



**Fiscal Year 2019 Budget  
City of Alabaster, Alabama  
October 1, 2018 – September 30, 2019**

**City of Alabaster**  
Budget for Fiscal Year 2019

**Introductory Information**

Mayor, Council, & City Management .....	2
Organization of this Document .....	3
City Ward Map .....	4
City Organizational Chart .....	5
Mayor's Budget Message .....	6

**General Information**

Strategic Goals .....	12
Financial Policies .....	16
Description of Budgetary System .....	25
Budget Calendar.....	27
Financial Overview .....	28
Description of all Budgeted Funds.....	40
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance .....	42
Summary of Authorized Personnel .....	43

**General Fund**

General Fund Summary .....	45
General Fund – Changes in Fund Balance.....	46
General Fund – Trends in General Fund Revenues .....	47
General Fund – Summary of Revenue by Source.....	48
Trends in General Fund Expenditures by Department.....	49
Percentage of General Fund Expenditures by Department .....	50
Trends in General Fund Expenditures by Expenditure Category .....	51
Percentage of General Fund Expenditures by Expenditure Category.....	52
Comparative Budget Summaries for General Fund Departments	
Administration .....	53
Information Technology .....	55
Library .....	57
Police .....	59
Court .....	61
Fire .....	63
Public Works.....	65
Parks & Recreation .....	67
Finance.....	69
Elected Officials.....	71
Human Resources .....	73
Debt Service Budget Summary.....	75
Outside Agency Funding Summary.....	76
Transfer Summary .....	77

**City of Alabaster**  
Budget for Fiscal Year 2019

**Enterprise Funds**

Enterprise Funds Summary .....	79
Enterprise Funds - Changes in Net Position .....	80
Trends in Revenues, Expenses, and Changes in Net Position .....	81
Comparative Budget Summaries	
Sewer .....	82
Garbage .....	84

**Other Funds**

Other Funds Summary .....	87
Other Funds - Changes in Fund Balance .....	88
Trends in Revenues, Expenditures, and Changes in Fund Balances .....	89
Budget Summary .....	90

**Capital Plan**

Capital Plan Overview .....	92
Capital Plan Summary .....	93
Capital Improvement Plan Project Detail .....	97

**Reference Information**

Community Profile.....	100
Schedule of General Tax and Fee Rates .....	104
Property Tax Summary .....	105
Schedule of Utility Fees and Charges .....	106
Miscellaneous Statistical Data	
Demographic and Economic Statistics .....	107
Principal Revenue Remitters – Sales and Use Tax .....	108
Principal Revenue Remitters – Property Tax.....	109
Fund Balance of Governmental Funds .....	110
Ratios of Outstanding Debt by Type .....	112
Operating Indicators by Function and Program.....	114
Capital Asset Statistics by Function and Program.....	115
Components of Sales Tax Revenue .....	116
Principal Employers.....	118
Glossary of Terms and Acronyms .....	119



## INTRODUCTION

# **City of Alabaster**

## **Mayor**

Marty Handlon

## **City Council**

Ward 6 – Scott Brakefield, Council President

Ward 1 – Sophie Martin

Ward 2 – Rick Ellis

Ward 3 – Stacy Rakestraw

Ward 4 – Greg Farrell

Ward 5 – Russell Bedsole

Ward 7 – Kerri Pate

## **Management Team**

City Manager / City Clerk

Chief of Police

Fire Chief

Finance Director

Treasurer

City Engineer

Planning & Zoning Coordinator

Library Director

Clerk of Court

Public Works Director

Parks and Recreation Director

Human Resources Director

Environmental Services Director

Brian Binzer

Curtis Rigney

Tim Love

John Haggard

Marsha Massey

Brett Tucker

Sherri Proctor

Nan Abbott

Sandra Harika

Mark Harris

Tim Hamm

Candace Connell

Vacant

## Organization of this Document

This budget document is designed to provide the reader with a comprehensive guide to the City's fiscal plan for the upcoming year while also serving as a guiding document to City management and staff. To maintain transparency with the public, this information is provided, in full, via the City's website at: [www.cityofalabaster.com/392/Alabaster-Fiscal-Year-Budget-Information](http://www.cityofalabaster.com/392/Alabaster-Fiscal-Year-Budget-Information). The following provides a brief overview of the principal areas of the budget document:

**Introductory Information** – The initial section contains introductory information such as the city map, list of elected officials and City management, organizational chart, and the budget message from the Mayor, which provides the basic overview of the City's financial position and strategy for the upcoming year. This message concentrates primarily on the City's General Fund activities from a "big-picture" perspective. As the City's largest fund, the General Fund is where most of the City's departmental and non-departmental operations are recorded. By comparison, the City's Enterprise Funds, which account for business-type activities (sewer and solid waste services), are largely self-contained with rates set to finance the necessary ongoing activities of each fund.

The General Fund accounts for most of the City's resources as well as a diverse set of municipal activities that require numerous decisions to be made on the allocation of these resources. These resource allocation decisions are influenced by the priorities expressed by Alabaster citizens, City Council, the City Manager, and the Mayor. The budget message not only gives a brief overview of the City's financial position, but also explains how those priorities translate into spending and policy recommendations.

**General Information** – This section contains a description of everything that influences the budget process including a combined view of all budgeted funds. As the budget is guided by several policy and planning documents, this section contains the City's strategic planning summary, financial policies, a description of the budgetary system, summary of authorized personnel, and the *Financial Overview*, which gives a much more in-depth review of the City's resources and revenues, as well as debt.

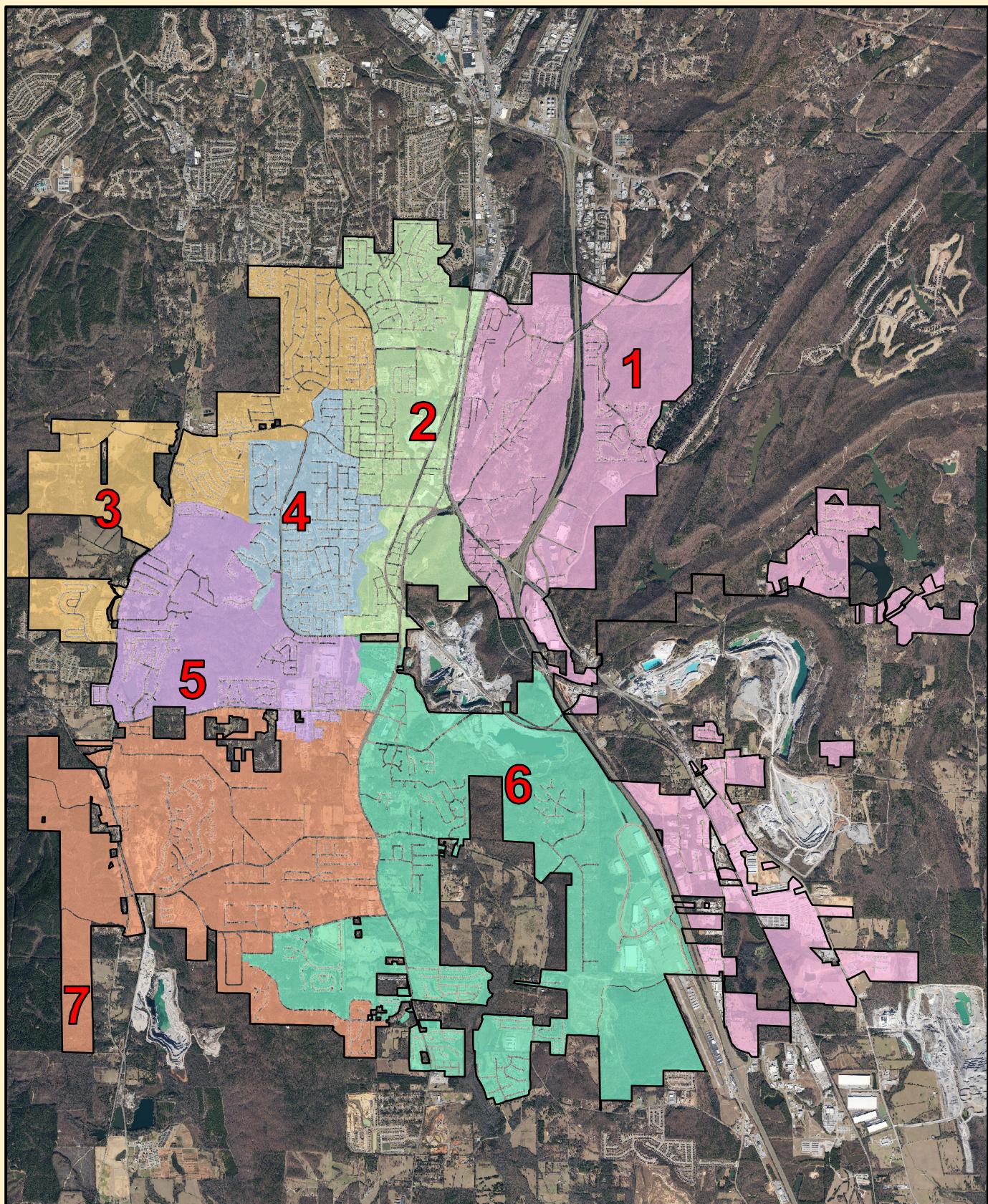
**General Fund** – This is the largest section of the document and it contains revenue projections and proposed departmental and non-departmental expenditures in various presentation formats at a high level of detail. This section breaks down all the various non-departmental expenditures such as debt service to provide a clear picture of where the City's resources are allocated in an easy to understand format.

**Enterprise Funds** – Enterprise fund activities encompass services which are paid through user fees, such as solid waste and sewer services. Since there is a very narrow set of activities within these funds, and the revenues are restricted to those activities only, the enterprise section stands somewhat independent from the rest of the document.

**Other Funds** – This section contains special revenue funds, the debt service fund, and the capital projects fund, which each have narrow, purpose-restricted revenues and expenditures.

**Capital Plan** – This section details the capital plans for each department for the next five years and provides details on certain long-term capital projects the City plans to undertake.

**Reference Information** – This section provides information such as a profile of the City, tax and fee information, various useful statistical data, and a glossary that defines various terms and acronyms used in the budget document that may be unfamiliar to readers.



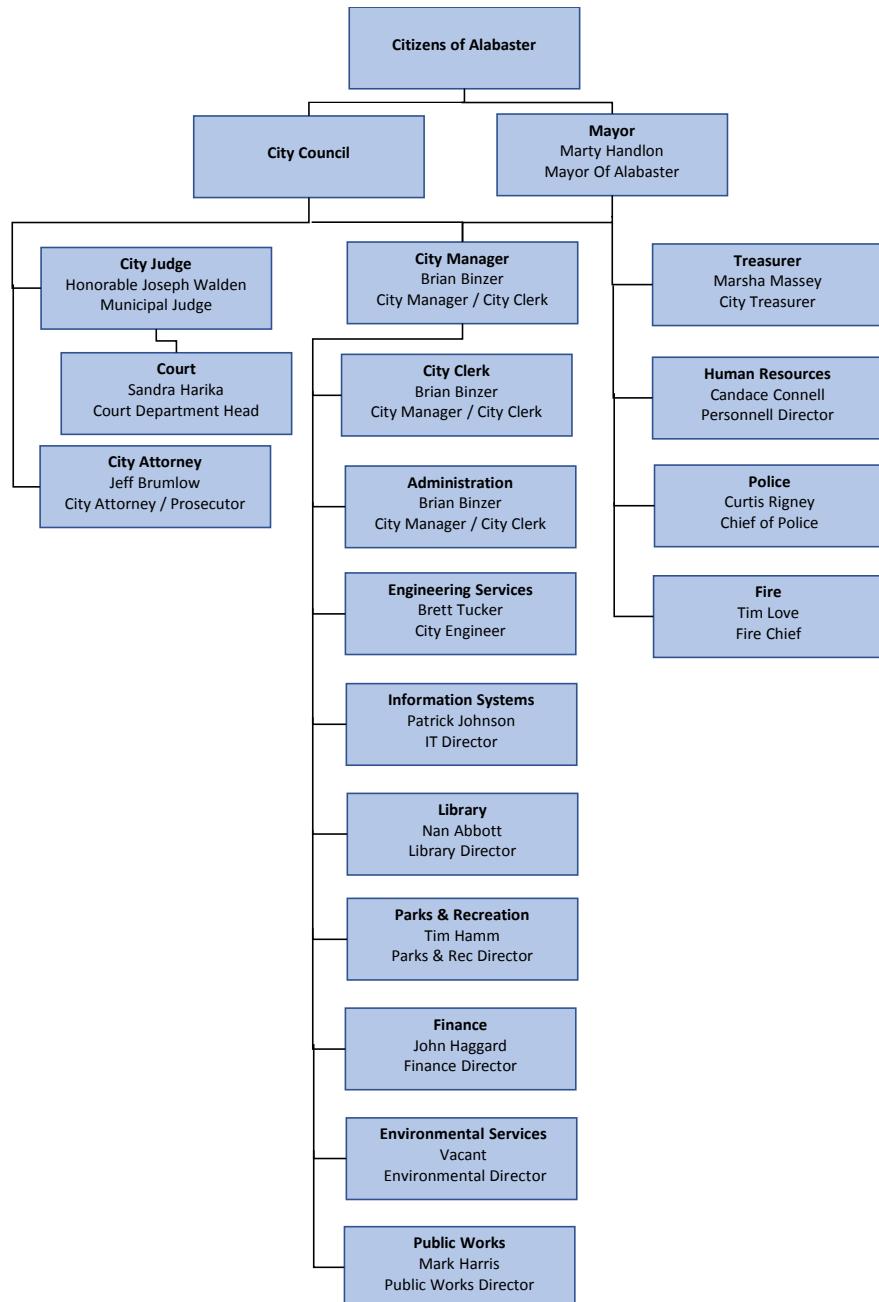
**Alabaster**

*"A City for Families, Planning for the Future"*

## Ward Map

0 0.25 0.5 1 1.5 2 Miles







**August 1, 2018**

Council Members  
City of Alabaster, Alabama

Dear Council:

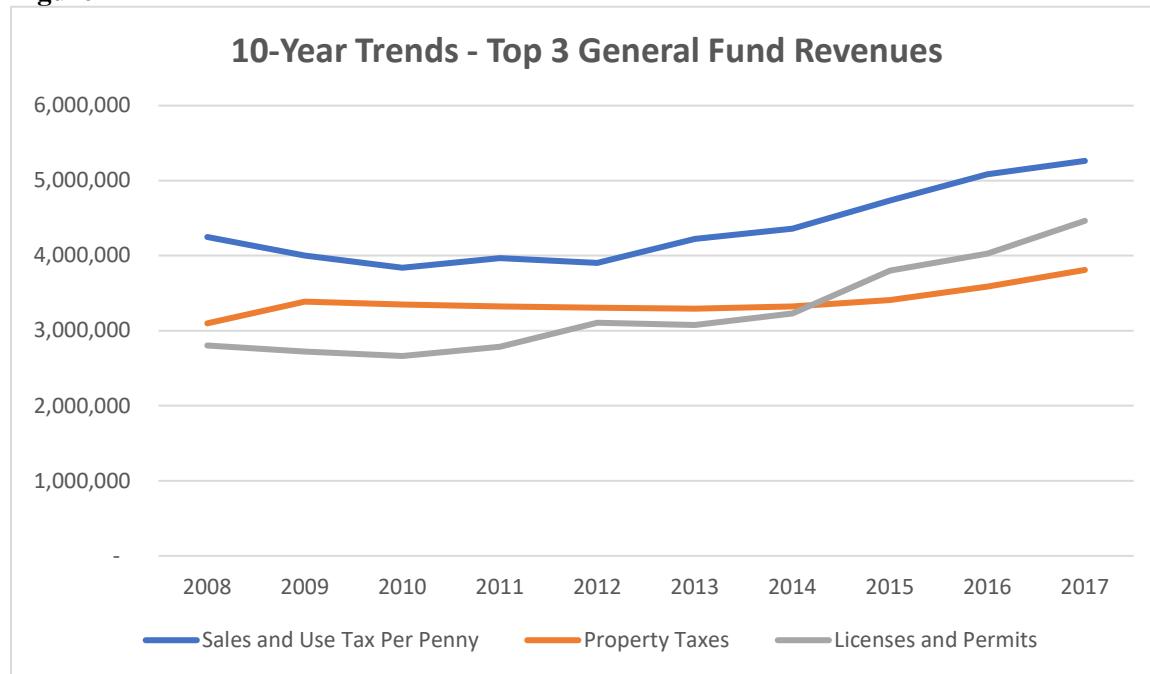
I am pleased to present the City of Alabaster's proposed budget for the 2019 fiscal year. Our focus remains on providing taxpayer value while continuing to deliver quality services. Therefore, the budget represents the continuing commitment of a municipal government dedicated to delivering superior services while striving towards excellence and efficiency.

Within this document you will see how the City's goals and objectives will be funded for the next fiscal year as well as the City's historically conservative management policies. As always, input from the citizens helps direct our budget development. It is my hope that this budget document clearly outlines our commitment to judiciously spend taxpayer resources in accordance with the desires and priorities of our residents and our City Council.

***Current Financial Status***

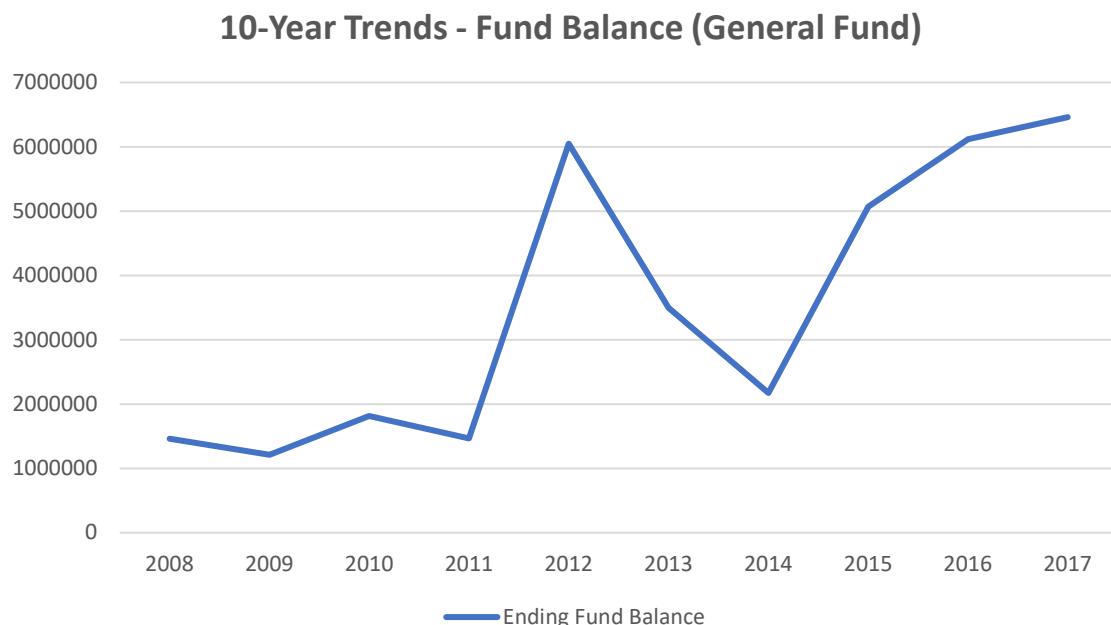
Revenues have continued to see growth over the past several years and the local economy appears to have recovered from the effects of the previous economic downturn. Total revenues to the City's General Fund finished \$1.6 million higher in 2017 than 2016. Sales and use tax receipts have continued to steadily increase since 2012 with overall sales and use tax revenues in fiscal year 2017 33% higher than fiscal year 2008. The average annual increases in sales and use tax over the prior 5 years (adjusted for the 1% increase) is equal to 7%.

**Figure 1**



Because of Alabaster's growing economy coupled with sound fiscal management by the City, the ending fund balance in the City's General Fund has grown significantly over the past 10 years, culminating in an all-time high ending fund balance for fiscal year 2017 of \$6,460,665, which is a 256% increase from fiscal year 2008. This provides a strong level of reserves for the City and the ability to fund significant capital projects using cash rather than by issuing long-term debt.

**Figure 2**



With a growing economy comes a growing service area, population, and demand for services. Alabaster continues to be the largest city entirely within Shelby County and the 16<sup>th</sup> largest city in the state with a population of 33,202 in 2017. According to the United States Census Bureau, Alabaster has experienced population growth of 9% since 2010 while the average growth for the State of Alabama during that same period was only 2%. More right-of-way to maintain, more children in our recreation programs, and a need to provide more services of all types continue to present a challenge for the City. Particularly, the Police buildings are all at capacity in older buildings that are not conducive to modern day police operations. In addition, the size of the City's workforce has not kept pace with the growing demand for services.

To continue our tradition of excellence and to maintain our current quality of life, the proposed budget reflects the issues noted above and seeks to address head-on the challenges that come with living in a growing and changing community.

## **FY2019 BUDGET STRATEGY**

### ***Revenues and Resources Outlook for the General Fund***

Revenues across all City funds continue to perform at or above expectation. As of June 2018, total revenues in the General Fund were up by \$1,724,019 (6.70%). Sales tax is up 2.25%, property tax is down 3.72% and business licenses are up 0.88%. In addition, the City has seen new revenue through the payments in lieu of tax. While revenues have continued to increase steadily, the City budgets conservatively and has not budgeted for aggressive revenue growth but instead for revenue to maintain current levels.

### ***Expenditures***

As we enter the next fiscal year, the City has many major initiatives underway. At the time the budget was developed, construction on the widening of Alabama State Route 119 was not yet underway. The City anticipates this project will cost the City an estimated \$4.0 million and when completed will dramatically improve the traffic flow along one of the City's major roadways. The City hopes that this improved traffic flow will have a significant positive impact on the quality of life for everyone who lives within the City. The City has also begun designing a Police Station with the hopes of beginning construction in the next fiscal year. These initiatives will have a significant impact on capital investments over the next several years, and as such will require a capital investment plan with enough flexibility to adapt as these plans are approved by staff, our residents, and City Council. The proposed budget considers these uncertainties along with identified needs.

The proposed FY2019 budget is designed to address citizen concerns and city priorities through the allocation of available funds to each department and fund within the City.

**School Funding** – The Alabaster City School System is one of the best in the State of Alabama and maintaining this level of excellence remains a high priority for the City. For the FY2019 budget the City will continue to fund the school system by providing 1 penny of all sales and use tax to the school board. The board of education opened a new world class Thompson High School in FY2018 and continues renovations of its other school buildings. The City understands that continued funding to the school board is vital to help them achieve their objectives in a timely manner.

**Public Safety** – The police division continues to occupy multiple buildings throughout the City that are outdated and over capacity. The City has determined that housing the police department in one facility is the best long-term solution for the City. The police department capital improvement plan includes funds for the construction of a new police station with construction slated to begin in FY2019.

In addition, the City's FY2019 budget proposes the addition of three new police officer position as well as funding for replacement of old Crown Victoria police vehicles with new Chevrolet Tahoes.

To allow the Fire Department to meet the continued demands of the department, the FY2019 budget calls for the addition of one new firefighter/paramedic position. In addition, funding for a new fire engine and new turnout gear is included in the budget.

**Parks and Recreation Facilities & Programs** – With record participation and a growing population, our Parks and Recreation facilities require continued maintenance and improvement to keep up with the demand of citizens. The Parks & Recreation capital plan calls for the replacement of playground equipment at each of the City's major parks over the next 5 years. In addition, funding has been increased for field maintenance and repair.

**Infrastructure Improvements** – To keep pace with our continued growth, the City will need to maintain a high level of capital investment in the City's infrastructure. The Proposed FY2019 budget includes \$100,000 for repairs along Alabaster Boulevard, and \$300,000 for general paving based on need, and \$900,000 to construct a second entrance into the Silver Creek subdivision. The Capital Projects Fund capital plan shows the City expects significant expenditure of funds to complete the State Route 119 widening in FY2019 and FY2020.

**Other City Services and Projects** – To meet the challenges of our continued growth we have several new and ongoing initiatives to help maintain the quality of services for citizens.

- The City will continue to invest in technology improvements. To better address the IT needs within the City, server upgrades of \$25,000 have been included in the budget.
- The City began providing its own garbage service in FY2018 after years of contracting with Advance Disposal for service. To maintain a high level of service, the City has budgeted for two new grapple trucks to assist with brush and debris pickup.
- The City entered into an agreement with Shelby County to extend Buck Creek Trail. The City will contribute \$10,000 towards this project during FY2019.
- The City continues to upfit sewer pump stations with backup pumps and other pump station upgrades to improve efficiency of wastewater treatment. In FY2019 the City has budgeted \$471,000 towards new pumps and pump station upgrades.

These are just a few of the initiatives our City will undertake in the upcoming budget year. I encourage you to read more about the proposed plans by examining each department's detail budgets and capital plans.

### ***In Closing...***

The residents of Alabaster expect superior service and accountability for their tax dollars. Therefore, the City has created a budget that provides high quality services in a manner that is cost-effective and respects the tax dollars we collect. Alabaster is a wonderful place to live and raise a family, and I believe that the services provided by the City are a primary contributor to the quality of life in Alabaster. This budget is the first step towards the City's continued success for the 2019 fiscal year.

There is a lot of work that goes into developing a budget; hundreds of accounts, facts, figures, and decisions. All that work put into this budget is essential towards determining the best use of the available resources. I am confident that this budget submitted for your consideration does just that and ensures Alabaster will be one of the best cities in the entire state to call home.

The staff and I appreciate the continued support of the City Council and the citizens we serve and welcome any questions you may have about the budget.

Sincerely,

*Marty Handlon*



## **GENERAL INFORMATION**

## **City of Alabaster** Strategic Goals

### **Comprehensive Plan Summary**

In March of 2016, the City Council adopted the Alabaster Forward comprehensive plan update (the Comprehensive Plan) to serve as a guide for long term planning and define the City's overall vision for growth and development. The Comprehensive Plan acknowledges that growth is inevitable and puts forward a basis for how the City should manage growth. The Comprehensive Plan is meant to be a living document that focuses on the City's physical development while articulating the City's vision and expectations for growth.

The Comprehensive Plan is divided up into five sections:

- 1) Introduction – This section includes the purpose of the plan, planning history in Alabaster, the legal foundation for planning in Alabama, and explains the relationship of the Comprehensive Plan to the zoning ordinance.
- 2) Vision and Goals – This section includes a high-level overview of the public involvement in the process along with the overall vision statement and Comprehensive Plan goals.
- 3) Future Land Use Plan – This section presents a future land use map which will guide the City's future zoning and land use decisions. It also includes a description of the future land use categories, along with other elements such as gateways, neighborhoods, commercial target areas, and priority redevelopment areas.
- 4) Policies and Actions – This section details the policies to address the Comprehensive Plan's vision and goals and the recommended actions or measures that need to be undertaken by the City and its partners to implement the policies.
- 5) Implementation – This section includes the detailed implementation matrix for the Comprehensive Plan's policies and actions. It also describes potential financing and investment tools as well as potential funding sources that could be used.

### **Comprehensive Plan Vision**

The vision statement outlined in the Comprehensive Plan is the following:

*We are Alabaster, Shelby County's premier community for families and businesses, striving for an even higher quality of life and a bright future.*

This vision statement provides an overall “big pictures” guidance for the entire Comprehensive Plan. All the goals and policies for the different elements of the Comprehensive Plan support the vision statement.

### **Comprehensive Plan Goals**

The Comprehensive Plan's goals seek to capture the overall community consensus of where the City is heading in the long-term. The Comprehensive Plan goals are the direct result of input received during the public involvement portion of the construction of the Comprehensive Plan. These goals further articulate the City's vision for the future and espouse the guiding ideas that the City should aspire to achieve in day-to-day operations. They are supported by the policies and recommendations in the Comprehensive Plan.

## **City of Alabaster**

### **Strategic Goals**

**(Continued)**

The six goals identified in the Comprehensive Plan are:

- 1) Create a greater sense of community identity and place.
- 2) Support a thriving business environment.
- 3) Improve land use and urban design.
- 4) Promote a healthy and safe living environment.
- 5) Develop and maintain strong multi-modal connections.
- 6) Provide quality government service through partnership and cooperation.

### **Policies and Actions**

The Comprehensive Plan outlines numerous policies and actions that align with the Comprehensive Plan vision and goals. A full list of the Comprehensive Plan policies and actions as well as the Comprehensive Plan implementation matrix can be found in the Comprehensive Plan executive summary available online at

[www.alabasterforward.com/uploads/1/4/4/7/14479416/alabaster\\_forward\\_executive\\_summary\\_20160322.pdf](http://www.alabasterforward.com/uploads/1/4/4/7/14479416/alabaster_forward_executive_summary_20160322.pdf).

### **2018 Comprehensive Plan Accomplishments**

#### ***Redevelopment***

One of the major accomplishments for 2018 was the adoption of a development plan for District 31 via City Council resolution 022618-D and the rezoning of certain property in Ordinance 180212-056. In fiscal year 2017, the City Council agreed to a tax incentive package to help bring a new development known as District 31 to Alabaster. The development will consist of many retail options and will help revitalize an area along Highway 31 identified as a potential redevelopment area in the Comprehensive Plan. The adoption of a development plan as well as the rezoning of property for the development was an effort undertaken by the City to ensure the project can move forward in a timely manner.

#### ***Public Safety***

In 2018 the City implanted one of the action items in the Comprehensive Plan by fully implementing an automated alert system for citizens. This system allows citizens to sign up for the different types of emergency and non-emergency notifications from the City. Citizens interested in participating in the service should go to <https://al-alabaster.civicplus.com/AlertCenter.aspx>.

The City continued to update and improve the fleets of both public safety divisions by purchasing 11 patrol vehicles for the police department and a new pumper truck for the fire department. The City also approved the purchase of new load bearing vests for the entire police department.

## **City of Alabaster**

### **Strategic Goals**

**(Continued)**

#### ***Civic and Cultural Development***

The Comprehensive Plan calls for developing a master plan for improvement of recreation facilities as well as the construction of a new Civic Center. In 2018, the City engaged Wood Environment & Infrastructure to develop a master plan for the municipal green space, Buck Creek Park, and Warrior Park. The City also engaged Barge Design Solutions to design a Civic Center.

#### ***Governmental Policies***

One of the action items identified in the Comprehensive Plan was to create a comprehensive GIS database for the City. The City took significant steps in 2018 to accomplish this by creating the position of GIS Director and hiring a qualified person for this position. In the coming years the GIS director will take the lead on developing the comprehensive GIS system the City needs.

#### ***Sewer Infrastructure***

The Comprehensive Plan outlines as an action item that the City should begin a replacement plan for obsolete sewer infrastructure. One step the City took towards this goal in 2018 was to purchase 9 backup pumps for our pump stations. The purchase of these pumps will provide redundancy of systems and reduce the number of man hours needed to address pump failures.

### **2019 Comprehensive Plan Priorities**

#### ***Civic and Cultural Development***

The primary focus in this area of the Comprehensive Plan for 2019 is the replacement of playground equipment and a new digital sign for the City's flagship park, Veterans Park. The City is budgeting \$30,000 for the new sign and \$25,000 for playground equipment replacement at Municipal Park. The City will also continue conducting a needs assessment for our parks and recreation facilities with the hopes of addressing those needs through the construction of a Civic Center in 2020.

#### ***Public Safety***

The primary focus in this area of the Comprehensive Plan for 2019 will be the construction of a Police Station. The City anticipates opening the new facility sometime in the 2020 fiscal year. The City will continue to invest in fleet upgrades and maintenance during 2019 to ensure our public servants are able to do their jobs at the highest level. The City has included funds in the 2019 budget for the purchase of seven patrol vehicles for the police department as well as the replacement of Engine 13 for our fire department.

