



**Fiscal Year 2020 Budget  
City of Alabaster, Alabama  
October 1, 2019 – September 30, 2020**

**City of Alabaster**  
Budget for Fiscal Year 2020

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## 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 Administrator

Brian Binzer

Chief of Police

Curtis Rigney

Fire Chief

Tim Love

Finance Director / Treasurer

John Haggard

City Clerk

Mark Frey

Engineering & Building Services Director

Fred Hawkins

Planning & Zoning Coordinator

Sherri Proctor

Library Director

Nan Abbott

Clerk of Court

Sandra Harika

Public Works & Garbage Director

Mark Harris

Parks and Recreation Director

Tim Hamm

Human Resources Director

Candace Connell

Environmental Services Director

Michael Brothers

## 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.

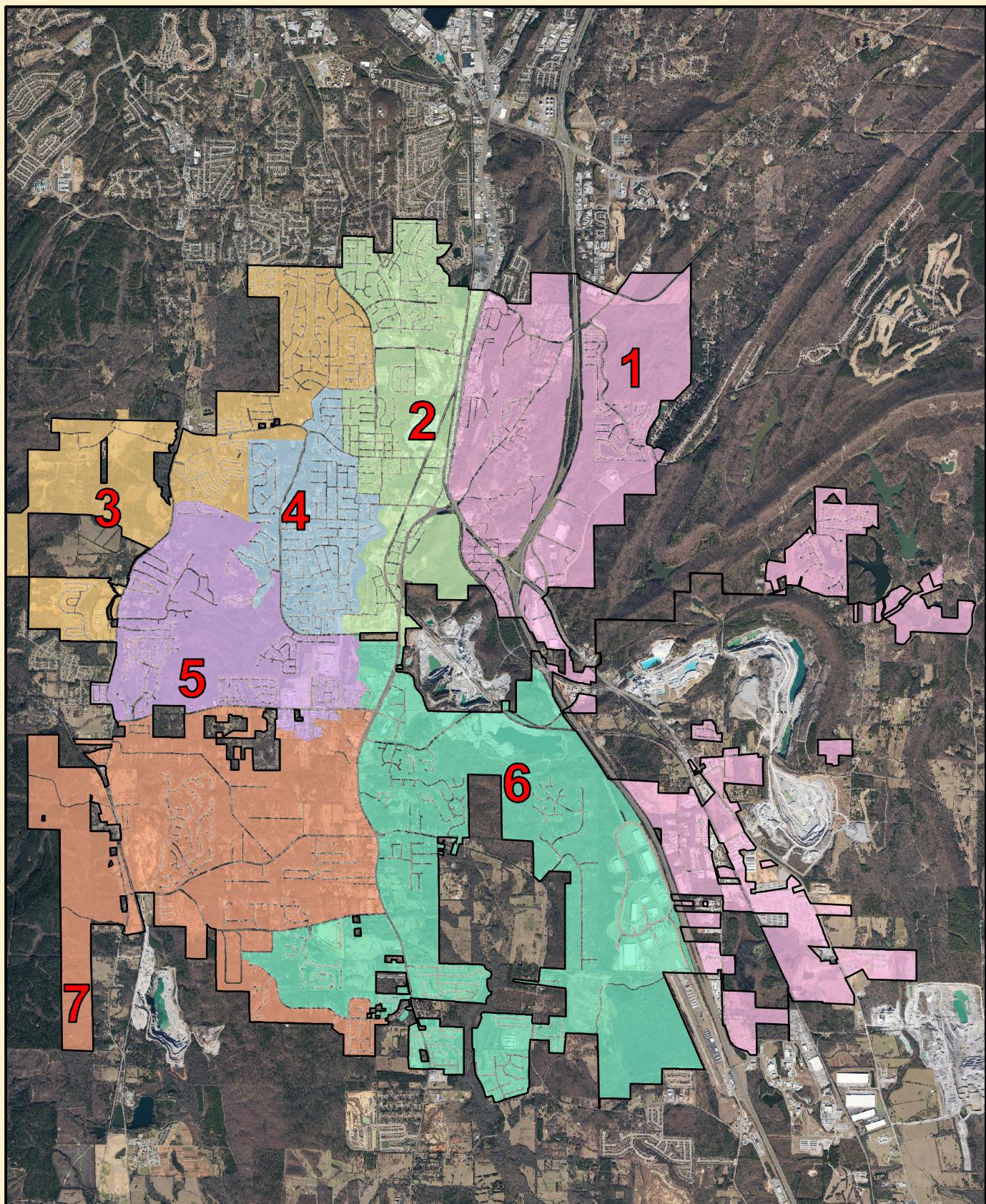
**General Fund** – This is the largest section of the document and it contains revenue projections and proposed departmental and non-departmental expenditures in various presentation formats at a high level of detail. This section breaks down all the various non-departmental expenditures such as debt 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.



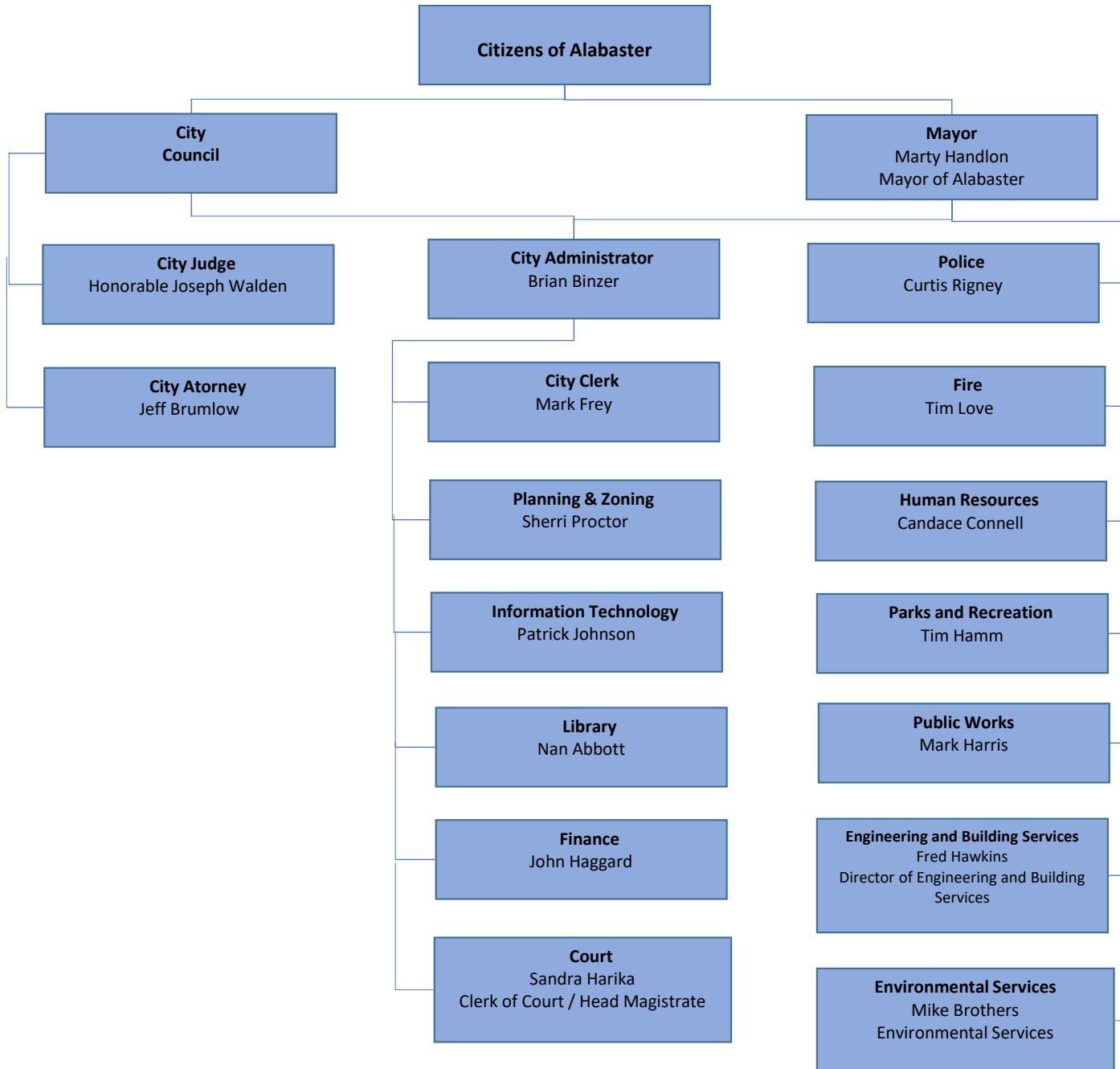
**Alabaster**

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

## Ward Map

0 0.25 0.5 1 1.5 2 Miles







GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Alabaster  
Alabama**

For the Fiscal Year Beginning

**October 1, 2018**

*Christopher P. Morill*

Executive Director



**September 3, 2019**

Council Members  
City of Alabaster, Alabama

Dear Council:

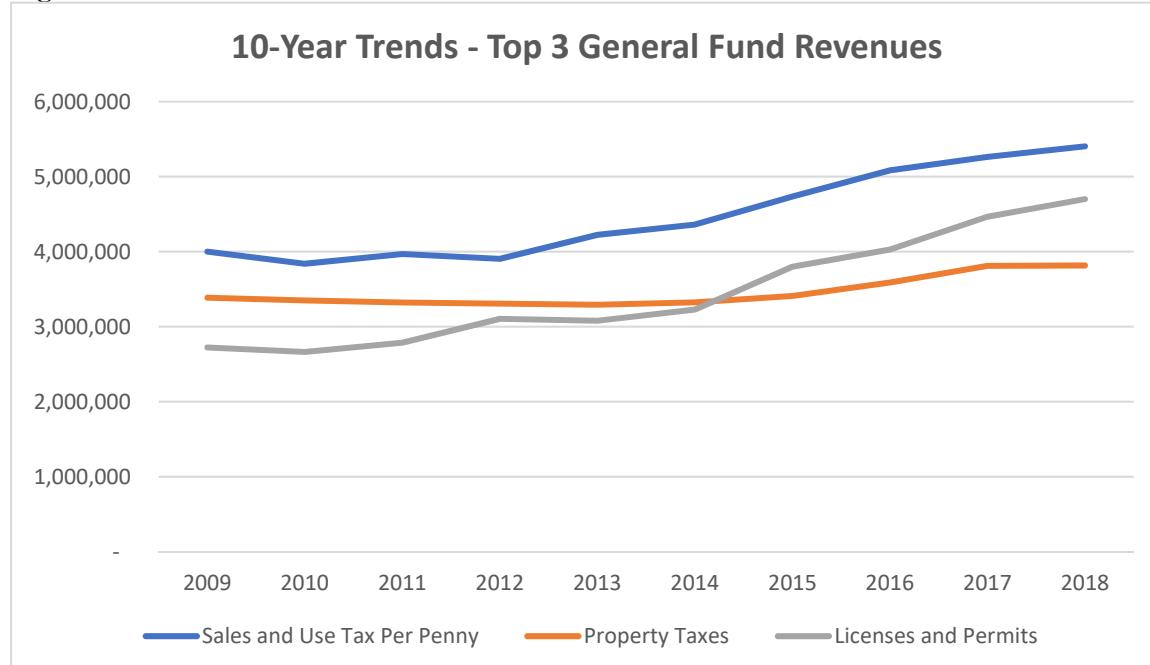
I am pleased to present the City of Alabaster's proposed budget for the 2019 fiscal year. Our focus remains on providing taxpayer value while continuing to deliver quality services. Therefore, the budget represents the continuing commitment of a municipal government dedicated to delivering superior services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

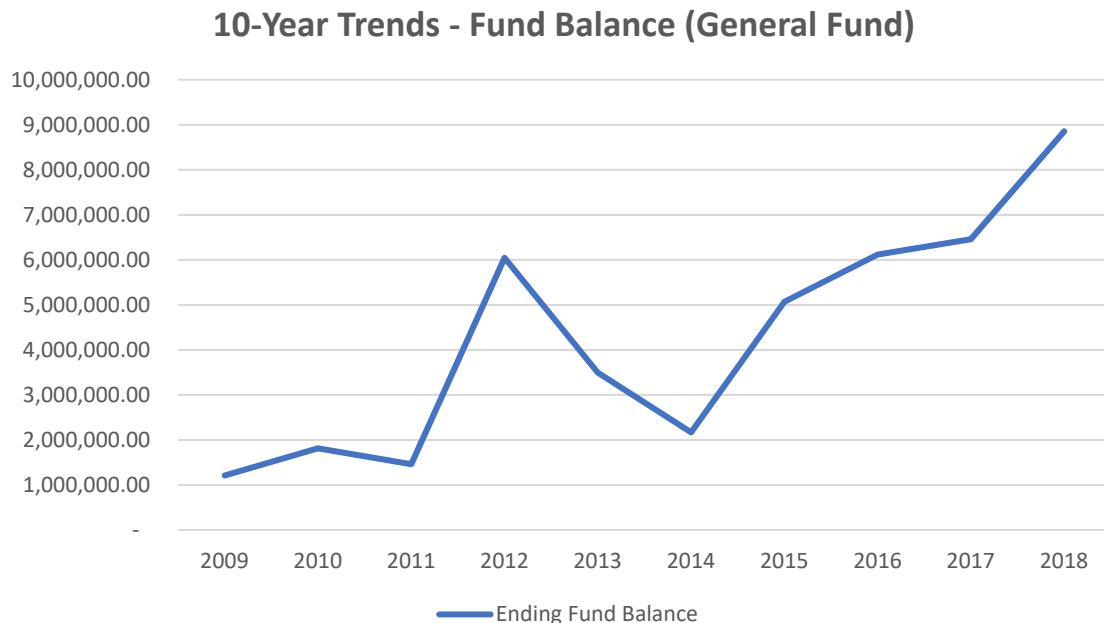
Revenues have continued to see growth over the past several years and the local economy appears to have recovered from the effects of the previous economic downturn. Total revenues to the City's General Fund finished \$2.0 million higher in 2018 than 2017. Sales and use tax receipts have continued to steadily increase since 2012 with overall sales and use tax revenues in fiscal year 2018 38% higher than fiscal year 2012. The average annual increases in sales and use tax over the prior 5 years is equal to 5.6%.

**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 2018 of \$8,854,696, which is a 631% increase from fiscal year 2009. 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 33,340 in 2018. According to the United States Census Bureau, Alabaster has experienced population growth of 9.8% since 2010 while the average growth for the State of Alabama during that same period was only 2.3%. 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, our parks have not grown at a rate to handle the new influx of citizens.

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.

## **FY2020 BUDGET STRATEGY**

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

The current economic environment presented challenges for the City in revenue projections for next year. Our year-end projections for fiscal year 2019 show total revenues in the General Fund up by \$767k (2.2%). Sales tax projections are 2.6 % higher, property tax projections are up 8.0% and license and permit projections are up 2.8%. Although fiscal year 2019 revenue activity has continued to trend up, there certain factors in the larger U.S. economy that give the City reason to be skeptical of continued growth at the same

level next fiscal year. Trade uncertainty decreases in consumer confidence, and reduced growth estimates in the U.S. economy all are indications the United States could be headed for an economic correction. Although there are no specific indicators in our community such as business closures or reduced revenues in the second half of fiscal year 2019, the City wants to make sure we present the most conservative budget possible, and to do so, we can't ignore some of the troubling indicators on a national level. Therefore, the City is budgeting for total revenues in the General Fund to decrease 2.8% from our projected final revenues for 2019. By adopting this approach, we can prepare for the worst while hoping for the best. We have allocated these revenues in a way that meets the needs of the City without reducing services or operations. If revenue projections during fiscal year 2020 show we are underbudgeted on revenues, we will make the necessary adjustments and then through discussion with the City Council will determine which capital projects are in most need of funding and will divert extra revenues to those needed capital improvements throughout the City.

### ***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 \$2.4 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 Justice Center that will house the Police and Court Departments 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. In addition, the City was able to allocate \$1.5M towards parks and recreation facilities to help meet the recreation needs of our expanding population.

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 FY2020 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. In addition, the City reevaluated their partnership with the School Board on the funding of School Resource Officers at each location. Previously the School Board provided \$400k to the City to help fund the necessary staffing of School Resource Officers. At the request of the School Board and in hopes of continuing to be good partners, the City agreed to reduce the School Board's portion from \$400k to \$225.

**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 and Court Department in one facility is the best long-term solution for the City. As of September 3, 2019, the City has spent approximately \$2.1M for land for the new Justice Center. The City is in the design and programming stages of the space right now and hopes to start construction in the Spring of 2020. The City anticipates spending \$6.5M in fiscal year 2020 on the Justice Center and \$15M in total on the project.

**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 City plans to put \$1.1M into creating new fields at Veteran’s Park in 2020, \$315k for renovations at Abbey Wooley Park, and \$200k in partnership with the School Board and Shelby County to build a new soccer field on the Thompson High School campus.

**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 fiscal year 2020 budget includes \$2.0M for the Highway 119 widening project as well as \$245k for general paving repairs needed throughout the City.

**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, upgrades of \$80k are budgeted.
- The City continues to upfit sewer pump stations with backup pumps and other pump station upgrades to improve efficiency of wastewater treatment. In FY2020 the City has budgeted \$470,000 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 2020 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).

### **2019 Comprehensive Plan Accomplishments**

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

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 hired Williams Blackstock Architects to begin design on the new Justice Center which will house the Police and Court Departments.

The City also spent roughly \$2.1M acquiring land adjacent to the current City Hall location where the Justice Center will be constructed. Public Safety's strategic goals for FY2020 will center around getting the Justice Center designed and starting construction on the new facility.

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

The City addressed infrastructure needs in FY2019 by funding necessary paving repairs in the Fox Valley, Lacey's Grove, Lake Forest, Scottsdale, Mountain Lake, Wisteria, and Sugar Hill neighborhoods. This was the most linear feet of road paving completed in a year in the last decade.

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

The Comprehensive Plan calls for improvement of recreation facilities. The City took steps to address aging playground equipment at Municipal Park in FY2019. The City spent \$25k to replace the playground equipment as well as to reconfigure the area to allow for more efficient use of the space.

The City also spent \$167k on drainage repairs at the Municipal Park fields to address drainage issues and ensure an adequate playing surface is provided for the youth soccer programs that use the fields.

## **City of Alabaster**

### **Strategic Goals**

**(Continued)**

#### ***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 FY2019 was to spend \$390k on new pumps and pump station repairs. The purchase of these pumps will provide redundancy of systems and reduce the number of man hours needed to address pump failures.

#### **2020 Comprehensive Plan Priorities**

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

The Comprehensive Plan calls for developing a master plan for improvement of recreation facilities. In 2020 the City has budgeted to have a Parks & Recreation needs assessment completed by an independent third-party firm. The City plans to incorporate citizen surveys and meetings with community stakeholders to help gather results. Citizen surveys will be conducted by an independent third-party firm to ensure a statistically valid sample is achieved and to ensure results that are representative of the different demographics of the City are received. Once information is obtained, a report will be generated that will serve as the guiding document for future capital expenditures in our parks system for years to come.

In addition, the City is committed to spending \$315k for needed improvements at Abbey Wooley Park. The funds budgeted for this project are to replace and enlarge the basketball court, provide adequate lighting, and to completely renovate the bathrooms at this park.

The City has also budgeted \$1.1M towards improvements at Veterans Park. Veterans Park is the City's largest park. The City decided in FY2017 to expand the park by purchasing 16 acres adjacent to the park that came up for sale. In FY2020 the City plans to develop new fields on the 16 acres to expand the field space available within the City.

The City has also budgeted \$200k as their share of a partnership with Shelby County and the Alabaster School Board to build a new soccer field on the Thompson High School campus. This field will help with the expansion of competitive soccer in the community and will help Alabaster become a soccer destination within Shelby County.

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

The primary focus in this area of the Comprehensive Plan for 2020 will be the construction of a new Justice Center adjacent to the current City Hall. The City anticipates opening the new facility sometime in the 2021 fiscal year. This new building will help establish a "City Center" and campus type feel in the Siluria area by conveniently locating as many government buildings in the area as possible. The Justice Center will be a single location for all justice activities by housing both the Municipal Court and Alabaster Police Department in one building. The building will be built to allow the necessary expansion of both Court and Police that will inevitably come as our population base served continues to grow over time.

##### ***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 12 (Butler Road). The City has been working with

## **City of Alabaster**

### **Strategic Goals**

**(Continued)**

the state and federal government to obtain funding and plan the project for the past few years. In 2020 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 \$2.0 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.

#### ***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 2020.

#### **Changes in Priorities**

There have been few changes in strategic priorities since last year's budget. The major capital expenditures of the City remain the same. Construction of a Justice Center and widening of Highway 119 still remain the top priority for the City. Although each project has moved at a slower pace than originally anticipated, the City is still firmly committed to completing each project as expeditiously as possible.

The City remains committed to improvement of recreation facilities and fields. The only change in the priority is to expedite certain parks projects such as the expansion of Veterans Park and improvements to Abbey Wooley Park. The City is fortunate enough that revenues outpaced our expectation in FY2019 which will allow us an additional increase to fund balance that we can apply towards these projects for FY2020 without the need for incurring debt to do so. The City credits its citizens for their diligence and commitment to spend their tax dollars in Alabaster as the main contributing factor that will allow us to start these projects much sooner than we anticipated last year.

The City's major tool for long-term strategic planning is the 5-year capital plans presented in the budget. These capital plans were only first started back in FY2017. We want to credit our Department Heads and City Leadership for their commitment to producing realistic capital plans that meet their strategic needs as well as committing to following through each year on fulfilling the needs as previously presented in prior capital plans. This type of long-range planning allows for only small tweaks in priorities each year as circumstances change instead of wholesale reshuffling of priorities.

#### **2020 Short-Term Goals Impacting Budget Development**

The City Finance Department and City Leadership have been keeping a close eye on national economic trends over the past year. Based on the information available, the City has determined it prudent to plan for an economic downturn next year. Economic downturns are cyclical in nature and it's not a matter of if growth will slow or reverse, but when. Therefore, for the next fiscal year, the City has planned a very modest budget in terms of revenue expectations. The City hopes that we will not experience the revenue decline budgeted but is prepared for the worst in case it does. The City also has plans that if revenues do not dip as expected that any revenues over projections will be diverted to the Capital Projects Fund to help expedite some of the major capital projects the City has budgeted over the next 5 years.

In addition, due to changes in the rate environment, the City plans to monitor the bond market to see if there may be an opportunity to refund certain bonds and reap an economic benefit. The City has not budgeted

## **City of Alabaster**

### Strategic Goals

(Continued)

for any refunding of debt in FY2020 due to uncertainty if the market that would make refunding beneficial will materialize, but the City understands we are in a position where we are close to seeing that beneficial market and will make undertake the refundings available if we reach a situation in which we believe we can receive at least a 3% net present value savings as outlined in our debt policies.

