City of Fairhope

Fairhope, Alabama

Budget for Fiscal Year

October 1, 2013 – September 30, 2014

Timothy M. Kant, A.C.M.O.
Mayor

October 15, 2013

FROM: Mayor Timothy M. Kant

TO: Fairhope City Council

DATE: August 30, 2013

RE: Budget Highlights

In the enclosed notebook, you will find the figures for each City department for the 2013-14 FYE.

I propose a cost of living increase for each City employee of 3%.

Capital expenditures in the general fund are $871,500. Also, capital projects fund expenditures are $3.6 million. These projects include a $2 million soccer complex, new playground for the community park, restrooms on the Fairhope pier, road projects and a floral clock.

City Public Utilities will have capital upgrades of $12,136,300. This includes $10 million in improvements to the sewer plant.

I recommend using $3 million of the sales tax revenue for debt reduction, $2.2 million and $800,000 for capital projects.

This year the total budget for general government and city utilities is $59,207,076 total revenue and $54,656,484 in total expenses, with a surplus of $4,550,592.

Also, total payment for debt reduction for the City will be $4,180,000. All the projects and expenditures this year will be done without any new debt.

If you would like further explanation or have questions about the proposed budget, please feel free to call me or stop by my office.

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City of Fairhope Budget FYE 2014

General Fund/Income	Budget 2013	Budget 2014
Property Taxes	4,534,960	4,509,200
Local Taxes	6,074,060	7,190,100
Licenses and Permits	2,618,500	2,824,800
Fines and Forfeitures	320,000	320,000
Special Services	39,800	40,800
Golf Revenues	1,084,400	1,088,800
State of Alabama	189,200	305,700
U.S. Government	0	0
Interests and Rents	229,800	241,800
Charges and Services	4,644,000	4,634,000
Recreation Income	362,840	377,000
Other Income	146,850	87,250
Total Revenue:	20,244,410	21,619,450
Transfers from Utilities	3,910,214	3,910,659
Total Revenue and Transfers:	**24,154,624**	**25,530,109**
Expenses		
General Administrative	7,354,337	8,366,835
Police	4,164,799	4,273,372
Fire	361,728	324,119
Recreation	1,125,101	1,199,725
Adult Recreation/Special Services	678,560	641,470
Street	2,262,541	2,319,010
Sanitation	1,865,569	1,687,367
Golf	1,103,910	999,187
Staff Agencies/Appropriations	1,162,000	1,206,100
Debt Service	1,506,081	1,355,932
Total Expense:	**21,584,626**	**22,373,117**
Net Income:	2,569,998	3,156,992
Sales Tax Revenues		
Transfer to Capital Projects	69,000	800,000
Debt Reduction	2,420,451	2,205,000
Excess Revenue over Expenses:	**80,547**	**151,992**

City of Fairhope
Utilities Summary FYE 2014

Utility Revenue Income	Budget 2013	Budget 2014
Gas Fund	7,707,410	7,109,100
Electric Fund	19,993,277	20,295,526
Water Fund	6,798,750	6,381,000
Sewer Fund	3,790,000	3,802,000
Total Revenue:	**38,289,437**	**37,587,626**

Utility Expenses		
Gas Fund	5,638,528	4,802,934
Electric Fund	17,110,732	17,650,464
Water Fund	4,029,749	3,505,860
Sewer Fund	3,588,406	3,319,109
Total Expenses:	**30,367,415**	**29,278,367**
Transfers:	3,910,214	3,910,659
Net Earnings:	**4,011,808**	**4,398,600**

Utilities Cash Flow Requirements

	Gas Fund	Electric Fund	Water & Sewer Fund	Total
Net Earnings	1,077,334	1,329,437	1,991,829	4,398,600
Debt Payments	(54,405)	(131,482)	(999,784)	(1,185,671)
Depreciation	300,000	665,000	937,000	1,902,000
Capitalized Labor	(150,000)	(275,000)	(56,605)	(481,605)
Vehicles/Equipment	(473,300)	(172,000)	(270,500)	(915,800)
Sys Upgrades/Cap Proj	(272,500)	(538,000)	(11,155,800)	(11,966,300)
Excess (Deficit) Cash	427,129	877,955	(9,553,860)	(8,248,776)

Capital Upgrades/Purchases/Repair & Maintenance/ Additional Outside Services

General Government

IT Department/Computer Budget

1. Public Works Radios		$5,300
2. Patrol & Jail Computers		$15,000
3. Plotter for GIS		$22,000
4. Cameras for Police & City Hall		$8,900
	Total	**51,200**

Police Department

1. 2 Police Vehicles		$80,000
1a. Replace 113 145,000 miles		
1b. New Officer		
2. 6 In-Car Cameras		$18,300
3. Equipment for New Officer		$8,000
	Total	**$106,300**

