,772</u>	<u>45,000</u>	<u>55,000</u>	<u>10,000</u>	<u>22%</u>
Excess of Revenues over Total Expenditures	<u>473,767</u>	<u>711,941</u>	<u>420,000</u>	<u>457,000</u>	<u>37,000</u>	<u>9%</u>
OTHER FINANCING USES						
Transfers Out	(443,000)	(528,000)	(470,000)	(457,000)	13,000	-3%
Total Other Financing Uses	<u>(443,000)</u>	<u>(528,000)</u>	<u>(470,000)</u>	<u>(457,000)</u>	<u>13,000</u>	<u>-3%</u>
Net Change in Fund Balance	<u>30,767</u>	<u>183,941</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>	<u>n/a</u>
Fund Balances - Beginning	<u>249,611</u>	<u>280,377</u>	<u>464,318</u>	<u>414,318</u>	<u>(50,000)</u>	<u>-11%</u>
Fund Balances - Ending	<u>\$ 280,378</u>	<u>\$ 464,318</u>	<u>\$ 414,318</u>	<u>414,318</u>	<u>0</u>	<u>0%</u>

**TABLE 5
CITY OF GULF SHORES, ALABAMA
SPECIAL REVENUE FUND
IMPACT FEES
ADOPTED BUDGET
FISCAL YEAR 2020**

	Actual 2017	Actual 2018	Amended 2019	Adopted 2020	Dollar Change 2019 to 2020	Percent Change 2019 to 2020
REVENUES						
Impact Fees	893,495	870,345	985,450	1,557,900	572,450	58%
Interest Income	1,653	3,814	1,500	1,500	0	n/a
Total Revenue	<u>895,148</u>	<u>874,159</u>	<u>986,950</u>	<u>1,559,400</u>	<u>572,450</u>	<u>58%</u>
EXPENDITURES						
Capital Outlay						
Fire	52,359	94,846	95,000	200,000	105,000	111%
Recreation	298,320	391,503	495,000	615,000	120,000	24%
Police	21,150	48,190	95,450	94,400	(1,050)	-1%
Public Works	0	200,000	300,000	650,000	350,000	117%
Total Capital Outlay	<u>371,829</u>	<u>734,539</u>	<u>985,450</u>	<u>1,559,400</u>	<u>573,950</u>	<u>58%</u>
Total Expenditures	<u>371,829</u>	<u>734,539</u>	<u>985,450</u>	<u>1,559,400</u>	<u>573,950</u>	<u>58%</u>
Excess of Revenues over Total Expenditures	<u>523,319</u>	<u>139,620</u>	<u>1,500</u>	<u>0</u>	<u>(1,500)</u>	<u>n/a</u>
OTHER FINANCING USES						
Transfers to other funds	<u>(451,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Total Other Financing Uses	<u>(451,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Net Change in Fund Balance	<u>72,319</u>	<u>139,620</u>	<u>1,500</u>	<u>0</u>	<u>(1,500)</u>	<u>-100%</u>
Fund Balances-Beginning(restated)	<u>660,166</u>	<u>732,485</u>	<u>872,105</u>	<u>873,605</u>	<u>1,500</u>	<u>0%</u>
Fund Balances - Ending	<u><u>732,485</u></u>	<u><u>872,105</u></u>	<u><u>\$ 873,605</u></u>	<u><u>873,605</u></u>	<u><u>0</u></u>	<u><u>0%</u></u>

TABLE 6
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
BEACH RESTORATION AND PROJECTS FUND
ADOPTED BUDGET
FISCAL YEAR 2020

	Actual 2017	Actual 2018	Amended 2019	Adopted 2020	Dollar Change 2019 to 2020	Percent Change 2019 to 2020
REVENUES						
Interest Income	361	395	0	0	0	n/a
ADEM Recycling Grant	0	0	178,604	0	(178,604)	-100%
Parking Fees	0	564,313	600,000	600,000	0	0%
Other	54,020	84,581	85,000	40,000	(45,000)	-53%
Total Revenue	54,381	649,289	863,604	640,000	(223,604)	-26%
EXPENDITURES						
Current Operating:						
Executive	0	0	50,000	0	(50,000)	-100%
Police	192,179	183,323	293,758	306,130	12,372	4%
Public Works	389,636	599,044	227,703	243,699	15,996	7%
Fire Beach	0	520,858	638,761	665,836	27,075	4%
Total Current	581,815	1,303,225	1,210,222	1,215,665	5,443	0%
Capital Outlay						
Police	0	52,180	20,000	0	(20,000)	-100%
Fire Beach	0	14,242	96,000	0	(96,000)	-100%
Public Works	64,710	249,245	168,604	0	(168,604)	-100%
Dune Enhancement	0	0	23,000	0	(23,000)	-100%
Beach Monitoring	47,700	0	0	0	0	n/a
Total Capital Outlay	112,410	315,667	307,604	0	(307,604)	-100%
Beach Restoration						
Miscellaneous	0	0	0	0	0	
Total Expenditures	694,225	1,618,892	1,517,826	1,215,665	(302,161)	-20%
Excess of Revenues over Total Expenditures	(639,844)	(969,603)	(654,222)	(575,665)	78,557	-12%
OTHER FINANCING USES						
Transfers In from Other Funds	670,651	748,606	575,722	572,428	(3,294)	-1%
Total Other Financing Uses	670,651	748,606	575,722	572,428	(3,294)	-1%
Net Change in Fund Balance	30,807	(220,997)	(78,500)	(3,237)	75,263	-96%
Fund Balances - Beginning	115,576	146,383	(74,614)	(153,114)	(78,500)	105%
Fund Balances - Ending	146,383	(74,614)	(153,114)	(156,351)	(3,237)	2%

TABLE 7
CITY OF GULF SHORES, ALABAMA
CAPITAL PROJECTS FUND
ADOPTED BUDGET
FISCAL YEAR 2020

	Actual 2017	Actual 2018	Amended 2019	Adopted 2020	Dollar Change 2019 to 2020	Percent Change 2019 to 2020
REVENUES						
Interest Income	223	410	0	0	0	n/a
Other	125,480	33,298	30,000	30,000	0	0%
2019-C (School) Bond Proceeds	0	0	8,800,000	6,200,000	(2,600,000)	-30%
Total Revenues	<u>125,703</u>	<u>33,708</u>	<u>8,830,000</u>	<u>6,230,000</u>	<u>(2,600,000)</u>	<u>-29%</u>
EXPENDITURES						
Administrative	0	0	0		0	0%
Capital Outlay Projects						
City School Improvements	0	0	8,800,000	6,200,000	(2,600,000)	-30%
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>8,800,000</u>	<u>6,200,000</u>	<u>(2,600,000)</u>	<u>-30%</u>
OTHER FINANCING SOURCES						
Transfer Out	(124,680)	(30,000)	(30,000)	(30,000)	0	0%
Total Other Financing Sources	<u>(124,680)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>0</u>	<u>0%</u>
Net Change in Fund Balances	<u>1,023</u>	<u>3,708</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Fund Balance - Beginning	<u>(133,863)</u>	<u>(132,839)</u>	<u>(129,131)</u>	<u>(129,131)</u>	<u>0</u>	<u>0%</u>
Fund Balance - Ending	<u><u>(132,840)</u></u>	<u><u>(129,131)</u></u>	<u><u>(129,131)</u></u>	<u><u>(129,131)</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 2020**

	Actual 2017	Actual 2018	Amended 2019	Adopted 2020	Dollar Change 2019 to 2020	Percent Change 2019 to 2020
REVENUES						
Intergovernmental Grants						
State of Alabama	0	0	0	0	0	0%
Federal Government	0	0	0	0	0	0%
Grants	91,004	0	0	0	0	0%
Deferred Revenue	0	0	0	0	0	0%
Interest Income	6	3	0	0	0	0%
Total Revenues	<u>91,010</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EXPENDITURES						
Emergency Protective Measures	0	0	0	0	0	0%
Engineering & Construction	13,186	0	0	0	0	0%
Buildings & Equipment	0	0	0	0	0	0%
Parks, Recreation & Other	0	66,950	53,000	55,000	2,000	4%
Waterway Development District	0	0	0	0	0	0%
Debris Removal	0	0	0	0	0	0%
Total Expenditures	<u>13,186</u>	<u>66,950</u>	<u>53,000</u>	<u>55,000</u>	<u>2,000</u>	<u>4%</u>
OTHER FINANCING SOURCES (USES)						
Transfer out Other Funds (General)	0	0	0	0	0	0%
Transfer from Other Funds	23,078	23,078	23,078	23,078	0	n/a
Total Other Financing Uses	<u>23,078</u>	<u>23,078</u>	<u>23,078</u>	<u>23,078</u>	<u>0</u>	<u>0%</u>
Net Change in Fund Balance	<u>100,902</u>	<u>(43,869)</u>	<u>(29,922)</u>	<u>(31,922)</u>	<u>(2,000)</u>	<u>7%</u>
Fund Balance - Beginning	<u>(153,061)</u>	<u>(52,159)</u>	<u>(96,028)</u>	<u>(125,950)</u>	<u>(29,922)</u>	<u>31%</u>
Fund Balance - Ending	<u>(52,159)</u>	<u>(96,028)</u>	<u>(125,950)</u>	<u>(157,872)</u>	<u>(31,922)</u>	<u>25%</u>

TABLE 9
CITY OF GULF SHORES, ALABAMA
DEBT SERVICE FUND
ADOPTED BUDGET
FISCAL YEAR 2020

	Actual 2017	Actual 2018	Amended 2019	Adopted 2020	Dollar Change 2019 to 2020	Percent Change 2019 to 2020
REVENUES						
Taxes	0	0	0	0	0	0%
Rent Income	0	0	0	0	0	0%
Interest	1,023	5,379	0	0	0	0%
Total Revenues	1,023	5,379	0	0	0	0%
EXPENDITURES						
Principal/Interest/Issuance Cost	16,728,177	20,277,949	8,980,925	7,027,302	(1,953,623)	-22%
Miscellaneous	3,599	2,849	3,075	3,075	0	0%
Total Expenses	16,731,776	20,280,798	8,984,000	7,030,377	(1,953,623)	-22%
Excess of Revenues over Total Expenditures	(16,730,753)	(20,275,419)	(8,984,000)	(7,030,377)	1,953,623	-22%
OTHER FINANCING SOURCES (USES)						
Bond Issue Proceeds	7,500,000	0	0	0	0	0%
Transfers Out	0	(5,890)	0	0	0	0%
Transfers In	9,231,582	20,279,122	8,984,000	7,030,377	(1,953,623)	-22%
Total Other Financing Uses	16,731,582	20,273,232	8,984,000	7,030,377	(1,953,623)	-22%
Net Change in Fund Balance	829	(2,187)	0	0	0	0%
Fund Balances-Beginning(Rest.	2,618	3,447	1,260	1,260	0	0%
Fund Balances - Ending	\$ 3,447	\$ 1,260	\$ 1,260	\$ 1,260	0	0%

TABLE 10
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
2014 GO WARRANT
ADOPTED BUDGET
FISCAL YEAR 2020

	Actual 2017	Actual 2018	Amended 2019	Adopted 2020	Dollar Change 2019 to 2020	Percent Change 2019 to 2020
REVENUES						
Grants Requiring Matching Funds						
Grants	153,416	1,231,493	0	0	0	0%
Interest Income	0	0	0	0	0	0%
Total Revenues	<u>153,416</u>	<u>1,231,493</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EXPENDITURES						
Miscellaneous	193	33	0	0	(33)	0%
Operations						
ADECA-LWCF Little Lagoon	0	0	0	0	0	n/a
ALDOT Sidewalk Grants	0	0	0	0	0	n/a
Rec Trail Fort Morgan Fairway	0	0	0	0	0	n/a
West 12th Street Public Access	0	0	0	0	0	n/a
Capital Outlay Projects						
Fire & EMS	0	0	900,000	0	(900,000)	-100%
Rec & Cultural Affairs	85,463	0	0	0	0	n/a
Public Works	2,766,519	1,914,520	0	0	0	n/a
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	0	3,856,432	0	0	0	n/a
Capital Outlay	22,387	0	0	0	0	n/a
Total Expenditures	<u>2,874,562</u>	<u>5,770,985</u>	<u>900,000</u>	<u>0</u>	<u>(900,000)</u>	<u>-100%</u>
OTHER FINANCING SOURCES						
Bond Proceeds	2,010,000	3,000,000	0	0	0	n/a
Transfers In	124,680	3,330,000	451,000	0	(451,000)	-100%
Total Other Financing Sources	<u>2,134,680</u>	<u>6,330,000</u>	<u>(449,000)</u>	<u>0</u>	<u>449,000</u>	<u>-100%</u>
Net Change in Fund Balances	<u>(586,466)</u>	<u>1,790,508</u>	<u>(1,349,000)</u>	<u>0</u>	<u>1,349,000</u>	<u>-100%</u>
Fund Balance - Beginning (Restated)	<u>64,003</u>	<u>(552,750)</u>	<u>1,237,758</u>	<u>(111,242)</u>	<u>1,126,517</u>	<u>-109%</u>
Fund Balance - Ending	<u>(522,463)</u>	<u>1,237,758</u>	<u>(111,242)</u>	<u>(111,242)</u>	<u>0</u>	<u>0%</u>

TABLE 11
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
2016-B GO WARRANT
ADOPTED BUDGET
FISCAL YEAR 2020

	Actual 2017	Actual 2018	Amended 2019	Adopted 2020	Dollar Change 2019 to 2020	Percent Change 2019 to 2020
REVENUES						
Grant Funds	0	0	500,000	2,204,167	1,704,167	341%
Interest Income	0	0	0	0	0	0%
Other	0	0	0	948,125	948,125	0%
Total Revenues	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>3,152,292</u>	<u>2,652,292</u>	<u>530%</u>
EXPENDITURES						
Administrative	0	1,417	0		0	n/a
Operations						
Executive Contract/Consulting S	866,647	395,079	2,050,000	0	(2,050,000)	-100%
Gulf Coast Ctr for Ecotourism Ops	-	0	300,000	180,000	(120,000)	-40%
Public Works	2,696	17,143	0	2,522,083	2,522,083	0%
Capital Outlay Projects						
Medical Facility Improvements	0	0	230,000	1,665,000	1,435,000	624%
Gulf Coast Ctr for Ecotourism	0	0	500,000	800,000	300,000	60%
Land	0	2,908,057	2,005,000	0	(2,005,000)	-100%
Executive Improvements Gulf Pl	5,035,496	4,164,909	2,695,000	0	(2,695,000)	-100%
Total Expenditures	<u>5,904,839</u>	<u>7,486,605</u>	<u>7,780,000</u>	<u>5,167,083</u>	<u>(2,612,917)</u>	<u>-34%</u>
OTHER FINANCING SOURCES						
Bond Proceeds	7,610,000	6,178,330	8,150,000	2,014,791	(6,135,209)	-75%
Transfer from 2018-B GO	0	1,750,000	308,767	0	(308,767)	-100%
Transfer to General Funds	(2,200,000)	0	(870,000)	0	870,000	-100%
Total Other Financing Sources	<u>5,410,000</u>	<u>7,928,330</u>	<u>7,588,767</u>	<u>2,014,791</u>	<u>(5,573,976)</u>	<u>-73%</u>
Net Change in Fund Balances	<u>(494,839)</u>	<u>441,725</u>	<u>308,767</u>	<u>0</u>	<u>(308,767)</u>	<u>-100%</u>
Fund Balance - Beginning	<u>(80,042)</u>	<u>(574,881)</u>	<u>(133,156)</u>	<u>175,611</u>	<u>308,767</u>	<u>-232%</u>
Fund Balance - Ending	<u>(574,881)</u>	<u>(133,156)</u>	<u>175,611</u>	<u>175,611</u>	<u>0</u>	<u>0%</u>

TABLE 12
CITY OF GULF SHORES, ALABAMA
CAPITAL IMPROVEMENT FUND
2018 GO WARRANT
ADOPTED BUDGET
FISCAL YEAR 2020

	Actual 2017	Actual 2018	Amended 2019	Adopted 2020	Dollar Change 2019 to 2020	Percent Change 2019 to 2020
REVENUES						
Grants Requiring Matching Funds	0	0	1,540,000	770,000	(770,000)	-50%
Interest Income	0	64,568	46,000	250,000	204,000	443%
Other	0	0	1,275,000	194,220	(1,080,780)	-85%
Total Revenues	<u>0</u>	<u>64,568</u>	<u>2,861,000</u>	<u>1,214,220</u>	<u>(1,646,780)</u>	<u>-58%</u>
EXPENDITURES						
Administrative	0	0	0	0	0	n/a
Operations						
Executive Contract/Professional Services	0	0	657,000	40,000	(617,000)	-94%
Business & Aviation Park	0	11,300	1,255,349	275,000	(980,349)	-78%
Capital Outlay Projects						
Transportation Improvements/Land	0	0	8,869,546	10,592,000	1,722,454	19%
Bond Issuance Costs	0	451,821	0	0	0	0%
Total Expenditures	<u>0</u>	<u>463,121</u>	<u>10,781,895</u>	<u>10,907,000</u>	<u>125,105</u>	<u>1%</u>
OTHER FINANCING SOURCES						
Bond Proceeds	0	37,080,000	0	0	0	#DIV/0!
Bond Premium	0	3,450,789	0	0	0	n/a
Bond Discount	0	(74,102)	0	0	0	n/a
Transfer to 2014 GO Fund	0	(3,300,000)	(451,000)	0	451,000	-100%
Transfer to 2016-B Fund	0	(1,750,000)	(308,767)	0	308,767	-100%
Transfer to 2016-B Fund	0	0	0	0	0	n/a
Transfer to General Fund	0	0	0	(250,000)	(250,000)	0%
Transfer to Debt Service Fund	0	(16,379,640)	0	0	0	n/a
Total Other Financing Sources	<u>0</u>	<u>19,027,047</u>	<u>(759,767)</u>	<u>(250,000)</u>	<u>509,767</u>	<u>-67%</u>
Net Change in Fund Balances	<u>0</u>	<u>18,628,494</u>	<u>(8,680,662)</u>	<u>(9,942,780)</u>	<u>(1,262,118)</u>	<u>n/a</u>
Fund Balance - Beginning	<u>0</u>	<u>0</u>	<u>18,628,494</u>	<u>9,947,832</u>	<u>(8,680,662)</u>	<u>-47%</u>
Fund Balance - Ending	<u>0</u>	<u>18,628,494</u>	<u>9,947,832</u>	<u>5,052</u>	<u>(9,942,780)</u>	<u>-100%</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	\$29,169,603	76%	\$ 2,714,240
2018	\$36,624,646	73%	\$ 7,455,043
2019	\$36,039,593	70%	\$ -585,053 **Estimated

In 2018 the City added \$7.4 million to its reserves. In 2019 reserves are projected to remain steady at 72% of expenditures or \$36 million. For 2020 we also expect to maintain a healthy fund balance of \$33.4 million or 70% of the General Fund Adopted Budget Expenses of \$47,774,825. The General Fund Personnel, Operations and Debt Service Transfer expenses for 2020 increased \$957,349 or 2.1% from the 2019 Amended Budget. Debt Service Transfer expense for 2020 decreased by \$1,953,623 or -22% from 2019 Debt Service Expense. Personnel and Operations expense increased by \$996,274 or 2.7% from 2019.

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

**Estimated as of 11/8/18

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

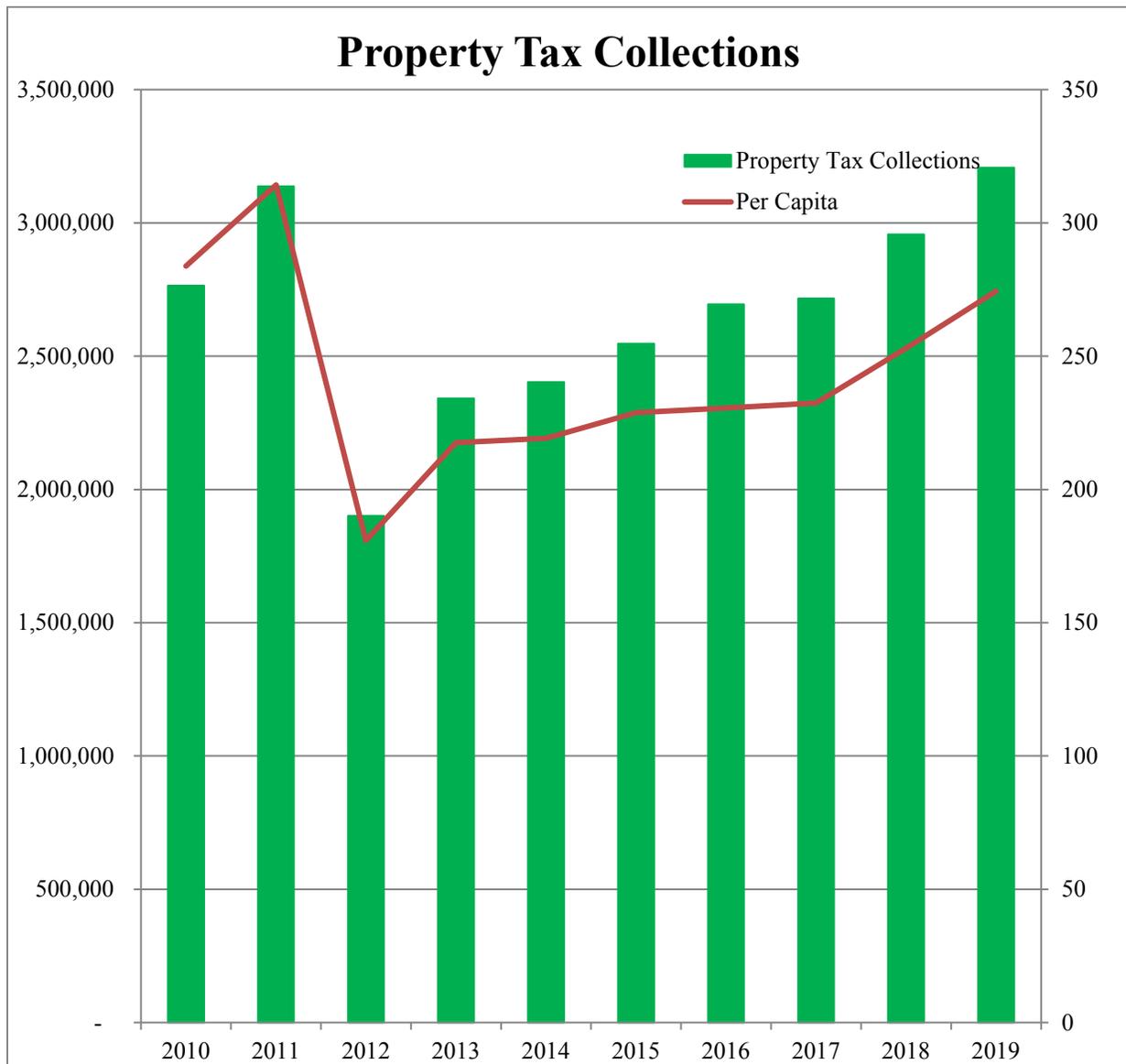
The City of Gulf Shores General Fund has four major funding sources that comprise approximately 75% of the General Fund. Shown below is a summary of the four major General Fund revenue sources and the percentage of the total General Fund Revenues for 2016 Actual, 2017 Actual, 2018 Actual Year to Date, 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 shown on the following pages. For 2019 the four funds comprise 75% of the General Fund projected revenues.