The City has been in a fund balance growth mode within the General Fund over the past few years to help get the fund balance to levels well above the 15% of budgeted expenditures expectation. Now that we have successfully achieved levels almost double the 15% outlined in our financial policies, the City will focus its attention less on savings and accumulation and more to fulfilling the capital needs of the City. This is an exciting time in Alabaster because the City is hopeful, we can finally start addressing capital needs in the City at a level the citizens deserve. The City credits its citizens with continuing to keep tax revenue in Alabaster as well as the City Leadership for their judicious commitment to saving and financial conservatism for creating this opportunity for the City.

## **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 minimus* 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**  
Debt Management Policies

**City of Alabaster**  
**Debt Management Policy**

**I. Policy Statement**

In managing its debt, it is the City's policy to:

- Achieve the lowest cost of capital
- Ensure high credit quality
- Assure access to the capital credit markets
- Preserve financial flexibility
- Manage interest rate risk exposure

**II. Goals & Objectives**

The following policies are enacted to standardize and rationalize the issuance and management of debt by the City of Alabaster. The objective is to establish conditions for the use of debt and to create procedures and policies that minimize the City's debt service and issuance costs, retain the highest practical credit rating, maintain full and complete financial disclosure, and comply with reporting and federal tax compliance. The policies apply to all general obligation debt issued by the City of Alabaster, including leases, debt guaranteed by the City, and any other forms of taxable and tax-exempt indebtedness. The City also has a separate set of post issuance compliance policies for tax-exempt indebtedness adopted November 16, 2017.

Regular, updated debt policies can be a valuable tool to ensure the use of the City's resources to meet its commitments to provide needed services to the citizens of Alabaster and to maintain sound fiscal management practices. These policies are therefore guidelines for general use and allow for exceptions in extraordinary conditions.

These policies have been adopted by the City Council by resolution. The Debt Management Policies of the City can be adjusted at any time by resolution of the City Council.

**III. Credit Quality & Credit Enhancement**

The City's debt management activities will be conducted to receive the highest credit ratings possible, consistent with the City's financing objectives. The Finance Director will be responsible for maintaining relationships and communicating with the rating agencies that assign ratings to the City's debt. The Finance Director will provide the rating agencies with periodic updates of the general financial condition of the City. Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. The City shall prepare presentations to the rating agencies to assist credit analysts in making an informed decision. The Finance Director shall be responsible for determining whether a rating shall be requested on a financing, and which of the major rating agencies will be asked to provide such rating.

**City of Alabaster**  
Debt Management Policies  
(Continued)

The Finance Director will periodically make credit presentations to the City Council explaining the City's current rating, rating agency views on the City's performance, and current items which may affect the City's General Obligation credit rating. These presentations will be made at the discretion of the Finance Director but will occur no less often than once every two years.

The City will consider the use of credit enhancements on a case-by-case basis, evaluating the economic benefit versus the cost for each case. Only when clearly demonstrable savings can be shown will an enhancement be considered. The City will consider each of the following enhancements as alternatives through evaluation:

**1. Bond Insurance**

The City may purchase bond insurance when such a purchase is deemed prudent and advantageous for negotiated sales. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds.

**2. Letters of Credit**

The City may enter into a letter-of-credit (LOC) agreement when such an agreement is deemed prudent and advantageous. The City will prepare and distribute a request for qualifications to qualified banks or other financial institutions which includes terms and conditions that are acceptable to the City.

**IV.**

**Debt Affordability**

The ratios and standards identified below are intended to provide guidelines which permit and facilitate long-term access to capital while ensuring the financial leveraging decisions do not negatively impact the City's annual operations:

- Net Direct Debt divided by Operating Revenues < 3.00X

*As defined by Moody's US Local Government General Obligation rating methodology dated December 16, 2016.*

- Net Direct Debt divided by Full Value < 4.00%

*As defined by Moody's US Local Government General Obligation rating methodology dated December 16, 2016.*

- Total Governmental Funds Debt Service as a percent of Expenditures < 25%

*As defined by Standard & Poor's U.S. Local Governments General Obligation Ratings: Methodology and Assumptions dated September 12, 2013.*

- Net Direct Debt as a percent of Governmental Funds Revenue < 180%

*As defined by Standard & Poor's U.S. Local Governments General Obligation Ratings: Methodology and Assumptions dated September 12, 2013.*

The Finance Director will calculate the indicative ratings per Moody's and S&P's applicable local criteria no less than once a year and present the ratios to the Mayor and City Council.

**City of Alabaster**  
Debt Management Policies  
(Continued)

**V. Bond Structure**

The City shall establish all terms and conditions related to the issuance of bonds and will invest all bond proceeds pursuant to the terms of the City's Investment Policy. The following shall serve as the Policy for determining debt structure:

**1. Term**

All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements, and in consideration of the ability of the City to absorb additional debt service expense within the debt affordability guidelines, but in no event, will the term exceed thirty (30) years.

**2. Capitalized Interest**

From time to time certain financings may require the use of capitalized interest from the issuance date until the City has beneficial use and/or occupancy of the financed project. Interest may be financed (capitalized) through this period if it is determined that doing so is beneficial to the financing by the Finance Director.

**3. Debt Service Structure**

General Obligation debt issuance shall be planned to achieve relatively level debt service or principal amortization considering the City's outstanding debt obligations, while matching debt service to the useful life of facilities. The City shall avoid the use of balloon maturities, absent sinking fund requirements, except in those instances where the maturities serve to make existing overall debt service level or to match a specific income stream. Debt which is supported by project revenues and is intended to be self-supporting will be structured to achieve level proportional coverage to expected available returns.

**4. Call Provisions**

In general, the City's securities will include a call feature no later than ten (10) years from the date of delivery of the bonds. The City will avoid the sale of long-term non-callable bonds.

**5. Original Issuance Premiums & Discounts**

Bonds with original issuance discounts and premiums will be permitted.

**6. Structured Products**

It is the City's goal to avoid structured products as a hedge against interest rate risk, but the City reserves the right to use such products as a method to lower its cost of borrowing if it is determined in the best interest of the City. Structured products will comply with state guidelines and the City will be able to quantify and understand the potential risks or to achieve fixed and/or variable rate exposure targets. Under no circumstance will the City use structured products for speculative purposes.

**City of Alabaster**  
Debt Management Policies  
(Continued)

**VI.**

**Types of Debt**

When the City determines the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued:

**1. General Obligation Bonds**

The City may issue general obligation bonds supported by the full faith and credit of the City. General Obligation bonds shall be used to finance capital projects that do not have independent creditworthiness and significant ongoing revenue streams.

The City may also use its General Obligation pledge to support other revenue-supported bond issues, if such support improves the economics of other bond issues and is used in accordance with these guidelines.

**2. Revenue Bonds**

The City may issue revenue bonds, where repayment of the debt service obligations of the bonds will be made through revenues generated from specifically designated sources. Revenue bonds will typically be issued for capital projects which can be supported from project or enterprise-related revenues.

**3. Capital Leases**

The City may use capital leases to finance short-term capital purchases.

**VII.**

**Debt Duration**

When the City determines the use of debt is appropriate, the following criteria will be utilized to evaluate the duration of debt to be issued:

**1. Long-Term Debt (maturing after 3 years)**

The City may issue long-term debt where it is deemed the capital improvements should not be financed from current revenues or short-term borrowings. Long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be structured such that the financial obligations do not exceed the expected useful life of the project.

**2. Short-Term Debt (maturing within 3 years)**

Short-term borrowing may be utilized for the construction period of a long-term project, for the purchase of capital equipment, or for the temporary funding of anticipated revenues. Short-term debt used to fund capital equipment purchases will be structured such that the financial obligations do not exceed the expected useful life of the equipment.

**City of Alabaster**  
Debt Management Policies  
(Continued)

**VIII.**

**Interest Rates**

When the City determines the use of debt is appropriate, the following criteria will be utilized to evaluate the interest rate on the debt issued:

**1. Fixed Rate Debt**

To maintain a predictable debt service burden, the City will give preference to debt that carries a fixed interest rate.

**2. Variable Rate Debt**

It is the City's goal to avoid using variable rate unless extenuating circumstances necessitate the use of variable rate debt to maintain a debt profile consistent with the City's overall debt strategy. If the City determines that the use of variable rate debt is necessary, the percentage of variable rate debt outstanding shall not exceed 20% of the City's total outstanding debt and will take into consideration the amount and investment strategy of the City's operating cash. The following circumstances may result in consideration of issuing variable rate debt:

- a. Construction period funding
- b. Interest rates above historic averages
- c. Variable revenue streams for a project that are anticipated to move in the same direction as market-generated variable interest rates.
- d. As a budgetary safeguard in place to prevent adverse impacts from interest rate shifts.

**IX.**

**Refinancing of Outstanding Debt**

The Finance Director with assistance from any Financial Advisor or Bond Underwriter engaged by the City shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The Finance Director will consider the following issues when analyzing possible refunding opportunities:

**1. Debt Service Savings**

In general, advance refunding's for economic savings will be undertaken when a net present value savings of at least three percent (3%) of the refunded bond principal amount. This present value savings will be net of all costs related to the refinancing. Refunding which produces a net present value savings less than three percent (3%) will be considered on a case-by-case basis. If it is determined that the City wants to undertake a refunding for the purposes of debt service savings and the resulting net present value savings is less than three percent (3%) the Finance Director will document in writing the reasons for such a deviation from the policy above and will present that document to City Council for consideration.

**2. Restructuring for Economic Purposes**

The City will refund debt when it is in the best financial interest of the City to do so. Such refunding will be limited to restructuring debt to meet unanticipated revenue

**City of Alabaster**  
Debt Management Policies  
(Continued)

expectations, mitigate irregular debt payments, or remove unduly restrictive bond covenants.

**3. Term of Refunding**

The City will refund bonds within the term of the originally issued debt unless the Finance Director considers a maturity extension necessary to achieve a desired outcome. The Finance Director may also consider shortening the term of the originally issued debt to realize greater savings.

**X. Methods of Issuance**

The City may use any of the following methods for issuance of debt and will determine the method of issuance on a case-by-case basis.

**1. Competitive Sale**

In a competitive sale, the City's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.

**2. Negotiated Sale**

The City recognizes that often securities are best sold through negotiations. In consideration of a negotiated sale, the City shall discuss the situation on a case-by-case basis with a qualified bond underwriter to determine the best course of action.

**3. Private Placement**

From time to time the City may elect to privately place its debt. Such placement shall only be considered if this method is determined to result in a cost savings to the City relative to other methods of debt issuance.

**XI. Underwriters**

**1. Underwriter Selection**

The Mayor and City Council or their designee shall select a qualified underwriter for bond issuance. The selection criteria shall include but not be limited to the following:

- a. The firm's ability and experience in managing municipal transactions
- b. Prior knowledge and experience with the City
- c. Quality and experience of personnel assigned to the City's engagement
- d. Financing ideas presented
- e. Fee

**2. Evaluation of Underwriter Performance**

The Finance Director with the assistance of the Mayor and City Council will evaluate each bond sale after completion to assess the underwriter's performance based on the cost of issuance including underwriter's compensation as well as the pricing of the bonds and overall interest cost on a maturity-by-maturity basis.

**City of Alabaster**  
Debt Management Policies  
(Continued)

**XII. Bond Counsel**

The City will retain external bond counsel for all debt issues. All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the debt, stating that the City has met all statutory requirements necessary for issuance, and determining the debt's federal income tax status. The bond counsel retained must have comprehensive municipal debt experience and a thorough understanding of State law as it relates to the issuance of municipal debt.

**XIII. Disclosure**

The City will provide annual financial and economic information to the Electronic Municipal Market Access (EMMA) facility of the Municipal Securities Rulemaking Board (MSRB). The City will also notify the MSRB of any of the material events as deemed necessary by the MSRB.

**XIV. Debt Policy Review**

The debt policy guidelines outlined herein are only intended to provide general direction regarding the future use and execution of debt. The City maintains the right to modify these guidelines by City Council resolution and may make exceptions to them given the exception is documented in writing and achieves the goals of the City. This policy will be reviewed no less frequently than biannually. At that time the Finance Director will consider any recommendations for any amendments, deletions, additions, improvements, or clarifications.

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

***The Budget Process***

The budget process begins when the Mayor outlines the 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 Administrator, 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 Administrator in the budget kickoff meeting as well as what has been accomplished in the previous and current years. The Mayor reviews 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 Administrator 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 Administrator 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 reviews requests for new positions, reclassifications, and staffing changes. The Human Resources Director then meets with the Mayor to discuss the proposed personnel changes. In this meeting with the Mayor decisions are made as to which personnel requests will be considered for incorporation into the budget process.

Once the department heads submit their budget requests, the Finance Department analyzes all operating and capital requests in accordance with the Mayor'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'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 the Mayor and City Administrator 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 September prior to the beginning of the new fiscal year.

**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 2019**

May 2 – Budget Kickoff Meeting  
May 31 – 5-year Capital Plans Due to Finance Director

**June 2019**

June 14 – New Position/Personnel Requests Due to Finance Director & HR Director  
June 17 – Budget Worksheets Distributed to Department Heads

**July 2019**

July 5 – Initial 2020 Revenue Projections Approved  
July 12 – Department Budget Worksheets Due to Finance Director  
July 19 – Mayor’s Review of Department Budget Requests Due to Finance Director  
July 22 – Mayor’s Requests for Changes Sent to Department Heads  
July 24 – July 26 – Department Budget Meetings (if necessary)

**August 2019**

August 1 – Final Department Budget Requests Due  
August 2 – Department Accomplishments, Goals, and Performance Metrics Due  
August 9 – First Draft of Budget Book Submitted to Mayor  
August 15 – Budget Book Distributed to City Council and 1<sup>st</sup> Work Session Discussion  
August 29 – 2<sup>nd</sup> Work Session Discussion

**September 2019**

September 12 – 3<sup>rd</sup> Work Session Discussion  
September 16 – 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 are 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 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.

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 2020 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 and are then sent to the Mayor for review.

The Mayor'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 62.6% of revenue for fiscal year 2018. The second largest revenue source for the General Fund is business licenses which provided 11.2% of revenue for fiscal year 2018. The third largest revenue source is property taxes which provided 11.0% of revenue for fiscal year 2018.

Together, the top three revenue sources provide approximately 84.9% 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 2018 (audited amounts).

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

**Figure 1**  
**General Fund**  
**Largest Revenue Sources**  
**Fiscal Year 2018**

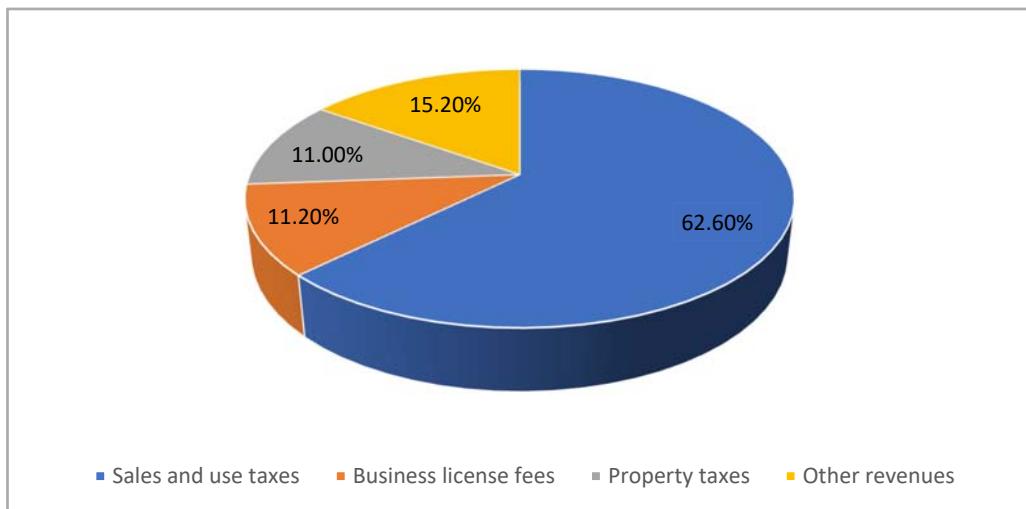


Table 1, *General Fund Revenue Trends*, provides audited, projected, and budgeted information for the top three revenue sources mentioned above.

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

	<b>Audited Actual</b>		<b>Projected</b>	<b>Budgeted</b>
	FY2017	FY2018	FY2019	FY2020
Sales and use taxes	21,055,097	21,615,731	22,189,963	21,966,667
Business license fees	3,840,740	3,883,538	4,187,610	4,074,435
Ad valorem (property) taxes	<u>3,810,550</u>	<u>3,816,678</u>	<u>4,120,803</u>	<u>4,100,000</u>
Total - top 3 revenues	28,706,387	29,315,947	30,498,376	30,141,102
<i>Change from prior year</i>	4.01%	2.12%	4.03%	-1.17%
Total revenues	32,546,082	34,548,116	35,315,773	34,309,938
<i>Change from prior year</i>	5.27%	6.15%	2.22%	-2.85%
Top 3 revenues as a % of total	88.20%	84.86%	86.36%	87.85%

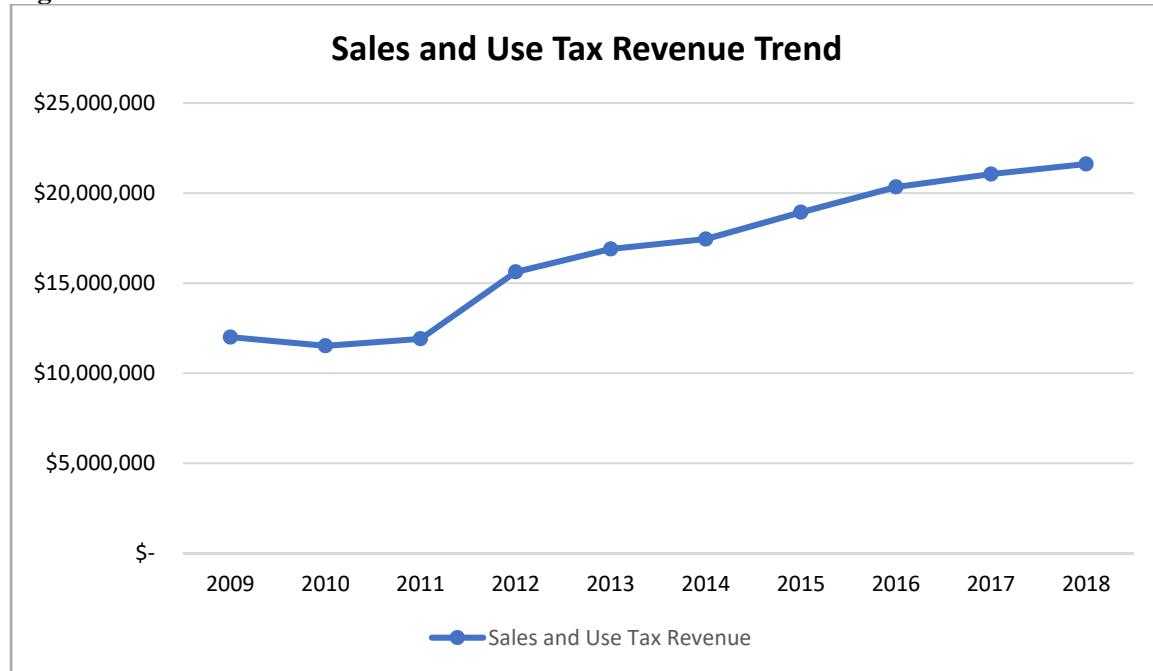
**Sales and use tax:** Sales taxes are levied on gross receipts resulting from the retail sale of tangible personal property within the corporate limits of the City. Use taxes are levied on gross receipts resulting from the tax-free purchase of tangible personal property that is subsequently used, stored, or consumed by the

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

purchaser. The City's sales and use tax rate is 4.0%. The most recent change was a one cent increase 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 5.6% with a high of 8.55% in fiscal year 2015 and a low of 2.66% in fiscal year 2018. Sales and use tax revenue is projected to be \$22.2 million at the end of fiscal year 2019, which would be a 2.65% increase from the prior year. The budget for 2019 projects a decrease of 1.1%.

**Figure 2**



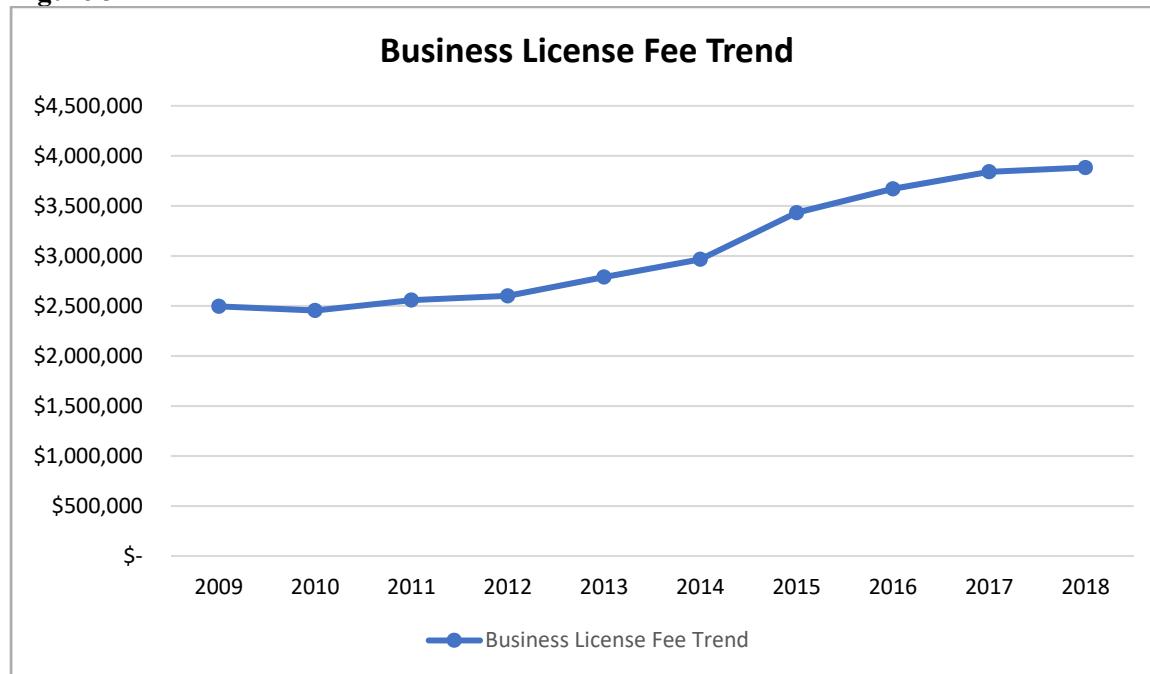
\*The sales tax rate increased from 3% to 4% in December 2011.