Fire Department

Building New Station-will need help from in-kind and possible Impact Fee Funds once bids are open

1. Changing of Tires will be large expense this year		$19,000
	Total	**$19,000**

Public Works-Street Department

1. Asphalt Roller		$20,000
2. Backhoe		$92,500
3. Wheel Loader		$147,000
	Total	**$259,500**

Public Works-Sanitation Department

1. Garbage Truck		$243,000
	Total	**$243,000**

Planning Department

1. Compensation Plan/Upgrades		$43,000
2. Traffic Analysis/Upgrades		$28,000
	Total	**$71,000**

Adult Recreation/Special Services Department

1. Replace Convection Oven		$10,000
2. Tile Replacement/Repair		$10,000
3. Civic Center Stage Floor		$10,000
4. Door Replacement		$15,000
5. Roof Repairs		$15,000
6. Table/Chairs		$5,000
7. Museum Touch Screen		$8,000
	Total	**$73,000**

Recreation Department

1. Backhoe		$35,000
2. Small Utilitiy Vehicle		$6,000
3. Rec. Center Equipment		$15,000
4. Tennis Court Benches		$10,000
5. Ozone System Baby Pool		$5,000
6. Heaters for Pool Area		$6,000
7. Softball Park Dugout		$6,000
8. Ozone Field Backstop		$8,000
	Total	**$91,000**

Golf Department

1. Top Dressing Unit		$14,500
2. Range Unit Cage		$5,300
3. Range Ball Picker		$4,400
4. Golf Ball Washer		$2,800
5. Lawn Sweeper		$540
6. Leaf Blower		$3,000
7. Tractor		$17,000
	Total	**$47,540**

Utilities

Electric Department

1. Reconductor Transmission line for loading		$250,000
2. Vehicles		$87,000
2a. Trencher/Trailer Combination (2000)		
3. Weathered Steel Pole – Morphy and Ingleside		$108,000
4. Misc. SCADA Components (RTACs & Metering)		$15,000
5. Three Switched capacitor banks		$60,000
6. Pecan Building		$100,000
7. Electric Loss Assessment		$20,000
8. Generator for Public Works Facility		$70,000
	Total	**$710,000**

Water Department

1. Paint the 300,000 gallon water tank		$267,000
2. Engineering on the water tower		$32,000
3. Electronic water meters		$125,000
4. New Water Line		$700,000
	Total	**$1,124,000**

Waste Water Department

1. Renovate the Treatment plant		$10,000,000
2. Sewer line Rehab valley street area		$100,000
3. Manhole rehab Bishop Road and Fairhope Ave.		$3,900
4. Manhole rehab Gayfer Ave Grove Circle		$3,900
5. Rehab wet well Grand Hotel		$24,000
6. Manhole rehab Nicholes and & Young St.		$4,000
7. Rehab wet well Newton School		$21,000
8. Generators for lift stations our portion		$56,000
9. Sewer Camera		$14,500
10. SCADA System RTU's		$75,000
	Total	**$10,302,300**

Gas Department

1. Cast Iron Replacement Approx. 2500ft per year			$50,000
2. 2" steel pipe from Hwy 44 to Hwy 34 on Greeno Rd.			$53,000
3. 2" steel pipe from Hwy 34 to Hwy 32 on Greeno Rd.			$40,000
4. Meter change outs for ERTS			$81,500
5. Munis Program			$280,000
6. Service Truck			$45,000
7. Gas Loss Assessment			$18,000
8. SCADA			$25,000
9. Rectifier Station-Daphne/Stapleton			$30,000
10. Computer Upgrades			$123,300
a) New Firewall		$20,000	
b) Server Upgrades		$17,800	
c) Server Hard drives		$19,500	
d) New Computers		$20,000	
e) Access Control		$16,000	
f) Wireless Link		$10,000	
g) Pecan Building		$20,000	
	Total	$123,300	
		Total	**$745,800**

City of Fairhope Capital Project Total **$13,843,640**

City of Fairhope Budget FYE 2014

Revenues

Property Taxes	Budget 2013	Budget 2014
Real Estate Taxes	4,032,960	3,963,200
Automobile Taxes	502,000	546,000
Total Property Taxes:	**4,534,960**	**4,509,200**

Local Taxes		
Sales Tax	4,947,000	5,900,000
Beer Tax	283,000	385,000
Wine Tax	44,000	59,000
Liquor Tax	98,000	98,000
Dog Tag Tax	60	100
Cigarette Tax	127,000	128,000
Lodging Tax	575,000	620,000
Total Local Taxes:	**6,074,060**	**7,190,100**