#### ***Infrastructure & Transportation***

One of the action items outlined in the Comprehensive Plan is for the State Route 119 to be widened from County Road 26 (Fulton Springs Road) to County Road 80 (Mission Hills Road). The City has been working with the state and federal government to obtain funding and plan the project for the past few years. In 2019 the City hopes to take a big step forward on this project by funding the right-of-way acquisition needed to begin construction. The City has included in the budget \$1.6 million towards the project for the next fiscal year to help the project progress. In addition, the City has included funds to assist with ongoing paving and infrastructure needs throughout the City.

## **City of Alabaster**

### **Strategic Goals**

**(Continued)**

#### ***Land Use***

The City will continue to incentivize redevelopment in identified areas when opportunities present themselves. The major redevelopment the City is currently engaged in incentivizing is District 31. The City Council has agreed to an incentive package, has rezoned the area of the development, and has approved a development plan. The City will continue to work with the developer to formalize the agreement and address issues with hopes that construction can begin in 2019.

#### ***Public Facilities***

As outlined in the Capital Plan portion of this budget document, the City is committed to replacing aging public facilities. One major way they hope to accomplish this is through the construction of a new police station. The City is excited about upgrading the facilities for our police department and will continue to work towards the completion of this project in a timely manner and for a reasonable cost.

#### **2019 Short-Term Goals Impacting Budget Development**

The City has plans for significant long-term capital projects in the next 3 years. To prepare for these projects the City will continue to focus on building up its City Council reserve to help ensure the City maintains a high bond rating and to provide budget flexibility as those projects begin the construction phase. The City seeks to provide the same level of high-quality service to its citizens. Increased sales tax, lodging tax, and building permit fees have allowed us to maintain the level of service while also increasing contributions to the City Council reserve.

## **City of Alabaster**

### Financial Policies

#### **Overview**

The City of Alabaster (the City) establishes these financial policies to provide guidance to the City's management and staff in conducting the financial activities of the City. Financial policy statements provide broad guidance and are not intended to be a detailed statement of procedures to be performed. Separate policy and procedure manuals for specific, detailed processes exist separately and are distributed to applicable City employees as necessary. Financial policies are proposed by the management staff and are presented to the City Council for approval via adoption of a Council resolution. The financial policies may be amended from time to time, as conditions change or the need for additional policies is identified.

#### **Legal Compliance**

The City's financial activities shall be conducted in accordance with the provisions of relevant federal and State of Alabama laws and regulations. Examples of such legal requirements include regulations concerning the use of borrowed monies, regulations concerning financial disclosures, State bid law, and State law governing conflicts of interest. The City's financial activities shall also be conducted in compliance with City policies that have been approved by the City Council and/or the boards of the City's component unit.

#### **Generally Accepted Accounting Principles (GAAP)**

The City's financial activities shall be accounted for and reported on in accordance with generally accepted accounting principles established for local governments within the United States. At the time of the approval of these financial policies, the primary source for GAAP for local governments is the Governmental Accounting Standards Board (GASB). If legal requirements conflict with GAAP, the Finance Department shall account for and report the transactions in accordance with GAAP and maintain detailed subsidiary records as necessary to demonstrate legal compliance.

#### **Internal Controls**

A system of internal controls consists of all measures that management of an organization implements to protect assets from theft, loss, or misuse (both intentional and unintentional) and to ensure the accuracy of the financial statements. The management of the City is responsible for developing, monitoring, and maintaining a cost beneficial system of internal controls over all financial activities. The Finance Department shall fulfill this responsibility, under the direction of the City Manager and Mayor.

The Finance Department shall assess the effectiveness of existing internal controls and make recommendations to the City Manager or Mayor for improvements when necessary. If at any time the Finance Department identifies a significant weakness in internal controls, the deficiency shall be reported to the City Manager or Mayor immediately. The Finance Director is responsible for evaluating the results of changes made to internal controls to determine if these changes have strengthened internal controls and whether the benefit of these changes to internal controls outweigh the cost.

**City of Alabaster**  
Financial Policies  
(Continued)

### **Component Unit**

The Commercial Development Authority is a discretely presented component unit of the City. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Therefore, as much as is practical, the financial policies and accounting systems used for the component unit shall parallel the City's to ensure accurate and timely financial data is provided to government officials.

### **Financial Reporting**

#### *Annual Reports*

The City's Finance Department shall prepare and publish annual financial reports for the City as required by generally accepted accounting principles (GAAP). The City's annual financial report shall include all component units required to be included by GAAP. In addition to meeting GAAP reporting requirements as administered by the Governmental Accounting Standards Board (GASB), the annual financial reports published by the City shall be prepared in a spirit of full disclosure for the benefit of the citizens of Alabaster.

#### *Monthly Reports*

The City's Finance Department shall prepare and present to City Council monthly financial reports to demonstrate the budget status of revenues and expenditures, as well as the City's financial position at the end of each month.

#### *Interim Reports*

The Finance Department shall prepare such other financial reports as requested by the City Council, City Manager, Mayor or department heads. Requests for special financial reports shall be made directly to the Finance Director. If department heads request reports that are available from the City's financial management software, the Finance Director will train the department head or selected department staff on generating such reports.

### **Funds Structure**

The City shall use the fund basis of accounting as prescribed by GAAP. Within the fund structure requirements prescribed by GAAP, the City shall maintain the smallest number of funds as allowed to increase efficiency and clarity of financial processes. If grant agreements state that separate funds are required, the Finance Department shall inquire of the grantor to determine whether separate accounting within an existing funds may be used to meet the requirements of the grant agreement. City Council approval shall be required to open or close any City fund. Council approval of any borrowing shall be deemed approval to open a fund to account for receipt and expenditure of the borrowing proceeds.

### **Interfund Transactions**

Any significant interfund transaction that is not authorized by the budget shall be documented as to the amount and purpose and approved by the City Manager or Mayor. Significant interfund transactions are defined as any transfer of money between funds \$5,000 or greater. The documentation shall include a statement of whether the transferred amount is intended to be repaid and the repayment timeframe.

**City of Alabaster**  
Financial Policies  
(Continued)

## **Fund Balance and Net Position**

### *General Policies for Fund Balances and Net Position*

It is the City's policy that all funds shall have a positive fund balance or net position. In developing the proposed budget and any budget amendments, City staff shall not propose revenue projections and budgeted expenditures that would result in a deficit fund balance or net position for any fund. If any City fund other than General Fund should have a deficit fund balance or net position at fiscal year-end, the City's General Fund shall extend a short-term loan to such fund and the City's Treasurer shall determine how to address the deficit as expeditiously as possible.

### *General Fund*

The fund balance goal for the City's General Fund shall be 15% of the City's expenditures from the most recently available audited financial statements. The 15% goal applies to the total fund balance, including all reservations and designations of the General Fund. This goal is established in recognition that Alabama's tax structure is such that a significant amount of the General Funds total revenues is derived from a single source, sales tax, and that sales tax is a revenue source which is highly sensitive to general and local economic conditions. This fund balance goal is a goal and is not intended to be a legal requirement. There may be economic conditions under which attainment of this goal is not possible.

## **Cash Management**

The Treasurer shall be responsible for managing the City's cash in compliance with State law and applicable federal regulations. The Treasurer shall monitor cash balances to ensure that balances are adequate to provide for all anticipated cash disbursements. Any concerns about the adequacy of cash balances shall be reported to the City Manager or Mayor immediately.

The City Council shall authorize the depositories into which City funds may be deposited; this authorization shall be documented in a Council resolution, duly adopted during a regularly scheduled City Council meeting. However, if a depository that has been authorized by the Council fails to meet criteria for such depositories imposed by State law, the Treasurer shall not maintain City accounts therein until the depository meets State requirements. When significant, non-routine deposits or withdrawals of City funds are anticipated, the Treasurer shall notify the affected depository in advance to ensure that collateralization requirements are satisfied.

Demand deposit accounts shall be reconciled monthly. Each bank account reconciliation shall be reviewed and approved in a timely manner by an appropriate management-level staff member. Such review shall be documented in writing and dated. Reconciling items will be reviewed from month-to-month for reasonableness. Unusual and continuing reconciling items shall be promptly investigated.

## **Investments**

City funds shall be invested in accordance with State law. Priorities for City investments shall be legal compliance, liquidity, and safety of the investment. The Treasurer shall be responsible for investment of City funds, even though specific investment duties may be delegated to other staff members. Investment income shall be allocated among City funds based on the allocation of monies that comprise the investment.

**City of Alabaster**  
Financial Policies  
(Continued)

### **Accounts Receivable**

Monies due to the City for which amounts are calculable shall be billed promptly and monitored continuously by the appropriate City staff members. Collection efforts for delinquent balances shall begin with a reasonably timed, courteous reminder and shall progress to more rigorous collection procedures which may include use of collection agencies, citations, liens against real property, and all other legal actions as deemed appropriate by the Finance Director in consultation with the City Attorney. All collection efforts shall be conducted in a legally compliant, professional, and equitable manner. The extent of collection efforts shall, however, recognize the inherent costs of collection, and the Finance Department is authorized to establish a *de minimis* delinquent account balance below which only a minimum of collection effort will be employed.

In the case of City licenses, fees, and taxes which are based on amounts self-reported by taxpayers and which are unknown to the City until tax returns are filed, the Finance Department shall endeavor to collect delinquencies for failure to file tax returns and pay the related taxes and license fees as provided by the City's license fee and tax ordinances, including the business license ordinance, and in accordance with the procedural requirements of the Municipal Court. The Finance Director may choose to waive failure to file and failure to pay penalties when deemed appropriate in extenuating circumstances, but under State law, may not waive interest calculated on late payments under any circumstances.

To encourage compliance and facilitate payment of delinquencies, the Finance Department may choose to enter into a payment agreement for delinquent taxes and licenses that can extend no longer than one calendar year from the date of the agreement. Payment agreements must be documented in writing, signed by the taxpayer, a revenue official, and the Finance Director. In addition, all payment agreements must be notarized.

### **Inventories (non-capital)**

Inventories of materials and supplies shall be controlled through the use of physical controls and inventory procedures that account for the receipt and issuance of inventory items. Periodic counts of inventory items should be completed by staff members at a minimum of once annually. Inventory items that are issued for use on a project that are not used for completing the work shall be returned to inventory and the amount of returned materials shall be documented. Commodities in inventory that are no longer usable shall be disposed of properly and recorded in accordance with GAAP. The disposal of surplus inventory items shall be approved by the appropriate department head. Any resources received on the disposal of surplus assets shall be returned to the fund which owned the surplus assets at the time of disposal.

The Finance Department is responsible for designing procedures and documents to account for all receipts and issuances of inventories, as well as for periodic physical counts of inventories on hand for all City departments. In developing inventory control procedures, the materiality of the cost of the inventory items will be considered together with the costs of implementing the control procedures. It is expected that inventory control procedures will be cost-beneficial. The operational requirements of the departments that maintain commodities inventories will be taken into consideration in the development of inventory control procedures.

In the event that material inventory losses are detected, such losses shall be reported to the appropriate department head, the Finance Director, Mayor and the City Manager. Inventory losses shall be accounted for in accordance with GAAP. Each material loss of inventory items shall be analyzed to determine if the

**City of Alabaster**  
Financial Policies  
(Continued)

loss could have been prevented through stronger internal controls. Stronger controls shall be implemented if an evaluation of the improved controls projects that such would be cost-beneficial.

### **Capital Assets**

The City shall account for its capital assets, including infrastructure assets, in accordance with GAAP as administered by GASB. All items meeting the definition of capital assets and having a cost greater than \$5,000 and an expected useful life greater than three years shall be accounted for as capital assets. The City shall maintain a detailed listing of capital assets that identifies the cost and location of each capital asset. For capital assets whose historical cost is unknown, an estimated cost shall be developed as provided by GAAP.

Department heads shall be responsible for all capital assets assigned to their respective departments. Transfers of capital assets from one department or division to another shall be reported to the Finance Department immediately upon transfer. Missing and surplus capital assets shall be reported to the Finance Department. Surplus capital assets shall be disposed of in accordance with State law and optimize City resources. All surplus of capital assets shall be approved of by City Council prior to disposal of the capital asset. Department heads are responsible for maintaining a list of items for surplus for their respective department. Surplus requests should be submitted to the City Clerk's office in a timely manner to allow their inclusion on the agenda of a regularly scheduled City Council meeting.

### **Accounts Payable**

The City shall record all obligations of funds prior to the issuance of orders for goods and services, to ensure effective budgetary control over expenditures. The City shall pay all legal obligations promptly upon the receipt of original billings which have been generated by the party providing the goods or performing the service. The Finance Department shall maintain documentation of all City payments in an easily retrievable manner to facilitate the resolution of accounts payable issues as well as the completion of the City's annual audit. The Finance Department is responsible for developing detailed procedures and deadlines for the processing of the City's accounts payable, and for providing training to City staff concerning accounts payable procedures and for notifying City staff of accounts payable deadlines.

### **Auditing Services**

Consistent with Alabama Code 11-43-85, the Mayor shall engage an independent auditor to perform a financial statement audit in accordance with generally accepted accounting principles (GAAP). At least every 3 years, the Mayor shall interview prospective candidates to ensure the City is receiving auditing services from a competent firm at a competitive price.

### **Revenue Administration**

The City shall administer its ordinances concerning and directly collect all taxes, license fees and other revenues as allowed under State law. The Finance Department shall maintain a taxpayer database which documents the collection of such revenues and enables the prosecution of delinquent taxpayers as provided under State law and City ordinances. All revenue administration processes shall be performed in an equitable manner and all taxpayers shall be treated without discrimination. Procedures shall be established to preserve and protect the confidentiality of taxpayer information as required by State law. Taxpayer audits shall be selected by the Chief Revenue Examiner based on the results of analytical review of taxpayer data, the need to verify the validity of a refund request, credible evidence of taxpayer non-compliance, or by random selection.

**City of Alabaster**  
Financial Policies  
(Continued)

The Finance Department shall conduct a revenue review at least once every four years. The purposes of the Revenue Review are to evaluate the City's tax structure and consider recommendations for revisions therein based on changes in economic conditions and revenue trends; and to evaluate the City's revenue ordinances to determine the need for revision based on changes in circumstances and the identification of procedures in need of improvement. Financial projections shall be used as part of the Revenue Review process to assist in the evaluation of the need for changes in revenue rates. Revenue reviews may be done more frequently than every four years as deemed necessary by the Finance Department or at the request of City Council. This policy is not intended to restrict the consideration of changes in tax structure or revenue administration procedures to the revenue review. It is intended to ensure that an overall review of the revenue structure and revenue administration procedures is done once every four years.

### **Purchasing**

All City purchasing activities shall be conducted in accordance with State law governing municipal purchases. Such activities include the maintenance of bidders' lists, the issuance of bid invitations, the receipt and opening of sealed bids, and the awarding of bid contracts. The City Clerk shall be responsible for managing the issuance of bid invitations and the opening of sealed bids, except for bids wherein the preparation of project specifications, the issuance of the bid invitations and the opening of sealed bids shall be conducted by an architectural, engineering or other specialized consulting firm. In such exceptional circumstances, the City Clerk shall be notified by the department head prior to the issuance of the bid invitations and the City Clerk shall review and approve the bid invitation documents and bidders list prior to the issuance of the bid invitations by the consultant. The purchase of any item with a cost of the State bid law minimum (currently \$15,000) or more, if included in the approved budget, shall be placed upon the City Council agenda for Council consideration. The agenda item shall state whether or not bids were taken and if so, the results of those bids. The agenda item shall also state whether or not the item is budgeted and for items proposed to Council for purchase

that are not budgeted, the department requesting approval of the purchase shall state whether the purchase can be absorbed in the department's approved budget. In the event that a contract change order is proposed in which the change order amount is an increase in the contract of 10% or more of the original contract amount or in which the change order amount is an increase in the contract price of more than the State Public Works Project bid law amount (currently \$50,000), the change order shall be submitted to the City Council for approval. This policy shall also apply to change orders that in themselves do not constitute 10% of the original contract amount or an amount greater than the State Public Works Project bid law amount, but which, when combined with all previous change orders to that contract, produces a dollar amount that exceeds either of these thresholds (10% of the original contract amount or the State Public Works Project bid law amount).

### **Debt Management**

The City's annual revenues typically are not adequate to finance all the expenditures proposed to and approved by the Council. The acquisition or construction of capital assets benefit the citizens for the long term and generally have significant costs; therefore, it is reasonable to spread the cost of such expenditures over more than one year. Borrowing is the mechanism through which the City is able to allocate the costs of large purchases so their costs can be paid from the revenues of several years. The City must weigh the benefits of these larger purchases against the costs of borrowing, which include principal, interest, issuance costs, and administrative costs.

**City of Alabaster**  
Financial Policies  
(Continued)

The City shall strive to maintain conservative policies for managing the City's level of outstanding indebtedness and annual expenditures for debt repayments, as follows:

- All debt issuances will be accomplished in compliance with federal regulations, State law, City ordinances and all other applicable legislation.
- The City will engage a competent and reputable attorney specializing in municipal financing in the State of Alabama and will employ specialized attorneys as necessary for special financing arrangements.
- The City will engage a competent and reputable bond underwriter specializing in municipal financing in the State of Alabama.
- City debt will be issued only to finance the acquisition or construction of capital assets, to purchase land for future City use, or for economic development purposes. Annual operating costs, including costs of employees' personal services, will be financed from current revenues or fund equities.
- The repayment periods for long term debt issuances will not be extended beyond the expected useful life of the capital asset being acquired or the expected life of the economic development project. Debt repayment periods will be as short as feasibly possible in order to minimize interest costs and maximize flexibility for future financial planning. Financial projections shall be used to evaluate the appropriate repayment period for individual borrowings.
- If the impact of significant capital outlays proposed to be budgeted on projected ending fund equities will cause fund equity to be less than 15% of annual budgeted expenditures, other financing sources (proceeds of long term debt) for specified significant capital outlays will be considered for inclusion in the proposed budget in order to maintain fund balance at an acceptable level. Financial projections shall be used to evaluate the effect of the repayment of such proposed borrowings on fund balances in future fiscal years.
- Capital leasing may be used for the acquisition of equipment items with an expected useful life of three years or longer and a purchase price of more than \$50,000 with the approval of the City Manager, Mayor, and City Council upon the request of the department head for whose department the equipment purchase is proposed. Lease payment terms may not exceed three years. Debt service expenditures (including principal, interest and any related administrative costs) for capital leases will be budgeted in the department for which the equipment was purchased.
- The City will seek to obtain the highest possible credit rating from an independent rating agency and will implement all the necessary improvements to increase the credit rating of the City so long as those improvements are deemed to be cost effective for the City.

**City of Alabaster**  
Financial Policies  
(Continued)

## **Employee Benefits**

In an effort to recruit and retain well qualified employees, the City shall strive to provide a competitive compensation and a comprehensive benefits package. Employee benefit programs shall be designed to meet the needs of employees. Periodically, the City shall conduct a salary and benefits study to help ensure that the City retains its competitive position in the employment market. Close attention shall be paid to the design of the City's compensation structure and employee benefits plan to ensure that wages and benefits are attractive to current and potential future employees, that benefit costs are manageable, and that overall performance of the organization meets expectations of City management officials and City Council. The City will seek to provide competitive compensation and benefits to employees while also providing the best value possible to taxpayers.

## **Budgeting**

The City shall develop and adopt budgets in compliance with State law. City staff shall develop a proposed annual budget as well as a five-year capital plan for the City Council's consideration. The proposed budget shall be presented to the City Council prior to the first of the fiscal year being budgeted.

The Finance Department shall develop revenue projections for the proposed budget, based on trend information available for each revenue source, knowledge of general and local economic trends, new State laws and City ordinances that may affect revenues, and other relevant factors. The City Manager or Mayor shall review and revise revenue projections as necessary.

The City Council shall then engage in a priority-setting process in which each Council member assigns priorities to a list of initiatives that is developed by the City Manager, Mayor, or Finance Director and to which the Council members may add their own initiatives. The Mayor will develop a consensus of the Council's priorities based on the individual Council members' priorities.

The Mayor, City Manager, and Finance Director will determine a budget strategy based on the revenue projections and the Council's consensus priorities and shall communicate the budget strategy to the department heads to guide the development of the departmental goals and proposed budgets. The Finance Director shall also establish procedures for development of the proposed long-term capital plan.

The City Manager or Mayor shall compile the departments' budget requests and review for consistency with Council priorities. With support from the Finance Director, the City Manager or Mayor shall review the revenue projections and budget requests to evaluate their effects on fund balance. Then, the City Manager or Mayor shall determine the extent of reductions in proposed expenditures that may be necessary, the extent to which revenue rate increases may be necessary and the extent to which borrowing may be advisable. A long-term financial projection shall be developed to determine the long-term effects on fund balance of various revenue, expenditure and borrowing alternatives. The City Manager or Mayor shall determine which alternatives to employ in developing a proposed budget that meets the City's current and long-term goals and that is consistent with the City's financial policies.

The proposed budget shall be presented to the Mayor for approval by the City Manager and Finance Director prior to presenting the budget to City Council. The City Manager will then evaluate any suggestions made by the Mayor to determine what changes are necessary to the budget prior to presenting the final proposed budget to City Council for approval. The proposed budget shall be presented by the City Manager, Mayor, and Finance Director to the City Council for its consideration in one or more meetings

**City of Alabaster**  
Financial Policies  
(Continued)

during which the strategies and components of the proposed budget shall be explained and Council members may pose questions about the proposed budget. The proposed budget shall identify the key decisions affecting the budget that are to be made by the Council.

The budget adoption ordinance shall be placed on the Council agenda no later than the second regular Council meeting in September of each fiscal year. If the City Council fails to adopt a budget prior to any fiscal year-end (September 30), the provisions of State law shall be followed concerning the budget for the new fiscal year.

Budgetary control shall be at the fund level, with managerial control exercised by the City Manager or Mayor at the department level. The City Manager or Mayor may authorize the Finance Director to make minor adjustments (of no more than \$10,000) of appropriated amounts between and among the various expenditure accounts (line items) without prior approval of the City Council. The City Council shall be informed of any such adjustments made.

A mid-year budget review shall be held after March (50% of the fiscal year elapsed). During the mid-year budget review, the approved budget may be amended by the Council. The Council may also show its commitment to significant changes to the budget at other times during the year by approval of a resolution.

**Capital Projects**

Capital projects shall be managed by the department responsible for operating the project upon its completion; however, the City Manager or Mayor may designate a specific department head to manage a specific capital project. The Finance Department shall be responsible for assigning project account numbers, which shall be used to accumulate all project costs for capitalization according to GAAP. The Finance Department shall prepare specialized reports as necessary to report on the financial status of all capital projects.

**Contracts Management**

City contracts may be executed only by the Mayor or City Manager. Prior to the execution of City contracts, the proposed contract document shall be reviewed by the City Attorney, and may be reviewed by other City staff, as deemed appropriate. Originals of all executed contracts shall be routed to the City Clerk for filing. Copies of executed contracts shall be routed to affected City departments and other offices, as appropriate.

**City of Alabaster**  
Description of the Budgetary System

***The Budget Process***

The budget process begins when the Mayor and the City Manager outline their goals for the upcoming year. A budget kickoff meeting is then held with the department heads. This meeting outlines the expectations and goals of the Mayor, City Manager, and City Council for the upcoming budget year. Current financial information is presented to department heads to help lay the foundation for the upcoming year.

After the budget kickoff meeting, the department heads are instructed to update their 5-year capital plans in accordance with the plans and goals outlined by the Mayor and City Manager in the budget kickoff meeting as well as what has been accomplished in the previous and current years. The Mayor and City Manager review the 5-year plans to better assess the budget requests for the upcoming years.

After the first half of each fiscal year is complete (March 31), the Finance Department reviews the budget-to-actual performance of revenues, updates revenue trend data, and determines whether the current fiscal year's revenue projections should be adjusted. If the mid-year budget review shows that existing revenue projections may not be met, the Mayor and City Manager would direct department heads on the amount and manner of expenditure reductions that would be needed.

After completing the mid-year budget review, the Finance Department proceeds with developing revenue projections for the upcoming budget year, incorporating the most recent budget-to-actual revenue results and current information about the economy and legislation that may affect revenue sources. The Mayor and City Manager review these revenue projections as well as fund balance projections to determine if any adjustments to previously set budget goals need to be made.

Each department head is responsible for compiling and submitting budget requests for both operating and capital expenditures. The personnel budget is handled as a collaboration between the Human Resources Director and the Finance Director and includes items such as new positions, reclassification requests, and any new service initiatives. The Human Resources Department is in charge of reviewing requests for new positions, reclassifications, and staffing changes. The Human Resources Director then meets with the Mayor and City Manager to discuss the proposed personnel changes. In this meeting with the Mayor and City Manager decisions are made as to which personnel requests will be considered for incorporation into the budget process. In developing the budget strategy for personnel requests, an overriding budgetary goal is to maintain salaries and benefits at no more than 60% of the General Fund's budgeted expenditures.

Once the department heads submit their budget requests, the Finance Department analyzes all operating and capital requests in accordance with the Mayor and City Manager's goals. All segments of the budget are assembled and are balanced to the revenue forecasts. Based on this analysis, a draft recommendation is formulated for the Mayor and City Manager's review.

During the month of July, the Finance Department and Mayor meet to discuss changes that need to be made to the budget and communicate with City Council on the budget process. Once these meetings conclude, a draft version of the budget is sent to department heads and the Mayor and City Manager hold follow-up meetings with department heads if necessary.

Once the Mayor's final recommendations are ready, the budget document is prepared and distributed to City Council and city administration. The recommended budget is presented at a City Council work session in August. The budget is then adopted at a City Council meeting in August or September.

**City of Alabaster**  
Description of the Budgetary System  
(Continued)

***Basis of Budgeting***

The annual budgets adopted by the City of Alabaster are structured to be consistent with generally accepted accounting principles (GAAP). Budgets for the governmental fund types are prepared on the modified accrual basis of accounting as prescribed by GAAP. The governmental funds include the General, Special Revenue, Capital Projects, and Debt Service funds. The City has no primary revenue sources that are treated as being susceptible to accrual. The City does not accrue property or sales taxes because those revenue sources are budgeted to finance the fiscal year in which they are scheduled to be received. Each fiscal year's budget and financial statements include twelve months' revenue from those sources.

For the proprietary funds, a hybrid approach is used for the budget. In accordance with GAAP, the full accrual basis of accounting (revenues are recognized when earned) is used for estimating revenues. However, for greater control over Enterprise Fund expenses, the full accrual basis (expenses recognized when incurred) is modified. In addition to the full accrual basis expenses, capital outlays and any debt service principal payments are included as budgeted expenses. The basis of accounting used for budgeting is the same basis used for accounting and financial reporting for all funds, except for inclusion of capital outlay and debt service principal expenses in proprietary fund budgets. The only exception to this hybrid approach is in net position comparisons. The City cannot reasonably determine what prior period proprietary fund balances would be under the modified accrual approach; therefore, when proprietary fund net position is compared with prior year audited net position, the full accrual method is used. The City has made notations on each individual comparison when the full accrual basis of accounting is being used for comparison purposes.

**City of Alabaster**  
Budget Calendar

**May 2018**

May 1 – Budget Kickoff Meeting  
May 31 – 5-year Capital Plans Due to Finance Director

**June 2018**

June 15 – New Position/Personnel Requests Due to Finance Director  
June 18 – Budget Worksheets Distributed to Department Heads

**July 2018**

July 6 – Initial 2019 Revenue Projections Approved  
July 9 – Department Budget Worksheets Due to Finance Director  
July 20 – Mayor's Review of Department Budget Requests Due to Finance Director  
July 23 – Mayor's Requests for Changes Sent to Department Heads  
July 25 – July 27 – Department Budget Meetings (if necessary)

**August 2018**

August 6 – Final Department Budget Requests Due  
August 15 – First Draft of Budget Book Submitted to Mayor and City Manager  
August 23 – Budget Book Distributed to City Council and 1<sup>st</sup> Work Session Discussion

**September 2018**

September 8 – 2<sup>nd</sup> Work Session Discussion  
September 19 – 3<sup>rd</sup> Work Session Discussion  
September 24 – Final Budget Adopted by City Council

## **City of Alabaster** Financial Overview

To meet the needs of the citizens, the City of Alabaster must fund operations and provide government services in a sound financial manner. To accomplish this, the development of a budget document must be a foundation for management practice. The document serves to provide a look to the future and lays out the fiscal plans of management. The Finance Director and Treasurer, under the direction of the Mayor and City Manager, are tasked with multiple duties in regard to fiscal plans including revenue projections, data analysis, and budget development. These duties provide the framework for developing sound budgets for operational expenditures and capital expenditures. In addition, these duties are vital to developing a long-term financing strategy to meet the funding needs of the City. The financial overview will provide the reader with a description of the process used to project revenue as well as an overview of the City's current and future borrowing activities.

### ***Revenue Projections***

The recording and maintaining of accurate financial records is the starting point of the budget process. A detailed history of all revenue transactions is maintained for all funds and past budgets are reviewed to determine how accurate previous years projections were with actual final results. The budget document contains the final product of this work conducted by multiple employees within the Finance Department as well as City management.

The Finance Director begins projection analysis by looking at historical data. For most revenue types, the most recent 5 years data is used as a baseline for projections. Trends over the past 5 years are identified and maintained with notations of significant factors that affected each revenue type each year. These notations include: opening and closing of businesses within the City that generate significant tax revenue, rate increases by the City or other governing bodies, changes in laws at the state and federal level, significant economic events that would explain deviation from the norm, and overall changes in market conditions. Examples include: the cap being removed from business license gross receipts in FY2013, one-time significant increase in audit revenue in FY2015, the City's lodging tax increase in FY2017, the opening of a new hotel in FY2017, and the implementation of a new payment in lieu of taxes agreement with a non-profit medical clinic board in FY2017.

The trends and the respective notations are analyzed by looking at year-over-year changes and yearly cycles of collection, which helps establish a baseline for each revenue type. These baseline numbers are reviewed in conjunction with known data and anticipated events that could affect the revenue line item. Examples include: the addition of Amazon to the Simplified Sellers Use Tax system, new home construction which directly impacts ad valorem tax, and retail development within the City that affects the sales tax base.

For the 2019 fiscal year, consideration of Alabaster's economic growth has been made; however, the nation's economic situation continues to vary, resulting in a level of uncertainty. In addition, changes in retail trends and possible legislative changes add an additional level of uncertainty for Alabaster. Based on the uncertainty noted above, revenue projections continue to be conservative.

The Finance Director determines the initial revenue estimates, considering the information and documentation outlined above. The initial estimates are reviewed by knowledgeable staff including the Treasurer and are then sent to the Mayor and City Manager for review.

The Mayor and City Manager's review ensures that relevant factors known only at the chief executive level are considered in projecting the revenue sources for the upcoming fiscal year. If projected revenues are not adequate to fund the expenditures proposed, an analysis of the City's fund balances, capital budget

**City of Alabaster**  
Financial Overview  
(Continued)

requests, and operating budget requests is completed to determine whether reductions in proposed expenditures, fund balance draw-downs, or borrowing is needed to meet the financial objectives of the City. After any revisions resulting from the executive-level review, additional revisions to revenue projections are made as new information becomes available during the budget process. The Mayor proposes a revenue budget that is consistent with the City's financial policies. The projected revenue must finance the proposed expenditures while meeting the City's ending fund balance goals.