**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 3.5% from 2009 – 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 7.1% for 2015 – 2018. The projected revenue from business license fees for the fiscal year of 2019 is \$4,025,000 which would be a 3.8% decrease from the projected final balance for FY2019. 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. Although business license revenue has continually increased each year, the City is budgeting for a decrease in business license revenue from projected final numbers in order to remain conservative in case the City does not meet the final 2019 projections as currently forecasted. The 2020 budget for business licenses is 3.6% higher than the audited final for 2018 business licenses.

**Figure 3**

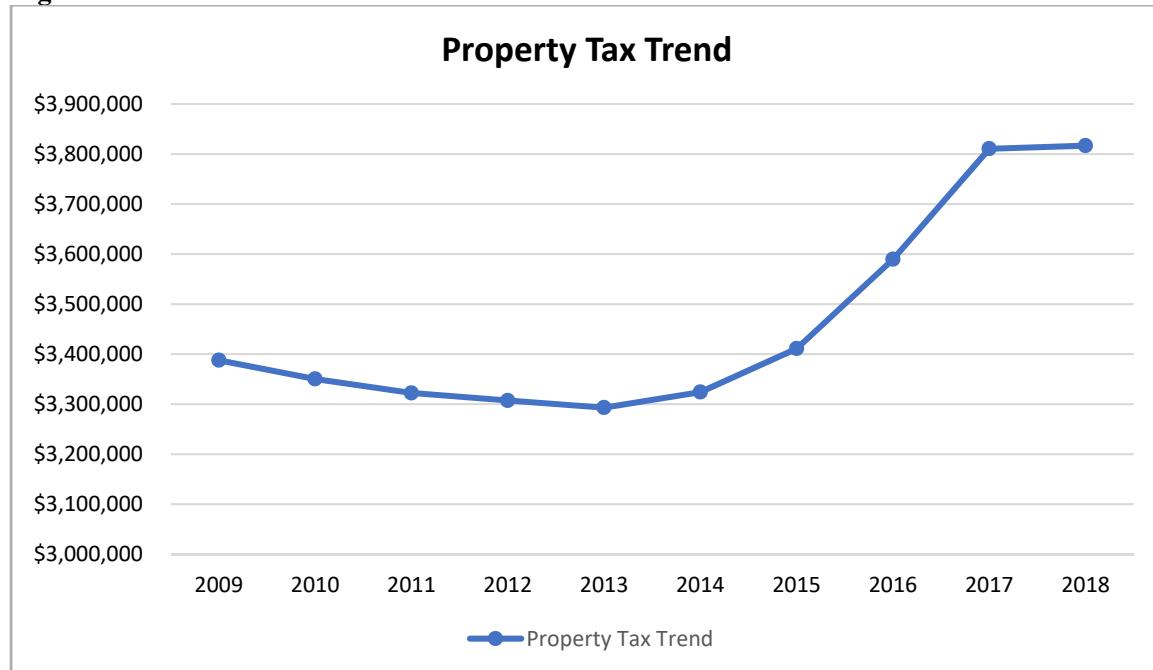


**Ad valorem (property) tax:** Property taxes, the City's third largest revenue source, are typically the most stable source of City revenues. There has been no change in the Alabaster millage rates over the past decade, so the changes in property tax revenues are primarily driven by new construction 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 – 2018 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 0.2% in 2018. Property taxes are projected to be \$4,120,803 at the end of the year for 2019, which would be an increase of 8.0%.

**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 2020 budget projects increase of 0.3% in property tax revenues from the 2019 mid-year budget.

**Figure 4**



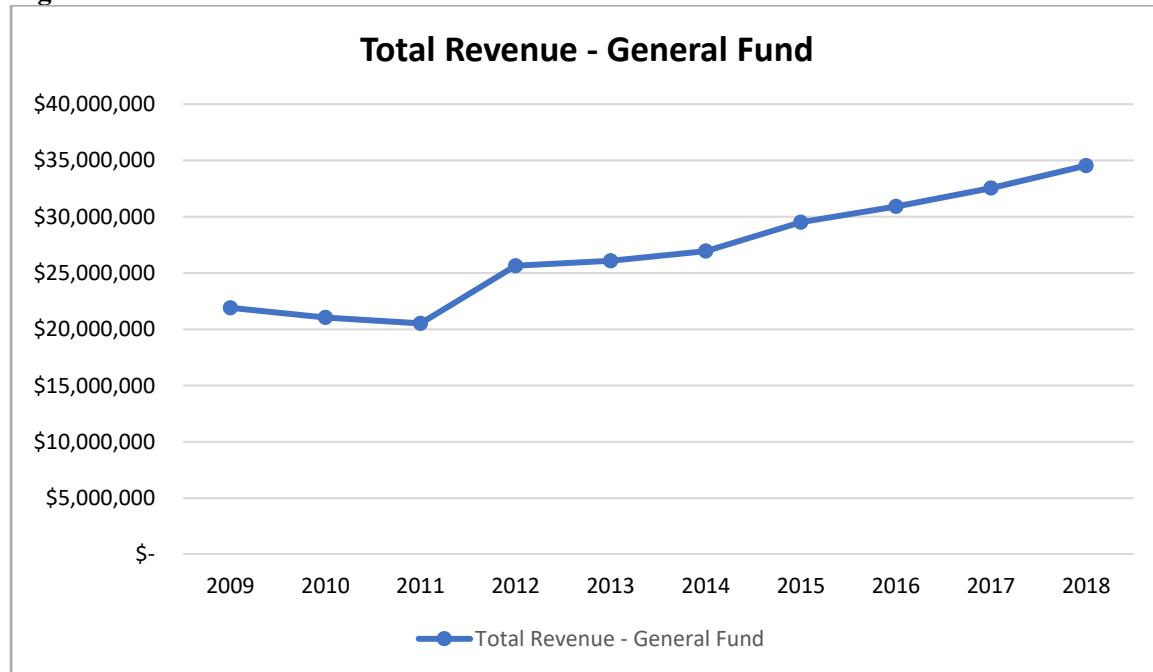
**Lesser General Fund revenue sources:** Lesser General Fund revenues include court fines; franchise fees; building permit fees; taxes on liquor, gasoline, and lodging; and payments in lieu of tax. Of these less significant revenue sources there are few anticipated changes affecting the 2020 budget. 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 2020 budget for building permit fees is \$500,000 which is a 30.1% increase from the 2019 mid-year budget. In addition, the City has seen continued growth in its payments in lieu of tax agreements. The City's 2020 budget for payments in lieu of tax is 950,000 which is a 2.1% increase from the 2019 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 2013, the City has seen consistent growth in total revenues averaging 5.1% with a high of 9.5% in 2015 and a low of 1.7% in 2013. Projected total revenue for the end of 2019 is \$35,315,773 which would be an increase of 2.2% 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 2020 total revenue budget of \$34,309,938 addresses some of the uncertainty in different revenue areas and national economic uncertainty by budgeting for a decrease of 2.8% from projected final revenues for 2019.

**Figure 5**



### Enterprise Fund Revenues

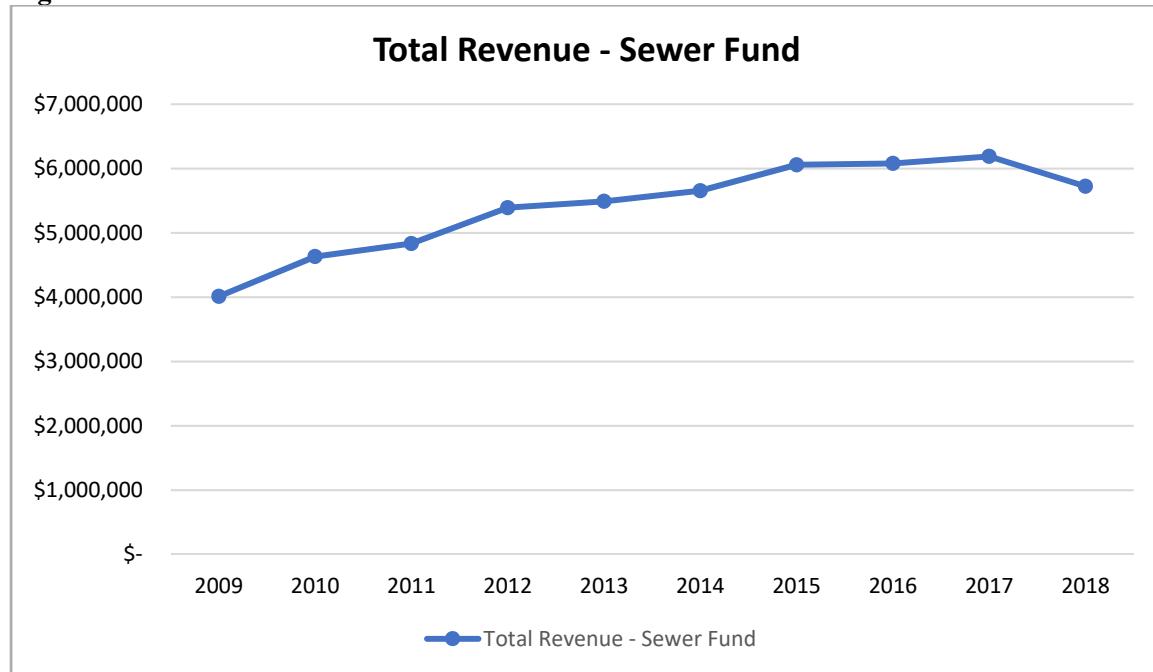
**Sewer Fund:** The City accounts for the wastewater function in a separate enterprise fund. The operations of the City's Sewer Fund are financed primarily by sewer system service charges collected from customers, supplemented by sewer tap fees.

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)

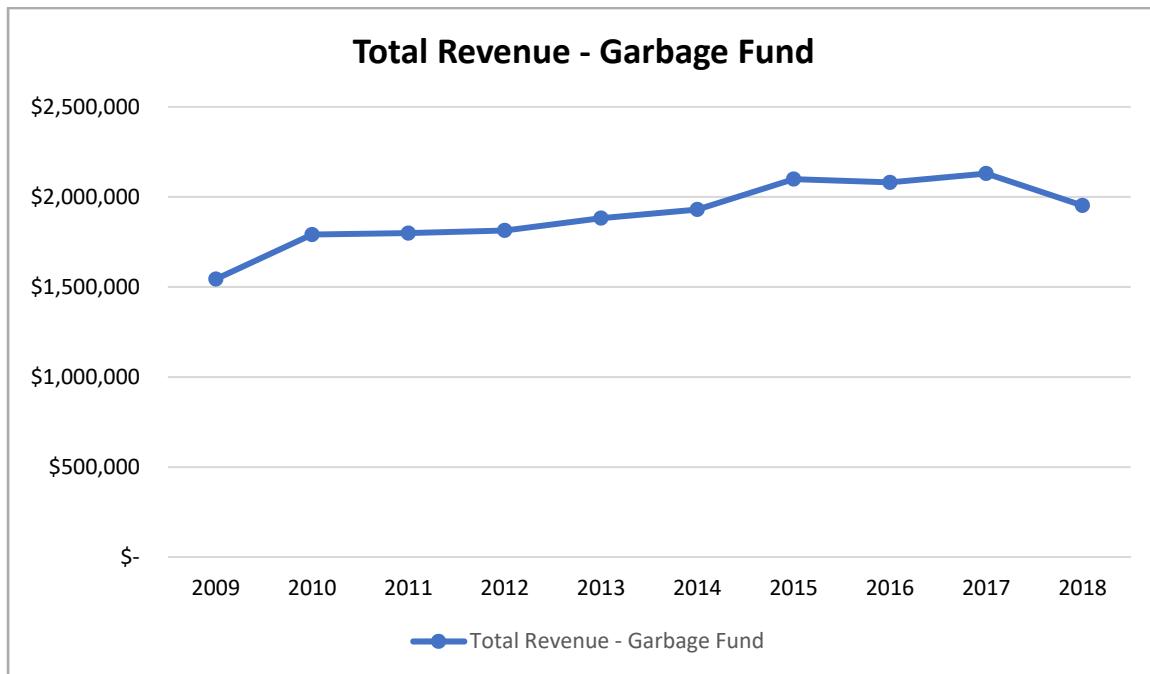
Sewer revenues are primarily affected by residential and commercial growth within the City and rate increases. Sewer revenues are also impacted by current user usage, but to a much lesser extent. Operating revenues for the Sewer Fund have increased an average of 4.2% since fiscal year 2009. The Sewer 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 4.2% each year since 2009. In 2018 the City reevaluated accounts receivable and wrote off several uncollectable accounts which resulted in a reduction of revenues for 2018. For 2019 sewer revenues are anticipated to finish the year at \$6,194,000 which would be an increase of 8.2%.

**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 2009 – 2018. Average growth from 2009 – 2018 was 2.8% 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. Revenues were down in 2018 since when the City took over garbage service instead of outsourcing with a third-party provider, the City decided that it would no longer service trailer parks and they would need to enter into their own agreements with dumpster providers. This resulted in a loss of accounts and therefore a loss in revenue.

**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 2009 – 2018. 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 2009 - 2018**

Fiscal Year	Governmental Funds		Proprietary Funds		Total City Revenues	% Change From Prior Year
	General Fund	Other Governmental Funds	Sewer Fund	Garbage Fund		
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%
2018	34,548,116	1,217,455	5,746,527	1,956,953	43,469,051	4.5%

**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.

Currently, Alabaster has slightly higher debt and debt service levels than comparable cities. The main reason for this is that the City borrowed \$12.5 million in 2005 to assist in creation of the Promenade shopping center. This debt was subsequently refunded, and the city continues to pay debt service on this issuance. Although this represents a significant amount of debt service for the City, it is a project that has continued to generate revenues well in excess of any associated debt service costs. The anticipates having to do another debt issuance in 2021 to assist with Justice Center. The debt will be structured in a way to keep debt service as a percentage of total revenues consistent with current levels. The City has no plans

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

to refund any current debt and plans to continue servicing all debt in accordance with the current debt schedules. The City's projected general obligation debt outstanding at September 30, 2019 is shown below:

**Table 3**  
**General Obligation Debt - September 30, 2019**

Series	General Payment Source	Year of Final Maturity	Principal Outstanding at 9/30/19
2005-B	General revenues	2025	\$ 235,000
2009	Sewer revenues	2020	1,180,000
2010-A	General revenues	2026	560,000
2010-B	General revenues	2029	1,120,000
2011-B	General revenues	2025	2,990,000
2012-C	General revenues	2028	7,590,000
2012-D	General revenues	2033	5,205,000
2013-B	Sewer revenues	2029	11,475,000
2016-A	General revenues	2026	3,940,000
2016-B	General revenues	2029	2,240,000
2017	General revenues	2032	9,605,000
2018	General revenues	2031	9,430,000
Total Projected General Obligation Debt at 9/30/2019			<u>\$ 55,570,000</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, 2018, is as follows:

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

<b>Legal Debt Margin</b>		
Net assessed value		427,002,700
Debt limitation (20% of net assessed value)		20%
Total allowable debt		<u>85,400,540</u>
Long-term debt at September 30, 2018		62,967,716
Less: Debt not chargeable to debt limit (sewer debt)		<u>(16,773,483)</u>
Debt chargeable to debt limit		46,194,233
Debt Margin		<u>39,206,307</u>

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

### **Debt Issuances for Fiscal Year 2020**

The City has budgeted for a new bond issuance in the amount of \$7.5M in order to finish the Justice Center. The City may also explore refunding opportunities in 2020 if the rate environment trends in a direction that would allow us to recognize a 3% or greater net present value savings on any of our debt issuances. We currently do not have any refundings budgeted for 2020 since the rate environment is currently not conducive to refunding, but the City will be vigilantly monitoring bond markets over the next year for opportunities to recognize savings through refunding of debt.

### **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 September of 2019 and does not reflect any anticipated future borrowings.

<b>Table 5</b> <b>Debt Service Requirements</b>					<b>Total</b>
<b>Fiscal Year</b>	<b>General Fund</b>	<b>Sewer Fund</b>	<b>Garbage Fund</b>	<b>Debt Service</b>	
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	3,331,107	1,357,225	635,487	4,688,332	
2025-2033	33,501,196	6,773,322	1,872,829	40,274,518	
<b>Total</b>	<b>\$ 51,386,650</b>	<b>\$ 14,777,878</b>	<b>\$ 4,841,776</b>	<b>\$ 66,164,528</b>	

### **Credit Rating**

The most recent credit rating for the City was issued by S&P Global on August 21, 2019. In that report S&P gave Alabaster a credit rating of AA which was an upgrade from the AA- previously given to the City. 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 2020 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.

The following matrix is a visual representation of how the various departments and divisions of the City fit into the funds structure of the City.

<b>Department / Division</b>	<b>Fund</b>				
	General Fund	Special Revenues	Capital Projects	Debt Service	Enterprise Funds
Administration	X				
I.T.	X				
Library	X	X			
Police	X	X			
Court	X	X			
Fire	X				
Public Works	X	X			
Parks & Recreation	X				
Finance	X				
Elected Officials	X				
Human Resources	X				
Engineering & Building Services	X				
Nondepartmental					
Outside Agency Funding	X				
Transfers to Other Funds	X	X	X	X	X
Debt Service Payments				X	
Capital Projects			X		
Sewer					X
Garbage					X

**City of Alabaster**  
 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		\$ 21,966,667					\$ 21,966,667
Property taxes		4,100,000					4,100,000
Other taxes		1,546,000		262,000			1,808,000
Licenses and permits		4,710,135					4,710,135
Fines and forfeitures		381,000					381,000
Charges for services				6,165,000	2,061,600		8,226,600
Other revenues	1,606,136	304,000	30,000	109,175	45,000	3,600	2,097,911
<b>Total revenues</b>	<b>34,309,938</b>	<b>304,000</b>	<b>30,000</b>	<b>371,175</b>	<b>6,210,000</b>	<b>2,065,200</b>	<b>43,290,313</b>
<b>Other financing sources</b>							
Debt proceeds			7,600,000			-	7,600,000
Transfer in from other funds	886,205	8,813,347	3,595,205				13,294,757
<b>Total revenues and other sources</b>	<b>35,196,143</b>	<b>9,117,347</b>	<b>11,225,205</b>	<b>371,175</b>	<b>6,210,000</b>	<b>2,065,200</b>	<b>64,185,070</b>
<b>Expenditures</b>							
Personnel and benefits		17,401,451			1,549,419	699,407	19,650,277
Operating services		6,142,375		81,950	1,604,955	705,700	8,534,980
Debt service		480,139	4,191,653		2,556,483	22,580	7,250,854
Capital outlay		1,145,500	9,845,000		700,000	30,000	11,720,500
Support provided to outside agencies		5,328,127					5,328,127
<b>Total expenditures</b>	<b>30,497,591</b>	<b>9,845,000</b>	<b>4,191,653</b>	<b>81,950</b>	<b>6,410,857</b>	<b>1,457,687</b>	<b>52,484,737</b>
<b>Other financing uses</b>							
Transfers out to other funds		4,548,552	7,600,000	310,000	430,000	406,205	13,294,757
<b>Total expenditures and other uses</b>	<b>35,046,143</b>	<b>9,845,000</b>	<b>11,791,653</b>	<b>391,950</b>	<b>6,840,857</b>	<b>1,863,892</b>	<b>65,779,494</b>
<b>Increase (decrease) in fund balance (modified accrual)</b>							
	\$ 150,000	\$ (727,653)	\$ (566,448)	\$ (20,775)	\$ (630,857)	\$ 201,308	\$ (1,594,424)

**City of Alabaster**  
Summary of Authorized Personnel

<b>Department</b>	<b>Authorized Regular Full-Time Positions</b>			
	<b>Actual FY18</b>	<b>Actual FY19</b>	<b>Increase (Decrease)</b>	<b>Budget FY20</b>
Administration	6	7	(2)	5
Information Technology	3	3	-	3
Library	8	8	-	8
Police	84	88	-	88
Court	6	6	-	6
Fire	64	64	(3)	61
Public Works	11	11	-	11
Parks & Recreation	25	27	-	27
Finance	6	6	-	6
Human Resources	2	3	-	3
Engineering & Building Services	-	-	6	6
Environmental Services	24	24	-	24
Garbage	12	12	-	12
<b><i>Total Employees</i></b>	<b><i>251</i></b>	<b><i>259</i></b>	<b><i>1</i></b>	<b><i>260</i></b>

**Fire:** The FY20 budget proposes adding a Fire Inspector/Code Enforcement position at Grade 20 (\$47,682.11 - \$66,003.19).

**Fire:** The FY20 budget proposes adding a 3% increase in incentive pay for the Administration Battalion Chief.

**Parks & Recreation:** The FY20 budget proposes reclassifying one Parks Maintenance Tech to Maintenance Tech II - Irrigation. This is a reclassification from Grade 7 (\$25,272.00 - \$34,982.36) to Grade 10 (\$29,260.47 - \$40,503.33).

**Engineering & Building Services:** The FY20 budget proposes creating a new department, Engineering & Building Services which will be comprised of five positions moved from other departments. Two positions from Administration and three positions from Fire.



## **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:

- General Administration
- Information Technology (I.T.)
- Library
- Police
- Court
- Fire
- Public Works
- Parks and Recreation
- Finance
- Elected Officials
- Human Resources
- Engineering & Building Services
- Non-departmental Expenditures

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.

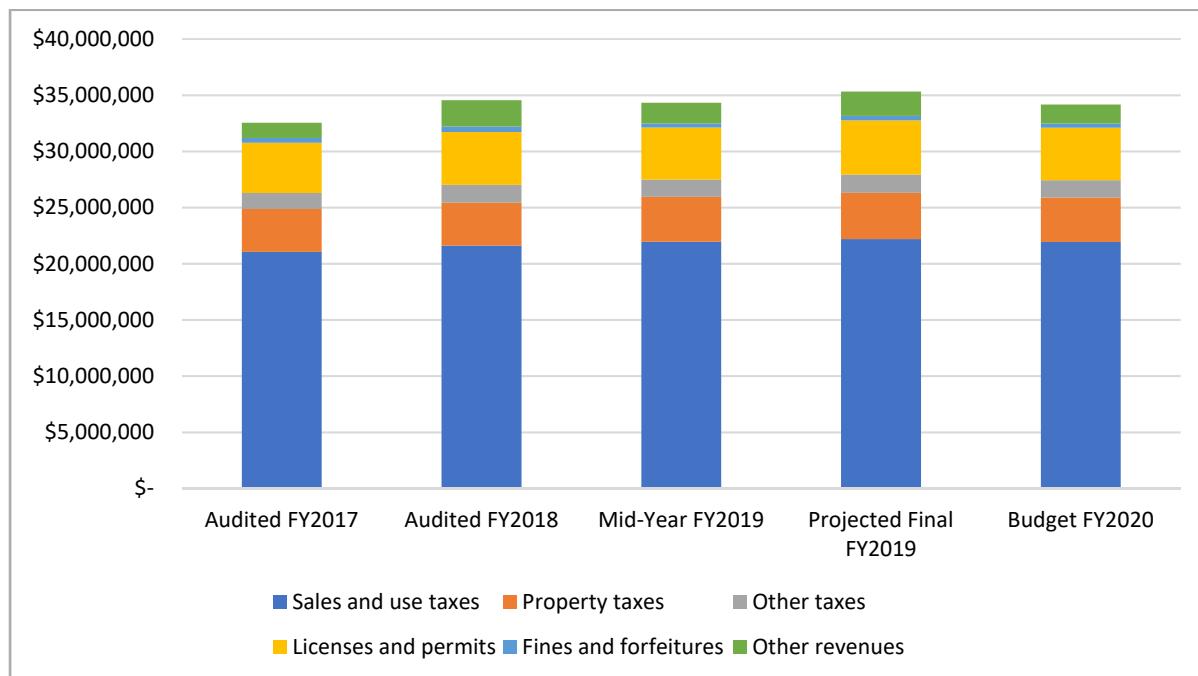
*Transfers:* Transfers are the movement of resources from one City fund to another fund that may have different legal restrictions placed upon it. It is common for various funds in a City to transfer resources to each other.

