



CITY OF PELHAM, ALABAMA

FISCAL YEAR 2021 BUDGET





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INTRODUCTORY INFORMATION



OFFICERS AND OFFICIALS



MAYOR AND CITY COUNCIL

Gary WatersMayor

Rick Hayes Place 1, Council President

Ron Scott..... Place 2, Council Person

Beth McMillan..... Place 3, Council Person

Maurice Mercer Place 4, Council Person

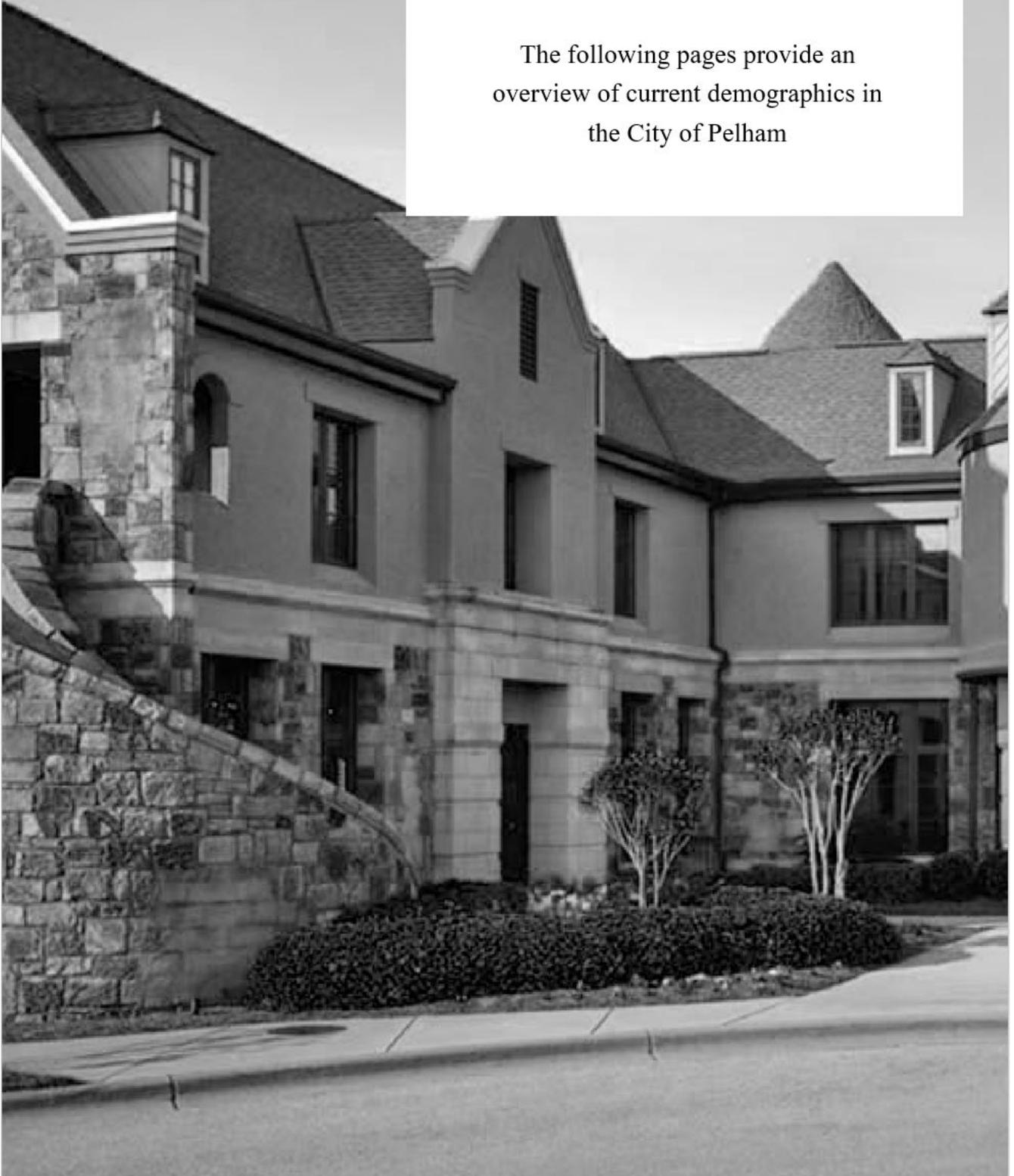
Mildred Lanier..... Place 5, Council President Pro Tempore

ADMINISTRATIVE STAFF

Gretchen DiFante City Manager
Tom Seale..... City Clerk/Treasurer
Ainsley AllisonCommunications and Branding Manager
Andre` BittasDirector of Development Services and Public Works
Jennifer Bridwell Court Clerk
Angie Brown..... Building Official
Hal Brown..... Director, Ballantrae Golf
Mary Campbell Library Director
Pat Cheatwood..... Chief of Police
Jenny Gray.....Accounting Manager
Tracy Hill Director..... Human Resources
Dell Ann Holly..... IT Manager
Paula HollyExecutive Assistant to the Mayor
Tim Honeycutt..... Fire Chief
Brooke JenkinsExecutive Assistant to the City Manager
D. Tyrell McGirt Director, Parks and Recreation
Chaney Mills..... Director, Pelham Racquet Club
Danny TateAdministrator, Pelham Civic Complex and Ice Arena

PELHAM TODAY

The following pages provide an overview of current demographics in the City of Pelham



LAND USE AND JOBS

There are a total of 25,152 acres of land within the current city limits of Pelham. Today, approximately 76% of that area has been developed. Residential development is the primary use of developed land in Pelham, which reflects the City’s initial development as a bedroom community, from which residents travel regularly for work, shopping and other destinations.

There are approximately 1,762 businesses in the City of Pelham employing over 18,600 people. Service-based establishments make up the largest number of community businesses and provide 39% of the jobs. The Wholesale Trade industry makes up 14% of the area jobs, followed by Manufacturing (12%), Construction (12%) and Government (6%).



Pelham Public Library

18,699

of people employed in Pelham.

354

of employees employed at Pelham City Schools, which is the largest employer in Pelham, followed by the City of Pelham.

1,762

of businesses in Pelham.

Table 2.1: Existing Land Use by Category

Land Use Category	Acres	% of Total
Agriculture/Estate	2,516	10%
Parks and Open space	8,493	34%
Residential	3,873	15%
Institutional	178	1%
General Commercial	1,152	5%
Office	25	0.1%
Light Industrial	865	3%
Heavy Industrial	80	0.3%
Vacant/Undeveloped	6,103	24%
Transportation Rights-of-Way	1,867	7%
Total	25,152	100%*

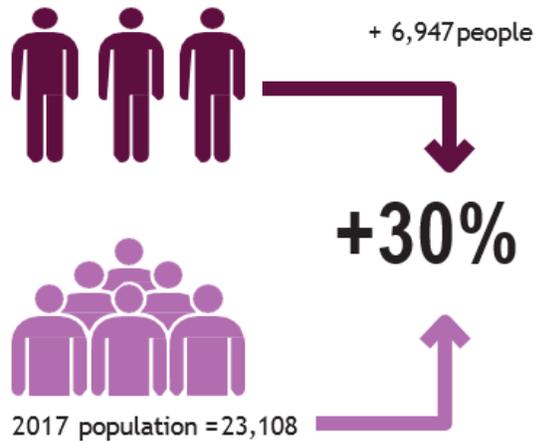
*Numbers are rounded to the nearest whole number.

PEOPLE AND HOUSING

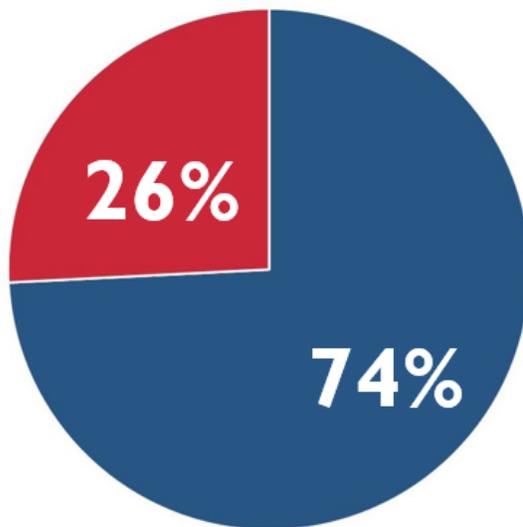
From 2000 to 2017, the population of people living in Pelham increased to 23,108 people. Between 2010 and 2017, the number of family households increased from 5,725 to 6,151, an increase of 426 families. The number of married couples slightly increased from an estimated 58% in 2010 to 61% in 2017. Pelham also experienced a 3% decrease in non-family households from 2010 to 2017. Non-family households consist of single individuals living alone or with non-relatives. This increase in family households follows those of general national trends of increasing single-parent households and multi-generational households.

POPULATION

2000 population = 16,161



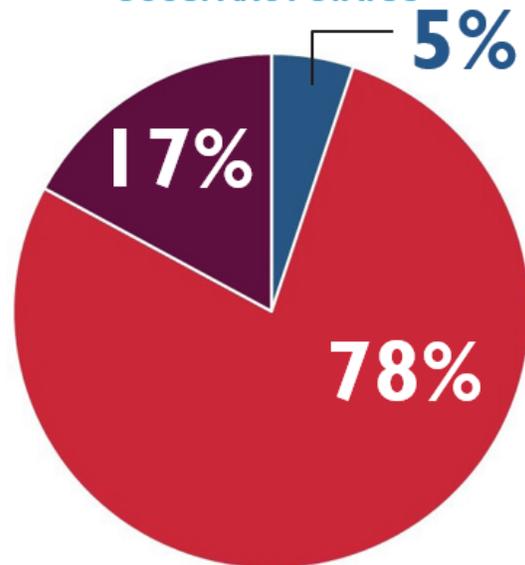
HOUSEHOLD TYPE



Family Households

Non-Family Households

OCCUPANCY STATUS



Owner-Occupied Housing Units

Renter-Occupied Housing Units

Vacant Housing Units

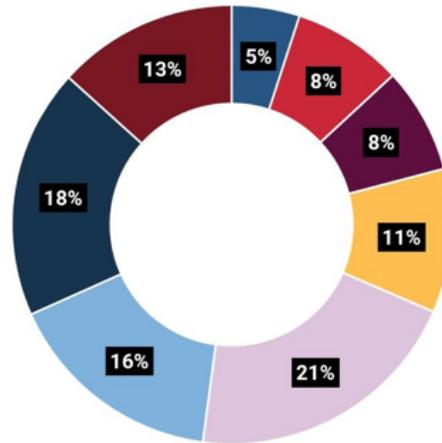
MEDIAN HOUSEHOLD INCOME

\$71,429

The median income of Pelham residents, which is slightly lower than Shelby County as a whole (\$72,310).



- < \$15,000
- \$15,000 - \$24,999
- \$25,000 - \$34,999
- \$35,000 - \$49,999
- \$50,000 - \$74,999
- \$75,000 - \$99,999
- \$100,000 - \$149,999
- \$150,000+



HOUSING

\$178,331

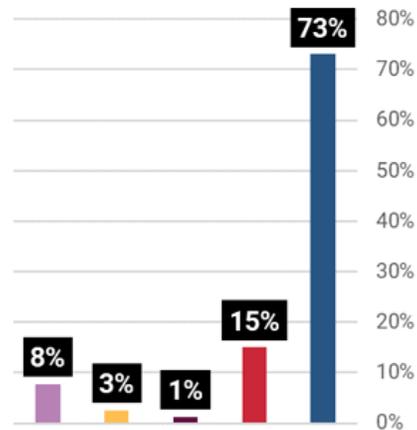
is the median home value in Pelham.



\$1,053

The median monthly rent payment in 2017. Since 2000, median rent has increased 77% in Pelham.

HOUSING UNITS TYPES



Single-family Dwelling

Townhouse or Duplex

2 to 4 Unit Apartments

5+ Apartments

Mobile Homes

BUDGET CALENDAR

- June 20 – Budget schedule developed with Council and sent to department heads
- July 8 – Preliminary budget information due to City Manager from department heads
- August 3 - Summary budget presented to Council
- August 4 – August 17 - Department heads present line item budget to Council for questions/comments
- August 17 - Council given capital projects list to prioritize
- September 1 – Capital project priorities due to Accounting Manager from Council
- September 1 – September 3 - City Manager, Department Heads and Accounting Manager compile proposed Revised 2020 Budget and Proposed 2021 Budget
- September 14 - City Manager presents proposed Revised 2020 Budget and Proposed 2021 Budget to City Council with City Council discussion
- September 21 - City Council adopts proposed budgets or does not adopt and gives direction to City Manager for next steps
- October 1 - Fiscal year 2021 begins
- October 5 – Council consideration to adopt budget

BUDGET INTRODUCTION

The City provides many services to its residents and businesses with the goal of establishing a positive quality of life for all those living, working and visiting our City as well as to attract new investment to the City. These services are very expensive, and the prioritization and funding processes requires the coordinated efforts of the City Council, Mayor, City Manager and all members of management. The City receives funds from a variety of sources and constitutes its revenue. Spending for public services is termed expenditures.

It is the responsibility of the City Manager to propose the budget to the City Council and Mayor, outlining revenues and services they believe the City should provide and the cost to provide those services. The City Manager is required by law to provide a balanced budget. In order to do this, City Management must make difficult choices and establish priorities. Several factors go into setting those priorities, including critical infrastructure needs, citizen priorities (made known through various sources; this year primarily through the City’s Comprehensive Plan adopted in February 2020), City Council priorities and of course financial limitations.

The City Council is involved in the budget process before the City Manager presents the recommended budget. City Council considers the proposed budget, and after careful evaluation and possible changes, adopts the final budget. The adopted budget becomes the City’s spending law and financial roadmap for the year.

The City’s fiscal year runs October 1 through September 30. The term FY2021 signifies the period between these dates.

The City’s budget includes financial information from both the General Fund and the City’s Proprietary Funds. The following provides a brief overview of these funds as they pertain to the City’s budget.

General Fund

The General Fund is the principal operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is used to account for most of the day-to-day operations of the City, which are financed from sales tax, property tax, and other general revenues. There can be only one General Fund.

Proprietary Funds

There are two types of proprietary funds. The first are enterprise funds or “separate business funds.” The City of Pelham maintains several separate “businesses units.” These include our Water and Sewer Departments, Garbage Collection Operations, Pelham Civic Complex and Ice Arena, Ballantrae Golf Course and the Pelham Racquet Club. These City operations are financed and operated in a manner similar to private enterprise. User charges and impact fees recover costs of providing services to the public. The Pelham City Council operates its water, sewer and garbage funds in this manner; however, the other city operations listed above draw upon general fund revenues to make up for the cost of operations over revenue collected. These three entities have a large indirect impact on the City’s total revenue. This is commonly called, “economic impact” which simply means users of these facilities travel from outside the City of Pelham (from other cities, states and countries) and spend money on gas, food and entertainment; thus supporting our local economy and therefore our general fund revenue. For this reason, City leaders must make a decision to supplement the shortfall in the “bottom line” of these operations with monies from the general fund.

The second type of proprietary funds are Internal Service Funds. They are used to account for the financing of services and supplies by one City department to another on a cost-reimbursement basis.

Where Does the Money Come From?

It is appropriate to start with a look at where the City’s money comes from.

The City’s total General Fund revenues account for 67% of its revenue, which is about \$41 million. The City’s Proprietary Funds account for an additional \$17 million, which consists of charges for services.

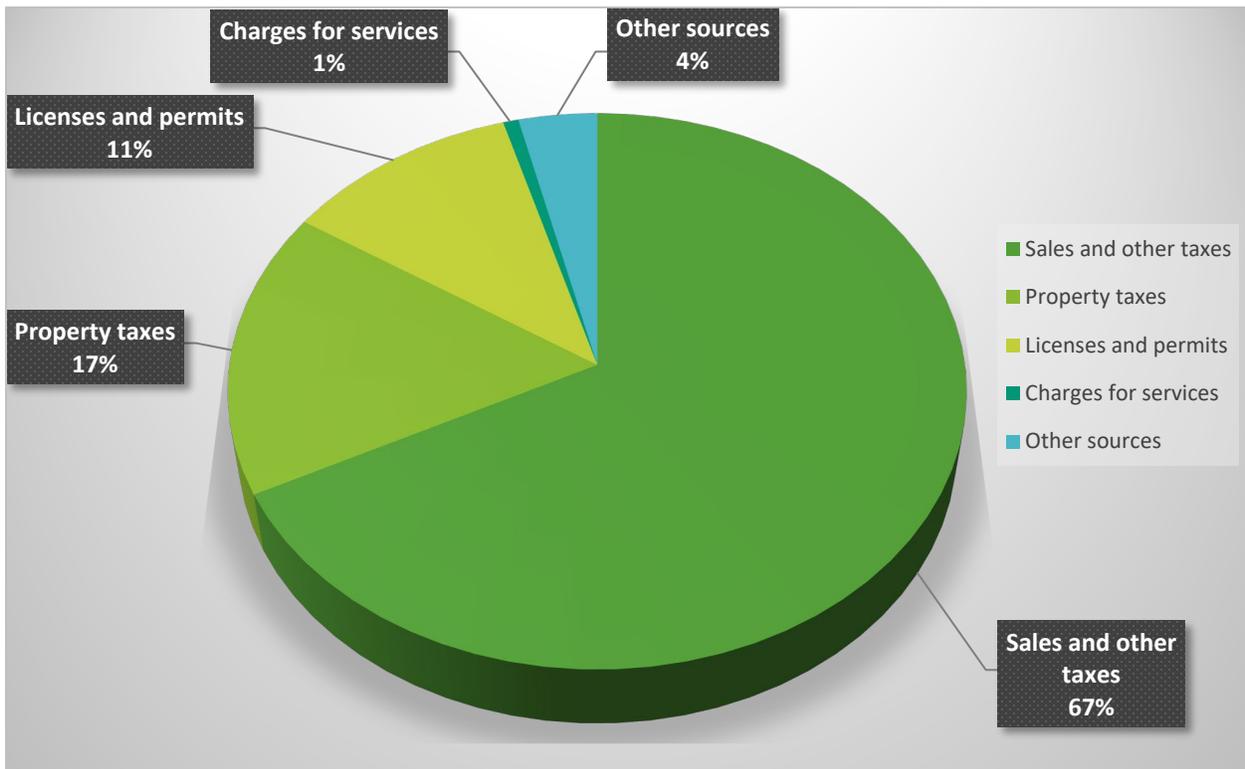
The General Fund

Sales and Use Taxes account for 67% or \$28.2 million.

Property Taxes account for about 17%, which is about \$6.9 million.