The Finance Department's Revenue Office administers the collection of all taxes and fees except for ad valorem (property) taxes which are collected at the county level as provided by state law, alcohol taxes which are collected by the state and fees which are collected by individual City departments.

Each month, interim financial reports are prepared that provide information for that month as well as year-to-date information. The interim reports are presented to management and City Council at a public work session for review and discussion. The revenues and expenditures are evaluated for items that could necessitate an adjustment to current or future projections. Any concerns about the information in these interim financial reports is brought to the attention of the Finance Director to address.

At mid-year budget adjustment review in the spring of each year, the City's management team reviews the operating results of the first six months of the fiscal year. The Finance Director updates revenue projections for any known socio-economic changes during the first six months of the fiscal year and performs a thorough analysis of the actual revenues received compared to the projections. The Finance Director compiles the City department's revised expenditures requests and compares this to updated revenue projections to determine the feasibility of implementing the revised expenditure requests. If adjustments are necessary, the proposed revenue and expenditure changes are brought to council and are reflected in the mid-year budget adjustment ordinance passed by the City Council.

In August or September of each fiscal year, the Finance Director performs a review of actual revenues and expenditures compared with budgeted projections approved by City Council. Typically, there will be a final budget amendment resolution in September of each fiscal year, incorporating any approved non-budgeted expenditures and adjusted revenue projections as deemed necessary.

### ***Review of Top Revenue Sources***

#### **General Fund Revenues**

As is typical in the State of Alabama, the City of Alabaster property taxes are relatively low and therefore are not the City's primary revenue source. Sales and use taxes are the largest revenue source in the City's General Fund, providing 64.7% of revenue for fiscal year 2017. The second largest revenue source for the General Fund is business licenses which provided 11.8% of revenue for fiscal year 2017. The third largest revenue source is property taxes which provided 11.7% of revenue for fiscal year 2017.

Together, the top three revenue sources provide approximately 88.2% of the funds to finance the City services provided by the General Fund. The two largest revenue sources can be increased by a vote of the City Council without a citizens' referendum. Property tax increases are governed by the State Constitution and require approval from the taxpayers via a referendum.

Figure 1 provides a breakdown of the City's largest revenues by source for fiscal year 2017 (audited amounts).

**City of Alabaster**  
**Financial Overview**  
**(Continued)**

**Figure 1**  
**General Fund**  
**Largest Revenue Sources**  
**Fiscal Year 2016**

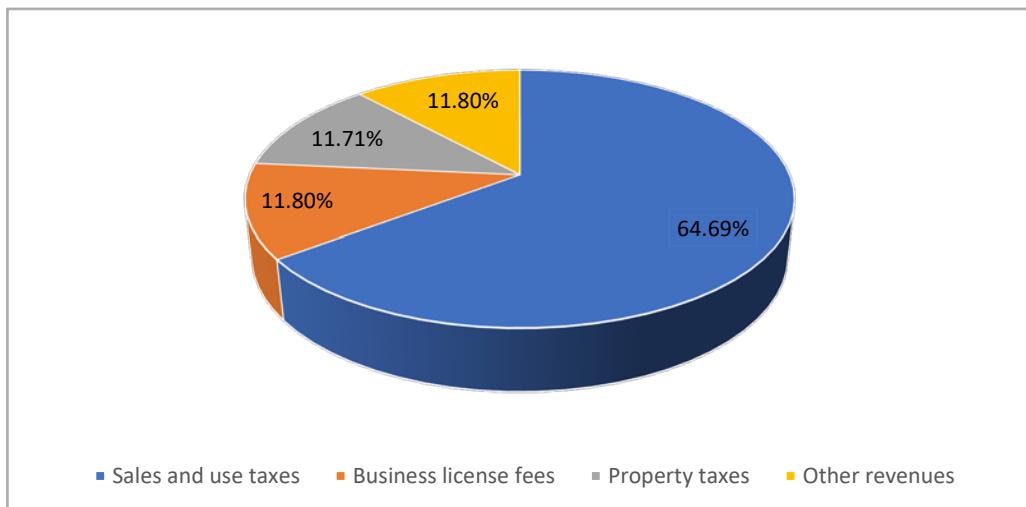


Table 1, *General Fund Revenue Trends*, provides audited, projected, and budgeted information for the top three revenue sources mentioned above.

**Table 1**  
**General Fund Revenue Trends**

	<b>Audited Actual</b>		<b>Projected</b>	<b>Budgeted</b>
	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>
Sales and use taxes	20,338,071	21,055,097	21,829,519	21,950,000
Business license fees	3,670,795	3,840,740	3,832,758	3,830,000
Ad valorem (property) taxes	3,589,515	3,810,550	3,679,691	3,670,000
Total - top 3 revenues	27,598,381	28,706,387	29,341,968	29,450,000
<i>Change from prior year</i>	7.05%	4.01%	2.21%	0.37%
Total revenues	30,916,148	32,546,082	34,212,089	33,931,651
<i>Change from prior year</i>	4.74%	5.27%	5.12%	-0.82%
Top 3 revenues as a % of total	89.27%	88.20%	85.76%	86.79%

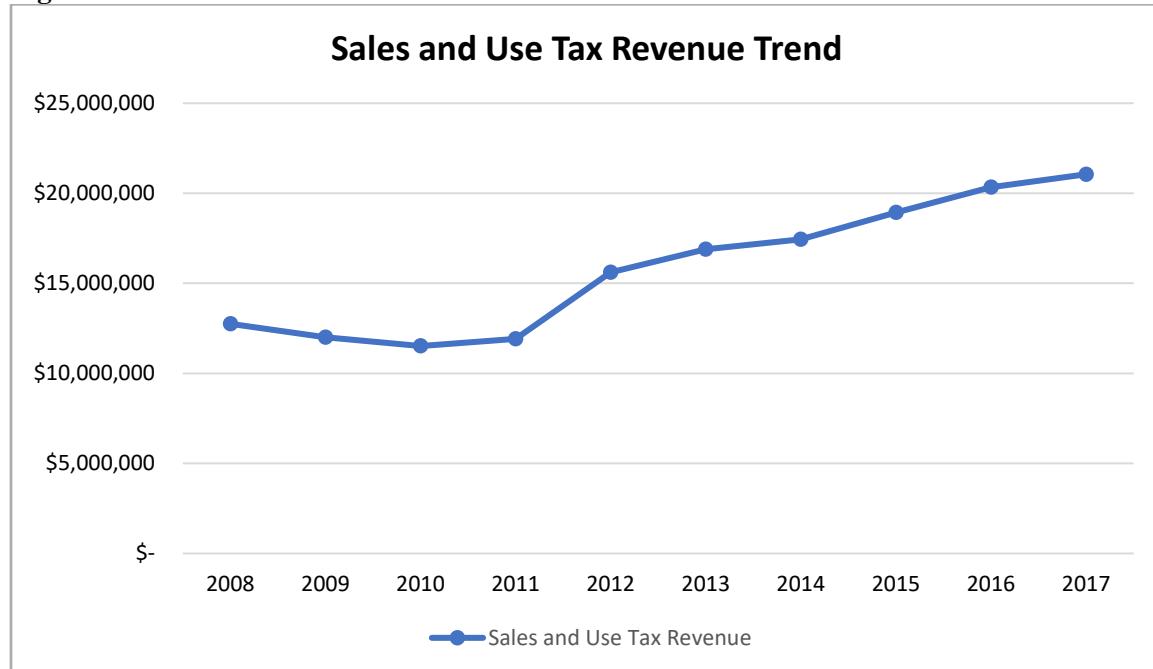
**Sales and use tax:** Sales taxes are levied on gross receipts resulting from the retail sale of tangible personal property within the corporate limits of the City. Use taxes are levied on gross receipts resulting from the tax-free purchase of tangible personal property that is subsequently used, stored, or consumed by the purchaser. The City's sales and use tax rate is 4.0%. The most recent change was a one cent increase

**City of Alabaster**  
Financial Overview  
(Continued)

effective December 1, 2011. The state tax rate is 4.0% and the county rate is 1.0% for a combined sales and use tax rate within the City of 9.0%. This rate is comparable to that levied in neighboring cities and compares favorably with most Alabama cities. Collection of the City sales and use tax is administered by the City's Finance Department.

Growth in the City's sales tax revenue has mirrored the steady expansion of the City's economic base since recovery from the economic downturn began in 2011. The national economic downturn in 2008 caused sales tax revenue to decline in fiscal years 2009 and 2010. The percentage decrease for these periods was comparable with other cities both in Shelby County and throughout the state of Alabama. In December 2011 City Council decided to increase the sales tax rate from 3% to 4%. Sales tax revenue increased by 31.2% (\$3.7 million) in 2012, primarily due to the rate increase. Also contributing was improvement in the national economy as well as the addition of new retail businesses to the area. Since 2013, the average growth of sales and use tax revenue has been 6.2% with a high of 8.55% in fiscal year 2015 and a low of 3.25% in fiscal year 2014. Sales and use tax revenue is projected to be \$21.8 million at the end of fiscal year 2018, which would be a 3.7% increase from the prior year. The budget for 2019 projects an increase of 0.5%.

**Figure 2**



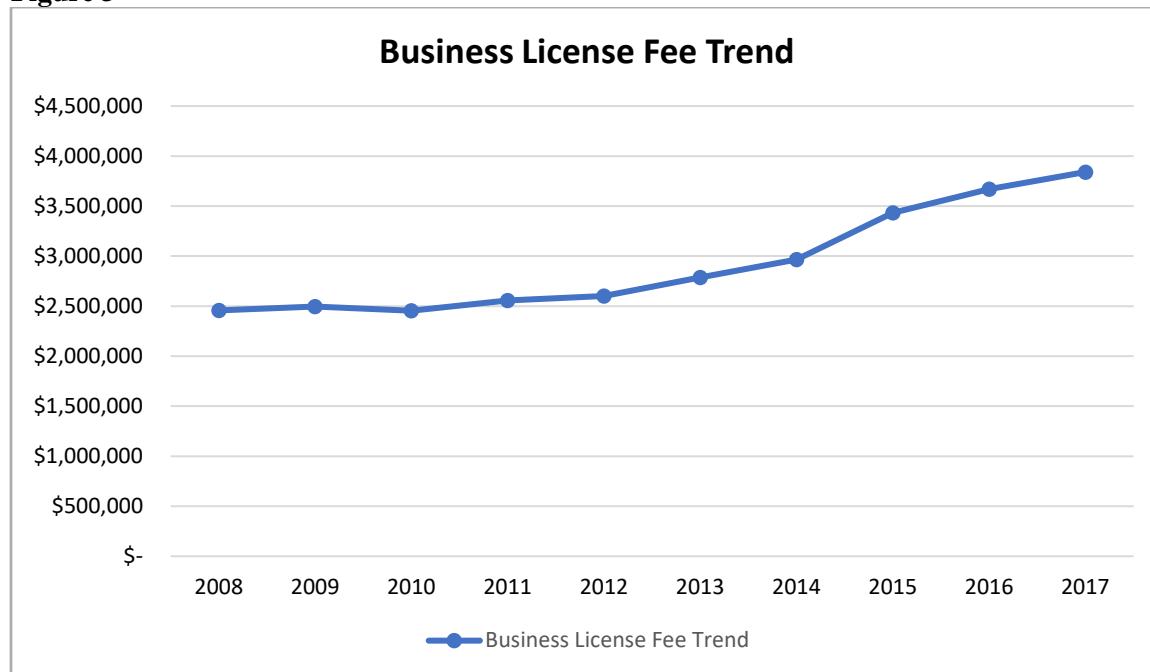
\*The sales tax rate increased from 3% to 4% in December 2011.

**Business License Fees:** City ordinance requires that each business obtain a license annually before conducting business operations within the City. The amount of the business license fee is dependent upon the business type, and for most businesses, the amount of the previous year's gross receipts, although certain business types pay a flat-fee license. Typically changes in the business license revenue reflect changes in the overall economy, changes in the number of businesses in Alabaster, and changes in the business license ordinance passed by City Council. Most business license fees are collected in January and February of each year. City Council adopted a change to the business license ordinance effective January of 2015 that instituted a gradual removal of the cap on gross receipts subject to business license fees. January of 2017 was the first year for which there was no cap of any kind on gross receipts subject to business license fees.

**City of Alabaster**  
Financial Overview  
(Continued)

Growth in business license fee revenue, the General Fund's second largest revenue source, averaged 4.5% from 2007 – 2014, the year in which the gradual removal of the cap on gross receipts subject to business license fees began. Since the graduated removal of the gross receipts cap, growth averaged 9.1% for 2015 – 2017. The projected revenue from business license fees for the fiscal year of 2018 is \$3,832,758 which would be a 0.2% decrease from the prior year. Effective for fiscal year 2018, the Alabama legislature passed SB 316 which allows retailers to deliver up to \$10,000 in merchandise annually to a municipality before requiring the purchase of a business license. In addition, the cap on gross receipts subject to business license fees was completely removed for fiscal year 2017, so there is no anticipated future increase in business license fee revenue because of the continued raising of the gross receipts cap. When anticipated growth in business is factored with the possible loss of delivery license fee revenue, the two are very similar. Therefore, to remain conservative, the City will budget for no increase in business license fee revenue for 2019.

**Figure 3**

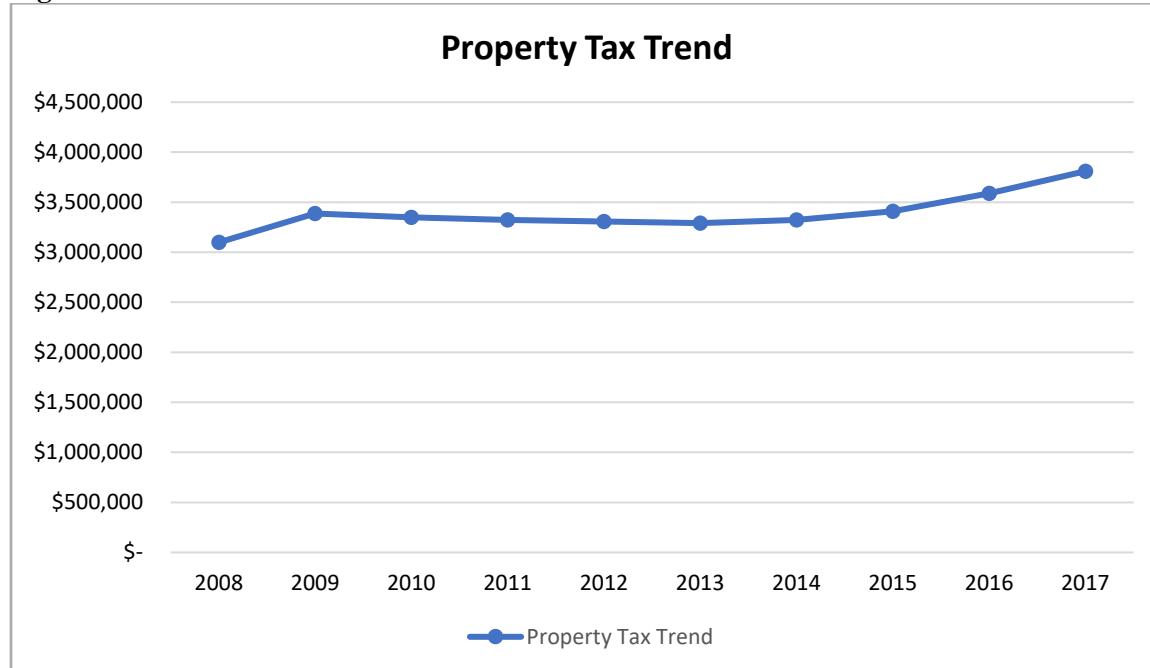


**Ad valorem (property) tax:** Property taxes, the City's third largest revenue source, are typically the most stable source of City revenues. There has been no change in the Alabaster millage rates over the past decade, so the changes in property tax revenues are primarily driven by new construction and the assessed value of the property within the City. In 2009 the City reached what was at that time an all-time high in property tax revenue received. Beginning in 2010 that number dropped due to the economic downturn that began in 2008. The assessed value assigned to property within the City dropped due to the slowdown in the housing market. The State conducts a reappraisal of all real property at least once every four years, so beginning in 2014, property tax revenues began to increase again, as those homes that were assessed immediately after the economic downturn in 2008 were again reassessed at a value that more accurately reflected current economic conditions. The average change in property tax revenues was -0.7% during the years of 2010 – 2013. From 2014 – 2017 the average change in property tax revenues has been an increase of 3.7% per year with a high of 5.2% in 2016 and a low of 0.9% in 2014. Property taxes are projected to be \$3,679,691 at the end of the year for 2018, which would be a decrease of 3.4%.

**City of Alabaster**  
Financial Overview  
(Continued)

The current housing market has seen consistent growth in Alabaster over the past 3 years but most of the homes assessed at lower values during the economic downturn have all been reassessed at current market value at the end of 2017. Based on this information, the 2018 budget projects decrease of 0.3% in property tax revenues.

**Figure 4**



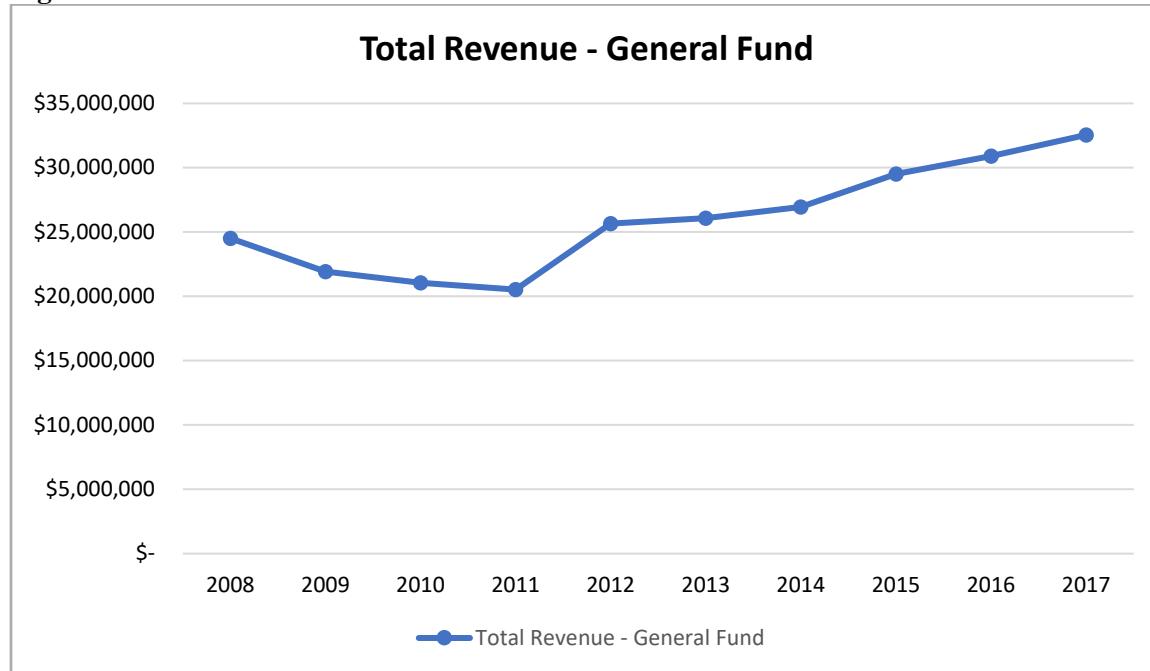
**Lesser General Fund revenue sources:** Lesser General Fund revenues include court fines; franchise fees; building permit fees; taxes on liquor, gasoline, and lodging; and payments in lieu of tax. Of these less significant revenue sources there are few anticipated changes affecting the 2018 budget. The City's building permit fees were updated in 2017. This increase coupled with continued construction growth in the City has led to a steady increase in this revenue. The City's 2019 budget for building permit fees is \$650,000 for 2019 which is a 26.4% increase from the 2018 mid-year budget. In addition, the City has seen continued growth in its payments in lieu of tax agreements. The City's 2019 budget for payments in lieu of tax is 880,000 which is a 50.5% increase from the 2018 mid-year budget.

**Total revenue of the General Fund:** The General Fund saw a steady decrease from 2008 – 2011 as the economic downturn impacted Alabaster. Since 2012, the first year to reflect the sales tax increase from 3% to 4%, the City has seen consistent growth in total revenues averaging 8.3% with a high of 25.0% in 2012 and a low of 1.7% in 2013. Projected total revenue for the end of 2018 is \$34,212,089 which would be an increase of 5.1% from the prior year.

**City of Alabaster**  
Financial Overview  
(Continued)

The City's population growth as well as retail development within the City account for the steady increase in total revenues since 2012. The City's decision to create its own school district in 2012 has significantly impacted growth in the region and has helped drive property values higher within the City. Commercial and retail development have also increased since 2012 and have positively impacted the City's tax base. Figure 5 below shows the overall trend in total General Fund revenue growth over the past 10 years. Considering all the factors described above, the City feels the 2019 total revenue budget of \$33,931,651 addresses some of the uncertainty in different revenue areas by budgeting for a slight decrease of 0.8%.

**Figure 5**



### Enterprise Fund Revenues

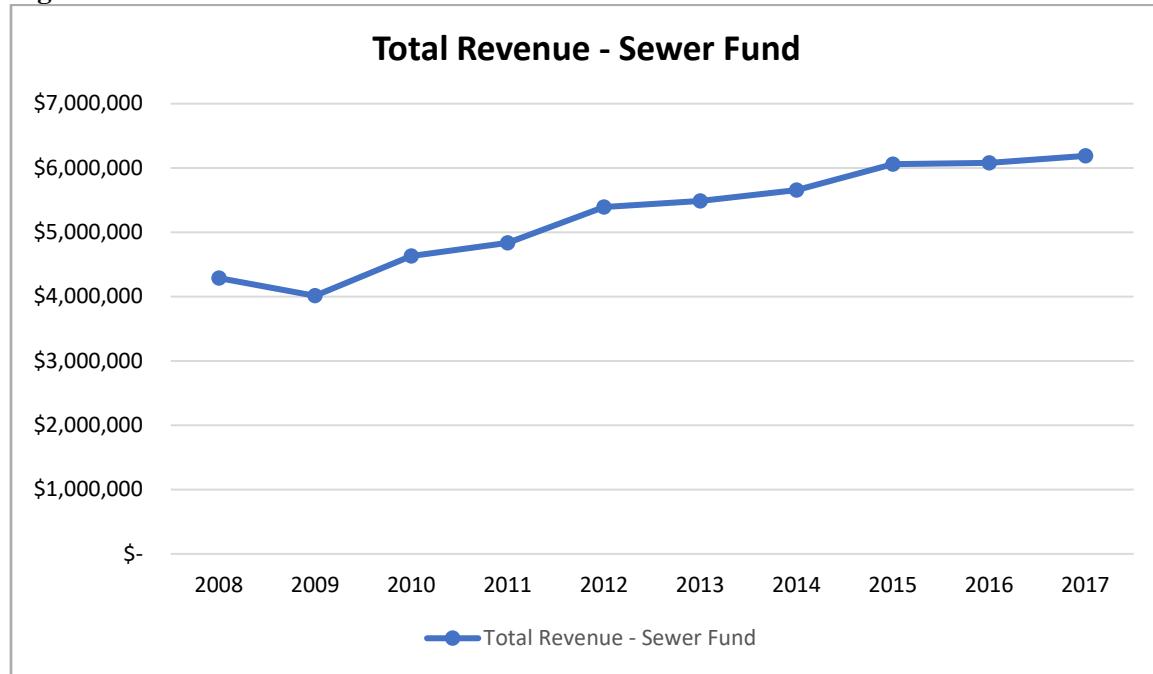
**Sewer Fund:** The City has accounted for the wastewater function in a separate enterprise fund for many years. The operations of the City's Sewer Fund are financed primarily by sewer system service charges collected from customers, supplemented by sewer tap fees.

The Sewer Fund is the City's largest Enterprise Fund. All the revenues generated from the sewer services provided to the City and all the expenses incurred to provide those services are accounted for in this fund. Management's goal with respect to sewer services is to provide services in a cost-efficient manner and maintain sewer rates that will cover the full cost of related expenses, including any necessary capital improvements.

**City of Alabaster**  
Financial Overview  
(Continued)

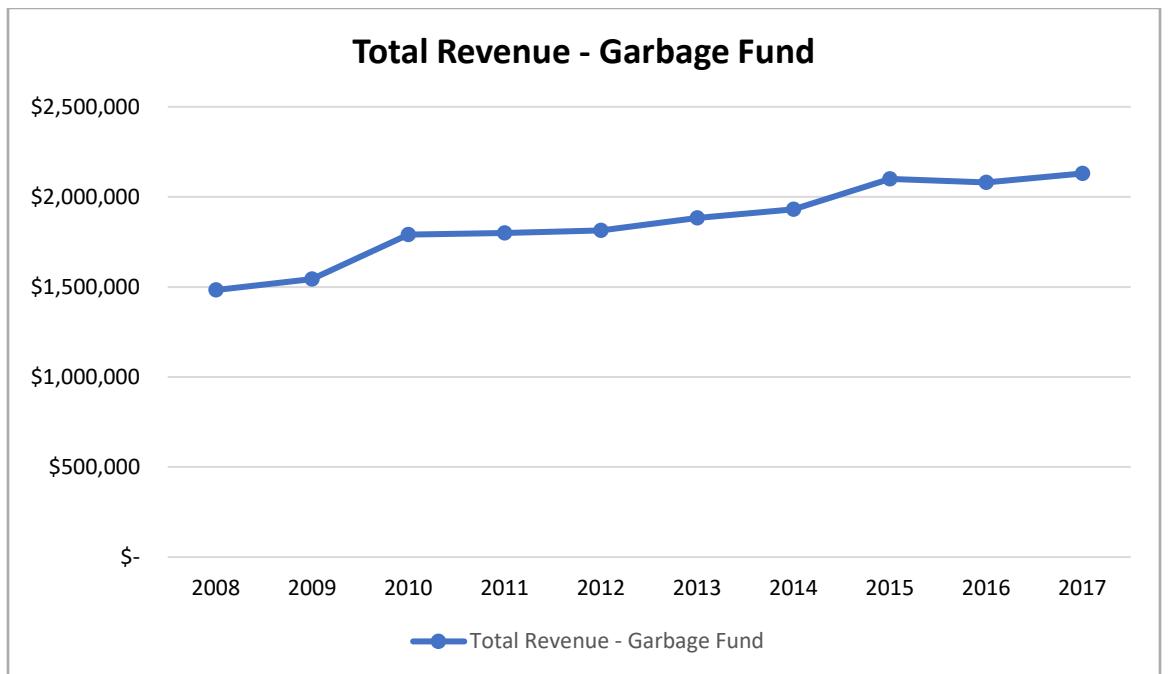
Sewer revenues are primarily affected by residential and commercial growth within the City and rate increases. Sewer revenues are impacted by current user usage, but to a much lesser extent. Operating revenues for the Sewer Fund have increased an average of 3.4% since fiscal year 2008. The Sewer Fund experienced decreased revenues from 2007 – 2009 averaging -5.5%. In 2009 sewer rates were raised across the City, and since 2009, continued residential and commercial growth have fueled an average growth of 4.3% each year since 2009.

**Figure 6**



**Garbage Fund:** The Garbage Fund accounts for the revenues and expenditures associated with residential and small business garbage services. Revenues received in this fund include garbage charges to customers and garbage account establishment fees. As with the Sewer Fund, the City hopes to manage the solid waste activity in such a way that it is self-supported through the user fees collected. Figure 6 below shows solid waste revenue trends for the years of 2008 – 2017. Average growth from 2008 – 2017 was 4.2% per year. In 2009 garbage rates were raised resulting in 16.0% growth between 2009 and 2010. The remainder of growth in Garbage Fund revenues is attributable to continued residential growth within the City.

**City of Alabaster**  
**Financial Overview**  
**(Continued)**



### Total City Revenues

Table 2 below shows the trends in total City revenues for the audited fiscal years of 2008 – 2017. Since the height of the economic downturn in fiscal year 2009, the City has shown a trend of continued steady revenue growth except for 2011 in which overall revenues decreased just slightly. 2012 was the first fiscal year in which sales tax was increased from 3% to 4% which resulted in a dramatic increase in overall revenues. The slowdown in the economy impacted Alabaster in a significant way during 2008 and 2009 due to the City's reliance on retail sales for tax revenue.

**Table 2**  
**Growth in Total City Revenues - Fiscal Years 2008 - 2017**

Fiscal Year	Governmental Funds		Proprietary Funds		Total City Revenues	% Change From Prior Year
	General Fund	Other Governmental Funds	Sewer Fund	Garbage Fund		
	\$	\$	\$	\$		
2008	24,518,739	168,919	4,288,322	1,482,673	30,458,653	-2.0%
2009	21,912,342	131,681	4,012,667	1,544,088	27,600,778	-9.4%
2010	21,051,997	393,382	4,630,880	1,791,093	27,867,352	1.0%
2011	20,526,145	570,739	4,834,150	1,799,007	27,730,041	-0.5%
2012	25,648,931	884,937	5,391,530	1,813,732	33,739,130	21.7%
2013	26,085,022	1,005,567	5,489,372	1,882,424	34,462,385	2.1%
2014	26,951,834	585,588	5,655,249	1,930,326	35,122,997	1.9%
2015	29,516,311	587,746	6,057,895	2,098,938	38,260,890	8.9%
2016	30,916,148	617,679	6,079,734	2,080,767	39,694,328	3.7%
2017	32,546,082	720,164	6,188,063	2,130,030	41,584,339	4.8%

**City of Alabaster**  
Financial Overview  
(Continued)

Alabaster's economy has gradually grown more stable since the economic downturn due to the City's efforts to diversify revenue sources. While Alabaster still relies heavily on retail sales within the City, changes to the business license and permit fee structures, entering into new intergovernmental service agreements, and the hiring of a Chief Revenue Examiner to conduct audits within the City have all helped diversify the revenue base to help buffer the City's revenue forecast from significant decreases.

City management is committed to continued diversification of the revenue base through cooperation with the City's Industrial Development Board (IDB) and exploration of public-private partnerships to encourage new retail and industrial growth within the City. The City also understands the role played by the City Schools in driving residential growth within the City, and the City is committed to supporting the City School Board by continuing to provide 1% of all sales and use tax to help fund the School Board's operations.

***Debt Overview***

The City's annual revenues are typically not adequate to finance all the expenditures proposed and approved by City Council. Expenditures that have a long-term benefit to the citizens generally have significant costs and it is reasonable to spread those costs over several years. The advantage of financing is that it allows the City to spread costs associated with large projects over many years keeping the annual expenditures related to these projects reasonable, but the disadvantage is the interest and administrative charges associated with debt issuances. To manage public debt in a responsible manner requires consistent application of sound debt management policies. The City's financial policies, including debt policies, are included within this document.

The City maintains a conservative debt policy and only issues debt for the acquisition of property, construction of capital projects, purchase of major capital equipment, or to refinance current debt to achieve an interest cost savings or more reasonable yearly debt payments.

**General obligation (GO) debt:** Most of the City's debt is general obligation (GO) debt meaning that the debt is backed by the full faith and credit of the City of Alabaster and is secured through the government's pledge to use legally available resources, including tax revenues, to repay the debt. The City's current credit rating, as discussed in the Credit Rating section of this overview, is strong which makes the use of GO debt the best choice for most significant debt issuances.

For smaller borrowings, the City has obtained financing from financial institutions without going to the bond market. Such financing is obtained through a competitive process through which local financial institutions, and any others that have expressed interest in providing financing, can propose interest rates and structure. This process ensures that the City obtains the best possible financing for each project or expenditure. City Council approves all financing arrangements prior to entering into any kind of debt agreement.