**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 Account that can only be spent after approval of a Council super-majority. The City has historically transferred \$300,000 each year into this account but the City is now well above the 15% fund balance requirement and beginning in FY2020 will begin to scale back the amount transferred to the Council Reserve Account each year.

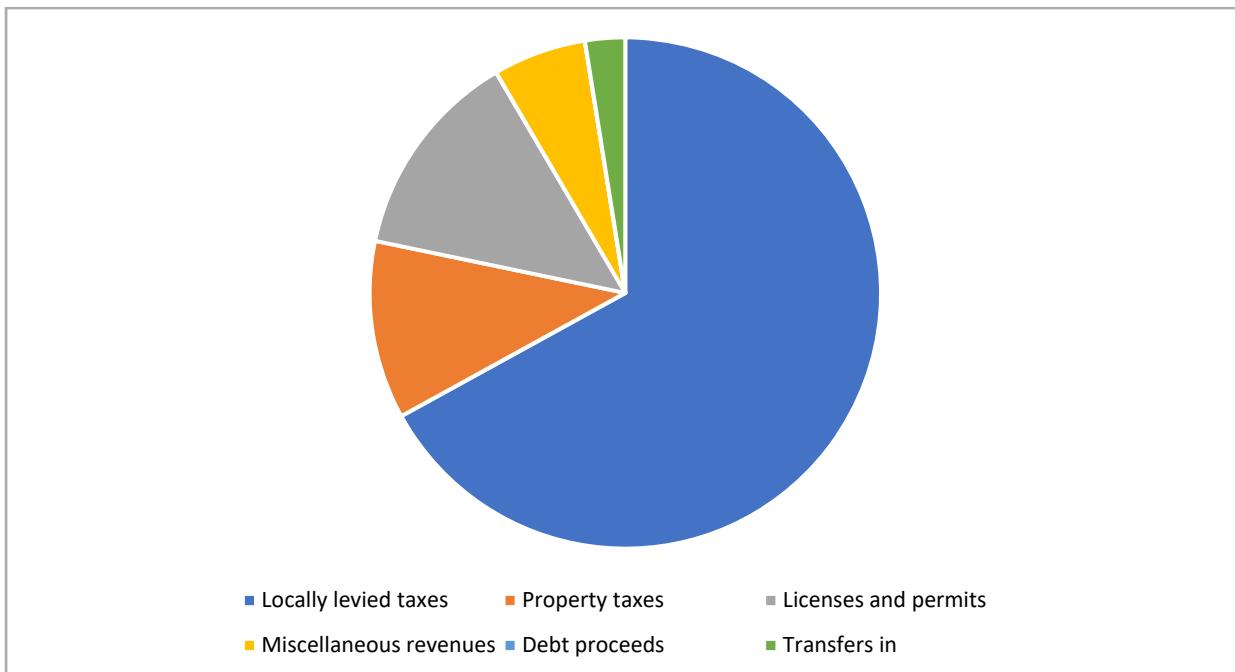
	<b>Mid-Year</b>		
	<b>Actual Audited</b>	<b>Budget</b>	<b>Budget</b>
	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
<b>Beginning fund balance</b>	\$ 6,460,665	\$ 8,854,696	\$ 9,638,197
Revenues	34,548,116	34,327,447	34,309,938
Other financing sources	<u>1,407,326</u>	<u>1,067,650</u>	<u>886,205</u>
Total available resources	<u>35,955,442</u>	<u>35,395,097</u>	<u>35,196,143</u>
 <b>Expenditures</b>			
Other financing uses	29,682,491	29,704,254	30,497,591
Total expenditures and other uses	<u>3,878,920</u>	<u>4,907,342</u>	<u>4,548,552</u>
	<u>33,561,411</u>	<u>34,611,596</u>	<u>35,046,143</u>
 Excess (deficit) of available resources over expenditures and other uses	<u>2,394,031</u>	<u>783,501</u>	<u>150,000</u>
 Ending fund balance	<u>\$ 8,854,696</u>	<u>\$ 9,638,197</u>	<u>\$ 9,788,197</u>
 Ending fund balance as a % of expenditures and other financing uses	26.38%	27.85%	27.93%

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



	Actual Audited		Mid-Year Budget FY2019	Projected	
	FY2017	FY2018		Final FY2019	Budget FY2020
Sales and use taxes	\$ 21,055,097	\$ 21,615,731	\$ 21,950,000	\$ 22,189,963	\$ 21,966,667
Property taxes	3,810,550	3,816,678	4,000,000	4,120,803	4,100,000
Other taxes	1,431,234	1,586,944	1,545,569	1,618,850	1,546,000
Licenses and permits	4,464,892	4,701,274	4,618,316	4,834,216	4,710,135
Fines and forfeitures	436,630	493,095	358,993	395,070	381,000
Other revenues	1,347,679	2,334,394	1,854,569	2,156,871	1,606,136
	<u>\$ 32,546,082</u>	<u>\$ 34,548,116</u>	<u>\$ 34,327,447</u>	<u>\$ 35,315,773</u>	<u>\$ 34,309,938</u>

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



**Budgeted revenues**

Sales and use taxes	\$ 21,966,667
Other taxes	1,546,000
Total locally levied taxes	23,512,667
Property taxes	4,100,000
Total taxes	27,612,667
Licenses and permits	4,710,135
Fines and forfeitures	381,000
Other revenues	1,606,136
<b>Total budgeted revenues</b>	<b>34,309,938</b>

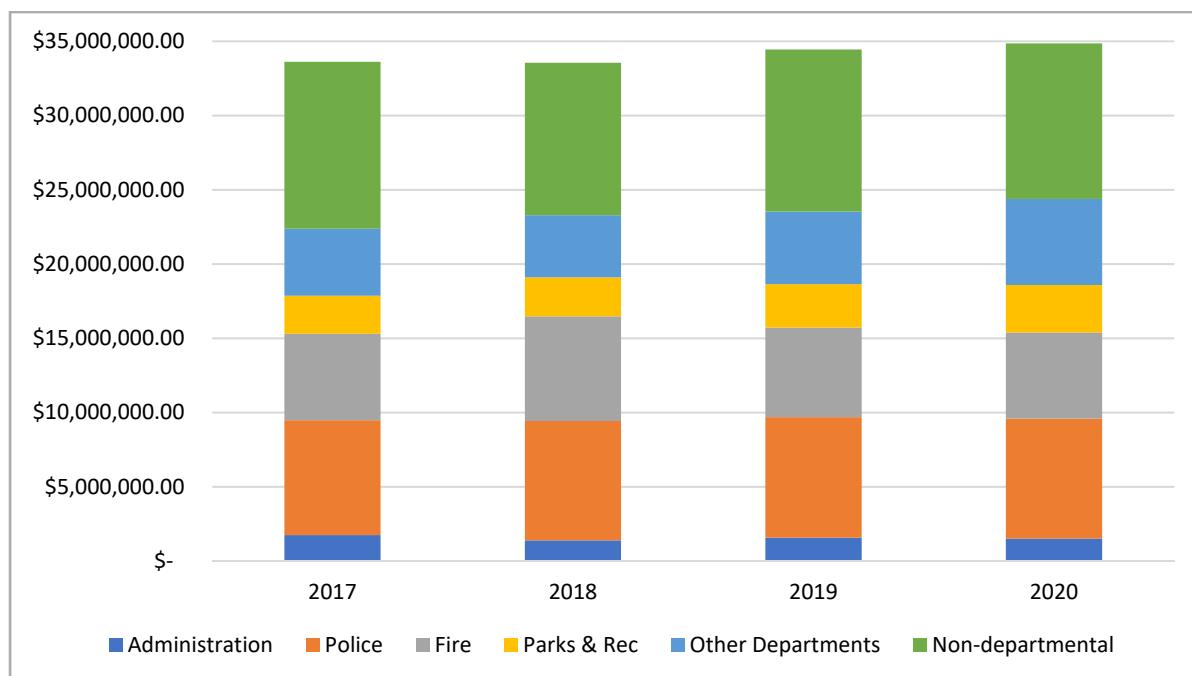
**Other financing sources**

Debt proceeds	-
Transfers in from other funds	886,205
<b>Total budgeted other financing sources</b>	<b>886,205</b>

**Total budgeted revenues and other financing sources**

**\$ 35,196,143**

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



	Actual Audited		Mid-Year Budget		Budget
	FY2017	FY2018	FY2019	FY2020	
Administration	\$ 1,747,113	\$ 1,391,794	\$ 1,579,812	\$ 1,615,863	
I.T.		-	724,382	931,244	990,140
Library	779,212	794,361	845,500	868,450	
Police	7,736,211	8,036,199	8,107,256	8,077,351	
Court	526,673	530,007	551,314	552,444	
Fire	5,820,028	7,050,218	6,031,810	5,824,197	
Public Works	1,922,052	1,349,332	1,356,069	1,361,274	
Parks & Recreation	2,558,980	2,627,043	2,923,839	3,314,813	
Finance	598,716	593,224	633,266	639,205	
Elected Officials	380,832	341,875	369,391	414,891	
Human Resources	305,509	340,715	372,404	416,970	
Engineering & Building Services	-	-	-	613,728	
Non-departmental	11,245,758	10,269,887	10,909,422	10,356,817	
	<u>\$ 33,621,084</u>	<u>\$ 34,049,037</u>	<u>\$ 34,611,327</u>	<u>\$ 35,046,143</u>	

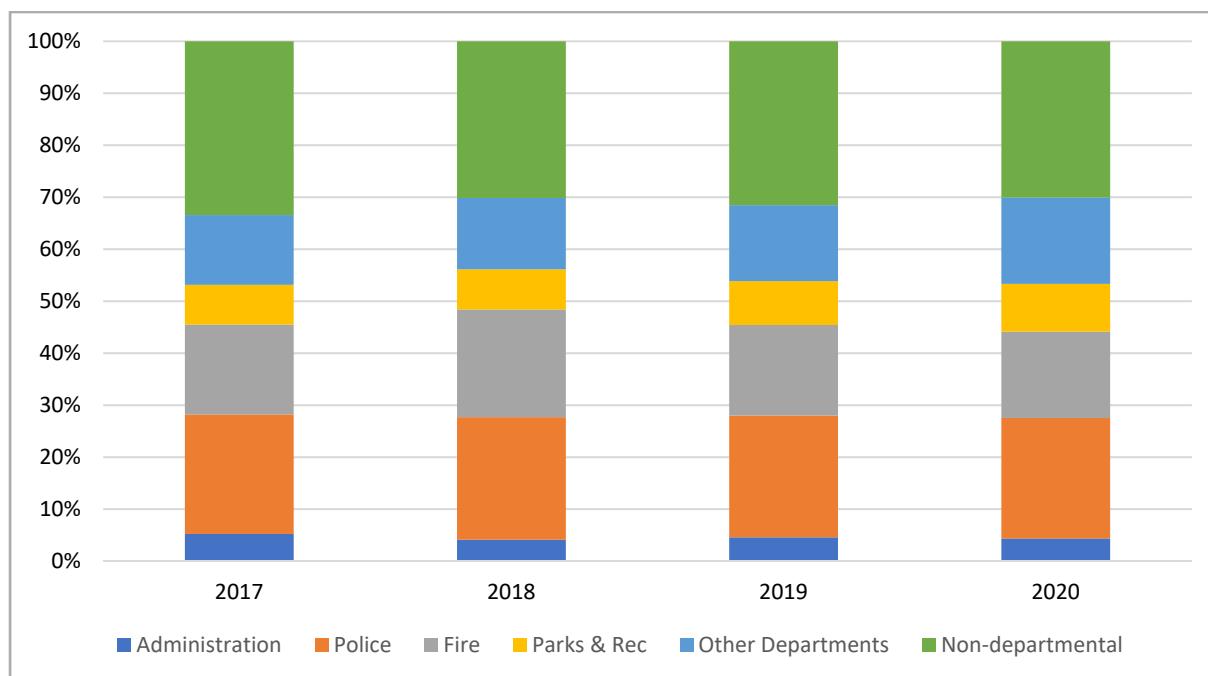
Notes

*Engineering and Building Services is being established as a new department for the 2020 budget.*

*I.T. was created as a department in 2018.*

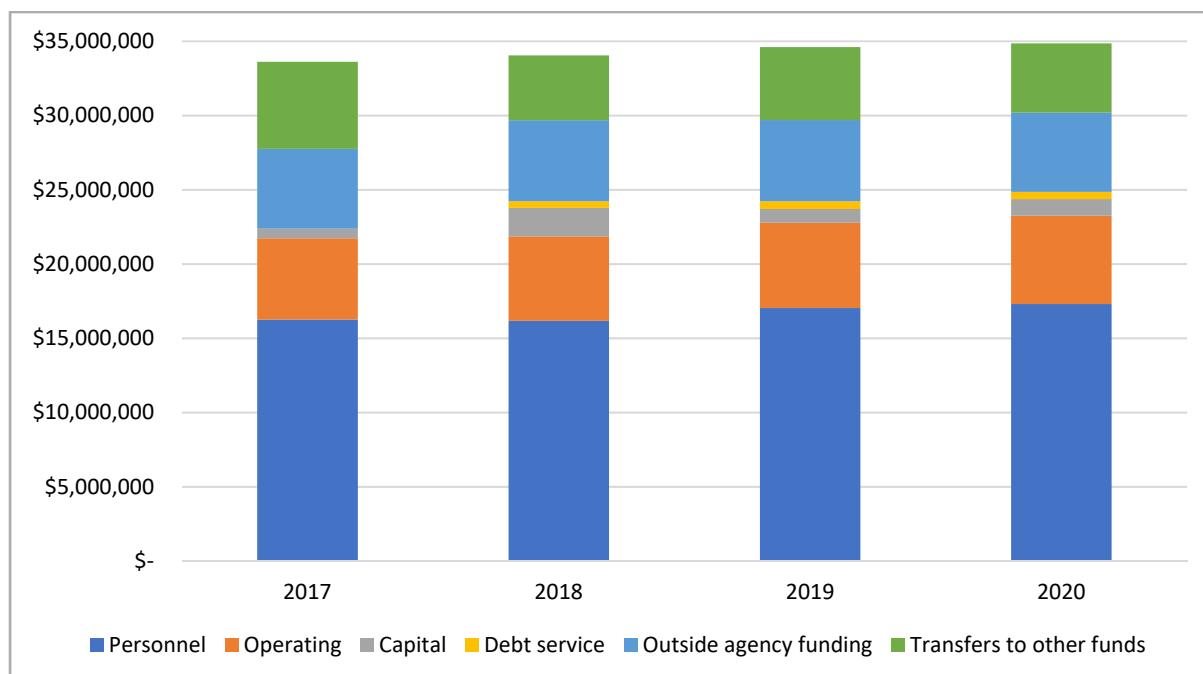
*Certain expenses previously accounted for by the Public Works department were moved to the Garbage fund in 2018.*

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



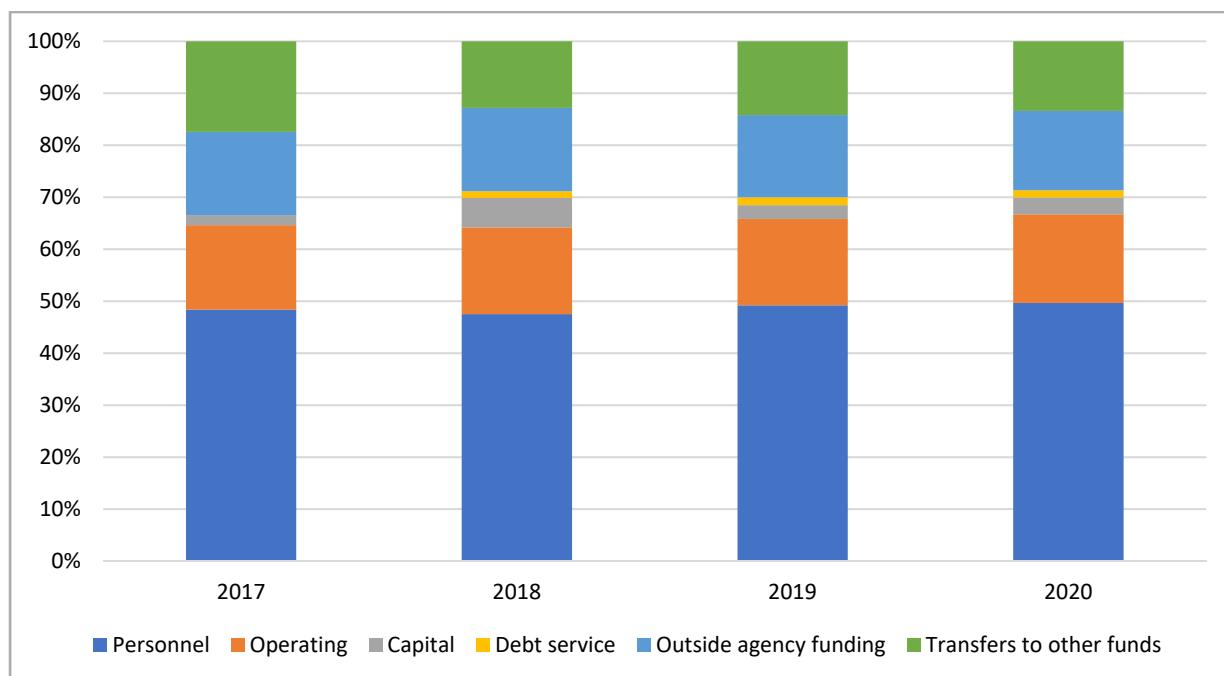
	Actual Audited		Mid-Year Budget		Budget
	FY2017	FY2018	FY2019	FY2020	
Administration	5.20%	4.09%	4.56%	4.61%	
I.T.	0.00%	2.13%	2.69%	2.83%	
Library	2.32%	2.33%	2.44%	2.48%	
Police	23.01%	23.60%	23.42%	23.05%	
Court	1.57%	1.56%	1.59%	1.58%	
Fire	17.31%	20.71%	17.43%	16.62%	
Public Works	5.72%	3.96%	3.92%	3.88%	
Parks & Recreation	7.61%	7.72%	8.45%	9.46%	
Finance	1.78%	1.74%	1.83%	1.82%	
Elected Officials	1.13%	1.00%	1.07%	1.18%	
Human Resources	0.91%	1.00%	1.08%	1.19%	
Engineering & Building Services	0.00%	0.00%	0.00%	1.75%	
Non-departmental	33.45%	30.16%	31.52%	29.55%	
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	

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



	<b>Mid-Year</b>			
	<b>Actual Audited</b>		<b>Budget</b>	<b>Budget</b>
	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
Personnel and Benefits	\$ 16,259,872	\$ 16,178,501	\$ 17,031,952	\$ 17,401,450
Operating	\$ 5,470,632	\$ 5,680,714	\$ 5,744,664	\$ 6,142,375
Capital	\$ 644,824	\$ 1,919,935	\$ 925,289	\$ 1,145,500
Debt Service	\$ -	\$ 441,473	\$ 519,470	\$ 480,139
Outside Agency Funding	\$ 5,383,610	\$ 5,461,868	\$ 5,472,610	\$ 5,328,127
Transfers to other funds	\$ 5,862,146	\$ 4,366,546	\$ 4,917,342	\$ 4,548,552
	<b>\$ 33,621,084</b>	<b>\$ 34,049,037</b>	<b>\$ 34,611,327</b>	<b>\$ 35,046,143</b>

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



	Actual Audited		Mid-Year Budget	
	FY2017	FY2018	FY2019	FY2020
Personnel and Benefits	48.36%	47.52%	49.21%	49.65%
Operating	16.27%	16.68%	16.60%	17.53%
Capital	1.92%	5.64%	2.67%	3.27%
Debt Service	0.00%	1.30%	1.50%	1.37%
Outside Agency Funding	16.01%	16.04%	15.81%	15.20%
Transfers to other funds	17.44%	12.82%	14.21%	12.98%
<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

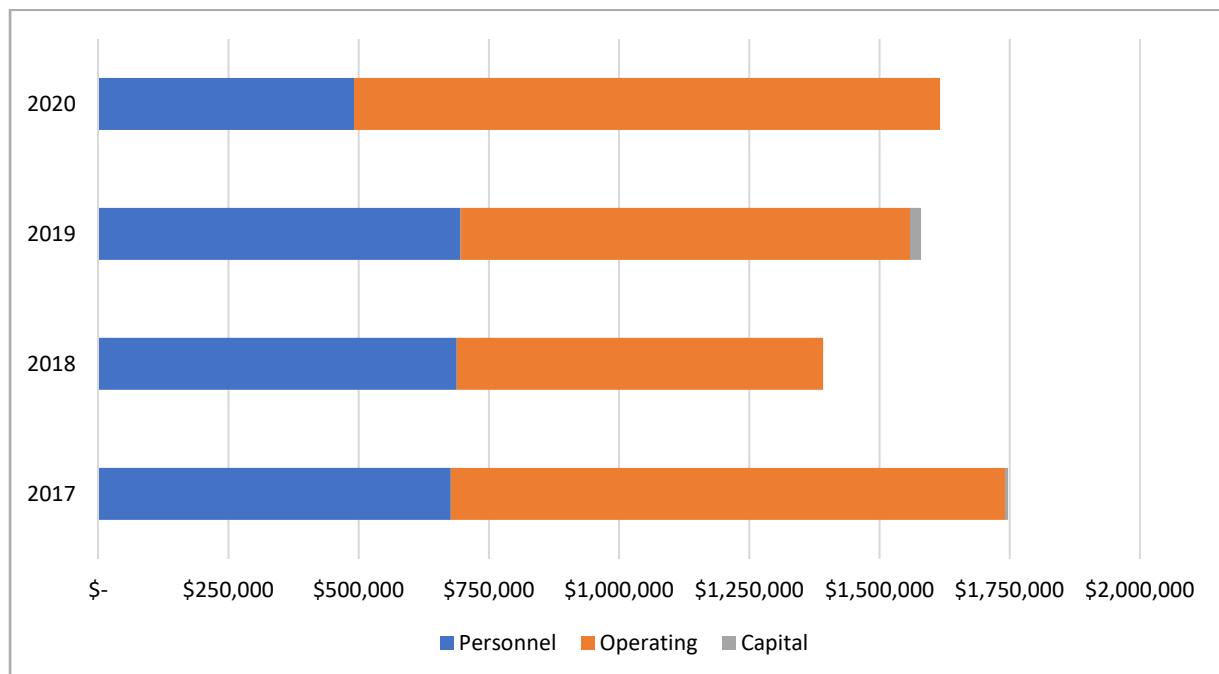
**2019 Accomplishments:**

- Implemented paperless City Council packets.
- Updated the Mountain Overlay District, Medical Mile Overlay District, and Highway 119 Overlay District.
- Approved Final Plat for Mallard Landing subdivision.
- Identified and began negotiation to acquire 21 parcels of property for Justice Center project.
- Put on a successful Farmer's Market that was run completely by the City without any help from outside agencies for the first time.