Licenses & Permits		
Business and Liquor Licenses	1,725,000	1,768,500
Parade Permit Fees	7,500	7,500
Building Permits	350,000	445,000
Inspection Fees	139,000	182,500
Building Fines	6,000	11,100
Re-zoning Applications	2,000	3,200
Insurance Co. Franchises	189,000	201,000
Cable TV Franchise	200,000	206,000
Total Licenses and Permits:	**2,618,500**	**2,824,800**

Fines & Forfeitures		
Fines and Forfeitures	320,000	320,000
Total Fines and Forfeitures:	**320,000**	**320,000**

Special Services	Budget 2013	Budget 2014
Memberships	29,000	29,000
Dance Revenue	7,000	8,000
Instruction	800	800
Miscellaneous Revenue	3,000	3,000
Total Adult Recreation/Special Services:	**39,800**	**40,800**

Golf Department		
Memberships	180,000	192,000
Green Fees	180,700	193,000
Cart Rentals	394,000	387,000
Pro Shop Sales	126,000	127,000
Pro Shop Sales-Custom	36,000	20,000
Driving Range	36,000	37,000
Beverage Sales	53,200	57,500
Food Sales	73,700	71,000
Handicap Fees	4,800	4,300
Total Golf Department:	**1,084,400**	**1,088,800**

State of Alabama		
State Liquor Tax	6,200	12,000
State Sales Tax – ABC Store	36,000	36,000
Financial Institution Excise Tax	10,000	0
Motor Vehicle Licenses	4,000	4,200
Oil Production Privilege Tax	3,000	3,500
Alabama Trust Fund Receipts	80,000	250,000
Grants – Misc. Youth Baseball	50,000	0
Total State of Alabama:	**189,200**	**305,700**

U.S. Government		
DEA Fund Grants	0	0
Grants-Federal Trail	0	0
Total U.S. Government:	**0**	**0**

Interests & Rents	Budget 2013	Budget 2014
Interest-Bank Deposits	57,000	56,500
Municipal Pier Lease	12,000	12,000
Rent – Fairhope Cotton Farm	1,300	0
Fishing Dock Stall Rent	10,500	10,000
Rent – Faulkner	37,000	37,800
Rent – Eastern Shore Marine	24,000	25,000
Rent – University of South Alabama	1,000	1,000
Rent – Fairhope Civic Center	57,000	70,000
Rent – James P. Nix Center	18,000	19,000
Rent – Park/Sidewalk Areas	12,000	10,500
Total Interest & Rents:	**229,800**	**241,800**

Charges for Service		
Sanitation Collection	1,404,000	1,430,000
Subdivision Fees	10,000	75,000
Utility Collection Fees	830,000	540,000
Utility Administration Services	2,400,000	2,589,000
Total Charges for Service:	**4,644,000**	**4,634,000**

Recreation Department Income		
Gym Memberships/Passes	312,000	312,000
Pool Memberships	40,000	50,000
Summer Camp	7,840	10,000
Miscellaneous	3,000	5,000
Total Recreation Income:	**362,840**	**377,000**

Other Revenue		
Beach Revenue	20,500	22,000
Sale – Recycle Paper	46,000	25,000
Sale – Recycle Containers	50	50
Sale – Recycle Cans	8,000	4,000
Sale – Trash Cans	1,700	1,700
Sale – Recycle Miscellaneous & Plastics	17,000	10,000
Severance Tax – Gas & Oil	25,500	24,000

	Budget 2013	Budget 2014
Brick Memorials	600	500
Historical District Revenue	7,500	0
Youth Baseball Contribution (New Account)	20,000	0
Total Other Revenue:	**146,850**	**87,250**
Total Revenue from Government Funds:	**20,244,410**	**21,619,450**
Transfer of utility funds		
Gas Fund	1,034,441	1,228,832
Electric Fund	1,441,273	1,315,625
Water Fund	1,434,500	1,366,202
Total Transfer from utilities:	**3,910,214**	**3,910,659**
Total Revenue (Government & Utility):	**24,154,624**	**25,530,109**