**City of Alabaster**  
**Financial Overview**  
**(Continued)**

The City's projected general obligation debt outstanding at September 30, 2018 is shown below:

**Table 3**  
**General Obligation Debt - September 30, 2018**

Series	General Payment Source	Year of Final Maturity	Principal Outstanding at 9/30/18
2005-B	General revenues	2025	\$ 270,000
2009	Sewer revenues	2020	2,005,000
2010-A	General revenues	2026	1,090,000
2010-B	General revenues	2029	1,120,000
2011-B	General revenues	2025	3,260,000
2012-B	General revenues	2024	955,000
2012-C	General revenues	2028	8,315,000
2012-D	General revenues	2033	5,205,000
2013-B	Sewer revenues	2029	12,460,000
2016-A	General revenues	2026	4,040,000
2016-B	General revenues	2029	2,270,000
2017	General revenues	2032	9,605,000
2018	General revenues	2031	9,430,000
Total Projected General Obligation Debt at 9/30/2018			<u>\$ 60,025,000</u>

### Legal Debt Limit

The *Code of Alabama* establishes the legal debt limit for Alabama municipalities. The legal debt limit for municipalities is 20% of the assessed value of property within the city limits that is subject to ad valorem taxation. Excluded from the legal debt limit computation is debt payable issued for sewer systems.

Computation of the legal debt margin for the City of Alabaster at September 30, 2017, is as follows:

**Table 4**  
**Legal Debt margin**

<b>Legal Debt Margin</b>	
Net assessed value	388,707,260
Debt limitation (20% of net assessed value)	20%
Total allowable debt	77,741,452
Long-term debt at September 30, 2017	53,934,644
Less: Debt not chargeable to debt limit (sewer debt)	(16,215,090)
Debt chargeable to debt limit	37,719,554
Debt Margin	<u>40,021,898</u>

**City of Alabaster**  
**Financial Overview**  
**(Continued)**

### **Debt Issuances for Fiscal Year 2019**

The City has budgeted for one new debt issuance for 2019, a capital lease to finance the purchase of two grapple trucks within the Garbage Fund totaling \$350,000.

### **Debt Service Requirements**

Table 5 below shows the City's debt service requirements to maturity (principal and interest payments) for all City debt. The debt service requirements below are only debt which the City has entered prior to August of 2018 and does not reflect any anticipated future borrowings.

**Table 5**  
**Debt Service Requirements**

Fiscal Year	General Fund	Sewer Fund	Garbage Fund	Total Debt Service
2019	\$ 4,179,481	\$ 2,261,033	\$ 595,650	\$ 6,440,514
2020	3,300,452	2,583,483	406,205	5,883,935
2021	4,193,870	1,355,833	627,655	5,549,703
2022	3,527,407	1,352,320	649,800	4,879,727
2023	3,532,618	1,355,695	649,800	4,888,313
2024-2033	37,031,418	10,390,044	2,508,316	47,421,462
Total	\$ 55,765,246	\$ 19,298,408	\$ 5,437,426	\$ 75,063,654

### **Credit Rating**

The most recent credit rating for the City was issued by S&P Global on November 28, 2017. In that report S&P gave Alabaster a credit rating of AA-. This rating equates to high quality and very low credit risk. The report cited Alabaster's solid financial position, strong economy and tax base, and strong financial management as factors contributing to the rating. This rating is outstanding for a municipality the size of Alabaster and ranks favorably with other cities in Alabama regardless of size.

### **Conclusion**

The City seeks to budget in a manner that is conservative to ensure the City does not overcommit itself in any given fiscal year. While the City has experienced continued economic growth over the past five years, the City is still striving to find ways to diversify revenue sources to hedge against future declines in retail spending. City management is confident that the revenue projections and financial position presented in the fiscal year 2019 budget are based on sound forecasting techniques and that the continued marginal economic improvement within the City will sustain the expenditures necessary to provide high quality services to the citizens of Alabaster.

**City of Alabaster**  
Description of All Budgeted Funds

The City of Alabaster adopts an annual budget for each fiscal year for each fund within the City. The City's funds are divided into three categories: Major Governmental, Non-major Governmental, and Proprietary.

**Governmental Funds:** All governmental funds are budgeted and accounted for using the modified accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The revenues are recognized when received in cash, except those accruable, which are recorded as receivable when measurable and available to pay current liabilities. Expenditures are recognized on a modified accrual basis. Governmental funds' expenditures are recorded when the associated liability is incurred with the following exceptions: general long-term debt principal and interest are reported when due and costs of accumulated unpaid vacation leave are reported in the period due and payable rather than the period earned.

Governmental funds are divided into major and non-major funds. Funds that meet certain criteria established by the Governmental Accounting Standards Board are classified as major funds. These criteria focus on the relative size of each fund's assets, liabilities, revenues, and expenditures as a percentage of corresponding amounts for total funds by category (governmental or proprietary) or the total of all funds. Major funds receive greater focus in the City's annual financial statements. The City's major funds are the General Fund, Capital Projects Fund, and Debt Service Fund.

Non-major governmental funds are all those governmental funds that do not meet the requirements noted above for major funds.

**Proprietary Funds:** Proprietary funds are accounted for on the full accrual basis, where revenues are recorded when earned and expenses when incurred. For management control purposes, the proprietary funds' expenses are budgeted on the accrual basis except for capital outlays and repayments of debt principal are budgeted as expenditures.

Proprietary funds can be both major and non-major as well, but currently both of the City's proprietary funds are considered major funds. The City's proprietary funds are the Sewer Fund and the Garbage Fund.

***Governmental Funds***

**General Fund:** The General Fund accounts for the operating activities of the City and is the City's largest major fund. It used to account for all financial resources not specifically required to be accounted for in another fund.

**Capital Projects Fund:** The Capital Projects Fund provides funding for property acquisition, infrastructure improvements, and capital improvements. Projects in this fund are typically funded through debt proceeds, state appropriations, or grant proceeds.

**Debt Service Fund:** The Debt Service Fund is used for the accumulation of resources for, and payment of, principal and interest on general long-term debt.

**Special Revenue Funds:** The Special Revenue Funds are used to account for the proceeds of specific revenues which are legally restricted to finance specific functions or activities of the government and therefore, cannot be diverted to other uses. This group is comprised of 4 Cent Gas Tax Fund, 7 Cent Gas Tax Fund, Corrections Fund, Drug Seizure Fund, Municipal Training Fund, Municipal Judicial Fund, Library State Aid Fund, and the Subdivision Capital Projects Fund.

**City of Alabaster**  
Description of All Budgeted Funds  
(Continued)

***Enterprise Funds***

**Sewer Fund:** The Sewer Fund is used to account for revenue earned from and costs related to sewer service.

**Garbage Fund:** The Garbage Fund accounts for the revenues earned from and costs related to the operations of the City's solid waste and sanitation program.

**City of Alabaster**  
 2019 Combined Statement of Revenues, Expenditures, and Changes in Fund Balance

	Governmental Funds				Proprietary Funds		Total All Funds
	General Fund	Capital Projects Fund	Debt Service Fund	Special Revenue Funds	Sewer Fund	Garbage Fund	
<b>Revenues</b>							
Sales and use taxes	\$ 21,950,000						\$ 21,950,000
Property taxes	3,670,000						3,670,000
Other taxes	1,542,000			135,000			1,677,000
Licenses and permits	4,625,650						4,625,650
Fines and forfeitures	453,500						453,500
Charges for services					6,067,250	2,116,690	8,183,940
Other revenues	1,690,501	266,920	20,000	117,475	15,000	3,600	2,113,496
<b>Total revenues</b>	<b>33,931,651</b>	<b>266,920</b>	<b>20,000</b>	<b>252,475</b>	<b>6,082,250</b>	<b>2,120,290</b>	<b>42,673,586</b>
<b>Other financing sources</b>							
Debt proceeds						350,000	350,000
Transfer in from other funds	1,067,650	125,000	4,907,342				6,099,992
<b>Total revenues and other sources</b>	<b>34,999,301</b>	<b>391,920</b>	<b>4,927,342</b>	<b>252,475</b>	<b>6,082,250</b>	<b>2,470,290</b>	<b>49,123,578</b>
<b>Expenditures</b>							
Personnel and benefits	17,178,637				1,489,807	686,968	19,355,412
Operating services	5,448,929			76,150	1,630,455	718,200	7,873,734
Debt service	519,470		4,098,168		2,264,033	85,457	6,967,128
Capital outlay	917,778	6,210,000			611,000	380,000	8,118,778
Support provided to outside agencies	5,472,610						5,472,610
<b>Total expenditures</b>	<b>29,537,424</b>	<b>6,210,000</b>	<b>4,098,168</b>	<b>76,150</b>	<b>5,995,295</b>	<b>1,870,625</b>	<b>47,787,662</b>
<b>Other financing uses</b>							
Transfers out to other funds	4,907,342			167,000	430,000	595,650	6,099,992
<b>Total expenditures and other uses</b>	<b>34,444,767</b>	<b>6,210,000</b>	<b>4,098,168</b>	<b>243,150</b>	<b>6,425,295</b>	<b>2,466,275</b>	<b>53,887,655</b>
<b>Increase (decrease) in fund balance (modified accrual)</b>							
	\$ 554,534	\$ (5,818,080)	\$ 829,174	\$ 9,325	\$ (343,045)	\$ 4,015	\$ (4,764,076)

**City of Alabaster**  
Summary of Authorized Personnel

<b>Department</b>	<b>Authorized Regular Full-Time Positions</b>			
	<b>Actual</b> <b>FY17</b>	<b>Actual</b> <b>FY18</b>	<b>Increase (Decrease)</b>	<b>Budget</b> <b>FY19</b>
Administration	6	6	2	8
Information Technology	2	3	-	3
Library	8	8	-	8
Police	84	84	3	87
Court	6	6	-	6
Fire	64	64	1	65
Public Works	18	11	-	11
Parks & Recreation	25	25	3	28
Finance	6	6	-	6
Human Resources	2	2	-	2
Environmental Services	24	24	-	24
Garbage	-	12	-	12
<b>Total Employees</b>	<b>245</b>	<b>251</b>	<b>9</b>	<b>260</b>

**Administration:** The FY19 budget proposes adding an Executive Director of Engineering and Infrastructure at Grade 35 (\$99,144.70 - \$137,239.45), and a City Clerk appointed by City Council with a pay range of \$72,900 - \$98,400.

**Police:** The FY19 budget proposes adding three Police Officer positions at Grade 17 (\$41,170.07 - \$56,989.00).

**Fire:** The FY19 budget proposes adding a Firefighter/Paramedic position at Grade 18 (\$43,246.05 - \$59,862.65).

**Parks & Recreation:** The FY19 budget proposes adding two Parks Maintenance Technician positions at Grade 7 (\$25,272.00 - \$34,982.36) and a Facilities Manager at Grade 16 (\$39,225.20 - \$54,296.85).



## **GENERAL FUND**

**City of Alabaster**  
General Fund Summary

The General Fund is the principal fund of the City and is used to account for all activities of the City not specifically required to be reported in a separate fund. The General Fund accounts for the normal recurring activities of the City.

**Revenues:** General Fund revenues primarily consist of taxes levied and collected by the City. Additional revenues come from licenses and permits (examples include business licenses and building permits), charges for services (examples include all parks & recreation registration fees), fines and forfeitures (examples include all court fines collected by the City), as well as donations and grants from outside agencies. The City also receives other financing sources.

**Expenditures:** General Fund expenditures and other financing uses are divided by department. Expenditures are divided amongst the following departments:

<ul style="list-style-type: none"><li>• General Administration</li><li>• Information Technology (I.T.)</li><li>• Library</li><li>• Police</li><li>• Court</li><li>• Fire</li></ul>	<ul style="list-style-type: none"><li>• Public Works</li><li>• Parks and Recreation</li><li>• Finance</li><li>• Elected Officials</li><li>• Human Resources</li><li>• Non-departmental Expenditures</li></ul>
--	---

In addition, expenditures within each department are divided up into the following expense categories:

*Personnel:* Expenditures related to providing salaries, wages, and benefits to current and retired City employees.

*Operating:* Expenditures related to funding the day-to-day operations related to providing City services to the citizens of Alabaster.

*Capital:* Expenditures related to the acquisition of long-lived assets that will be used in operations. Examples of such expenditures include land, buildings, vehicles, and heavy machinery.

*Non-departmental:* Expenditures consist of the following items not directly attributable to any one City department:

*Debt Service:* Expenditures related to the payment of debt obligations.

*Outside Agency Funding:* Funds provided to other governmental and not-for-profit organizations that the City feels benefit the citizens of Alabaster.

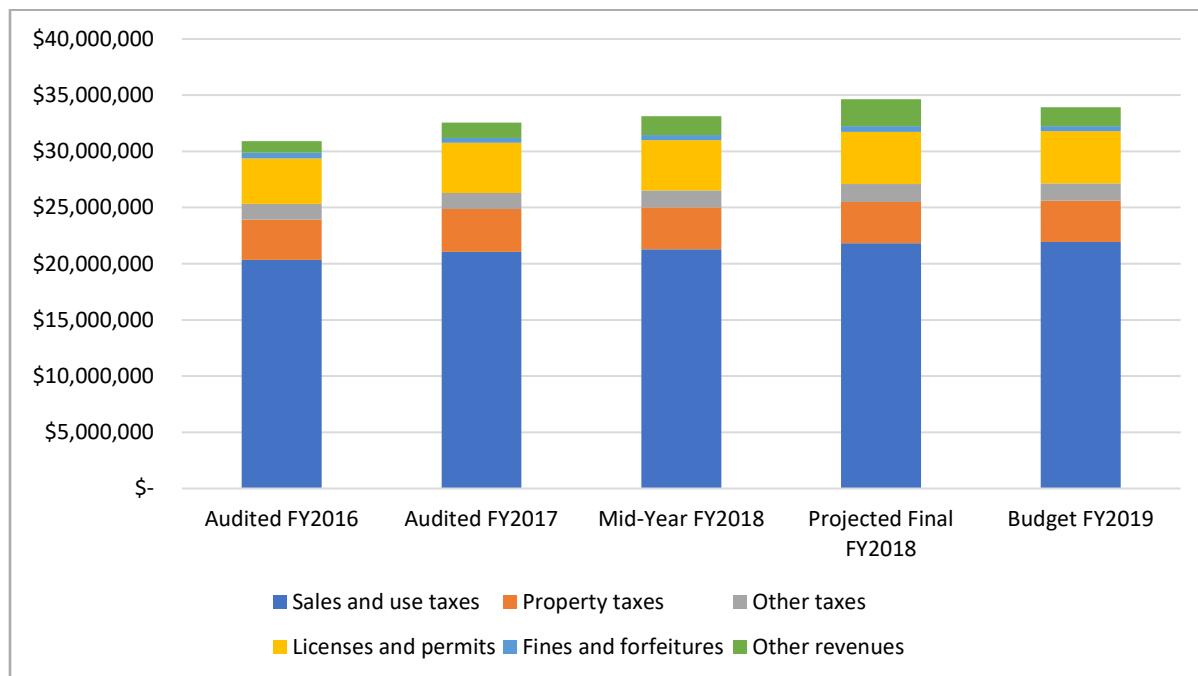
*Transfers:* Transfers are the movement of resources from one City fund to another fund that may have different legal restrictions placed upon it. It is common for various funds in a City to transfer resources to each other.

**City of Alabaster**  
 General Fund – Changes in Fund Balance

The City understands that fund balance for the General Fund must be maintained at a level that ensures the City is able to respond to crisis or changes in economic conditions. Management strives to maintain a fund balance equal to **at least** 15% of expenditures. As a management tool to ensure an adequate fund balance is maintained, the Council established a Council Reserve Fund that can only be spent after approval of a Council majority. The City has historically transferred \$300,000 each year into this account and plans to maintain this level of funding for the foreseeable future.

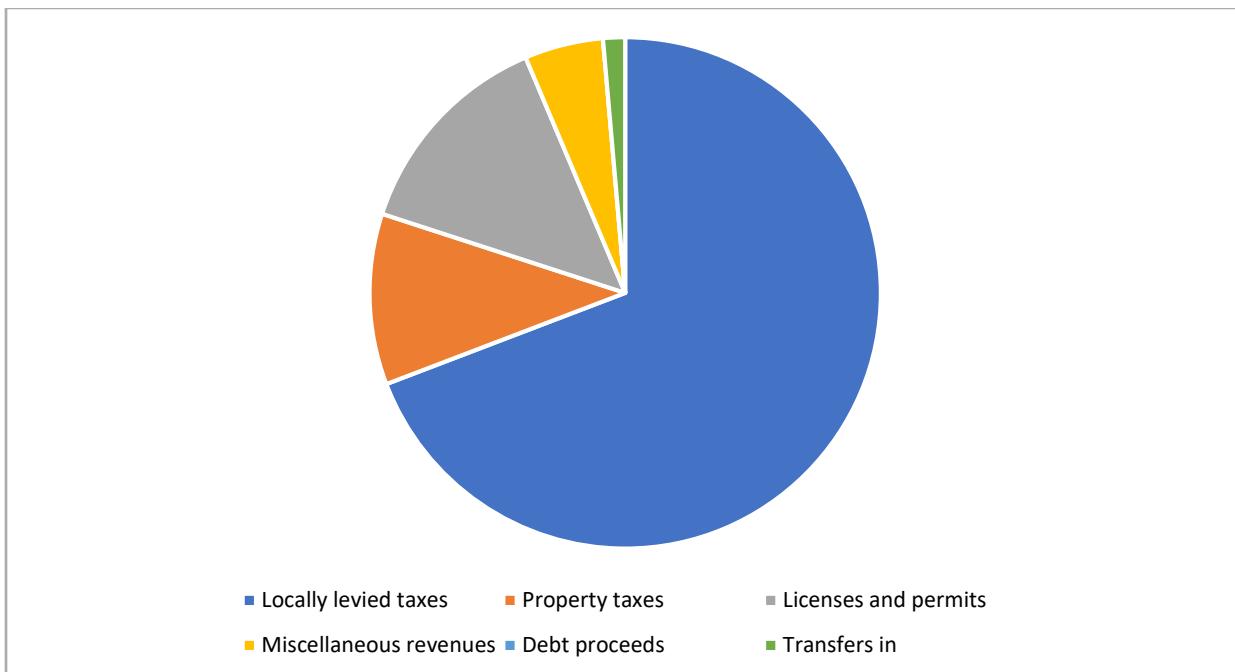
	<b>Mid-Year</b>		
	<b>Actual Audited</b>	<b>Budget</b>	<b>Budget</b>
	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>
<b>Beginning fund balance</b>	\$ 6,118,380	\$ 6,460,665	\$ 7,447,153
Revenues	32,546,082	33,129,286	33,931,651
Other financing sources	<u>1,417,287</u>	<u>1,408,633</u>	<u>1,067,650</u>
Total available resources	<u>33,963,369</u>	<u>34,537,919</u>	<u>34,999,301</u>
 <b>Expenditures</b>			
	27,758,938	29,668,286	29,537,424
<b>Other financing uses</b>	<u>5,862,146</u>	<u>3,883,144</u>	<u>4,907,342</u>
<b>Total expenditures and other uses</b>	<u>33,621,084</u>	<u>33,551,430</u>	<u>34,444,767</u>
 Excess (deficit) of available resources over expenditures and other uses	<u>342,285</u>	<u>986,488</u>	<u>554,534</u>
 Ending fund balance	<u><u>\$ 6,460,665</u></u>	<u><u>\$ 7,447,153</u></u>	<u><u>\$ 8,001,687</u></u>
 Ending fund balance as a % of expenditures and other financing uses	19.22%	22.20%	23.23%

**City of Alabaster**  
Trends in General Fund Revenues



	Actual Audited		Mid-Year	Projected	
	FY2016	FY2017	Budget	FY2018	FY2019
Sales and use taxes	\$ 20,338,071	\$ 21,055,097	\$ 21,271,444	\$ 21,829,519	\$ 21,950,000
Property taxes	3,589,515	3,810,550	3,737,928	3,679,691	3,670,000
Other taxes	1,413,338	1,431,234	1,521,972	1,575,938	1,542,000
Licenses and permits	4,028,686	4,464,892	4,463,440	4,652,771	4,625,650
Fines and forfeitures	507,928	436,630	443,745	512,553	453,500
Other revenues	1,038,610	1,347,679	1,690,755	2,391,619	1,690,501
	<u>\$ 30,916,148</u>	<u>\$ 32,546,082</u>	<u>\$ 33,129,286</u>	<u>\$ 34,642,089</u>	<u>\$ 33,931,651</u>

**City of Alabaster**  
 General Fund – Summary of Revenues by Source



**Budgeted revenues**

Sales and use taxes	\$ 21,950,000
Other taxes	1,542,000
Total locally levied taxes	23,492,000
Property taxes	3,670,000
Total taxes	27,162,000
Licenses and permits	4,625,650
Fines and forfeitures	453,500
Other revenues	1,690,501
<b>Total budgeted revenues</b>	<b>\$ 33,931,651</b>

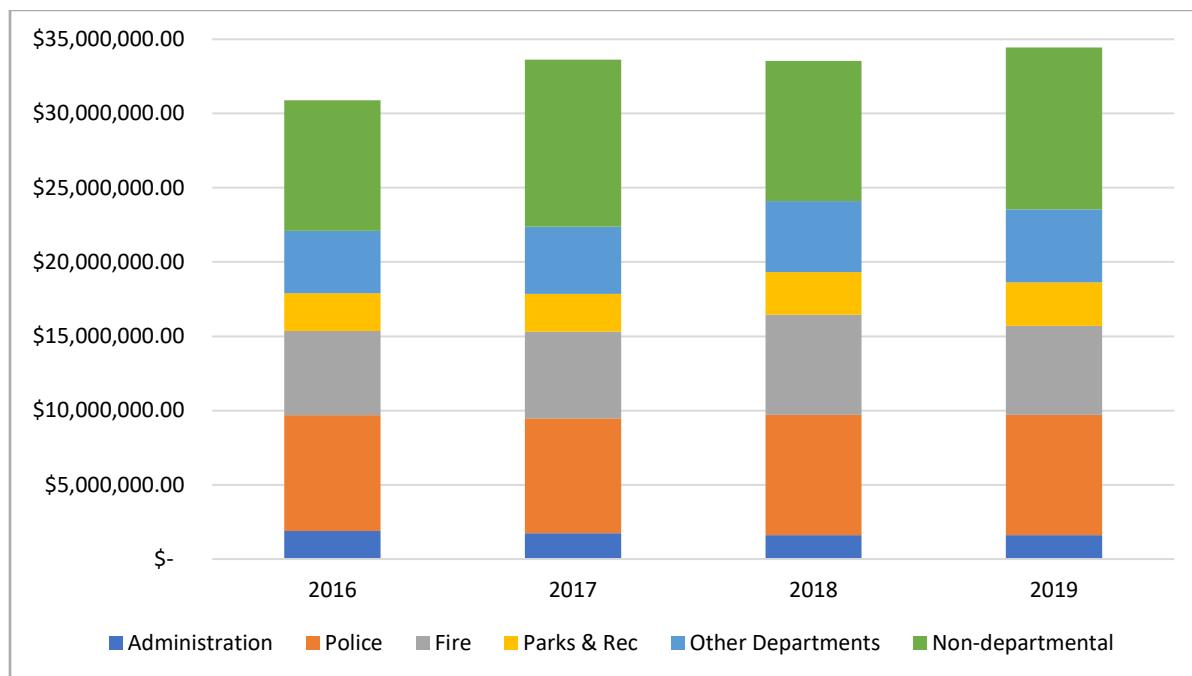
**Other financing sources**

Debt proceeds	-
Transfers in from other funds	1,067,650
<b>Total budgeted other financing sources</b>	<b>\$ 1,067,650</b>

**Total budgeted revenues and other financing sources**

**\$ 34,999,301**

**City of Alabaster**  
 Trends in General Fund Expenditures by Department



	Actual Audited		Mid-Year Budget		Budget
	FY2016	FY2017	FY2018	FY2019	
Administration	\$ 1,891,175	\$ 1,747,114	\$ 1,612,808	\$ 1,613,503	
I.T.	-	-	772,736	820,179	
Library	786,685	779,212	841,792	845,500	
Police	7,808,270	7,736,211	8,104,424	8,093,051	
Court	505,197	526,674	537,905	551,314	
Fire	5,651,921	5,820,028	6,746,302	5,995,692	
Public Works	1,993,771	1,922,052	1,334,247	1,357,452	
Parks & Recreation	2,546,828	2,558,981	2,862,749	2,923,839	
Finance	245,183	598,716	601,141	633,266	
Elected Officials	405,436	380,832	372,591	370,391	
Human Resources	267,232	305,510	326,052	341,157	
Non-departmental	8,796,148	11,245,754	9,438,683	10,899,422	
	<b>\$ 30,897,846</b>	<b>\$ 33,621,084</b>	<b>\$ 33,551,430</b>	<b>\$ 34,444,766</b>	

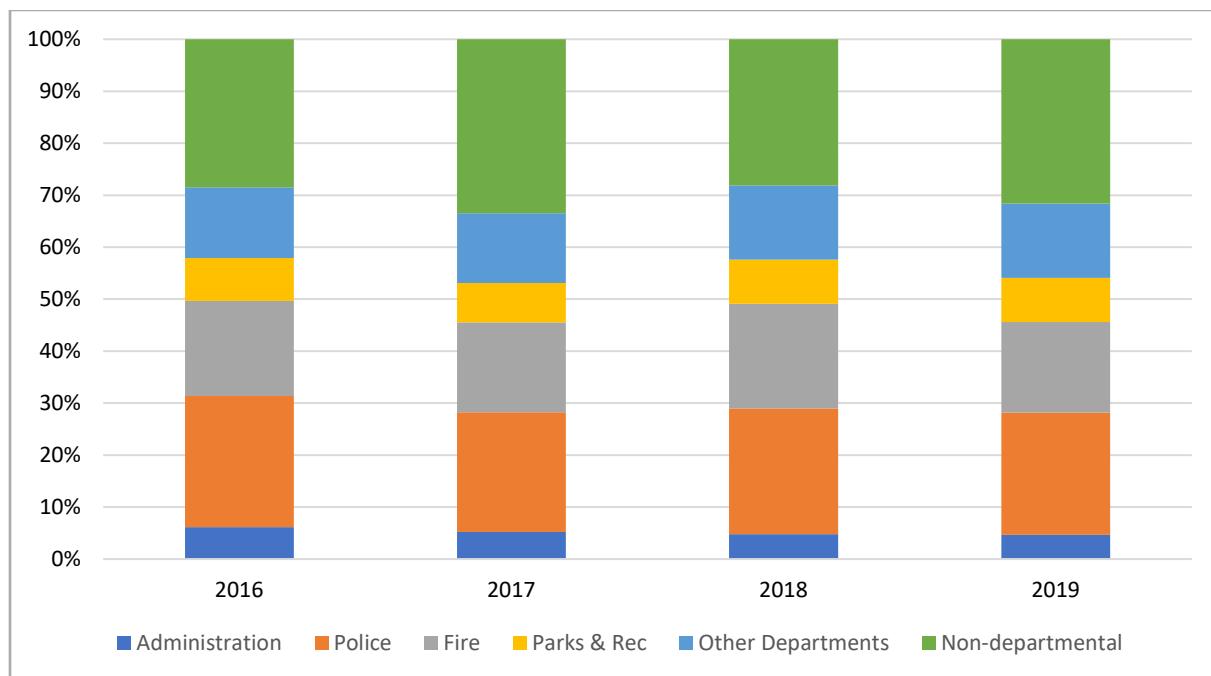
Notes

I.T. is being established as a new department for the 2018 budget.

Accounting personnel were moved from Administration to Finance in 2017.

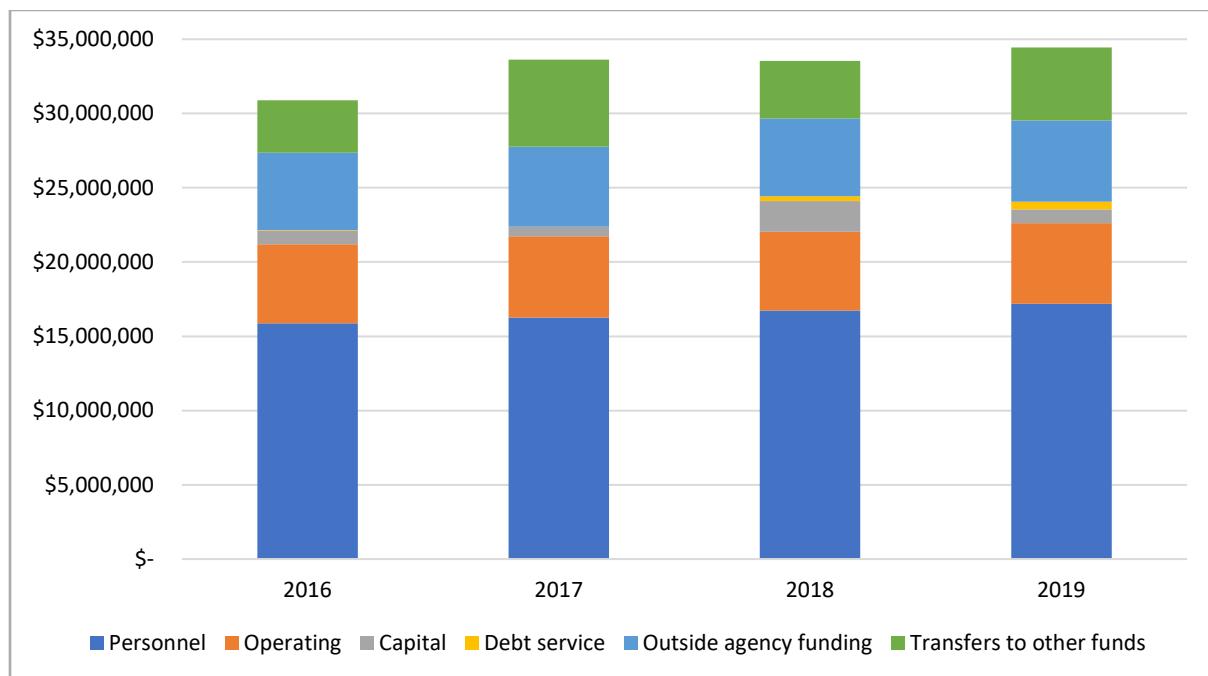
Certain expenses previously accounted for by the Public Works department were moved to the Garbage fund in 2018.