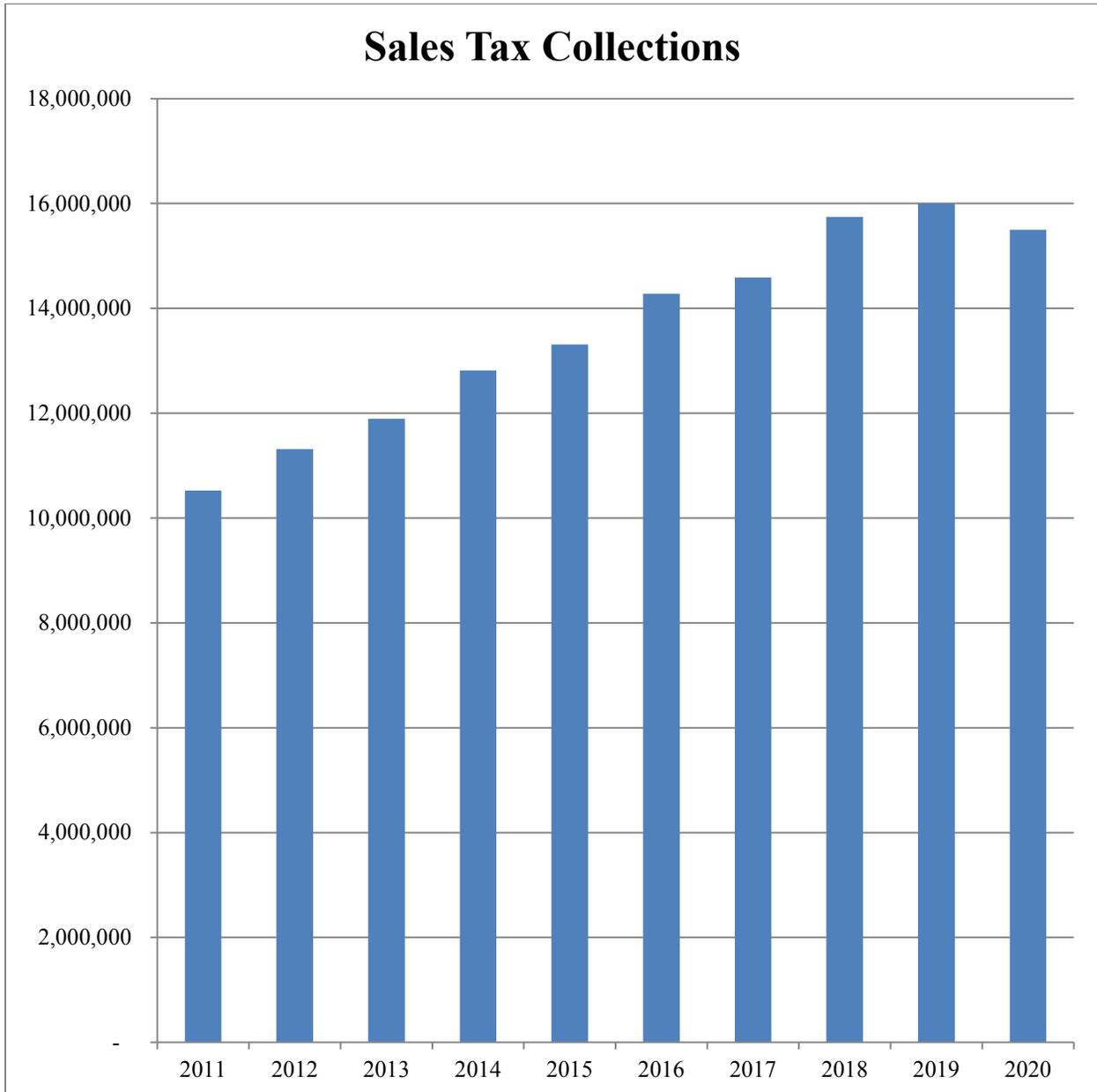
PROPERTY TAX

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 is 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.



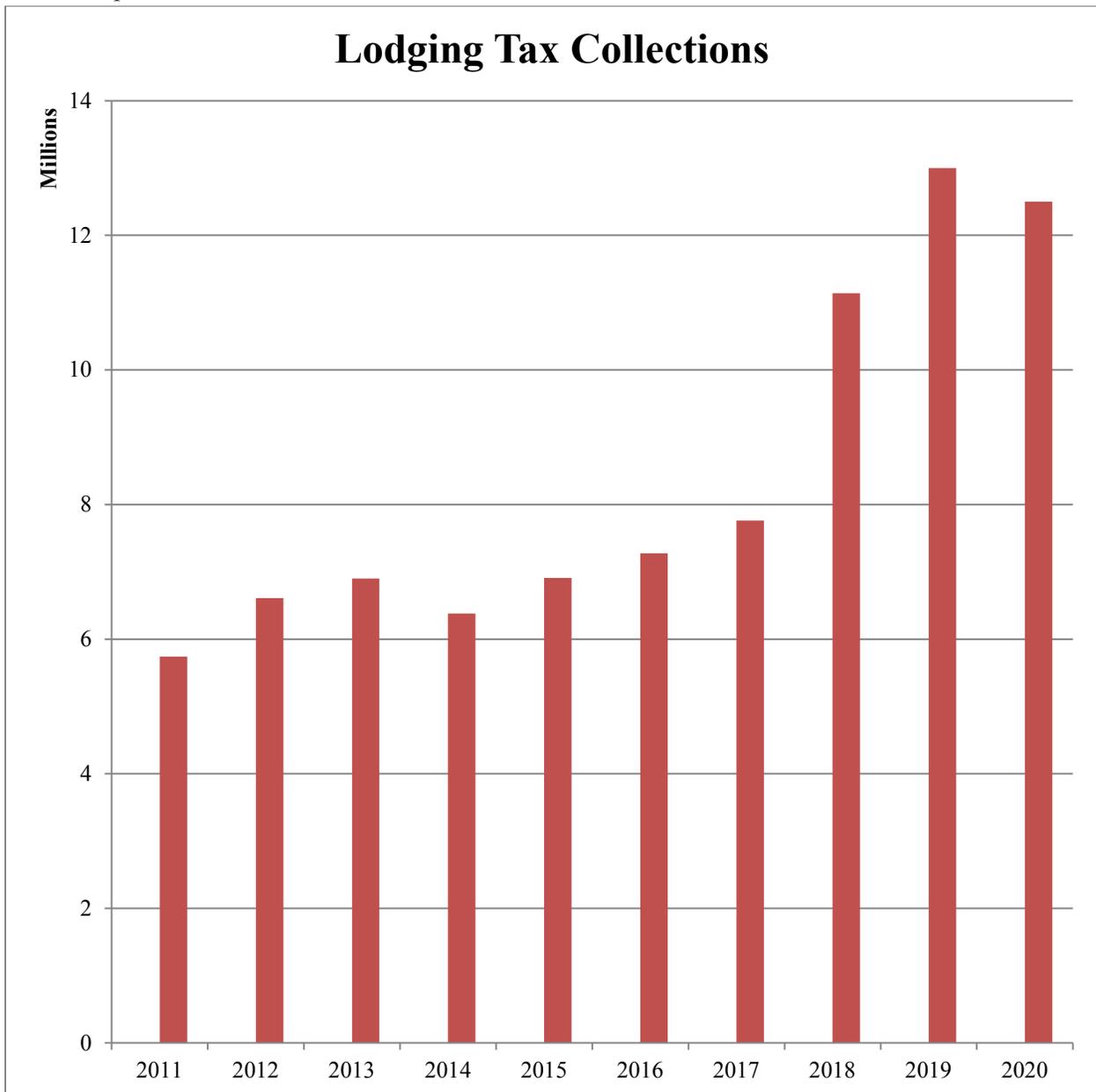
SALES TAX

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 2018 were higher than 2017, making 2018 the highest sales tax collection year ever at 8% higher than the former highest year collections of 2017. Trend lines for the past nine years and 2020 Budgets are shown in the graph below. The ten year compounded growth rate for sales and lodging taxes is 6.6%.



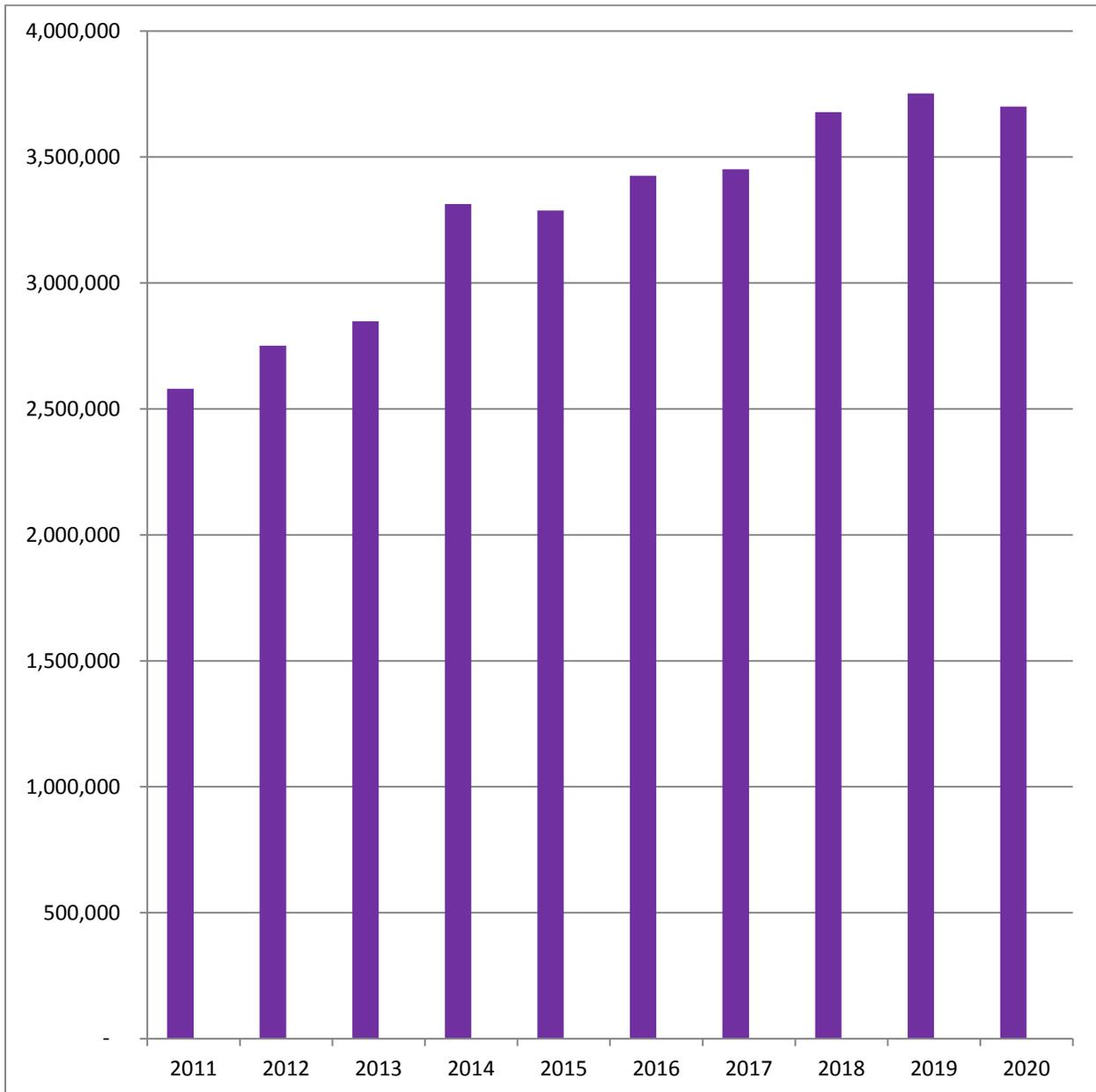
LODGING TAX

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 is 7%, the Alabama Gulf Coast Convention and Visitor's Bureau portion is 2%, and the State portion is 4%. Lodging Tax collections are highly cyclical, following the same tourist trend lines as Sales Tax collections. Lodging Taxes declined for 2014, due to de-annexation of 1,500 businesses. Lodging Tax collections for 2018 were 43% higher than 2017 and 9% higher when adjusted to remove the change due to the tax increase. The City entered a Voluntary Collections Agreement with Airbnb effective November 2018 and The Gulf State Park Lodge and Conference Center opened in November 2018. Construction is due to begin on 232 room Embassy Suites to open in 2021.



BUSINESS LICENSE

Business Licenses are renewable in January and vary depending on the type of business and gross receipts. Business License revenue collections for 2019 are up slightly comparable with 2018 business license collections. Business license fees are based on prior year gross receipts. Business License collections for the past eight years, 2019 year to date and 2020 budgeted are shown in the graph below. The ten year annual growth rate has averaged 4%.



CITY OF GULF SHORES, ALABAMA
Fiscal Year 2020 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 \$2,430,800 in City Capital General funds approved for 2020 are below along with the estimated recurring annual cost to operate.

2020 Capital Equipment Budgeted from General Funds

Department	Description	Amount	Annual Cost to Operate
Executive	City Hall Space Allocation Study	100,000	
Executive	Land NFWF/NRDA	1,000,000	
Finance & Admin	Replace Courier Car	30,000	500
Finance & Admin	<i>Fiber Optic Improvements Citywide**</i>	<i>50,000</i>	<i>500</i>
Finance & Admin	<i>New Host/SAN Upgrade Project**</i>	<i>90,000</i>	<i>900</i>
Finance & Admin	<i>Dell Isilon Storage Device Lease</i>	<i>35,458</i>	<i>355</i>
Finance & Admin	<i>GIS Operational Line</i>	<i>20,000</i>	<i>200</i>
Finance & Admin	IT Command Trailer for Network Management during events	40,000	400
Community Development	Coordinator replacement vehicle	25,000	1,500
Building	Vehicle/Equipment ADEM funded**	42,000	1,500
Fire & EMS	Replace 700 Megahertz mhz 12 radios	55,000	420
Police	Replace 6 Vehicles, 1 new, total 6 (2 from Impact Fees)	188,800	24,000
Police	License Plate Readers	80,000	1,888
Police	<i>Sierra Wireless Car Software**</i>	<i>40,000</i>	<i>400</i>
Rec Sportsplex	Replace Chevy Colorado Truck	37,000	1,500
Rec School Landscaping	Replace Utility Vehicle	14,000	350
Rec School Landscaping	Replace Reel Mower - equipment may be leased	60,000	1,500
Rec Sportsplex	<i>Reel Mower - Equipment Lease for 2 mowers**</i>	<i>35,000</i>	<i>875</i>
Rec Parks/Sportsplex	Zero Turn Mower	25,000	625
Rec Bodenhamer	Floor Scubber	8,500	213
Rec Sportsplex	Hammer Cage Replacement & Relocation	70,000	700
Rec Bodenhamer	Replace workout/cardio equipment	100,000	1,000
Rec Events	<i>Christmas Decorations</i>	<i>50,000</i>	<i>500</i>
Public Works	Replace 3 Trucks	110,000	18,000
Public Works	Street Sweeper (Pickup Truck Mounted)	32,000	2,750
Public Works	Dump Truck 16 Yards	125,000	6,000
Public Works	Dump Truck (1-Ton)	56,000	6,000
Public Works	Double-Sided VMS(1)	30,500	305
Public Works	Knuckle Boom replace	151,000	6,000
Public Works	<i>Street Resurfacing*</i>	<i>325,000</i>	<i>2,500</i>
Public Works	Zero Turn Mower 4	28,000	1,000
Public Works	Chipper for debris removal/storms	65,000	1,625
Total General Fund Capital Outlay Approved		2,430,800	76,276
		* \$575,000 additional Resurfacing is charged to Impact Fees	
		**Not included in the total Capital Outlay (Operational/Other Funds)	687,458
Subtotal General Fund Capital & Lease/other Operations		3,076,258	

2020 Capital Equipment & Improvements Budgeted from Impact Fees

Fire	Replace Response Vehicles	40,000	400
Fire	Replace Holmatro Tool Set	35,000	350
Fire	Replacement Equipment	20,000	200
Fire	AEDs Beach	20,000	100
Fire	700 mhz Handheld Radios	55,000	275
Fire	Replace Jet Skis	30,000	150
Police	Two Replacement Vehicles	94,400	944
Rec & Wellness	Shade Tents	15,000	150
Rec & Wellness	Shade Structures Sportsplex	125,000	1,250
Rec & Wellness	Meyer Park Improvements	15,000	150
Rec & Wellness	Bodenhamer Interior Repairs	160,000	1,600
Rec & Wellness	Bodenhamer Pool Deck Resurface	190,000	1,900
Recreation	New Kitchen Floor/Cabinets Adult Activity Center	30,000	300
Recreation	Civic Center Improvements - Banquet Tables	20,000	200
Recreation	Track Repair	60,000	600
Public Works Streets	Replace Unit #3578 Beach Rake	50,000	500
Public Works Streets	Beach UTVs (2)	26,000	260
Public Works Streets	Street Resurfacing Construction	574,000	2,870
Total IMPACT FEES Capital Outlay		1,559,400	12,199

2020 Capital Budgeted for City School Improvements Fund 38 Capital Improvements

Public Works/Schools	City School Improvements	6,200,000	n/a*
*Maintenance will be a City School System expense			
Total City School Improvements Fund 38 Capital Improvements		6,200,000	-

2020 Capital Projects Budgeted in 2018 Borrowed Funds for Transportation, Fund 43

		Total	City Match Funds	Annual Maintenance
Recreation	Wayfinding Signage	40,000	40,000	400
Fire	Preemption Equipment	25,000	25,000	250
Fire	Oyster Bay Fire Station 2nd year purchase payment/renovation	320,000	320,000	3,200
Public Works	Beach Blvd Improvements - Highway 182	400,000	400,000	2,000
Public Works	Coastal Gateway Improvements	4,850,000	4,850,000	24,250
Public Works	West 20th Avenue/West 1st Street Intersection	500,000	500,000	2,500
Public Works	Walking District Parking/Streetscape	2,000,000	1,264,000	10,000
Public Works	Business and Aviation Park	275,000	275,000	
Public Works	County Road 6 (4 lane to Sportsplex)	350,000	350,000	
Public Works	Little Lagoon ACAMP Grant	297,000	247,000	2,470
Public Works	West Lagoon Avenue	1,350,000	1,350,000	13,500
Public Works	Fort Morgan Trail Phase III starting at Lagoon Baptist Church	500,000	150,000	1,500
Total CAPITAL IMPROVEMENTS FUND		10,907,000	9,771,000	54,220

2020 Capital Improvement Budgeted in 2016 Ten Year Term Borrowed Funds, Fund 42

		Total	City Match Funds	Annual Maintenance
Engineering	Restore ALDOT Capacity Project Design 100% City	2,022,083	786,458	Mattei (Landowner) Contribution
Executive	Medical Complex Roadway Improvements	1,665,000	1,415,000	
Subtotal Taxable Borrowed Funds		3,687,083	2,201,458	

2020 RESTORE GRANT Funded projects (100% Reimbursable), Fund 42

Engineering	Gulf Coast Center for Ecotourism Improvements	800,000	-	Design Fees
Executive	Little Lagoon Restoration	500,000	-	Design Fees
		1,300,000		

Total All Capital 26,126,283

General Funds 2,430,800

Impact Fees 1,559,400

Capital Improvements Borrowed Funds 11,972,458

School Improvement Funds 6,200,000

Restore Funds 1,550,000

Total City Capital Expense 23,712,658

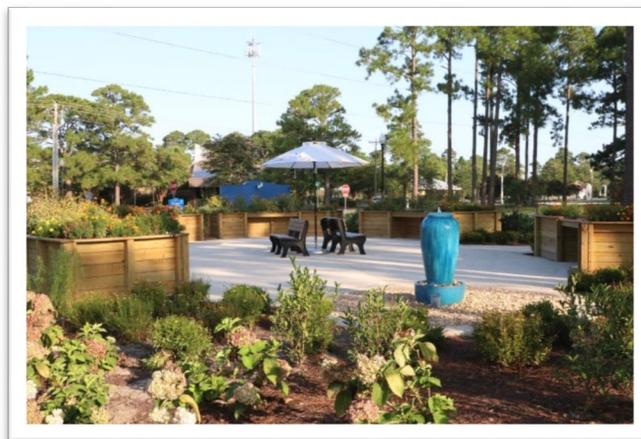
ALDOT/ADECA/DCNR Other Match total 1,465,500

Developer's Fees Mattei \$698,125 South Baldwin H \$250K 948,125

Total All Capital Revenue Sources 26,126,283



New Construction at Gulf Place



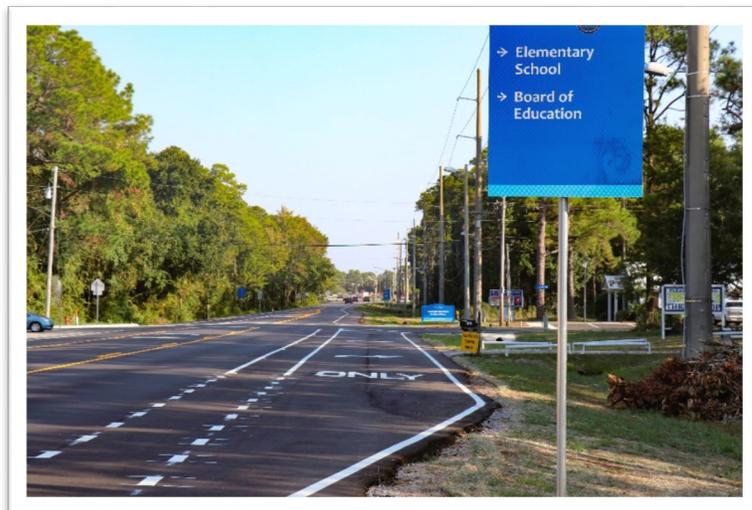
Sensory Garden

New Equipment and Vehicles





Little Lagoon Fishing Pier

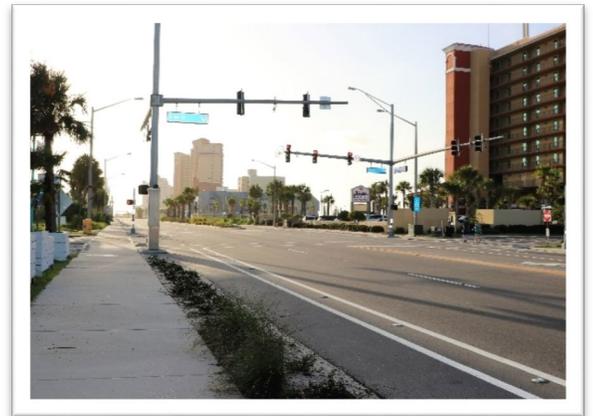


Highway 180 – East 2nd Improvements

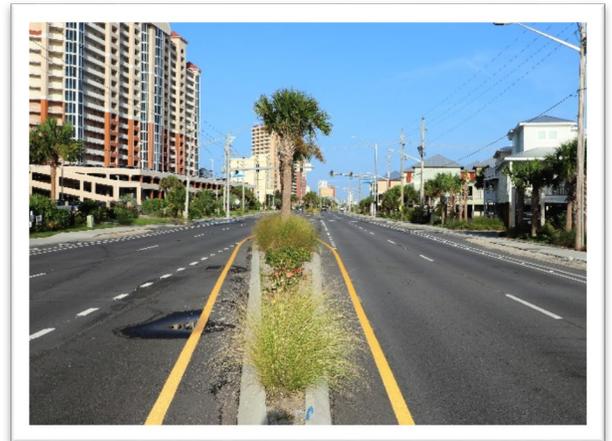
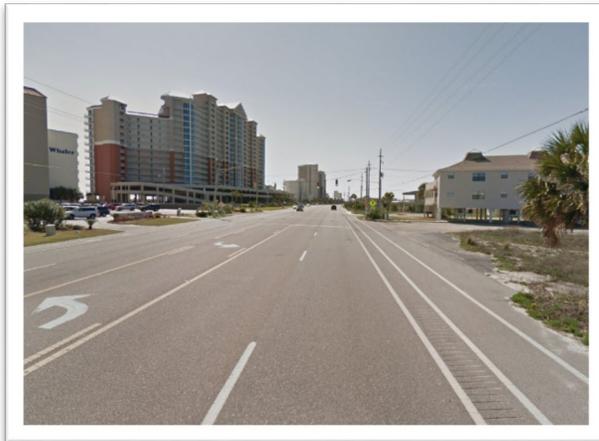
Transportation Projects



Before and After – Bayou Village Bridge Widening



Before and After – Beach Boulevard Signals



Before and After – Beach Boulevard Resurfacing

CITY OF GULF SHORES, ALABAMA
TEN YEAR CAPITAL PLAN
FISCAL YEAR 2020

**City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2020**

Department	Description	Priority	Suggested Fund Source	2020	2021
FINANCE & A	Replace Courier Car Impala (87K)			30,000	
	Subtotal FINANCE & ADMIN			30,000	
EXECUTIVE	Land - NFWF/NRDA			1,000,000	
	City Hall Space Allocation Study			100,000	
	Subtotal EXECUTIVE			1,100,000	-
CDD	CDD Coordinator-Replace		General Fund	25,000	
	Subtotal CDD			25,000	
BUILDING	Vehicles/Equipment		ADEM \$42K budget	42,000	
	Subtotal BUILDING			42,000	-
FIRE	Replace Response Vehicles	1	Impact Fees	40,000	
	Ladder Truck	On 2018 schedule for '22			
	Replace Fire Engine				450,000
	Replace Ambulance				
	Replace Utility Truck				
	Replace Holmatro Tool Set	1	Impact Fees	35,000	
	New Airport Fire Truck Expans.		Bond		55,000
	700 mhz Handheld Radios	1	General Fund	55,000	
	Polaris ATV	1			18,000
	Replacement Equipment	1	Impact Fees	20,000	20,000
	Preemption Signal Equipment	2018 Borrowed Funds 43			25,000
	Replace Therrmal Imagers x 2				
	SCBA Air Pack Refurbish				
	Air Bag Rescue Set				
	SCBA Air Compressor				
	Replace Cardio Defibulators				
	Airport Fire Station				
	Oyster Bay Fire Station Purchase	2018 Borrowed Funds 43		70,000	70,000
	Oyster Bay Station 4 Design	2018 Borrowed Funds 43			
	Oyster Bay Station 4 Remodel	2018 Borrowed Funds 43		250,000	250,000
	Fire Tower		General Fund		
	Fire Station 2 Reroof				75,000
	Fire/Rescue Boat		Brandon / ADEM		
Beach Rescue	Replace Response Vehicles		Beach Fund		40,000
	Replace UTVs		Beach Fund		
	AEDs Beach		Beach Fund	20,000	
	700 mhz Handheld Radios			55,000	
	Replace Jet skis		Beach Fund	30,000	
	Subtotal FIRE			600,000	978,000
POLICE	Replace Vehicles (4)	1	General \$105K	188,800	190,688
	Replacement Vehicle (2)	1	Impact Fees	94,400	95,344
	License Plate Readers	3		80,000	
	Jail Extension (Design 2021)	1			200,000
	Sierra Wireless Car software			40,000	
	Patrol Boat upgrade				
	Beach ATVs		Beach Funds		
	Parking Pay Stations				
Subtotal POLICE			403,200	486,032	