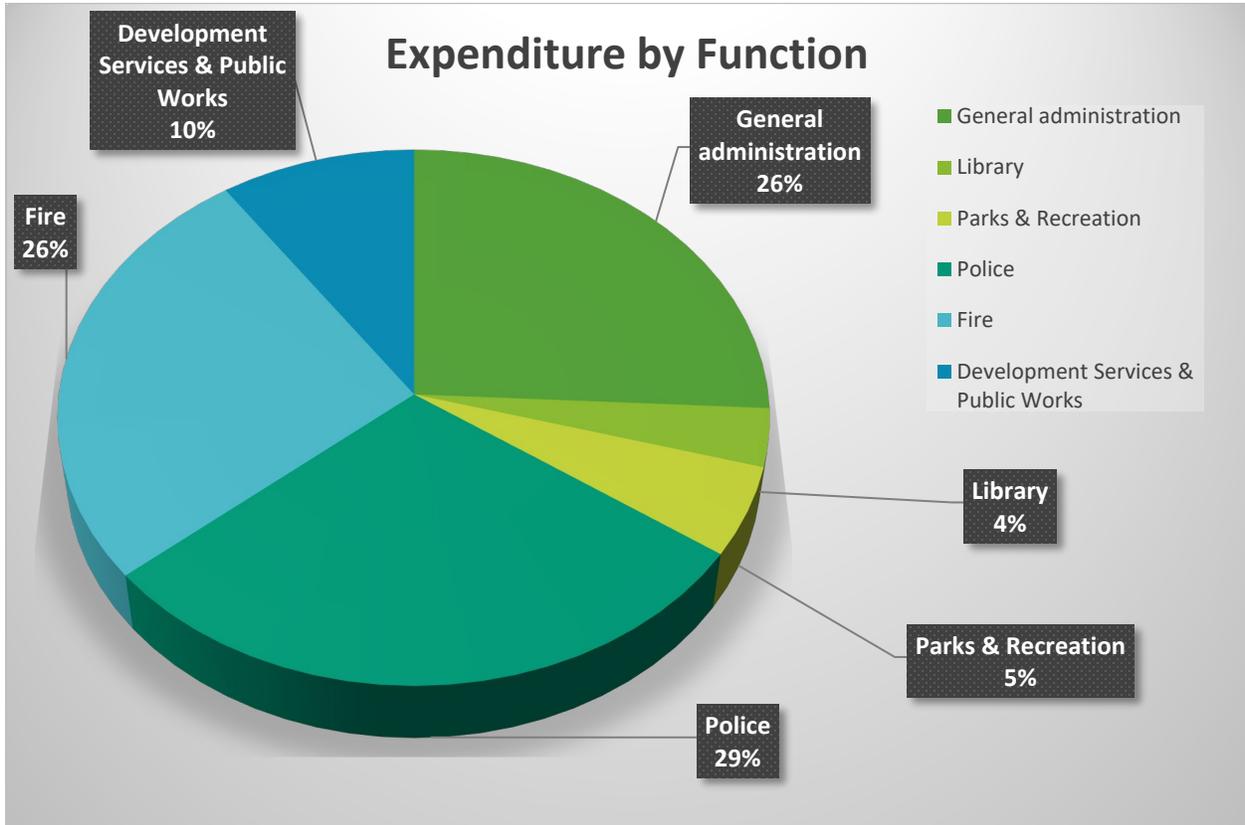
Business Licenses and Permits account for about 11% or \$4.7 million.

The remaining 4% comes from fines and forfeitures, charges for service, other sources and interest income.



Where does the money go?

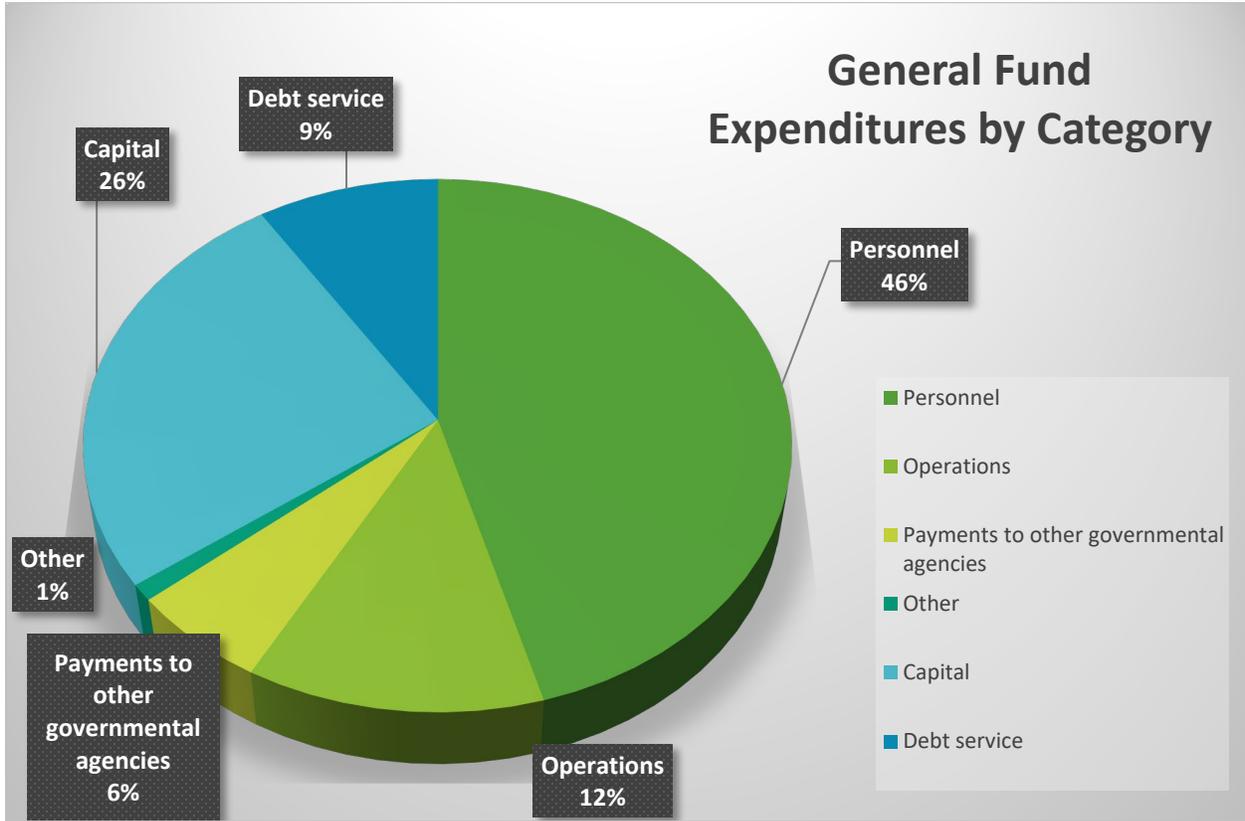
Below is a general breakdown of spending by department for the General Fund FY2021 proposed budget.



General administration includes costs for the City Council, Mayor, City Manager, Finance, Information Technology, Human Resources and the City Attorney.

Development Services and Public Works (DSPW) includes Streets, Landscape and Facilities Maintenance, Engineering and the Building and Zoning Department.

The chart below provides a general breakdown of spending by category for the General Fund FY2021 proposed budget.



Municipalities with public safety operations typically have a greater overall percentage of personnel costs than does a private business. Industry best practice recommends keeping personnel costs below 50% of total expenses. The cost of most City services are paid for from revenues received during the year. Some projects are not affordable with current year revenue alone, such as a new building, expensive roads or utility improvements. The City can fund those projects by borrowing funds and/or taking funds from reserves (discussed later).

When the City borrows money, it repays it with funds from future revenue. City leaders make a commitment to repay loans with interest, often over a twenty- or thirty-year period. Therefore, the City’s budget, although it is a one-year plan, must consider financial events over a much longer period.

Long-term Planning

The budget cannot be solely about providing public services to improve Pelham's quality of life in the budget year, as it must plan for future improvements. Many positive aspects of life in Pelham develop slowly and require the combined efforts of city, state, and federal governments, businesses, and citizens. City leaders plan ahead for these things, and those plans are reflected in the current budget.

Money with "Strings Attached"

Some city revenue has "strings attached," which is commonly referred to as earmarked. Earmarked revenue can only be spent for specific purposes. The restrictions are usually made by city, state, or federal law.

Reserves for a Rainy Day

The City, like most responsible people and organizations, has a "rainy day fund" or money set aside to help the City continue to provide services and fulfill commitments when the amount of revenue is not adequate. This fund helps protect against budget risk. The budget refers to these as financial reserves and fund balance reserves. Some of those reserves are available to spend as council wishes (unassigned) and others are earmarked for specific purposes.

As a further responsible and practical management practice, the City also keeps cash reserves in mind during long term capital planning. Having cash reserves provides more financial stability and creates greater confidence amongst the public and City lenders.

Financial Accountability and Transparency

City leaders are accountable to the public for the money spent by the City. To assist all people in understanding the city's financial activities, this budget along with the City financial reports are intended to disclose financial resources available to the City and outline how those resources will be spent, at the most practical level.

The City is a complex financial organization. All of the information contained in this budget document is intended to educate and promote accountability and transparency.

Like most industries, government budgeting and accounting has a professional organization and is governed by best practices. For government finance, that organization is the Government Finance Officers Association (GFOA). The City became a member of GFOA in 2018, and we are working towards adopting best industry practices. For more information, visit www.gfoa.org. In addition, the City is audited each year by a third party auditor and is accountable to the Governmental Accounting Standards Board (GASB). For more information, visit www.gasb.org

	BUDGET SNAPSHOT			
	FY2019 Actual	FY2020 Budgeted	FY2020 Projected Actual	FY2021 Proposed Budget
Revenues				
Taxes				
Sales tax	28,414,173	28,340,279	28,380,830	27,695,215
Property tax	6,403,411	6,612,134	6,730,000	6,932,025
Motor Vehicle/Gas tax	593,589	610,000	550,000	450,000
Other tax	123,892	65,650	65,500	40,300
Licenses and permits	4,892,403	4,841,600	4,766,850	4,718,050
Fines and forfeitures	1,106,342	1,115,531	338,884	350,000
Charges for services	19,595,483	19,253,510	18,917,183	18,784,961
Interest income	2,030,605	253,365	245,325	142,700
Other	780,364	738,170	818,347	1,090,300
Total revenues	63,940,262	61,830,239	60,812,919	60,203,551
Expenditures				
General administration				
Administrative	9,161,808	6,643,669	5,990,295	7,182,076
Human Resources	323,357	498,719	498,719	567,862
Court	226,356	179,161	190,395	171,075
IT	737,838	1,026,269	726,403	791,428
Covid 19	-	60,000	228,778	-
Library	1,256,585	1,153,902	1,075,192	1,179,543
Parks & Recreation	1,323,399	1,805,880	1,546,432	1,803,539
Police	8,388,986	9,453,134	9,121,814	9,870,222
Fire	8,199,628	8,829,147	8,756,967	8,932,394
Public works	-	-	-	-
Revenue/Building	490,592	531,065	498,908	462,556
Engineering	137,364	741,750	741,750	123,502
Facilities Maintenance & Public Works	2,510,847	2,626,227	2,510,305	2,664,695
Garage	183,480	-	-	-
Water & Sewer Fund	5,970,942	7,021,386	6,832,529	6,615,713
Civic Complex & Ice Arena	4,667,283	3,923,188	3,130,947	3,291,165
Racquet Club	1,192,977	1,307,775	1,076,653	1,211,446
Ballantreae Golf	2,081,911	2,285,027	2,115,702	2,268,481
Pelham Garbage	1,265,089	-	1,400,000	1,380,000
	48,118,442	48,086,299	46,441,789	48,515,697
Revenues less expenditures	15,821,820	13,743,940	14,371,130	11,687,854
Capital outlay	1,619,067	6,096,211	4,220,539	16,322,732
Debt service				
Principal retirement	6,349,023	5,464,675	5,464,675	5,110,051
Interest	2,286,331	1,933,137	1,933,137	1,915,894
Total capital outlay and debt expenditures	10,254,421	13,494,023	11,618,351	23,348,677
Excess (deficiency) of revenues over (under) expenditures	5,567,399	249,917	2,752,779	(11,660,823)
Other financing sources (uses)				
Proceeds from sale of capital assets	468,222	1,048,500	1,040,705	25,000
Capital contributions				
Issuance of debt	-	-	-	12,465,000
Interfund transfers out	-	-	-	1,521,162
Total other financing sources (uses)				
Net change	6,035,621	1,298,417	3,793,484	2,350,339

BUDGET MESSAGE

Honorable City Council Members,

It is my honor to present for your consideration the proposed FY2021 budget. The Covid-19 pandemic hit in March of this year, and we realized an immediate revenue loss of nearly \$100,000 within two weeks. We scrambled to keep our employees and citizens safe and set up an emergency operations command, closed facilities and redeployed several employees. While stressful, we learned a great deal from and about each other. We unearthed unknown talents within our employee teams. And even though we were apart, we came together in new and creative ways to deliver uninterrupted services to our residents and businesses. April was not any kinder to our business community, and we saw a 15% decrease in revenue compared to 2019. We continued to maintain a business support line to answer questions from the business community and help our owners find ways to continue to operate. We began to challenge the state on unemployment compensation directives, and we led the challenge as we partnered with The League of Municipalities to get an important state directive changed, resulting in a much improved financial outcome for local governments across the state.

Budgeting became a daily challenge, and we spent a great deal of time re-analyzing needs and making decisions about delaying projects while trying to ensure limited delays in service. Though rules and regulations changed, sometimes weekly, we were determined to be good stewards of the public funds entrusted to us, and I am very proud of our team. Coincidentally the leadership team and I had been reading and studying, The Culture Code, by Daniel Coyle, and we had just completed exercises on trust and vulnerability. We relied on our strengthened relationships, vulnerability and teamwork skills to continuously get outside our comfort zones, rely on different people, new processes, new technologies and rapidly changing circumstances to make things happen for our community.

This budget represents the continued commitment of our City government to strive towards providing excellent services while focusing on efficiency and value. The chart below shows how the City Council and administration have steadily reduced overall operational expenses while at the same time realizing an equally steady increase in revenue. Although circumstances related to reorganization and COVID-19 have slightly narrowed that gap for FY2021, we continue to move in the right direction. Our goal remains improved efficiency and quality. We take very seriously the trust placed in us by the taxpayers of this great City.

The following pages make up the City Manager’s Budget Message which provides an overview of priorities and reasoning used to estimate revenues and expenses for the upcoming budget year.

Thank you for your leadership and vision and for allowing me to come to Pelham to support an excellent group of employees and recruit some outstanding new talent as well. Thank you for encouraging us to get out of our comfort zone, take others with us and help prepare Pelham for the growth to come.

There is a lot of work that goes into developing a budget; hundreds of accounts, data and operational analysis, and tough decision making. Fortunately, we have an educated and talented group of leaders who bring their collective decades of management to make recommendations about operations for which they are the experts. I would be remiss if I didn’t mention the huge time commitment from so many in putting together this budget document. While dozens of employees contributed, our City Clerk/Treasurer, Tom Seale; Revenue Clerk, Phil Brashier; Megan Freeman in Finance, Brooke Jenkins from the City Manager’s office and Lieutenant Joey Pitts representing the Employee Benefits Team really went

above and beyond. Lastly, our Accounting Manager, Jenny Gray, worked tirelessly to check data against the audited financial statements, which meant she had to perform continuous conversions from cash to modified accrual and back again. In the process, Jenny also organized a lot of the information enabling us to present the budget in a much simpler format. Tremendous thanks go out to all these individuals.

The staff and I appreciate the continued support of the Mayor, City Council and the citizens of Pelham we are privileged to serve.

Sincerely,

A handwritten signature in black ink, appearing to read "Gretchen DiFante". The signature is fluid and cursive, with a prominent initial "G" and "D".

Gretchen DiFante
City Manager

Budget Priorities

Complete Projects Suspended in 2020 due to Pandemic:

This budget reflects the need to pick back up on projects suspended during the FY2020 Pandemic. The FY2021 Budget demonstrates an increase in spending over FY2020 partially due to the projects and resources put on pause due to COVID-19. The need for these projects and resources previously approved by City Council is still relevant, and that is reflected in the FY2021 budget.

Continue to Seek Ways to Improve Service Delivery While Increasing Efficiency and Minimizing Cost:

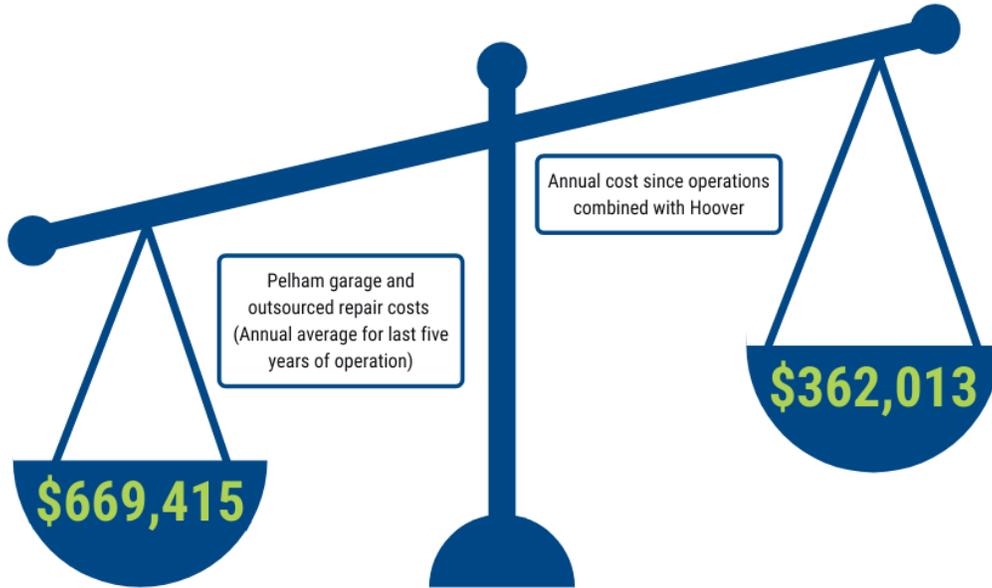
The City staff consistently seeks ways to improve delivery and service while reducing cost. Below are projects for which we have either just seen our first full year of results, just begun to see the results or where we are putting significant resources towards realizing results during FY2021:

City Garage

The City of Pelham merged its garage operations with the City of Hoover in the last quarter of FY2019. FY2020 marks the first complete year of garage operations consolidation. The average annual operations expense in the previous five years prior to consolidation was \$482,942. In addition, the City paid an average annual amount for outsourced repairs of \$186,863 during that same time frame. This brought the total average annual cost for vehicle repairs and maintenance to \$669,415.