**2020 Goals:**

- Successfully administer the 2020 City elections.
- Research and implement an Agenda Management Software.
- Finalize and execute a development agreement with District 31.
- Update Subdivision Ordinance and Tree Ordinance.
- Successful administer a Park & Recreation Needs Assessment Project that incorporates community feedback to help plan future capital projects within the City's parks.
- Manage and direct completion of the engineering and design for the Justice Center project.
- Successfully implement the 2020 Census Action Plan to ensure all citizens of Alabaster are counted in accordance with the goals of the U.S. Census Bureau.
- Work with Parks & Recreation Department to design and build additional field space at Veteran's Park.

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



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2017	FY2018	FY2019	FY2020
Personnel	\$ 677,068	\$ 688,321	\$ 695,607	\$ 491,088
Operating	1,064,123	703,473	863,204	1,124,775
Capital	5,922	-	\$ 21,000	-
	<u><u>\$ 1,747,113</u></u>	<u><u>\$ 1,391,794</u></u>	<u><u>\$ 1,579,811</u></u>	<u><u>\$ 1,615,863</u></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

**2019 Accomplishments:**

- Completed the setup of external mail filtering product from Vipre for all email.
- Completed the installation of new citywide phone system.
- Provided necessary support to complete the Alabaster Police Department SharePoint site.

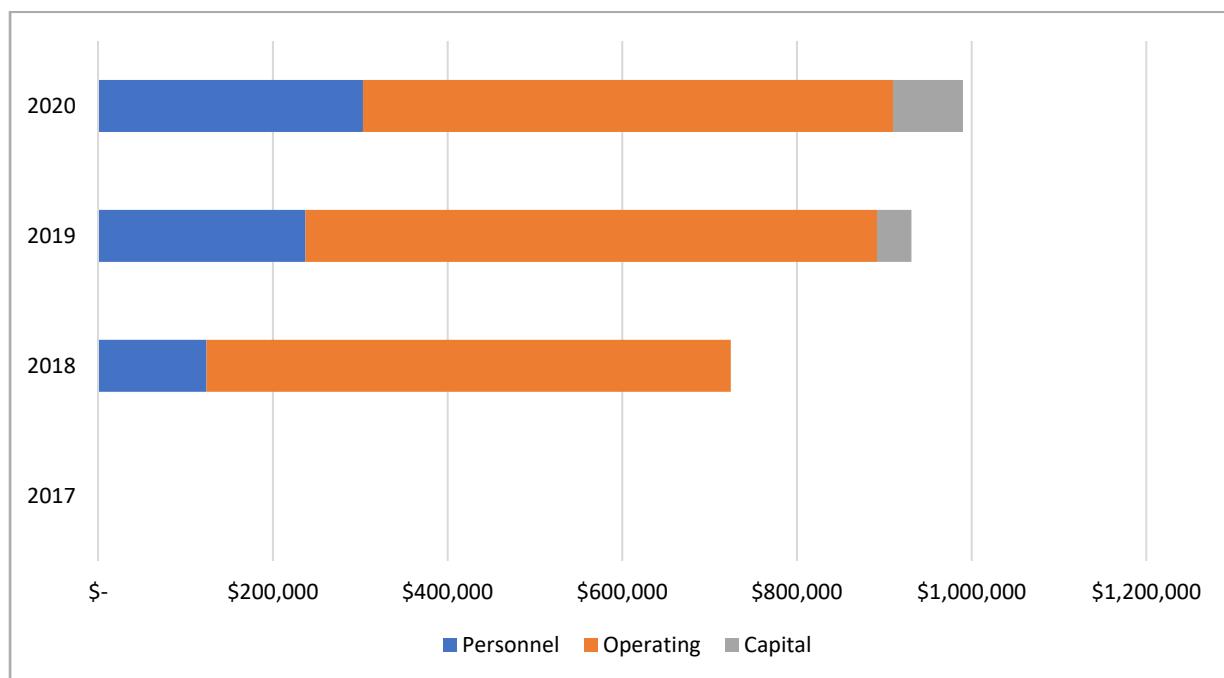
**2020 Goals:**

- Build a strategy for printer management within the City.
- Roll-out digital board in Public Works, Parks & Recreation, HR, and Environmental Services locations to help provide timely information to employees in those auxiliary locations of the City.
- Increase storage cap by 30%.
- Move away from Microsoft VPN and begin strategy for NetMotion removal.
- Prepare for the installation of Varonis to complete the use of internal data security and monitoring.

## Information Technology

### Budget Summary

(Continued)



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2017	FY2018	FY2019	FY2020
Personnel	\$ -	\$ 123,931	\$ 237,266	\$ 303,100
Operating	-	\$ 600,450	\$ 654,600	\$ 607,040
Capital	-	-	\$ 39,378	\$ 80,000
	<u>\$ -</u>	<u>\$ 724,382</u>	<u>\$ 931,244</u>	<u>\$ 990,140</u>

**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

**2019 Accomplishments:**

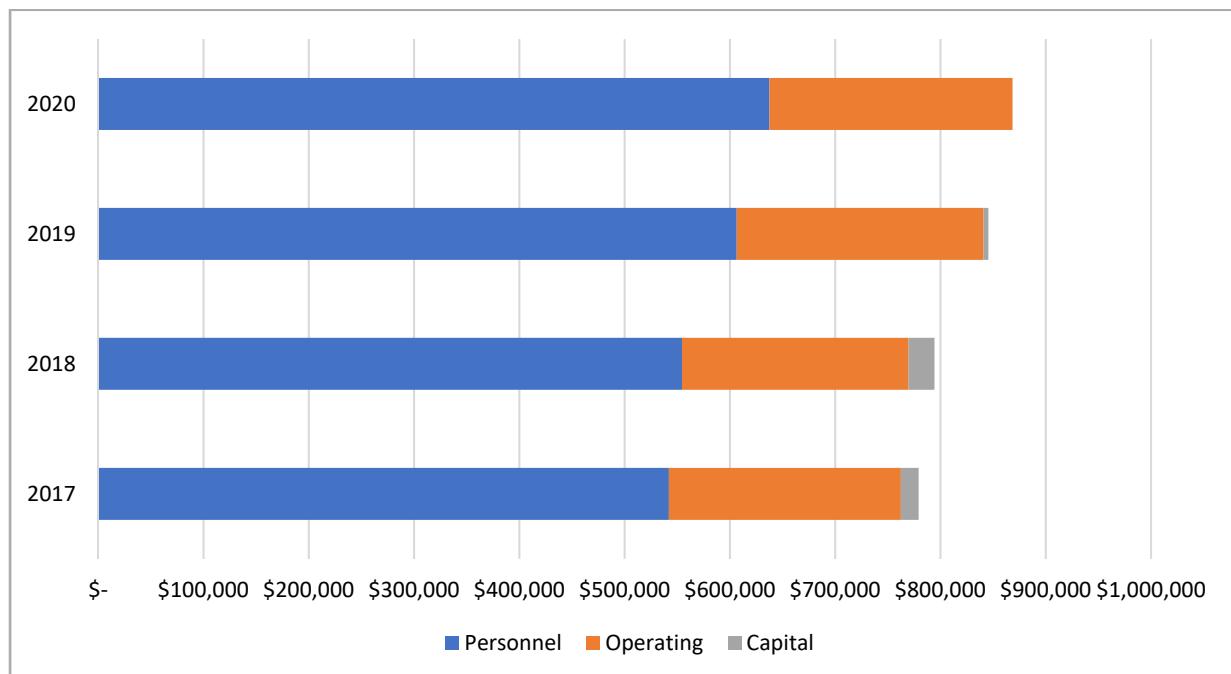
- Purchased and installed new large capacity outdoor book and DVD drops for patron convenience.
- Worked with Shelby County I.T. Department to put in place wireless printing for our patrons to use with their devices they bring into the library.
- Purchased six ergonomically designed chairs for the public internet access computer stations to increase patron comfort.
- Initiated a public information campaign to inform citizens of the Hoopla service provided by the Library which allows patrons instant access to movies, music, audiobook, and e-books from their tablets, phones, or televisions.

**2020 Goals:**

- Implement the use of credit and debit cards for patron convenience and to facilitate more prompt payment of fines owed.
- Rewire meeting room and convert lights to LED.
- Replace sofas and chairs in the public seating space.
- Add an automatic door opener for the front of the library.
- Install Microsoft Office 2019 Updates for all public computers.

<b>Performance Metrics</b>	<b><u>2019 Actual</u></b>	<b><u>2020 Goal</u></b>
I.T. service tickets opened	520	500
I.T. service tickets closed	368	375

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



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2017	FY2018	FY2019	FY2020
Personnel	\$ 542,045	\$ 554,475	\$ 606,523	\$ 637,681
Operating	220,347	215,253	234,519	230,769
Capital	16,820	24,633	4,458	-
	<u>\$ 779,212</u>	<u>\$ 794,361</u>	<u>\$ 845,500</u>	<u>\$ 868,450</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.

**2019 Accomplishments:**

- Recognized as 4<sup>th</sup> safest city in Alabama and 2<sup>nd</sup> safest city with a population over 25,000.
- Reduced average response time to 04:14, a 12 second reduction from the prior year.
- 8.4% reduction in car break-ins.
- Criminal Investigation Division had a 92% closure rate on cases assigned, a 3% increase from the prior year.

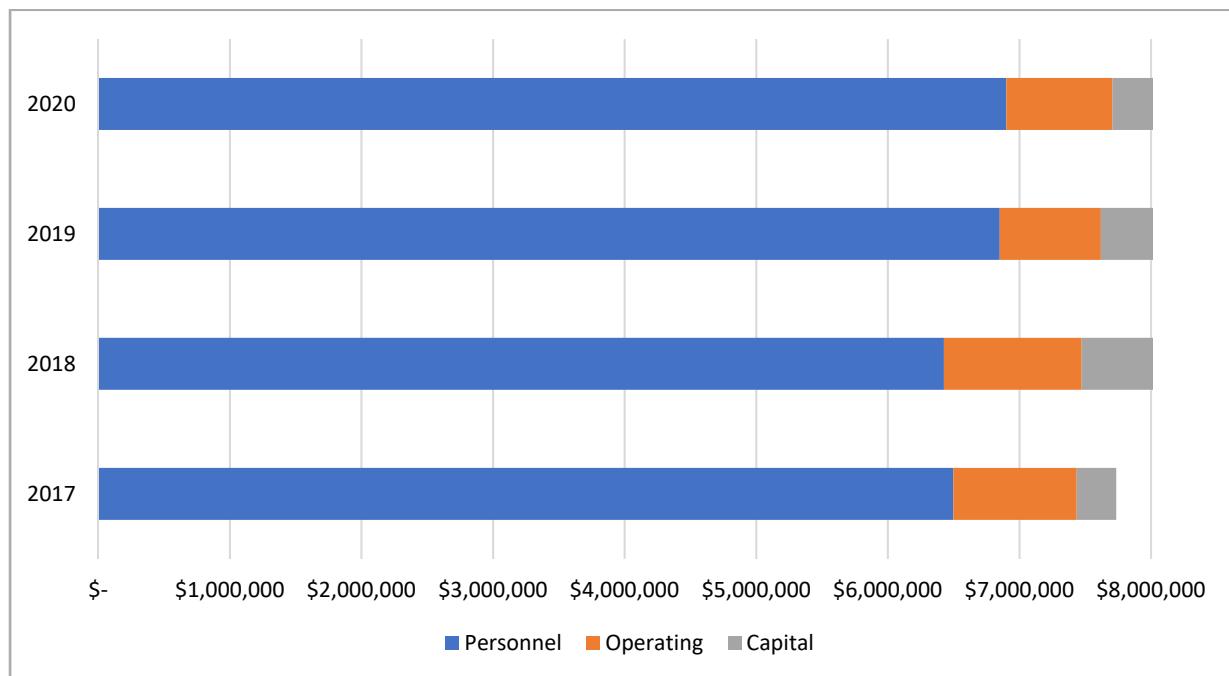
**2020 Goals:**

- Reduce burglaries by 25%.
- Reduce thefts by 25%.
- Redesign patrol zones based on call volume data in order to provide greater patrol efficiency.
- Enhance career development by providing more in-house training as well as additional instructor training.

<b>Performance Metrics</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Responses for Police Service	45,884	45,628	44,007
Police Events (Calls for Service)	27,500	27,714	26,802
Miles Driven by Patrol	483,698	489,773	518,314
Traffic Accidents	1,302	1,416	1,459
Traffic Citations Issued	2,068	2,025	1,636
Traffic Warnings Issued	4,364	4,435	3,710
Total Arrests	1,358	1,417	1,439
Incident/Offense Reports	3,105	3,091	3,575

^At the time of budget publication 2019 statistics not yet available.

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



	<b>Mid-Year</b>			
	<b>Actual Audited</b>		<b>Budget</b>	<b>Budget</b>
	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
Personnel	\$ 6,498,539	\$ 6,425,788	\$ 6,851,112	\$ 6,900,117
Operating	936,925	1,046,882	768,372	807,234
Capital	300,747	563,529	487,773	370,000
	<u>\$ 7,736,211</u>	<u>\$ 8,036,199</u>	<u>\$ 8,107,256</u>	<u>\$ 8,077,351</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.

**2019 Accomplishments:**

- Implemented new regulations on interlock procedures.
- Purged approximately 2/3 of old outstanding traffic warrants.
- Implement new payment procedure for installment payment plans.
- Added two new attorneys available to represent indigent defendants.
- Updated MIS files.

**2020 Goals:**

- To complete training for video conferencing with inmates both at the Alabaster Police Department and County Jail.
- To increase efforts to provide help for defendants in crisis by providing information and direction to resources for issues such as dependency and mental health issues.

<b>Performance Metrics</b>	<b><u>2018 Actual</u></b>	<b><u>2019 Actual</u></b>
Cases Entered	1,916	1,836
Cases Closed	2,863	2,226
Warrants Issued	1,594	1,184
Warrants Served	1,909	959

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



	<b>Mid-Year</b>			
	<b>Actual Audited</b>		<b>Budget</b>	<b>Budget</b>
	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
Personnel	\$ 436,400	\$ 456,954	\$ 463,298	\$ 467,574
Operating	82,446	73,053	88,016	84,870
Capital	7,827	-	-	-
	<u><u>\$ 526,673</u></u>	<u><u>\$ 530,007</u></u>	<u><u>\$ 551,314</u></u>	<u><u>\$ 552,444</u></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, 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.

**2019 Accomplishments:**

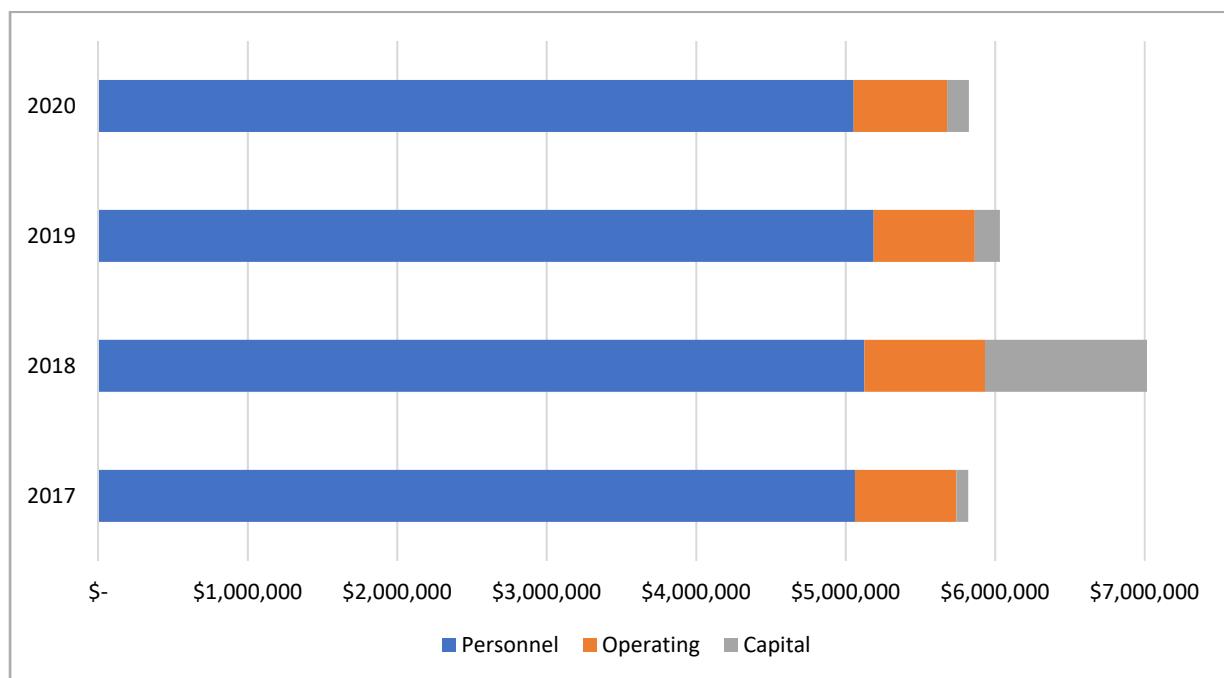
- Placed in service two new Pumper Apparatus.
- Instituted an accountable and measurable physical fitness program for all line personnel.
- Instituted a personal protective equipment (PPE) replacement plan and for the first time in over three (3) years all line personal are wearing date compliant PPE.
- Installed and implemented the use of a P-25, 800-megahertz radio system that has enhanced our communications capability internally and with all surrounding agencies.
- Hired a second APOST/Firefighter I/II certified Fire Inspector.

**2020 Goals:**

- Restructure the department's methodology of data collection and analysis of the data. This change will assist us in meeting the requirements of accreditation by the Center for Public Safety Excellence (CPSE).
- Establish a respiratory protection plan that will include certification of current personnel to maintain and service the departments self-contained breathing apparatus (SCBA) in house.
- Create and fill a Code Enforcement Officer position to meet the growing demands of enforcement of the various codes and ordinances.
- Utilizing the new organizational structure for the Fire Marshal we will enhance our community risk reduction activities through enhanced education in all schools, churches, and medical facilities.
- Decrease our fleet size to four (4) pumping apparatus and surplus off three (3) outdated apparatus. This reduction in size will reduce maintenance cost and insurance cost.
- Issue all line personnel with new NFPA compliant daily work uniforms that are safer and have a longer life span.

<b>Performance Metrics</b>	<b><u>2019 Actual</u></b>	<b><u>2020 Projection</u></b>
Out of Service Time - Emergency Apparatus	220 hours	209 hours
90 <sup>th</sup> Percent Turnout Time	2 minutes 10 seconds	2 minutes 0 seconds.

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



	<b>Mid-Year</b>			
	<b>Actual Audited</b>		<b>Budget</b>	<b>Budget</b>
	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
Personnel	\$ 5,061,786	\$ 5,125,129	\$ 5,187,742	\$ 5,053,327
Operating	679,218	806,866	676,388	625,370
Capital	79,024	1,118,223	167,680	145,500
	<u>\$ 5,820,028</u>	<u>\$ 7,050,218</u>	<u>\$ 6,031,810</u>	<u>\$ 5,824,197</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.

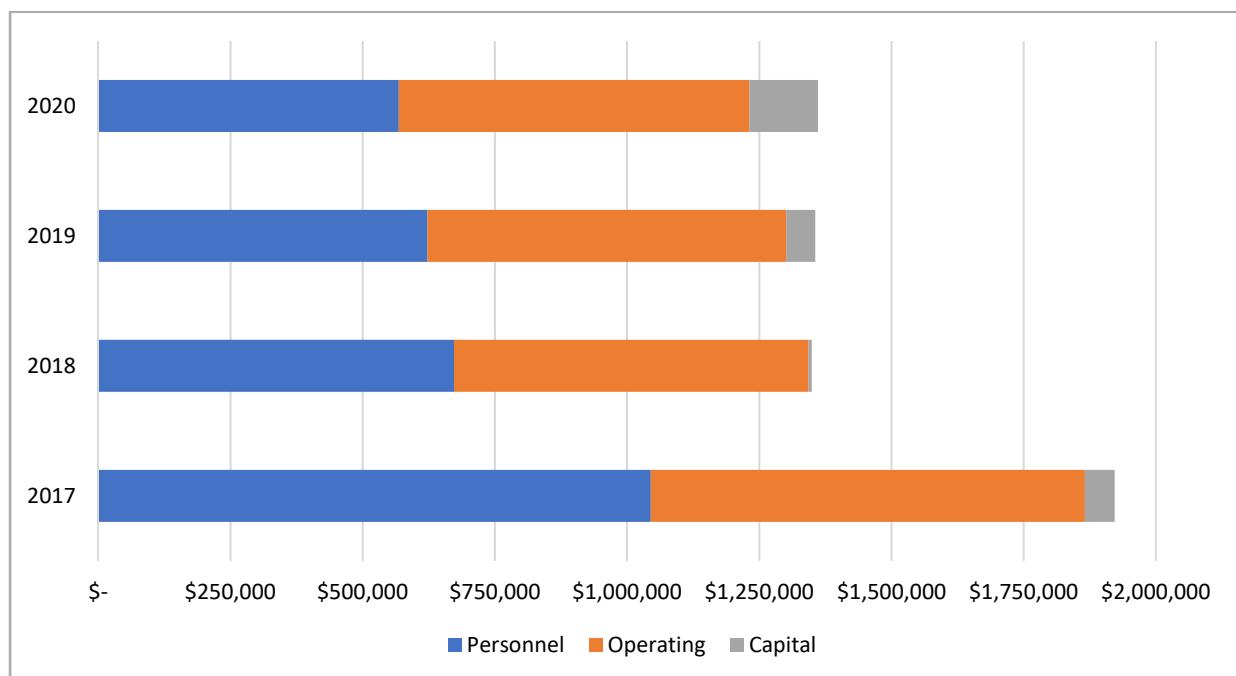
**2019 Accomplishments:**

- Successfully relocated Public Works staff to new Garbage and Public Works building at Limestone Park.
- Implemented changes to weekly curb side bulk item pickup to reduce items being placed in water runoff areas to help address concerns with MS4 storm water regulations and to clean up litter throughout the City.
- Completed 2019 paving plan as approved by City Council.