**City of Alabaster**  
 Percentage of General Fund Expenditures by Department



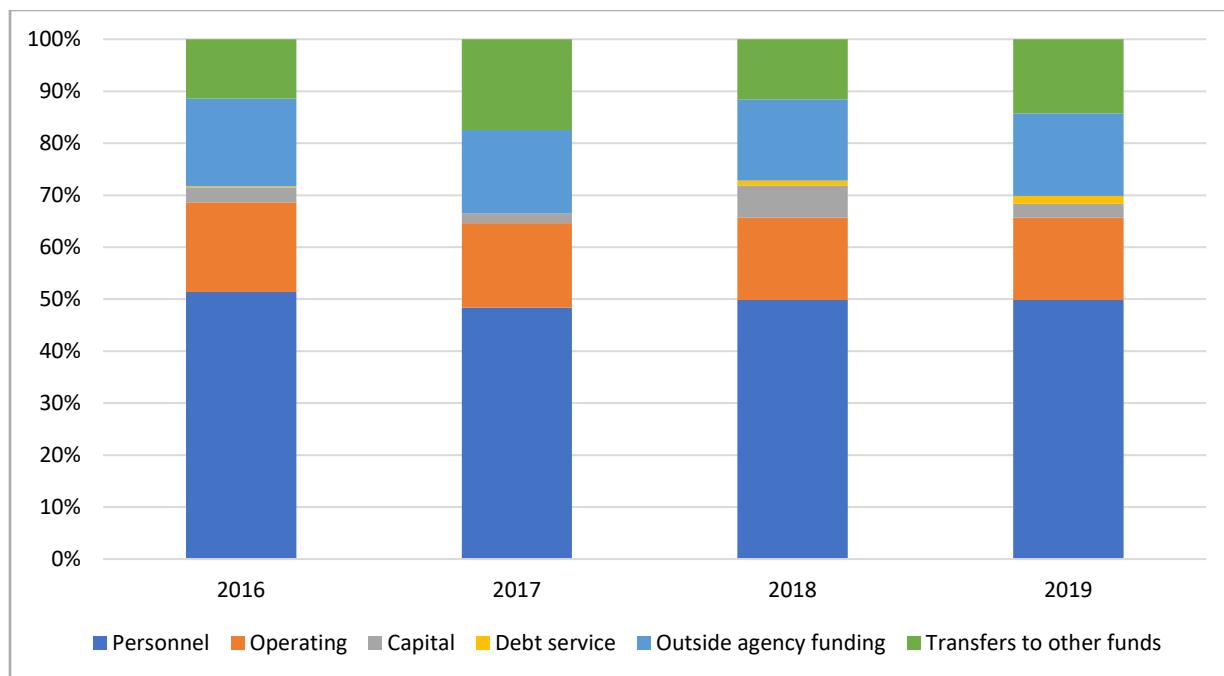
	Actual Audited		Mid-Year Budget		Budget FY2019
	FY2016	FY2017	FY2018	FY2019	
Administration	6.12%	5.20%	4.81%	4.68%	
I.T.	0.00%	0.00%	2.30%	2.38%	
Library	2.55%	2.32%	2.51%	2.45%	
Police	25.27%	23.01%	24.16%	23.50%	
Court	1.64%	1.57%	1.60%	1.60%	
Fire	18.29%	17.31%	20.11%	17.41%	
Public Works	6.45%	5.72%	3.98%	3.94%	
Parks & Recreation	8.24%	7.61%	8.53%	8.49%	
Finance	0.79%	1.78%	1.79%	1.84%	
Elected Officials	1.31%	1.13%	1.11%	1.08%	
Human Resources	0.86%	0.91%	0.97%	0.99%	
Non-departmental	28.47%	33.45%	28.13%	31.64%	
	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	

**City of Alabaster**  
 Trends in General Fund Expenditures by Expenditure Category



	Actual Audited		Mid-Year Budget		Budget
	FY2016	FY2017	FY2018	FY2019	
Personnel and Benefits	\$ 15,867,676	\$ 16,259,873	\$ 16,725,372	\$ 17,178,637	
Operating	5,330,338	5,470,632	5,307,496	5,448,929	
Capital	903,684	644,825	2,079,879	917,778	
Debt Service	48,307	-	310,564	519,470	
Outside Agency Funding	5,206,840	5,383,608	5,244,975	5,472,610	
Transfers to other funds	3,541,001	5,862,146	3,883,144	4,907,342	
	<b>\$ 30,897,846</b>	<b>\$ 33,621,084</b>	<b>\$ 33,551,430</b>	<b>\$ 34,444,766</b>	

**City of Alabaster**  
 Percentage of General Fund Expenditures by Expenditure Category



	Actual Audited		Mid-Year Budget	
	FY2016	FY2017	FY2018	FY2019
Personnel and Benefits	51.36%	48.36%	49.85%	49.87%
Operating	17.25%	16.27%	15.82%	15.82%
Capital	2.92%	1.92%	6.20%	2.66%
Debt Service	0.16%	0.00%	0.93%	1.51%
Outside Agency Funding	16.85%	16.01%	15.63%	15.89%
Transfers to other funds	11.46%	17.44%	11.57%	14.25%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Administration**  
Budget Summary

***ADMINISTRATION***

***DEPARTMENT HEAD: BRIAN BINZER***

**Department Overview:** The Administration Department is tasked with assisting the Mayor in carrying out daily operations of the City. This department includes appointed officials such as the City Manager and City Clerk, as well as civil service positions that contribute across multiple departments within the City.

**Major Functions:**

- Advising the Mayor and City Council on matters
- Implementing directives from the Mayor and City Council
- Responding to calls from citizens in a timely manner
- Development and implementation of long-range planning
- Preparation of City Council meetings and agendas

**2018 Accomplishments:**

Started implementation of paperless City Council packets.

Successfully administered and awarded 14 bids.

Adopted floodplain management plan.

Rezoned Saddle Lake Farms neighborhood to more appropriately align with the character of the area.

Rezoned 70 acres for District 31, a 350,000 square foot shopping center development.

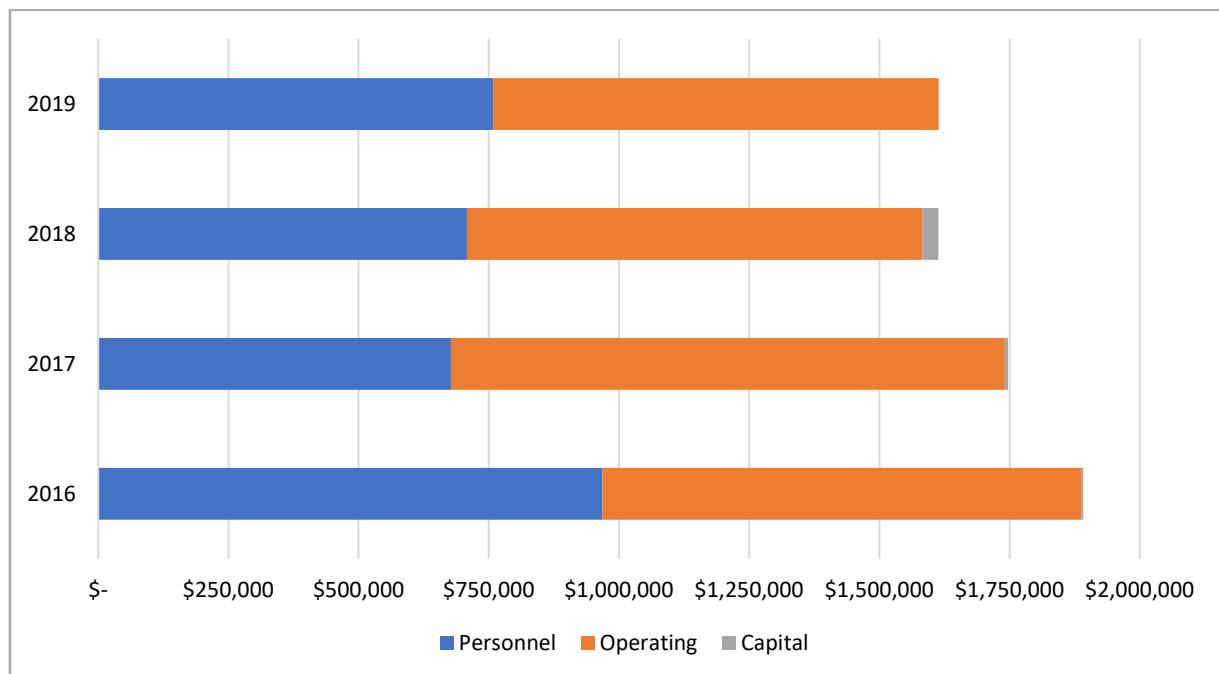
**2019 Goals:**

Deliver 100% of City Council packets by Council implemented deadlines.

Create Siluria Mill overlay district.

Execute and get City Council approval on a Development Agreement for District 31.

**Administration**  
**Budget Summary**  
(Continued)



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2016	FY2017	FY2018	FY2019
Personnel	\$ 967,841	\$ 677,069	\$ 707,744	\$ 758,277
Operating	920,725	1,064,123	874,475	855,226
Capital	2,609	5,922	30,590	-
	<u>\$ 1,891,175</u>	<u>\$ 1,747,114</u>	<u>\$ 1,612,809</u>	<u>\$ 1,613,503</u>

**Information Technology**  
Budget Summary

***INFORMATION TECHNOLOGY (IT)***  
***DEPARTMENT HEAD: PATRICK JOHNSON***

**Department Overview:** The Information Technology (IT) Department's overall goal is to facilitate reliable, timely, and easy access to information for employees and residents. The IT Department strives to provide excellent customer service to both employees as well as residents by leveraging technology to create access to better information and more efficient processes within the City.

**Major Functions:**

- Provide technical assistance and advice to the Mayor, City Manager, Department Heads, and City personnel on all technology concerns
- Operate a reliable voice, data, and radio communications infrastructure
- Facilitate interdepartmental and community access to relevant information
- Provide City employees and residents with the best and most cost-effective technology
- Provide reliable data backup and disaster recovery systems to minimize any system downtime

**2018 Accomplishments:**

Added GIS specialist.

Implemented ThreatAdvice training services to provide IT security training for all employees.

Replaced outdated phone systems with a newer system that provides a direct connection to Shelby County and the Alabaster Board of Education.

**2019 Goals:**

Continue replacing aging computer hardware within each department.

Implement paperless City Council agenda software.

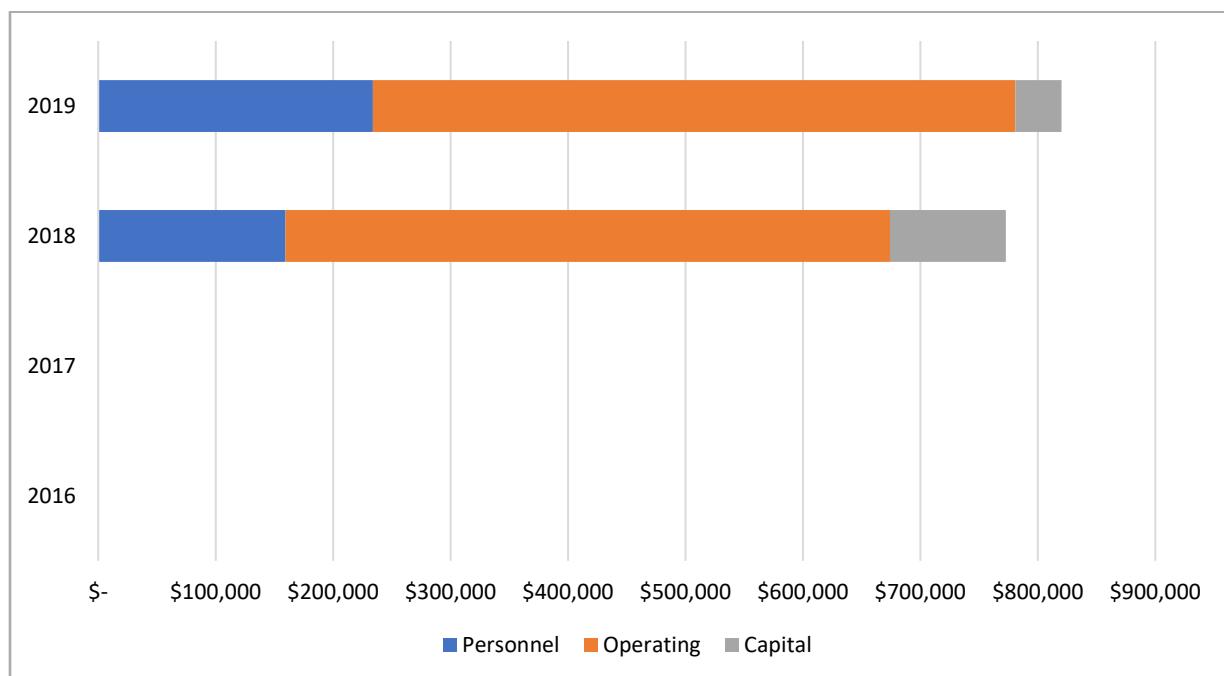
Upgrade and replace security cameras at City Hall.

Begin building and updating all the City's mapping within the GIS system.

## Information Technology

### Budget Summary

(Continued)



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2016	FY2017	FY2018	FY2019
Personnel	\$ -	\$ -	\$ 159,471	\$ 233,766
Operating	- -	- -	\$ 514,765	\$ 547,035
Capital	<hr/> - -	<hr/> - -	<hr/> \$ 98,500	<hr/> \$ 39,378
	<hr/> \$ -	<hr/> \$ -	<hr/> \$ 772,736	<hr/> \$ 820,179

*Note:* Information technology was added as a new department for the 2018 budget.

**Library**  
Budget Summary

***LIBRARY***

***DEPARTMENT HEAD: NAN ABBOTT***

**Department Overview:** The Albert L. Scott Library was built in 1983 and since that time has served to provide information resources and services to all the citizens of Alabaster. By doing so, the Albert L. Scott Library hopes to ensure citizens meet their cultural, educational, recreational and professional needs.

**Major Functions:**

- Develop a collection that reflects the varied interest of the citizens of Alabaster.
- Provide residents with reliable information.
- Provide residents with resources and programs that contribute to an engaged and informed community.
- Provide patrons with a safe and comfortable destination.
- Provide citizens with access to high quality technology
- Provide children with educational and entertaining programming

**2018 Accomplishments:**

Replaced two HVAC units, installed new carpet tiles, and installed LED bulbs to address inadequacies in aging public facilities as called for in the Cultural Amenities and Policies section of the Comprehensive Plan.

Installed six new public access internet computers.

Installed new copier with built in fax machine for library patron use.

**2019 Goals:**

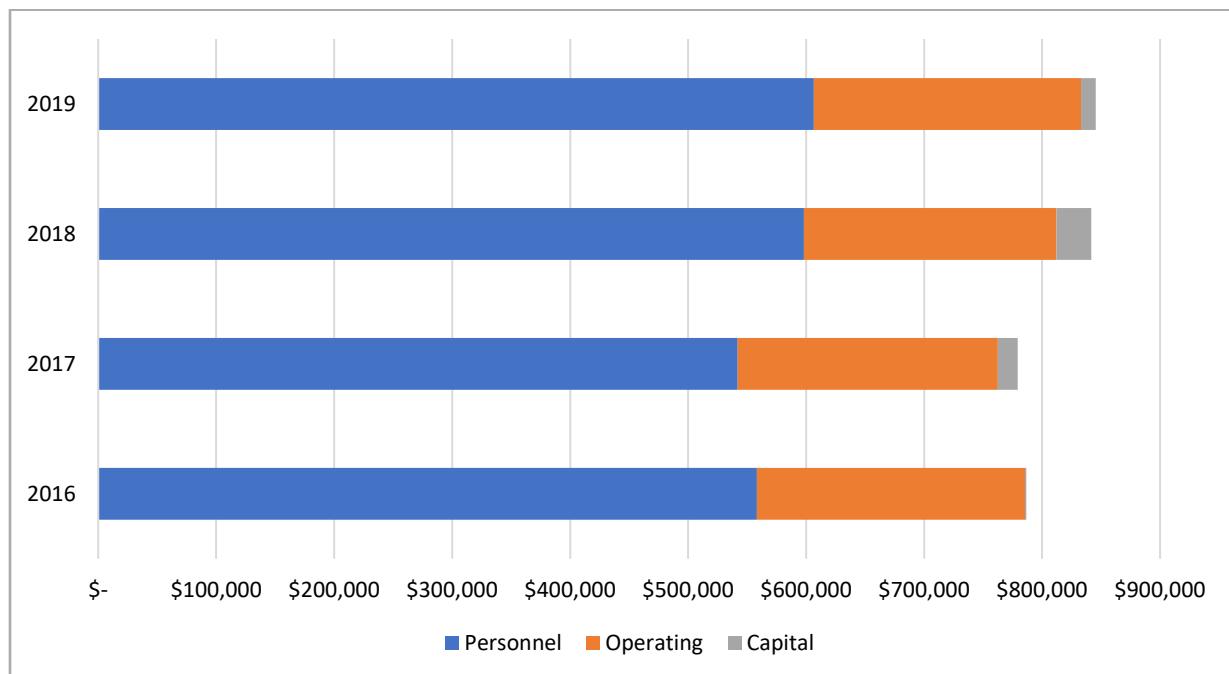
Continue improvement of the facility by purchasing six ergonomically designed chairs for the public internet access computer stations to increase patron comfort and purchasing and installing new large capacity book and DVD outside drops for patron convenience.

Promoting a groundbreaking digital media service (Hoopla) that allows patrons instantaneous and simultaneous access to movies, music, audiobooks, e-books, comics and TV shows to enjoy on their computer, tablet, phone or TV.

Working with Shelby County I.T. department to put in place wireless printing for our patrons.

Implementing use of Credit and Debit cards for patron convenience and to facilitate more prompt payment of fines owed.

**Library**  
**Budget Summary**  
**(Continued)**



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2016	FY2017	FY2018	FY2019
Personnel	\$ 558,258	\$ 542,045	\$ 598,067	\$ 606,523
Operating	227,253	220,347	214,175	226,577
Capital	1,174	16,820	29,550	12,400
	<u>\$ 786,685</u>	<u>\$ 779,212</u>	<u>\$ 841,792</u>	<u>\$ 845,500</u>

**Police**  
Budget Summary

***POLICE***  
***DEPARTMENT HEAD: CURTIS RIGNEY***

**Department Overview:** The Alabaster Police Department strives to maintain an effective partnership with the community and to keep our city safe. Our employees respect the rights of all persons, operate without bias and within the framework of the United States Constitution. The Alabaster Police Department strives for excellence by utilizing progressive training and technology. We work each day to uphold the foundations of the agency: Duty, Honor, Community.

**Major Functions:**

- Provide police patrol throughout the City.
- Provide immediate response to all emergency calls for service.
- Provide dispatch of emergency 911 calls.
- Provide special crime prevention programs to maintain a sense of security in the community.
- Ensure safe and secure schools through the school resource officer program.

**2018 Accomplishments:**

Reduced car break-ins by 26% compared with the prior year.

Had an overall response time of 04:26, well below the national average of 11:00.

Recognized as the fourth safest city in Alabama and the second safest city with a population over 25,000.

Made significant improvements to the Police firing range.

**2019 Goals:**

Reduce overall burglaries and thefts by 25%.

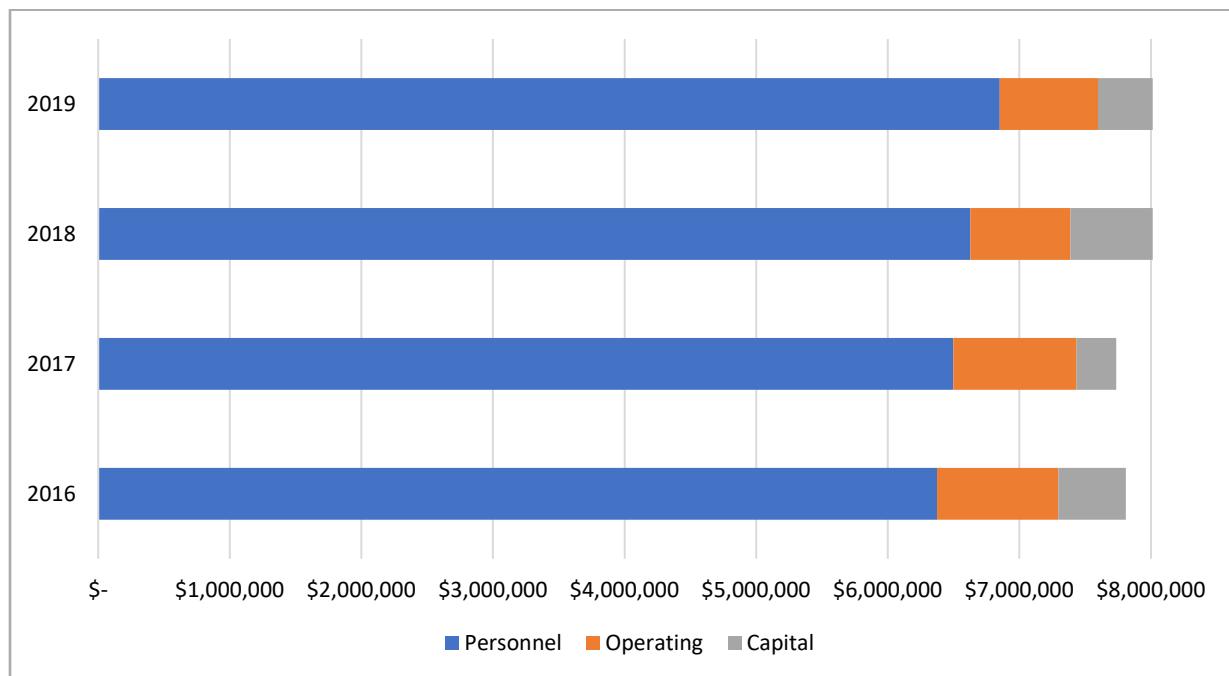
Finish the design and begin construction on a new police station that will meet the current needs of the department as well as accommodate the future growth of the department.

Redesign patrol zones based on call volumes to provide greater patrol efficiency and quicker response times.

Add 3 new police officer positions to the department.

Enhance career development program by providing more in-house training as well as additional instructor training.

**Police**  
**Budget Summary**  
**(Continued)**



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2016	FY2017	FY2018	FY2019
Personnel	\$ 6,374,298	\$ 6,498,539	\$ 6,627,010	\$ 6,851,112
Operating	921,511	936,925	760,814	746,640
Capital	<u>512,460</u>	<u>300,747</u>	<u>716,600</u>	<u>495,300</u>
	<u><u>\$ 7,808,270</u></u>	<u><u>\$ 7,736,211</u></u>	<u><u>\$ 8,104,424</u></u>	<u><u>\$ 8,093,051</u></u>

**Court**  
Budget Summary

**COURT**  
**DEPARTMENT HEAD: SANDRA HARIKA**

**Department Overview:** The Court Department handles misdemeanor cases – traffic and non-traffic. The Municipal Court of Alabaster exercises jurisdiction over all prosecutions for violations of traffic offenses, municipal ordinances, and state misdemeanors adopted by the Code of Ordinances.

**Major Functions:**

- Conduct probable cause hearings and issue arrest warrants for violations of municipal ordinance and state misdemeanors.
- Accept payments for fines and court costs.
- Conduct trials for all necessary cases.
- Oversee the provision of probation services, including the collection of fines, rehabilitation, and counseling administered by a third-party probation provider.

**2018 Accomplishments:**

Implemented system to accept credit and debit cards, phone payments, and web site payments to make the payment process more convenient.

Implemented new magistrate procedures for bond hearings.

Implemented E-Citation system which allows citations to be entered electronically.

Presented, and had passed by City Council, a new ordinance for Comprehensive Defensive Driving School allowing the Municipal Judge to set the fee as appropriate.

**2019 Goals:**

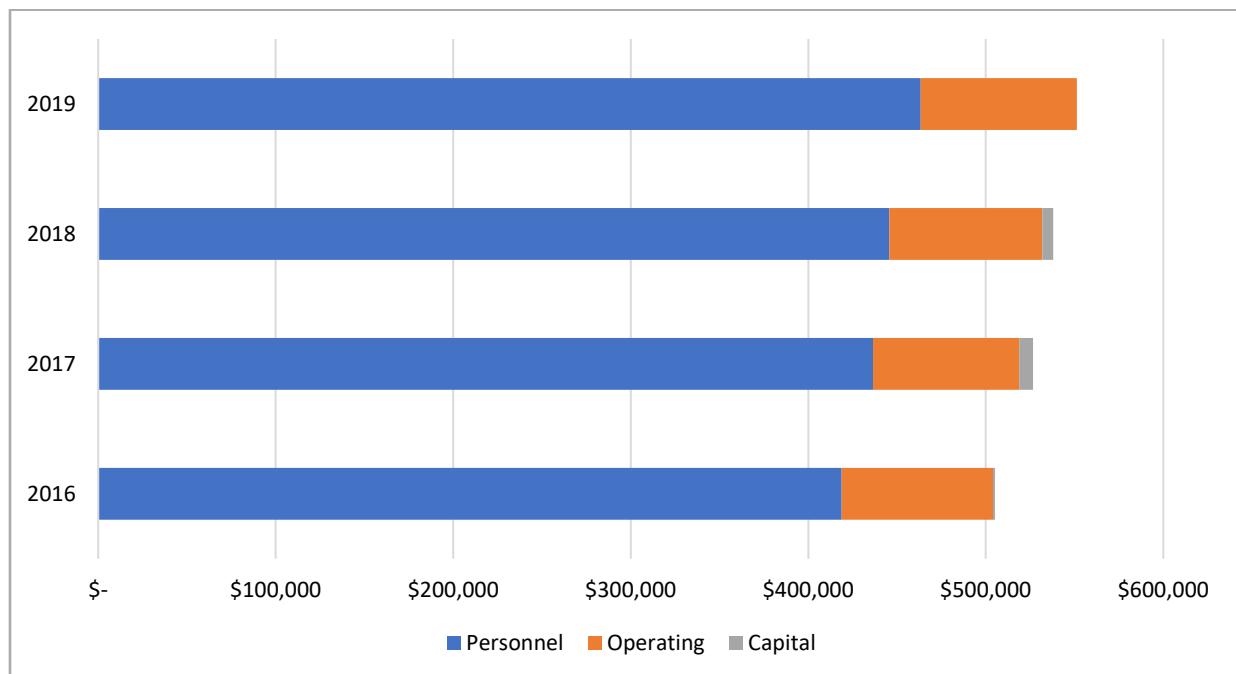
Begin scanning court documents to allow for an electronic copy of all files.

Continue working to purge old warrants and reduce the number of outstanding warrants in the system.

Implement new regulations concerning interlock procedures and probation.

Provide excellent customer service to the citizens of Alabaster.

**Court**  
**Budget Summary**  
(Continued)



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2016	FY2017	FY2018	FY2019
Personnel	\$ 418,775	\$ 436,400	\$ 445,660	\$ 463,298
Operating	85,342	82,446	86,245	88,016
Capital	1,080	7,827	6,000	-
	<u>\$ 505,197</u>	<u>\$ 526,674</u>	<u>\$ 537,905</u>	<u>\$ 551,314</u>

**Fire**  
Budget Summary

***FIRE***  
***DEPARTMENT HEAD: TIM LOVE***

**Department Overview:** The Alabaster Fire Department is a full-time career fire department serving the City of Alabaster. The department operates out of three firehouses and provides advanced life support emergency medical care, fire suppression services, technical rescue services, building inspection services, and a wide variety of community risk reduction programs.

**Major Functions:**

- Provide Building Codes inspections for all new construction.
- Provide fire prevention inspections for all City businesses.
- Provide immediate response to all fire calls.
- Provide emergency medical services.
- Provide technical rescue services.
- Maintain strong code enforcement.

**2018 Accomplishments:**

Ordered 2 new pumper apparatus.

Created an additional Building Inspector position to help take on additional workload due to growth within City.

Instituted complete data measuring in all aspects of response performance measured by the 90<sup>th</sup> percentile and not the average to ensure a more accurate measure of performance.

Increased proficiency of the building permitting process to allow developers better turnaround times for new projects.

**2019 Goals:**

Receive national accreditation by the Center for Public Safety Excellence (CPSE) in August 2019 making Alabaster the first to receive that accreditation in the State of Alabama.

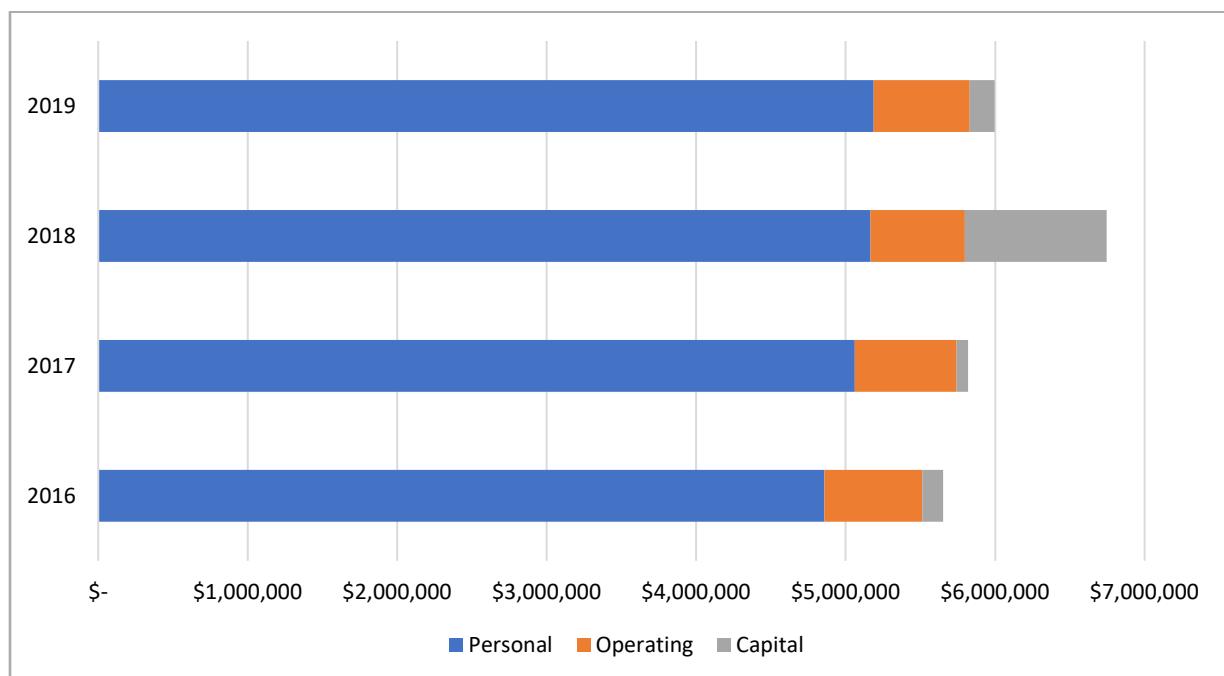
Take delivery of 2 new pumper apparatus and surplus 3 old apparatus to update the fleet and reduce repair costs.

Institute a preventative maintenance program on all apparatus to reduce operational cost, prolong life, reduce out-of-service time, and increase efficiency of service.

Set definitive improvement benchmark times for all incident response types based on 90<sup>th</sup> percentile measures.

Improve efficiency of the code enforcement with the inclusion of an additional APOST and Firefighter certified Fire Inspector.

**Fire**  
**Budget Summary**  
(Continued)



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2016	FY2017	FY2018	FY2019
Personnel	\$ 4,858,511	\$ 5,061,786	\$ 5,166,193	\$ 5,187,742
Operating	655,441	679,218	632,470	642,250
Capital	137,969	79,024	947,639	165,700
	<u>\$ 5,651,921</u>	<u>\$ 5,820,028</u>	<u>\$ 6,746,302</u>	<u>\$ 5,995,692</u>

**Public Works**  
Budget Summary

**PUBLIC WORKS**  
**DEPARTMENT HEAD: MARK HARRIS**

**Department Overview:** The Public Works Department seeks to provide excellent service and exceptional quality of life through construction projects and City property maintenance. The Public Works Department accomplishes this through its daily operations such as: maintaining the City's streets and sidewalks, installing and maintaining proper traffic control and street signs, assisting on alleviating drainage issues on City property, and maintaining City rights-of-way.

**Major Functions:**

- Provide technical assistance to the Mayor, City Manager, City Council and other Department Heads.
- Maintain streets, ditches, storm water pipes, and sidewalks within the City of Alabaster.
- Maintain right-of-way, street lights, and traffic signs within the City.
- Minor road and sidewalk repairs.