City Garage - Continued

RESULTS: *During the first full year of consolidated operations, the City of Pelham’s total expense is \$362,013 or a cost reduction of \$307,402. As is our goal, customer service has improved dramatically. The average time to complete repairs has decreased significantly and any Pelham police officer, firefighter or public works professional can attest to the much improved level of service.*



Brush Pickup Operations

This past winter, the street department made a recommendation to cease using the Shelby County landfill for brush and to instead create a space at Blueberry Hill on the City’s property to store the brush and to conduct periodic burns. The timing of these recommendations was perfect as one month later, the pandemic hit, and brush activity doubled overnight!

Brush Pickup Operations - Continued

The street department doubled its service while avoiding the \$54,000 it would have cost in landfill fees alone. While we are not sure of the total fuel cost savings because we make twice as many routes, we do know we saved nearly \$9,000 in fuel costs by not traveling to the landfill in Columbiana. We avoided 10,000 miles on our brush trucks. RESULTS: *Nearly \$64,000 was saved in just five months and service levels were doubled. Our residents did stellar work on their home beautification projects, and while it was difficult, the street department kept up with the brush as residents ticked a lot of outdoor projects off their lists. This is an excellent example of teamwork between residents and staff!*



Enterprise Resource Planning Software

The City spent this year documenting current processes, studying best practices, evaluating software companies and is presently in negotiations for an enterprise resource planning (ERP) system. We will implement the financial and payroll modules during FY2021. This is the City's first ERP system and will allow all information to flow through one central system. Cleaning up and organizing data, putting definition and discipline in all our processes and implementing the ERP modules will undoubtedly have the most significant impact on efficiency the City has realized for decades. We will also get our financial practices in line with local government best practices and convert our accounting basis from cash to modified accrual, thereby eliminating hundreds of hours of work annually.



Support Development in the City:

The most significant amount of time spent by city management (not including COVID-19 related activities) was focused on development in the City of Pelham. With thousands of combined hours into the Heroes development, the City was disappointed when the National Fire Protection Association (NFPA) pulled its funding for the project, and the project could not continue. The City immediately began to refocus efforts on discussions with two developers whose interest in Pelham was brand new. While most inquiries don't result in development, the City never expected both of these "fishing expeditions" to take off simultaneously. The economic development group from Shelby County, 58 Inc., took on project management for what would become Campus 124, a \$10 million planned retail and entertainment development at the former Valley Elementary School site on Highway 31. The City Manager assumed project leadership for the future Canopy Development, a planned \$50 million mixed use development across from the Pelham Civic Complex and Ice Arena.



After months of discussion, research, necessary studies and negotiations, the Pelham Planning and Zoning Commission approved development plans and the City Council enthusiastically followed with approvals of the development agreements.

COVID-19 hit just as the projects were planned to begin, and for the most part progress paused. Campus 124 proceeded with construction and revised its plans and schedules. The City will continue to work with both developers to revise

agreements to reflect new timelines and the landscape of development in the midst of the pandemic. The good news is the development plans have not ceased; they have just paused.

Increase Community Engagement:

Park and Recreation Reinvention



Pelham’s Park and Recreation offerings have traditionally been centered on youth sports. Since the opening of the Pelham Recreation Center, fitness classes had been added. The department, under new leadership in 2020, has sought to reinvent itself and offer opportunities for every Pelham resident to engage with others and take advantage of total wellness. When the pandemic hit, the Recreation and Senior Center had to close down, and activities became severely limited. Right out of the gate, the staff hosted an in-car family scavenger hunt with more than two

dozen participating families; and that was just the beginning. *RESULTS: In 2020, Pelham Parks and Recreation has offered more than 30 new activities to our residents. Among those are a running club, arts in the park to include crafting, music events and painting in the park, family car scavenger hunt, Zoom for beginners, a virtual gaming tournament, Chalk the Walk, Popsicle Pick up, Trail Trivia, Family Exercise Events, Rudolf’s Rockin’ Reindeer Bash and even events for those with sensory sensitivity. While the department did not previously measure citizen participation, the staff estimates a 200% increase in citizen participation with 9,500 people from all age groups participating in department events in FY2020. Before closing the Pelham Senior Center due to the pandemic, memberships had doubled over the previous year. This budget reflects a continued commitment to quality of life improvements with funds dedicated to the parks.*



Beautification, Entertainment and Arts Consolidated Efforts

In FY2020, the council and staff identified the need to harness these community efforts into one place. As a result, the Beautification Board is in the process of re-inventing itself to become a combination beautification, entertainment and arts team. Residents can look for this board to generate increased art focused and entertainment opportunities for residents, business owners, and visitors to the City of Pelham.

Re-brand the City of Pelham to be more reflective of what makes our City unique and special.

After a hiring freeze due to the pandemic, the City hired a branding and communications manager in August 2020. The FY2021 budget includes the development of a new brand for our City. Community members will have an opportunity to “weigh in” on what makes Pelham special. New branding will be reflective in everything from a new logo and welcoming signage at the City’s gateways to increased communication with the public.

Invest in City Facilities

Pelham’s rapid expansion over three decades led to multiple priorities to support its residential and commercial growth. During this time, city facilities maintenance took a back seat to other critical needs. The city has been in need of a capital plan with a funding strategy for regular facilities maintenance to ensure our facilities continue to serve the community’s needs and protect those working in and visiting City facilities.

In FY2020, the City Council approved the City’s first multi-year capital plan designed to catch up and keep up with much needed facilities maintenance and improvement. The Facilities Improvement and Maintenance Plan (FIMP) prioritizes projects over the next five years and outlines the funds needed from the operational and special revenue funds to finance the FIMP over that time period. Council will approve the funding of projects each year, and an annual evaluation will allow staff to update the plan ensuring it remains a valuable planning tool. During the past year, the City has paid off a large amount of debt, and that trend continues in FY2021. As with the beginning of any multi-year “savings” plan, the first year requires a significant investment, and this budget reflects a large (\$1.4 million) investment directed to the FIMP. The complete FIMP plan can be found in this document under the “Capital and Debt” Tab.



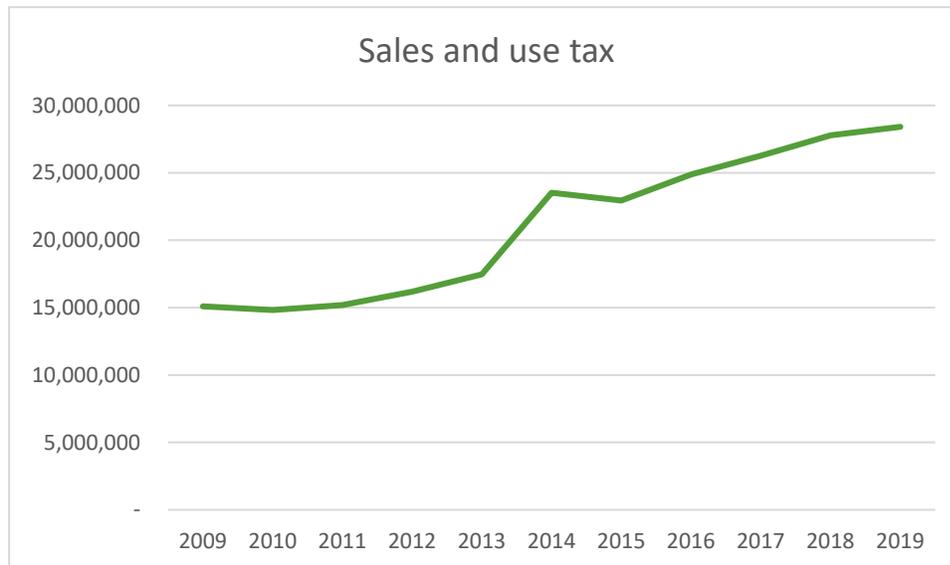
FY 2021 Proposed Budget Overview

Revenue Projections for Major Categories:

The City's sales tax revenues, property tax revenues, and business license and permit fees make up approximately 96% of the General Fund total revenue. As such, City management obtained necessary data pertaining to each of these sources to be used in projecting General Fund revenues for FY2021.

Sales and Use Tax

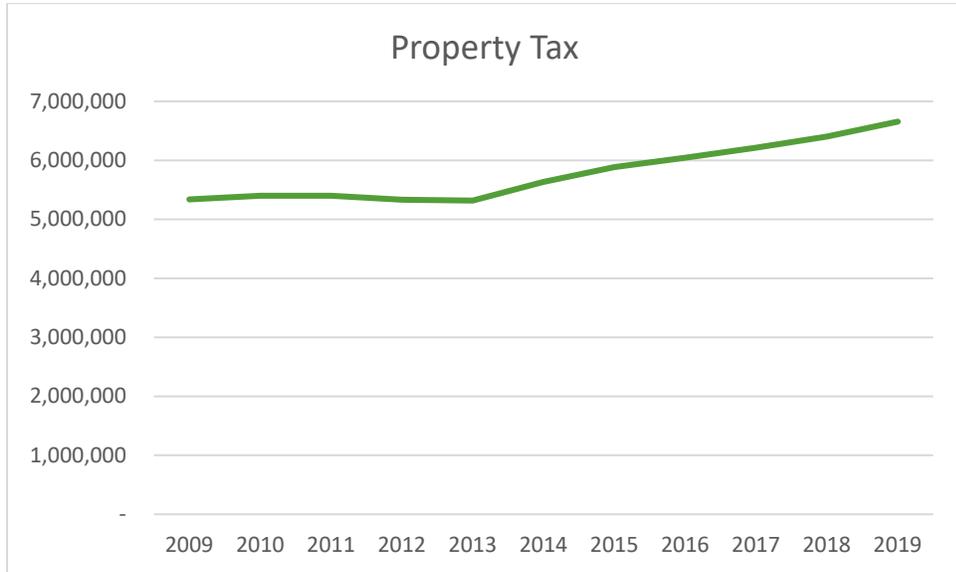
Based on historical trends (see chart below), the City has seen a steady growth in its sales and use tax revenues over the past ten years. While the City has historically accounted for this growth in its sales and use tax projections, there is economic uncertainty due to the Covid-19 pandemic and social and political unrest nationwide. As a result, in order to remain conservative, management is proposing a 2% decrease in sales and use tax revenue over projected actual amounts for FY2020. Due to the pandemic, the sales and use tax revenues for March, April and May reflected a decrease and unemployment levels soared, sending the economy into a recession. That being said, many of the latest economic projections point towards this recession being V-shaped compared with the longer U-shaped recession of 2009. This means projections for this recession will be drastic, but short, with full economic recovery possibly occurring by the end of 2021. The City of Pelham has already started to see this uptick with revenues for June and July being greater than those in June and July 2019. In addition, the Congressional Budget Office of the United State is projecting a GDP growth of 4.2% for 2021.



Property Tax (Ad Valorem)

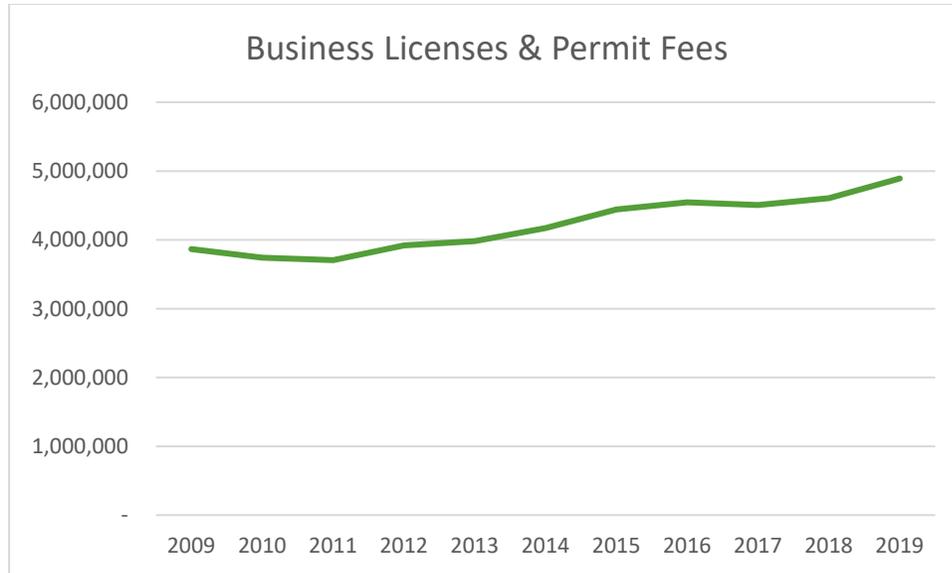
Based on historical trends (see chart below), the City has seen a steady growth in its property tax revenues over the past ten years. Shelby County is responsible for assessing the value of property in the City and remitting to the City property taxes collected. Shelby County sends an assessed value of property which the City used to

determine its property tax revenue projection for FY2021. The budget reflects a 3.0% increase over projected actual for FY2020.



Business Licenses and Permit Fees:

Based on historical trends (see chart below), the City has seen a slight growth in its business licenses and permit fees over the past ten years. Since business licenses are based on the prior year's gross receipts, it is likely the reduction of revenues for many businesses during the pandemic will impact the gross receipts in FY2021. As a result, in order to remain conservative, management is proposing a 2% decrease in business license revenue over the projected actual for FY2020 for this category. On the contrary, the City has budgeted an increase in building permit fees as a result of increasing its building permit fee schedule. The overall decrease budgeted for this category is 1.02% from FY2020 projected actual.



FY2021 General Fund revenues are projected to decrease overall by 1.0% over projected actual amounts for total revenues for FY2020.

Expenditure Projections:

The City's personnel expenditures (salaries and benefits) comprise approximately 46% of the total General Fund expenditures. The following factors were considered in projecting salary and benefit expenditures for the FY2021 budget:

New Positions/Position Movement

While there are no new positions in this budget, there was significant cost savings in FY2020, because we put all open positions on hold. We removed that pause button in July as revenues began to climb, and the positions of a second building inspector, a facilities maintenance manager and a branding/communications manager were filled in August of this year. The salary increase year over year in those budgets represents 25% of a year without the position in 2020 versus 100% of the year with the position in 2021.

In the administrative budget, the community liaison was moved from the police department to administration and reflects the addition of the branding and communications manager approved in the FY2020 budget. The FY2021 budget also reflects a position loss of one of the three positions classified as accounting clerk. We have streamlined many of those processes in preparation for our Enterprise Resource Planning (ERP) system and eliminated one of the clerk positions.

While the total FTEs remains the same, the police chief has transferred one line officer position to code enforcement and has done away with one sergeant's position in favor of an additional lieutenant's position.

Regarding the building and revenue areas, we are working to determine the best solution since we do not have the space to have these two areas together for our envisioned, "one stop shop." We are still working towards sharing the current resources even though we have to split the staff between the Water Works building off Highway 31 and the temporary City Hall at Southgate. While the planned renovations of City Hall will not allow us to offer the one stop shop, we will be closer together when the staff relocates back to City Hall in 2022.

Employee Benefits

The personnel budget for FY2021 includes approximately \$120,000 to cover the cost of participating the in Local Government Retirement Fairness Act (Act 2019-132) that allows all employees to receive Tier 1 benefits with the Retirement Systems of Alabama (RSA). Currently anyone hired after January 1, 2013 is considered a Tier 2 participant, and they receive reduced retirement benefits and must also work longer before becoming eligible for retirement. RSA introduced Tier 2 in 2012 based on the best information available at that time. Since then, RSA has determined this was an overcorrection and is allowing municipalities to convert Tier 2 employees to Tier 1 status. Our City Council approved this in August 2020, and this small investment will have a tremendous impact in recruiting and retaining the best and brightest of the next generation of employees.

During the week of September 3, the City was informed that the Local Government Health Insurance Program (LGHIP) would be taking a 5.5% increase for active and non-Medicare participants beginning in January 2021. The memo received from LGHIP states that we will have the full premium list by month end, so we are not sure what will happen with the Medicare eligible retiree premiums. We have adjusted those rates (projected at 5% in the summary budget presented to Council). Employees will also see an increase in the out-of-pocket expenses in some areas: lab copays increase from \$3 to \$7.50, copay for a specialist physician will increase from \$40 to \$50 and generic prescriptions will increase from \$10 to \$15.

Retiree Healthcare Benefit Increase

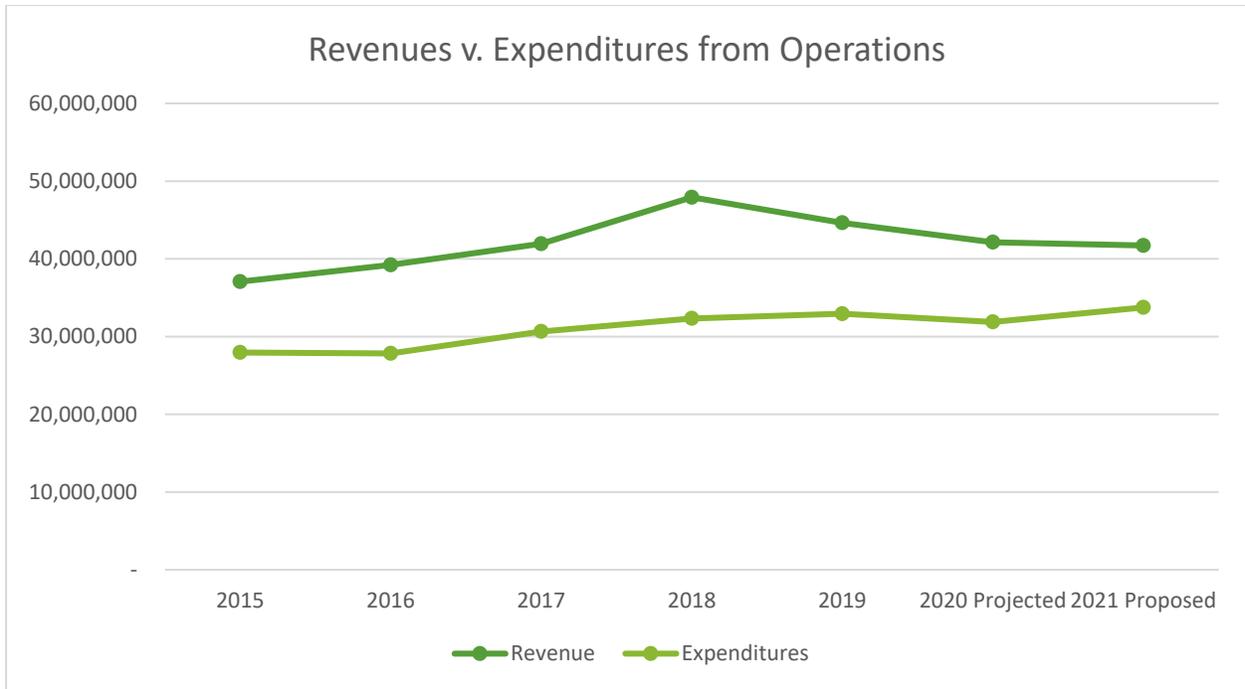
The Employee Benefits Group has made three presentations to Council with the request to look at Tier I conversion and retiree healthcare holistically. In order to approve the Tier I benefits for Tier II employees in time for important deadlines and to reduce the City's potential to recruit and retain excellent employees, Council asked for these benefit considerations to be separated. While many scenarios have been presented to Council, this budget includes a retiree healthcare scenario in which the current cap is lifted and the City moves to a 60/40 payment scenario. The total projected cost to the City for providing health insurance under this scenario is \$864,000.