**2020 Goals:**

- Develop and implement a preventative maintenance program for the street division to help reduce future repaving costs.
- Develop a 2020 paving plan.
- Continue to make improvements to Garbage and Public Works building.

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



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2017	FY2018	FY2019	FY2020
Personnel	\$ 1,044,811	\$ 672,918	\$ 622,440	\$ 568,294
Operating	820,902	670,262	678,629	662,980
Capital	56,339	6,152	55,000	130,000
	<u>\$ 1,922,052</u>	<u>\$ 1,349,332</u>	<u>\$ 1,356,069</u>	<u>\$ 1,361,274</u>

***Note:** 7 employees and certain operating expenses previously handled by the Public Works department were moved to the Garbage Fund in 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.

**2019 Accomplishments:**

- Added new playground equipment at Municipal Park.
- Replaced drainage pipes at Municipal Park fields to help with drainage and runoff.
- Hired and trained a new Facilities Maintenance position that handled all maintenance needs of City facilities.
- Added adult kickball league to recreation offerings.
- Helped administer and complete Bicentennial project by providing fencing, lighting, and landscaping around the historic Siluria water tower.

**2020 Goals:**

- Renovate Abbey Wooley Park including increasing playing surface area for basketball courts and completely renovating bathrooms.
- Obtain and put in place a digital entrance sign for Veterans Park.
- Add new playground equipment to Buck Creek Park.
- Design and begin construction on new field space at Veterans Park.

<b>Performance Metrics</b>	<b><u>2019 Actual</u></b>	<b><u>2020 Projection</u></b>
Youth Baseball/Softball Participants	375	413
Youth Soccer Participants	800	880
Youth Basketball Participants	270	297
Youth Flag Football Participants	115	127
Youth Tackle Football Participants	107	118
Youth Cheerleading Participants	114	125
Adult Kickball Teams	12	20
Adult Softball Teams	24	27

## Parks and Recreation

### Budget Summary

(Continued)



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2017	FY2018	FY2019	FY2020
Personnel	\$ 1,192,776	\$ 1,325,350	\$ 1,482,618	\$ 1,557,821
Operating	1,200,939	1,094,296	1,291,221	1,336,992
Capital	165,265	207,398	150,000	420,000
	<u>\$ 2,558,980</u>	<u>\$ 2,627,043</u>	<u>\$ 2,923,839</u>	<u>\$ 3,314,813</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

**2019 Accomplishments:**

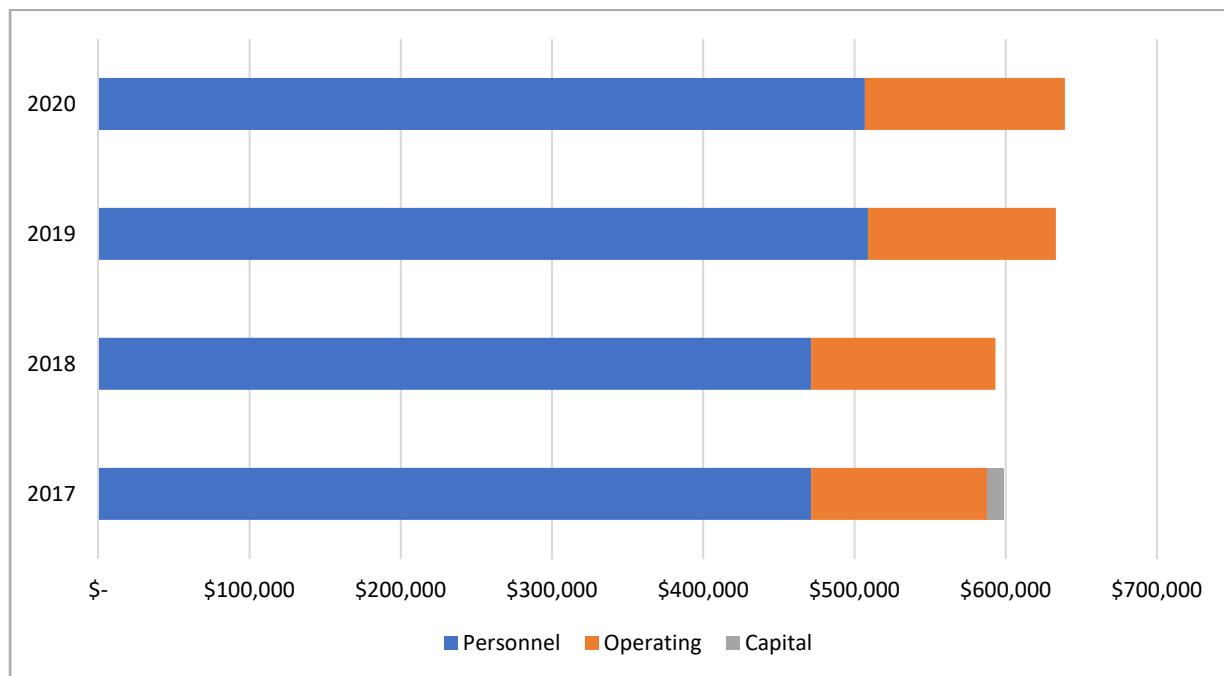
- Obtained GFOA Certificate of Achievement for Excellence in Financial Reporting.
- Obtained GFOA Distinguished Budget Award.
- Obtained an unqualified opinion for the FY2018 CAFR.
- Implemented paperless accounts payable process.

**2020 Goals:**

- Obtain GFOA Certificate of Achievement for Excellence in Financial Reporting.
- Obtain GFOA Distinguished Budget Award.
- Obtain GFOA Popular Financial Reporting Award.
- Obtain an unqualified or "clean" opinion on the FY2019 CAFR.

<b>Performance Metrics</b>	<b>2019 Actual</b>	<b>2020 Projection</b>
Financial Reports Delivered to Council	12	12
Date CAFR Accepted by Council	4/1/2019	3/16/2020
Accounts Payable Turnover (General Fund)	8.5	9.0
Net Direct Debt as a Percent of Governmental Funds Revenue	129%	140%

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



	<b>Mid-Year</b>			
	<b>Actual Audited</b>		<b>Budget</b>	<b>Budget</b>
	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
Personnel	\$ 471,348	\$ 471,344	\$ 508,951	\$ 506,885
Operating	116,634	121,880	124,315	132,320
Capital	10,734	-	-	-
	<b><u>\$ 598,716</u></b>	<b><u>\$ 593,224</u></b>	<b><u>\$ 633,266</u></b>	<b><u>\$ 639,205</u></b>

**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

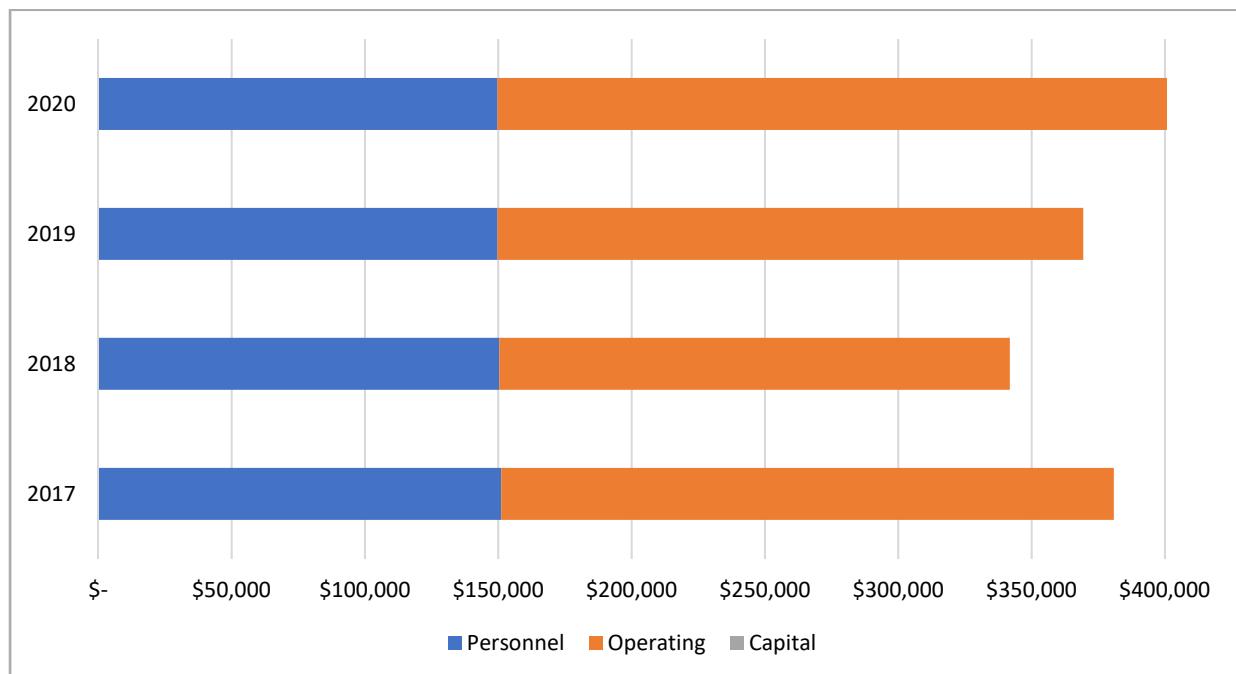
**2019 Accomplishments:**

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

**2020 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
	FY2017	FY2018	FY2019	FY2020
Personnel	\$ 151,126	\$ 150,413	\$ 149,741	\$ 149,741
Operating	229,706	191,463	219,650	265,150
Capital	-	-	-	-
	<u>\$ 380,832</u>	<u>\$ 341,875</u>	<u>\$ 369,391</u>	<u>\$ 414,891</u>

**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.

**2019 Accomplishments:**

- Developed a new performance management program with employee and management input from all departments.
- Implemented a new online performance review system.
- Completed Civil Treatment training for all employees.
- Offered training and development opportunities on a variety of topics including customer service, organizational skills, communication skills, employee behavior, drug-free workplace, performance management, and leadership.
- Obtained competitive quotes on the City's Workers Compensation insurance resulting in a savings of over \$65,000.
- Worked with City Council to improve benefit offerings by reducing the employee share of health insurance premiums by 5%, reducing the cost of retiree family insurance coverage, and adding new voluntary life and long-term disability insurance options.

**2020 Goals:**

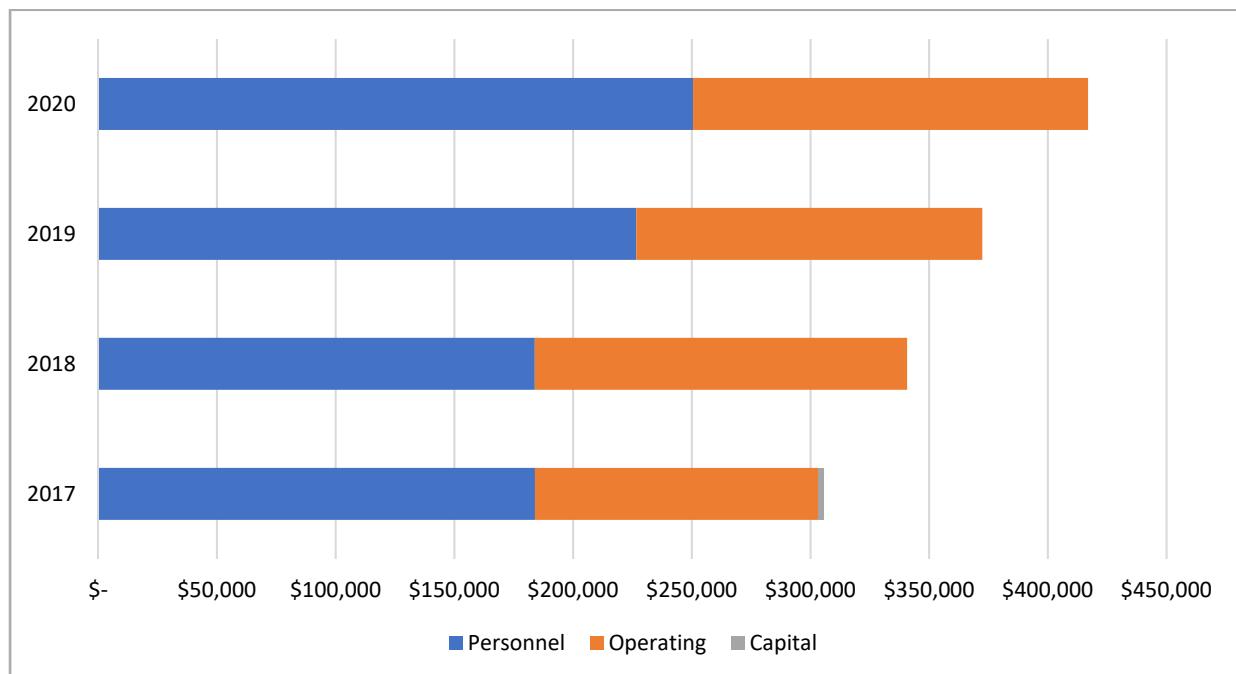
- Improve employee communication through message boards in employee break rooms and the addition of an employee intranet site (in progress).
- Complete an updated salary survey and analysis to assess the City's competitiveness with peer cities in the surrounding area.
- Begin updating the Citywide Safety Program to include developing a multi-department employee safety committee.
- Work with City Council to continue to improve benefit offerings by implementing Act 2019-132 which allows the City to offer Tier I retirement benefits to Tier II employees under the Retirement Systems of Alabama.

<b>Performance Metrics</b>	<b><u>2019 Actual</u></b>	<b><u>2020 Projection</u></b>
Job Requisitions Processed:	26	26
Avg. Applicants per Job Requisition:	86	25
New Hires:	39	30
Hours of Classroom Training Held:	59	40
Turnover Rate:	11%	<10%
Wellness Participation Rate:	86%	>80%

## Human Resources

### Budget Summary

(Continued)



	Mid-Year			
	Actual Audited		Budget FY2019	Budget FY2020
	FY2017	FY2018		
Personnel	\$ 183,972	\$ 183,880	\$ 226,654	\$ 250,594
Operating	119,391	156,835	145,750	166,375
Capital	2,146	-	-	-
	<u>\$ 305,509</u>	<u>\$ 340,715</u>	<u>\$ 372,404</u>	<u>\$ 416,969</u>

**Engineering & Building Services**  
Budget Summary

**ENGINEERING & BUILDING SERVICES**  
**DEPARTMENT HEAD: FRED HAWKINS**

**Department Overview:** The Engineering & Building Services department oversees residential, commercial, and governmental construction within the City as well as monitors and ensures proper maintenance of City infrastructure. The department administers the building permit, building inspection, and engineering oversight processes within the City.

**Major Functions:**

- Review, administer, and communicate building regulations and guidelines within the City.
- Administer the building permit process.
- Administer the building inspection process.
- Schedule and conduct pre-construction meetings with all interested parties prior to beginning new construction projects within the City.
- Monitor and advise the Mayor and Council on infrastructure needs within the City.

**2019 Accomplishments:**

The Engineering & Building Services department is a new department for 2020 and therefore has no prior accomplishments.

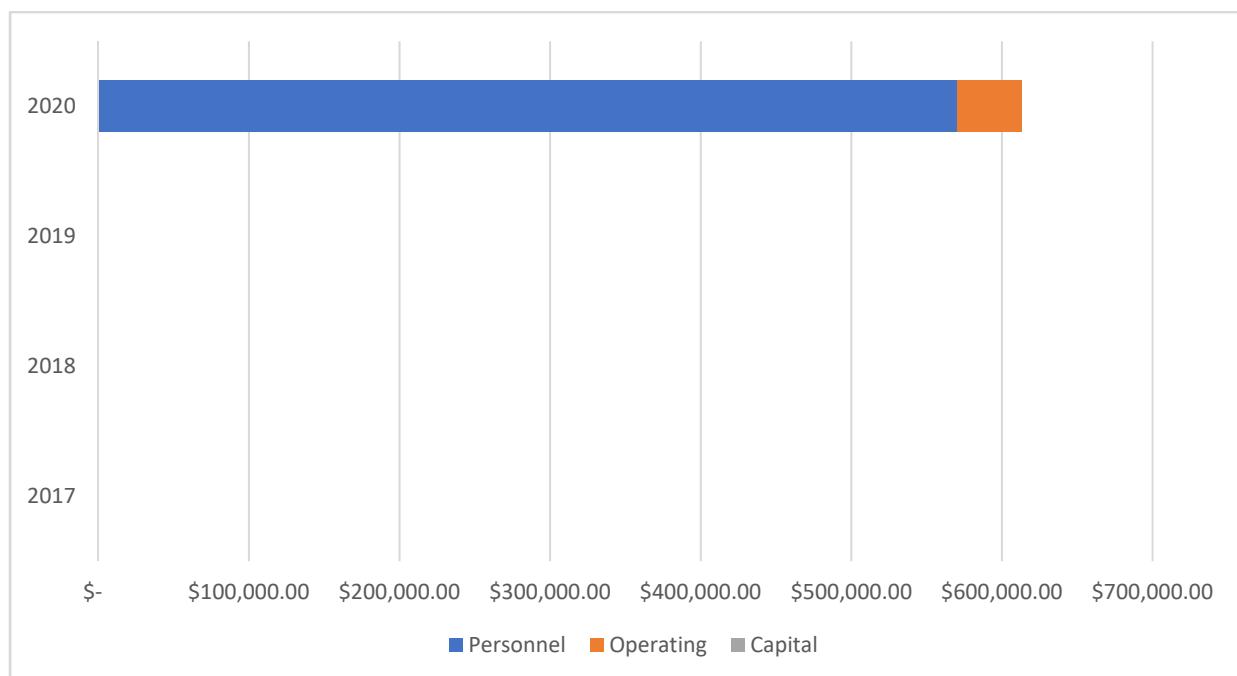
**2020 Goals:**

- To establish the department and adequately disperse the work to meet the needs of the citizens.

## Engineering & Building Services

### Budget Summary

(Continued)



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2017	FY2018	FY2019	FY2020
Personnel	\$ -	\$ -	\$ -	\$ 570,228
Operating	- -	- -	- -	43,500
Capital	- -	- -	- -	- -
	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 613,728</u></b>

*Note: Engineering & Building Services was added as a new department for the 2020 budget.*

**City of Alabaster**  
Debt Service Budget Summary

	Mid-Year			
	Actual Audited		Budget	Budget
	FY2017	FY2018	FY2019	FY2020
<b>Principal and Interest</b>				
2005-B GO warrant	\$ 37,180	\$ 42,470	\$ 46,228	\$ 45,370
2010-A GO warrant	584,297	584,972	585,200	539,642
2010-B GO warrant	46,005	45,912	46,058	46,058
2011-A GO warrant	194,194	48,640	-	-
2011-B GO warrant	447,940	381,912	366,675	474,689
2012-A GO warrant	610,624	304,938	-	-
2012-B GO warrant	374,824	724,113	971,713	-
2012-C GO warrant	955,180	967,998	990,104	1,008,190
2012-D GO warrant	176,208	175,907	176,300	176,300
2013 GO warrant	266,174	-	-	-
2016-A GO warrant	192,938	195,207	194,612	241,883
2016-B GO warrant	79,592	78,763	78,579	82,920
2017 GO warrant	-	246,695	909,854	432,633
2018 GO warrant	-	199,018	542,020	537,520
Capital leases	217,230	441,473	519,470	480,139
Line of credit	1,524,500	-	-	-
<b>Total debt service</b>	<b>\$ 5,706,886</b>	<b>\$ 4,438,017</b>	<b>\$ 5,426,813</b>	<b>\$ 4,065,344</b>

Debt service as a % of expenditures  
and other financing uses                    18.5%                    13.2%                    15.7%                    11.6%

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 Budget</b>	
	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>Budget</b>
Alabaster Board of Education	\$ 5,228,608	\$ 5,339,258	\$ 5,350,000	\$ 5,266,667
Industrial Development Board	142,000	106,150	106,150	45,000
Clastran	8,000	8,960	8,960	8,960
Shelby County Chamber of Commerce	5,000	7,500	7,500	7,500
Total outside agency funding	<u>\$ 5,383,608</u>	<u>\$ 5,461,868</u>	<u>\$ 5,472,610</u>	<u>\$ 5,328,127</u>

**City of Alabaster**  
Transfer Summary

	Mid-Year			
	Actual Audited		Budget	Budget
	FY2017	FY2018	FY2019	FY2020
Transfer to capital projects fund	-	330,750	-	953,347
Total transfers to other funds	\$ -	\$ 330,750	\$ -	\$ 953,347

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



## **ENTERPRISE FUNDS**

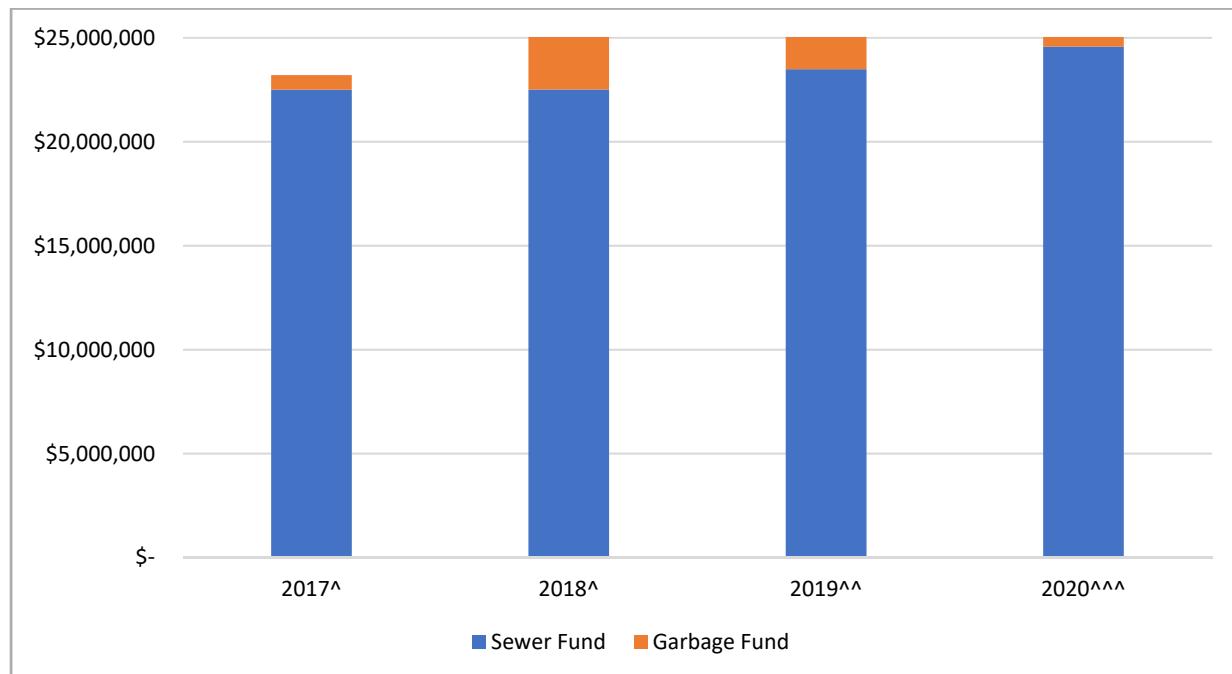
**City of Alabaster**  
Enterprise Funds Summary