**City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2020**

2022	2023	2024	2025	2026	2027	2028	2029
-	-	-	-	-	-		
-	-	-	-	-	-		
80,000		800,000	1,050,000	1,250,000	180,000	75,000	
	150,000		150,000			500,000	165,000
40,000	150,000						50,000
	40,000						
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						330,000
		300,000					
100,000							
			65,000				
40,000							50,000
72,000	18,000		72,000		18,000	72,000	
	45,000			38,000			
410,000	591,000	1,120,000	1,375,000	1,308,000	236,000	685,000	615,000
192,595	194,521	196,466	198,431	200,415	202,419	204,443	206,488
96,297	97,260	98,233	99,215	100,208	101,210	102,222	103,244
1,000,000							
	40,000			40,000			40,000
	75,000						
	45,000						
150,000					50,000		
					200,000		
1,438,892	451,781	294,699	297,646	340,623	553,629	306,665	349,732

**City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2020**

Department	Description	Priority	Suggested Fund Source	2020	2021
PUBLIC WKS	Streets Resurfacing	4	General Fund	900,000	1,000,000
	Windmill Bridge - Maintenance				
	Beach Blvd Improvements Hwy182	7		400,000	
	RESTORE ALDOT Capacity project	9	Design 100% City not budgeted	2,022,083	8,292,500
	Coastal Gateway Improvements	1		4,850,000	
	W 20th Avenue / W 1st St Intersection	11		500,000	
	Walking District Parking/Streetscape	3	\$1.2 million Durham	2,000,000	2,110,000
	Business and Aviation Park	2		275,000	
	County Rd 6 Turn Lanes @Hwy 59		Borrowed Funds		
	County Road 6 (4 lane to Sportsp.)	12		350,000	2,200,000
	4th Street Bridge				
	Little Lagoon (New 2019)	8	ACAMP GRANT	297,000	
	West Lagoon Avenue	5		1,350,000	
	Newly added line item Transportation Professional Services				
	Newly added line item Medical Complex Transportation Improvements			1,665,000	687,000
	Beach Access Replacement				79,735
	Fort Morgan Trail Phase II LBC	6	Borrowed/GrantFunds	500,000	150,000
			Subtotal	14,209,083	13,519,235
			City funds estimate	10,665,343	4,894,453
			subtotal City funds transportation to 2021		26,586,727
Vehicles	Replace Vehicles/Equipment	3		110,000	140,000
Large Equip.	Excavator				
	Street Sweeper				
	Street Sweeper (Pickup Truck Mounted)	8		32,000	
	Dump Truck (16YD)	2		125,000	
	Dump Truck (1-Ton)	5		56,000	
	Double-Sided VMS (1)	10		30,500	
	Backhoe replacement				125,000
	Bucket truck (pd off in 2016)		40-564-80710\$105K		
	Knuckle Boom 2	1		151,000	152,510
	100 HP Tractor				
	Belly Broom				
	ADEM Recycling Grant/Monitoring				
	Beach Rake replacement	7	Beach Funds	50,000	
	Side/Brush Cutter				110,000
	Semi Truck (pulls lowboy trailer)				
	Generator				
	UTV for beach & Recycling Equipment	6		26,000	26,260
	Trailer - Recycle Center		Beach Funds		11,000
	Large Vehicle Diagnostic Tool				
	Zero Turn Mower 4	4		28,000	15,000
	Ditch Witch				
	Chipper for debris removal/storms	9		65,000	
	Floor Cleaner				10,000
	Subtotal PUBLIC WORKS			15,782,583	15,109,005

**City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2020**

2022	2023	2024	2025	2026	2027	2028	2029
1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
11,097,917	4,354,167						
2,200,000							
200,000	200,000 150,000	100,000	150,000		150,000		
13,497,917	4,704,167						
2,617,708	5,054,167						
142,800	145,656 126,000	148,569 125,000 110,000	151,541 115,000	154,571 140,000 154,530 90,000	157,663 120,000 80,000	160,816 135,000 157,636 110,000	164,032
154,035 105,000	135,000 155,575	80,000	153,000				
65,000 50,000 26,523 12,000	26,788	27,056	27,326 13,000	27,600	27,876 15,000	28,154	28,436
15,300	15,606	15,918	16,236 30,000	16,561	16,892	17,230	17,575
				12,000			
15,168,575	6,408,792	1,706,543	1,756,103	1,695,262	1,823,506	1,708,837	1,310,043

**City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2020**

Department	Description	Priority	Suggested Fund Source	2020	2021
RECREATION	Branding/Wayfinding			40,000	20,000
	r Replace Vehicles			37,000	37,000
	Utility Vehicle (School)			14,000	
	r Replace Utility Vehicles 2				28,000
	r 50hp Tractor with Turf Tires				50,000
	r Spray Rig		Impact Fees		
	Replace 5 gang rotary mower			60,000	
	r Reel Mowers (3) Lease 2018		Operational	35,000	37,000
	r 5 Gang Rotary Mower				
	r Grand Stand Mowers		General Fund		
	r Zero Turn Mowers(s)			25,000	
	n Vicon Spreader		General Fund		
	r Field Rakes				
	Floor Scrubber			8,500	
	Hammer Cage Relocation	2		70,000	
	Shade Tents	4		15,000	
	Tennis Court Resurface-Hard				
	m Tennis Court Resurface-Soft				60,000
	m Sims Park Backstop/Concrete Pads				
	r Kids Park Playground Replacement	3			225,000
	m Meyer Park Improvements	12		15,000	
	n Outdoor Fitness Equipment				
	Bodenhamer Gym Repairs	8			40,000
	Recreation Center North	10			
	m Bodenhamer Interior Repairs	5	Impact Fees	160,000	
	m Bodenhamer Pool Deck Resurface			190,000	
	m Bodenhamer Parking Lot		Was 2021 at \$250K		450,000
	m New Kitchen Flr/Cabinets AAC	7		30,000	
	e Civic Center Improvements	6		20,000	45,000
	m Mo's Landing Improvements				50,000
n Shade Sails 5plex Softball			125,000		
m Sportplex Painting					
m Track Repair	1		60,000	12,000	
r Fitness Equipment	9	Lease?	100,000		
Miscellaneous Wade Ward Park Boardwalk		Possible NRDA		300,000	
r City Decorations	11		50,000	50,000	
n Parade Float					
Subtotal 2020			1,054,500		
Coussteau Capital		100% Restore	800,000	5,220,000	
e Gulf Place Upgrades			35,000		
Little Lagoon Restoration		100% Restore	500,000	1,000,000	
Laguna Cove Protection Project Restore Grants					
Lagoon Pass Park Upgrades		NRDA/Restore			
Subtotal RECREATION				2,389,500	7,174,000
FINANCE & A. IT DIVISION	New Host/San Upgrade Project	1	Capital	90,000	
	Cisco Call Manager	2	Operational		
	Dell Isilon Storage Device	1	Capital Lease	35,458	35,458
	Cisco 4506 Core Upgrade	2	Capital		
	Wireless LAN Upgrade Project	2	Capital		60,000

**City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2020**

2022	2023	2024	2025	2026	2027	2028	2029
40,000	20,000	40,000	20,000	20,000			
37,000	37,000	37,000	37,000	37,000	40,000	40,000	40,000
		32,000	16,000		34,000		
40,000			67,000				
37,000	37,000	40,000	40,000	40,000	42,000	42,000	42,000
	20,000					70,000	
		27,000				22,000	
26,000						30,000	
	30,000	30,000					
			9,000				
							100,000
	40,000						
200,000							
20,000							
50,000							
150,000	450,000		450,000				
100,000					100,000		
			100,000				
50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
20,000			20,000				20,000
3,480,000							
1,000,000	1,000,000	1,000,000					
5,250,000	1,684,000	1,256,000	809,000	147,000	266,000	254,000	252,000
							100,000
60,000			190,000				
	98,000				98,000		
				50,000			

**City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2020**

Department	Description	Priority	Suggested Fund Source	2020	2021
F&A Continued	GIS Operational Line	1	Operational	20,000	
	IT Command Trailer for Events	1	Capital	40,000	
	Fiber Optic Improvements Citywide	1	Operational	50,000	40,000
	Subtotal IT DIVISION			235,458	135,458
GRAND TOTAL ALL DEPARTMENTS				20,607,741	23,882,495
	By potential funding source:		Capital Only		
			ADEM	42,000	
			ALDOT RESTORE	625,833	7,817,500
			ADECA Ft.Mrgn trail 50%	400,000	
			DCNR Lagoon Pass	50,000	
			TAP TAPAA-TA17(943)		
			TAP TAPAA-TA19(924)	319,783	319,783
	Durham Development - total \$1.2 million parking spaces fee			1,200,000	
	Waterway East - Mattei Donation (1/2 of non-grant cost)			698,125	237,500
	Medical Complex - South Baldwin Contribution			250,000	250,000
			Coke		
			Impact Fees Fire	200,000	
			Impact Fees Police	94,400	
			Impact Fees Rec	615,000	
			Impact Fees PW	650,000	
			Beach Funds	-	
			NRDA/2016 10 yr LOC	35,000	
			Restore/NFWF	2,376,000	
			Bond/Bank/Developer Finance	11,050,343	
			Subtotal Other Funds	18,606,483	8,624,783
			City General Funds	3,001,258	15,257,713
			Operational General	645,458	
			General Fund Capital vehicles/equipment	2,430,800	
			ADEM	42,000	
			ALDOT RESTORE	625,833	
			Other State Grants	769,783	
			Developer Contributions	2,148,125	
			2016 10 Yr LOC	35,000	
			2018 Non taxable Borrowed Funds	11,050,343	
			Restore Funds	2,376,000	
			Impact Fees	1,559,400	
			Beach Recycling	-	
			All Major projects total	21,682,741	
			All Major projects total w/out operations & Restore	18,661,283	

**City of Gulf Shores
Capital Improvement Program
Ten Year Plan beginning 2020**

2022	2023	2024	2025	2026	2027	2028	2029
40,000	30,000	30,000	20,000	20,000	10,000	10,000	10,000
100,000	128,000	30,000	190,000	70,000	108,000	10,000	100,000
22,367,467	9,263,574	4,407,242	4,427,749	3,560,885	2,987,135	2,964,502	2,626,775
10,662,501	4,354,167	-					
217,708							
10,880,209	4,354,167	-	-	-	-		
11,487,258	4,909,407	4,407,242	4,427,749	3,560,885	2,987,135	2,964,502	2,626,775

City of Gulf Shores Revenue, Expense and Reserve Funds Usage projected 2020

	(includes \$1.6 million new revs)		Debt		Debt		Debt		Debt		Debt	
	2019	% of Budget	2020	% of Budget	2021	% of Budget	2022	% of Budget	2023	% of Budget	2024	% of Budget
Total Revenue (1)	51,950,083	11%	48,082,446	15%	46,762,173	15%	48,632,660	14%	50,577,966	14%		
Total Expense	51,485,133		47,104,760	-9%	45,476,961	-3%	46,414,488	2%	47,298,917	2%		
Prior Year Debt	(3,587,773)		(5,749,158)		(7,053,455)		(6,838,277)		(6,931,182)			
Current Year Debt	5,749,158	11%	7,053,455	15%	6,838,277	15%	6,931,182	15%	6,914,263	14%		
Capital Improvements Fund Match estimates							500,000		505,000			
Growth % net of debt	-		-		1,152,705	3%	791,524	2%	807,355	2%		
Estimated Annual Expenses	51,485,133		48,409,057		46,414,488		47,798,917		48,594,353			
Reserve Amount 12/31/18	\$ 36,624,626	36,624,626	71%	37,089,576	79%	36,762,965	81%	37,110,650	80%	37,944,392	80%	
Reserve Balance *		36,624,626		37,089,576		36,762,965		37,110,650		37,944,392		
Return to Reserves (Revenue - Expenses)	464,950		(326,611)		347,685		833,743		1,983,613			
Reserve Balance with return to Reserves		37,089,576		36,762,965		37,110,650		37,944,392		39,928,006		
Reserves Target % of Expenses	36,039,593	70%	38,727,246	70%	39,452,315	70%	43,019,026	70%	46,164,635	70%		
Cash Reserves as % of Budget		72%		78%		82%		82%		84%		
(1) Revenue growth from 2010 to 2017 averaged 5%	36,039,593	70%	33,886,340	70%	32,490,142	70%	33,459,242	70%	34,016,047	70%		
	1,049,983		4,840,906		6,962,173		9,559,783		12,148,588			

*Beginning 2019 reserve amount is from 2018 audit.

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

The City of Gulf Shores Revenue, Expense and Reserve funds are projected from 2019 to 2029 in the spreadsheet above. Sixteen percent revenue growth is projected for 2019 primarily due to the receipt of \$3.4 million in National Fish and Wildlife Funds (NFWF) for preservation of land for wildlife. Without the NFWF funds, 2019 revenue growth is projected to be 9%. Revenue is projected to decline by 1% for 2020 and 2021 reflecting a general slowing projected in the national economy. While overall Lodging Tax collections have been up significantly due to the new State Lodge and a hotel opening, for individual rental or hotel units, the growth may have slowed due to less demand for the existing rooms.

Four percent growth is projected for 2022 to 2023 and 2% is projected from 2024 to 2029. Expenses net of debt service are projected to grow conservatively at 2% to 3% through 2028, with a decline in 2029 with the payoff of long term debt issues occurring in 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 2020 and 2021. Provision is made in 2020 for \$2.4 million in rolling stock and major capital repair expense and \$948,125 in matching funds. Reserve targets are 70% in 2019 and will be maintained at that level for the near future.

The Forecast only included the General Fund of the City of Gulf Shores, since all the other funds are dependent on the General Fund either by transfer or repayment of borrowed funds. By 2021, it is estimated that the \$2 million annual subsidy to the Gulf Shores City School System will no longer be needed and the City School System should have enough revenues to operate independently of the City.

City of Gulf Shores Revenue, Expense and Reserve Funds Usage projected 2020

	Debt		Debt		Debt		Debt		Debt		Debt	
	2024	% of 2% Budget	2025	% of 2% Budget	2026	% of 2% Budget	2027	% of 2% Budget	2028	% of 2% Budget	2029	% of 2% Budget
Total Revenue	51,589,526	13%	52,621,316	13%	53,673,742	12%	54,747,217	12%	55,842,162	10%	56,959,005	5%
Total Expense	48,089,353	2%	49,320,939	3%	50,586,915	3%	51,623,355	2%	52,972,295	3%	53,484,802	1%
Prior Year Debt	(6,914,263)		(6,910,596)		(6,904,262)		(6,630,222)		(6,629,368)		(5,751,588)	
Current Year Debt	6,910,596	14%	6,904,262	14%	6,630,222	13%	6,629,368	12%	5,751,588		3,066,293	
	510,050		515,151		520,302		525,505		530,760		536,068	
Growth % net of debt	1,235,253	3%	1,272,310	3%	1,310,480	3%	1,349,794	3%	1,390,288	3%	1,431,996	3%
Est. Annual Expenses	49,830,989		51,102,066		52,143,657		53,497,800		54,015,563		52,767,572	
Estimated Reserves	39,928,006	83%	41,686,542	85%	43,205,793	85%	44,735,879	87%	45,985,296	87%	47,811,895	89%
Reserve Balance	39,928,006		41,686,542		43,205,793		44,735,879		45,985,296		47,811,895	
Return to Reserves	1,758,537		1,519,251		1,530,086		1,249,418		1,826,599		4,191,433	
Reserve Balance with return to Reserves	41,686,542		43,205,793		44,735,879		45,985,296		47,811,895		52,003,329	
	49,830,989	70%	51,102,066	70%	52,143,657	70%	53,497,800	70%	54,015,563	70%	52,767,572	70%
		87%		88%		88%		89%		90%		97%
	34,881,692	70%	35,771,446	70%	36,500,560	70%	37,448,460	70%	37,810,894	70%	36,937,300	70%
	14,949,297		15,330,620		15,643,097		16,049,340		16,204,669		15,830,271	

CITY OF GULF SHORES, ALABAMA
DEPARTMENTAL INFORMATION
FISCAL YEAR 2020

**City of Gulf Shores, Alabama
2020 Annual Budget
Personnel - All General Fund**

Fund	Department	2018	2018	2019	2019	2020	2020
		Full time	Part time	Full time	Part time	Full time	Part time
General	Executive	12	0	12	0	12	0
	Human Resources	3	0	3	0	3	0
	Finance & Administrative Services	18	1	18	1	18	1
	Municipal Court	6	0	6	0	6	0
	Police	70	4	71	0	72	1
	Fire & EMS	48	30	55	30	55	30
	Community Development	4	0	5	0	5	0
	Building	6	0	7	0	7	0
	Recreation & Cultural Affairs	3	0	3	0	3	0
	Events & Programs	5	4	5	4	6	2
	Library	8	3	8	3	8	3
	Recreation - Bodenhamer	19	21	19	22	19	22
	Recreation - Sportsplex	7	1	7	0	8	0
	Recreation - Parks	6	1	6	1	5	1
	Recreation - School Landscaping			2	0	2	0
	Recreation - City Store	1	3	1	3	1	3
	Public Works - General Services	9	1	10	1	5	0
	Public Works - Custodial	9	0	9	0	9	0
	Public Works - Landscaping	10	0	10	0	10	0
	Public Works - Streets	20	0	20	0	20	0
	Public Works - Maintenance	9	0	9	0	9	0
	Engineering	0	0	0	0	6	1
	Airport Authority	2	0	2	0	2	0
	Total	275	69	288	65	291	64

PT = Part-time Admin Analyst- PT Police 1

New Full time Positions Approved 2020

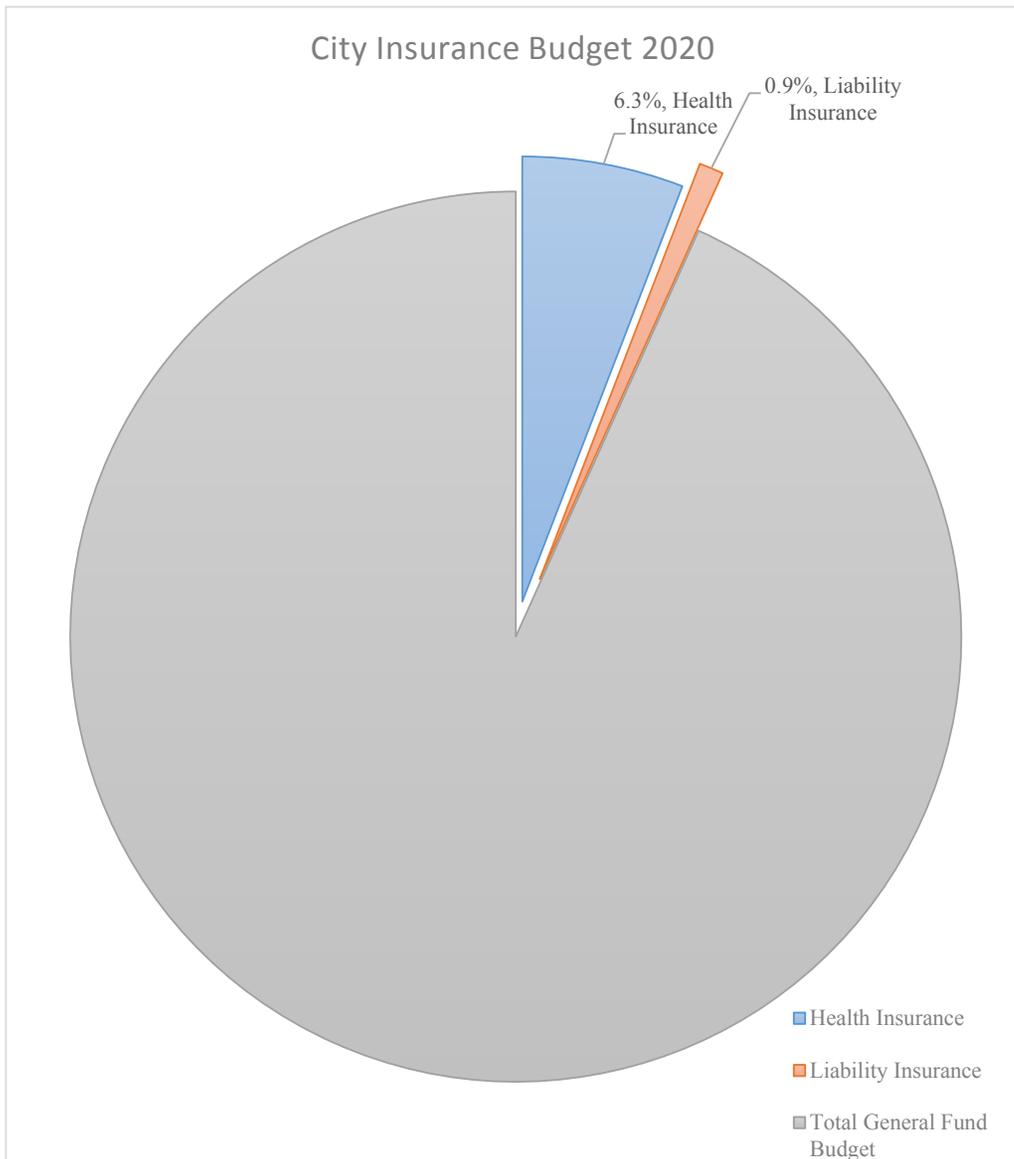
Communications Officer	1
Programs Assistant I	1
Administrative Analyst	1
Total Approved (Full and Part time)	4

**CITY OF GULF SHORES, ALABAMA
EXPENDITURES BY CATEGORY
BUDGET YEAR ENDING DECEMBER 31, 2020**

Department	Personnel	Operations	Capital Outlay	Debt Service	Transfers	Total
General Fund:						
Executive	923,999	776,475	1,100,000			2,800,474
Human Resources	575,033	131,695	-			706,728
Finance & Administrative Services	1,472,340	1,659,501	70,000			3,201,841
Municipal Court	438,818	13,290	-			452,108
Police	5,886,085	998,650	268,800			7,153,535
Fire & EMS	4,446,996	690,388	55,000			5,192,384
Planning & Zoning	522,484	82,910	25,000			630,394
Building	579,190	60,950	36,000			676,140
Recreation & Cultural Affairs	373,435	69,642	-			443,077
Special Events & Programs	432,801	415,224	-			848,025
Library	564,652	101,745	-			666,397
Recreation - Rec & Wellness	1,746,258	515,768	108,500			2,370,526
Recreation - Sportsplex	739,132	490,300	95,000			1,324,432
Recreation - Parks	409,849	167,413	97,000			674,262
Recreation - School Landscaping	147,116	55,022	14,000			216,138
City Store	104,566	76,560	-			181,126
Public Works - General Services	384,944	13,550	-			398,494
Public Works - Custodial	475,573	95,250	35,000			605,823
Public Works - Landscaping	719,825	204,900	140,000			1,064,725
Public Works - Streets	1,424,756	1,260,500	747,500			3,432,756
Public Works - Maintenance	703,692	536,900	-			1,240,592
Engineering	584,385	114,650				699,035
Airport Authority	152,587					152,587
Appropriations	0	2,018,343				2,018,343
Transfers Out	0	0			10,624,883	10,624,883
General Fund Totals	<u>23,808,516</u>	<u>10,549,626</u>	<u>2,791,800</u>	<u>0</u>	<u>10,624,883</u>	<u>47,774,825</u>
% of Total	49.8%	22.1%	5.8%		22.2%	
Other Funds:						
Special Revenue						
2% Lodging Tax - Transfer Out					3,575,722	3,575,722
Designated Taxes					512,000	512,000
Impact Fees		160,000	1,399,400			1,559,400
Beach Restoration & Projects	931,552	291,600	-			1,223,152
Capital Improvements-Fund 38 Trans					6,230,000	6,230,000
Storm Damage Fund			55,000			55,000
Capital Projects Taxable (Fund 42)		180,000	4,987,083			5,167,083
Capital Projects NonTax (Fund 43)		275,000	10,632,000		250,000	11,157,000
Debt Service				7,030,377		7,030,377
Subtotal Other Funds	<u>931,552</u>	<u>906,600</u>	<u>17,073,483</u>	<u>7,030,377</u>	<u>10,567,722</u>	<u>36,509,734</u>
Grand Total	<u>24,740,068</u>	<u>11,456,226</u>	<u>19,865,283</u>	<u>7,030,377</u>	<u>21,192,605</u>	<u>84,284,559</u>
				Total Expenditures	\$	<u>84,284,559</u>

City Insurance Budget 2020

	Budget 2020	% of Total Budget
Health Insurance	\$2,997,521	6.3%
Liability Insurance	\$451,000	0.9%
Total General Fund Budget	\$47,774,825	



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

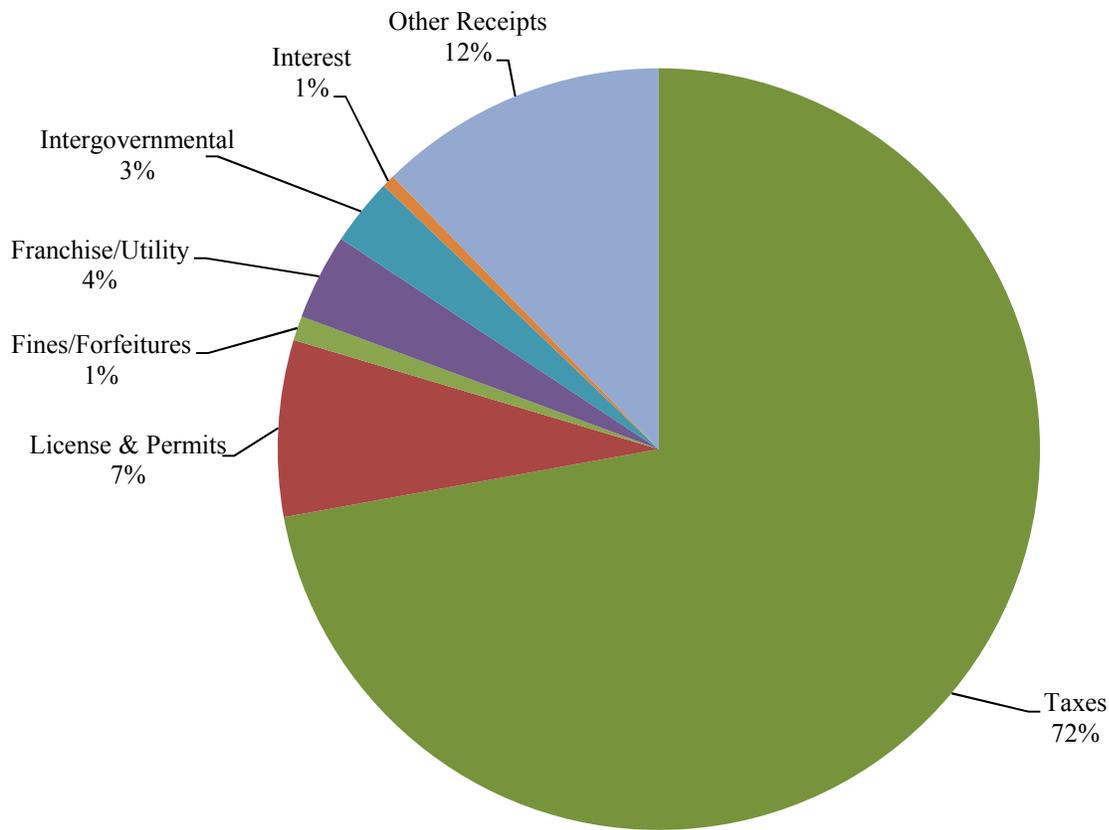
Liability Insurance is included in the Finance & Administrative Services budget as an operations expense.