Vacation Buy Back

A cost of living adjustment was not factored into this budget due to the economic uncertainty surrounding the Covid-19 pandemic and national social and political unrest. However, management included a vacation buyback provision not to exceed \$250,000. While the amount is included in the administrative and finance budget, if employees elect to sell vacation hours back, the total amounts sold back will be reported in the applicable departments.

The City's operations expenditures (supplies, repairs and maintenance, program expenditures, etc.) comprise approximately 13% of the total General Fund expenditures. The City's projection for these expenditures is based on historical trends and on the needs of each department, as communicated through budget meetings with the Council and City management.

The correlation between total revenues and the total personnel and operations expenditures over the past five years is illustrated below:



FY2021 General Fund expenditures are projected to show a slight increase overall by .5% over the FY2020 original budget amount.

FUNDS & DEPARTMENT DETAIL



FUND DESCRIPTIONS AND STRUCTURE

General Fund

The General Fund is the principal operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is used to account for most of the day-to-day operations of the City, which are financed from sales tax, property tax, and other general revenues.

Enterprise Funds

Enterprise funds (also known as Proprietary Funds) are generally used to account for services for which the City charges customers (both internal and external). The City of Pelham has the following enterprise funds:

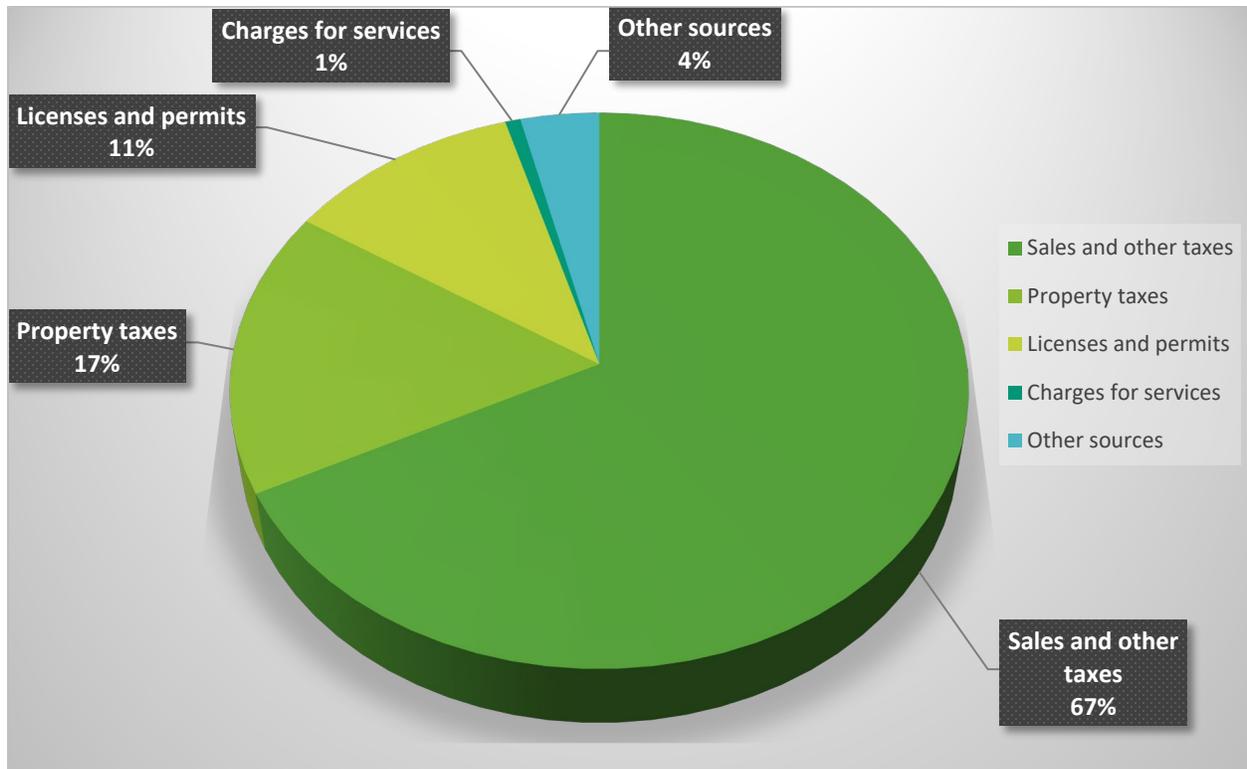
- Pelham Water & Sewer Fund
- Pelham Civic Complex & Ice Arena
- Pelham Racquet Club
- Ballantrae Golf Fund
- Pelham Garbage Fund

General Fund Budget Summary

	FY2019 Actual	FY2020 Budgeted	FY2020 Projected Actual	FY2021 Proposed Budget
Revenues				
Taxes				
Sales tax	28,414,173	28,340,279	28,380,830	27,695,215
Property tax	6,403,411	6,612,134	6,730,000	6,932,025
Motor Vehicle/Gas tax	593,589	610,000	550,000	450,000
Other tax	123,892	65,650	65,500	40,300
Licenses and permits	4,892,403	4,841,600	4,766,850	4,718,050
Fines and forfeitures	1,106,342	1,115,531	338,884	350,000
Charges for services	338,895	326,950	276,079	306,300
Interest income	2,022,484	245,000	237,000	134,500
Other	736,364	726,170	794,347	1,090,300
Total revenues	44,631,553	42,883,314	42,139,490	41,716,690
Expenditures				
General administration				
Administrative	9,161,808	6,643,669	5,990,295	7,182,076
Human Resources	323,357	498,719	498,719	567,862
Court	226,356	179,161	190,395	171,075
IT	737,838	1,026,269	726,403	791,428
Covid 19	-	60,000	228,778	-
Library	1,256,585	1,153,902	1,075,192	1,179,543
Parks & Recreation	1,323,399	1,805,880	1,546,432	1,803,539
Police	8,388,986	9,453,134	9,121,814	9,870,222
Fire	8,199,628	8,829,147	8,756,967	8,932,394
Public works				
Revenue/Building	490,592	531,065	498,908	462,556
Engineering	137,364	741,750	741,750	123,502
Facilities Maintenance & Public Works	2,510,847	2,626,227	2,510,305	2,664,695
Garage	183,480	-	-	-
	32,940,240	33,548,923	31,885,958	33,748,892
Revenues less expenditures	11,691,313	9,334,391	10,253,532	7,967,798
Capital outlay	1,500,006	3,011,990	2,054,492	13,476,232
Debt service				
Principal retirement	3,247,576	2,398,956	2,398,956	2,881,306
Interest	1,889,059	1,812,141	1,812,141	1,839,004
Total capital outlay and debt expenditures	6,636,641	7,223,087	6,265,589	18,196,542
Excess (deficiency) of revenues over (under) expenditures	5,054,672	2,111,304	3,987,943	(10,228,744)
Other financing sources (uses)				
Proceeds from sale of capital assets	357,092	1,040,000	1,030,000	20,000
Capital contributions	-	-	-	-
Issuance of debt	-	-	-	8,000,000
Interfund transfers out	(2,791,733)	(2,249,506)	(2,851,305)	(381,999)
Total other financing sources (uses)				
Net change	2,620,031	901,798	2,166,638	(2,590,743)

General Fund Revenue Projections

FY2021



Revenue	FY2020 Projected		FY2021 Proposed	
	Amount	Percentage	Amount	Percentage
Sales and other taxes	28,996,330	68.81%	28,185,515	67.56%
Property taxes	6,730,000	15.97%	6,932,025	16.62%
Licenses and permits	4,766,850	11.31%	4,718,050	11.31%
Charges for services	276,079	0.66%	306,300	0.73%
Other sources	1,370,231	3.25%	1,574,800	3.77%
Total Revenues	42,139,490		41,716,690	

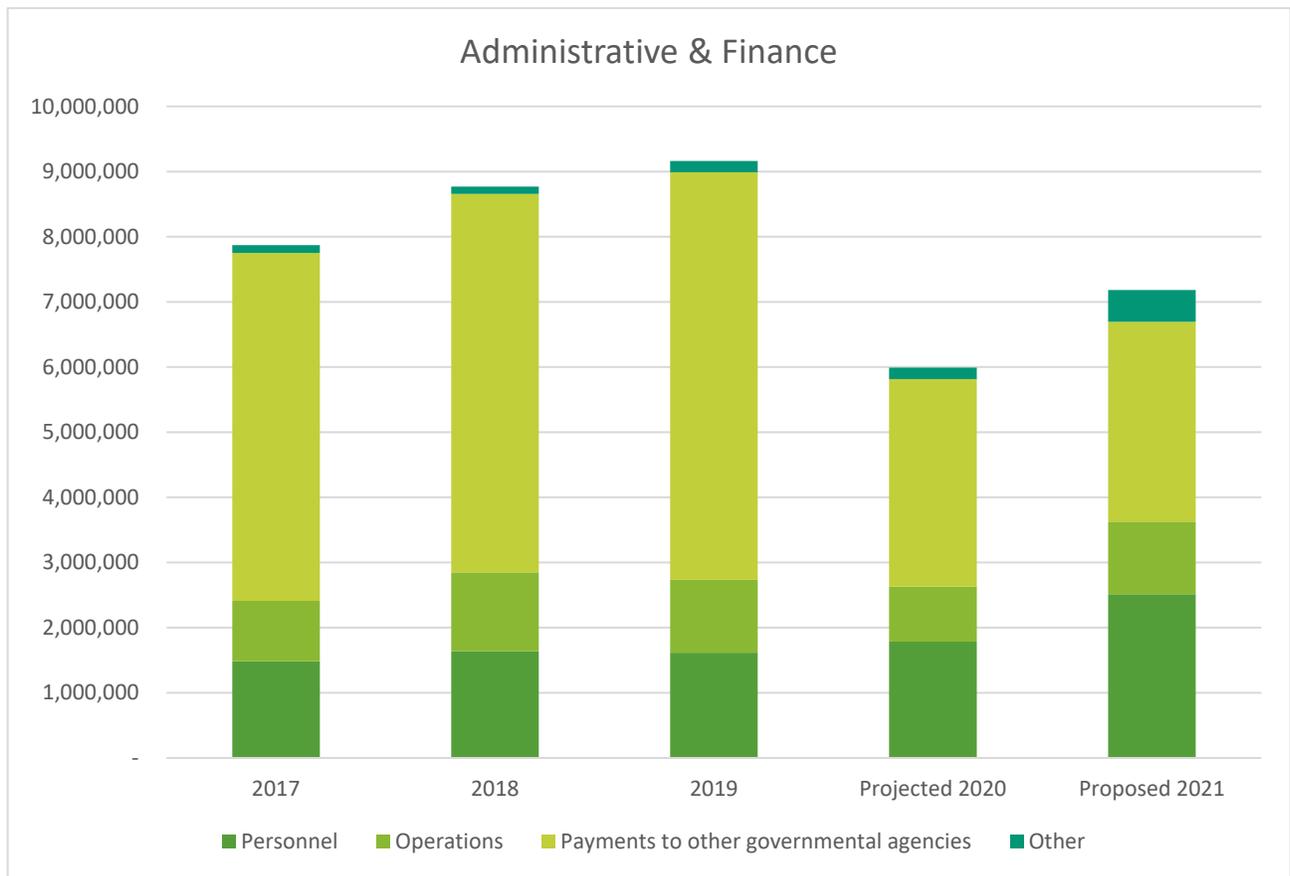
Administrative and Finance Functions

The Administrative functions consist of the City Council, Office of the Mayor, Office of the City Manager, the City Attorney and the City Clerk. The City Council serves as the City's Legislative Branch of government while the Mayor and City Manager make up the Executive Branch charged with overseeing all City operations.

The Finance department provides timely financial data to appointed and elected officials, City personnel and citizens. The department also oversees the collection of City revenues as well as ensuring compliance.

Functions of the Administrative and Finance Department include but are not limited to:

- Responding to calls and requests from citizens.
- Preparation of agendas and other documents for City Council meetings and follow up.
- Performing centralized accounting functions including cash receipts, cash disbursements, and account reconciliations.
- Maintaining and presenting accurate and timely financial data.
- Performing debt management functions.
- Maintaining the City's accounting records.
- Preparing and presenting the annual budget.
- Evaluating all contracts.
- Working to bring in new development to the City and negotiate agreements.
- Supporting all departments with needed information.
- Researching and providing best practice recommendations.
- Serving as the primary point of contact for the City attorney and all potential and current litigation.
- Responsible to administer the City's FOIA program.
- Ensuring all procedures and practices are consistent with applicable laws.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	1,486,177	1,639,916	1,614,980	1,786,028	2,514,770
Operations	925,334	1,207,231	1,118,587	845,387	1,112,793
Payments to other governmental agencies	5,339,242	5,809,999	6,256,253	3,182,847	3,065,884
Other	119,702	112,946	171,988	176,033	488,629
	7,870,455	8,770,092	9,161,808	5,990,295	7,182,076

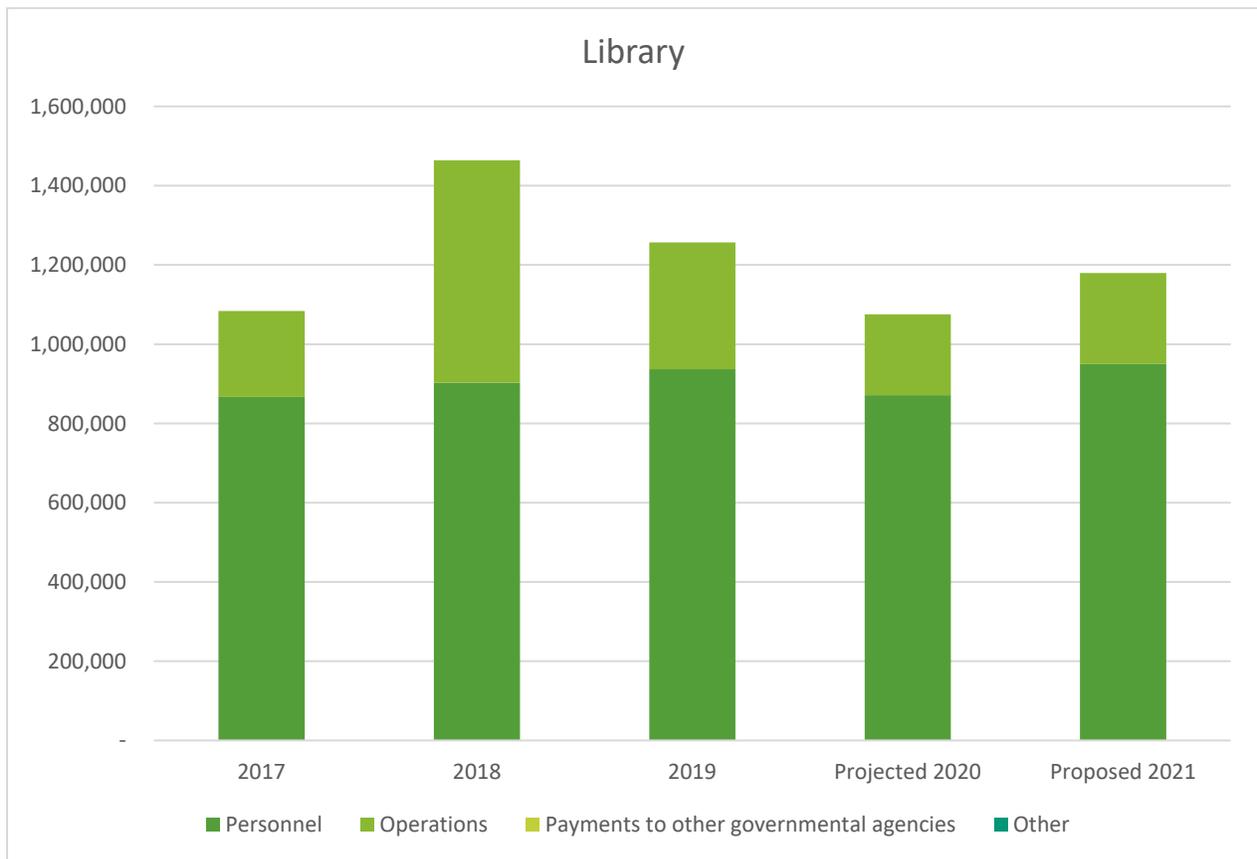
Note: The proposed \$250,000 vacation buyback is included in the administrative personnel budget. As those funds are drawn down, they will be assigned to the appropriate department. Another \$320,000 in estimated unemployment payments (due to COVID-19) is also included in the administrative budget. A competitive salary and relocation expenses for a new City Manager are included in this budget. Lastly, Revenue Personnel and the Community Outreach Coordinator positions were transferred to the Administrative and Finance budget from other departments in the FY2021 budget. In addition, the Branding and Communications Manager position was filled in August 2020. There is also a projected increase in legal expenses for FY2021.

Library

The Pelham Public Library provides information resources and activities for all ages and at all life stages. While the Library has operated for many years, in 2018, the City constructed a new state-of-the art Library located next to Pelham Middle School and the City's new Parks and Recreation center. The two-story facility houses materials for rentals and also offers study and meeting rooms, a children's and teen's area, two outdoor patios and a maker-space.