Expenses

General Administrative Expenses	Budget 2013	Budget 2014
Salary - Mayor	30,000	30,000
Salaries – Council	37,200	37,200
Salaries – Administrative	1,209,613	1,235,363
Salary/Fee – City Attorney	24,000	24,000
Salaries – Judge & Court Clerk	89,910	111,401
Salaries –Mechanics & Janitor	228,113	286,331
Salaries – Building & Zoning	633,296	580,708
Salaries – Beach Labor	5,394	6,026
Salaries – Revenue Department	577,851	593,798
Employee Payroll Taxes	217,451	219,968
Employee Retirement	235,614	248,440
Employee Medical Insurance	2,445,095	2,666,200
Retired Employee Medical Cost	225,000	250,000
Casualty/Workers Compensation Insurance	230,000	939,200
Training/School/Travel	68,000	65,000
Trustee Fees	3,500	2,000
Audit & Accounting	40,000	22,000
Legal Fees	375,000	275,000
Professional Services	45,000	104,000
City Computer Expense	40,000	155,000
Office Supplies	25,000	25,000
Postage	5,000	6,000
General Supplies	62,500	50,000
General Maintenance	40,000	75,000
Library Building Maintenance/Equip. (New Account)	0	40,000
Telephone	53,400	0
Dues, Memberships & Subscriptions	29,500	23,000
Equipment & Vehicle Repair	8,000	11,000
Uniforms	1,000	1,000
Purchases – Vehicles & Equipment	74,500	51,200
Credit Card Processing Fees	18,000	19,000
Bank Fees	1,500	500
Printing	7,900	5,500
Lease on Credit Card Terminals	1,300	1,400
Recording Fees Paid	200	100
Colony Rent	10,000	12,000
Publications Newspapers	4,500	9,000
Election Expense	1,500	5,000
Memorial Bricks	500	500
Historical District Expense	6,000	6,000

	Budget 2013	Budget 2014
County Prisoner Expense	10,500	12,000
Fisherman's Wharf Maintenance	10,000	10,000
City Hall Maintenance	5,000	6,000
Beach Repairs & Maintenance	18,000	18,000
Court Supplies & Expense	10,800	10,000
Youth Baseball Grant Expense	100,000	0
Sales Tax Collection Fees	89,700	118,000
Total General Administrative:	**7,354,337**	**8,366,835**
Police Department		
Salaries	2,945,834	3,258,866
Employee Payroll Taxes	225,356	249,303
Employee Retirement	248,869	284,403
Casualty/Workers Compensation Insurance	140,500	0
Training/School/Travel	20,000	15,000
Professional Services	12,000	12,000
City Computer Expense	27,000	0
Office Supplies	6,200	6,000
General Supplies	34,000	35,000
General Maintenance	9,500	9,500
Gasoline & Oil	140,000	125,000
Equipment & Vehicle Repair	53,000	55,000
Uniforms	13,000	16,000
Purchases - Vehicles & Equipment	184,000	106,300
NCIC Data System	15,540	17,000
Corrections Oper Expenses	0	29,000
Jail Expense	90,000	55,000
	4,164,799	**4,273,372**
Fire Department		
Salaries	115,703	126,821
Fire Call Payments	48,550	48,000
Employee Payroll Taxes	8,851	9,702
Employee Retirement	10,124	11,896
Casualty/Workers Compensation Insurance	25,000	0
Firemen Physicals	2,000	2,000
General Supplies	20,000	20,000
General Maintenance	17,000	30,700
Gasoline & Oil	23,500	24,000

	Budget 2013	Budget 2014
Equipment & Vehicle Repair	50,000	50,000
Uniforms	1,000	1,000
Purchases - Vehicles & Equipment	40,000	0
	361,728	**324,119**
Recreation Department		
Salaries	661,506	773,383
Employee Payroll Taxes	50,605	59,164
Employee Retirement	34,040	37,178
Casualty/Workers Compensation Insurance	40,500	0
General Supplies	116,000	130,000
General Maintenance	54,000	70,000
Gasoline & Oil	16,000	16,000
Equipment & Vehicle Repair	25,000	20,000
Uniforms	2,500	3,000
Purchases - Vehicles & Equipment	97,950	56,000
Capital Improvements	27,000	35,000
	1,125,101	**1,199,725**
Adult Recreation/Special Services		
Salaries	441,943	428,249
Employee Payroll Taxes	33,588	32,440
Employee Retirement	29,729	30,281
Casualty/Workers Compensation Insurance	7,500	0
General Maintenance	54,000	90,000
Purchases - Vehicles & Equipment	75,000	23,000
Welcome Center Maintenance	1,000	2,000
Kitchen Supplies	3,500	3,500
Special Programs	2,000	2,500
Dance Expense	8,200	9,000
Golf Expense	900	1,000
Office Expense	15,000	15,000
Food & Drink	100	0
Shuttle Bus Expense	2,600	2,500
Other Expenses	3,500	2,000
	678,560	**641,470**
Public Works -Street Department		
Salaries	1,202,799	1,195,718
Employee Payroll Taxes	89,406	91,472
Employee Retirement	101,736	110,320
Casualty/Workers Compensation Insurance	115,100	0