The City of Gulf Shores, Alabama

General Fund Budget Summary

GENERAL FUND REVENUE	2017 Actual	2018 Actual	2019 Amended Budget	2020 Council Adopted	% of Total General Fund
Taxes	\$ 28,525,918	\$ 35,936,905	\$ 35,450,000	\$ 34,687,949	72%
License & Permits	3,427,679	3,482,009	3,911,000	3,601,000	7%
Fines/Forfeitures	513,813	595,069	500,000	500,000	1%
Franchise/Utility	1,410,132	1,560,508	1,740,000	1,750,000	4%
Intergovernmental	688,309	513,673	4,113,686	1,367,242	3%
Interest	40,711	91,893	80,000	263,250	1%
Other Receipts	7,922,806	2,649,139	6,155,397	5,913,005	12%
Total General Fund Revenues	\$ 42,529,368	\$ 44,829,196	\$ 51,950,083	\$ 48,082,446	100%

General Fund Revenue FY 2020



The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget

	2017	2018	2019	2020	% Change	2021
	Actual	Actual	Amended Budget	Council Adopted	2019 to 2020	Projected
EXECUTIVE						
Expenditures						
Personnel	841,734	853,999	876,917	923,999	5%	1,008,979
Operations	557,604	840,729	768,975	776,475	1%	768,975
Capital Outlay	217,034	170,178	350,000	1,100,000	n/a	0
Executive Total	1,616,372	1,864,906	1,995,892	2,800,474	40%	1,777,954

Executive Personnel

	2017	2018	2019	2020
	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	1	1
Asst. Admin/City Clerk	1	1	1	1
Administrative Assistant (PT)	1	1	0	0
Total Personnel	12	12	12	12

Executive Department Functions:

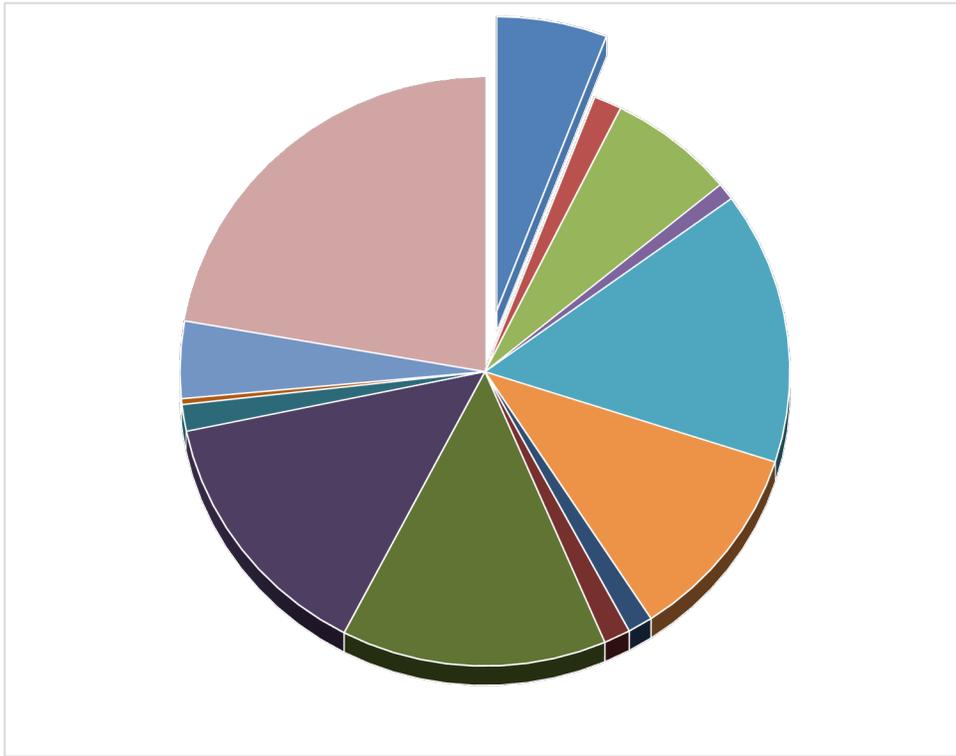
The current Mayor and Council were elected in 2016 to serve a full term of four years ending on November 7, 2020. During their tenure, they are working to provide open communication within the community, facilitate quality municipal services to citizens and visitors, improve the quality of life, and manage growth and development throughout the city. The Vision 2025 Plan for Sustainability adopted by the Council focuses on five core values; medical, education, Gulf State Park, Waterway District, and Gulf Beach District. Every project, grant, budget, policy and decision centers on enhancing and advancing at least one of the core values.

The function of the City Clerk's office is to accurately record all official actions of the governing body, protect and maintain city records and archives, conduct impartial municipal elections, and provide service to the citizens, elected officials, city departments and outside organizations in a professional manner.

Environmental/Grants Coordinator: Management of grants and grant-funded projects including the Gulf Coast Center for Ecotourism & Sustainability, the Little Lagoon Habitat Restoration Project, the Laguna Cove Restoration Project, and the Oyster Bay/Bon Secour Wetland Project. Liaison to schools, universities, federal and state agencies, and community groups on environmental projects. Continue to pursue grant funding for various infrastructure and restoration projects as opportunities arise.

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

Expenditure Budget 2020
 \$ 2,800,474
 5.9% of General Government



General Government Expenditure Budget: \$47,774,825

Department: Executive

Major Accomplishments:

Mayor and Council authorized core value projects:

Secured funding for three RESTORE Projects in 2019:

RESTORE Gulf Coast Center for Ecotourism & Sustainability	\$9,700,000
RESTORE Little Lagoon Restoration Project	\$5,900,000
RESTORE ALDOT Capacity Project	\$21,700,000

Ordinance to strengthen Flood Damage Prevention Regulations (**Public Safety**)

Ordinance to upgrade Wireless Telecommunications Regulations (**Technology**)

Ordinances to annex residential property to enable attendance at new city schools (**Education**)

Resolution for improvements of Gulf Shores City School Campus (**Education**)

Resolution authorizing corridor study to enhance the capacity and efficiency of the City’s transportation infrastructure (**Economic Development**)

Gulf Shores Public Beach Revitalization - Phase 3 complete (**Gulf Beach District**)

Resolution to adopt Parks and Recreation Master Plan 2018 - 2030 (**Recreation**)

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 Business Where You Beach marketing campaign.

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

Executive Office

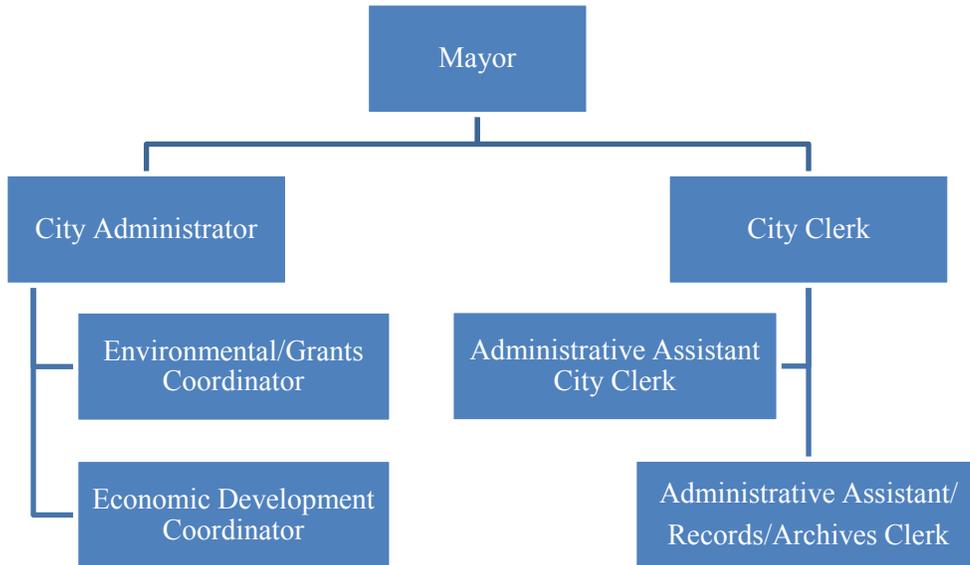
	2018 Actual	2019 Actual	2020 Target
Goals			
City Council Agenda dispatch packages available by deadline	98%	99%	100%
Ordinances processed	35	39	45
Resolutions processed	155	107	125

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 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 2020 Budget

	2017 Actual	2018 Actual	2019 Amended Budget	2020 Council Adopted	% Change 2019 to 2020	2021 Projected
HUMAN RESOURCES						
Expenditures						
Personnel	232,410	552,164	556,926	575,033	3%	582,001
Operations	79,240	86,541	150,772	131,695	-13%	150,772
Capital Outlay	0	0	0		n/a	
Human Resources Total	311,650	638,705	707,698	706,728	0%	732,773

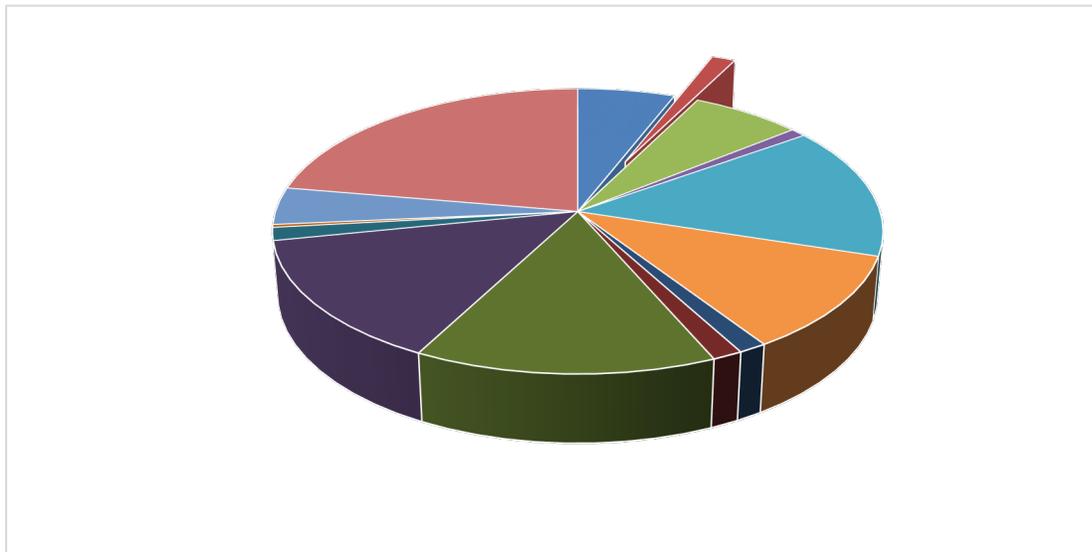
Human Resources Personnel

	2017 Actual	2018 Actual	2019 Budget	2020 Adopted
Positions				
Human Resources Officer	1	1	1	1
Payroll & Benefits Specialist	1	1	1	1
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 2020
 \$ 706,728
 1.5% of General Government



General Government Expenditure Budget: \$47,774,825

Major Accomplishments:	2018 Actual	2019 Budget	2020 Target
Increased Employee Participation in Wellness Program	75%	78%	85%
Implemented Onboarding program to streamline hiring process	25%	35%	75%
Reduce Work Comp claims and cost with Triage Program	25%	45%	75%

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

Strategy: Sustainability

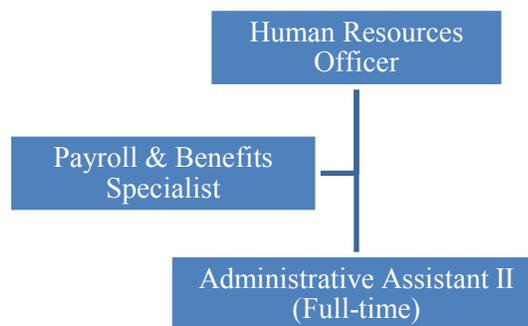
We commit to the health and wellness of the community's economy by committing to the health and safety of our employees by establishing programs and training to ensure a healthy workforce.

Goals:

Maintain 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:	2018 Actual	2019 Budget	2020 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 to include in our safety program.	0	25%	75%
Work with Symbol on creation of reports to measure outcomes and cost effective programs. Implement points and reward system.	0	50%	75%

HUMAN RESOURCES ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget

FINANCE AND ADMINISTRATIVE SERVICES	2017 Actual	2018 Actual	2019 Amended Budget	2020 Council Adopted	% Change 2019 to 2020	2021 Projected
Expenditures						
Personnel	1,523,694	1,231,720	1,402,544	1,472,340	5%	1,513,227
Operations	1,133,394	1,207,843	1,401,885	1,659,501	18%	1,608,821
Capital Outlay	48,682	0	0	70,000	n/a	40,000
Finance & Admin Total	2,705,770	2,439,563	2,804,429	3,201,841	14%	3,162,048

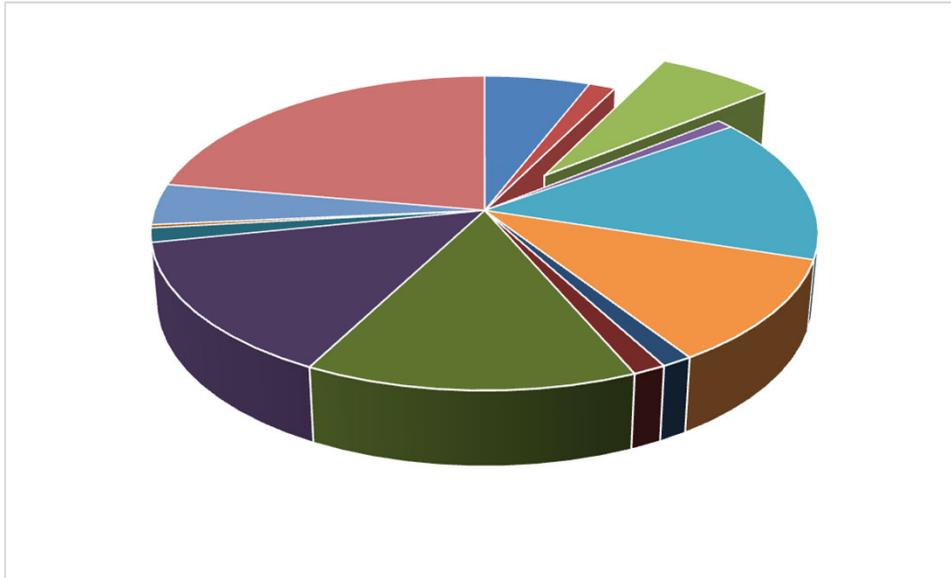
Finance & Administrative Services Personnel

	2017 Actual	2018 Actual	2019 Budget	2020 Adopted
Positions				
Director	1	1	1	1
Accountant	1	1	1	1
Accounting Supervisor	1	1	1	1
Financial Tech I	1	1	1	1
Financial Tech II	2	2	2	1
Financial Tech III	0	0	0	1
Revenue Division Coordinator	1	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	1	1	1
Network Administrator	1	1	1	1
Systems Administrator	1	0	1	1
Information Tech Technician	1	2	1	1
Accountant (Part-time)	1	1	1	1
Admin Asst. I	1	1	1	1
Total Personnel	18	19	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 2020
 \$ 3,201,841
 6.7% of General Government



General Government Expenditure Budget: \$47,774,825

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

Major Accomplishments:

	2018	2019	2020
	Actual	Budget	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 12/6/2017 Received	Submitted 12/12/2018 Received	Goal 12/13/2019 Received
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 5/30/2018 Received	Submitted 6/25/2019 Received	Goal 6/26/2020
Maintain or improve City's current bond rating at AA+.	Affirmed	Maintain	Maintain
IT - City-wide surveillance camera expansion for increased security.	Maintain	Expand	Expand
IT - City staff end-user Cyber Security awareness training.	n/a	Implement	Maintain
IT - Endpoint security and behavioral analysis for credit card transactions and transaction security.	n/a	Implement	Maintain
Maintain reserves at percentage of revenue as set by Council.	70%	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.

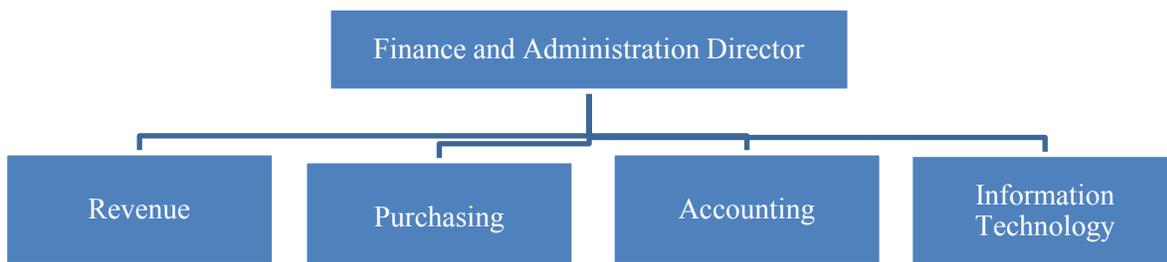
Continue to add to the existing fiber to include outlying facilities/locations to enhance citywide network.

Submit 2019 Comprehensive Annual Financial Report for Government Finance Officer's Association (GFOA) Certificate of Excellence in Financial Reporting Award and submit 2020 Budget for GFOA Distinguished Budget Presentation Award.

Continue to pursue strategies to ensure short-term rental licensing and lodging tax compliance.

	2018 Actual	2019 Budget	2020 Target
Objectives: Increase fiber backbone to encompass any new City locations and facilities. Added Gulf Shores Fire Station 4 (Oyster Bay) and the Mo's Landing Boat Launch in 2018.	29	31	Maintain
Currently one hundred sixty (160) cameras are installed throughout municipal facilities/locations. Fifteen of those cameras were installed at Gulf Place during the Phase III renovations. Other new locations include Mo's Landing, and additions at Cultural Center, Civic Center, PW Shop and Library.	123	160	165
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	4,084	4,174	4,200

FINANCE AND ADMINISTRATION ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget

	2017	2018	2019	2020	% Change	2021
	Actual	Actual	Amended Budget	Council Adopted	2019 to 2020	Projected
MUNICIPAL COURT						
Expenditures						
Personnel	458,178	393,683	397,112	438,818	11%	464,936
Operations	11,961	13,423	13,290	13,290	0%	13,290
Capital Outlay	0	0	0	0	n/a	0
Municipal Court Total	470,139	407,106	410,402	452,108	10%	478,226

Municipal Court Personnel

	2017	2018	2019	2020
	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:

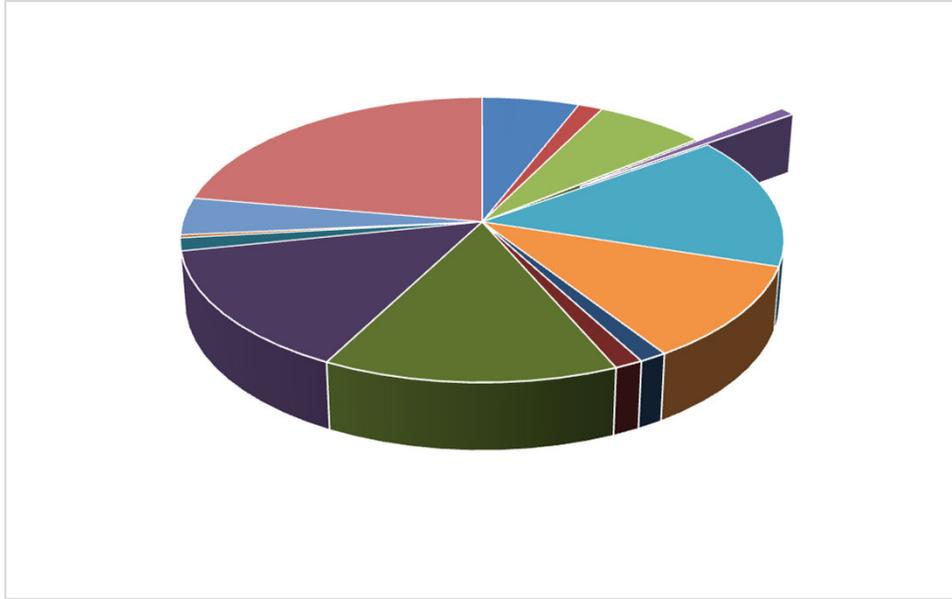
Municipal Court Judge: The Municipal Court Judge resides over the Municipal Court Clerk and Magistrate(s), and hears any cases brought before the Gulf Shores Municipal Court. Appointed and approved by the Mayor and City Council. The position of Municipal Court Judge is created by the Code of Alabama 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 2020
\$ 452,108
1% of General Government



General Government Expenditure Budget: \$47,774,825

Department: Municipal Court

Major Accomplishments:

The addition of kiosks in the Police Department lobby and continuing expansion of online capabilities is helping to increase 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.

Continued successful use of E-Citation system allowing 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 existing software.

Goals:

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

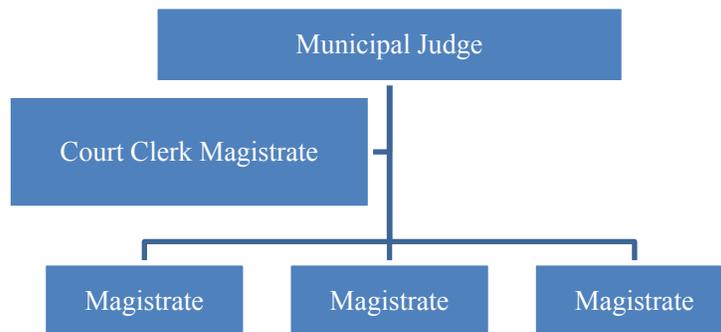
Ongoing effort to reduce inmate population with use of Court payment monitoring, rehabilitation treatment opportunities, and alternative sentencing and continued use of the PreTrial Intervention program.

Nearing completion of streamlining archival records retention and retrieval by continuing implementation of electronic scanning of Court documents decreasing necessary physical file storage space.

Continuing to work with IT and the Court software providers to put in place an electronic parking ticket citation system, expanded online payment options, and electronic check-in procedures for PTI program.