Functions of the Library include but are not limited to:

- Develop a collection that reflects the interest of its patrons.
- Provide residents and other visitors with reliable information.
- Provide resources and programs that contribute to an informed and engaged community.
- Provide patrons with access to high quality technology.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	866,797	902,484	936,781	871,531	950,104
Operations	216,858	561,556	319,804	203,661	229,439
Payments to other governmental agencies	-	-	-	-	-
Other	-	-	-	-	-
	1,083,655	1,464,040	1,256,585	1,075,192	1,179,543

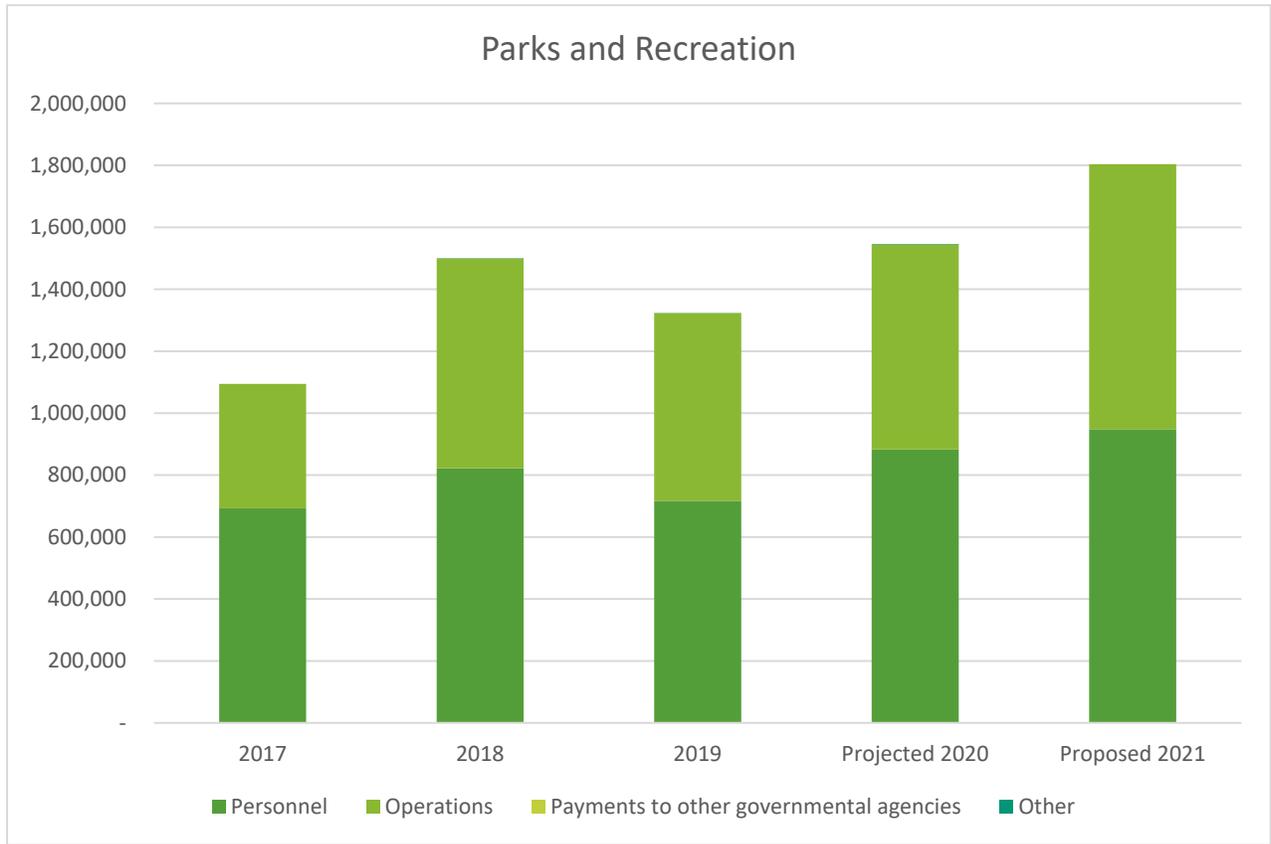
Note: The Library relocated to its new facility in FY2018.

Parks and Recreation

The Pelham Parks and Recreation Department provides athletic opportunities for children and adults, recreational and leisure activities for all citizens and maintains the City's athletic and recreation facilities and infrastructure. The City offers park facilities and athletic facilities; in 2018, the City constructed a beautiful Recreation Center with indoor track, exercise room, multi-purpose room, conference room, and large gymnasium and locker facilities. In 2019, the department in a joint venture with Shelby County, opened up four sand volleyball courts and outdoor basketball and pickle ball courts. In 2020, the first phase of the Pelham Greenway Trail was opened in the City Park.

Functions of the Parks and Recreation department include but are not limited to:

- Provide safe and affordable activities for all ages and all life stages.
- Maintain recreation facilities.
- Promote and host sporting events and recreational activities within the City.
- Maintain the City's parks and recreational trails.
- Keep the City's recreational offerings current with best industry practices and applicable to the changing and growing needs of the community.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	692,699	822,044	716,754	882,861	947,956
Operations	401,566	677,248	606,479	662,171	855,583
Payments to other governmental agencies	-	-	-	-	-
Other	-	896	166	1,400	-
	1,094,265	1,500,188	1,323,399	1,546,432	1,803,539

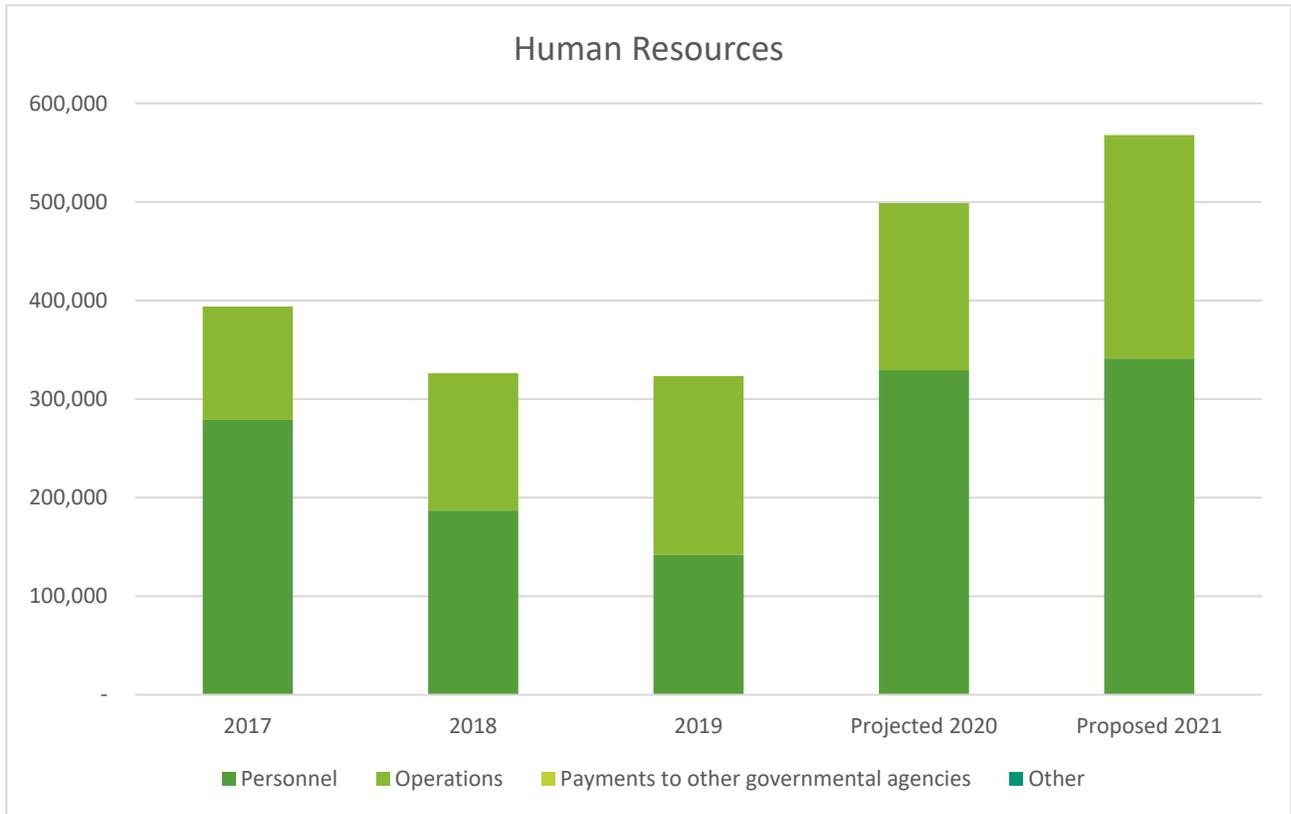
Note: The City constructed its Pelham Recreation Center facility in FY2018.

Human Resources

The Human Resources Department recruits and serves the needs of the City's employees. The department handles the administration of compensation and benefits, maintains job descriptions, administers testing, and develops training and coaching programs. In addition, the department is charged with ensuring compliance with applicable laws and with the City's Civil Service Act.

Functions of the Human Resources Department include but are not limited to:

- Coordinate and manage competitive employee compensation and benefits.
- Recruit, screen, and onboard new employees.
- Coordinate training and continuing education and development across departments of the City.
- Consult and assist employees with human resource and personnel issues.
- Assist retirees with post-retirement benefit issues.
- Administer the City's Employee Safety Program.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	278,948	186,909	142,123	329,504	341,303
Operations	114,851	139,339	181,234	169,215	226,559
Payments to other governmental agencies	-	-	-	-	-
Other	-	-	-	-	-
	393,799	326,248	323,357	498,719	567,862

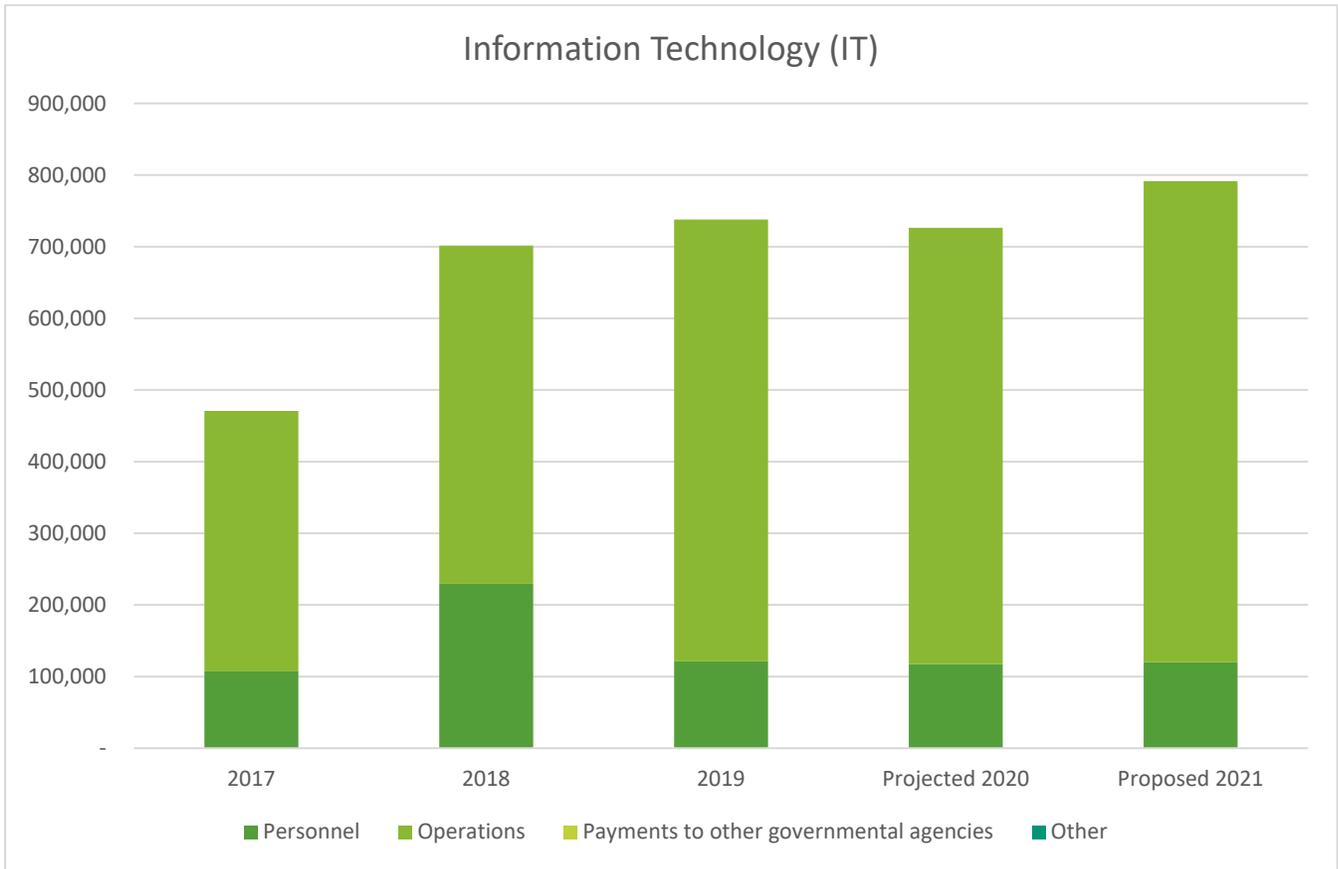
Note: The Human Resource Director position was vacant the entirety of FY2018 and was filled in July 2019. In addition, the Safety Manager position was vacant the entirety of FY2019.

Information Technology

The Information Technology (IT) department facilitates reliable, timely, and easy access to information for employees and the City's residents, business owners and visitors. The IT department leverages technology to create access to better information and more efficient processes within the City.

Functions of the IT department include but are not limited to:

- Provide technical assistance, training, coaching and recommendations to all 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 with efficient and cost-effective technology.
- Provide reliable data backup and disaster recovery systems to minimize any system downtime.
- Ensure the technology infrastructure is secure and the City's data is protected.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	107,174	229,344	121,196	117,386	119,869
Operations	363,513	472,023	616,642	609,017	671,559
Payments to other governmental agencies	-	-	-	-	-
Other	-	-	-	-	-
	470,687	701,367	737,838	726,403	791,428

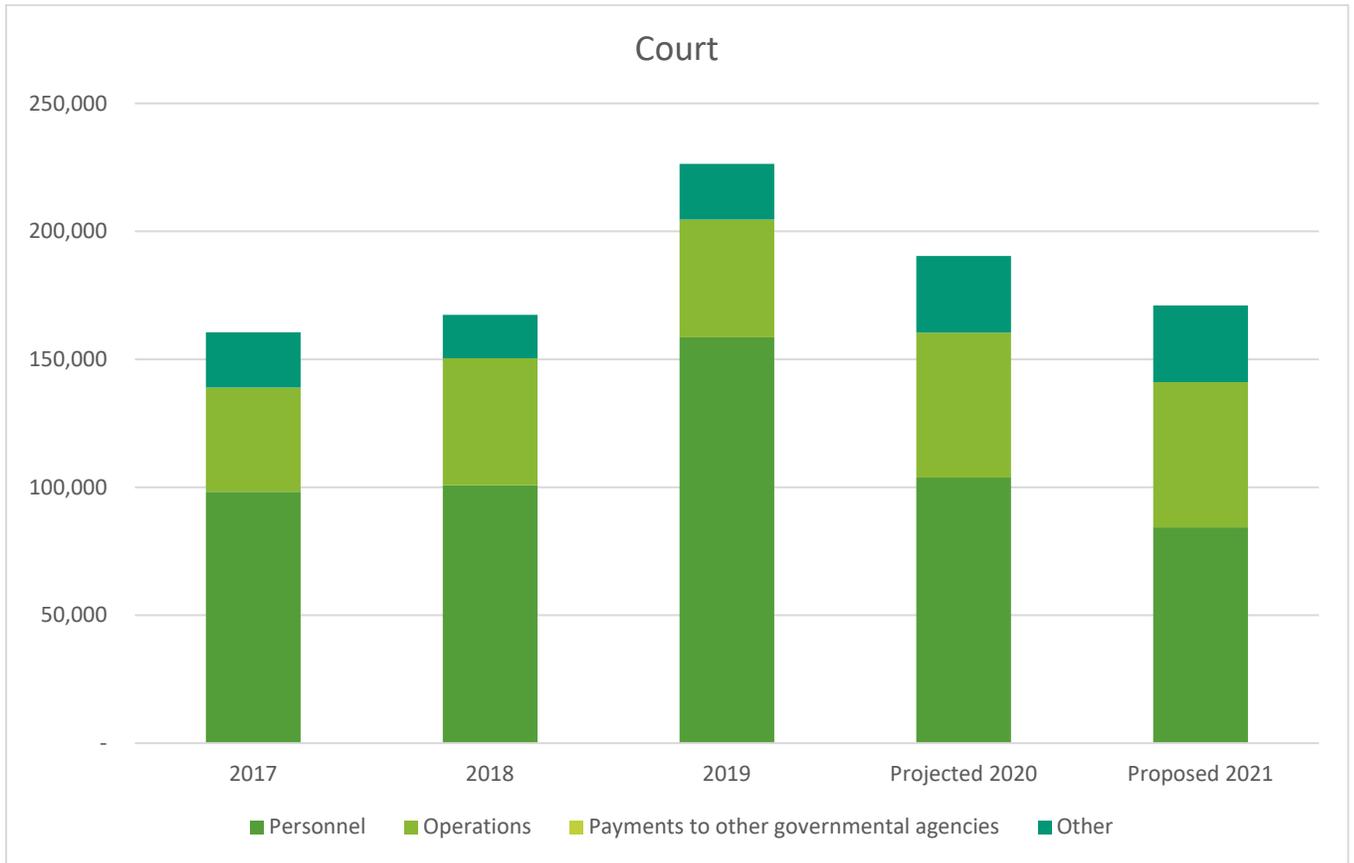
Note: In FY2018, the GIS Manager was included in the departmental budget for Information Technology.