	Budget 2013	Budget 2014
General Supplies	68,000	60,000
General Maintenance	6,000	6,000
Gasoline & Oil	245,000	200,000
Equipment & Vehicle Repair	98,000	95,000
Uniforms	3,000	3,000
Purchases - Vehicles & Equipment	72,500	259,500
Equipment Rental	1,000	3,000
Street Material & Landscaping	210,000	245,000
Sidewalks	50,000	50,000
	2,262,541	**2,319,010**
Public Works -Sanitation Department		
Salaries	797,995	801,230
Employee Payroll Taxes	55,061	58,301
Employee Retirement	61,668	70,836
Casualty/Workers Compensation Insurance	62,000	0
General Supplies	24,000	25,000
Gasoline & Oil	88,000	90,000
Equipment & Vehicle Repair	200,000	125,000
Uniforms	6,000	6,000
Purchases - Vehicles & Equipment	278,277	243,000
Landfill Charges	287,568	260,000
Landfill Maintenance	2,000	2,000
Purchases-Recycle Bins	3,000	6,000
	1,865,569	**1,687,367**
Golf Department		
Salaries-Grounds	281,342	236,351
Salaries-Clubhouse	282,724	286,960
Employee Payroll Taxes	43,151	40,033
Employee Retirement	38,998	34,803
Casualty/Workers Compensation Insurance	23,000	0
Professional Services	25,000	21,000
General Supplies	85,000	88,540
Supplies-Clubhouse	8,000	8,000
General Maintenance	8,400	8,000
Gasoline & Oil	15,000	15,000
Equipment & Vehicle Repair	25,000	25,000
Uniforms	1,000	2,500
Purchases Vehicles & Equipment	37,795	44,000
Advertising & Promotion	7,000	7,000
Purchases – Beer & Wine	32,000	30,000

	Budget 2013	Budget 2014
Purchases-Food	50,500	50,000
Supplies-Grill	5,000	2,000
Cost-Pro Shop Sales	100,000	80,000
Pro Shop - Custom Orders	35,000	20,000
	1,103,910	**999,187**
Staff Agencies & Appropriations		
Public Library	630,000	674,100
The Haven	65,000	65,000
Airport Authority	60,000	60,000
Airport – Debt Service	383,000	383,000
Baldwin County Transit Hub	24,000	24,000
	1,162,000	**1,206,100**
Debt Services		
Lease Purchase	213,746	138,677
Transfers - Debt Service Fund	1,292,335	1,217,255
Debt Service on Library Loan	0	0
	1,506,081	**1,355,932**
Restricted Sales Tax Revenue		
Library Loan	717,000	
Street Resurfacing Loan	1,703,451	
Transfers to Capital Projects Fund	69,000	800,000
Debt Reduction		2,205,000
	2,489,451	**3,005,000**
Total Expenses from Government Funds:	**24,074,077**	**25,378,117**
Ending Net Balance:	**80,547**	**151,992**

City of Fairhope Budget FYE 2014

Gas Tax Fund-Revenue	Budget 2013	Budget 2014
2% Petroleum Inspect. Fee	7,100	7,100
7% Gas Excise Tax	42,000	42,000
4% Gas Excise Tax	24,500	24,500
5% Gas Excise Tax	13,900	13,900
	87,500	87,500

Gas Tax Fund-Expense

Street Material/Construction Costs	80,000	40,000
Transfers to CP – Street repairs	0	250,000
Total Expenditures	80,000	290,000
Net Income Over (Under Expenditures)	7,500	(202,500)

Gas Tax Projects

Road Construction & Maintenance	40,000
Fairhope Ave. Widening Project-Transfer to Capital projects	250,000

Cash

7 cent & 2 cent Checking	68,314
4 cent & 5 cent Checking	209,899
203,392	
Total Cash:	**278,213**

City of Fairhope Budget FYE 2014

Capital Projects Fund-Revenues	Budget 2013	Budget 2014
Grant Income - ALDOT	0	90,000
Interest Earned	0	0
Transfer from General Fund	69,000	800,000
Donations- COPA	0	17,000
Transfers from Impact Fee	0	850,000
Transfers from Gas Tax	0	250,000
Total Income:	**69,000**	**2, 007,000**

Capital Projects Fund-Expenses		
Special Recreation Projects	69,000	45,000
Community Park Project	0	429,000
ATRIP Roundabout 13 & 48	0	265,540
ATRIP Resurfacing Fairhope Ave.-181 to Bancroft	0	235,800
Fairhope Ave. Widening Project	0	455,481
ATRIP Church St. Drainage Project	0	34,000
Floral Clock Project	0	34,270
Welcome Center Restrooms	0	50,000
Manley Road Soccer	0	2,000,000
Pier Restrooms	0	25,000
New Stairs at Beach Park	0	10,000
Total Expenditures:	**69,000**	**3,584,091**
Net Income Over (Under Expenses)	0	(1,577,091)

Cash	
Operating Account	1,157,533.78
Checking Account	14,075
BP Oil Spill Cost Reimbursement	429,524.01
Total Cash:	**1,587,057.79**

City of Fairhope FYE 2014

Impact Fee Fund-Revenues	Budget 2013	Budget 2014
Police	8,750	20,000
Fire	48,250	110,000
Transportation	56,250	128,000
Recreation	136,750	314,000
Impact Fee Income	0	1,500
Total Income:	250,000	573,500