Key Measures	2018 Actual	2019 Budget	2020 Projection
Total Criminal Processes handled by 4 Magistrates from 8/12/2018 to 08/12/2019 (not including Bond Hearings per arrest or window/phone interactions and Parking Tickets.)	18,400	16,400	17,000
Cost per process based on Total Court budget for year of report that includes Judge and Prosecution Salaries as well as Operating costs.	\$24.23	\$25.02	\$26.00
Average Revenue per Criminal Process based on Revenue Collected for period 8/12/2018 to 8/12/2019 for 2019 and \$1,400,000 projected for 2020.	\$57.67	\$82.75	\$84.00

MUNICIPAL COURT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget

	2017	2018	2019	2020	% Change	2021
	Actual	Actual	Amended Budget	Council Adopted	2019 to 2020	Projected
POLICE						
Expenditures						
Personnel	4,449,014	5,026,934	5,147,176	5,886,085	14%	6,026,970
Operations	670,690	739,879	896,550	998,650	11%	999,050
Capital Outlay	229,915	650,504	181,800	268,800	48%	1,326,000
Police Total	5,349,619	6,417,317	6,225,526	7,153,535	15%	8,352,020

Police Personnel

	2017	2018	2019	2020	
	Actual	Actual	Budget	Adopted	
Positions					
Police Chief	1	1	1	1	
Deputy Chief	1	1	1	1	
Lieutenant	3	3	3	3	
Investigator Command Sargeant	0	0	1	1	
Investigator Sergeant	1	1	0	0	
Investigator	4	4	5	5	
Support Services Command Srg	0	0	1	1	
Support Services Sergeant	1	1	0	0	
Narcotics Investigator	3	3	2	2	
School Resource Officer	1	1	3	3	
SRO/Sergeant	0	0	1	1	
SRO / Corporal	1	1	0	0	
CRO/Sergeant	0	0	1	1	
CRO / Corporal	1	1	0	0	
Public Safety Academy Corpora	1	1	0	0	
Fleet/Property R Command Srgt	0	0	1	1	
Fleet / Property Room Sergeant	1	1	0	0	
Patrol Command Sergeant	0	0	4	4	
Patrol Sergeant	3	3	4	4	
K9 Patrol Sergeant	1	1	0	0	
Patrol Corporal	4	4	0	0	
K9 Officer	3	3	4	4	
Patrol Officer	15	15	18	18	
Communication Officer	7	7	7	8	
Communications Supervisor	1	1	1	1	
Detention Supervisor	1	1	1	1	
Detention Officer	8	8	8	8	
Animal Control Officer	1	1	0	0	
Administrative Assistant I	1	1	1	1	
Administrative Supervisor	1	1	1	1	
Community Service Officers	2	2	2	2	Beach Funding

Department: Police (Continued)

Part Time Positions:

Administrative Coordinator	0	0	0	1	
Beach Rangers (Seasonal)	4	4	0	0	Beach Funding
Total Personnel	71	71	71	73	

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.

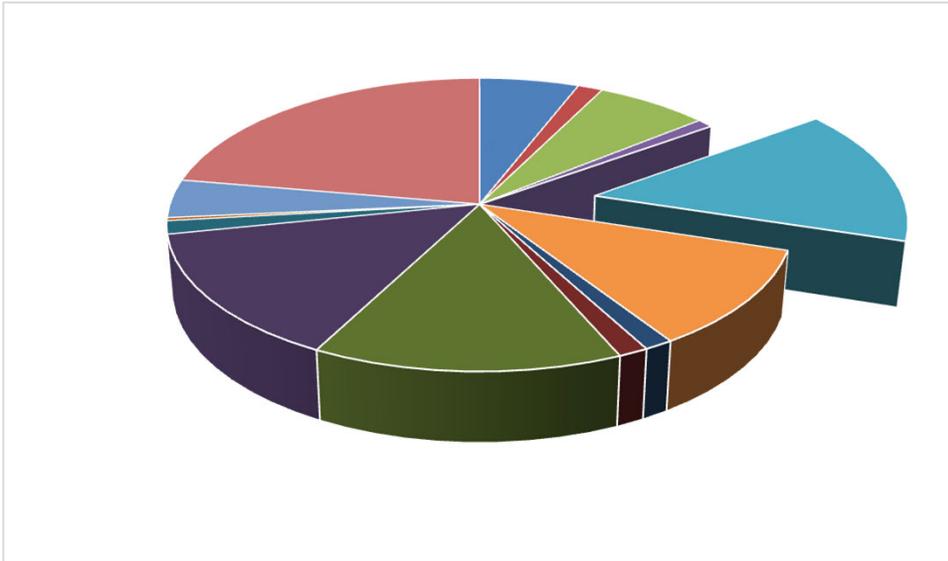
1. Integrity
2. Respect
3. Service
4. Teamwork

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 2020
 \$ 7,153,535
 15% of General Government



General Government Expenditure Budget: \$47,774,825

Major Accomplishments

The City of Gulf Shores enjoys a low crime rate. Crimes against persons are an extremely low occurrence. Our goal as an organization is to be both professional and proactive.

	2017 Actual	2018 Actual	2019 YTD	2020 Predicted
Drug Arrests	611	588	217	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 10% reduction in Part 1 crimes!

	2017 Actual	2018 Actual	2019 YTD	2020 Proposed
Part 1 Crimes	601	539	370	619

The percentage of Gulf Shores' total crimes increased by only 3% between FY 2017 and FY 2018. Many factors contribute to small increases like this including (as an example) retail store policies on the prosecution of minor shoplifting cases.

Police (Continued)

	2017	2018	2019	2020
	Actual	Actual	YTD	Proposed
Total of all crimes	3,200	3,299	2,248	3,296

	2017	2018	2019	2020
	Actual	Actual	YTD	Predicted
Percentage of Part 1 Crimes as Compared to Total Crimes	19%	16%	16%	18%

	2017	2018	2019	2020
	Actual	Actual	YTD	Predicted
Total Calls for Service	20,259	19,748	12,288	20,866

	2017	2018	2019	2020
	Actual	Actual	YTD	Predicted
Communications Processed	34,880	33,829	21,593	35,926

GSPD average response times decreased from 6:57 to 6:47 in FY 2018.

	2017	2018	2019	2020
	Actual	Actual	YTD	Predicted
Average Response Time	7:04	6:57	6:47	7:04

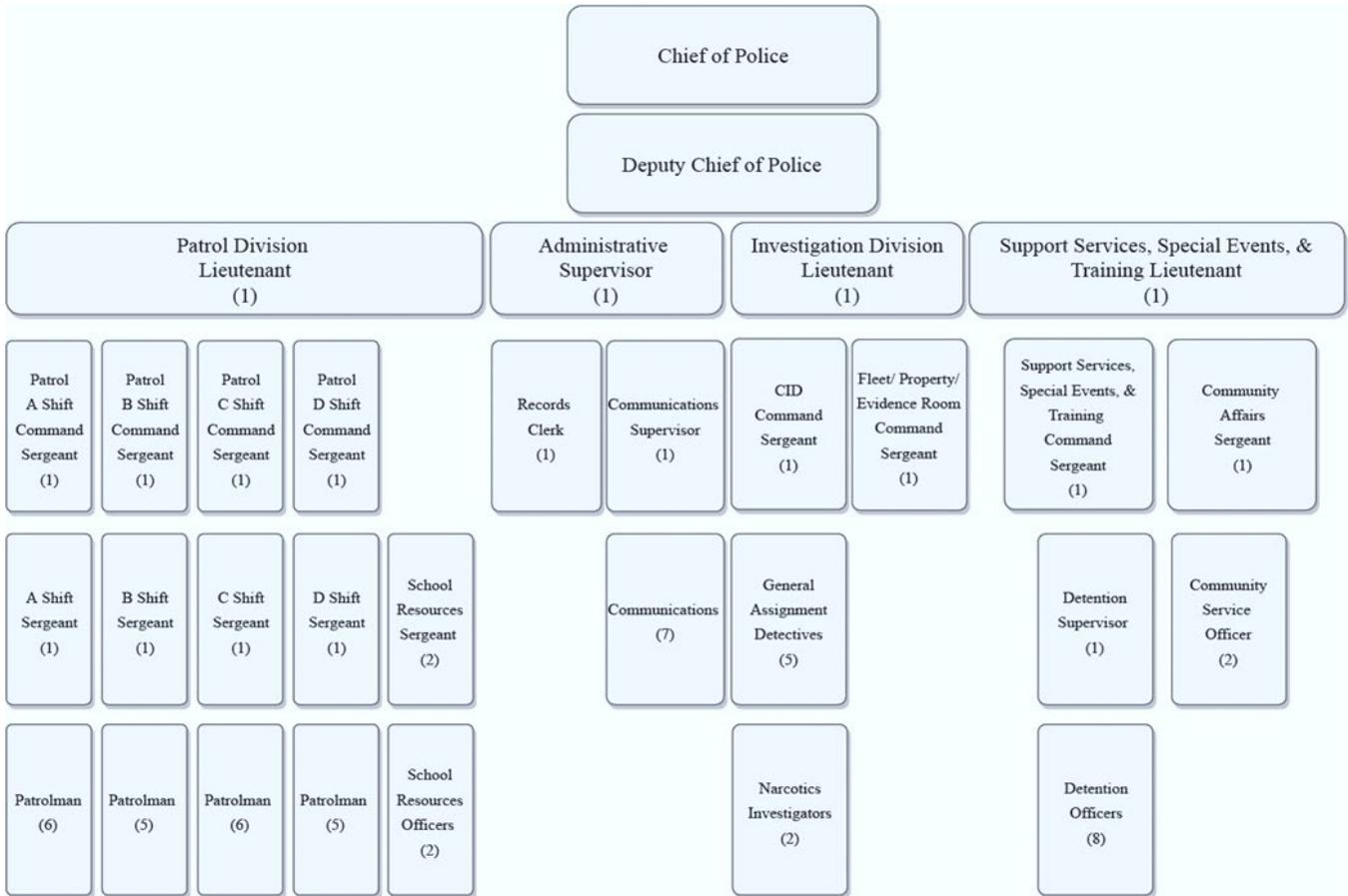
Future Outlook- Personnel

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, including the use of license plate readers.

POLICE DEPARTMENT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget

	2017	2018	2019	2020	% Change	2021
	Actual	Actual	Amended Budget	Council Adopted	2019 to 2020	Projected
FIRE						
Expenditures						
Personnel	3,350,115	3,633,727	4,069,947	4,446,996	9%	4,648,178
Operations	432,103	447,525	514,900	690,388	34%	728,188
Capital Outlay	0	0	436,815	55,000	n/a	0
Fire Total	3,782,218	4,081,252	5,021,662	5,192,384	3%	5,376,366

Fire Personnel

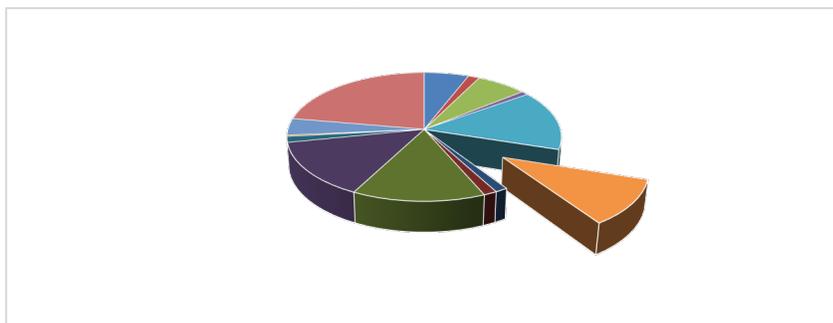
	2017	2018	2019	2020	
Positions	Actual	Actual	Budget	Adopted	
Fire Chief	1	1	1	1	
Deputy Chief	1	1	1	1	
Fire Marshal	1	1	1	1	
Battalion Chief	3	3	4	4	
Lieutenant	10	13	14	15	
Firefighter/Paramedic	15	14	15	14	
Firefighter/EMT	12	12	18	18	*6 from FEMA Grant
Admin Assistant	1	1	1	1	
Seasonal Lifeguards	0	0	30	30	*Beach Fund
Beach Rangers	0	0	4	4	*Beach Fund Seasonal
Total Personnel	44	46	89	89	

Fire Department Functions:

An I.S.O. Class 1 all-hazards emergency agency operating from four fire stations providing services and programs tailored to the needs of our citizens and guests. Beyond calls to 911, we offer Community Risk Reduction activities, Aircraft Rescue Firefighting, Beach Rescue Lifeguards and wildlife rescue. We operate the Emergency Services Academy in our High School by assigning one Lieutenant as a fulltime teacher, preparing students for employment in Public Safety upon graduation.

CORE Value:

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



Expenditure Budget 2020
\$ 5,192,384
10.9% of General Government

General Government Expenditure Budget: \$47,774,825

Department: Fire & Emergency Services

Major Accomplishments:

Vision 2025 Key Strategy, Community Planning-Infrastructure:

1. Acquired Oyster Bay fire station on Oak Road West to serve North Gulf Shores
2. Deployed two additional lifeguard towers, expanding lifeguard service to Phase 3 of Gulf Place and Gulf State Park Lodge.

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

1. Replaced the following under our ten year Capital Improvement Plan: two Fire Engines, five UTVs for beach response and one emergency response vehicle for a Beach Rescue supervisor.
2. Replaced all Firefighter self-Contained Breathing Apparatus (Breathing Air Packs) with MSA G1 SCBA with Integrated Thermal Imaging Camera providing every firefighter the ability to see in dark and smoke-filled environments, aiding in the speed and effectiveness of firefighter safety and operation.

Vision 2025 Key Strategy, Leading Edge Healthcare:

1. Expanded pool and open water lifeguard training at Gulf Shores High School to create a certified ready seasonal workforce.
2. Expanded Junior Lifeguard summer camp program to 4 weeks. A total of 67 children completed the course.
3. Created Public/Private partnership agreement with the AirMedCare Network to provide residents living within the City of Gulf Shores Corporate Limits prepaid membership for the ground ambulance- and helicopter/air emergency transport through the AirMedCare Network Municipal Site membership. Significantly reducing catastrophic financial risk for our Citizens due to emergency transport.

Vision 2025 Key Strategy, Education:

1. Assigned a Lieutenant to head the Fire and Emergency Services Academy at Gulf Shores High School.
2. Surplused one fire engine to the Fire and Emergency Services Academy.

Vision 2025 Key Strategy, Environmental Stewardship:

1. Beach Enforcement positions were brought into Fire and Emergency Services as Beach Rangers. Their mission is to assist the public and enforce City beach rules while educating the public on environmental stewardship through the "Leave Only Footprints" program.
2. Partnered with the City ADEM coordinator to acquire a boat for use with protected environment monitoring that we share for emergency response.

Department: Fire & Emergency Services

Goals:

Vision 2025 Key Strategy, Community Planning-Infrastructure:

1. Renovate Oyster Bay Fire Station on Oak Road West to improve operations while meeting community design standards.
2. I.S.O grading is due in 2020. The City has committed to maintaining this rating and the benefit it provides to our citizens and business partners.

Key Indicators	2018 Actual	2019 Budget	2020 Projected
911 Calls for Service			
EMS Incidents	2229	1584	2400
Fire Incidents	1107	706	1200
Total Incidents	3336	2290	3600
Department average response time. (Dispatch to arrival)	0:06:27	0:06:16	0:06:00
<i>*01/01/2019-9/1/2019</i>			

Vision 2025 Key Strategy: Community Planning-Safety & Welfare

Fire Science Academy- High School

Certified as Volunteer Firefighters	4	6	4
Certified in CPR	50	160	193
Certified in First Aid	0	125	175
Certified in Emergency Responder	41	30	16
Certified as Pool Lifeguard	10	0	4
Certified as USLA Lifeguard	0	2	2

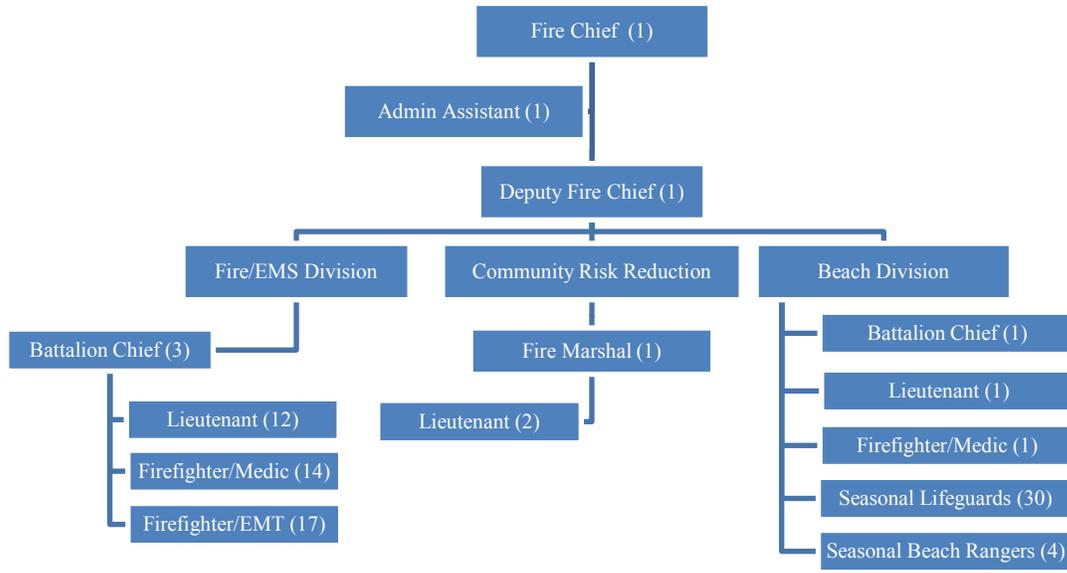
Vision 2025 Action 2: Education

Community Outreach

CPR cards	445	250	250
First Aid cards	40	40	40
Child Seats installed	20	15	20
Fire Extinguisher Training	10	25	15
Fire Prevention out reach visits	90	120	120

Vision 2025 Key Strategy: Community Planning-Safety & Welfare

FIRE DEPARTMENT ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget**

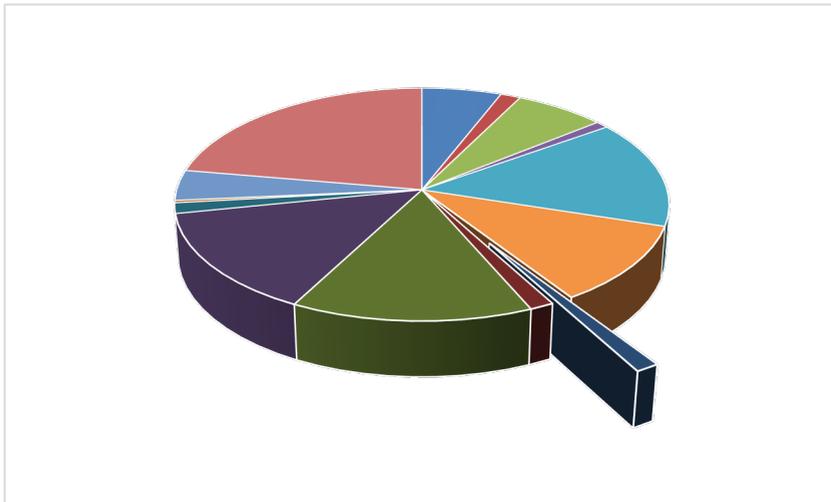
	2017 Actual	2018 Actual	2019 Amended Budget	2020 Council Adopted	% Change 2019 to 2020	2021 Projected
PLANNING & ZONING						
Expenditures						
Personnel	319,020	347,362	476,622	522,484	10%	538,321
Operations	85,046	65,966	79,910	82,910	4%	82,910
Capital Outlay	0	0	55,000	25,000	n/a	0
Planning & Zoning Total	404,066	413,328	611,532	630,394	3%	621,231

Planning & Zoning Personnel

	2017 Actual	2018 Actual	2019 Budget	2020 Adopted
Positions				
Director	1	1	1	1
Coordinator	0	0	1	1
Planner I	1	1	1	1
Code Enforcement Officer	1	1	1	1
Administrative Assistant	1	1	1	1
Total Personnel	4	4	5	5

Planning & Zoning Department Functions:

The Planning and Zoning Department develops and implements plans and policies that help the city grow in a manner that is orderly, dynamic, and sustainable. In developing and administering policies and regulations, Planning & Zoning strives to achieve a cohesive land development pattern, promote high quality design, and keep Gulf Shores clean and attractive -- all of which enhance quality of life. The Department strives to make Gulf Shores a place that is inviting for everyone, and where people and businesses can thrive.



Expenditure Budget 2020
\$ 630,394 1.5%
1.3% of General Government

General Government Expenditure Budget: \$47,774,825

2019 Major Accomplishments:

Completed a Build-out Analysis for the entire City. The Build-out Analysis divided the City into 7 Transportation Analysis Zones (TAZ's), and estimated the future number of units in each zone. This data will be utilized to analyze long-range planning decisions and future zoning recommendations.

Amended Article 7, Residential District Regulations, of the Zoning Ordinance to increase the minimum lot size, lot width, and front setback for the R-1-5 Residential/High Density Single Family Zoning District.

Amended sections of the Zoning Ordinance to apply short-term rental restrictions to the R-3 Residential/Limited-Density and R-4 Residential/High-Density Multiple-family Zoning Districts. The amendment clarified the zoning districts that allow short-term rentals and the zoning districts that prohibit short term rentals.

Amended Chapter 7, Article 9 of the Wireless Telecommunications Facilities Siting Regulations to add provisions for small cell facilities. Small cell facilities provide additional and enhanced cellular coverage capacity, and are important infrastructure components for future 5G wireless service.

Amended Article 10 of the Zoning Ordinance -- Overlay Districts, to clarify the role of Overlay Districts within the City, to tie them to the comprehensive plan, and to establish a process for modifications within overlay districts.

Amended Article 5 of the Subdivision Regulations -- Assurance for Completion of Improvements, to clarify the requirements for financial guarantees of performance and maintenance of improvements associated with subdivision development.

Provided design and planning guidance on unique long-range planning issues specific to particular locations within the city. Prepared and presented design plans for: access to Center for Ecotourism and Sustainability, site plan for 44 acres seeking annexation on Coastal Gateway Boulevard, Medical Complex conceptual site plan, Walking District Streets, Canal Rd. alignment options, and North Waterway Village street and block network.

2020 Planning & Zoning Department Goals:

Oversee the Comprehensive Planning Process. The comprehensive plan will include updating the Vision, Future Land Use Plan, Parks and Recreation Master Plan, and Transportation Plan, as well as creating plans for Public Services, Economic Development, and Natural Resource Protection.

Develop detailed "Small Area Plans" as part of the comprehensive planning effort. Projected small area plans include: Coastal Gateway District, Gulf Beach District, Downtown Gulf Shores, North Intracoastal Waterway, Plash Island/Bon Secour River Area, and Northeast Gulf Shores (predominately undeveloped area between Craft Farms and the Foley Beach Express.)

Apply for and obtain Silver Bicycle-Friendly Community Status from the League of American Bicyclists. Key steps to achieving Silver Status are as follows: Amend the Zoning Ordinance to include APBP bicycle parking standards, improve signage and striping on low speed streets to encourage biking, host a League Cycling Instructor Seminar, adopt a comprehensive road safety plan or Vision Zero policy, and create a bicycle count program by purchasing a minimum of two bicycle/ped counters.

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	2018 Actual	2019 Budget	2020 Target	2021 Target
Community Meetings	0	0	8	4
Small Area Plans Completed	0	0	6	2
Land Use Plan Updates	0	2	8	4
Current Planning Re/Designs	0	8	10	10
Long-range Designs/Concepts	0	7	6	6
Rezoning	5	2	4	8
Site Plans	18	11	15	15
Variances	6	8	6	4
Conditional Use Permits	0	2	4	4
Preliminary Subdivision Plats	4	3	4	4
Final Subdivision Plats	12	6	9	9
Zoning Text Amendments Initiated	2	3	3	5
Zoning Text Amendments completed	1	2	3	5
Total Code Enforcement Cases	317	330	325	325
Cases Open	15	87	90	90
Cases Closed	299	316	320	320
Citations Written	19	36	35	35
Arrests	4	6	3	3
Court Appearances	19	23	20	20

Objectives:

Environmental Stewardship – Developing a Natural Resources Management Plan will identify natural resource problems and will recommend policies and actions to help preserve the unique natural resources of Gulf Shores for future generations.

Well-organized Infrastructure – A Plan for Public Services will enable strategic decision-making that can help avoid dramatic impact on property taxpayers, improve coordination of related investments, and prioritize funding for essential services that can be addressed with appropriate planning over multiple years.

Economic, Geographic, and Seasonal Diversification – An Economic Development Plan for Gulf Shores will provide a comprehensive overview of the economy, set policy direction for economic growth, and identify strategies, programs, and projects to create self-sustaining, long-term economic growth.

Sustainability – The culmination of every Element (Land Use, Transportation, Parks and Recreation, Public Services, Economic Development, and Natural Resource Protection) within the Comprehensive Plan will establish a blueprint for creating a sustainable city.

Prosperity - Expanding the City's bicycle facilities enhances the city's quality of life, promotes health and wellness, can attract economic investment to Gulf Shores, and provides high value experiences for residents and visitors. Improving the city's classification from a Bronze Level Bicycle Friendly Community to Silver Level is a measure of success.