Court

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

Functions of the Court department include but are not limited to:

- Conduct probable cause hearings and issue arrest warrants for violations of municipal ordinances and state misdemeanors adopted by the Code of Ordinances.
- Process payments for fines and court costs.
- Conduct trials for necessary cases.
- Oversee the provisions of probation services, including the collection of fines, rehabilitation, and counseling administered by a third-party probation provider.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	98,253	100,838	158,594	103,808	84,352
Operations	40,721	49,551	46,043	56,587	56,723
Payments to other governmental agencies	-	-	-	-	-
Other	21,586	16,985	21,719	30,000	30,000
	160,560	167,374	226,356	190,395	171,075

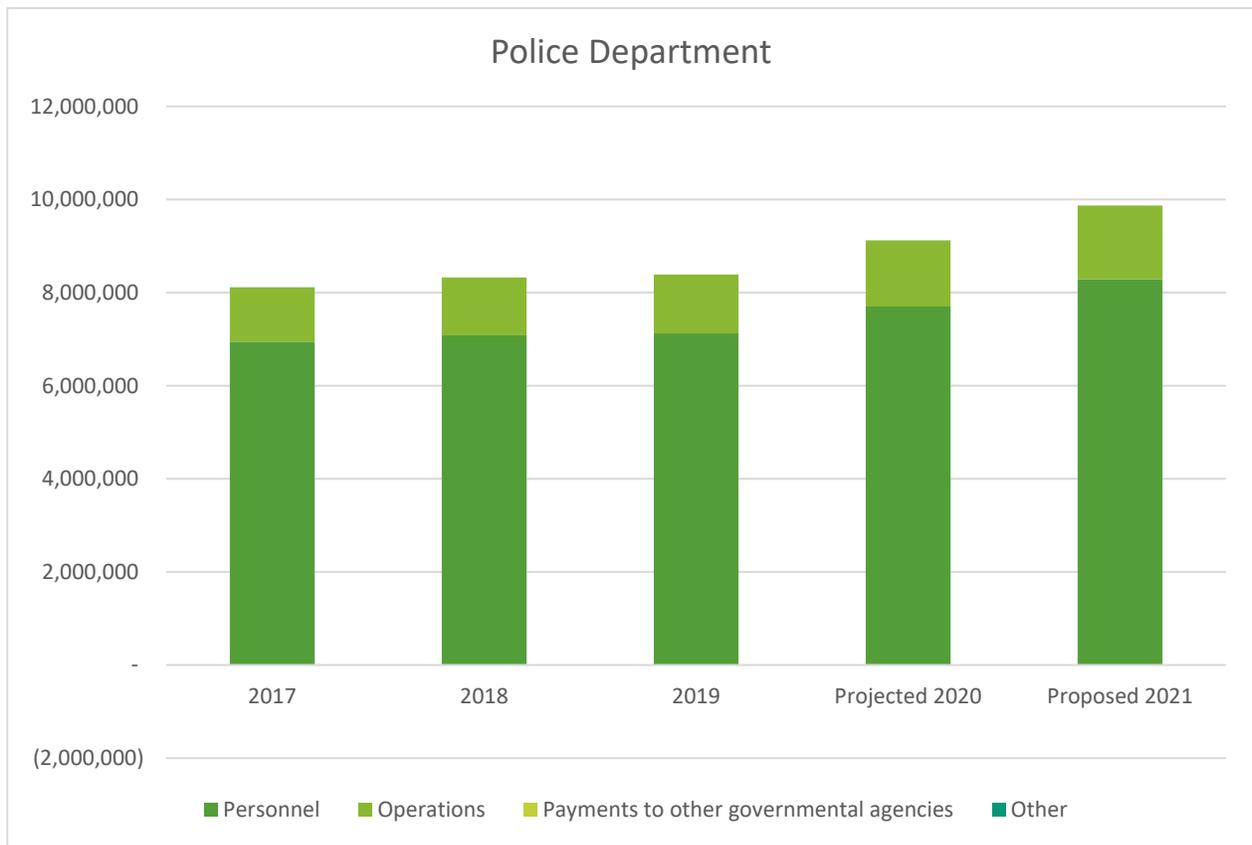
Note: Salaries for the Court are reimbursed from the Municipal Corrections and Municipal Admin Special Revenue Funds. The amount of the reimbursement is dependent upon availability of funds in those accounts.

Police

The Pelham Police Department strives to make the City of Pelham a safe place to live, work and visit. The department employs highly trained, vigilant and dedicated police officers and Emergency 911 operators and serves the business owners, residents and visitors of the City with a high level of professionalism. The Police Department utilizes progressive training and technology and partners with the community to operate without bias and within the framework of the US Constitution.

Functions of the Police Department include but are not limited to:

- Provide police patrol throughout the City.
- Provide immediate response to all emergency calls for service.
- Provide dispatch of emergency 911 calls.
- Provide high quality, efficient and effective investigative operations.
- Partner with other agencies to increase collective information that leads to improved safety for the City of Pelham.
- Provide crime prevention programs to maintain the sense of security in the community.
- Ensure safe and secure schools through school resource officers (SROs).



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	6,945,047	7,080,210	7,123,700	7,699,724	8,289,413
Operations	1,164,880	1,245,714	1,265,297	1,422,090	1,580,809
Payments to other governmental agencies	-	-	-	-	-
Other	250	-	(11)	-	-
	8,110,177	8,325,924	8,388,986	9,121,814	9,870,222

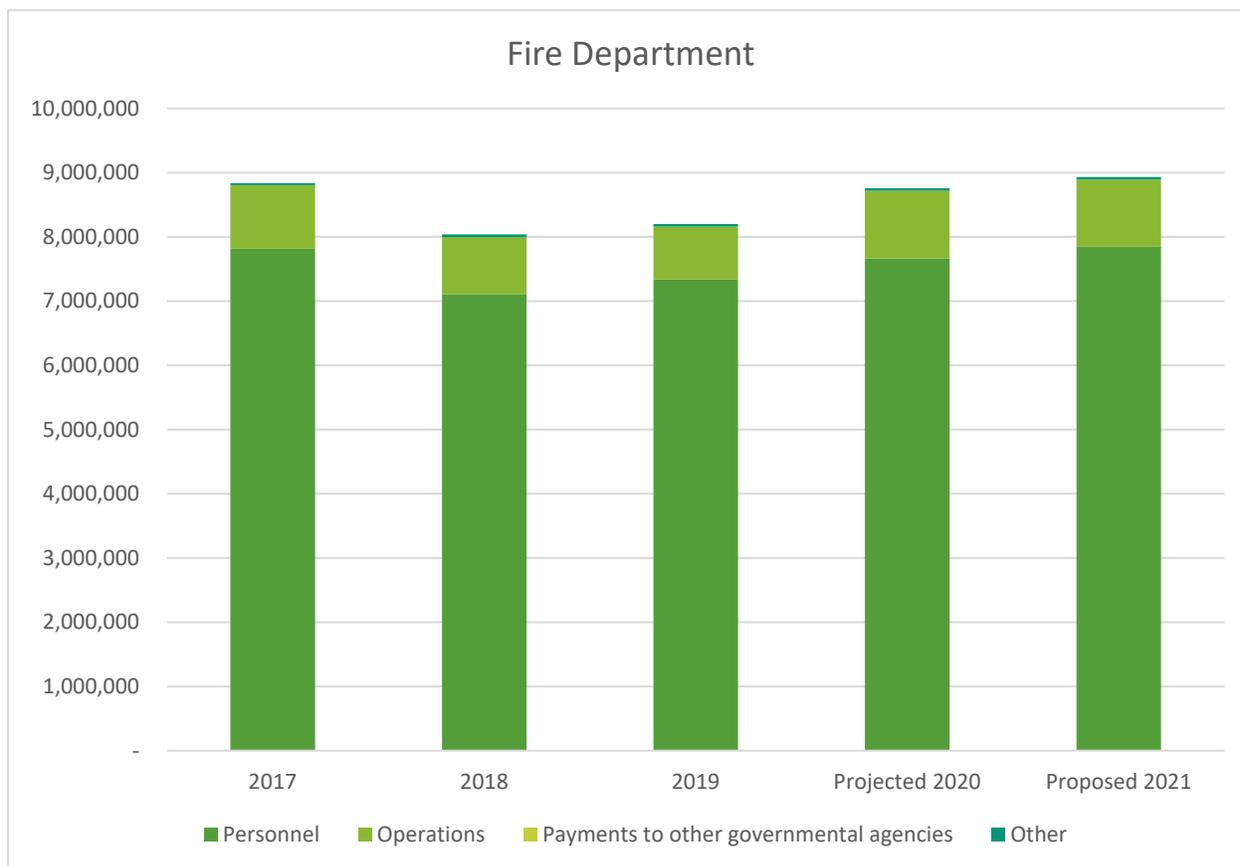
Note: In FY2019 and FY2020, the Police Department has operated with multiple vacant positions, including in dispatch. The proposed budget includes amounts for those vacant positions to be filled, which contributes to the difference between actual amounts and proposed budget amounts.

Fire

The Pelham Fire Department is a full-time career fire department serving the City of Pelham. The department operates out of five fire houses and a training and drill field facility. The department provides advanced life support medical care, fire suppression services, fire prevention services, technical rescue services, and a wide variety of community risk reduction programs.

Functions of the Fire department include but are not limited to:

- Provide immediate response to all fire and EMS calls.
- Provide emergency medical services.
- Provide technical rescue services.
- Provide community paramedic services.
- Provide building fire code inspections for all new construction.
- Provide fire prevention inspections for City businesses.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	7,815,225	7,109,567	7,336,480	7,665,221	7,851,435
Operations	990,141	887,617	823,355	1,053,246	1,040,459
Payments to other governmental agencies	-	-	-	-	-
Other	29,965	40,215	39,793	38,500	40,500
	8,835,331	8,037,399	8,199,628	8,756,967	8,932,394

Note: The GIS Director, City Engineer, and building services department were included in the Fire department budget in FY 2017.

COVID-19

The COVID-19 department was established during FY2020 to account for expenditures related to the Covid-19 pandemic. The department serves to address personnel and communication issues with respect to the pandemic. In addition, the department oversees the centralized purchasing and processing payments for supplies and technology items.

Functions of the COVID-19 department include but are not limited to:

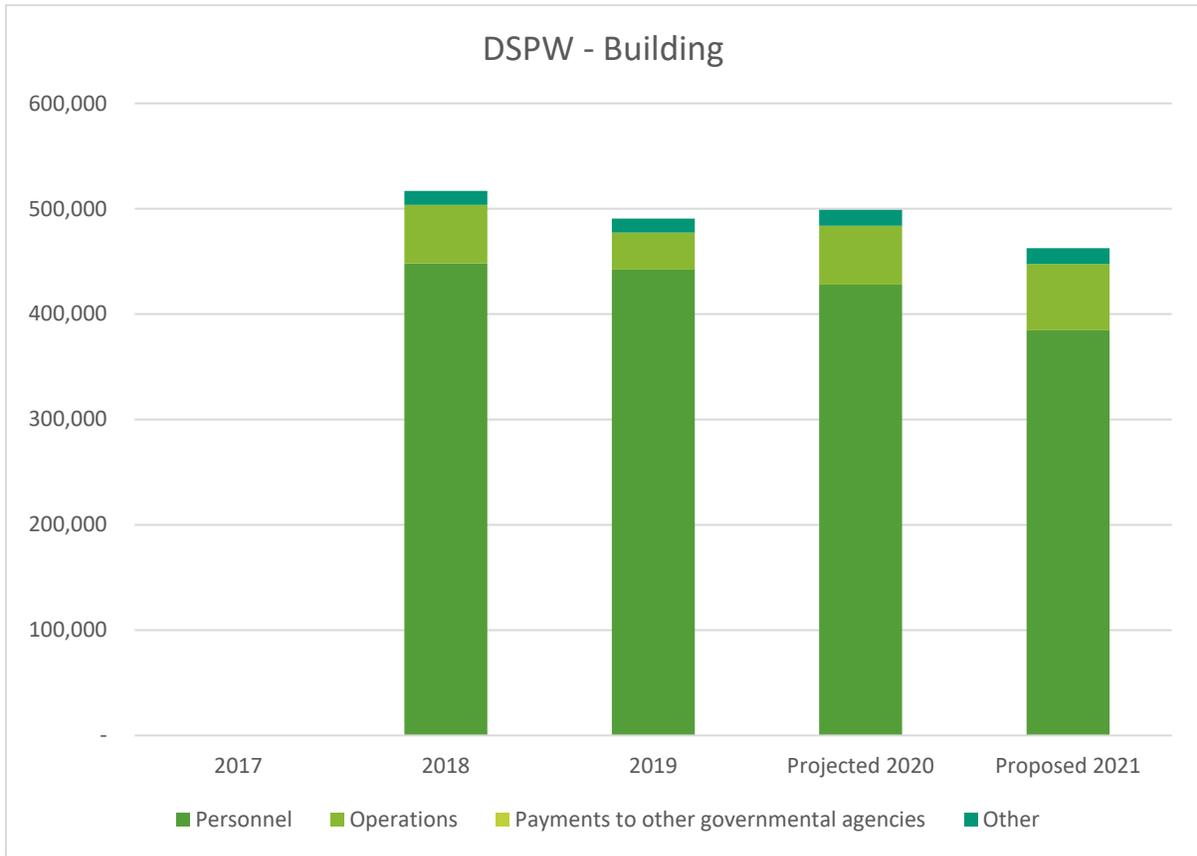
- Provide timely communications related to the pandemic to the residents and businesses within the City.
- Provide a centralized purchasing function for supplies, equipment and technology needed to aid in prevention of the spread of the virus.
- Process and track supplies needed for various departments throughout the City.
- Maintain records necessary in filing for reimbursement through the Cares Act and through FEMA with respect to COVID-19 expenditures.
- Set up and maintain, as needed, the Emergency Operations Command and the Pandemic Operations Command utilizing the National Incident Management Framework.

Building Services

The Building Services Department oversees residential, commercial and governmental construction within the City. The department administers building permits, oversees building inspections and addresses code enforcement issues. The department also monitors development in the City and recognizes and acts upon recommended changes in City Zoning Ordinances and is charged with ensuring adherence to local Zoning Ordinances.

Functions of the Building Services Department include but are not limited to:

- Review, administer, and communicate building and zoning regulations and guidelines within the City.
- Work closely with potential and existing businesses to ensure the development process is efficient and effective.
- Administer the building permit process.
- Administer the building inspection process.
- Provide plan reviews.
- Working in conjunction with the Police and Fire Departments and the Court Clerk, ensures compliance with the City's Building and Zoning Ordinances.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	-	448,042	442,155	428,021	384,694
Operations	-	55,672	35,203	55,887	62,862
Payments to other governmental agencies	-	-	-	-	-
Other	-	13,214	13,234	15,000	15,000
	-	516,928	490,592	498,908	462,556

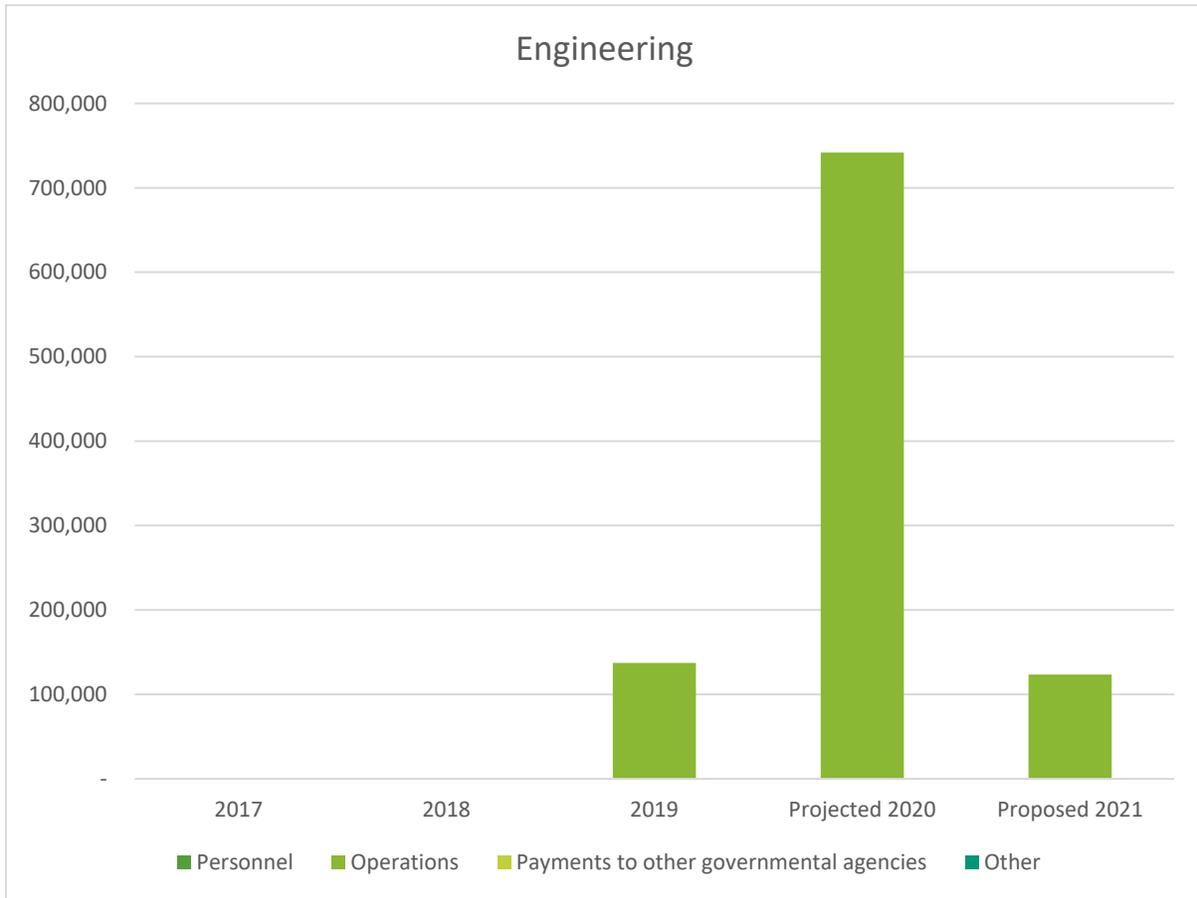
Note: The Building Services Department was included in the Fire Department budget in FY2017.

Engineering

The Engineering Department provides engineering oversight within the City and aids building services in overseeing residential, commercial and governmental construction to ensure compliance with laws, regulations, and City ordinances.

Functions of the Engineering Department include but are not limited to:

- Review, administer, and communicate regulations and guidelines within the City.
- Monitor and advise the City on infrastructure and capital improvements needs within the City.
- Working alongside the Building Official, respond to the needs of the Planning and Zoning Commission.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	-	-	-	-	-
Operations	-	-	137,364	741,750	123,502
Payments to other governmental agencies	-	-	-	-	-
Other	-	-	-	-	-
	-	-	137,364	741,750	123,502

Note: The Engineering Department was included in the Fire Department budget in FY2017. The City also records legal and professional expenditures for outside consulting services pertaining to the City's engineering within this function. The city engineer personnel expenses are in the Facilities Maintenance and Public Works budget.

Facilities Maintenance and Public Works

The Facilities Maintenance and Public Works Department seeks to provide services and improved quality of life through maintaining City property and infrastructure. The facilities maintenance function services various facilities, and the public works function services the City's streets and public right of ways. This includes street improvements, maintaining sidewalks and draining systems, installing and maintaining traffic controls and street signs.