**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.

	Actual Audited		Mid-Year	
	FY2017	FY2018	Budget	Budget
		FY2019		FY2020
<b>Revenues</b>				
Charges for services	8,318,093	7,675,464	8,205,409	8,226,600
Other non-operating revenues	224,705	28,016	-	48,600
<b>Total revenues</b>	<b>8,542,798</b>	<b>7,703,480</b>	<b>8,205,409</b>	<b>8,275,200</b>
<b>Other financing sources</b>				
Proceeds from issuance of debt	-	-	-	-
Transfer from other funds	-	4,238,562	-	-
<b>Total revenues and other financing sources</b>	<b>8,542,798</b>	<b>11,942,042</b>	<b>8,205,409</b>	<b>8,275,200</b>
<b>Expenses &amp; Transfers</b>				
Personnel & operating expenses	4,782,293	4,591,101	4,512,002	4,559,481
Capital outlay	798,385	3,868,300	1,002,810	730,000
Debt service	2,231,437	2,325,974	2,349,490	2,579,063
Transfer to other funds	709,273	350,000	1,025,650	836,205
<b>Total expenses &amp; transfers</b>	<b>8,521,388</b>	<b>11,135,375</b>	<b>8,889,952</b>	<b>8,704,749</b>
<b>Increase (decrease) in net position - modified accrual</b>	<b>21,410</b>	<b>806,667</b>	<b>(684,543)</b>	<b>(429,549)</b>
Add: Debt principal payments	1,685,718	1,831,378	1,895,000	2,187,000
Add: Capital outlay	798,385	3,868,300	1,002,810	730,000
Add: Purchase of inventory	-	-	-	20,000
Less: Debt proceeds	-	-	-	-
Less: Depreciation & amortization expense	(1,315,683)	(1,546,341)	(1,560,000)	(1,575,000)
<b>Increase (decrease) in net position - full accrual</b>	<b>1,189,830</b>	<b>4,960,004</b>	<b>653,267</b>	<b>932,451</b>

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

	Actual Audited		Mid-Year	
	FY2017	FY2018	Budget FY2019	Budget FY2020
<b>Revenues</b>				
Charges for services	8,318,093	7,675,464	8,205,409	8,226,600
Other non-operating revenues	224,705	28,016	-	48,600
<b>Total revenues</b>	<b>8,542,798</b>	<b>7,703,480</b>	<b>8,205,409</b>	<b>8,275,200</b>
<b>Other financing sources</b>				
Proceeds from issuance of debt	-	-	-	-
Transfer from other funds	-	4,238,562	-	-
<b>Total revenues and other financing sources</b>	<b>8,542,798</b>	<b>11,942,042</b>	<b>8,205,409</b>	<b>8,275,200</b>
<b>Expenses &amp; Transfers</b>				
Personnel & operating expenses	4,782,293	4,591,101	4,512,002	4,559,481
Capital outlay	798,385	3,868,300	1,002,810	730,000
Debt service	2,231,437	2,325,974	2,349,490	2,579,063
Transfer to other funds	709,273	350,000	1,025,650	836,205
<b>Total expenses &amp; transfers</b>	<b>8,521,388</b>	<b>11,135,375</b>	<b>8,889,952</b>	<b>8,704,749</b>
<b>Increase (decrease) in net position - modified accrual</b>	<b>21,410</b>	<b>806,667</b>	<b>(684,543)</b>	<b>(429,549)</b>
Add: Debt principal payments	1,685,718	1,831,378	1,895,000	2,187,000
Add: Capital outlay	798,385	3,868,300	1,002,810	730,000
Add: Purchase of inventory	-	-	-	20,000
Less: Debt proceeds	-	-	-	-
Less: Depreciation & amortization expense	<b>(1,315,683)</b>	<b>(1,546,341)</b>	<b>(1,560,000)</b>	<b>(1,575,000)</b>
<b>Increase (decrease) in net position - full accrual</b>	<b>1,189,830</b>	<b>4,960,004</b>	<b>653,267</b>	<b>932,451</b>

**Sewer Fund**  
Budget Summary

***SEWER***  
***DEPARTMENT HEAD: MICHAEL BROTHERS***

**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

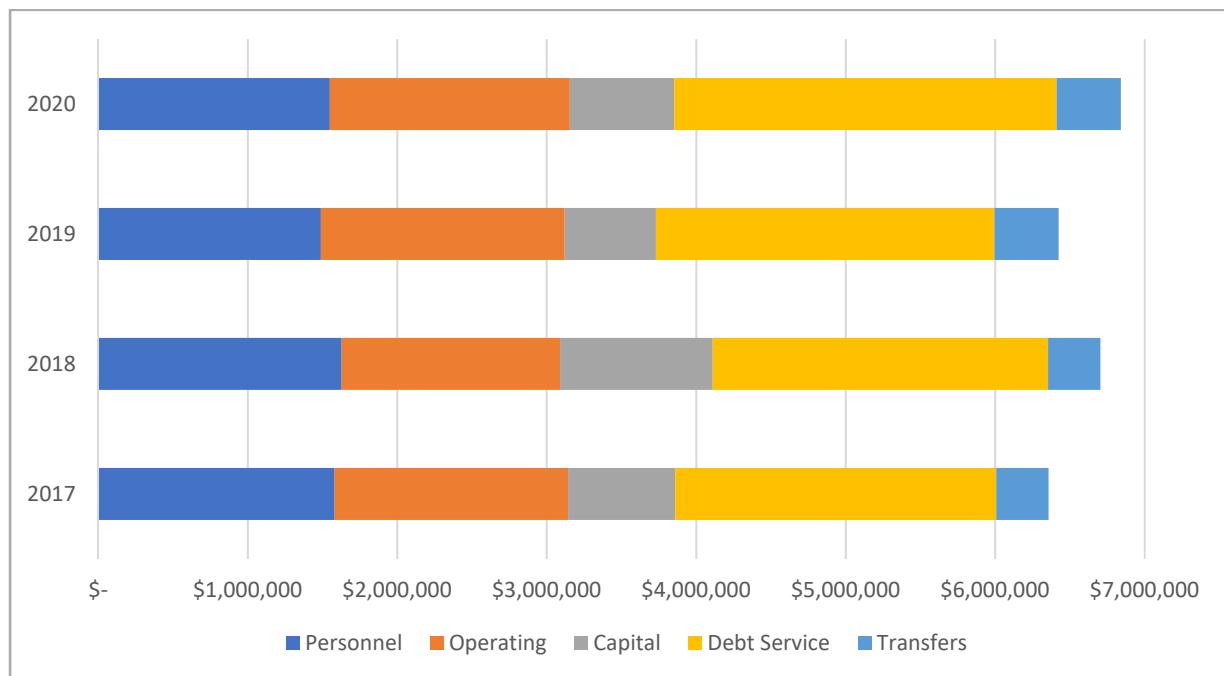
**2019 Accomplishments:**

- Produced over 1,723 gallons of bio-diesel for use in Sewer vehicles.
- Installed 7 new backup pumps at pump stations throughout the City.

**2020 Goals:**

- Produce 2,000 gallons of bio-diesel for use in Sewer vehicles.
- Install 8 backup pumps at pump stations throughout the City.

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



	Actual Audited		Mid-Year Budget		Budget
	FY2017	FY2018	FY2019	FY2020	
	\$ 1,581,088	\$ 1,628,136	\$ 1,489,807	\$ 1,549,419	
Personnel					
Operating					
Capital					
Debt service					
Transfer to other funds					
	<u><u>\$ 1,581,088</u></u>	<u><u>\$ 1,628,136</u></u>	<u><u>\$ 1,489,807</u></u>	<u><u>\$ 1,549,419</u></u>	
	<u><u>\$ 1,562,191</u></u>	<u><u>\$ 1,461,102</u></u>	<u><u>\$ 611,000</u></u>	<u><u>\$ 700,000</u></u>	
	<u><u>716,510</u></u>	<u><u>1,021,900</u></u>	<u><u>2,264,033</u></u>	<u><u>2,556,483</u></u>	
	<u><u>2,148,132</u></u>	<u><u>2,242,685</u></u>	<u><u>430,000</u></u>	<u><u>430,000</u></u>	
	<u><u>350,000</u></u>	<u><u>350,000</u></u>	<u><u>430,000</u></u>	<u><u>430,000</u></u>	
	<u><u>\$ 6,357,921</u></u>	<u><u>\$ 6,703,823</u></u>	<u><u>\$ 6,425,295</u></u>	<u><u>\$ 6,840,857</u></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

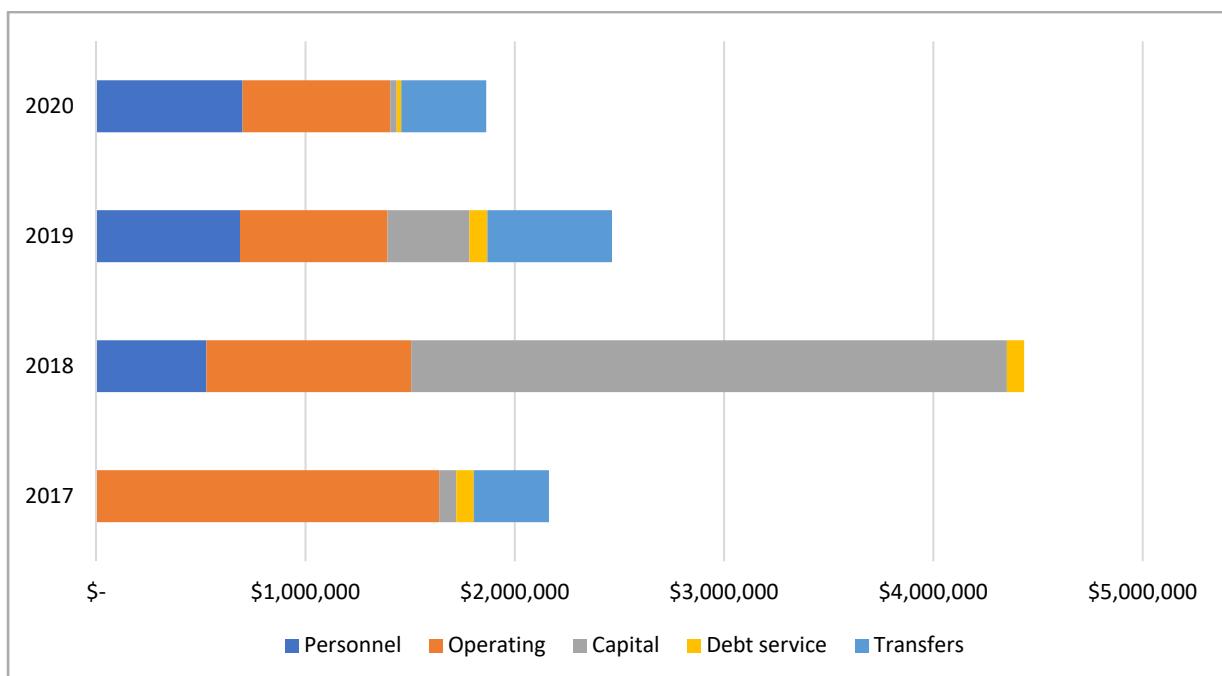
**2019 Accomplishments:**

- Made timely corrections, usually within 24 hours, for issues reported on the City's "Report a Concern" page.
- Transitioned staff and moved equipment to new Garbage and Public Works building at Limestone Park.
- Successfully completed first full year of City provided garbage service without the use of any third-party agencies to assist in the process.

**2020 Goals:**

- Increase safety training for personnel.
- Continue to make improvement to Garbage and Public Works building.
- Implement preventative maintenance on all equipment and vehicles.

**Garbage Fund**  
Budget Summary



	Mid-Year			
	Actual Audited		Budget	Budget
	FY2017	FY2018	FY2019	FY2020
Personnel	\$ -	\$ 526,569	\$ 686,968	\$ 699,407
Operating	1,639,014	978,080	704,772	705,700
Capital	81,875	2,846,400	391,810	30,000
Debt service	83,305	83,289	85,457	22,580
Transfer to other funds	359,273	-	595,650	406,205
	<u><u>\$ 2,163,467</u></u>	<u><u>\$ 4,434,339</u></u>	<u><u>\$ 2,464,657</u></u>	<u><u>\$ 1,863,892</u></u>



## **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.

**Ten 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

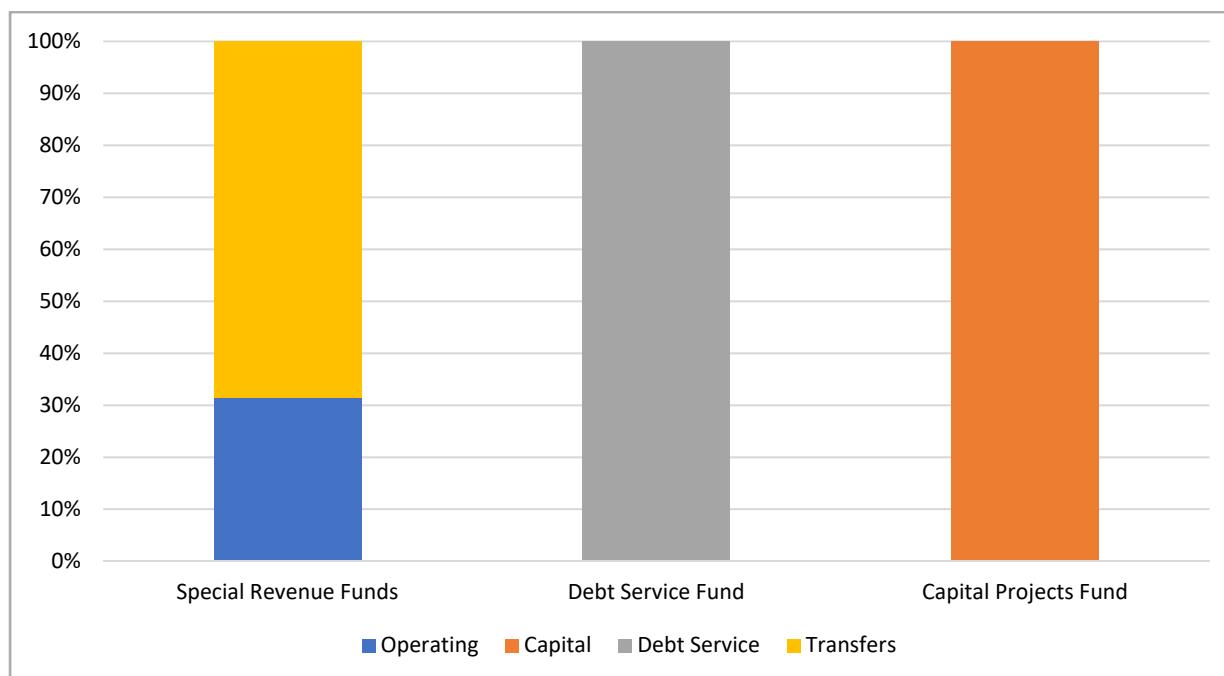
For funds other than the General Fund and Enterprise Funds, the City seeks to maintain a fund balance large enough to meet the ongoing obligations of each fund such as debt service and budgeted capital projects of the City. For the 2020 budgeted fiscal year, the City has budgeted for a 49% decrease in the fund balances of its Other Funds. The reason for this significant budgeted decrease is due to the spending of bond proceeds in FY 2020 to construct a Justice Center which will be handled out of the Capital Projects Fund. These bond proceeds were obtained in FY2018 with the express purpose of constructing a Justice Center or other capital improvements of the City.

	Actual Audited FY2018			Mid-Year Budget FY2019			Budget FY2020		
	Debt Service	Capital Projects	Nonmajor	Debt Service	Capital Projects	Nonmajor	Debt Service	Capital Projects	Nonmajor
<b>Beginning fund balance</b>	\$ 988,432	\$ 13,420,005	\$ 648,691	\$ 1,607,928	\$ 20,316,811	\$ 900,927	\$ 2,437,102	\$ 14,611,865	\$ 889,702
Revenues	33,988	692,524	490,943	20,000	466,395	233,025	30,000	304,000	371,175
Other financing sources	19,922,591	7,678,570	-	4,907,342	125,000	-	11,195,205	8,813,347	-
<b>Total available resources</b>	<b>19,956,579</b>	<b>8,371,094</b>	<b>490,943</b>	<b>4,927,342</b>	<b>591,395</b>	<b>233,025</b>	<b>11,225,205</b>	<b>9,117,347</b>	<b>371,175</b>
<b>Expenditures</b>	3,682,785	1,474,288	104,793	4,098,168	6,296,341	77,250	4,191,653	9,845,000	81,950
<b>Other financing uses</b>	15,654,298	-	133,914	-	-	167,000	7,600,000	-	310,000
<b>Total expenditures and other uses</b>	<b>19,337,083</b>	<b>1,474,288</b>	<b>238,707</b>	<b>4,098,168</b>	<b>6,296,341</b>	<b>244,250</b>	<b>11,791,653</b>	<b>9,845,000</b>	<b>391,950</b>
Excess (deficit) of available resources over expenditures and other uses	619,496	6,896,806	252,236	829,174	(5,704,946)	(11,225)	(566,448)	(727,653)	(20,775)
<b>Ending fund balance</b>	<b>\$ 1,607,928</b>	<b>\$ 20,316,811</b>	<b>\$ 900,927</b>	<b>\$ 2,437,102</b>	<b>\$ 14,611,865</b>	<b>\$ 889,702</b>	<b>\$ 1,870,654</b>	<b>\$ 13,884,212</b>	<b>\$ 868,927</b>

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

	Actual Audited														
	FY2017			FY2018			Mid-Year FY2019			Budget FY2020					
	Debt Service	Capital Projects	Special Revenue	Debt Service	Capital Projects	Special Revenue	Debt Service	Capital Projects	Special Revenue	Debt Service	Capital Projects	Special Revenue	Debt Service	Capital Projects	Special Revenue
<b>Revenues</b>															
Taxes	\$ -	\$ -	\$ 137,230	\$ -	\$ -	\$ 137,461	\$ -	\$ -	\$ 136,400	\$ -	\$ -	\$ -	\$ -	\$ 274,000	\$ 261,000
Intergovernmental	-	259,167	-	-	259,592	-	-	259,000	-	-	-	-	-	-	-
Fines and forfeitures	-	-	160,192	-	-	324,806	-	-	71,450	-	-	-	-	-	84,000
Other revenues	6,425	130,116	27,034	33,988	432,932	28,676	20,000	207,395	25,175	30,000	30,000	-	-	-	26,175
<b>Total revenues</b>	<b>6,425</b>	<b>389,283</b>	<b>324,456</b>	<b>33,988</b>	<b>692,524</b>	<b>490,943</b>	<b>20,000</b>	<b>466,395</b>	<b>233,025</b>	<b>30,000</b>	<b>304,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>371,175</b>
<b>Other financing sources</b>															
Proceeds of debt	-	-	-	19,922,591	-	-	-	-	-	7,600,000	-	-	-	-	-
Transfers in from other funds	5,232,146	1,075,585	-	-	7,678,570	-	4,907,342	125,000	-	3,595,205	8,813,347	-	-	-	-
<b>Total revenues and other financing sources</b>	<b>5,238,571</b>	<b>1,464,868</b>	<b>324,456</b>	<b>19,956,579</b>	<b>8,371,094</b>	<b>490,943</b>	<b>4,927,342</b>	<b>591,395</b>	<b>233,025</b>	<b>11,225,205</b>	<b>9,117,347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>371,175</b>
<b>Expenditures</b>															
Personnel & operating expenses	-	-	86,609	-	162,727	104,793	-	-	77,250	-	-	-	-	-	81,950
Capital outlay	-	2,123,045	16,542	-	1,311,561	-	-	6,296,341	-	-	-	9,845,000	-	-	-
Debt service	5,568,280	-	-	3,682,785	-	-	4,098,168	-	-	-	4,191,653	-	-	-	-
<b>Total expenditures</b>	<b>5,568,280</b>	<b>2,123,045</b>	<b>103,151</b>	<b>3,682,785</b>	<b>1,474,288</b>	<b>104,793</b>	<b>4,098,168</b>	<b>6,296,341</b>	<b>77,250</b>	<b>4,191,653</b>	<b>9,845,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,950</b>
<b>Other financing uses</b>															
Transfer to other funds	-	632,287	540,585	7,554,298	-	133,914	-	-	167,000	7,600,000	-	-	-	-	310,000
Refunding of debt	-	-	-	8,100,000	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures and other financing uses</b>	<b>5,568,280</b>	<b>2,755,332</b>	<b>643,736</b>	<b>19,337,083</b>	<b>1,474,288</b>	<b>238,707</b>	<b>4,098,168</b>	<b>6,296,341</b>	<b>244,250</b>	<b>11,791,653</b>	<b>9,845,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>391,950</b>
<b>Total increase (decrease) in fund balance</b>	<b>\$ (329,709)</b>	<b>\$ (1,290,464)</b>	<b>\$ (319,280)</b>	<b>\$ 619,496</b>	<b>\$ 6,896,806</b>	<b>\$ 252,236</b>	<b>\$ 829,174</b>	<b>\$ (5,704,946)</b>	<b>\$ (11,225)</b>	<b>\$ (566,448)</b>	<b>\$ (727,653)</b>	<b>\$ (20,775)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Other Funds**  
Budget Summary