Leading Edge Healthcare – A primary focus of the Economic Development Plan will be community health systems and how they could play an integral role in the local economy and community development.

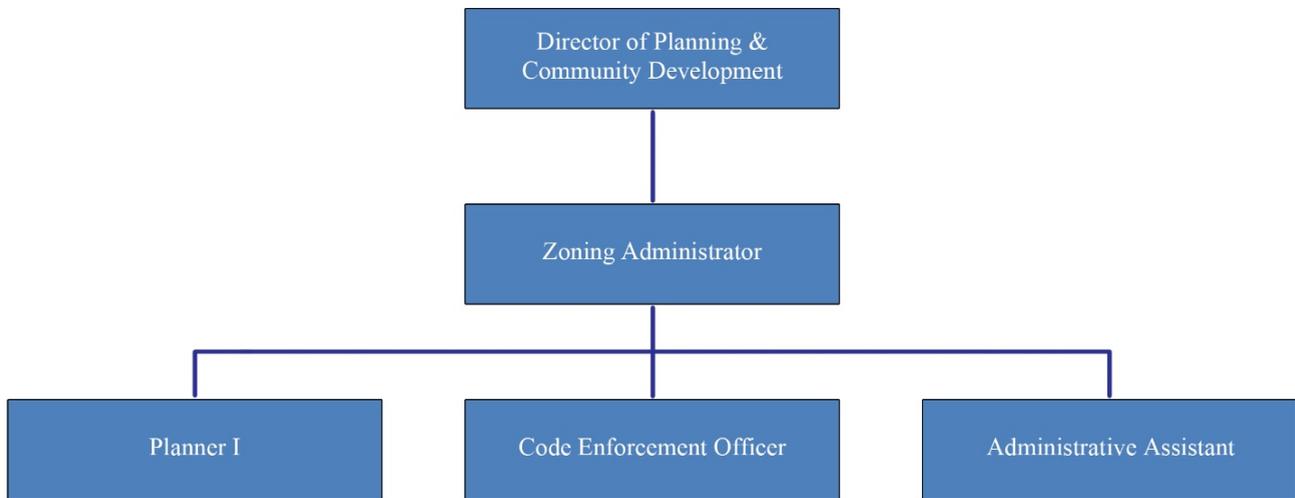
Progressive Education – The Education Element of the Comprehensive Plan will provide direction for the future

growth of the Gulf Shores school system and the quality of its educational services. The education element will address the physical planning issues related to city schools, such as the location of facilities and the projection of student enrollment as it relates to the need for additional schools in the future.

Community Planning – The “small area” planning processes will direct growth to key locations throughout the City. This focused process will provide greater emphasis on detailed planning, visioning, economic development, and design in order to create plans that reflect the desired character, vision, and implementation strategy for each unique study area.

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

PLANNING & ZONING ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget**

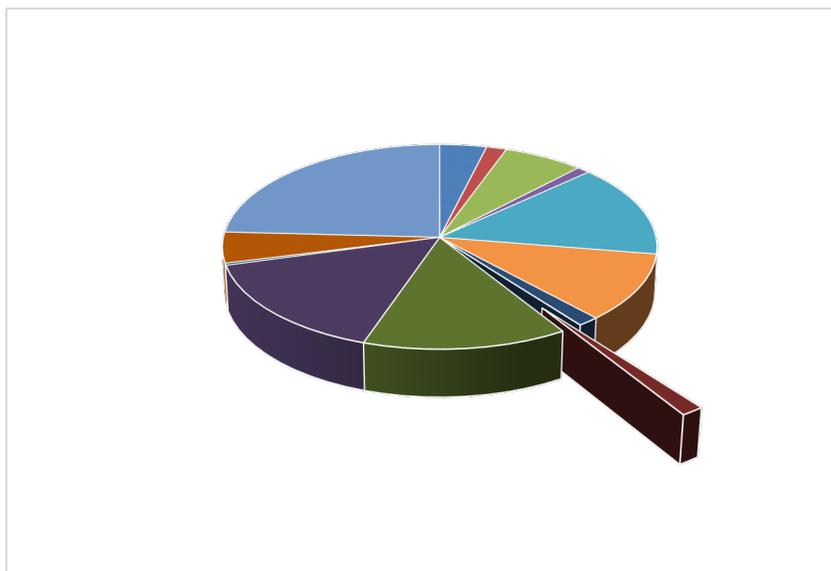
	2017 Actual	2018 Actual	2019 Amended Budget	2020 Council Adopted	% Change 2019 to 2020	2021 Projected
BUILDING						
Expenditures						
Personnel	418,351	450,259	560,615	559,111	0%	575,775
Operations	39,202	49,290	51,150	51,150	0%	51,150
Capital Outlay	43,286	29,970	77,000	42,000	-45%	42,000
Building Total	500,839	529,519	688,765	652,261	-5%	668,925

Building Personnel

	2017 Actual	2018 Actual	2019 Budget	2020 Adopted
Positions				
Building Official	1	1	1	1
Inspectors	4	4	5	5
Permit Clerk	1	1	1	1
Total Personnel	6	6	7	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 2020
\$ 652,261 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. The City has since updated the codes to the 2018 International Codes. The City was able to maintain a Community Rating System (CRS) level 8 in 2019, 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 City of Gulf Shores, in conjunction with Baldwin County lead the nation in Gold Fortified Housing. The building department has gone completely paperless for inspections and reporting. Our software system has been updated to allow plan reviews and resubmittals. *The enforcement of these regulations help ensure a more sustainable, resilient 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

Goals:

2018 Actual	2019 Budget	2020 Target
----------------	----------------	----------------

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 3rd phase	start the process anew
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Implemented the new FEMA Flood Maps for construction standards and insurance purposes

2007 Flood Maps	2017 effective maps
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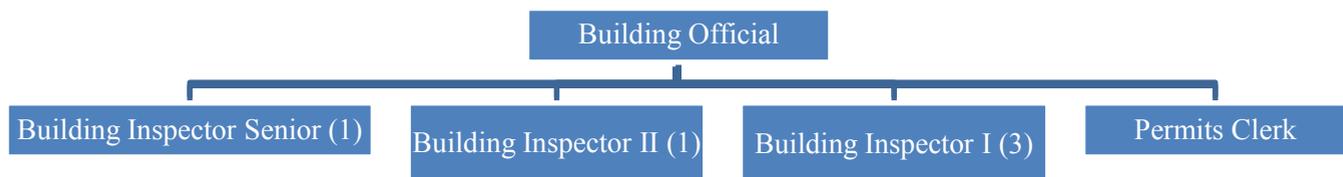
Objectives:

Continue to educate the public regarding the new FEMA Flood Maps and how they affect 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.

Enforce up to date codes to ensure a sustainable community.

BUILDING DEPARTMENT ORGANIZATIONAL CHART



Key Indicators		FY 17 Actual	FY 18 Actual	FY 19 YTD *	FY 20 Projected
Annual Inspections		5,969	6,246	4,660	6,200
Residential New Construction Permits		255	259	219	270
Commercial New Construction Permits		33	52	32	4,238
Commercial Electrical Permits		92	97	74	110
Residential Electrical Permits		357	471	269	375
Commercial Plumbing Permits		29	37	30	38
Residential Plumbing Permits		277	271	184	314
Commercial Mechanical Permits		59	61	45	59
Residential Mechanical Permits		471	479	341	475

Key Measures		FY 17 Actual	FY 18 Actual	FY 19 YTD *	FY 20 Projected
Inspections Performed on Day Requested		99%	98%	95%	97%
Residential Plans Reviewed Within 2 Weeks		96%	85%	80%	85%
Commercial Plans Reviewed Within 4 Weeks		95%	80%	75%	85%
Safety Inspections Performed As Required		95%	80%	80%	90%

Annual Revenues		FY 17 Actual	FY 18 Actual	FY 19 YTD *	FY 20 Projected
Annual Revenues Collected		\$ 829,975	\$ 880,832	\$ 875,000	\$ 850,000

* YTD Totals Represent Figures from January through August 2019.

Recreation & Cultural Affairs Department Function

The Recreation & Cultural Affairs 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.

Mission Statement

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 is comprised of the following areas:

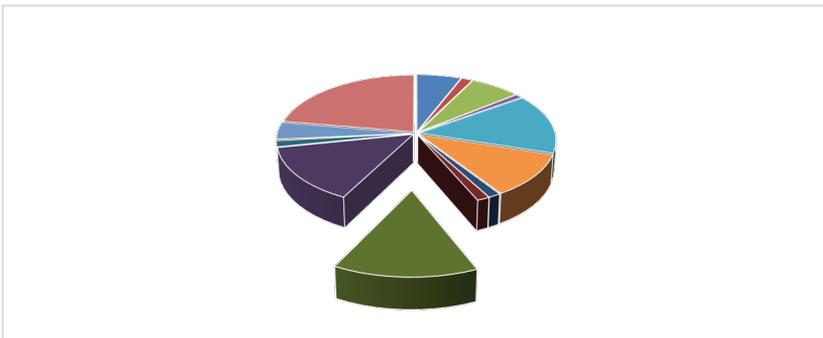
Recreation Division: The Recreation Division is responsible for the day to day operation of the David L. Bodenhamer Recreation Center and Gulf Shores Cultural Center which are membership and/or daily fee-based community centers that receive over 390,000 visits annually. These facilities serve as hubs 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: The Parks & Facilities 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, Police and Fire Departments and the Gulf Shores City School System facilities. In addition, this Division manages the sports tourism tournament operations.

Programs & Events Division: The Events 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, culture 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 reinforces and enhances 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, 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.

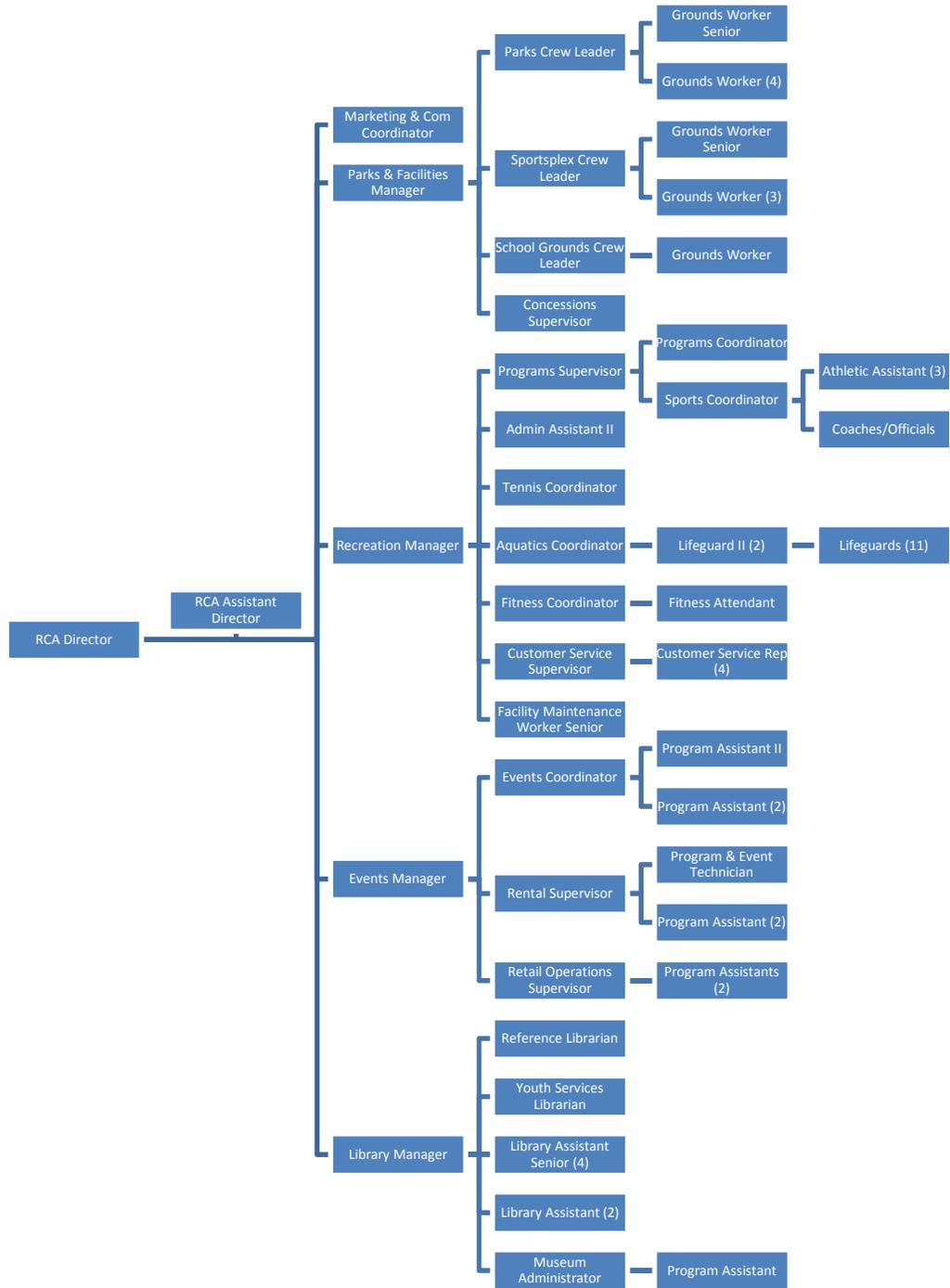
Marketing & Communications: This area is responsible for the coordination of City-Wide Identification and Brand Identity, and manages the City website and social media. Additionally, this area coordinates with the Public Information Officer to release information to the media related to City message 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 2020
\$ 6,723,983
14.1% of General Government

General Government Expenditure Budget: \$47,774,825

RECREATION & CULTURAL AFFAIRS DEPARTMENT ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget

	2017	2018	2019	2020	% Change	2021
RECREATION & CULTURAL AFFAIRS	Actual	Actual	Amended Budget	Council Adopted	2019 to 2020	Projected
Expenditures						
Personnel	315,955	366,038	356,152	373,435	5%	385,138
Operations	27,523	27,636	41,962	69,642	66%	41,962
Capital Outlay/Signage	2,782	0	0	0	n/a	0
RCA Total	346,260	393,674	398,114	443,077	11%	427,100

Recreation & Cultural Affairs Personnel

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

Major Accomplishments:

1. City Council adopted comprehensive Park & Recreation Master Plan. *(Community Planning)*
2. Assisted with City School communications and facility renovations. *(Progressive Education)*
3. Established School Landscape Division. *(Sustainability)*
4. Negotiated a 2-year NAIA Track & Field Championship extension. *(Prosperity)*

Goals:

		2018	2019	2020
Performance Measures:	Units	Actual	Actual	Target
Park & Rec Master Plan	Status	Actual	Budget	Review
Recreation Memberships	Each	6,980	6,800	7,000
Facility Contacts	Each	481,071	390,000	500,000
Programs Offered	Each	441	450	450
Events Hosted	Each	44	45	45
Parkland Maintained	Acres	220	250	260
City Website Visits	Each	566,068	575,000	700,000
Citizens Satisfied w/ Services	%	87%	87%	88%

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. *(Community Planning)*
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 2020 Budget

RECREATION	2017	2018	2019	2020	% Change	
EVENTS	Actual	Actual	Amended	Council	2019 to	2021
Expenditures			Budget	Adopted	2020	Projected
Personnel	287,210	335,362	387,689	432,801	12%	444,348
Operations	348,747	353,999	430,234	415,224	-3%	430,234
Capital Outlay	0	0	0	0	0%	0
Events Total	635,957	689,361	817,923	848,025	4%	874,582

Events Personnel

	2018	2019	2019	2020
Positions	Actual	Actual	Budget	Adopted
Events Manager	1	1	1	1
Programs & Events Tech	1	1	1	1
Rental Supervisor	1	1	1	1
Event Supervisor	1	1	1	1
Program Assistant II	1	1	1	2
Programs Assistants (PT)	4	4	4	2
Total Personnel	9	9	9	8

Major Accomplishments:

1. Produced the Gulf Place Sunset Series. *(Enhance Sense of Place)*
2. Created holiday street decorations plan and purchased event float. *(Enhance Sense of Place)*
3. Procure \$8,000 in entertainment enhancement and marketing grant funding. *(Prosperity)*
4. Reduced facility utility expenses by \$9,000. *(Sustainability)*
5. Increased overall facility bookings by 18%. *(Prosperity)*

Goals:

		2018	2019	2020
	Units	Actual	Budget	Target
Community Events Produced	Each	44	45	45
Facility Rentals	Each	1,730	1,750	1,800
Citizens Satisfied w/ Events	%	80%	85%	85%

Objectives:

1. Increase Civic Center and Adult Activity Center rentals by 5%. *(Prosperity)*
2. Develop and implement a permit review and recommendation committee. *(Prosperity)*

The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget

RECREATION LIBRARY	2017	2018	2019	2020	% Change	2021
	Actual	Actual	Amended Budget	Council Adopted	2019 to 2020	Projected
Expenditures						
Personnel	492,003	492,003	538,442	564,652	5%	581,565
Operations	85,652	85,652	102,080	101,745	0%	99,495
Capital Outlay	0	0	0	0	0%	0
Library Total	577,655	577,655	640,522	666,397	4%	681,060

Library Personnel

	2017	2018	2019	2020
	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 90,000 on-site library visitors. *(Prosperity)*
2. Facilitated an additional 61 educational programs. *(Progressive Education)*
3. Partnered with local schools to increase youth art programs. *(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:

		2018	2019	2020
	Units	Actual	Budget	Target
Library Visits	Each	96,668	90,000	96,000
Public Computers Sessions	Each	10,685	14,000	14,000
Electronic Files Accessed	Each	46,920	48,000	48,000
Programs Offered	Each	409	350	400
Meeting Room Rentals	Each	356	280	350
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 additional youth programming. *(Progressive Education)*

The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget

	2017	2018	2019	2020	% Change	2021
RECREATION	Actual	Actual	Amended	Council	2019 to	Projected
REC & WELLNESS			Budget	Adopted	2020	
Expenditures						
Personnel	1,216,265	1,582,392	1,649,928	1,746,258	6%	1,763,549
Operations	406,025	475,932	499,517	515,768	3%	499,518
Capital Outlay	611	0	0	108,500	n/a	0
Rec & Wellness Total	1,622,901	2,058,324	2,149,445	2,370,526	10%	2,263,067

Rec & Wellness Personnel

	2017	2018	2019	2020
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	1	1	1	1
Athletic Coordinator, Aquatics	1	1	1	1
Lifeguard II	2	2	2	2
Administrative Asst II	1	1	1	1
Fitness Attendants	1	1	1	1
Customer Service Supervisor	1	1	1	1
Customer Service Rep	4	4	4	4
Recreation Supervisor	1	1	1	1
Programs Coordinator	1	1	1	1
Programs Assistant	2	2	2	3
Recreation Assistant (PT)	3	3	3	3
Lifeguards (PT)	11	11	12	12
Customer Service Rep (PT)	5	5	5	5
Programs Asst (PT)	3	2	2	0
Total Personnel	41	40	41	40

Major Accomplishments:

1. Increased general membership 11%, served over 369,000 patron visits (*Sustainability*)
2. Collaborated with Gulf Shores Elementary School to offer the 2019 Summer Camp (*Progressive Education*)
3. Created an innovative Junior Counselor Program to mentor and motivate tweens (*Sustainability*)
4. Expanded active adult programming, including outdoor adventures and educational workshops (*Sustainability*)
5. Increased aquatic program participation; private swim lessons (61%) (*Sustainability*)
6. Implemented an exchange of services agreement with Swim Team 501c3 (*Sustainability*)
7. Fostered partnerships with Gulf Shores City Schools in an effort to share and maximize youth programs (*Economic, Geographic and Seasonal Diversification*)
8. Increased youth athletics by 180 participants (*Progressive Education*)
9. Increased active volunteer base by 34% (*Well-Organized Infrastructure*)
10. Offered Outdoor Adventure programming, including paddle, family camping and lagoon-based activities

Goals:

		2018	2019	2020
	Units	Actual	Budget	Target
Recreation Memberships	Each	6,491	6,800	6,800
Facility Visits	Each	369,909	390,000	390,000
Programs Offered	Each	441	441	441
Volunteers Recruited	Each	224	250	250
Citizens Satisfied w/ Services	%	n/a	85%	85%

Objectives:

1. Foster an equitable partnership with GS City School superintendent, coaches and programs (*Prosperity*)
2. Conduct a comprehensive Cultural Center facility inventory and needs assessment (*Community Planning*)
3. Expand sports ethics and safety training for parents and coaches (*Sustainability*)
4. Refurbish Bodenhamer pool deck and lobby area (*Enhance Sense of Place*)
5. Perform routine patron/participant surveys (*Prosperity*)
6. Continue to 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 2020 Budget

	2017	2018	2019	2020	% Change	2021
RECREATION	Actual	Actual	Amended	Council	2019 to	Projected
SPORTSPLEX			Budget	Adopted	2020	
Expenditure						
Personnel	628,201	646,179	721,414	739,132	2%	744,639
Operations	457,038	464,158	475,910	490,300	3%	475,910
Capital Outlay	205,304	44,162	148,000	95,000	-36%	0
Sportsplex Total	1,290,543	1,154,499	1,345,324	1,324,432	-2%	1,220,549

Sportsplex Personnel

	2017	2018	2019	2020
	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	1	1	1
Customer Service Rep	1	0	0	0
Recreation Assistants (PT)	2	1	0	0
Total Personnel	9	8	7	7

Major Accomplishments:

1. Awarded STMA Environmental Facility Certification (*Environmental Stewardship*)
(*Economic, Geographic and Seasonal Diversification*)
2. Increased concessions sales by 4% (*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:

		2018	2019	2020
	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	27	28	28
High School Games Hosted	Each	51	70	70

Objectives:

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

The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget

RECREATION	2017	2018	2019	2020	% Change	
PARKS	Actual	Actual	Amended Budget	Council Adopted	2019 to 2020	2021 Projected
Expenditures						
Personnel	318,766	433,163	398,736	409,849	3%	413,536
Operations	150,151	134,768	191,413	167,413	-13%	191,413
Capital Outlay	27,383	32,690	18,000	97,000	n/a	0
Parks Total	496,300	600,621	608,149	674,262	11%	604,949

Parks Personnel

	2017	2018	2019	2020
	Actual	Actual	Budget	Adopted
Positions				
Crew Leader	1	1	1	1
Crew Leader, Senior	1	1	1	1
Grounds Worker	4	4	4	4
Recreation Assistant (PT)	1	1	1	1
Total Personnel	7	7	7	7

Major Accomplishments:

1. Installed new Meyer Park Playground. *(Community Planning)*
2. Completed new Gulf Shores Dog Park expansion. *(Prosperity)*
3. Facilitated local and regional high school and collegiate athletic tournaments. *(Economic, Geographic & Seasonal Diversity)*
4. Implemented city-wide recycling efforts at all park properties. *(Environmental Stewardship)*

Goals:

		2018	2019	2020
	Units	Actual	Budget	Target
Parkland Maintained	Acres	118	125	125
Nat. Championships Hosted	Each	1	1	1
State Championships Hosted	Each	2	2	2
Tournaments Hosted	Each	27	28	28
High School Games Hosted	Each	51	70	70

Objectives:

1. Expand Park-wide recycling efforts. *(Environmental Stewardship)*
2. Review maintenance management plan. *(Sustainability)*

**The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget**

	2017	2018	2019	2020	% Change	2021
CITY SCHOOL BOARD	Actual	Actual	Amended Budget	Council Adopted	2019 to 2020	Projected
LANDSCAPING						
Expenditures						
Personnel	0	0	74,040	147,116	99%	126,706
Operations	0	0	7,622	55,022	622%	7,622
Capital Outlay	0	0	51,000	14,000	n/a	0
Parks Total	0	0	132,662	216,138	63%	134,328

Parks Personnel

	2017	2018	2019	2020
Positions	Actual	Actual	Amended Budget	Adopted
Landscape Crew Leader	0	0	1	1
Landscape Ground Worker	0	0	1	2
Total Personnel	0	0	2	3

Major Accomplishments:

1. Established Divisional Budget and hired personnel. *(Sustainability)*
2. Converted irrigation to 100% well water. *(Environmental Stewardship)*

Goals:

	Units	2018	2019	2020
		Actual	Budget	Target
Landscape Maintained	Acres	0	44	44
Wells Maintained	Each	0	3	3
Irrigation Systems	Each	0	3	3

Objectives:

1. Develop strong partnership with Gulf Shores City School maintenance staff
(Community Planning)
2. Review maintenance management plan *(Sustainability)*

The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget

CITY STORE	2017 Actual	2018 Actual	2019 Amended Budget	2020 Council Adopted	% Change 2019 to 2020	2021 Projected
Expenditures						
Personnel	69,010	79,244	97,839	104,566	7%	107,705
Operations	105,367	100,655	77,010	76,560	-1%	77,010
Capital Outlay	0	0	0	0	n/a	0
CITY STORE Total	174,377	179,899	174,849	181,126	4%	184,715

CITY STORE Personnel

	2017 Actual	2018 Actual	2019 Budget	2020 Adopted
Positions				
Retail Operator Coordinator	0	1	1	1
Program Assistant <20 hrs.week	0	3	3	3
Total Personnel	0	4	4	4

Major Accomplishments:

1. Greeted over 12,000 City Store visitors (*Enhance the sense of place*)
2. Increased counter sales by 7% and web-based sales by 4% (*Prosperity*)
3. Increased website visits by 10% (*Well-Organized Infrastructure*)

Goal:

		2018 Actual	2019 Budget	2020 Target
	Units			
On-Site Store Visits	Each	12,690	14,500	14,500
Sales - counter	Each	4,083	4,500	4,500
Sales - web-based	Each	137	200	200
Available Products	Each	104	110	110
City Store Website Visits	Each	9,480	14,000	14,000

Objectives:

1. Increase website sales through Amazon purchasing account (*Prosperity*)
2. Increase store revenues to offset expenses (*Sustainability*)

Public Works Department Functions:

Fiscal Year 2020 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, equipment and the City’s stormwater systems. Public Works is comprised of the Custodial, Landscaping, Maintenance, Streets and General Services.