Impact Fee Fund-Expenses		
Police	50,000	0
Fire	0	0
Transportation	232,365	250,000
Recreation	450,000	600,000
Total Expenditures:	732,365	850,000
Net Income Over (Under Expenditures)	(482,365)	(276,500)

Impact Fee Projects	
Fairhope Avenue Improvements-Transfer to Capital	250,000
Manley Road Soccer Complex-Transfer to Capital	600,000
	850,000

Impact Fee Balances	
Police	27,356.43
Fire	199,620.15
Transportation	304,649.60
Recreation	722,386.61
	1,254,012.79

City of Fairhope Budget FYE 2014

Gas Fund- Revenues	Budget 2013	Budget 2014
Sale of Natural Gas	6,299,542	5,607,600
Sale of N.G. - Joint Line	1,385,182	1,490,000
Interest Earned	10,000	5,000
Miscellaneous Revenue	8,900	3,000
Community Development Revenue	3,786	3,500
Total Operating Revenue:	**7,707,410**	**7,109,100**

Gas Fund- Operating Expenses		
Purchase Power-Natural Gas	2,463,478	1,981,465
Collection Costs/Revenue Department	191,000	123,000
Administrative Costs	800,000	877,000
Salaries	626,958	476,643
Payroll Taxes	60,904	47,938
Retirement Expense	67,946	56,138
Employees Medical Insurance	275,271	0
Employee Retirement Medical Insurance	15,930	23,000
Casualty/Workers Compensation Insurance	68,000	53,550
Training/School/Travel	7,000	7,000
Trustee Fees	1,500	1,500
Audit & Accounting	12,500	12,500
Legal Fees	6,500	15,000
Professional Services	28,000	28,000
City Computer Expense	22,000	0
Office Supplies	3,000	3,000
Postage	36,000	36,000
Operating Supplies	56,000	56,000
Maintenance - Buildings	10,000	10,000
Maintenance - Plant	100,000	100,000
Telephone	26,400	0
Dues-Memberships-Subscription	32,000	15,000
Gasoline and Oil	53,000	53,000
Maintenance - Vehicles & Equipment	40,000	40,000
Uniforms	4,000	4,000
Community Development Projects	193,000	338,500
Depreciation	299,242	300,000
Interest	36,000	36,000
Rental-Other	6,000	10,000
Bond Issue Expense	1,400	1,700

	Budget 2013	Budget 2014
Electricity	2,500	3,000
Dist of Joint Revenue	54,000	54,000
Daphne 3% Revenue Tax	3,000	4,000
Spanish Fort Franchise Tax	30,000	30,000
APSC Inspection Fee	6,000	6,000
Total Expenses:	**5,638,529**	**4,802,934**

Gas Fund

Earnings from Operations	2,068,881	2,306,166
Transfers to General Fund	1,034,441	1,228,832
Net Earnings:	**1,034,440**	**1,077,334**

City of Fairhope Budget FYE 2014

Electric Fund- Revenue	Budget 2013	Budget 2014
Sale of Electric Energy	19,658,720	19,962,000
Revenue Late Charges	204,000	204,000
Pole Rental - Telephone Company	25,000	27,000
Pole Rental - Cable T.V.	38,000	44,000
Pole Rental - Riviera	426	426
Temp Service Charges	925	600
Interest Earned	6,206	4,000
Miscellaneous Revenue	30,000	30,000
Connection Fees	30,000	20,000
Community Development Revenue	0	3,500
Total Revenue:	**19,993,277**	**20,295,526**

Electric Fund- Operating		
Purchase Power-Electric	12,034,311	12,485,000
Collection Costs/Revenue Department	133,000	85,000
Administrative Costs	800,000	851,000
Salaries	694,321	821,315
Payroll Taxes	75,094	83,868
Retirement Expense	84,176	100,181
Employees Medical Insurance	305,816	0
Employee Retirement Medical Insurance	19,000	25,500
Casualty/Workers Compensation Insurance	143,000	149,100
Training/School/Travel	16,000	24,000
Trustee Fees	1,500	1,500
Audit & Accounting	14,000	17,500
Legal Fees	5,000	5,000
Professional Services	30,000	30,000
City Computer	25,000	0
Office Supplies	3,000	3,000
Postage	36,000	36,500
Operating Supplies	150,000	150,000
Mechanic Shop Supplies	2,500	2,500
Maintenance - Buildings	6,000	6,000
Maintenance - Plant	300,000	300,000
Telephone	30,000	0
Dues, Memberships & Subscriptions	3,000	2,000
Miscellaneous	0	5,000