During COVID-19, the employees in Facilities Maintenance and Public Works performed extra duty as brush pickup operations doubled. Employees from Park and Recreation, Pelham Racquet Club and the Civic Complex were re-deployed to Public Works providing the manpower needed to keep up with the growing demand.

Functions of Facilities Maintenance and Public Works include but are not limited to:

- Provide technical assistance to the Mayor, City Manager, City Council, and other City departments.
- Maintain streets, ditches, storm water drains and pipes, and sidewalks with the City of Pelham.
- Maintain right-of-way, street lights, and traffic signs within the City.
- Perform minor road and sidewalk repairs.
- Perform landscape maintenance and beautification services at many of the City facilities and along the public right of ways.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	1,470,482	1,507,243	1,709,918	1,980,833	2,210,131
Operations	654,654	493,448	853,810	598,357	507,208
Payments to other governmental agencies	-	-	-	-	-
Other	68,838	73,455	(52,881)	(68,885)	46,555
	2,193,974	2,074,146	2,510,847	2,510,305	2,763,894

Note: The Facilities Maintenance Manager was added at the end of FY2020. Personnel costs for the GIS Director were transferred from the Fire Department in 2018 and the City Engineer personnel costs were added when the City Engineer was hired in 2020.

Enterprise Fund Budget Summary

	FY2019 Actual	FY2020 Budgeted	FY2020 Projected Actual	FY2021 Proposed Budget
Revenues				
Taxes				
Sales tax	-	-	-	-
Property tax	-	-	-	-
Motor Vehicle/Gas tax	-	-	-	-
Other tax	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	19,256,588	18,926,560	18,641,104	18,478,661
Interest income	8,121	8,365	8,325	8,200
Other	44,000	12,000	24,000	-
Total revenues	19,308,709	18,946,925	18,673,429	18,486,861
Expenditures				
Water & Sewer Fund	5,970,942	7,021,386	6,832,529	6,615,713
Civic Complex & Ice Arena	4,667,283	3,923,188	3,130,947	3,291,165
Racquet Club	1,192,977	1,307,775	1,076,653	1,211,446
Ballantrae Golf	2,081,911	2,285,027	2,115,702	2,268,481
Pelham Garbage	1,265,089	-	1,400,000	1,380,000
	15,178,202	14,537,376	14,555,831	14,766,805
Revenues less expenditures	4,130,507	4,409,549	4,117,598	3,720,056
Capital outlay	119,061	3,084,221	2,166,047	2,846,500
Debt service				
Principal retirement	3,101,447	3,065,719	3,065,719	2,228,745
Interest	397,272	120,996	120,996	76,890
Total capital outlay and debt expenditures	3,617,780	6,270,936	5,352,762	5,152,135
Excess (deficiency) of revenues over (under) expenditures	512,727	(1,861,387)	(1,235,164)	(1,432,079)
Other financing sources (uses)				
Proceeds from sale of capital assets	111,130	8,500	10,705	5,000
Capital contributions	326,728	-	-	-
Issuance of debt	-	-	-	4,465,000
Interfund transfers out	2,791,733	2,249,506	2,851,305	1,903,161
Total other financing sources (uses)				
Net change	3,742,318	396,619	1,626,846	4,941,082

Water & Sewer Fund

Pelham Water and Wastewater Departments are dedicated to providing our customers with safe, high quality water and reliable service. Improvements are continuously being made to all aspects of the water and sewer systems to ensure a safe and adequate supply of water to our growing community. The Water and Sewer Departments are responsible to meet or exceed all standards set by the Alabama Department of Environmental Management (ADEM) and the United States Environmental Protection Agency (EPA). Annual water quality reports are available at Pelham City Hall and can also be found on the City's website under Water Quality Reports.

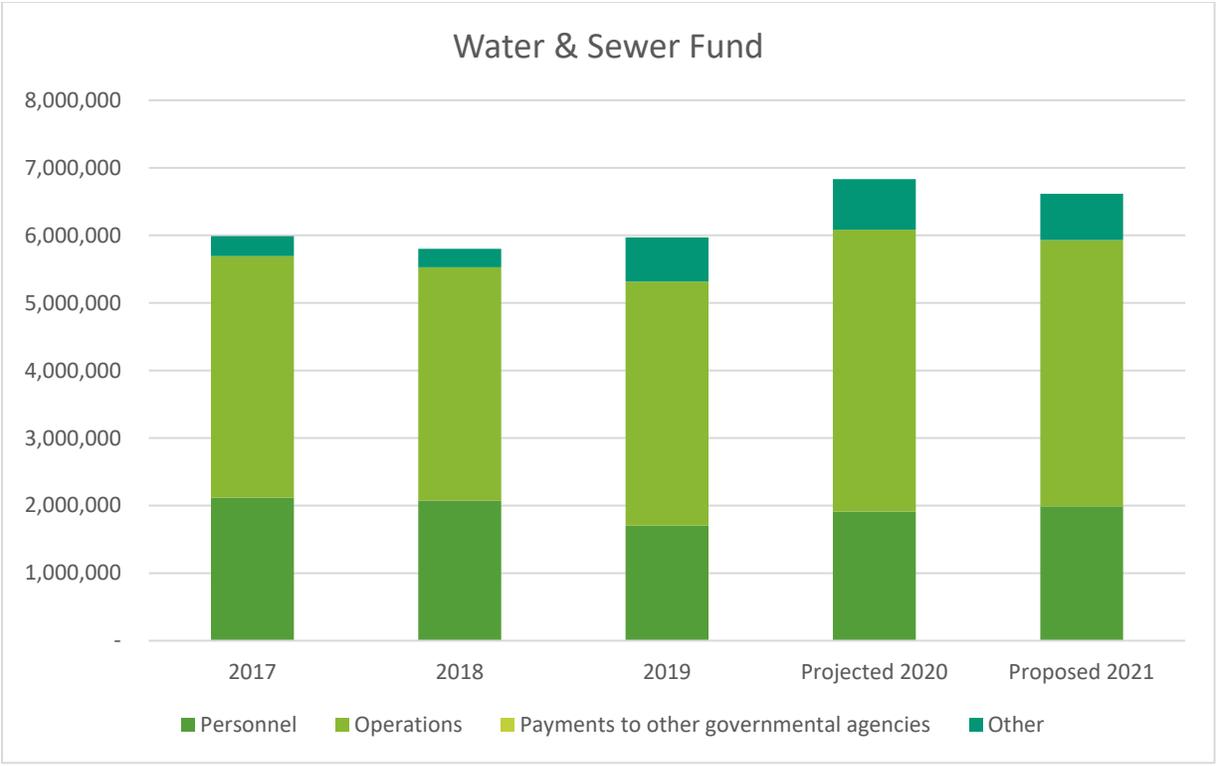
During COVID-19, the City suspended water shutoffs, and despite an increase in water usage, delinquent accounts remained low. For those who encountered problems due to job loss, suspension or illness, the City worked with each individual to put together a plan to fit their needs.

Overall Budget Review, Water Department

Item	FY20	FY21	Variance	Comments
Water Sales	5,440,000	5,801,000	361,000	Sales increased in FY19 and have held the same through FY20
Tap and Impact Fees	170,000	170,000	0	100 new customers
Total Revenues	6,970,500	6,417,476	(553,024)	Decrease due mainly to 1 time revenue from the Highlands
Operating Expenses	5,060,383	4,946,115	(114,268)	
Cap Ex	1,610,246	1,059,000	(551,246)	
Debt	261,435	0	(261,435)	
Total Expenses	6,932,064	6,045,455	(886,609)	
Net Income	38,436	412,361	373,925	

Overall Budget Review, Sewer Department

Item	FY20	FY21	Variance	Comments
Sewer Sales	4,850,000	4,850,000	0	Level with FY20
Tap and Impact Fees	351,000	165,000	(186,000)	55 New Customers
Total Revenues	5,201,000	5,020,500	(180,500)	Decrease due to fewer impact fees
Operating Expenses	1,918,018	1,651,747	(266,271)	Main decrease due to 1 time expense for rotor expense at WWTP
Cap Ex	1,446,000	1,482,500	36,500	
Debt	1,478,799	1,470,756	(8043)	Debt pays off in 2022
Total Expenses	4,842,817	4,605,003	(237,814)	
Net Income	358,183	415,497	57,314	



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	2,118,005	2,076,020	1,703,976	1,913,791	1,988,114
Operations	3,573,693	3,451,800	3,612,565	4,169,672	3,943,050
Payments to other governmental agencies	-	-	-	-	-
Other	298,815	272,937	654,401	749,066	684,549
	5,990,513	5,800,757	5,970,942	6,832,529	6,615,713

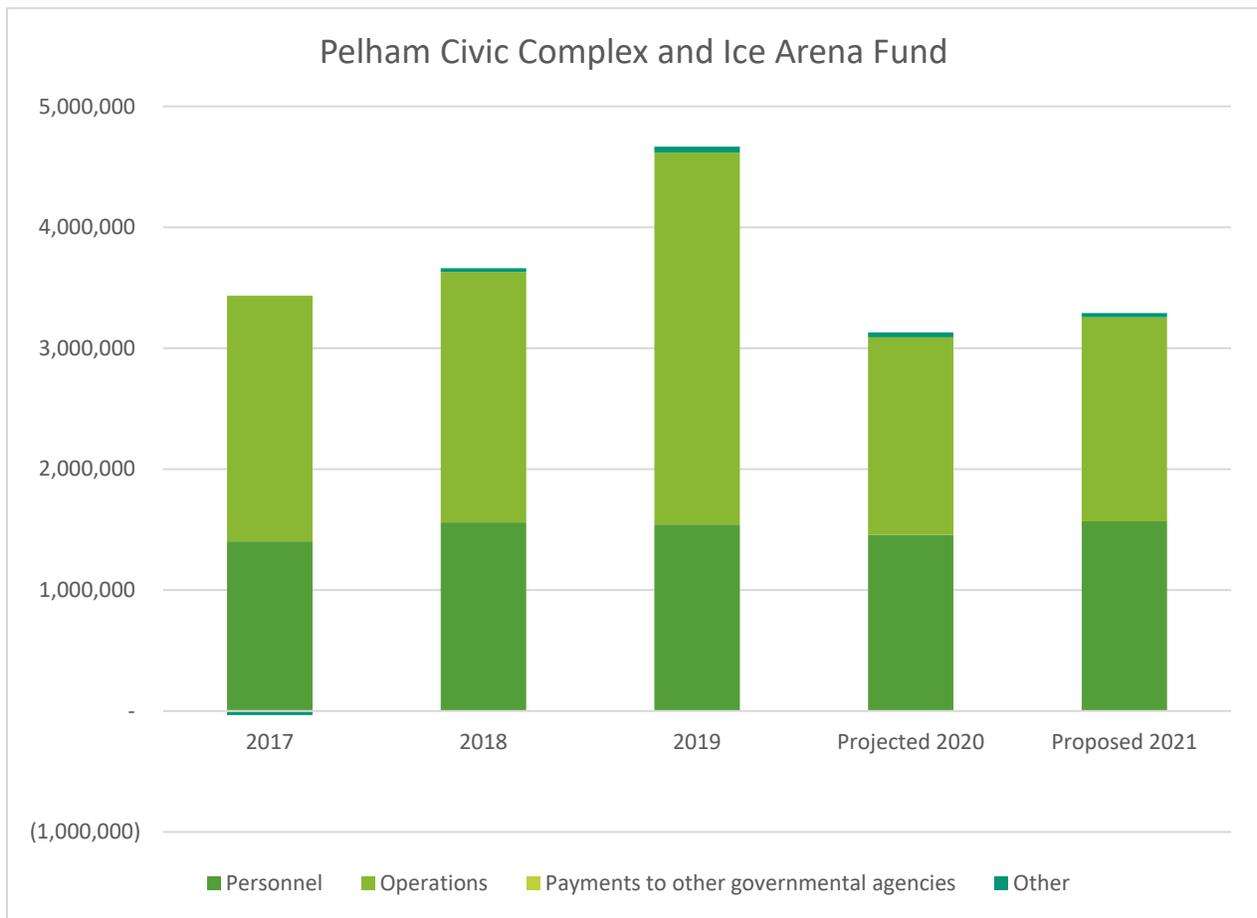
Pelham Civic Complex and Ice Arena

The Pelham Civic Complex and Ice Arena (PCC) houses two National Hockey League-sized rinks which hosts more than 27,000 ice skaters each year – from beginners to seasoned professionals. The arena is home to the Birmingham Bulls and has the capability of adapting to host a variety of events. Seating capacity is 4,000 and the floor space is 30,000 square feet. The Banquet Hall offers meeting rooms and conference space.

The Banquet Hall and Ice Arena shut down operations in March when state mandates made it impossible to continue to operate. While indoor gatherings still face major legal restrictions, the FY2021 Budget takes into account the current reopening of the practice arena with the Birmingham Bulls tentatively slated to begin the hockey season on December 26, 2020 (this information is current as of September 12, 2020).

Major functions include but are not limited to the following:

- Hosting ice arena events such as Broomball and Magic City Theatre on Ice.
- Serving as the home of the Birmingham Bulls Hockey Team as well as the University of Alabama Frozen Tide.
- Maintaining a pro shop for figure skaters, hockey players and fans.
- Running concessions for events of all sizes.
- Offering figure skating and hockey lessons for athletes from beginners to professionals.
- Offering safe and fun public skating available to the public.
- Hosting a variety of events all year long.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	1,403,420	1,559,824	1,542,555	1,457,622	1,568,741
Operations	2,031,253	2,071,001	3,076,517	1,633,195	1,687,474
Payments to other governmental agencies	-	-	-	-	-
Other	(33,966)	30,987	48,211	40,130	34,950
	3,400,707	3,661,812	4,667,283	3,130,947	3,291,165

Ballantrae Golf Club

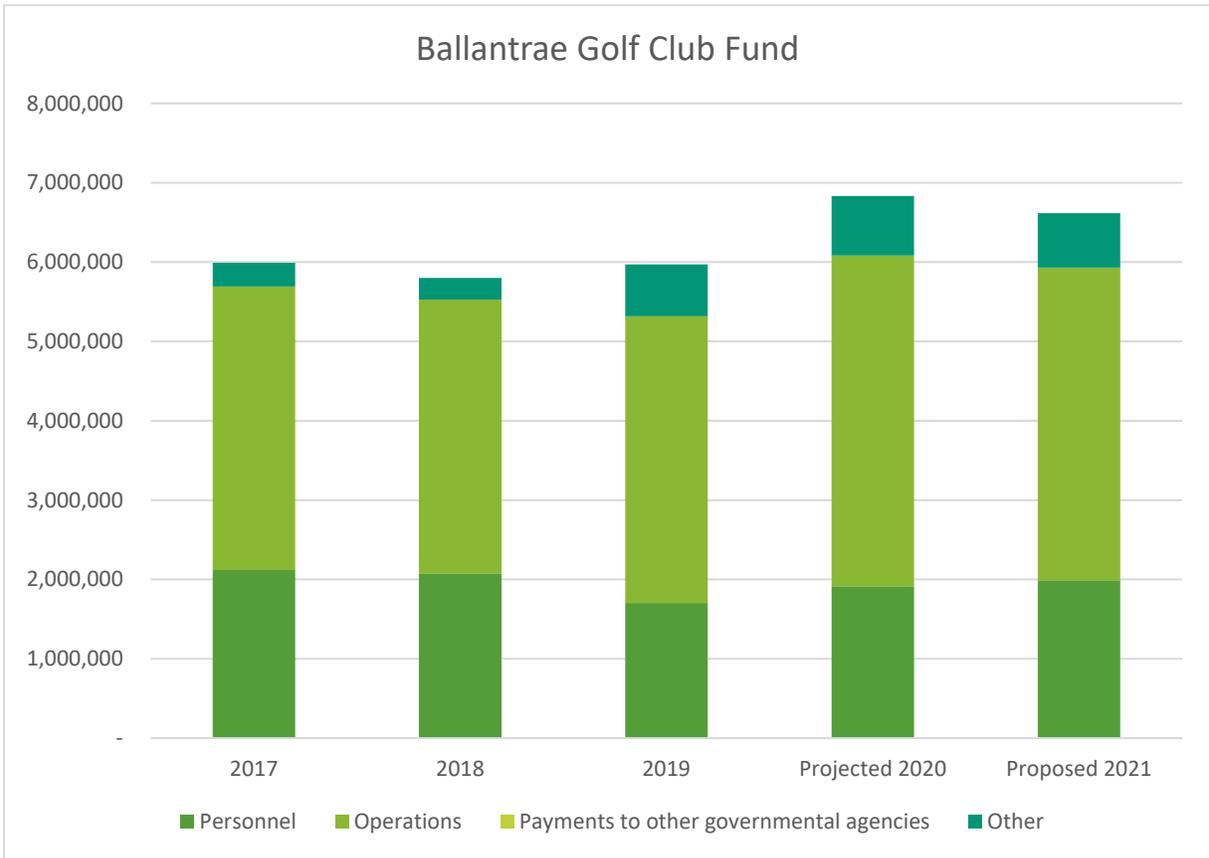
Ballantrae is a semi-private golf course. Designed by Bob Cupp, the links style course meanders through a scenic valley, surrounded by gorgeous southern woodlands and breathtaking views. In addition to offering a challenging and fun 18-hole golf course, Ballantrae also offers golf instruction, a Pro Shop, Fireside Grille, Clubhouse, Conference Room and Practice Facility. To aid in the course's control of geese, in 2020 Ballantrae hired Driver, a German Shorthair Pointer, who helps to keep the course free from unwanted geese while enthusiastically welcoming all non-flyers to the course.



During COVID-19, golfers came out in record numbers! After suspended operations for a few weeks during which the golf cart trail was open to walkers/runners, many people not formerly exposed to Ballantrae were able to take advantage of the beautiful and serene atmosphere.