The General Services Division oversees the daily operations of the Department, beachside trash and City-wide recycling programs and logistical support for large City-sponsored events. 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.

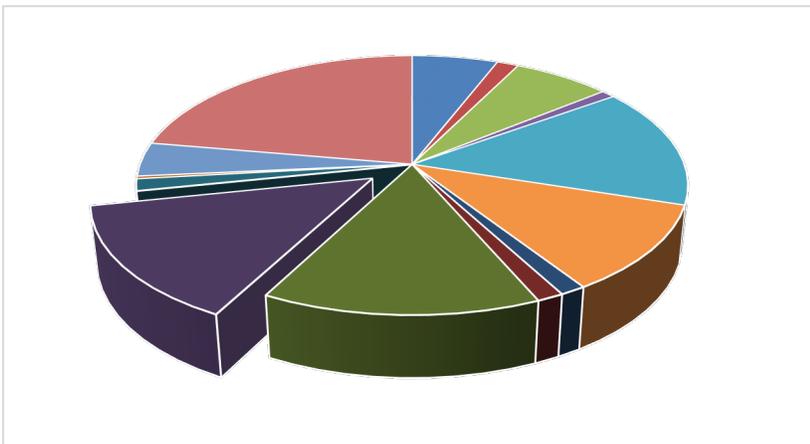
The Street Division's daily tasks include beachside trash/recycling collection, rights-of-way mowing, sign repair and maintenance, pothole repair, drainage maintenance, yard debris pickup, mosquito control, new culvert installations on single family residents, grading parking lots and dirt roads, litter 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 2020

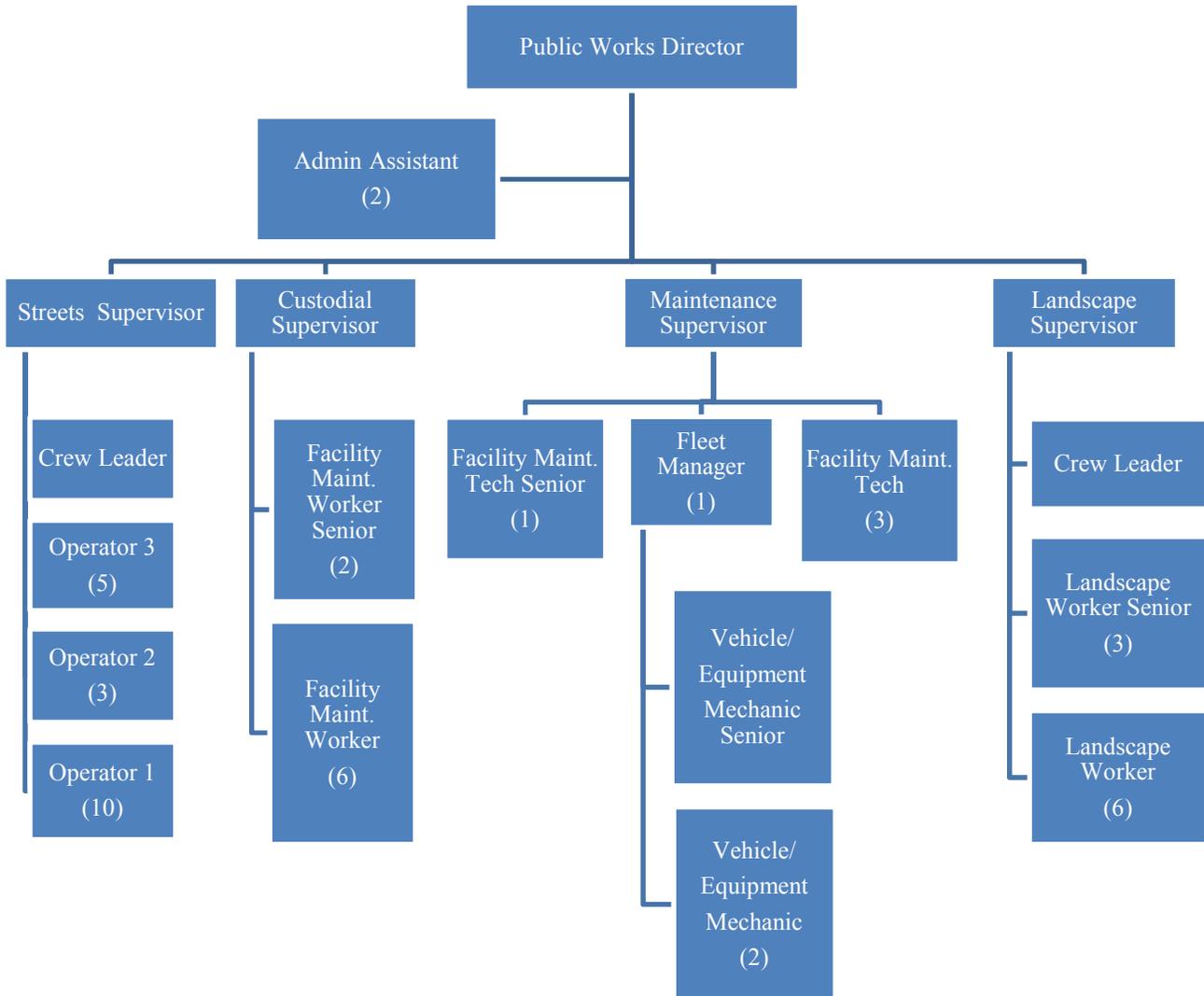
\$ 6,742,390

14% of General Government



General Government Expenditure Budget: \$47,774,825

PUBLIC WORKS ORGANIZATIONAL CHART



The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget

	2017	2018	2019	2020	% Change	2021
PUBLIC WORKS	Actual	Actual	Amended	Council	2019 to	Projected
GENERAL SERVICES			Budget	Adopted	2020	
Expenditures						
Personnel	669,135	700,530	820,579	384,944	-53%	393,333
Operations	49,931	49,771	63,300	13,550	-79%	13,550
Capital Outlay	0	0	36,000	0	0%	35,000
PW General Services Total	719,066	750,301	919,879	398,494	-57%	441,883

Public Works General Services Personnel

	2017	2018	2019	2020	
Positions	Actual	Actual	Budget	Adopted	
Director	1	1	1	1	
Assistant Director	1	1	1	0	
Inspector	1	1	1	0	Moved to Engineering
Administrative Analyst	0	0	0	1	
Administrative Assistant	3	3	3	2	1 Moved to Engineering
Administrative Assistant (PT)	1	1	1	0	Moved to Engineering
Courier	1	1	1	1	
Construction Mgr.	1	1	1	0	Moved to Engineering
Transportation Techs	1	1	2	0	Moved to Engineering
Total Personnel	10	10	11	5	

Major Accomplishments:

1. Worked with School Board/City Officials/Architect to renovate City Schools and improve traffic circulation.
2. Supported numerous sporting and entertainment events to ensure their success.
3. Worked with Architect/Engineer to complete Gulf Place Phase III Improvements project.
4. Expanded our recycling program to include Orange Beach to prevent regional recyclable materials from being disposed in a landfill.

Goals:	Units	2018	2019	2020
		Actual	Budget	Target
Materials Recycled	Tons	633	704	1,100
Streets Maintained	Miles	80.49	84.22	86.00
Special Events Support	Hours	9,000	9,200	9,400
Sidewalk Repairs	Linear Feet	160	480	500 New Item
Street Sweeping	Miles			New Item

Objectives:

To achieve Vision 2025 goals by the continued implementation of a sustainable recycling program and enhance the quality of life for residents by supporting community events and improved City maintenance.

The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget

	2017	2018	2019	2020	% Change	2021
PUBLIC WORKS	Actual	Actual	Amended Budget	Council Adopted	2019 to 2020	Projected
CUSTODIAL						
Expenditures						
Personnel	415,897	469,252	482,872	475,573	-2%	492,858
Operations	65,551	70,992	97,080	95,250	-2%	95,250
Capital Outlay	22,854	0	0	35,000	n/a	0
PW Custodial Total	504,302	540,244	579,952	605,823	4%	588,108

Public Works Custodial Personnel

	2017	2018	2019	2020
	Actual	Actual	Budget	Adopted
Positions				
Supervisor	1	1	1	1
Facility Maintenance Worker	6	6	6	6
Facility Maintenance Worker Sr	2	2	2	2
Total Personnel	9	9	9	9

Major Accomplishments:

1. Provide support for every City associated event ranging from sports, to Shrimp and music festivals.
2. All vacuums possess HEPA filtration, and are certified by the Carpet and Rug Institute.
3. All daily cleaners are dispensed through metered dosing systems, city-wide.
4. Greater than 40% reduction in paper towel consumption from 2018.

Goals:	Units	2018 Actual	2019 Budget	2020 Target
Reduced Paper Towel Usage	Cases	232	136	125
Reduced Disinfectant Chemical Usage	Gallons	130	116	90
City Events Supported	Each	34	78	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 2020 Budget

PUBLIC WORKS	2017	2018	2019	2020	% Change	2021
LANDSCAPE	Actual	Actual	Amended Budget	Council Adopted	2019 to 2020	Projected
Expenditures						
Personnel	658,617	740,415	693,442	719,825	4%	736,516
Operations	203,216	178,938	210,830	204,900	-3%	199,900
Capital Outlay	192,577	78,248	111,000	140,000	26%	0
PW Landscape Total	1,054,410	997,601	1,015,272	1,064,725	5%	936,416

Public Works Landscape Personnel

	2017	2018	2019	2020
	Actual	Actual	Budget	Adopted
Positions				
Supervisor-Horticulture	1	1	1	1
Crew Leader	1	1	1	1
Landscape Worker Senior	4	4	4	4
Landscape Worker	4	4	4	4
Total Personnel	10	10	10	10

Major Accomplishments:

1. Improved quality of life for residents and visitors by installing two miles of landscaped R-O-W along Hwy 182 in conjunction with the installation of irrigation in the medians, also the construction of a Sensory Garden for the handicapped & public at Sims Park.
2. Supported education by sponsoring the Green Industry/Environmental Science Academy at 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. Relocate Middle School Greenhouse to the Landscape Shop for growing annuals/ornamentals to be planted throughout the city.
5. Assist with the landscaping and tree maintenance/care for the startup of the new City school system.

Goals:	Units	2018 Actual	2019 Budget	2020 Target
Annuals Planted	Each	42,260	50,000	50,000
Multi-Use Trails Maintained	Miles	13.50	17.50	17.50
Landscape Beds Maintained	SF	121,380	123,000	123,000
New Trees Planted	Each	200	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, along with the development of an Urban & Community Forestry Management Plan for the care and maintenance of all trees throughout the city.
3. Develop a Tree Farm at the High School to support education through the Green Industry/Environmental Science Academy to educate students about Arboriculture and supply trees for the public.
4. Develop a compost & mulch program for the reuse of green waste collected through Public Works Department.

The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget

	2017	2018	2019	2020	% Change	2021
PUBLIC WORKS	Actual	Actual	Amended Budget	Council Adopted	2019 to 2020	Projected
STREETS						
Expenditures						
Personnel	1,130,891	1,129,743	1,443,587	1,424,756	-1%	1,453,485
Operations	857,229	995,790	1,128,500	1,260,500	12%	1,260,500
Capital Outlay	377,574	847,337	668,000	747,500	12%	912,510
PW Streets Total	2,365,694	2,972,870	3,240,087	3,432,756	6%	3,626,495

Public Works Streets Personnel

	2017	2018	2019	2020	
Positions	Actual	Actual	Budget	Adopted	
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. Support ALDOT with HWY 59 North , median and ROW improvements.
2. Assist completion of Gulf Place Phase III Revitalization.
3. East Canal ROW and drainage improvements.
4. Waterway West ROW, drainage and outfall improvements.
5. Pre-construction prep on school parking and drainage areas.

Goals:	Units	2018 Actual	2019 Budget	2020 Target
Drainage Ditches Cleaned	Linear Feet	32,500	53,000	70,000
Yard Debris Collected	Cubic Yards	27,714	35,000	40,000
Potholes Paved	Tons Asphalt	96	53	50
Mosquito Spraying	Acres	66,000	91,000	95,000
Sign Replacement	Each		1,410	1,450 New Item

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 2020 Budget

	2017	2018	2019	2020	% Change	2021
PUBLIC WORKS MAINTENANCE	Actual	Actual	Amended Budget	Council Adopted	2019 to 2020	Projected
Expenditures						
Personnel	674,320	663,522	686,092	703,692	3%	720,412
Operations	733,082	846,559	705,500	536,900	-24%	637,900
Capital Outlay	6,695	40,031	0	0	n/a	40,000
PW Maintenance Total	1,414,097	1,550,112	1,391,592	1,240,592	-11%	1,398,312

Public Works Maintenance Personnel

	2017	2018	2019	2020
Positions	Actual	Actual	Budget	Adopted
Supervisor Maintenance	1	1	1	1
Facility Maintenance Tech	3	3	3	3
Vehicle/Equipment Mechanic	2	2	2	2
Facility Maint Senior	1	1	1	1
Vehicle Maintenance Tech Sr	1	1	1	1
Fleet Manager	1	1	1	1
Total Personnel	9	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 a Freon reclamation unit to contain greenhouse gasses.

Goals:	Units	2018 Actual	2019 Budget	2020 Target
Energy Savings w/LED & Auto Switches	Dollars	12,048	33,000	33,000
LED Lights Installed	Each	513	1,000	1,000
Auto-Switches Installed	Each	27	60	60
Work Orders Completed	Each	1,602	1,800	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.

Engineering Department Functions:

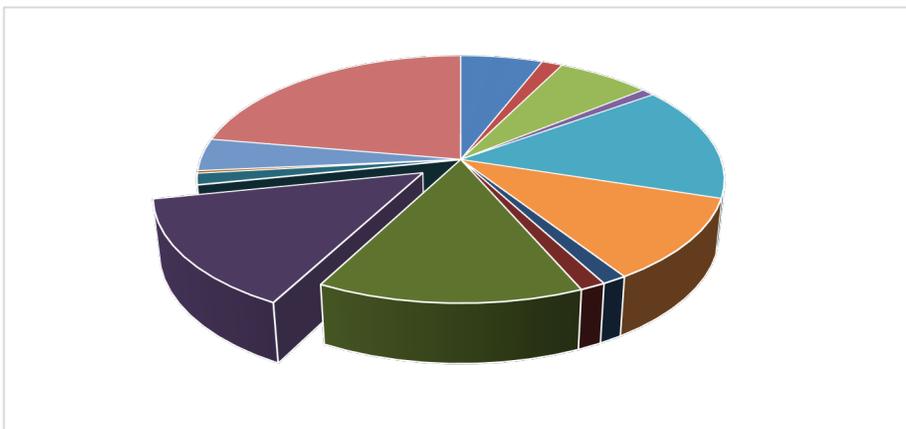
Fiscal Year 2020 Budget

The Engineering Department provides civil engineering services for the City, assists Community Development by providing engineering reviews and civil inspections for all commercial, multi-family and residential developments, administers municipal capital improvement projects, and maintains all of the traffic control systems within the corporate limits.

The Engineering Department develops short-term & long-term infrastructure improvements to keep up with growth, oversees beach renourishments, performs occasional in-house engineering design, provides civil engineering plan reviews for commercial, multi-family and residential developments, and administers Land Disturbing and Utility Permits. Engineering also develops and administers the City Franchises for commercial and residential waste. In addition, the administrative staff provides critical information to our citizens related to traffic, stormwater, trash collection, residential garbage collection, recycling and other utility information.

The Construction Division administers municipal capital improvement projects. Construction works with the City Engineer/officials/staff and residents to develop capital improvement projects and budgets for adoption in the 10-Year Capital Improvement Plan. Once adopted, Construction coordinates with architects/engineers/staff to develop plans/specifications, selects a contractor, and implements the project. During project construction, they oversee and administer all construction-related purchasing, invoicing, and inspections. Construction also provides inspections of commercial, multi-family and residential developments.

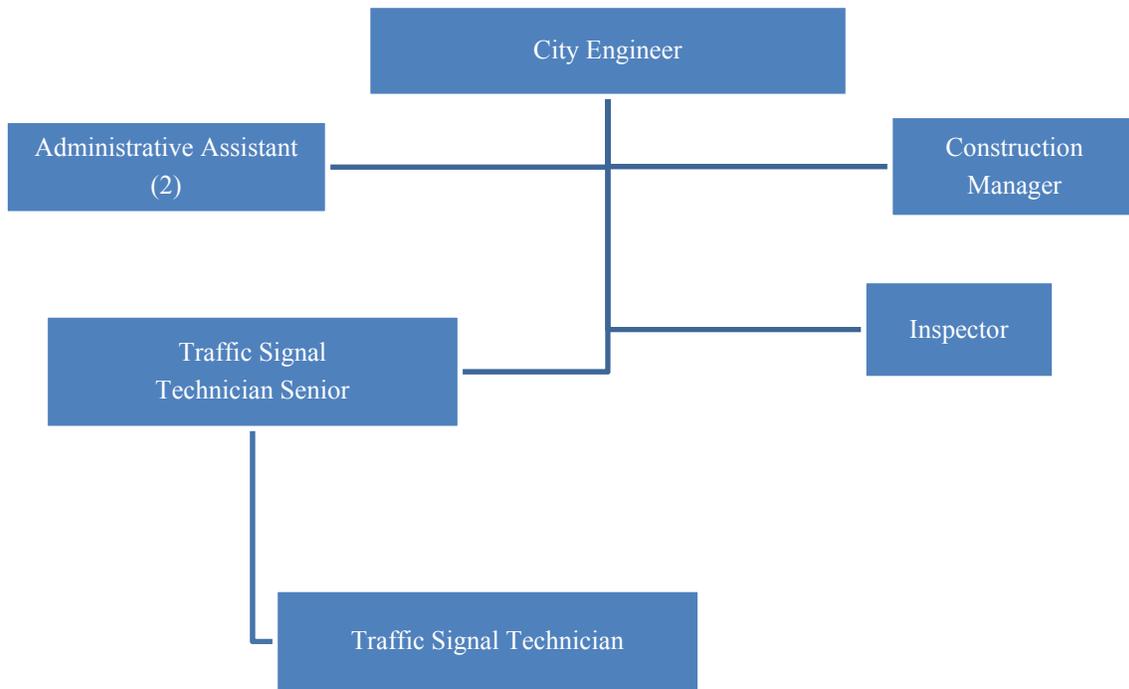
The Transportation Division maintains all of the traffic control systems within the corporate limits. They work with the City Engineer and ALDOT to calibrate and repair the numerous traffic control systems within the corporate limits to insure they operate at optimal efficiency. Transportation also provides critical traffic count and level of service data to the City Engineer to assist with infrastructure planning and economic development.



Expenditure Budget 2020
\$ 699,035
1.5% of General Government

General Government Expenditure Budget: \$47,774,825

ENGINEERING ORGANIZATIONAL CHART



**The City of Gulf Shores, Alabama
Fiscal Year 2020 Budget**

	2017	2018	2019	2020	% Change	2021
ENGINEERING	Actual	Actual	Amended Budget	Council Adopted	2019 to 2020	Projected
Expenditures						
Personnel	0	0	0	584,385	n/a	599,422
Operations	0	0	0	114,650	n/a	114,650
Capital Outlay	0	0	0	0	n/a	35,000
PW Engineering Total	0	0	0	699,035	n/a	749,072

Public Works Engineering Personnel

	2017	2018	2019	2020
Positions	Actual	Actual	Budget	Adopted
City Engineer	0	0	0	1
Inspector	0	0	0	1
Administrative Assistant	0	0	0	1
Administrative Assistant (PT)	0	0	0	1
Construction Mgr.	0	0	0	1
Transportation Techs	0	0	0	2
Total Personnel	0	0	0	7

Major Accomplishments: Division new in 2020; created from positions formerly in Public Works.

1. Worked with Traffic Consultant and City Staff to develop a comprehensive Transportation Plan through the year 2040.
2. Constructing Commerce Drive in Business and Aviation Park to support future Control Tower, Terminal and Economic Developments.
3. Resurfaced 1.5 miles of roadways and added bike lanes through the Wedgewood Community.
4. Completed Hwy 180 and trail improvements for Gulf Shores City Schools.
5. Completed Sidewalk and Signal Improvements for Hwy 182.

Goals:	Units	2018 Actual	2019 Budget	2020 Target
Transportation Improvements	Dollars	\$ 1,720,661	\$ 6,000,000	\$ 14,000,000
Sidewalks Constructed	Linear Feet	1,600	13,200	16,000
Streets Resurfaced	Miles	1.55	1.5	2

Objectives:

To achieve Vision 2025 goals by the continued implementation of transportation improvements and enhance the quality of life for residents through the construction of public facilities.

CITY OF GULF SHORES, ALABAMA
EXPENDITURES BY CATEGORY
PROJECTED BUDGET YEAR ENDING DECEMBER 31, 2021

Department	Personnel	Operations	Capital	Debt Service	Transfers	Total
General Fund:						
Executive	1,008,979	768,975	-			1,777,954
Human Resources	582,001	150,772				732,773
Finance & Administrative Services	1,513,227	1,608,821	40,000			3,162,048
Municipal Court	464,936	13,290				478,226
Police	6,026,970	999,050	1,326,000			8,352,020
Fire & EMS	4,648,178	728,188	-			5,376,366
Planning and Zoning	538,321	82,910				621,231
Building	575,775	51,150	42,000			668,925
Recreation & Cultural Affairs	385,138	41,962	-			427,100
Special Events & Programs	444,348	430,234	-			874,582
Library	581,565	99,495	-			681,060
Recreation - Bodenhamer	1,763,549	499,518	-			2,263,067
Recreation - Sportsplex	744,639	475,910	-			1,220,549
Recreation - Parks	413,536	191,413	-			604,949
Recreation - School Landscaping	126,706	7,622				134,328
City Store	107,705	77,010	-			184,715
Public Works - General Services	393,333	13,550	35,000			441,883
Public Works - Custodial	492,858	95,250	-			588,108
Public Works - Landscaping	736,516	199,900	-			936,416
Public Works - Streets	1,453,485	1,260,500	912,510			3,626,495
Public Works - Maintenance	720,412	637,900	40,000			1,398,312
Engineering	599,422	114,650	35,000			749,072
Airport Authority	157,033					157,033
Appropriations		2,232,500				2,232,500
Transfers Out					10,409,708	10,409,708
General Fund Totals	<u>24,478,630</u>	<u>10,780,570</u>	<u>2,430,510</u>	<u>0</u>	<u>10,409,708</u>	<u>48,099,418</u>
Other Funds:						
Special Revenue						
2% Lodging Tax - Transfer Out					3,572,429	3,572,429
Designated Taxes					528,000	528,000
Impact Fees			955,000			955,000
Beach Restoration & Projects	981,475	324,540				1,306,015
Capital Improvements-Fund 38 Trans			30,000			30,000
Storm Damage Fund			108,000			108,000
Capital Projects Taxable (Fund 42)		100,000	14,199,500			14,299,500
Capital Projects NonTax (Fund 43)			4,893,000			4,893,000
Debt Service**				6,815,099		6,815,099
Subtotal Other Funds	<u>981,475</u>	<u>424,540</u>	<u>20,185,500</u>	<u>6,815,099</u>	<u>4,100,429</u>	<u>32,507,043</u>
Grand Total	<u>25,460,105</u>	<u>11,205,110</u>	<u>22,616,010</u>	<u>6,815,099</u>	<u>14,510,137</u>	<u>80,606,461</u>

Forecast Summary:

Personnel expenses are projected to increase 2.9% from 2020 to 2021. Operating Expenses are projected to increase by 2.2% in 2021. Debt Service is projected to decline in 2021 by \$215,278. Capital expenses are projected to be \$23.9 million based on the 10 year capital plan, partially funded with borrowed funds.