	Budget 2013	Budget 2014
Bad Debts	150,000	150,000
Gasoline and Oil	36,000	25,000
Maintenance - Vehicles & Equipment	5,000	55,000
Uniforms	18,000	20,000
Community Development Projects	110,000	288,500
Depreciation	663,910	665,000
Interest	72,000	72,000
Rental-Other	6,000	6,000
Bond Issue Expense	3,804	4,200
Credit Card Processing Fees	46,000	0
Bank Fees	13,000	94,000
Lease on credit card terminals	1,300	1,800
Utilities for City use	1,075,000	1,085,000
Total Operating Expenses:	**17,110,732**	**17,650,464**
Earnings from Operations:	2,882,545	2,645,062
Transfers to General Fund	1,441,273	1,315,625
Net Earnings:	**1,441,272**	**1,329,437**

City of Fairhope Budget FYE 2014

Water Fund

Water Department-Revenue	Budget 2013	Budget 2014
Water Sales	6,199,950	5,775,000
Telephone Companies Antenna Rental	144,000	150,000
Interest Earned	4,800	6,000
Miscellaneous Revenue	0	0
Connection Fees	450,000	450,000
Community Development Revenue	0	0
Total Operating Revenue:	**6,798,750**	**6,381,000**

Water Department - Expenses		
Purchase Power-Electric	330,000	330,000
Collection Costs/Revenue Department	323,000	212,000
Administrative Costs	530,000	523,000
Salaries	572,116	461,289
Payroll Taxes	46,201	38,204
Retirement Expense	51,987	44,967
Employees Medical Insurance	125,145	0
Employee Retirement Medical Insurance	59,311	21,500
Casualty/Workers Compensation Insurance	82,000	69,300
Training/School/Travel	7,000	7,000
Trustee Fees	5,000	6,600
Audit & Accounting	9,000	13,000
Legal Fees	5,000	5,000
Professional Services	16,000	16,000
City Computer Expense	15,000	0
Office Supplies	2,000	2,000
Postage	25,000	25,000
Operating Supplies	35,000	35,000
Maintenance - Buildings	5,000	15,000
Maintenance - Plant	275,000	275,000
Telephone	30,000	194,000
Dues, Memberships & Subscriptions	4,000	4,000
Gasoline and Oil	50,000	50,000
Maintenance - Vehicles & Equipment	35,000	35,000
Uniforms	6,000	6,000
Community Development Projects	397,000	150,000

	Budget 2013	Budget 2014
Depreciation	421,989	422,000
Interest	313,000	313,000
Rental-Other	40,000	40,000
Bond Issue Expense	10,000	13,000
Bank Fees	0	0
Chemicals & Testing	200,000	175,000
Point Clear Properties Fees	4,000	4,000
Total Expenses:	**4,029,749**	**3,505,860**
Earnings from Operations:	2,769,001	2,875,140
Transfers to General Fund	1,434,500	1,366,202
Net Earnings:	**1,334,501**	**1,508,938**

City of Fairhope Budget FYE 2014

Wastewater Department -Revenue	Budget 2013	Budget 2014
Revenue Sewer Charges	3,560,000	3,560,000
Interest Earned	2,000	2,000
Connection Fees	228,000	240,000
Total Revenue:	**3,790,000**	**3,802,000**
Wastewater Department-Expenses		
Purchase Power-Electric	435,000	450,000
Collection Costs/Revenue Department	183,000	120,000
Administrative Costs	280,000	338,000
Salaries	403,406	505,946
Payroll Taxes	32,873	40,120
Retirement Expense	36,741	49,193
Employees Medical Insurance	90,768	0
Employee Retirement Medical Insurance	31,755	12,800
Casualty/Workers Compensation Insurance	45,000	38,850
Training/School/Travel	4,000	4,000
Trustee Fees	1,400	2,000
Audit & Accounting	5,000	7,200
Legal Fees	8,000	8,000
Professional Services	10,000	10,000
City Computer Expense	9,000	0
Office Supplies	1,500	1,500
Postage	13,000	14,000
Operating Supplies	16,000	16,000
Maintenance - Buildings	6,000	6,000
Maintenance - Plant	485,000	300,000
Dues, Memberships & Subscriptions	1,500	1,500
Gasoline and Oil	28,000	28,000
Maintenance - Vehicles & Equipment	25,000	25,000
Uniforms	6,000	6,000
Depreciation	515,764	515,000
Interest	575,000	475,000
Rental-Other	2,000	2,000
Bond Issue Expense	14,698	20,000
Chemicals & Testing	315,000	315,000
Point Clear Properties Fees	8,000	8,000
Total Expenses:	**3,588,405**	**3,319,109**
Earnings from Operations:	**201,595**	**482,891**