**2018 Accomplishments:**

Supervised construction of new Garbage and Public Works facility at Limestone Park.

Compiled comprehensive repaving needs assessment within the City for presentation to City Council.

Oversaw completion of repaving on a portion of Alabaster Boulevard.

Oversaw completion of extension of Fulton Springs Road from Old Highway 31 to US-31.

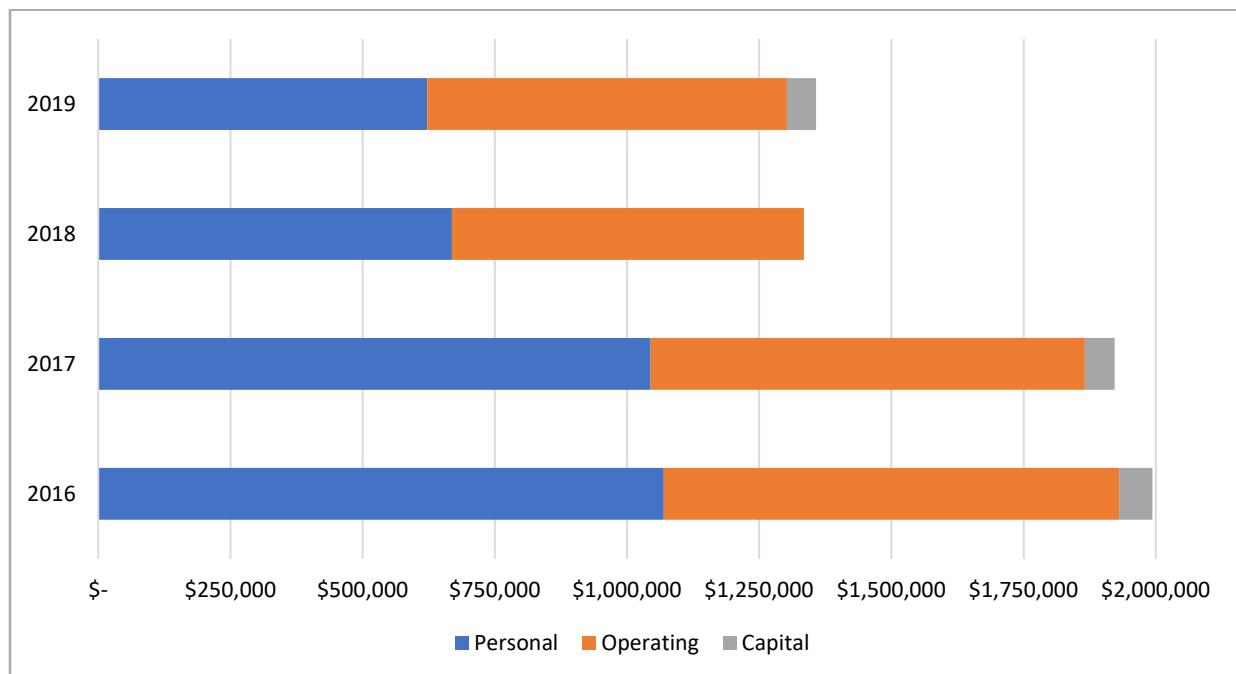
**2019 Goals:**

Repave all roads outlined on the 2019 road paving list presented to City Council by the end of the 2019 fiscal year.

Finalize movement of staff, equipment, and City infrastructure to new Garbage and Public Works facility at Limestone Park.

Reduce the amount of time street lights and traffic lights are down by working with the Police Department to log and record light failures every Sunday night.

**Public Works**  
**Budget Summary**  
**(Continued)**



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2016	FY2017	FY2018	FY2019
Personnel	\$ 1,069,540	\$ 1,044,811	\$ 669,130	\$ 621,956
Operating	860,846	820,902	665,116	680,496
Capital	63,385	56,339	-	55,000
	<u>\$ 1,993,771</u>	<u>\$ 1,922,052</u>	<u>\$ 1,334,247</u>	<u>\$ 1,357,452</u>

***Note:** 7 employees and certain operating expenses previously handled by the Public Works department are being moved to the Garbage Fund for 2018.*

**Parks and Recreation**  
Budget Summary

**PARKS AND RECREATION**  
**DEPARTMENT HEAD: TIM HAMM**

**Department Overview:** The goal of the Parks and Recreation Department is to provide athletic opportunities for children and adults, leisure activities for all citizens, and to maintain City athletic and recreation facilities and infrastructure.

**Major Functions:**

- Provide safe, affordable, and innovative leisure activities for adults and children
- Develop and maintain recreation facilities
- Promote and host recreation and sporting events within the City
- Provide athletic opportunities for all ages and abilities of youth and adults
- Maintain landscaping for all City property.

**2018 Accomplishments:**

Had one additional Parks & Rec employee certified as a spray technician giving the City 2 certified persons to handle and spray pesticides and herbicides.

Improved storm water drainage systems in parks.

Acquired a new bus for Senior Center programs.

All Parks & Rec employees obtained CPR certification.

**2019 Goals:**

Update Main Street landscaping by removing existing landscaping, improving irrigation, adding planter boxes and ornamental shrubs, and adding to existing hanging baskets.

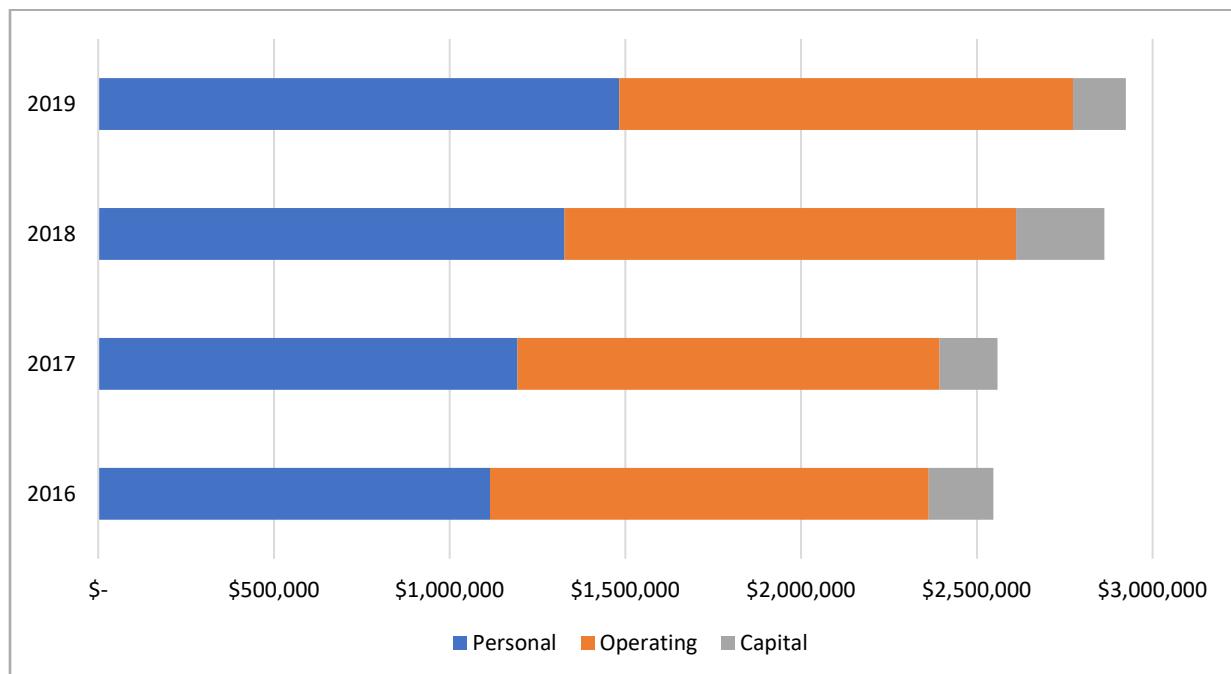
Upgrade irrigation in all parks with central control to improve efficiency and reduce water costs.

Add a new playground at Veteran's Park and replace playground equipment at Municipal Park.

## Parks and Recreation

### Budget Summary

(Continued)



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2016	FY2017	FY2018	FY2019
Personnel	\$ 1,114,434	\$ 1,192,776	\$ 1,326,549	\$ 1,482,618
Operating	1,248,553	1,200,939	1,285,200	1,291,221
Capital	<u>183,840</u>	<u>165,265</u>	<u>251,000</u>	<u>150,000</u>
	<u>\$ 2,546,828</u>	<u>\$ 2,558,981</u>	<u>\$ 2,862,749</u>	<u>\$ 2,923,839</u>

**Finance**  
Budget Summary

***FINANCE***

***DEPARTMENT HEAD: JOHN HAGGARD***

**Department Overview:** The Finance Department provides timely financial data to elected officials, City personnel, and citizens. In addition, the Finance Department oversees the collection of City revenue, compliance with tax and license ordinances, purchasing, accounts payable, and cash and investment balances held at City depositories. The Finance Department is also tasked with ensuring the City maintains proper and cost-effective internal control over City assets and financial reporting.

**Major Functions:**

- Perform centralized treasury function for all City departments including: cash receipting, cash disbursements, cash account reconciliation, invest of idle cash, etc.
- Monitor and collect accounts receivable
- Maintain and present accurate and timely financial data
- Perform debt management functions
- Maintain the City's general ledger as the primary permanent account of the City's finances
- Prepare and ensure timely presentation of the Comprehensive Annual Financial Report (CAFR)
- Prepare and ensure timely presentation of the Annual Budget

**2018 Accomplishments:**

Transitioned the City from issuing basic financial statements to a Comprehensive Annual Financial Report (CAFR) in accordance with GFOA guidance.

Wrote and presented to City Council for passage debt management policy, investment policy, and post-issuance compliance policy for tax-exempt debt.

Oversaw the issuance of \$9,605,000 of General Obligation Warrants in Series 2017 issuance and \$9,430,000 of General Obligation Warrants in Series 2018.

Obtained an unqualified or "clean" opinion on the FY0217 CAFR.

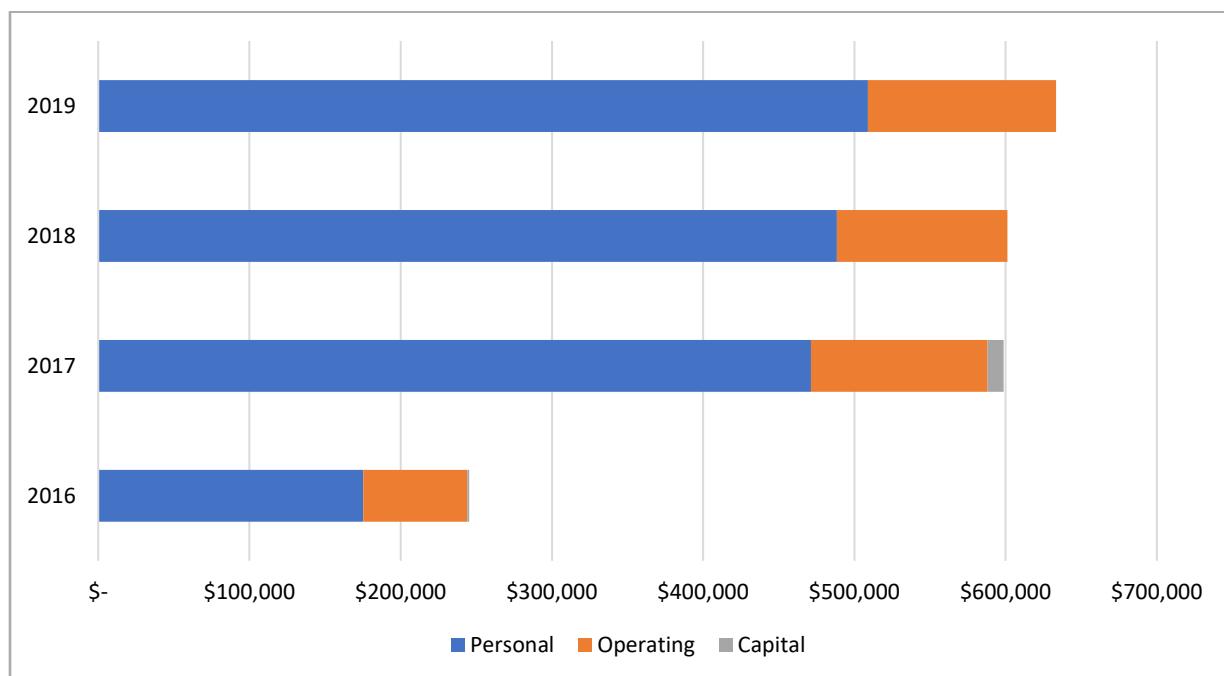
**2019 Goals:**

Obtain GFOA Certificate of Achievement for Excellence in Financial Reporting.

Obtain GFOA Distinguished Budget Award.

Obtain an unqualified or "clean" opinion on the FY2018 CAFR.

**Finance**  
**Budget Summary**  
(Continued)



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2016	FY2017	FY2018	FY2019
Personnel	\$ 175,208	\$ 471,348	\$ 488,361	\$ 508,951
Operating	68,809	116,634	112,780	124,315
Capital	1,166	10,734	-	-
	<u>\$ 245,183</u>	<u>\$ 598,716</u>	<u>\$ 601,141</u>	<u>\$ 633,266</u>

*Note: Accounting personnel were moved from Administration to Finance in 2017.*

## **Elected Officials**

### Budget Summary

#### ***ELECTED OFFICIALS***

**Department Overview:** The Elected Officials consist of the Mayor and City Council who are elected to serve the citizens of Alabaster for terms of 4 years. The Elected Officials oversee the operations of the City as well as set the priorities of the City.

#### **Major Functions:**

- Oversee the operations of the City
- Set policy and direction for the City
- Provide leadership and facilitate coordination for City personnel

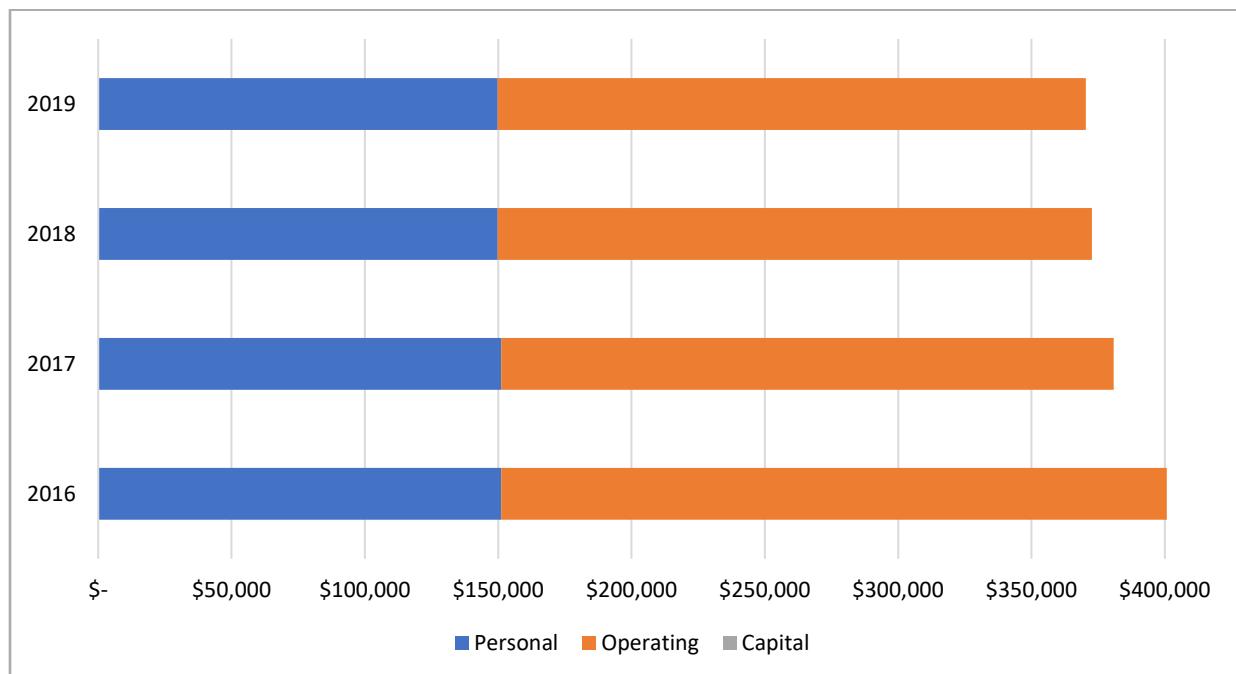
#### **2018 Accomplishments:**

The accomplishments of the Elected Officials are outlined in the *Strategic Goals* section of the budget as well as the *Mayor's Budget Message*.

#### **2019 Goals:**

The goals of the Elected Officials are outlined in the *Strategic Goals* section of the budget as well as the *Mayor's Budget Message*.

**Elected Officials**  
 Budget Summary  
 (Continued)



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2016	FY2017	FY2018	FY2019
Personnel	\$ 151,154	\$ 151,126	\$ 149,741	\$ 149,741
Operating	254,281	229,706	222,850	220,650
Capital	-	-	-	-
	\$ 405,436	\$ 380,832	\$ 372,591	\$ 370,391

**Human Resources**  
Budget Summary

***HUMAN RESOURCES***  
***DEPARTMENT HEAD: CANDACE CONNELL***

**Department Overview:** The purpose of the Human Resources Department is to recruit and maintain an able and highly motivated work force. The department also handles the administration of compensation and benefits strategy, maintains accurate job descriptions, administers proper testing, and develops training programs. The department works with management in the development and implementation of policies and procedures to follow all applicable laws and regulation to maintain a fair, equitable, and safe environment for our employees.

**Major Functions:**

- Coordinate and manage a competitive employee compensation and benefit program.
- Recruit, screen, enroll and orient new employees.
- Coordinate training and development across the City.
- Consult and assist employees with human resource issues and problems.
- Promote fair and consistent treatment of all employees.

**2018 Accomplishments:**

Implemented the Alabama Drug-Free Workplace program which will increase the safety of our workforce and save the City in workers compensation insurance premiums.

Rolled out flexible spending accounts to employees to provide employees additional benefits.

Completed the City's first employee engagement survey with a participation rate of 69%.

Received an average of 64 applications per job announcement.

Reviewed and updated the employee handbook.

**2019 Goals:**

Develop and implement an employee intranet site for human resource issues and announcements.

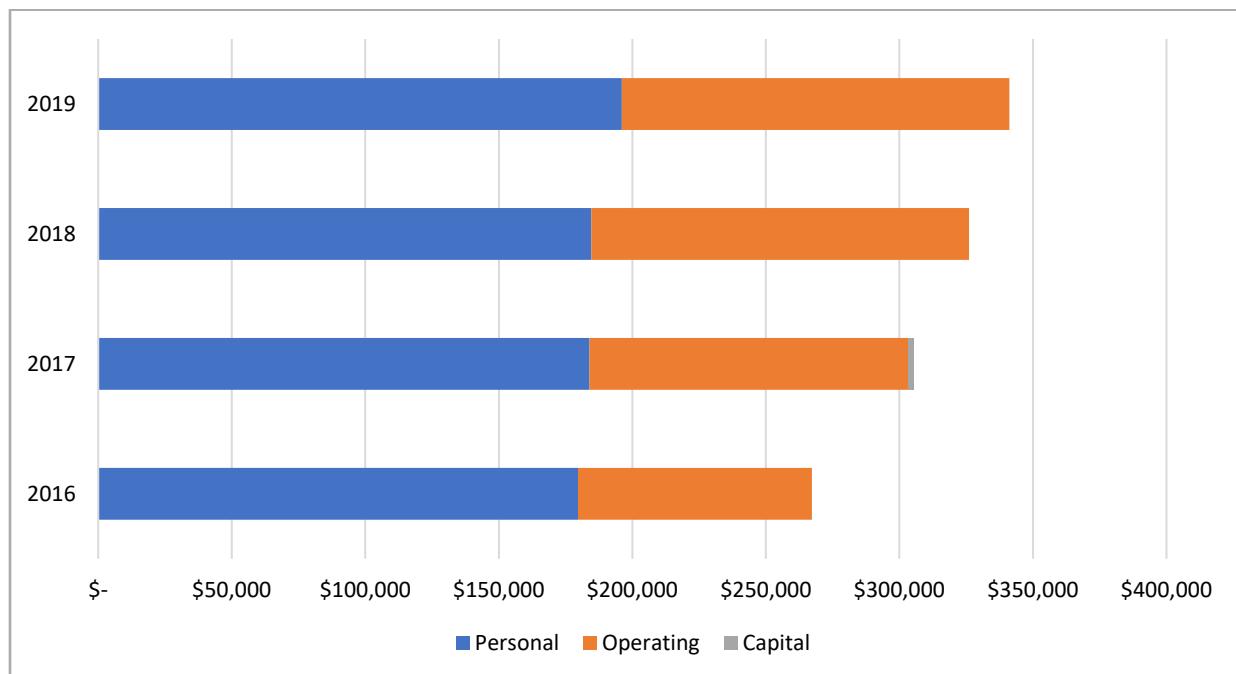
Complete Civil Treatment™ training for all employees.

Implement new and updated performance management program that includes goal-setting, regular check-ins, and development opportunities.

## Human Resources

### Budget Summary

(Continued)



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2016	FY2017	FY2018	FY2019
Personnel	\$ 179,656	\$ 183,972	\$ 184,646	\$ 196,057
Operating	87,576	119,391	141,406	145,100
Capital	-	2,146	-	-
	<u>\$ 267,232</u>	<u>\$ 305,510</u>	<u>\$ 326,052</u>	<u>\$ 341,157</u>

## **City of Alabaster**

	Actual Audited		Mid-Year Budget		Budget	
	FY2016		FY2017		FY2018	
<b>Principal and Interest</b>						
2005-B GO warrant	\$ 44,990	\$ 37,180	\$ 42,575	\$ 46,228		
2010-A GO warrant	734,329	584,297	589,170	585,200		
2010-B GO warrant	105,737	46,005	46,058	46,058		
2011-A GO warrant	193,134	194,194	192,280	-		
2011-B GO warrant	360,940	408,689	428,988	366,675		
2012-A GO warrant	615,610	610,624	602,437	-		
2012-B GO warrant	374,426	374,824	372,795	971,713		
2012-C GO warrant	942,715	955,180	957,000	990,104		
2012-D GO warrant	176,300	176,208	176,300	176,300		
2013 GO warrant	272,740	266,174	-	-		
2016-A GO warrant	189,475	192,938	196,363	194,612		
2016-B GO warrant	35,221	79,592	79,178	78,579		
2017 GO warrant	-	-	-	-	909,854	
2018 GO warrant	-	-	-	-	542,020	
Capital leases	158,732	117,875	198,000	519,470		
Line of credit	24,500	1,524,500	-	-		
<b>Total debt service</b>	<b>\$ 4,228,849</b>	<b>\$ 5,568,280</b>	<b>\$ 3,881,144</b>	<b>\$ 5,426,813</b>		

Debt service as a % of expenditures  
and other financing uses 13.7% 16.6% 11.6% 15.8%

The debt service schedule above represents the cash outflows associated with payments on debt instruments other than those serviced by Enterprise Funds. These are payments to financial institutions for debt service as well as transfers made to warrant funds for future payment of bonds and do not necessarily reflect the reduction of principal for each instrument that will occur in the next fiscal year.

**City of Alabaster**  
 Outside Agency Funding Summary

	<b>Actual Audited</b>		<b>Mid-Year</b>	
	<b>FY2016</b>	<b>FY2017</b>	<b>Budget</b>	<b>Budget</b>
Alabaster Board of Education	\$ 5,051,840	\$ 5,228,608	\$ 5,122,365	\$ 5,350,000
Industrial Development Board	142,000	142,000	106,150	106,150
Clastran	8,000	8,000	8,960	8,960
Shelby County Chamber of Commerce	5,000	5,000	7,500	7,500
Total outside agency funding	<u>\$ 5,206,840</u>	<u>\$ 5,383,608</u>	<u>\$ 5,244,975</u>	<u>\$ 5,472,610</u>

**City of Alabaster**  
Transfer Summary

	Mid-Year			
	Actual Audited		Budget	Budget
	FY2016	FY2017	FY2018	FY2019
Transfer to capital projects fund	-	-	200,000	-
Total transfers to other funds	\$ -	\$ -	\$ 200,000	\$ -

**Note:** Transfers reflected above exclude transfers to the debt service fund, which are included in the debt service budget summary.



## **ENTERPRISE FUNDS**

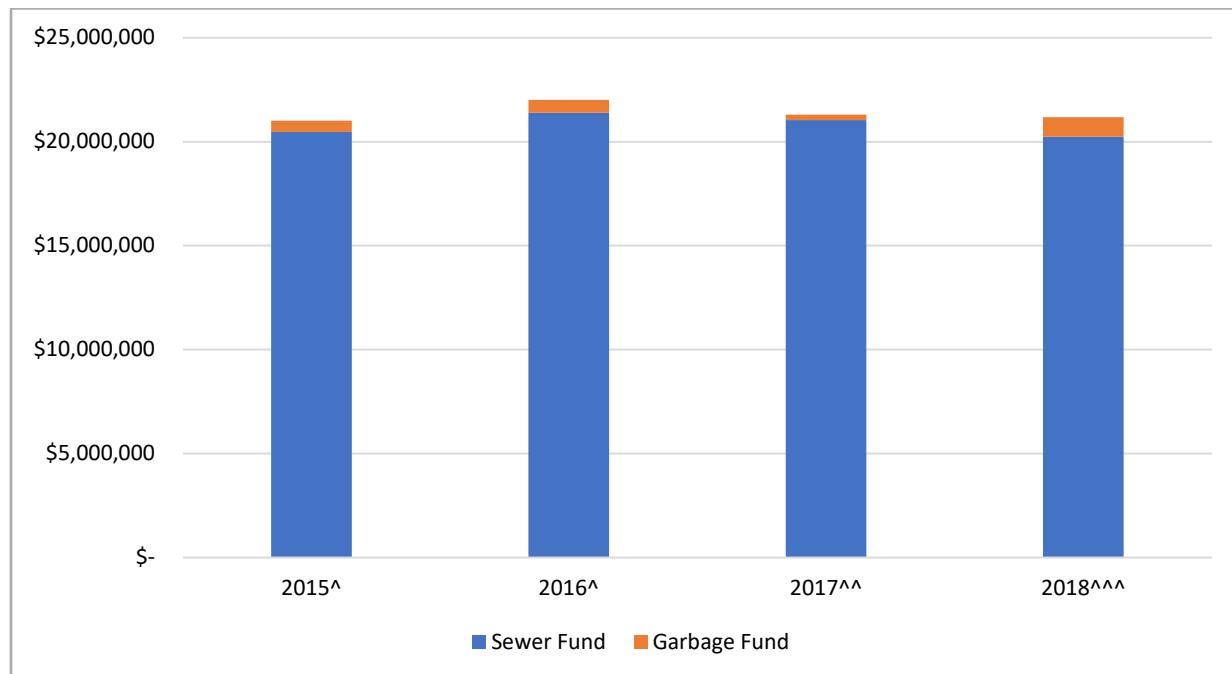
**City of Alabaster**  
Enterprise Funds Summary

**Enterprise funds** are funds used to account for activities for which a fee is charged to external users for goods or services. Enterprise funds are categorized as proprietary or business-type funds and are accounted for using the full accrual basis of accounting. The City of Alabaster has the following enterprise funds:

**Sewer Fund** accounts for the provision of wastewater collection and treatment services provided to the public. The Sewer Fund's assets include the City's wastewater treatment plant as well as sewer lines and fifty-one pump stations throughout the City. The Sewer Fund's activities are regulated by both the federal (Environmental Protection Agency) and the state (Alabama Department of Environmental Management) governments. Sewer fees are established by City Council and are reassessed periodically to ensure the charges for sewer service are enough to fund the operations of the Sewer Fund.

**Garbage Fund** accounts for solid waste and recycling collection and disposal services provided to the public. Prior to FY2018 the City outsourced the collection services but beginning in FY2018 the City began to provide collection services internally.

**Enterprise Funds – Ending Net Position by Year**



^ Audited

^^ Adjusted Mid-Year Budget

^++ Proposed Budget

Note: Prior-year audited numbers are shown on the full accrual basis of accounting as prescribed by GAAP. For internal management purposes, Alabaster budgets for Enterprise Funds on the modified accrual basis of accounting.

**City of Alabaster**  
 Enterprise Funds – Changes in Net Position

The City understands that net position for enterprise funds must be maintained at a level that ensures the City is able to respond to crisis or changes in economic conditions. Management does not anticipate any decrease in net position for either enterprise fund for the next budgeted year.

	<b>Actual Audited</b>	<b>Budget</b>	<b>Budget</b>
	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>
<b>Beginning net position</b>	\$ 22,012,997	\$ 23,202,827	\$ 28,446,249
Operating revenues	8,318,093	7,994,000	8,183,940
Nonoperating revenues	224,705	-	18,600
<b>Total revenues</b>	<u>8,542,798</u>	<u>7,994,000</u>	<u>8,202,540</u>
Operating expenses	6,097,976	6,139,346	6,025,430
Nonoperating expenses	545,719	497,987	454,490
<b>Total expenses</b>	<u>6,643,695</u>	<u>6,637,333</u>	<u>6,479,920</u>
Transfers in	-	9,852,918	-
Transfers out	(709,273)	(5,966,163)	(1,025,650)
<b>Total transfers in (out)</b>	<u>(709,273)</u>	<u>3,886,755</u>	<u>(1,025,650)</u>
Change in net position	<u>1,189,830</u>	<u>5,243,422</u>	<u>696,970</u>
<b>Ending net position</b>	<u><u>\$ 23,202,827</u></u>	<u><u>\$ 28,446,249</u></u>	<u><u>\$ 29,143,219</u></u>

**City of Alabaster**  
**Total Enterprise Funds**  
Trends in Revenues, Expenses, and Changes in Net Position

	<b>Actual Audited</b>		<b>Mid-Year</b>	
	<b>FY2016</b>	<b>FY2017</b>	<b>Budget</b>	<b>Budget</b>
		<b>FY2018</b>		<b>FY2019</b>
<b>Revenues</b>				
Charges for services	8,160,501	8,318,093	7,994,000	8,183,940
Other non-operating revenues	2,184	224,705	-	18,600
<b>Total revenues</b>	<b>8,162,685</b>	<b>8,542,798</b>	<b>7,994,000</b>	<b>8,202,540</b>
<b>Other financing sources</b>				
Proceeds from issuance of debt	-	-	-	350,000
Transfer from other funds	-	-	9,852,918	-
<b>Total revenues and other financing sources</b>	<b>8,162,685</b>	<b>8,542,798</b>	<b>17,846,918</b>	<b>8,552,540</b>
<b>Expenses &amp; Transfers</b>				
Personnel & operating expenses	4,521,788	4,782,293	4,739,346	4,525,430
Capital outlay	1,016,263	798,385	4,638,319	991,000
Debt service	2,503,807	2,231,437	2,306,487	2,349,490
Transfer to other funds	690,000	709,273	5,966,163	1,025,650
<b>Total expenses &amp; transfers</b>	<b>8,731,858</b>	<b>8,521,388</b>	<b>17,650,315</b>	<b>8,891,570</b>
<b>Increase (decrease) in net position - modified accrual</b>	<b>(569,173)</b>	<b>21,410</b>	<b>196,603</b>	<b>(339,030)</b>
Add: Debt principal payments	1,659,403	1,685,718	1,808,500	1,895,000
Add: Capital outlay	1,016,263	798,385	4,638,319	991,000
Add: Purchase of inventory	-	-	-	-
Less: Debt proceeds	-	-	-	(350,000)
Less: Depreciation expense	(1,099,653)	(1,315,683)	(1,400,000)	(1,500,000)
<b>Increase (decrease) in net position - full accrual</b>	<b>1,006,840</b>	<b>1,189,830</b>	<b>5,243,422</b>	<b>696,970</b>

**Sewer Fund**  
Budget Summary

***SEWER***  
***DEPARTMENT HEAD: VACANT***

**Department Overview:** The Sewer Department serves to provide excellent sewer management services to all residents and businesses. The Sewer Department is divided into two operational units: Collections and Treatment. The Sewer Department is staffed by highly qualified personnel that have all the proper training and certification to ensure proper collection, handling, and treatment of wastewater generated within the City.