Pages 102 and 103 contain the City of Gulf Shores Revenue, Expense and Reserve Funds usage projected from 2020 to 2029. Less than 1% growth on total revenues is projected for 2021 due to receipt in 2020 of one time grant revenues of approximately \$1 million. Four percent is projected for 2022 to 2023, and two percent is projected for 2024 to 2029. Expenses net of debt service are projected to grow at 2% to 3% through 2027. Debt service is estimated at between \$5.7 to \$7 million annually, which may increase depending on the amount of long term debt issued in 2021. Reserve targets are 70% cash reserves to be maintained through 2029. 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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Building permits issued	422	385	566	589	657	610	586	782	896	1,295
Building inspections conducted	1,065	1,016	1,263	1,570	1,951	2,172	2,337	3,098	3,914	6,246
Business Licenses issued	7,491	7,554	10,016	10,281	10,562	7,164	7,551	7,974	8,392	8,555
Police										
Physical arrests	1,423	1,394	1,527	1,387	1,602	1,280	1,510	2,048	1,879	1,831
Traffic violations	1,268	1,484	1,641	1,824	1,997	1,500	1,595	2,029	2,058	2,124
Officers	39	39	41	43	43	43	45	47	47	50
Fire										
Emergency responses	2,280	2,307	2,790	2,785	2,972	2,903	3,073	3,146	3,149	3,297
Fires extinguished	52	30	70	92	92	64	72	83	54	63
Inspections*	335	467	920	1,071	1,200	1,800	1,800	1,975	1,950	1,650
Full time staff	39	42	43	43	43	43	43	44	46	48
Volunteer Firefighters	17	8	8	8	8	8	8	10	4	0
Public Works										
Street resurfacing (linear feet)	-	19,380	-	-	10,560	3,455	12,270	8,200	8,100	5,510
Sidewalks (linear feet)								1,600	10,760	3,265
Bike Lanes (linear feet)**								780	2,800	40,800

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

**2018 includes improved bike lanes on Beach Boulevard

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

Function/Program	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	4	4	4	4	4	4	4	4	4	4
Parks and recreation										
Football/Track Stadium	1	1	1	1	1	1	1	1	1	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	3	3	5	5	5
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Gymnasium	1	1	1	1	2	2	2	2	2	2
Transit - minibusses	5	5	5	5	5	5	5	5	5	3
Public Works										
Maintained Streets (miles)	64	65.05	67.22	69.27	69.27	74	74	75.67	84.22	84.22
Traffic Signals	24	24	24	24	24	24	24	24	24	25
Streetlights	2,201	2,234	2,234	2,234	2,234	2,234	2,234	2,403	2,403	2,449

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
2017	11,809
2018	12,517

Per Capita Income

	1979	1989	1999	2010	2017
Gulf Shores	7,761	17,414	24,356	28,522	38,449
State of Alabama	5,894	11,486	18,189	22,984	25,746

Median Family Income

	1989	1999	2010	2017
Gulf Shores	34,257	51,862	45,801	50,227
State of Alabama	28,688	41,657	42,081	46,472

Source: United States Bureau of the Census Quick Facts

Schedule 4
Unemployment Rates

	<u>2013</u>	<u>2014</u>	<u>2016</u>	<u>2018</u>	<u>2019</u>
Baldwin County	5.80%	6.10%	5.40%	3.60%	3.10%
Alabama	6.44%	6.80%	5.98%	3.90%	3.40%

Source: Alabama Department of Labor - data not available for the City of Gulf Shores, only Baldwin County
Average unemployment estimates for 2019 ytd thru August

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

Top Ten		Total	Full-Time	Part-Time
<u>Rank</u>	<u>Employer</u>	<u>Employees</u>		
1	The Hangout	735	35	700
2	Hangout Music Festival	525	0	525
3	City of Gulf Shores	343	270	73
4	Waterville	330	20	310
5	LuLu's Landing, Inc.	320	225	95
6	Wal-Mart	275	275	0
7	The Lodge at the Gulf State Park	256	183	73
8	Gulf Shores Public Schools	223	216	7
9	Rouse's Enterprises	185	185	0
10	Publix Alabama	155	65	90

*Employee numbers as reported on City business licenses

Except City of Gulf Shores and City Schools which were obtained from respective HR departments.

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	Current Collections	Subsequent Collections	Total Collections	Percent Parcels Paid
2019	3,523,949	734,155,980	-	-	-	0%
2018	3,327,805	668,109,200	3,326,030	105	3,326,135	99.95%
2017	3,074,056	616,090,320	3,071,391	1,590	3,072,981	99.97%
2016	2,822,072	566,085,720	2,820,939	380	2,821,319	99.97%
2015	2,666,050	534,967,860	2,664,330	466	2,664,796	99.95%
2014	2,491,031	499,994,940	2,487,820	1,388	2,489,208	99.93%
2013	2,390,195	478,341,860	2,385,827	1,288	2,387,115	99.87%
2012	2,335,949	468,268,740	2,330,828	1,173	2,332,001	99.83%
2011	2,443,936	487,433,360	2,432,011	4,275	2,436,286	99.69%
2010	2,672,688	524,154,540	2,650,756	10,815	2,661,571	99.58%

	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

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

Taxpayer	2019			2009		
	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 UC Funds	\$ 9,198,400	1	1.25%			
Mid America Apartments LP	6,670,720	2	0.91%			
Baldwin Co Electric	6,004,820	3	0.82%	5,829,680	4	
RCG-Gulf Shores LLC	4,444,660	4	0.61%			
21300 Sweetwater LLC	3,136,880	5	0.43%			
Howard Resort Inns Inc	3,105,700	6	0.42%	2,307,780	10	
Villas at Bon Secour	2,901,060	7	0.40%			
Walmart Real Estate Business Trust	2,743,180	8	0.37%	3,154,960	7	
Waterville USA Inc	2,529,820	9	0.34%			
Beach Place Development LLC	2,518,820	10	0.34%			
The Links at Gulf Shores				7,620,120	1	
The Links at Gulf Shores LP				6,835,720	2	
San Carlos Condo Company LLC	-		-	6,067,320	3	0.95%
Seawind Development Co LLC	-		-	14,766,840	5	2.32%
SDC Eagles LLC				9,794,100		1.54%
Bon Secour Development LLC	-		-	2,348,260	8	0.37%
TA Colonial Traditions LLC				3,240,760	6	0.51%
Crystal Tower LLC				13,096,000		2.06%
Beach Place Development LLC				2,315,680	9	0.36%
	-		-			0.00%
						0.00%
Total Assessment (All GS)	\$ 734,155,980		5.89%	\$ 635,336,040		8.13%

Source: Baldwin County Revenue Commissioner's Office.

**CITY OF GULF SHORES
FINANCIAL POLICIES
NOVEMBER 2019**

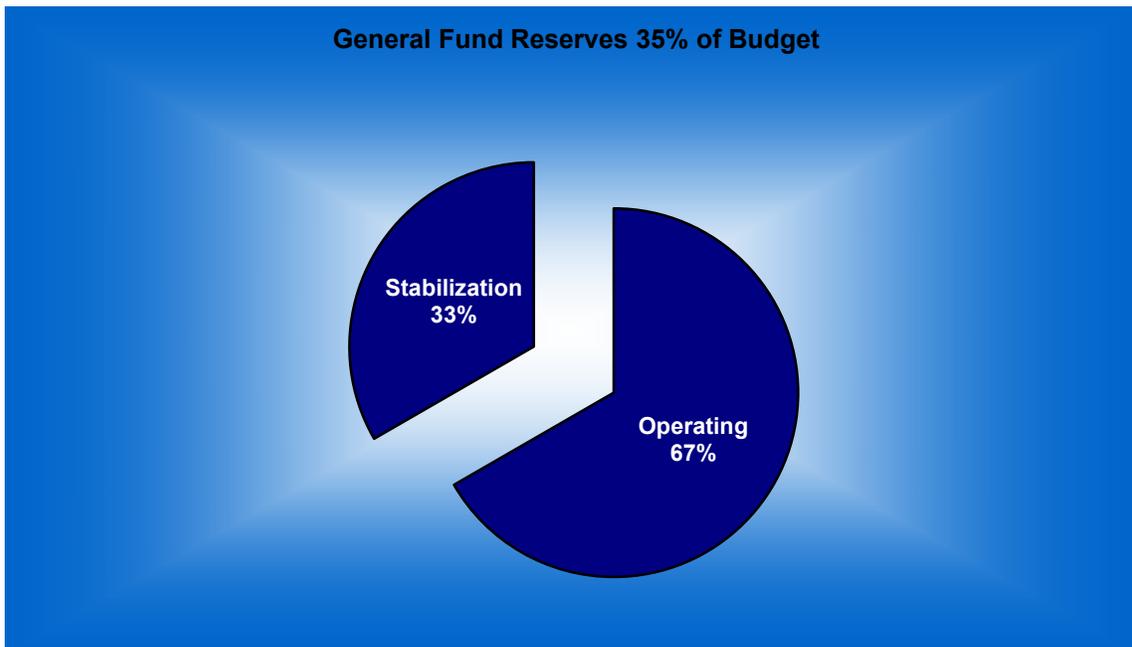
FINANCIAL PLANNING POLICIES

Fund Balance Reserve Account – Stabilization and Operating Funds

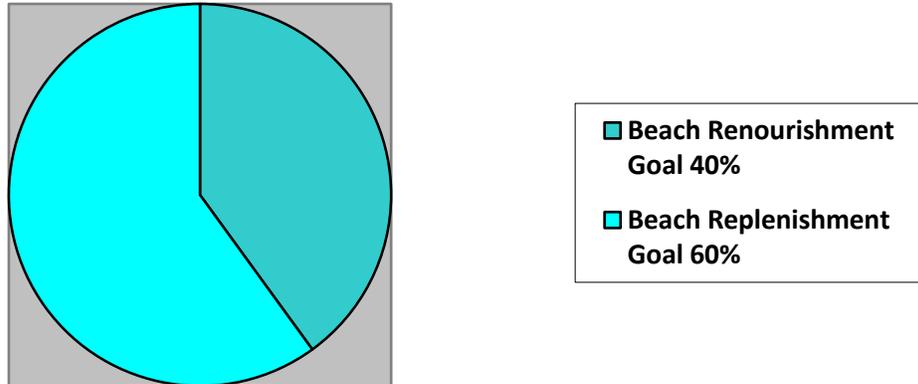
The City of Gulf Shores will build through prudent financial management a cash reserve equal to thirty-five percent of the General Fund Operating Budget. The General Fund Stabilization Reserve will enable the city to withstand fluctuations in tourism revenue streams related to the nearby travel industry 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 long term impacts of having Financial Policies are ability to withstand natural or man-made disasters, borrow for needed infrastructure repair/improvements at better rates and make the community a more attractive place to live and visit with adequate public safety personnel and equipment.

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 2020 the total General Fund Reserves target is \$16,721,189 equivalent to thirty-five percent of the \$47,774,825 budget. Operating reserves target for 2020 is \$11,136,312 (2/3 of target) and Stabilization Funds target is \$5,584,877 (1/3).

Beach Replenishment Reserve Fund target of thirty-five percent of the General Fund budget for 2020 would be \$16,721,189.



Beach Reserves Goal 35% of Budget



Operating/Capital Expenditure Accountability

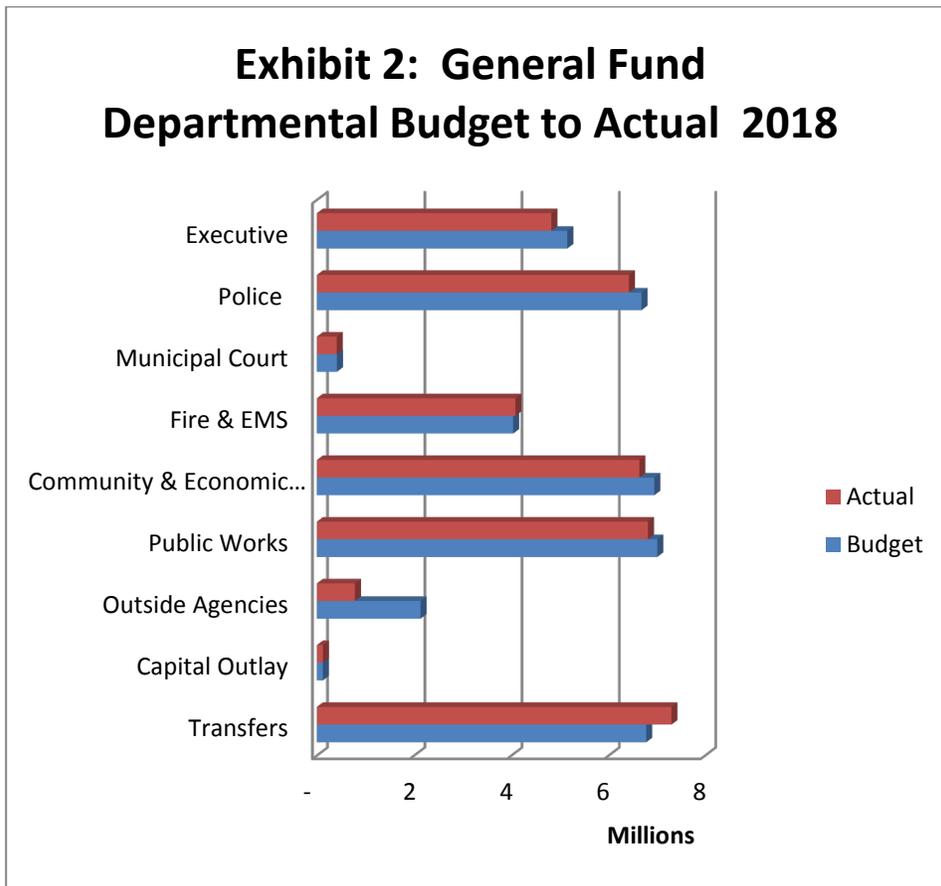
Actual expenditures to budget are compared on a monthly basis. The City Council Finance Committee receives a summary report quarterly of revenues and expenditures compared to budget and the City Administrator receives a detailed report monthly. Department heads are responsible for monitoring their own 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) 29% of expenditures; Operating Transfers for Debt Service at 20%; Public Works at 18%; Recreation and Cultural Affairs 17.7%; and City Hall (Executive, Human Resources, Finance and Administration) at 13%. Building and Planning and Zoning comprise 2% of General Fund expense. Capital Outlay comprise .3%.

The following table and graph are expenditures by category compared to budget for the most recent fiscal year end 2018.

General Fund Departmental Budget to Actual 2018

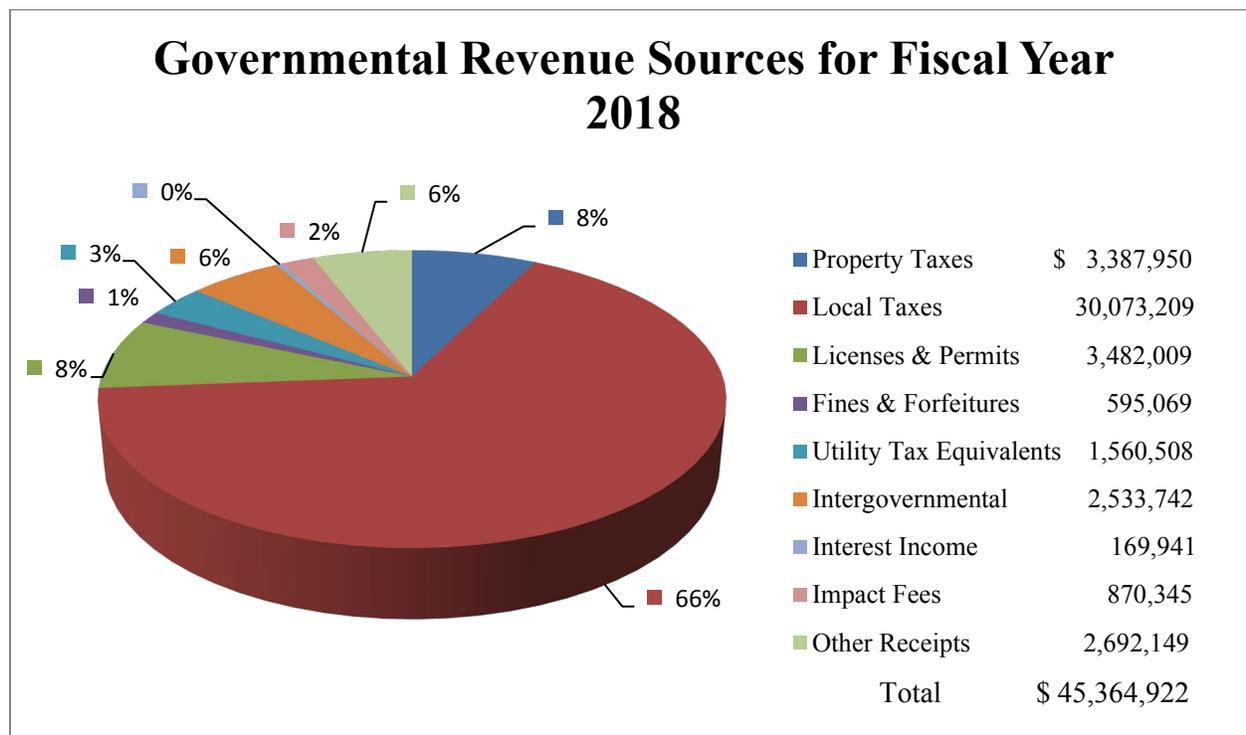
	<u>Budget</u>	<u>Actual</u>	<u>% of Total</u>
Transfers	6,776,411	7,299,619	20%
Capital Outlay	122,000	122,769	.3%
Outside Agencies	2,130,661	780,818	2%
Public Works	7,005,925	6,811,453	18%
Community & Economic Affairs	6,943,823	6,633,414	18%
Fire & EMS	4,034,912	4,081,253	11%
Municipal Court	411,344	407,106	1%
Police	6,677,360	6,417,317	17%
Executive	<u>5,148,443</u>	<u>4,820,400</u>	13%
Total	<u>39,250,879</u>	<u>37,374,149</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 2018. The City also had two proprietary fund type discretely presented component units: Jack Edwards Airport Fund and the Airport Authority are discretely presented component units of the primary government of the City of Gulf Shores. 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 expenditures 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 taxes to make such contract payments. For 2020 City debt service is budgeted at 8.3 % of total expenditures and 14.7% of General Fund expenditures.

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

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 have been recognized for the past several years. November 8, 2019 Moody's Rating Agency also provided a credit overview of the City stating the credit position for Gulf Shores is very strong, 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 three lines of credit consisting of a nontaxable \$9 million line issued in 2014 for four years (ends December, 2018), a taxable \$13.5 million line issued in 2016 for ten years, and a \$9.8 million line issued in 2019 for five years.

Debt Capacity

The 2010 Census established that the City's population exceeded 6,000, which means that the City is now subject to the debt limitation provisions of the Alabama Constitution applicable to municipalities with populations over 6,000. Section 225 of the Constitution of Alabama, as amended, excepts from the debt limit several categories of indebtedness, including: (i) temporary loans, to be paid in one year, made in anticipation of the collection of taxes and not exceeding one-fourth of the general revenues; (ii) bonds or other obligations already issued, or which may hereafter be issued, for the purpose of acquiring, providing or constructing school houses, waterworks and sewers; and (iii) obligations incurred and bonds issued for street or sidewalk improvements, where the costs of the same, in whole or in part, is to be assessed against the property abutting said improvements. Further, under existing law, the amount of any indebtedness chargeable against the constitutional debt limit is reduced by the amount of any escrow or sinking fund held for the payment of such indebtedness.

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 8/1/2019, was \$734,155,980 resulting in a debt limit of \$146,831,196.

The City’s total principal amount of long term indebtedness at December 31, 2019, will be \$63,499,930. Based on the debt limit of \$146,831,196, the City could hereafter issue up to approximately \$83,331,266 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 2017 population of the City of 11,809, the annual G.O. long term debt per capita for outstanding debt is \$6,451. 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 nine 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 2020 personnel expenses are budgeted at 49.8% 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.

Banking and Investment Policies

On February 27, 2019 the City of Gulf Shores adopted Banking and Investment Policies as follows to direct the financial affairs of the City of Gulf Shores, Alabama:

Scope of Policy:

This policy applies to all funds or financial resources which are vested under the responsibility of the City Council **ONLY**. These policies do not govern funds that are managed under separate City entities and those not under the privy of the Gulf Shores City Council.

BANKING POLICIES

It is the policy of the Gulf Shores City Council to appoint depositories for the safekeeping of public funds under its discretion and control.

Designation of Depositories:

Financial Institutions which are a “Qualified Public Depository” (QPD) in the Security for Alabama Funds Enhancement (SAFE) Program as defined in Title 41, Chapter 14A, Code of Alabama 1975, and are designated as eligible depositories for funds under the discretion and control of the Gulf Shores City Council.

Banking Services

Banking services covers day to day services that the City requires to conduct financial operations. This includes but not limited to: bank accounts for deposits and withdrawals, sweep accounts, on-line banking, direct deposit for payroll, timely bank statements, local accessibility to institution, etc.

Banking Services doesn't include funds available for investment and short or long term borrowing.

Certificates of Deposit

Certificate of Deposits (CD) are purchased with funds available for investment and will be bid on an ongoing basis **as maturities become available** among financial institutions that are a QPD in the Safe Program and participate in the quoting process. The City will seek, as it is able, to maintain deposits at various institutions in amounts not in excess of FDIC limits.

INVESTMENT POLICIES

It is the policy of the Gulf Shores City Council to invest public funds in a manner, which will obtain an optimal or reasonable rate of return while meeting the cash-flow demands of expenditures approved through the budgetary process. Also, this policy is intended to ensure adherence to all State and local statutes governing the investment of funds. This policy sets forth the investment program for the Gulf Shores City Council and the guidelines to be followed in achieving its objective.

Designation of Investment Management:

The authority to manage the investment program is derived from State statute, local law and these investment policies. Management responsibility for the investment program, including the selection of investments, and transfer and use of such funds for the purchase or deposit therefore is hereby delegated to the Finance and Administration Director.

Ethics and Conflict of Interest:

The Finance and Administration Director and other City employees that may be involved in the investment function shall refrain from personal activity that could conflict with the proper management of the investment program, or that could impair their ability to make impartial investment decisions. The Finance and Administration Director or other City employees involved in the investment program shall disclose to the City Council any material financial interest in financial institutions that conduct business with the City and shall further disclose any personal investment positions that could be related to the performance of the City of Gulf Shores. The Finance and Administration Director and any other employee of the City that is involved in the decision process of the investment program shall comply with the Code of Alabama, 1975, Title 36, Chapter 25. All individuals involved in the decision-making process shall file Statement of Economic Interest with The Alabama Ethics Commission.

Objectives:

The objectives of the Gulf Shores City Council's investment policy are as follows: protection of the principal, proper cash flow, and optimal rate of return on investment vehicles. The City's Investment Portfolio shall be maintained, keeping all three of these objectives in mind. All investment purchase decisions shall take into considerations these three objectives in each and every decision.

1. The Protection of Principal shall be the top objective in the City's investment program. Protection of principal shall be controlled by investing in those investments that are only authorized by State and local law, which constitute some of the safest type of securities available in the market place. Most importantly, market risk on principal due to maturity dates and interest rates must be the primary focus in determining the investment portfolio diversification.
2. Proper Cash Flow shall be based upon the cash needs as projected through cash management analysis and monitoring. An investment may be liquidated prior to maturity to meet unanticipated cash needs and to re-deploy resources into other investment vehicles expected to outperform the current holdings.
3. Optimal Returns on investments is the third objective once principal safeguards and projected cash needs are established. The investment portfolio shall contain those investments only authorized by State and local law. Such authorized investments shall be purchased with the highest yield available within the constraints outlined in Objective 1 and 2 outlined above.

Investment Strategies:

The Gulf Shores City Council generally invests funds with the intent to hold to maturity. Investment portfolios shall consist of investments that are based on State and local law and are consistent with the objectives outlined above. Funds designated for immediate expenditure shall be passively invested to allow for liquidity in order to pay for upcoming obligations. Funds that are available for obligations that are not immediate should be invested on a structured ladder basis dependent on market conditions. The City's investment program shall utilize investment strategies based upon the unique characteristics of certain fund types and individual funds (i.e. operational, special, capital, debt)

Due Professional Care:

Investments shall be made with professional judgment and due care that would be exhibited by a person of prudence, discretion and intelligence under the same prevailing circumstances. Investment portfolios should be based upon income production and not speculation.

Authorized Investments:

The Gulf Shores City Council's authority to invest City funds is granted under the Code of Alabama, 1975, Title 11, Chapter 81, Section 19 and Title 11, Chapter 81, Section 21.

Maximum Maturities:

No investment shall be purchased with maturity greater than three (3) years without direct prior approval of the Gulf Shores City Council.

Credit Quality

The City will seek investments guaranteed by the federal government and deposits in accordance with the SAFE program and within the limits of FDIC insurance when available. Any investments outside of these parameters must be approved by the City Council.

Standard Operations:

The Finance and Administration Director is responsible for overseeing the daily operations in relation to the management of the City's investment portfolio. The Finance and Administration Director may assign staff members to assist in managing the overall program. With the passage of each annual fiscal year budget, the Finance and Administration Director will establish an overall annual investment strategy based upon the City's current financial position and the established fiscal plan for the upcoming year. The Finance and Administration Director, on a monthly basis, will review the status of the investment program and its portfolio and determine whether changes are required in its overall annual plan due unanticipated changes in immediate or near future cash needs.

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 of other liability, in which payment of the original investment plus interest is guaranteed by a specified future date.

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

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

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

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

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.

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.

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.

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.