Community Development 2013

Mobile Bay NEP	$5,000
SmartCoast	$5,000
BCEDA	$10,000
Ecumenical Ministries	$10,000
Eastern Shore Chamber of Commerce	$20,000
Eastern Shore Chamber of Commerce	$6,000
Education Advisory Committee	$350,000
Optimist Club/Dogwood Trail Program	$2,000
Fairhope Film Festival	$10,000
Rotary Youth Club	$50,000
Misc Golf (FIS, Booster, FEEF)	$7,500
Pirate Booster	$35,000
(Made a 5 year commitment of $35,000 in 2011)	
Lighthouse Domestic Violence Shelter	$2,000
Easter Shore Art Center	$15,000
Festival of Flight	$50,000
TOTAL AMOUNT APPROVED:	**$577,500**

City of Fairhope Advance Debt Reduction Plan

		GOW 2007 4.51 %
Fiscal Year		
Balance as of 10/1/2013		6,700,000
	Principal Payment	(230,000)
	Additional Principal Payment	(2,205,000)
2014	Interest	300,771
		4,565,771
	Principal Payment	(240,000)
	Additional Principal Payment	(2,205,000)
2015	Interest	205,916
		2,326,687
	Principal Payment	(255,000)
	Additional Principal Payment	(2,176,621)
2016	Interest	104,934

Interest over remaining life of loan	3,069,364
Interest paid	(611,620)
Interest saved	**2,457,744**

General Fund Debt

GOW 2007	$6,700,000	
GOW 2009	$2,470,000	
GOW 2011	$3,755,000	
	$12,925,000	
Debt Reduction	$795,000	
Extra Payment	$2,205,000	
	$3,000,000	
Total General Fund Debt as of Sept. 30, 2014		**$9,925,000**

Utility Debt

URW 2005	$5,905,000	
URW 2009	$860,000	
URW 2011	$15,225,000	
	$21,990,000	
Debt Reduction	**$1,180,000**	
Total Utility Debt as of Sept. 30, 2014		**$20,810,000**

Total City Debt **$30,735,000**

Teachers
Sarah S. Swindle, Chair
Susan W. Brown, Vice Chair

Employees
State State Police Public Judicial
Robert J. Bentley, Chair

THE RETIREMENT SYSTEMS OF ALABAMA

David G. Bronner, CEO
Donald L. Yancey, Deputy Director

FAIRHOPE
PO BOX 429
FAIRHOPE AL 36533

FAR

06-27-13P 02:39 RCVD

June 24, 2013

This letter should be forwarded to your Accounting and Payroll Departments. Please retain this letter as it contains important information related to your unit's fiscal year 2014 employer contribution rates and factors that are to be changed for the October 2013 contribution report due on November 1, 2013.

Your unit's contribution rates and factors for fiscal year 2014 (October 1, 2013 through September 30, 2014) are shown in the chart below. Please note that rates will be adjusted for elections made subsequent to the date of this letter (e.g. Act 2011-676 elections, lump-sum payments, change from 30-year to 25-year retirement, etc.).

FY 2014 Contribution Rate Information		
	Tier 1 Employees	**Tier 2 Employees**
Employer Contribution Rate	9.38 %	7.08 %
Employee Contribution Rate		
Regular Employee	5.00 %	6.00 %
FLC* Employee	6.00 %	7.00 %
Employer Contribution Factor		
Regular Employee	1.876000	1.180000
FLC* Employee	1.563333	1.011429
*FLC=Firefighters, Law Enforcement, and Correctional Officers		

Should you have other questions, you may call 1-877-517-0020.

Sincerely,

Miller G. Wallace, CPA, MBA

(Mailing Address) P.O. Box 302150 ♦ Montgomery, AL 36130-2150
(Office Location) 201 South Union Street ♦ Montgomery, AL
334 517 7000 or 877 517 0020
www.rsa-al.gov

Medical Insurance/Workers Comp Insurance

2013 Projection compared to 2014 Budget

		Projected for 2013	2014 Budget	
Medical Insurance (includes disability)	GEN	2,003,900	2,666,200	**(all depts.)**
	GAS	351,000	0	
	ELEC	121,964	0	
	WATER	69,821	0	
	SEWER	54,735	0	
		2,601,420	**2,666,200**	**2.5%**
Required-OPEB	GEN	245,353	250,000	
	GAS	19,056	23,000	
	ELEC	22,632	25,500	
	WATER	21,444	21,500	
	SEWER	11,316	12,800	
		319,801	**332,800**	**4.1%**
Medical & OPEB		**2,921,221**	**2,999,000**	**2.7%**
Casualty/Workers Comp		893,526	939,200	
	GAS	53,000	53,550	
	ELEC	161,855	149,100	
	WATER	69,107	69,300	
	SEWER	38,447	38,850	
		1,215,935	**1,250,000**	**2.8%**

Utility Portion of Medical Moved to Gen Government **$771,810**