**Major Functions:**

- Maintain sewer lines and manholes within the City of Alabaster
- Operate and maintain 52 pump stations
- Collect and treat an average of 3,340,000 gallons per day of wastewater
- Complete and provide annual reports to ADEM as required
- Oversee compliance with current regulatory requirements

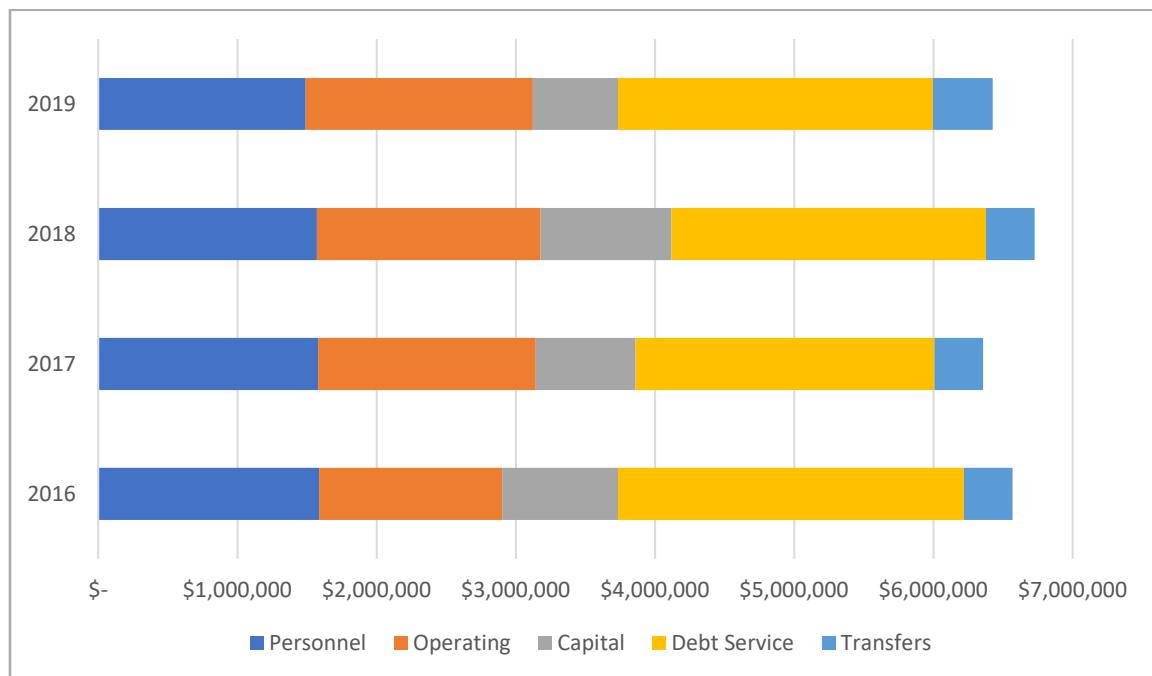
**2018 Accomplishments:**

Produced over 946 gallons of bio-diesel for use in Sewer vehicles.  
Installed 5 new backup pumps at pump stations throughout the City.

**2018 Goals:**

Produce 1,250 gallons of bio-diesel for use in Sewer vehicles.  
Install 8 backup pumps at pump stations throughout the City.

**Sewer Fund**  
**Budget Summary**  
(Continued)



	Mid-Year				
	Actual Audited		Budget		Budget
	FY2016	FY2017	FY2018	FY2019	
Personnel	\$ 1,586,994	\$ 1,581,088	\$ 1,570,260	\$ 1,489,807	
Operating	1,314,901	1,562,191	1,606,600	1,633,455	
Capital	831,014	716,510	940,405	611,000	
Debt service	2,486,316	2,148,132	2,260,185	2,261,033	
Transfer to other funds	350,000	350,000	350,000	430,000	
	<u>\$ 6,569,225</u>	<u>\$ 6,357,921</u>	<u>\$ 6,727,450</u>	<u>\$ 6,425,295</u>	

**Garbage Fund**  
Budget Summary

***GARBAGE***  
***DEPARTMENT HEAD: MARK HARRIS***

**Department Overview:** The Garbage Department is responsible for ensuring collection and proper disposal of solid waste for over 10,000 homes. In addition, the Garbage Department is responsible for curbside pickup of items such as yard debris and bulk item collection and recycling services.

**Major Functions:**

- Provide a comprehensive solid waste program to the City's residents
- Educate citizens as to proper disposal methods for solid waste
- Ensure proper and cost-effective collection and disposal solid waste generated

**2018 Accomplishments:**

Transitioned City from outsourced garbage service to City run garbage service.

Purchased 6 garbage trucks to begin City service.

Issued over 20,000 new garbage and recycling carts

Hired 5 new employees to assist with City run garbage service.

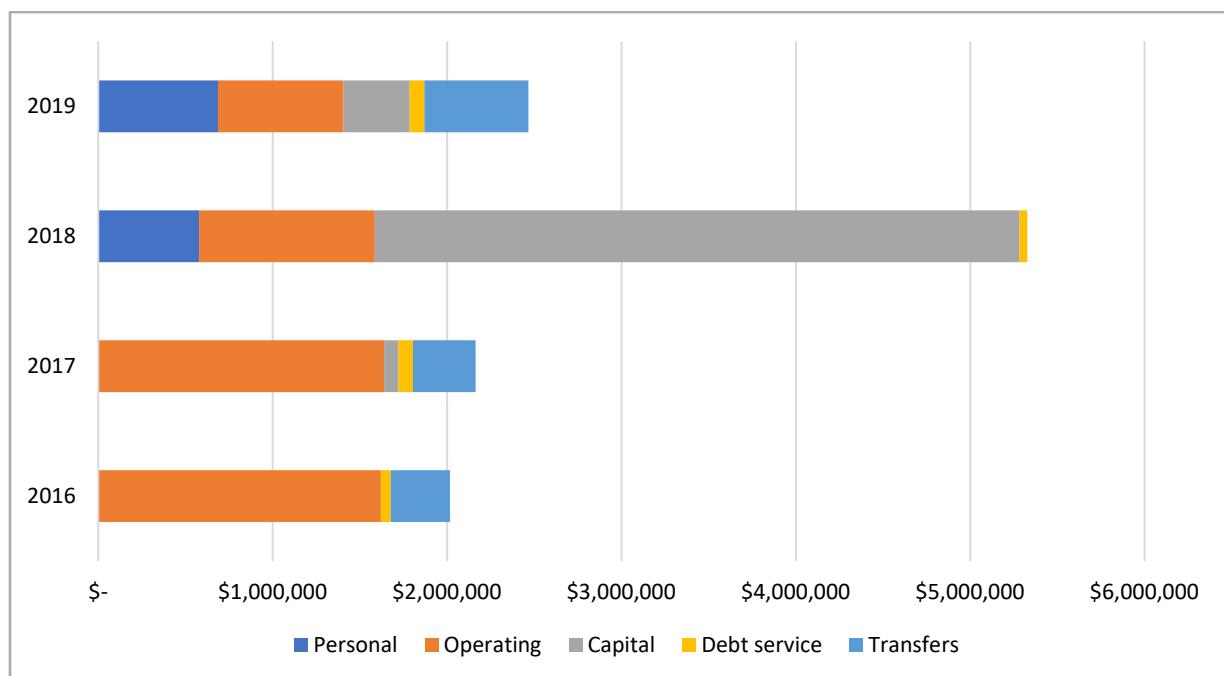
**2019 Goals:**

Reduce recycling contamination by 10%.

Facilitate movement of personnel and equipment to new Garbage and Public Works facility at Limestone Park.

Increase efficiency of curbside service.

**Garbage Fund**  
Budget Summary



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2016	FY2017	FY2018	FY2019
Personnel	\$ -	\$ -	\$ 557,717	\$ 686,968
Operating	1,619,893	1,639,014	1,007,768	718,200
Capital	-	81,875	3,697,914	380,000
Debt service	57,300	83,305	43,302	85,457
Transfer to other funds	340,000	359,273	5,616,163	595,650
	<u><u>\$ 2,017,193</u></u>	<u><u>\$ 2,163,467</u></u>	<u><u>\$ 10,922,865</u></u>	<u><u>\$ 2,466,275</u></u>

**Note:** Transfers number for FY2018 is unusually high due to the fact that all the Series 2017 bond proceeds were deposited into a single Garbage Fund cash account, then the portion of those proceeds not being used for Garbage capital purchases were transferred to the General Fund. On the graphical representation, only the true transfers of non-bond funds (which is \$0 for the current year) is represented.



## **OTHER FUNDS**

**City of Alabaster**  
Other Funds Summary

**Other funds** consist of all the City's funds that are not the City's General Fund or an Enterprise Fund. The City's other funds are divided into the following categories:

**Debt Service Fund** is used for the accumulation of resources for, and payment of, principal and interest on general long-term debt. The Debt Service Fund's only revenue source is interest accrued on cash balances held by the fund.

**Capital Projects Fund** provides funding for property acquisition, infrastructure improvements, and capital improvements. Projects in this fund are typically funded through debt proceeds, state appropriations, or grant proceeds.

**Special Revenue Funds** are operating funds used to account for the proceeds of specific revenues sources that are legally restricted to be spent on specific purposes. The City of Alabaster has the following special revenue funds:

**Four Cent State Gas Tax Fund** accounts for funds received from the State of Alabama and disbursed for street related projects.

**Seven Cent Gas Tax Fund** accounts for funds received from the State of Alabama gas tax revenues disbursed for resurfacing and restoration of roads, bridges and streets.

**Corrections Fund** accounts for certain proceeds of fines and court costs that are restricted in their use for only those expenditures that support prisoners or the City's court.

**Drug Seizure Fund** accounts for the funds received from the sale of assets received during drug cases and the funds can only go towards drug enforcement expenditures.

**Municipal Training Fund** accounts for certain proceeds received from fines and court costs that are restricted in their use for only training related expenditures for court clerk and magistrates.

**Library State Aid Fund** accounts for funds received from State grants that are restricted for the purchase of books and other library programs.

**Municipal Judicial Fund** accounts for funds received from court costs and are restricted for court related expenditures approved by the judge or court clerk.

**City of Alabaster**  
 Other Funds – Changes in Fund Balance

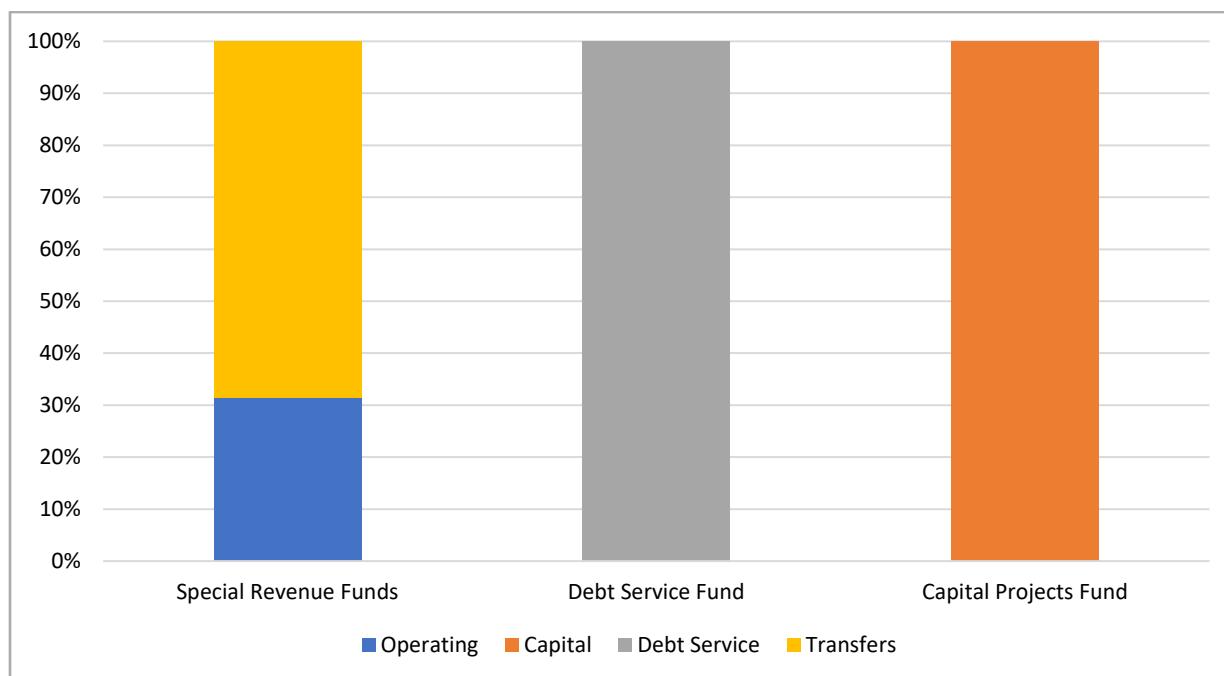
For funds other than the General Fund and Enterprise Funds, the City seeks to maintain a fund balance large enough to meet the ongoing obligations of each fund such as debt service and budgeted capital projects of the City. For the 2019 budgeted fiscal year, the City has budgeted for a 60% decrease in the fund balances of its Other Funds. The reason for this significant budgeted decrease is due to the spending of bond proceeds in FY 2019 to construct a Police Station which will be handled out of the Capital Projects Fund. These bond proceeds were obtained in FY2018 with the express purpose of constructing a Police Station or other capital improvements of the City.

	<b>Mid-Year</b>		
	<b>Actual Audited</b>	<b>Budget</b>	<b>Budget</b>
	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>
<b>Beginning fund balance</b>	\$ 6,336,581	\$ 4,397,128	\$ 7,469,030
Revenues	720,164	1,031,601	539,395
Other financing sources	<u>6,307,731</u>	<u>18,613,144</u>	<u>5,201,169</u>
Total available resources	<u>7,027,895</u>	<u>19,644,745</u>	<u>5,740,564</u>
 <b>Expenditures</b>	 7,794,476	 6,552,186	 10,384,318
<b>Other financing uses</b>	<u>1,172,872</u>	<u>10,020,657</u>	<u>167,000</u>
<b>Total expenditures and other uses</b>	<u>8,967,348</u>	<u>16,572,843</u>	<u>10,551,318</u>
 Excess (deficit) of available resources over expenditures and other uses	 <u>(1,939,453)</u>	 <u>3,071,902</u>	 <u>(4,810,754)</u>
 Ending fund balance	 <u>\$ 4,397,128</u>	 <u>\$ 7,469,030</u>	 <u>\$ 2,658,276</u>

**City of Alabaster**  
***Total Other Funds***  
Trends in Revenues, Expenditures, and Changes in Fund Balances

	<b>Actual Audited</b>		<b>Mid-Year</b>	
	<b>FY2016</b>	<b>FY2017</b>	<b>Budget</b>	<b>Budget</b>
		<b>FY2018</b>		<b>FY2019</b>
<b>Revenues</b>				
Taxes	136,307	137,230	134,000	135,000
Intergovernmental	266,448	259,167	259,000	259,000
Fines and forfeitures	121,255	160,192	84,000	93,000
Other revenues	93,669	163,575	554,601	52,395
<b>Total revenues</b>	<b>617,679</b>	<b>720,164</b>	<b>1,031,601</b>	<b>539,395</b>
<b>Other financing sources</b>				
Proceeds of debt	6,565,000	-	9,605,000	-
Transfers in from other funds	4,384,941	6,307,731	9,008,144	5,201,169
<b>Total revenues and other financing sources</b>	<b>11,567,620</b>	<b>7,027,895</b>	<b>19,644,745</b>	<b>5,740,564</b>
<b>Expenditures</b>				
Personnel & operating expenses	226,474	86,609	622,504	76,150
Capital outlay	67,445	2,139,587	2,246,538	6,210,000
Debt service	4,180,542	5,568,280	3,683,144	4,098,168
<b>Total expenditures</b>	<b>4,474,461</b>	<b>7,794,476</b>	<b>6,552,186</b>	<b>10,384,318</b>
<b>Other financing uses</b>				
Transfer to other funds	883,940	1,172,872	10,020,657	167,000
Refunding of debt	5,425,000	-	-	-
<b>Total expenditures and other financing uses</b>	<b>10,783,401</b>	<b>8,967,348</b>	<b>16,572,843</b>	<b>10,551,318</b>
<b>Total increase (decrease) in fund balance</b>	<b>784,219</b>	<b>(1,939,453)</b>	<b>3,071,902</b>	<b>(4,810,754)</b>

**Other Funds**  
Budget Summary



<b>FY2019 Budget</b>			
	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Special Revenue Funds</b>
Operating	\$ -	\$ -	\$ 76,150
Capital	\$ 6,210,000	\$ -	\$ -
Debt Service	\$ -	\$ 4,098,168	\$ -
Transfers	\$ -	\$ -	\$ 167,000
	<b>\$ 6,210,000</b>	<b>\$ 4,098,168</b>	<b>\$ 243,150</b>



## **CAPITAL PLAN**

**City of Alabaster**  
Capital Plan Overview

The City's capital improvement plan is a five-year projection of major capital outlay for the City by department. Department Heads are required to submit a list of major capital purchases they would like to make for their department for the next five years. Those plans are then reviewed by the Mayor and City Manager and capital priorities are outlined. Since City Council, Mayor, and City Manager priorities can change, the capital plan is a flexible document that is subject to change. The capital plan helps the City in its decision-making process on debt issuances and capital budgeting.

The pages following this overview include information on capital outlay and projects budgeted for the next five fiscal years. More detail information on selected capital projects is included in the *Capital Improvement Plan Project Detail* section.

**City of Alabaster**  
Capital Plan Summary

<b>Project</b>	<b>Capital</b>	<b>Capital</b>	<b>Capital</b>	<b>Capital</b>	<b>Capital</b>
	<b>Outlay</b>	<b>Outlay</b>	<b>Outlay</b>	<b>Outlay</b>	<b>Outlay</b>
	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>GENERAL FUND</b>	\$	\$	\$	\$	\$
<i>IT.</i>					
Sport Utility Vehicles			30,000		
Core and Network Switch Upgrade	14,378	35,000	15,000	10,000	
Network Monitoring Software		20,000			
SAN Upgrade			50,000		
Server Room Battery Backup	25,000				
<i>Library</i>					
HVAC Units			18,000	18,000	18,000
Office Furniture		20,000			
Outdoor Book and Media Returns	12,400				
<i>Police</i>					
Vehicle Fleet Replacement	480,350	276,295	284,584	293,121	301,915
Utility Vehicle	14,950				
Police Mobile Command Center and Truck		110,000			
Emergency Radios					
<i>Fire</i>					
Ford Explorer	30,000				
Pick-up Truck	37,000		76,000		
Pumper Truck Equipment	60,000				
Carport at Station #2	6,500				
6 SCBA Air Bottles	7,200	7,200	7,200	7,500	7,500
Replacement Fire Engine					600,000
Refurbish current Engine 12					180,000
Replace 10 Sets of Turnout Gear	25,000	25,000	25,000	25,000	25,000
SCBA Cascade & Compressor				120,000	

**City of Alabaster**  
 Capital Plan Summary  
 (Continued)

<b>Project</b>	<b>Capital</b>	<b>Capital</b>	<b>Capital</b>	<b>Capital</b>	<b>Capital</b>
	<b>Outlay</b>	<b>Outlay</b>	<b>Outlay</b>	<b>Outlay</b>	<b>Outlay</b>
	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Public Works</b>	\$	\$	\$	\$	\$
Tractor Side Flails		75,000			
Pick-up Truck	30,000		30,000		30,000
Mowers (2 units)	25,000				
<b>Parks and Rec</b>					
Digital Entrance Sign (Veterans Park)	30,000				
Reel Mower (3 Mowers)	40,000	40,000	40,000		
Zero Turn Mowers (5 mowers)		12,000	12,000	12,000	24,000
Tractor	40,000				
Utility Trailer		5,000			
Skidsteer				40,000	
G2 Turf Roller	10,000				
Grappling Bucket for SkidSteer		5,000			
Rotor Tiller for SkidSteer			5,000		
Power Sweeper				30,000	
Brush Hog	5,000				
San Pro Infield Machine			27,500		27,500
Landscaping Mowers				8,000	8,000
Safety Netting (Buck Creek & Warrior Park)		15,000	15,000		
Playground Equipment (Municipal Park)	25,000				
Playground Equipment (Warrior Park)		25,000			
Playground Equipment (Buck Creek)			25,000		
Playground Equipment (Abbey Wooley)				25,000	
Playground Equipment (Hero's Park)					25,000
<b>General Fund Total</b>	917,778	670,495	660,284	588,621	1,246,915

**City of Alabaster**  
**Capital Plan Summary**  
**(Continued)**

<b>Project</b>	<b>Capital</b>	<b>Capital</b>	<b>Capital</b>	<b>Capital</b>	<b>Capital</b>
	<b>Outlay</b>	<b>Outlay</b>	<b>Outlay</b>	<b>Outlay</b>	<b>Outlay</b>
	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>SEWER FUND</b>					
Portable Pump Installations	281,000	275,000	100,000	100,000	150,000
Backup Pump Installations	40,000				
Pump Station Upgrades	150,000	150,000	50,000	50,000	50,000
Manhole Rehabilitation	40,000	40,000	40,000	40,000	
Ford F250		55,000			
Pumper Truck				230,000	
Sewer Line Repairs	25,000	50,000	50,000	50,000	50,000
Crane Truck			250,000		
Lateral Launch Camera Unit					120,000
UV Disinfection Replacement	75,000				
Plant Generator		300,000			
Sludge Monitoring Equipment			50,000		
Effluent Weir Replacement				65,000	
Waste Pump Replacement					100,000
Disk Filters Construction & Design					1,500,000
<b>Sewer Fund Total</b>	611,000	870,000	540,000	535,000	1,970,000
<b>GARBAGE FUND</b>					
Grapple Trucks	250,000		125,000		125,000
Roll-off Truck	100,000				
Pick-up Truck	30,000				
<b>Garbage Fund Total</b>	380,000	-	125,000	-	125,000

**City of Alabaster**  
 Capital Plan Summary  
 (Continued)

	<b>Capital</b>	<b>Capital</b>	<b>Capital</b>	<b>Capital</b>	<b>Capital</b>
	<b>Outlay</b>	<b>Outlay</b>	<b>Outlay</b>	<b>Outlay</b>	<b>Outlay</b>
	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Project</b>	\$	\$	\$	\$	\$
<b>CAPITAL PROJECTS FUND</b>					
HWY 119 Widening	1,600,000	2,400,000			
Recreation Center			3,000,000	6,000,000	
Police Department Building	3,000,000	7,000,000			
Alabaster Boulevard Repairs	100,000	100,000	100,000	100,000	
General Paving	300,000	300,000	300,000	300,000	300,000
Silver Creek Turn Lane	900,000				
Multi-purpose Fields at Veterans Park	300,000				
Buck Creek Trail Extension	10,000				
<b>Capital Projects Fund Total</b>	<b>6,210,000</b>	<b>9,800,000</b>	<b>3,400,000</b>	<b>6,400,000</b>	<b>300,000</b>
<b>Total Projects</b>	<b>8,118,778</b>	<b>11,340,495</b>	<b>4,725,284</b>	<b>7,523,621</b>	<b>3,641,915</b>

**City of Alabaster**  
Capital Improvement Plan Project Detail

**Project:** Highway 119 Widening

**Responsible Department:** Administration

**Description:** Project includes engineering, right-of-way acquisition, and construction costs to widen State Highway 119 to Shelby County Road 80. The project is being administered by ALDOT since the road is not owned by the City. This City does not anticipate this expenditure will increase operating expenditures in any significant way.

**Funding:** The City's contribution to the project will be paid for from the Capital Projects Fund. Funds will be transferred to the Capital Projects Fund as needed from the City Council Reserve Account within the General Fund.

**Debt Service Payments:** None

Project Costs	FY2019	FY2020	FY2021	FY2022	FY2023
	\$ 1,600,000	\$ 2,400,000	\$ -	\$ -	\$ -
Funding Source	FY2019	FY2020	FY2021	FY2022	FY2023
Capital Projects Fund	\$ 1,600,000	\$ 2,400,000	\$ -	\$ -	\$ -

**Project:** Construction of New Police Station

**Responsible Department:** Police

**Description:** The police department is spread throughout the city at various locations and has outgrown its current space. To accommodate all the police force in one building, the City plans to build a new police station. Construction is anticipated to begin sometime in FY2019 and open for operations in FY2020. The City anticipates additional operating expenditures of \$95,000 per year associated with the new building.

**Funding:** The City has obtained debt in its Series 2017 and 2018 issuances for use on this project.

**Debt Service Payments:** The City will make debt service payments associated with this project for 16 years beginning in FY2018.

Project Costs	FY2019	FY2020	FY2021	FY2022	FY2023
	\$ 3,000,000	\$ 7,000,000	\$ -	\$ -	\$ -
Funding Source	FY2019	FY2020	FY2021	FY2022	FY2023
Debt proceeds	\$ 3,000,000	\$ 7,000,000	\$ -	\$ -	\$ -
Debt Service	FY2019	FY2020	FY2021	FY2022	FY2023
Projected payments	\$ 195,120	\$ 403,913	\$ 192,705	\$ 271,905	\$ 265,355

**City of Alabaster**  
Capital Improvement Plan Project Detail  
(Continued)

**Project:** Police Vehicle Fleet Replacement

**Responsible Department:** Police Department

**Description:** The Police Department has been replacing all old Ford Crown Victoria patrol vehicles with new Chevrolet Tahoes. The Police Department plans to purchase 8 new Tahoes and 1 unmarked Ford Explorer and 1 Ford F150 pickup truck in FY2019, then 5 Tahoes each subsequent year as part of maintaining the fleet. This City does not anticipate this expenditure will increase operating expenditures in any significant way.

**Funding:** General Fund revenues.

**Debt Service Payments:** Currently the City does not anticipate any debt service associated with these purchases.

Project Costs	FY2019	FY2020	FY2021	FY2022	FY2023
	\$ 480,350	\$ 276,295	\$ 284,584	\$ 293,121	\$ 301,915
Funding Source	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund Revenue	\$ 480,350	\$ 276,295	\$ 284,584	\$ 293,121	\$ 301,915



## **REFERENCE INFORMATION**

## **City of Alabaster Community Profile**

### **Introduction**

The City of Alabaster (the City) was incorporated in 1953 and currently occupies approximately 25 square miles. Alabaster is currently the largest city in Shelby County and the fourth largest city in the Birmingham-Hoover Metropolitan Statistical Area (MSA). The City is governed by a Mayor – Council form of government. The Mayor is elected at-large to serve a four-year term. Each of the City's seven city councilors are elected from seven single member wards for terms of four years. The Council is presided over by a president who is chosen by the council members and is a voting member of the City Council.

The Mayor is the chief executive officer of the City. The City also has a City Manager who is appointed by City Council and assists in the daily management of the City and implementing the policies of the Mayor and City Council. The Mayor and City Manager appoint, discipline, and remove the heads of the City's several departments. These department heads are responsible for the operations of their respective departments.

The City provides a full range of services including general administration, police and fire protection, building inspections, licenses and permits, refuse collection, construction and maintenance of roads and related infrastructure, recreation and leisure activities, and cultural enrichment.

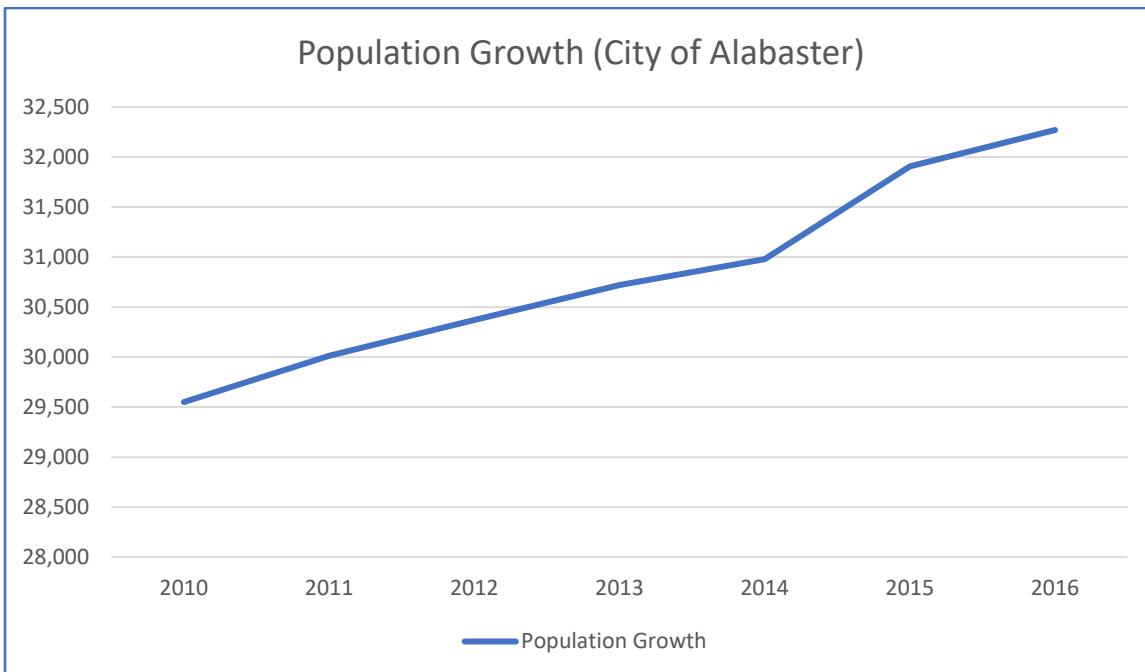
### **Local Economy**

Alabaster has become a major retail trade area and the major medical hub for Shelby County. The Shelby Baptist Medical Center is the largest hospital in Shelby County and has won numerous awards for service and patient satisfaction. The Promenade shopping center occupies a prominent location just off I-65 in Alabaster and serves as the primary retail center of the City. The Industrial Park is also home to several large manufacturing and distributing businesses.

### **Demographics**

Alabaster is home to a diverse and growing population. Alabaster has experienced a 43% growth in population since 2000 and 9% growth since 2010.