	<b>FY2020 Budget</b>		
	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Special Revenue Funds</b>
Operating	\$ -	\$ -	\$ 81,950
Capital	\$ 9,845,000	\$ -	\$ -
Debt Service	\$ -	\$ 4,191,653	\$ -
Transfers	\$ -	\$ -	\$ 310,000
	<b>\$ 9,845,000</b>	<b>\$ 4,191,653</b>	<b>\$ 391,950</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 capital priorities are outlined. Since the City's 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>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 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Project</b>	\$	\$	\$	\$	\$
<b>GENERAL FUND</b>					
<i>I.T.</i>					
Core Switches	65,000				
Core and Network Upgrade	15,000	10,000			
SAN Upgrade		50,000			
<i>Library</i>					
HVAC Units			18,000	18,000	18,000
Electronic Sign		22,000			
<i>Police</i>					
Vehicle Fleet Replacement	370,000	300,000	300,000	300,000	300,000
Security Camera Trailer		80,000			
Police Mobile Command Center			120,000		
<i>Fire</i>					
Compliance Upgrades for Reserve Apparatus	12,000				
Pick-up Truck	37,000				
SCBA Fill Station	60,000				
Turn-Out Gear Extractors	8,500	8,500	8,500		
Construction of Clean Rooms at Stations	28,000	30,000	30,000		
SCBA Cascade & Compressor			120,000		
Replace Battalion 10 Sport Utility Vehicle			48,000		
New Fire Investigator Vehicle					40,000
New Pumper Apparatus				700,000	
New 100 Foot Aerial Apparatus		1,500,000			

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

	Capital	Capital	Capital	Capital	Capital
	Outlay	Outlay	Outlay	Outlay	Outlay
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Project</b>	\$	\$	\$	\$	\$
<b><i>Public Works</i></b>					
Tractor Side Flails	100,000				
Pick-up Truck		30,000		30,000	
Asphalt Compactor	20,000				
Mini Excavator		85,000			
Equipment Trailer	10,000				
Mowers (2 units)			25,000		
<b><i>Parks and Rec</i></b>					
Digital Entrance Sign at Veteran's Park	30,000				
Reel Mower	40,000	40,000			
Zero Turn Mowers		24,000	12,000	12,000	12,000
Basketball Court Resurfacing at Abby Wooley					15,000
Skidsteer			60,000		
Turf Planner Fraze Mower					35,000
Power Sweeper			30,000		
Bush Hog					18,000
Infield Machine		27,500		27,500	27,500
Landscaping Mowers				8,000	
Safety Netting at Buck Creek and Warrior Parks		15,000	15,000		
Abby Wooley Park Improvements	320,000				
Playground Equipment - Buck Creek Park	30,000				
Playground Equipment - Abby Wooley Park		25,000			
<b>General Fund Total</b>	1,145,500	2,247,000	786,500	1,095,500	465,500

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

	Capital	Capital	Capital	Capital	Capital
	Outlay	Outlay	Outlay	Outlay	Outlay
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Project</b>	\$	\$	\$	\$	\$
<b>SEWER FUND</b>					
Portable Pump Installations	287,000	280,000	280,000	280,000	280,000
Pump Station Upgrades	50,000	50,000	50,000	50,000	50,000
Infiltration Mitigation	100,000	100,000	100,000	100,000	100,000
DO Probes	26,000				
New Roof for Operations Building	15,000				
Backup Pumps for Plant	183,000				
Flow Meters for Clarifier	28,000				
Electric Utility Car	11,000				
Lateral Launch Camera Unit					120,000
UV System Upgrade		400,000			
Rolling Portable Pumps		100,000			
Phosphorus Treatment System			1,500,000		
Influent Pumps			50,000		
<b>Sewer Fund Total</b>	700,000	930,000	1,980,000	430,000	550,000
<b>GARBAGE FUND</b>					
Grapple Trucks			150,000	150,000	
Pick-up Truck	30,000				
<b>Garbage Fund Total</b>	30,000	-	150,000	150,000	-

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

	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2023</b>
<b>Project</b>	\$	\$	\$	\$	\$
<b>CAPITAL PROJECTS FUND</b>					
State Highway 119 Widening	2,000,000	400,000			
Justice Center	6,500,000	6,500,000			
Veteran's Park Renovations	1,100,000				
General Paving	245,000	265,000	300,000	300,000	350,000
<b>Capital Projects Fund Total</b>	<b>9,845,000</b>	<b>7,165,000</b>	<b>300,000</b>	<b>300,000</b>	<b>350,000</b>
<b>Total Projects</b>	<b>11,720,500</b>	<b>10,342,000</b>	<b>3,216,500</b>	<b>1,975,500</b>	<b>1,365,500</b>

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

**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 12. The project is being administered by the Alabama Department of Transportation (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

**Additional Operating Costs:** The City does not anticipate any continuous additional operating costs will result from this project. Road paving will need to be done on the additional linear feet of road added, but since this is a state road, all ongoing maintenance will be handled by ALDOT.

<b>Project Costs</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
	\$ 2,000,000	\$ 400,000	\$ -	\$ -	\$ -
<b>Funding Source</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
Capital Projects Fund	\$ 2,000,000	\$ 400,000	\$ -	\$ -	\$ -

---

**Project:** Construction of New Justice Center

**Responsible Department:** Administration

**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 justice center for police and court. Construction is anticipated to begin sometime in FY2020 and open for operations in FY2021. 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.

**Additional Operating Costs:** The City anticipates that the new building will result in various increases in operating costs, but part of these increased operating costs will be offset by disposing of two older buildings that previously housed the Police Department. The net operating costs for the new building are expected to be around \$70,000 per year after construction and are expected to increase with inflation each year.

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

<b>Project Costs</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
	\$ 6,500,000	\$ 6,500,000	\$ -	\$ -	\$ -
<b>Funding Source</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
Debt proceeds	\$ 6,500,000	\$ 6,500,000	\$ -	\$ -	\$ -
<b>Debt Service</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
Projected payments	\$ 195,120	\$ 403,913	\$ 192,705	\$ 271,905	\$ 265,355

**Project:** Veteran's Park Renovations

**Responsible Department:** Administration

**Description:** The City's flagship park is Veteran's Park located on Highway 119. The park currently houses baseball fields, the Beneful Dream Dog Park, walking trails, frisbee golf course, drone park, skate park, and playground equipment. They City purchased additional property adjacent to the park in FY2018 with plans of expansion. The City plans to construct new multi-purpose fields on the acquired property as well as additional parking. The City also plans to reposition and improve the entrance to the park from Highway 119.

**Funding:** The City will pay for the improvements out of the Capital Projects Fund but plans to transfer \$1,071,101 from the General Fund to help fund the project.

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

**Additional Operating Costs:** The City anticipates this project will add operating costs to the Parks & Recreation department in the form of additional fields maintenance and additional water for the fields. The City does not anticipate any additional staff will need to be added to help maintain the fields. The City estimates that approximately \$10,000 a year after construction in additional maintenance and water will be required and this number will increase each year with inflation.

<b>Project Costs</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -
<b>Funding Source</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
Capital Projects Fund	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -

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

**Project:** Aerial Apparatus

**Responsible Department:** Fire Department

**Description:** The City's Fire Department currently does not have an aerial apparatus (ladder truck) servicing some of the tallest buildings in our city. The Fire Department plans to purchase a 100-foot aerial apparatus that will allow the department to service all buildings in the city without having to rely on vehicles from mutual aid agreements.

**Funding:** General Fund revenues

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

**Additional Operating Costs:** The City anticipates only a slight increase in operating costs associated with this purchase related to maintenance on the apparatus and fuel for the apparatus. The City anticipates that once purchased, the fuel and maintenance on the vehicle will amount to \$2,500 a year and will increase with inflation each year. As the vehicle ages, the amount of maintenance needed will increase, but currently the City does not have a way of estimating in what years the maintenance will increase.

<b>Project Costs</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -
<b>Funding Source</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
General Fund		\$ 1,500,000			



## **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 Administrator 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 Administrator 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.

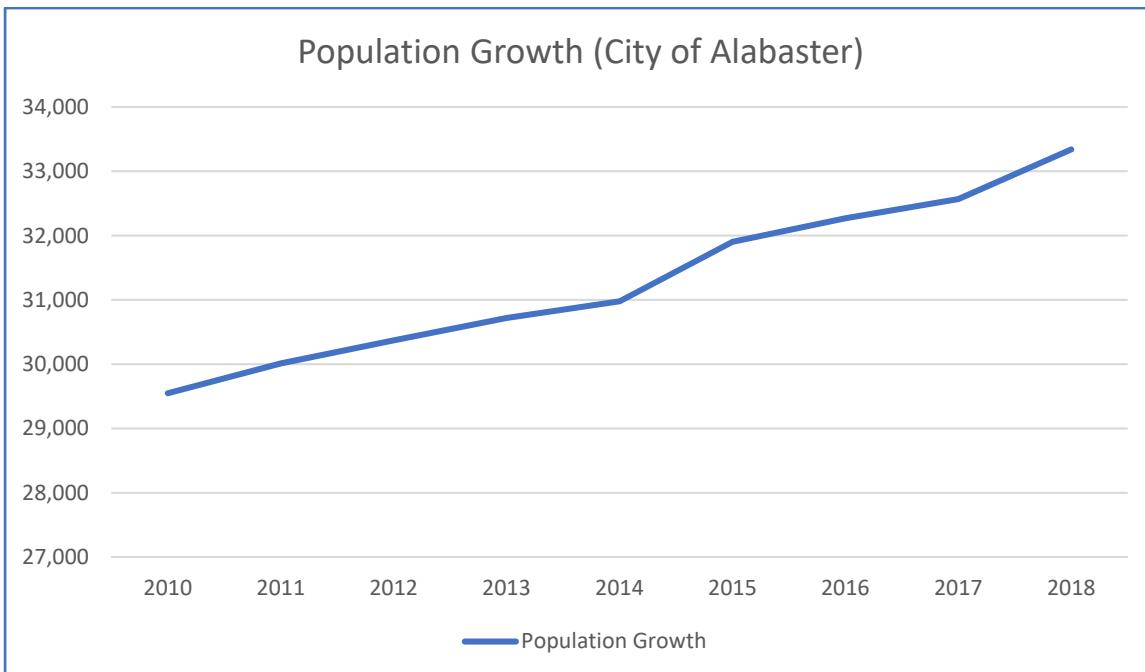
### **Local Economy**

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 47% growth in population since 2000 and 10% growth since 2010.

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



*Source: US Census Bureau Population Estimates, 2010 through 2018*

**Racial Composition (City of Alabaster)**

White	74.0%
Black or African American	14.5%
Hispanic	10.1%
Asian	0.9%
Some Other Race	0.5%

*Source: US Census Bureau - 2013-2017 American Community Survey 5-year Estimates*

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

Male	Female	Median Age	Under 20 Years	20 – 64 Years	65 Years & Over
48.9%	51.1%	37.0	29.7%	59.0%	11.3%

*Source: US Census Bureau - 2013-2017 American Community Survey 5-year Estimates*

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

City of Alabaster	United States
\$74,383	\$57,652

*Source: US Census Bureau - 2013-2017 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 2019 school year, the Alabaster City School district had 6,115 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. Michelle Brakefield
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>
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<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>
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<i>Total School</i>	<b>30.0</b>
---------------------	-------------

**State of Alabama**

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

Education	<b>3.0*</b>
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Veteran's Pension	<u>1.0</u>
-------------------	------------

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

Fixed Income will reduce the bill by \$5.00

<b>3/4"</b>	< 2,500	\$ 16.42
	2,500 - 15,000	\$ 4.88 per thousand
	> 15,000	\$ 5.30 per thousand
<b>1"</b>	< 6,000	\$ 33.66
	6,000 - 18,500	\$ 4.88 per thousand
	> 18,500	\$ 5.30 per thousand
<b>1 1/2"</b>	< 11,600	\$ 61.27
	11,600 - 24,100	\$ 4.88 per thousand
	> 24,100	\$ 5.30 per thousand
<b>2"</b>	< 21,300	\$ 111.95
	21,300 - 33,800	\$ 4.88 per thousand
	> 33,800	\$ 5.30 per thousand
<b>3"</b>	35 < 71,300	\$ 350.15
	71,300 - 83,800	\$ 4.88 per thousand
	> 83,800	\$ 5.30 per thousand
<b>4"</b>	36 < 126,100	\$ 574.83
	126,100 - 138,600	\$ 4.88 per thousand
	> 138,600	\$ 5.30 per thousand
<b>6"</b>	37 < 252,200	\$ 1,202.86
	252,200 - 264,700	\$ 4.88 per thousand
	> 264,700	\$ 5.30 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

\$ 23.82 Plus \$3.31 per thousand gallons

### Commercial

\$ 58.08 up to 5,000 gallons

\$ 12.78 per thousand over 5,000 gallons

### Sewer Tap Fees

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

### Garbage Rates

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

\$ 15.61 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

Fiscal Year	Population (a)	Personal Income (a)	Per Capita		Shelby County	
			Personal Income	Median Age	School Enrollment (c)	Unemployment Rate (b)
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	33,202	964,053,272	29,036.00	37.0	6,041	2.40%
2018	*	*	*	*	6,110	2.80%

(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

\* Data unavailable

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

Taxpayer	2009 Rank	2018 Rank
Walmart Supercenter	1	1
Lowe's Home Improvement	2	2
Walmart Neighborhood Market		3
Target	4	4
Publix	3	5
Aldi		6
Belk	6	7
TJ Maxx		8
JC Penney	7	9
AT&T Wireless		10
Best Buy	5	
Alabama Thrist Store	8	
Asplundh	9	
Bruno's Supermarket	10	

**Total Sales and Use Taxes - Principal Payers**      46.99%      38.52%

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**  
**Fund Balance of Governmental Funds**

	2009	2010	2011	2012	2013
<b>General Fund</b>					
Reserved	\$ 592,577	\$ 743,365	\$ -	\$ -	\$ -
Unreserved	618,811	1,069,547	- -	- -	- -
Nonspendable	- -	- -	93	- -	- -
Restricted	- -	- -	85,700	88,447	99,949
Committed	- -	- -	1,020,094	4,354,853	1,937,756
Assigned	- -	- -	53,389	49,906	46,786
Unassigned	- -	- -	305,101	1,553,298	1,410,366
<b>Total general fund</b>	<b>\$ 1,211,388</b>	<b>\$ 1,812,912</b>	<b>\$ 1,464,377</b>	<b>\$ 6,046,504</b>	<b>\$ 3,494,857</b>
<b>All Other Governmental Funds</b>					
Reserved, reported in debt service fund	\$ 563,874	\$ 592,961	\$ -	\$ -	\$ -
Reserved, reported in capital projects fund	11,282,564	10,666,185	- -	- -	- -
Reserved, reported in special revenue funds	- -	403,215	- -	- -	- -
Unreserved, reported in special revenue funds	272,381	- -	- -	- -	- -
Nonspendable	- -	- -	10,660,000	10,660,000	11,188,139
Restricted	- -	- -	2,016,964	7,914,258	4,724,628
<b>Total all other governmental funds</b>	<b>\$ 12,118,819</b>	<b>\$ 11,662,361</b>	<b>\$ 12,676,964</b>	<b>\$ 18,574,258</b>	<b>\$ 15,912,767</b>

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*.

Note: Periods prior to 2018 have not been retroactively restated for the impact of GASB statement number 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**City of Alabaster**  
**Fund Balance of Governmental Funds**  
**(Continued)**

	2014	2015	2016	2017	2018
<b>General Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	- -	- -	- -	- -	- -
Nonspendable	170,745	169,835	234,803	213,784	192,369
Restricted	102,382	140,785	111,407	160,149	173,800
Committed	1,920,094	2,611,229	2,911,229	3,235,988	3,590,988
Assigned	46,857	69,540	93,319	114,165	- -
Unassigned	(68,429)	2,078,689	2,767,622	2,736,579	4,897,539
<b>Total general fund</b>	<b>\$ 2,171,649</b>	<b>\$ 5,070,078</b>	<b>\$ 6,118,380</b>	<b>\$ 6,460,665</b>	<b>\$ 8,854,696</b>
 <b>All Other Governmental Funds</b>					
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	12,160,000	1,500,000	1,500,000	1,500,000	- -
Restricted	4,187,427	4,052,362	4,836,581	3,529,415	22,825,666
<b>Total all other governmental funds</b>	<b>\$ 16,347,427</b>	<b>\$ 5,552,362</b>	<b>\$ 6,336,581</b>	<b>\$ 5,029,415</b>	<b>\$ 22,825,666</b>

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*.

Note: Periods prior to 2018 have not been retroactively restated for the impact of GASB statement number 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**City of Alabaster**  
 Ratios of Outstanding Debt by Type

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
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	-
2018	43,493,856	-	763,489	-	12,748,688	-	19,268	-

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

Fiscal Year	General	Less Amounts	Net General	Estimated	Actual	Percentage of	Population (b)	Per Capita
	Obligation	Available for	Bonded	Value of Taxable	Property (a)	Estimated Actual		
2009	38,000,885	563,874	37,437,011	339,337,780		11.03%	29,334	1,276.23
2010	39,565,000	592,961	38,972,039	333,900,180		11.67%	31,095	1,253.32
2011	38,760,000	701,895	38,058,105	330,044,780		11.53%	31,281	1,216.65
2012	46,770,000	1,405,912	45,364,088	323,300,340		14.03%	31,587	1,436.16
2013	46,184,292	1,746,507	44,437,785	334,104,300		13.30%	31,890	1,393.47
2014	43,915,874	1,986,574	41,929,300	339,300,940		12.36%	32,115	1,305.60
2015	41,114,202	1,653,164	39,461,038	356,267,120		11.08%	32,707	1,206.50
2016	40,241,159	1,318,141	38,923,018	403,616,580		9.64%	32,948	1,181.35
2017	37,394,893	988,432	36,406,461	401,483,420		9.07%	33,202	1,096.51
2018	56,242,544	1,607,928	54,634,616	423,648,440		12.90%	*	*

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

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

\* Information not available

**City of Alabaster**  
 Operating Indicators by Function and Program

Function		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government											
Business licenses issued	1	3,353	3,498	3,543	3,594	3,782	3,955	4,249	4,441	4,401	4,426
Public Safety											
Police											
Arrests	2	1,690	1,650	1,723	1,886	1,606	1,528	1,355	1,357	1,417	1,438
Fire											
Emergency responses	3	3,581	3,098	3,917	3,775	4,280	4,905	5,415	5,620	3,646	3,812
Inspections	3	16,881	14,179	10,144	11,299	9,023	3,225	5,309	6,111	3,152	5,301
Building construction permits issued	4	223	205	209	226	212	247	413	396	484	470
Library											
Materials checked out	5	208,495	201,927	193,706	177,162	177,340	174,989	162,944	149,844	167,772	167,435
Municipal Court											
Traffic Cases	6	5,943	6,256	4,717	3,854	3,683	2,557	2,268	2,090	2,019	1,634
Non-Traffic Cases	6	880	1,011	971	1,126	1,055	798	725	622	676	591
Sanitation											
Single homes:											
Regular garbage service	7	10,121	10,270	10,306	10,381	10,512	10,482	10,716	10,869	10,890	10,903
Recreation Services											
Participants in sports programs	8	2,019	2,027	2,037	2,030	2,041	2,055	2,037	2,029	2,042	2,050
Sewer											
Average daily flow (gallons per day)	9	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	4,330,000

<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 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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Vehicles	1	1	1	2	2	2	3	3	3	3
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	44	51	61	62	62	74	73	83	77	89
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Fire Vehicles	18	18	18	19	20	21	22	24	24	25
Refuse Collection										
Garbage Trucks	0	0	0	0	0	0	0	0	0	6
Debris Trucks	2	2	2	2	3	5	6	6	6	6
Public Works										
Streetlights	54	54	54	54	54	54	54	54	54	54
Traffic Signals	17	17	17	18	18	19	19	19	19	19
Vehicles	7	7	7	7	10	10	11	12	11	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	10	10	10	10	11	13	14	17	17	19
Sewer										
Vehicles	7	7	7	7	7	10	10	15	17	18
Pump Stations	50	50	50	51	52	52	52	52	52	56

**City of Alabaster**  
 Components of Sales Tax Revenue

	2009	2010	2011	2012	2013
Automotive Sales	\$ 312,153	\$ 331,134	\$ 346,455	\$ 453,344	\$ 478,097
Food Stores	1,064,414	1,014,900	1,040,748	1,365,251	1,389,490
Home Furnishings & Building Sup	1,162,112	1,171,095	1,133,200	1,569,403	1,701,205
Medical Sales & Pharmacy	378,723	351,896	356,014	375,974	527,030
Merchandise Retail	5,201,070	5,128,890	5,198,818	6,738,323	6,987,310
Restaurants	1,528,076	1,593,000	1,657,612	2,155,072	2,416,228
Service Stations & Auto Parts	471,473	580,168	649,043	1,035,105	1,123,627
Other Sales	1,884,018	1,347,620	1,527,205	1,926,822	2,273,096
<b>Total</b>	<b>\$ 12,002,040</b>	<b>\$ 11,518,703</b>	<b>\$ 11,909,096</b>	<b>\$ 15,619,295</b>	<b>\$ 16,896,082</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  
 (Continued)

	2014	2015	2016	2017	2018
Automotive Sales	\$ 500,210	\$ 615,139	\$ 704,882	\$ 713,844	\$ 703,694
Food Stores	1,369,109	1,683,281	2,237,168	2,420,058	2,462,345
Home Furnishings & Building Sup	1,823,604	2,014,108	2,188,486	2,239,012	2,432,016
Medical Sales & Pharmacy	492,757	516,774	1,556,610	1,306,417	983,213
Merchandise Retail	7,126,430	7,687,963	7,612,708	7,647,978	7,751,274
Restaurants	2,642,894	2,889,759	2,959,642	3,008,709	3,091,716
Service Stations & Auto Parts	1,352,059	1,202,440	1,219,439	1,190,982	1,338,268
Other Sales	2,138,103	2,327,510	1,859,137	2,528,097	2,853,205
<b>Total</b>	<b>\$ 17,445,165</b>	<b>\$ 18,936,975</b>	<b>\$ 20,338,071</b>	<b>\$ 21,055,097</b>	<b>\$ 21,615,731</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

Employer	2013			2018			Percentage of Total City Employment (a)
	Employees	Rank	Percentage of Total City Employment (a)	Employees	Rank	Percentage of Total City Employment (a)	
Shelby Baptist Medical Center	1,050	1	NA	1100	1	NA	
AGC Automotive Americas	405	2		320	3		
Mspark	323	3		200	6		
Lhoist North America	250	4		225	4		
Shelby Ridge Health & Rehab Select	230	5		211	5		
Chandler Health & Rehab	225	6					
Deshazo Crane	187	7		170	9		
Docupak	139	8					
Alabama Crown Distributing Co.	120	9					
Sealing Equipment Products., Inc	100	10					
Alabaster Board of Education				750	2		
Hibbett Sports				200	6		
Ahava Healthcare				185	8		
Fresenius Medical - TruBlue Logistics				115	10		
Total top 10	<u><u>3,029</u></u>			<u><u>3,476</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.

**Appropriations** – The act of setting aside money for a specific purpose, specifically at the state or federal level.

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

**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. See also, Capital.

**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 City and financially accountable to the City.

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

**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.

**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.

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

**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.

**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.

**Non-major fund** – Funds are considered non-major if they are less than 10% of the City's assets, liabilities, revenues, and expenditures.

**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.

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

**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.

**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.