**City of Alabaster**  
**Community Profile**  
**(Continued)**



*Source: US Census Bureau Population Estimates, 2010 through 2016*

**Racial Composition (City of Alabaster)**

White	76.0%
Black or African American	13.5%
Hispanic	9.4%
Asian	0.9%
Some Other Race	0.2%

*Source: US Census Bureau - 2012-2016 American Community Survey 5-year Estimates*

**Age & Gender (City of Alabaster)**

Male	Female	Median Age	Under 20 Years	20 – 64 Years	65 Years & Over
49.2%	50.8%	37.2	29.6%	58.9%	11.5%

*Source: US Census Bureau - 2012-2016 American Community Survey 5-year Estimates*

**Median Household Income (City of Alabaster Compared to United States)**

City of Alabaster	United States
\$73,325	\$55,322

*Source: US Census Bureau - 2012-2016 American Community Survey 5-year Estimates*

**City of Alabaster**  
Community Profile  
(Continued)

## Education

The City of Alabaster is home to the Alabaster City School district. Formerly a part of the Shelby County school system, the district officially separated from Shelby County on July 1, 2013. At the beginning of the 2017 school year, the Alabaster City School district had 6,041 students in the district. Dr. Wayne Vickers is the current School System Superintendent. The Alabaster City School district consists of the following six schools:

School Name	Type	Grades	Principal
Creek View	Elementary	PreK – 3 <sup>rd</sup>	Mrs. Charissa Cole
Meadow View	Elementary	PreK – 3 <sup>rd</sup>	Mrs. Rachea Simms
Thompson Intermediate	Intermediate	4 <sup>th</sup> – 5 <sup>th</sup>	Mr. Brent Byars
Thompson Sixth Grade Center	Middle	6 <sup>th</sup>	Dr. Danny Steele
Thompson Middle	Middle	7 <sup>th</sup> – 8 <sup>th</sup>	Mrs. Neely Woodley
Thompson High	High	9 <sup>th</sup> – 12 <sup>th</sup>	Dr. Wesley Hester

*Source: Alabaster Board of Education*

## Parks & Major Facilities

Below is a description of the major parks within the City of Alabaster:

**Abby Wooley Park:** Located just off Simmsville Road, this park provides ADA accessible swing sets, a basketball court, playground, pavilion, picnic tables and quarter mile walking track.

**Buck Creek Park:** Located on 6<sup>th</sup> Ave, Buck Creek Park provides 3 softball fields, ADA accessible swing sets, 1 football field, playground, picnic tables, quarter mile walking track, exercise station, and provides access to the Buck Creek Trail that runs between Buck Creek and Warrior Park.

**Heroes Park:** Located on Butler Road just behind Alabaster Fire House 2, Heroes Park provides ADA accessible swing sets, quarter mile asphalt walking track, picnic tables, and a playground.

**Limestone Park:** Located at the south end of the City on US Highway 31, this park has a large natural area that includes a birding observation deck.

**Municipal Park:** Located on Warrior Drive just behind Thompson Middle School, Municipal Park provides lighted basketball and tennis courts, 2 pavilions, picnic tables, a playground, and soccer fields.

**Veteran's Park:** Located on Alabama Highway 119, Veterans Park is the largest park in the City. Veteran's Park is home to 5 baseball and softball fields, batting cages, a disc golf course, playground, walking track, pavilion and picnic area, and a skate park. In addition, it is home to the Beneful Dream Dog Park which is consistently ranked as a top 10 dog park in the United States.

**Warrior Park:** Located just off Thompson Road, Warrior park provides 4 baseball and softball fields, ADA accessible swing sets, batting cages, picnic tables and a playground. Warrior Park also serves as an access point for the Buck Creek Trail.

**City of Alabaster**  
Community Profile  
(Continued)

**City Facilities**

Parks	7
Police Stations	1
Fire Stations	3
City Hall	1
Senior Center	1
Library	1
Sewer Treatment Facility	1
Garbage & Public Works Facility	1

## City of Alabaster

### Schedule of Taxes and Fee Rates

Revenue Source	Rates					Effective Date of Most Recent City Rate Change
	City	County	State	Total		
<b>General Fund</b>						
Sales/Use Tax	General Items	4%	1%	4%	9%	December 1, 2011
	Automobiles	0.50%	0.375%	2%	2.875%	
Business License Fees	Various percentages of gross receipts, \$100 minimum					July 10, 2017
Ad Valorem (Property) Tax	10 mills (\$1.00 per \$100)	(see summary on next page)				
Lodging Tax		6%	7%	4%	17%	April 1, 2017
Cigarette Tax	Per pk 20 cigs or less	5¢	4¢	67.5¢	76.5¢	October 2, 2006
	Per pk 21-40 cigs	10¢	4¢	84.375¢	98.375¢	
	Per pk 41 or more cigs	15¢	4¢	84.375¢	103.375¢	
Alcohol Tax		5%			5%	December 20, 2004
Rental and Leasing Tax	General	2%	3%	4%	9%	June 1, 1998
	Automotive	0.50%	1.125%	1.50%	3.125%	
	Linen	2%	3%	2%	7%	
Gasoline Taxes		2¢		18¢	20¢	September 4, 2007
Library Fees	\$0.10 per day per item for books and a fine of \$2.00 per day per DVD title					
Building Permit Fees	Graduated base fee + additional issuance fee and CICT program fee					March 27, 2017
Inspection Fees	First inspections included in building permit fee; \$75 for re- inspection					March 27, 2017
Sign Permit Fees	Graduated based fee per sq ft with a \$15 minimum plus \$50 issuance fee					March 27, 2017
Planning Fees	Board of zoning adjustment	\$100.00				
	Subdivision plats	\$200.00 (base application fee) + \$20.00 per lot				
	Rezoning requests	\$200.00				

**City of Alabaster**  
Property Tax Summary

**Mills<sup>^</sup>**

**City of Alabaster**

General Fund	<u>10.0</u>
--------------	-------------

<i>Total City of Alabaster</i>	<b>10.0</b>
--------------------------------	-------------

**Shelby County**

General Fund	<b>5.0</b>
--------------	------------

Roads and Bridges	<u>2.5</u>
-------------------	------------

<i>Total Shelby County</i>	<b>7.5</b>
----------------------------	------------

**School**

County Wide	<b>16.0*</b>
-------------	--------------

City of Alabaster	<u>14.0*</u>
-------------------	--------------

<i>Total School</i>	<b>30.0</b>
---------------------	-------------

**State of Alabama**

General Fund	<b>2.5</b>
--------------	------------

Education	<b>3.0*</b>
-----------	-------------

Veteran's Pension	<u>1.0</u>
-------------------	------------

<i>Total State of Alabama</i>	<u><b>6.5</b></u>
-------------------------------	-------------------

**Total Mills on Property Within Alabaster**

**54.0**

\*Total mills for education = 33.0

<sup>^</sup> A mill of property tax is calculated as one cent per dollar (\$10 per \$1,000) of the property's assessed valuation. Residential property is assessed at 10% of the appraised valuation.

### Water Rates

#### Rate

#### Code Gallons

3/4"	30	< 2,500	\$ 15.64
		2,500 - 15,000	\$ 4.65 per thousand
		> 15,000	\$ 5.05 per thousand

Fixed Income will reduce the bill by \$5.00

3/4"	31	< 2,500	\$ 15.64
		2,500 - 15,000	\$ 4.65 per thousand
		> 15,000	\$ 5.05 per thousand

1"	32	< 6,000	\$ 32.06
		6,000 - 18,500	\$ 4.65 per thousand
		> 18,500	\$ 5.05 per thousand

1 1/2"	33	< 11,600	\$ 58.35
		11,600 - 24,100	\$ 4.65 per thousand
		> 24,100	\$ 5.05 per thousand

2"	34	< 21,300	\$ 106.62
		21,300 - 33,800	\$ 4.65 per thousand
		> 33,800	\$ 5.05 per thousand

3"	35	< 71,300	\$ 333.48
		71,300 - 83,800	\$ 4.65 per thousand
		> 83,800	\$ 5.05 per thousand

4"	36	< 126,100	\$ 547.46
		126,100 - 138,600	\$ 4.65 per thousand
		> 138,600	\$ 5.05 per thousand

6"	37	< 252,200	\$ 1,145.58
		252,200 - 264,700	\$ 4.65 per thousand
		> 264,700	\$ 5.05 per thousand

### Tap Fees

3/4", 1" or 2"	\$1,000.00
3"	\$2,000.00
4"	\$3,000.00
6"	\$4,000.00
8"	\$6,000.00
10"	\$8,000.00
12"	\$10,000.00

### Meter Charges

3/4"	\$500.00
1"	\$550.00
2"	\$1,100.00

### Sewer Rates

#### Residential

\$ 23.31 Plus \$3.24 per thousand gallons

#### Commercial

\$ 56.83 up to 5,000 gallons

\$ 12.50 per thousand over 5,000 gallons

#### Sewer Tap Fees

\$ 3,500 Plus \$250 per fixture over 12

#### Garbage Rates

\$ 15.27 Residential Only Customers per month plus 1/2 the rate for each additional cart

#### Business Customers

\$ 30.54 Per month for the first 2 carts plus 1/2 the rate for each additional cart (Limit of 4)

#### Miscellaneous Charges

##### Service Fees

\$ 50.00 Connection Charge

\$ 50.00 Fire Hydrant Meter Permit Fee

\$ 35.00 Rental Service Fee (only 30 days)

\$ 75.00 Inspection Fee (only 5 days)

#### Deposits

\$ 150.00 Residential Deposit

\$ 250.00 Commercial Deposit

\$ 50.00 Deposit Garbage and Sewer Only renters

\$ 1,000.00 Fire Hydrant Meter Deposit

#### Fees

\$ 75.00 Garbage Set Up Fee

\$ 20.00 Call Out Fee (After Hours)

\$ 80.00 Water Processing Fee

\$ 150.00 Map Submission Fee plus \$5.00 per Lot

\$ 30.00 Returned Item Fee

\$ 50.00 Broken Lock Fee

\$ 60.00 Broken Shut Off Fee

\$ 25.00 Meter Box Replacement Fee

\$ 1.00 Copy Fee

#### System Development Fee

3/4" \$1,800.00

1" \$3,000.00

2" \$9,500.00

4" \$30,000.00

6" \$59,900.00

8" \$95,900.00

Multi-Family \$1,100 Per Unit

**City of Alabaster**  
Demographic and Economic Statistics 2008 – 2017

Fiscal Year	Population (a)	Personal Income (a)	Per Capita			Shelby County	
			Personal Income	Median Age	School Enrollment (c)	Unemployment Rate (b)	
2008	29,658	729,180,100	24,586.29	*	5,918	4.00%	
2009	29,334	731,036,652	24,921.14	35.3	5,998	8.20%	
2010	31,095	759,191,458	24,415.23	36.9	6,062	6.70%	
2011	31,281	815,335,968	26,064.89	36.1	6,048	6.10%	
2012	31,587	810,896,250	25,671.83	36.1	6,095	4.80%	
2013	31,890	801,892,227	25,145.57	36.2	6,090	4.60%	
2014	32,115	882,721,280	27,486.26	36.3	6,050	4.10%	
2015	32,707	810,228,112	24,772.32	36.6	6,012	4.20%	
2016	32,948	930,418,572	28,239.00	37.1	6,055	4.60%	
2017	*	*	*	*	6,041	2.40%	

(a) Obtained from the U.S. Census Bureau

(b) Obtained from the Bureau of Labor Statistics unemployment rates by county, not seasonally adjusted as of September of each fiscal year

(c) Obtained from the Alabaster City Board of Education and the Shelby County Board of Education

**City of Alabaster**  
 Principal Revenue Remitters – Sales and Use Tax 2008 and 2017

Taxpayer	2008 Rank	2017 Rank
Walmart Supercenter	1	1
Lowe's Home Improvement	2	2
Walmart Neighborhood Market		3
Publix		4
Target		5
Best Buy		6
Belk	4	7
Aldi		8
TJ Maxx	9	9
Chick-Fil-A		10
JC Penney	3	
Bruno's Supermarket	5	
Earnest McCarty Ford	6	
Alabama Thrift Store	7	
Ross Dress for Less	8	
Olive Garden	10	
<b>Total Sales and Use Taxes - Principal Payers</b>	<b>36.66%</b>	<b>38.18%</b>

Note: The license year for businesses runs on a calendar year, which is reported here.

Note: State law prohibits the disclosure of confidential taxpayer data, such as the amount of sales tax remitted for individual businesses.

Source: City of Alabaster Revenue Department

**City of Alabaster**  
 Principal Revenue Remitters – Property Tax FY 2017

<b>Taxpayers</b>	<b>Total Assessed Value - Property in City Limits (a)</b>	<b>Property Taxes Paid (b)</b>	<b>Property Taxes Paid as Percentage of City's Total Property Tax Revenue</b>
	\$	\$	
Alabama Power Company	7,242,780.00	71,832.20	1.89%
Propst Alabaster LLC	5,918,260.00	59,182.60	1.55%
AP Technoglass Alabama Inc.	5,459,700.00	50,338.60	1.32%
Wellington Manor 2012 LLC	3,702,400.00	37,024.00	0.97%
Walmart Real Estate Business Trust	3,215,360.00	32,153.60	0.84%
AT&T Alabama	3,125,900.00	31,259.00	0.82%
Commercial Development Authority of the City of Alabaster	3,318,580.00	30,593.00	0.80%
Lhoist North America of Alabama LLC	3,523,680.00	24,625.60	0.65%
Teg Montevallo Place LLC	2,324,440.00	23,244.40	0.61%
Lowes Home Centers Inc.	1,838,840.00	18,388.40	0.48%

Source: Shelby County Property Tax Commission

(a) Assessed 2016; collected October 2016 through September 2017

(b) 10-mill City levy only

**City of Alabaster**  
 Fund Balance of Governmental Funds 2008 – 2017

	2008	2009	2010	2011	2012
General Fund					
Reserved	\$ 729,491	\$ 592,577	\$ 743,365	\$ -	\$ -
Unreserved	733,404	618,811	1,069,547	-	-
Nonspendable	-	-	-	93	-
Restricted	-	-	-	85,700	88,447
Committed	-	-	-	1,020,094	4,354,853
Assigned	-	-	-	53,389	49,906
Unassigned	-	-	-	305,101	1,553,298
Total general fund	<u>\$ 1,462,895</u>	<u>\$ 1,211,388</u>	<u>\$ 1,812,912</u>	<u>\$ 1,464,377</u>	<u>\$ 6,046,504</u>
All Other Governmental Funds					
Reserved, reported in debt service fund	\$ 627,080	\$ 563,874	\$ 592,961	\$ -	\$ -
Reserved, reported in capital projects fund	11,003,735	11,282,564	10,666,185	-	-
Reserved, reported in special revenue funds	-	-	403,215	-	-
Unreserved, reported in special revenue funds	142,775	272,381	-	-	-
Nonspendable	-	-	-	10,660,000	10,660,000
Restricted	-	-	-	2,016,964	7,914,258
Total all other governmental funds	<u>\$ 11,773,590</u>	<u>\$ 12,118,819</u>	<u>\$ 11,662,361</u>	<u>\$ 12,676,964</u>	<u>\$ 18,574,258</u>

Note: Periods prior to 2011 have not been retroactively restated for the impact of GASB statement number 54 *Fund Balance Reporting and the Governmental Fund Type Definitions*.

**City of Alabaster**  
**Fund Balance of Governmental Funds 2008 – 2017**  
(Continued)

	2013	2014	2015	2016	2017
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	- -	- -	- -	- -	- -
Nonspendable	- -	170,745	169,835	234,803	213,784
Restricted	99,949	102,382	140,785	111,407	160,149
Committed	1,937,756	1,920,094	2,611,229	2,911,229	3,235,988
Assigned	46,786	46,857	69,540	93,319	114,165
Unassigned	1,410,366	(68,429)	2,078,689	2,767,622	2,736,579
Total general fund	<u>\$ 3,494,857</u>	<u>\$ 2,171,649</u>	<u>\$ 5,070,078</u>	<u>\$ 6,118,380</u>	<u>\$ 6,460,665</u>
All Other Governmental Funds					
Reserved, reported in debt service fund	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved, reported in capital projects fund	- -	- -	- -	- -	- -
Reserved, reported in special revenue funds	- -	- -	- -	- -	- -
Unreserved, reported in special revenue funds	- -	- -	- -	- -	- -
Nonspendable	11,188,139	12,160,000	1,500,000	1,500,000	1,500,000
Restricted	4,724,628	4,187,427	4,052,362	4,836,581	3,529,415
Total all other governmental funds	<u>\$ 15,912,767</u>	<u>\$ 16,347,427</u>	<u>\$ 5,552,362</u>	<u>\$ 6,336,581</u>	<u>\$ 5,029,415</u>

Note: Periods prior to 2011 have not been retroactively restated for the impact of GASB statement number 54 *Fund Balance Reporting and the Governmental Fund Type Definitions*.

**City of Alabaster**  
 Ratios of Outstanding Debt by Type 2008 – 2017

Fiscal Year	Governmental Activities				Business-Type Activities			
	General Obligation Warrants	Limited Obligation Warrants	Capital Lease	Term Loan	General Obligation Warrants	Limited Obligation Warrants	Capital Lease	Term Loan
2008	40,480,037	-	-	-	8,405,000	18,030,000	-	-
2009	38,000,885	1,850,000	-	-	8,500,000	17,455,000	-	-
2010	39,565,000	-	-	-	7,760,000	16,865,000	-	178,851
2011	38,760,000	-	-	226,570	23,365,000	-	-	137,306
2012	46,770,000	-	-	127,047	22,065,000	-	-	94,240
2013	46,184,292	-	-	25,647	22,660,000	-	-	49,688
2014	43,915,874	-	372,191	1,500,000	21,160,000	-	-	3,537
2015	41,114,202	-	259,798	1,500,000	19,668,886	-	168,236	-
2016	40,241,159	-	259,144	1,500,000	17,915,000	-	244,798	-
2017	37,394,983	-	160,035	-	16,215,000	-	164,626	-

(a) Obtained from the U.S. Census Bureau

(b) Obtained from Shelby County Tax Assessor's Office

\* Information not available

**City of Alabaster**  
 Ratios of Outstanding Debt by Type 2008 – 2017  
 (Continued)

Fiscal Year	Total Primary Government	Total Personal Income (a)	Percentage of		Percentage of			Per Capita
			Total Personal Income	Estimated Value of Taxable Property (b)	Actual Value of Taxable Property	Estimated Population (a)	Actual Population (a)	
2008	66,915,037	729,180,100	9.18%	334,137,680	20.03%	29,658	29,658	2,256
2009	65,805,885	731,036,652	9.00%	339,337,780	19.39%	29,334	29,334	2,243
2010	64,368,851	759,191,458	8.48%	333,900,180	19.28%	31,095	31,095	2,070
2011	62,488,876	815,335,968	7.66%	330,044,780	18.93%	31,281	31,281	1,998
2012	69,056,287	810,896,250	8.52%	323,300,340	21.36%	31,587	31,587	2,186
2013	68,919,627	801,892,227	8.59%	334,104,300	20.63%	31,890	31,890	2,161
2014	66,951,602	882,721,280	7.58%	339,300,940	19.73%	32,115	32,115	2,085
2015	62,711,122	895,583,074	7.00%	356,267,120	17.60%	32,707	32,707	1,917
2016	60,160,101	930,418,572	6.47%	403,616,580	14.91%	32,948	32,948	1,826
2017	53,934,644	*	*	401,483,420	13.43%	*	*	*

(a) Obtained from the U.S. Census Bureau

(b) Obtained from Shelby County Tax Assessor's Office

\* Information not available

**City of Alabaster**  
 Operating Indicators by Function and Program 2008 – 2017

Function		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government											
Business licenses issued	1	3,346	3,353	3,498	3,543	3,594	3,782	3,955	4,249	4,441	4,401
Public Safety											
Police											
Arrests	2	1,506	1,690	1,650	1,723	1,886	1,606	1,528	1,355	1,357	1,417
Fire											
Emergency responses	3	3,439	3,581	3,098	3,917	3,775	4,280	4,905	5,415	5,620	3,646
Inspections	3	11,400	16,881	14,179	10,144	11,299	9,023	3,225	5,309	6,111	
Building permits issued	4	270	223	205	209	226	212	247	413	396	
Library											
Materials checked out	5	185,154	208,495	201,927	193,706	177,162	177,340	174,989	162,944	149,844	167,772
Municipal Court											
Traffic Cases	6	5,700	5,943	6,256	4,717	3,854	3,683	2,557	2,268	2,090	2,019
Non-Traffic Cases	6	906	880	1,011	971	1,126	1,055	798	725	622	676
Sanitation											
Single homes:											
Regular garbage service	7	10,081	10,121	10,270	10,306	10,381	10,512	10,482	10,716	10,869	10,890
Recreation Services											
Participants in sports programs	8	1,984	2,019	2,027	2,083	2,114	2,212	2,184	2,238	2,277	2,202
Sewer											
Average daily flow (gallons per day)	9	2,920,000	3,920,000	3,240,000	2,920,000	3,530,000	3,590,000	3,320,000	3,370,000	3,150,000	3,340,000

<sup>1</sup> Source: Alabaster Revenue Department (based on a calendar year)

<sup>2</sup> Source: Alabaster Police Department (based on a calendar year)

<sup>3</sup> Source: Alabaster Fire Department (based on a calendar year)

<sup>4</sup> Source: Building Department (based on a calendar year)

<sup>5</sup> Source: Albert L. Scott Library (based on a calendar year)

<sup>6</sup> Source: Municipal Court (based on calendar year)

<sup>7</sup> Source: Alabaster Water Board. Number reflects number of homes served for the month of September for each fiscal year.

<sup>8</sup> Source : Parks and Recreation Department (based on a calendar year)

<sup>9</sup> Source: Alabaster Environmental Services Department (based on a calendar year)

**City of Alabaster**  
 Capital Asset Statistics by Function and Program 2008 – 2017

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Vehicles	1	1	1	1	2	2	2	3	3	3
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	39	44	51	61	62	62	74	73	83	77
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Fire Vehicles	19	18	18	18	19	20	21	22	24	24
Refuse Collection										
Trash Trucks	2	2	2	2	2	3	5	6	6	6
Public Works										
Streets (miles)										
Streetlights	54	54	54	54	54	54	54	54	54	54
Traffic Signals	17	17	17	17	18	18	19	19	19	19
Vehicles	7	7	7	7	7	10	10	11	12	11
Recreation Services										
Parks										
Acres	141.1	141.1	141.1	141.1	141.1	141.1	141.1	141.1	141.1	141.1
Vehicles	9	10	10	10	10	11	13	14	17	17
Sewer										
Vehicles	7	7	7	7	7	7	10	10	15	17
Pump Stations	50	50	50	50	51	52	52	52	52	52

**City of Alabaster**  
 Components of Sales Tax Revenue 2008 – 2017

	2008	2009	2010	2011	2012
Automotive Sales	\$ 393,992	\$ 312,153	\$ 331,134	\$ 346,455	\$ 453,344
Food Stores	1,121,005	1,064,414	1,014,900	1,040,748	1,365,251
Home Furnishings & Building Supply	1,497,325	1,162,112	1,171,095	1,133,200	1,569,403
Medical Sales & Pharmacy	374,669	378,723	351,896	356,014	375,974
Merchandise Retail	5,435,969	5,201,070	5,128,890	5,198,818	6,738,323
Restaurants	1,352,783	1,528,076	1,593,000	1,657,612	2,155,072
Service Stations & Auto Parts	501,647	471,473	580,168	649,043	1,035,105
Other Sales	2,069,652	1,884,018	1,347,620	1,527,205	1,926,822
<b>Total</b>	<b>\$ 12,747,042</b>	<b>\$ 12,002,040</b>	<b>\$ 11,518,703</b>	<b>\$ 11,909,096</b>	<b>\$ 15,619,295</b>

**The City's portion or direct sales tax rate was 4% beginning on December 1, 2011 and was 3% for all periods prior to December 1, 2011.**

Source: City of Alabaster Revenue Department

**City of Alabaster**  
 Components of Sales Tax Revenue 2008 – 2017  
 (Continued)

	2013	2014	2015	2016	2017
Automotive Sales	\$ 478,097	\$ 500,210	\$ 615,139	\$ 704,882	\$ 713,844
Food Stores	1,389,490	1,369,109	1,683,281	2,237,168	2,420,058
Home Furnishings & Building Supply	1,701,205	1,823,604	2,014,108	2,188,486	2,239,012
Medical Sales & Pharmacy	527,030	492,757	516,774	1,556,610	1,306,417
Merchandise Retail	6,987,310	7,126,430	7,687,963	7,612,708	7,647,978
Restaurants	2,416,228	2,642,894	2,889,759	2,959,642	2,767,205
Service Stations & Auto Parts	1,123,627	1,352,059	1,202,440	1,219,439	3,008,709
Other Sales	2,273,096	2,138,103	2,327,510	1,859,137	951,874
<b>Total</b>	<b>\$ 16,896,082</b>	<b>\$ 17,445,165</b>	<b>\$ 18,936,975</b>	<b>\$ 20,338,071</b>	<b>\$ 21,055,097</b>

**The City's portion or direct sales tax rate was 4% beginning on December 1, 2011 and was 3% for all periods prior to December 1, 2011.**

Source: City of Alabaster Revenue Department

**City of Alabaster**  
 Principal Employers 2013 and 2017

Employer	2013			2017		
	Employees	Rank	Percentage of Total City Employment (a)	Employees	Rank	Percentage of Total City Employment (a)
Shelby Baptist Medical Center	1,050	1	NA	1125	1	NA
AGC Automotive Americas	405	2		395	3	
Mspark	323	3		200	9	
Lhoist North America	250	4		260	5	
Shelby Ridge Health & Rehab Select	230	5		211	7	
Chandler Health & Rehab	225	6		245	6	
Deshazo Crane	187	7		319	4	
Docupak	139	8				
Alabama Crown Distributing Co.	120	9				
Sealing Equipment Products., Inc	100	10				
Alabaster Board of Education				761	2	
Hibbett Sports				200	8	
Fresenius Medical - TruBlue Logistics				115	10	
Total top 10	<u><u>3,029</u></u>			<u><u>3,831</u></u>		
Total all employees in the City (a)	NA			NA		

Source: Greater Shelby County Chamber of Commerce

Note: Information does not include City Government employees.

Note: Schedule presents 2013 due to the fact that consistent, reliable information for 2008 (nine years ago) was not readily available. 2013 is the furthest period back which reliable information could be obtained.

(a) The City does not have an occupational tax or other mechanism to accurately know these numbers.

**City of Alabaster**  
Glossary of Terms and Acronyms

**A**

**Accrual basis** – Accounting method in which revenues are recorded when earned and expenses are recorded when the associated liability is incurred, irrespective of the timing of the related cash receipts and disbursements.

**Ad valorem tax** – A property tax based on the valuation assigned to property by the county tax assessor. State law establishes a method of valuing property and calculating the tax assessment that is used by the county during their assessment and collection process.

**ALDOT** – Alabama State Department of Transportation.

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

**B**

**Basis of accounting** – The timing for recognition of revenues and expenditures.

**Bond** – A debt security issued by a government to finance capital expenditures within the city in which payment of the original investment plus interest is repaid by a specific future date.

**Budget** – A financial plan of operation for a given period consisting of projected costs and revenues.

**Budget calendar** – The schedule of key dates in the preparation, adoption, and administration of the budget.

**Budget message** – A discussion of the proposed budget document that summarizes the current budget and explains current budget issues by comparing the current budget with recent historical trends and presenting recommendations made by the City Council and the Mayor.

**C**

**Capital lease** – An agreement that gives the lessor the right to use real property or equipment for a stated term and meets accounting criteria for capitalization. The City uses such agreements as a method of financing capital outlay.

**Capital outlay** – Expenditures for items with an estimated useful life of more than two years and a cost greater than \$5,000.

**Capital plan** – A five-year projection of capital outlay for long-term assets compiled by each department.

**Census bureau** – An entity of the federal government responsible for determining the population of states and municipalities within the United States.

**Component unit** – Organization that is legally separate from the City but affiliated with the with and financially accountable to the City.

**Council reserve fund** – Money set aside and for future usage. A supermajority of the City Council must vote to use any funds set aside in the council reserve fund.

**City of Alabaster**  
Glossary of Terms and Acronyms  
(Continued)

**Credit rating** – A grade assigned by a professional organization as an indicator of the degree of risk associated with the debt issued by the City. A high credit rating indicates the rating organization considers the debt to have a low risk of default.

**D**

**Debt** – An obligation to pay money in the future for borrowing money or receiving goods in a current period.

**Debt limit** – The legally permitted maximum amount of outstanding debt that a City may have under the provision of State law.

**Debt service** – The amount of money required to pay principal and interest on long-term debt.

**Department** – An administrative unit of the City that is responsible for management and operation or a group of related operations within a functional area.

**Department head** – The person charged with overseeing the day-to-day operations of a City department.

**E**

**Enterprise fund** – Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.

**Expenditures** – Decreases in a governmental fund's net financial resources resulting from the procurement of goods and services or the payment of debt service.

**Expenses** – Outflows of net financial resources in a proprietary fund typically from the production and/or delivery of goods and services.

**F**

**Fiscal year** – A twelve-month period for which a government records, reports, and budgets its financial activities. The City uses a fiscal year of October 1 – September 30.

**Full faith and credit** – A pledge of the City's general taxing power to fulfill debt service requirements.

**Fund** – An accounting entity comprised of a group of self-balancing accounts.

**Fund balance** – The excess or deficit of fund assets over fund liabilities of a governmental fund type.

**FY** – An abbreviation for fiscal year.

**G**

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

**General fund** – The main operating fund of the City which is used to account for all City financial resources except those required by generally accepted accounting principles to be accounted for in another fund.

**City of Alabaster**  
Glossary of Terms and Acronyms  
(Continued)

**GIS** – Geographic Information System. A type of computer generated mapping system used to organize various types of map-related data for reference and analysis.

**GO Debt** – General obligation debt that is backed by the full faith and credit of the City and repaid from General Fund tax collections.

**Governmental fund** – A fund generally used to account for tax-supported activities which include the general fund, special revenue funds, capital projects fund, and debt service fund.

**I**

**Infrastructure improvements** – Maintenance and upgrades to basic physical and organization structures and facilities needed for the operation of a City. Examples include buildings, roads, bridges, and sewer lines.

**M**

**Major fund** – Any fund for which certain financial statement components (assets, liabilities, revenues, expenditures) meet certain thresholds when compared with other components of either total governmental funds or the total of governmental and proprietary funds. The general fund is always a major fund.

**Management team** – Upper level staff of the City including the City Manager, all Department Heads, and positions appointed by the City Council.

**Millage** – A unit of measure used to refer to the calculation of ad valorem taxes based on appraised value or some other valuation basis. One mill is one tenth of one cent.

**Modified accrual basis** - The basis of accounting used in governmental fund types wherein revenues and other financial resources are recognized when both measurable and available and expenditures are recognized in the period in which governments in general normally liquidate the related liability.

**N**

**Net position** – The difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources, where full accrual-basis accounting is used.

**Non-departmental** – Expenditures or expenses not specifically associated with the ongoing operations of an individual department or division of the City.

**O**

**Other financing sources** – Inflows of financial resources other than from revenues, such as from borrowing proceeds or receipt of resources transferred in from another fund.

**Other financing uses** – Outflows of financial resources other than for expenditures, such as transfers of resources to other City funds.

**P**

**Personnel expenditures** - Expenditures related to providing salaries, wages, and benefits to current and retired City employees.

**Principal** – The sum of money borrowed in a debt agreement that is payable at maturity.

**City of Alabaster**  
Glossary of Terms and Acronyms  
(Continued)

**Program** – A group of activities, operations, or divisions focused on achieving a specific objective.

**Property tax** – *see ad valorem tax*

**Proprietary fund** – Fund that focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City's enterprise funds are an example of proprietary funds.

**R**

**Revenue** – Increases in a fund's net financial resources, typically resulting from things such as the collection of taxes and charges for services.

**S**

**Special revenue fund** – Fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Examples include state gas tax money, library state aid money, and federal drug seizure money.

**Standard & Poor's** – One of the national credit rating agencies (*see credit rating*).

**W**

**Warrant** – A certificate of debt issued by a government.