Major functions of Ballantrae Golf Club include, but are not limited to:

- Provide a beautifully maintained, safe and friendly golfing experience for members and the public.
- Provide excellent golf instructions by certified pros.
- Offer a high quality grille menu for golfers and for those visiting our community.
- Manage a high quality golf shop with inventory our customers need and want.
- Offer special events for our members and for the public.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	1,339,372	1,295,099	1,210,102	1,235,541	1,350,536
Operations	858,062	795,023	838,428	852,961	887,745
Payments to other governmental agencies	-	-	-	-	-
Other	32,456	30,564	33,381	27,200	30,200
	2,229,890	2,120,686	2,081,911	2,115,702	2,268,481

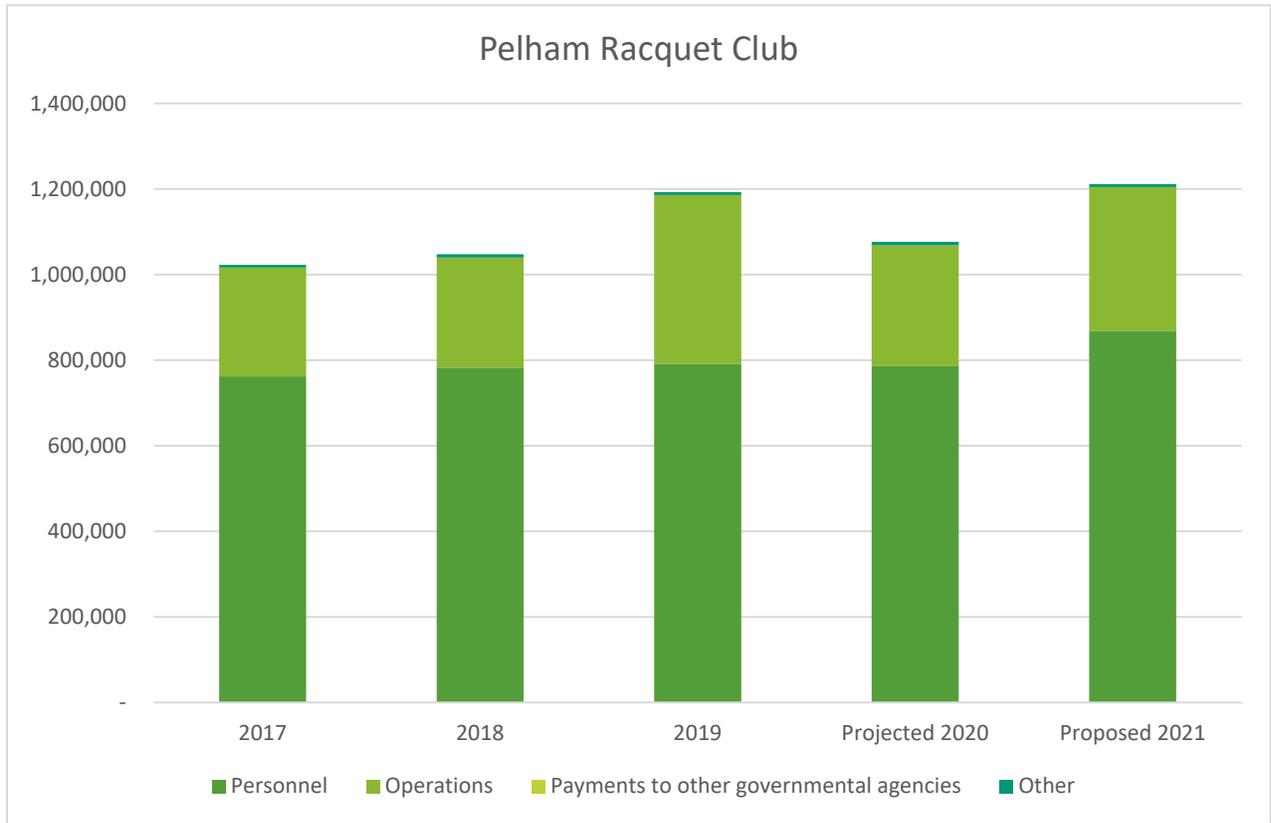
Pelham Racquet Club

The Pelham Racquet Club is the largest public clay court facility in the state, offering 20 clay courts and 5 hard courts all lighted with above tournament grade lighting. The entire facility is beautifully landscaped on three tiers providing function and visibility to all courts. The club offers memberships and league play for members of the general public. In addition, the club hosts several professional tournaments.

While the Racquet Club closed down March – June due to COVID-19 and restrictions were placed on the sport as influenced by the USTA, the club was able to reopen in July and has already begun to host tournaments while maintaining the public safety guidelines set by state standards and the USTA.

The functions of the Racquet Club include but are not limited to:

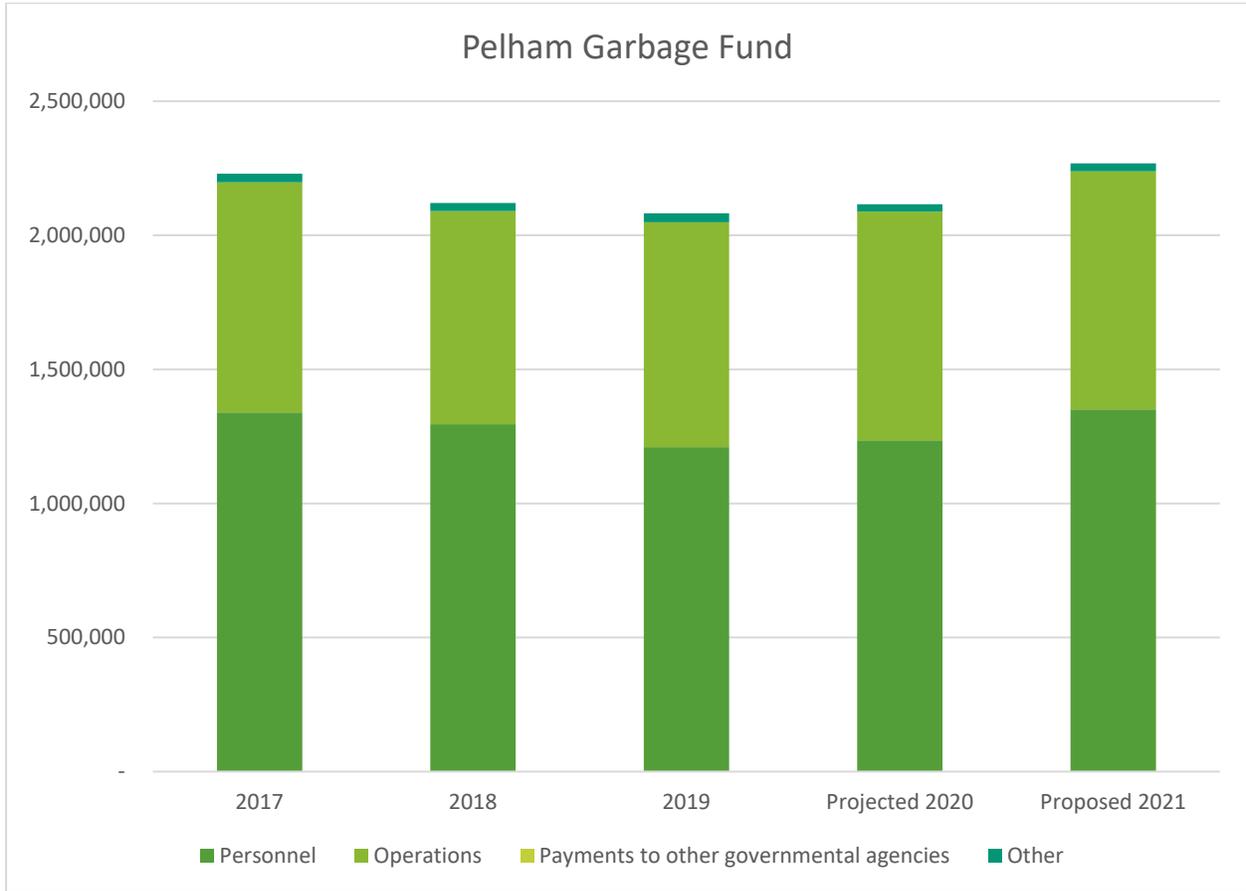
- Tennis lessons with USTA licensed professionals – serving the needs of beginners through professionals.
- Professional tournaments throughout the year.
- Adult league play.
- Racquet stringing.
- Pro shop.
- Regular social events.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	762,411	782,788	791,207	786,605	868,880
Operations	254,010	257,090	394,712	281,748	335,666
Payments to other governmental agencies	-	-	-	-	-
Other	6,388	7,489	7,058	8,300	6,900
	1,022,809	1,047,367	1,192,977	1,076,653	1,211,446

Pelham Garbage Fund

The Pelham Garbage Fund provides residential garbage services. It consists of revenues collected for charges for services. Expenses consist of payments to a third party for collection of the garbage.



Expenditures:	2017	2018	2019	Projected 2020	Proposed 2021
Personnel	-	-	-	-	-
Operations	-	-	-	-	-
Payments to other governmental agencies	-	-	-	-	-
Other	1,030,510	1,250,350	1,265,089	1,400,000	1,380,000
	1,030,510	1,250,350	1,265,089	1,400,000	1,380,000

OTHER FUNDS



OTHER FUNDS

Special Revenue Funds

The City's Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes.

Four and Five Cent Gas Tax Fund

The Four and Five Cent Gas Tax Fund is the City's proportionate share of the State four cent and five cent gasoline taxes as determined by the City's population based on the last decennial census. Four and Five Cent Gas Tax funds can be used for repair and resurfacing of roads, storm drains and bridges, including engineering, provided such improvements lie within the right-of-way of a public road, paving a dirt road, and may include salaries for such repairs and improvements.

Seven Cent Gas Tax and Petroleum Inspection Fee Fund

The Seven Cent Gas Tax and Petroleum Inspection Fee Fund is the City's proportionate share of the State seven cent gasoline tax and petroleum inspection fees as determined by the City's population based on the last decennial census. Seven Cent Gas Tax and Petroleum Inspection Fee funds can be used for street signs, drainage improvements, new curbs and gutters, to repair, maintain, and construct ditches and culverts along street rights-of-way, to improve, maintain and repair streets, and for removing objects interfering with traffic.

Motor Vehicle License Fund

The Motor Vehicle License Fund is the City's portion of the Motor Vehicle License fee collected by Shelby County, Alabama and remitted monthly to the City of Pelham. Motor Vehicle License funds can be used for the maintenance and repair of traffic lights, a portion of the monthly street light utility bill, and for street and crosswalk striping.

Ten Cent Gas Tax Fund

The Ten Cent Gas Tax Fund is the City's portion of funds generated from the Rebuild Alabama Act passed in Spring 2019. The funds are distributed primarily based on population and are remitted at least twice per month. Gas Tax will be fully implemented in 2021. Ten Cent Gas Tax funds can be used for the following:

1. The maintenance, improvement, replacement, and construction of roads and bridges;
2. Matching funds for federal road or bridge projects;
3. Debt repayment for road and bridge projects; or
4. Joint road and bridge projects with one or more municipalities and/or counties.

The Ten Cent Gas Tax funds CANNOT be used for:

1. Salaries, benefits, or any other form of compensation for county, municipal, or contract employees or officials except as included as project costs and subject to audit by the Examiners of Public Accounts;
2. The purchase, lease, or maintenance of equipment, other than equipment purchased and permanently installed as part of a road or bridge project;
3. The maintenance and construction of public buildings or other structures that are not integral to the system of roads or bridges.

Library Board Fund

The City's Library Board Fund consist of funds collected for fines for overdue books and materials and for book sales. The Library Board funds can be used for the support of the Pelham Library through the purchase of books, materials, travel, training, grant matches, programs with authors and special programs with the schools.

Library State Aid Fund

The City's Library State Aid Fund consist of funds distributed quarterly by the Alabama Public Library Service. State Aid Rules and Regulations define allowable expenditures from these funds.

Police Vault Property Fund

The City's Police Vault Property Fund is made up of funds confiscated during the commission of a crime and/or through investigation by the Pelham Police Department. The confiscated funds are released through a court order following the disposition of a case. Funds are transferred to either the City's State or Federal Forfeiture accounts, at which time the funds must be used for law enforcement purposes.

Police Federal Forfeiture Fund

The City's Police Federal Forfeiture Fund are the result of the forfeiture of assets in federal law enforcement cases. The confiscated funds are released through a court order following the disposition of a federal law enforcement case. The Police Federal Forfeiture funds must be used for law enforcement purposes.

Police State Forfeiture Fund

The City's Police State Forfeiture Fund are the result of the forfeiture of assets in state law enforcement cases. The confiscated funds are released through a court order following the disposition of a state law enforcement case. The Police State Forfeiture funds must be used for law enforcement purposes.

City of Pelham 911 Fund

The City of Pelham 911 Fund consists of funds collected and remitted monthly by telecommunications carriers to Shelby County 911. A portion of the collections (\$12,000) is remitted monthly to Pelham. The City of Pelham 911 funds can be used to support emergency communications services in the City of Pelham.

Fair Trial Tax Fund

The City's Fair Trial Tax Fund revenues consist of a portion of municipal traffic ticket fines, less attorney's fees. The City's Fair Trial Tax funds are used to pay for the City Court public defender. Any balance remaining after paying the City Court public defender must be remitted to the State of Alabama on a monthly basis.

Municipal Corrections Fund

The City's Municipal Corrections Fund revenues are generated from a portion of municipal traffic ticket fines. Municipal Corrections funds can be used exclusively for the operation and maintenance of the municipal jail or any court complex. Expenditures for the Police Department are not permitted.

Municipal Administration Court Fee Fund

The City's Municipal Administration Court Fee Fund revenues are generated by collecting ten dollars per case for Non-Traffic Misdemeanor/Municipal Ordinance Cases. Municipal Administration Court Fee funds are expended by the Presiding Municipal Judge and/or Municipal Court Clerk for the operation of the municipal court.

Municipal Court Training Fee Fund

The City's Municipal Court Training Fee Fund revenues are generated by collecting two dollars per case for Non-Traffic Misdemeanor/Municipal Ordinance Cases. Municipal Court Training Fee funds can only be used for training expenditures for Court personnel.

Capital Improvement Fund

The City's Capital Improvement Fund consists of earnings from the investment of funds in the County and Municipal Government Capital (Oil and Gas Trust Fund) Improvement Fund. Capital Improvement funds are reserved to assist in the restoration and improvement of municipal government buildings, roads, streets and other facilities and to promote the health, safety and public welfare of the citizens of the State of Alabama and/or the City of Pelham, which includes construction, additions and renovations to public buildings.

CAPITAL & DEBT



CAPITAL



General Fund Capital Projects

The City's General Fund FY2021 includes the following capital items:

Annual Paving

This budget reflects annual paving projects for both FY2020 and FY2021. The Alabama Department of Transportation (ALDOT)'s widening of Interstate 65 (or other major interstate) typically results in asphalt facilities moving operational hours to the evening in order to accommodate the interstate construction. This operational change caused a delay in paving projects for Pelham and all surrounding communities. Therefore, this capital budget reflects paving costs for projects originally budgeted in FY2020 (\$500,000) which will move to FY2021 along with the \$400,000 in paving projects budgeted for FY2021. Budgeted amount: \$900,000

Gateway Improvements

After Pelham's new logo and branding is defined, we will begin concept design and signage for the City's gateways.

Budget amount: \$125,000

ADS (Advantage Drainage System) Pipe Replacement used for Stormwater Drainage

This is an annual ongoing replacement project.

Budget amount: \$20,000

Highway 52 Widening – Design Phase

ALDOT approved the project documents Summer 2020, and the next phase is design.

Budget amount: \$100,000

PROWAG-ADA

This is an on-going project to convert sidewalks and/or ramps to ADA compliance.

Budget amount: \$30,000

Village Place/Bearden Road

The redesign of this intersection to improve both safety and aesthetics is underway, and we expect construction to be complete at the beginning of FY2021.

Budget amount: \$225,000

Stormwater Mapping and Assessment

This ongoing project is focused on identifying and mapping all stormwater infrastructure to help with drainage studies as well as with the City's stormwater program.

Budget amount: \$50,000

Phase 3 and 4 of the Greenway Trail

This represents the City's portion of the next phases of the trail.

Budget amount: \$300,000

Existing Trail Improvement and Rehabilitation in Neighborhood Parks

This project is designed to complete repairs and improvements to the existing trails throughout Pelham neighborhood parks.

Budget amount: \$100,000

State Park Road

This is a Shelby County and ALDOT project for which the City has a small share. This share is reflected in the budget.

Budget amount: \$255,000

Pole Barns for Heavy Equipment Storage

These pole barns have already been purchased, but they will not be installed until November 2020.

Budget amount: \$29,000

Pelham City Hall

The City Council made the decision to renovate the existing City Hall. While the full renovation cost will be utilized over two fiscal years, the total is presented in this budget.

Budget amount: \$3,620,355

Parks Improvement Plan

The Park and Recreation Master Plan was approved in late FY2020, and the next step is to use the goals of that plan to create a specific improvement plan of every City Park.

Budget amount: \$125,000

Green Space Park Improvements

This item allows the City to install large variety shade trees along the new City trail at City Park. The budget also includes the plan and construction of a focal gathering point designed to serve as an ideal spot for photo opportunities.

Budget amount: \$220,000

Campus 124 Park

The development agreement between the City and Campus 124 calls for the City to own, design, install and maintain a 3-mile City Park at the Campus. Highlights of the park will include space for live performances, open green space, gathering spaces and walking trail.

Budget amount: \$250,000



Depot Renovation

The City's Depot located in the City Park is in disrepair with water damage and mold. This project allows the depot to be gutted and cleaned in preparation for future use.

Budget amount: \$50,000

Enterprise Resource Planning System (ERP)

The City's plan is to implement the finance and payroll modules in FY2021.

Budget amount: \$709,170

Message Board

These funds allow the police department to refurbish a message board sign.

Budget amount: \$7,500

Mobile Field Force Gear for Police Department

This allows for the police department to outfit fifteen officers with mobile field force gear.

Budget amount: \$12,280

Upgraded Technology for Police Department

These funds allow the police department to upgrade equipment that will provide our officers with mobile Wi-Fi hotspots, phones and in-car computers while allowing the City to save about \$20,000 by purchasing in bulk.

Budget amount: \$54,433



Public Works Vehicle with Sign Installation Equipment

This equipment allows the street department to safely drill and install street signs much more securely than can be done with current equipment. This will greatly reduce the tilting signs that have become part of our brand.

Budget amount: \$80,000

Rubber Tire Trailer

The street department currently drives its heavy construction equipment along the road at very slow speeds presenting safety issues on busier roads in the City. These funds will allow the department to purchase a trailer to transport the heavy equipment.

Budget amount: \$20,000

Fire Station 3 New Construction

Fire Station 3 will be constructed on Highway 11. Site work was completed in FY2020, and the station is scheduled to complete construction in FY2021.

Budget amount: \$3,000,400

Fire Station 4 Improvements

These funds allow the staff at Station 4 to purchase supplies to complete interior renovations, painting, replace kitchen cabinets and flooring.

Budget amount: \$45,000

Fire Apparatus

The fire department is scheduled to replace Engines 94 and 95.

Budget amount: \$1,300,000

Vehicles

Vehicles are scheduled for purchase in the following departments (1) PD – 4 police vehicles; (2) Park and Recreation – Director vehicle; and (3) DPSW – work truck for the Building Maintenance Supervisor

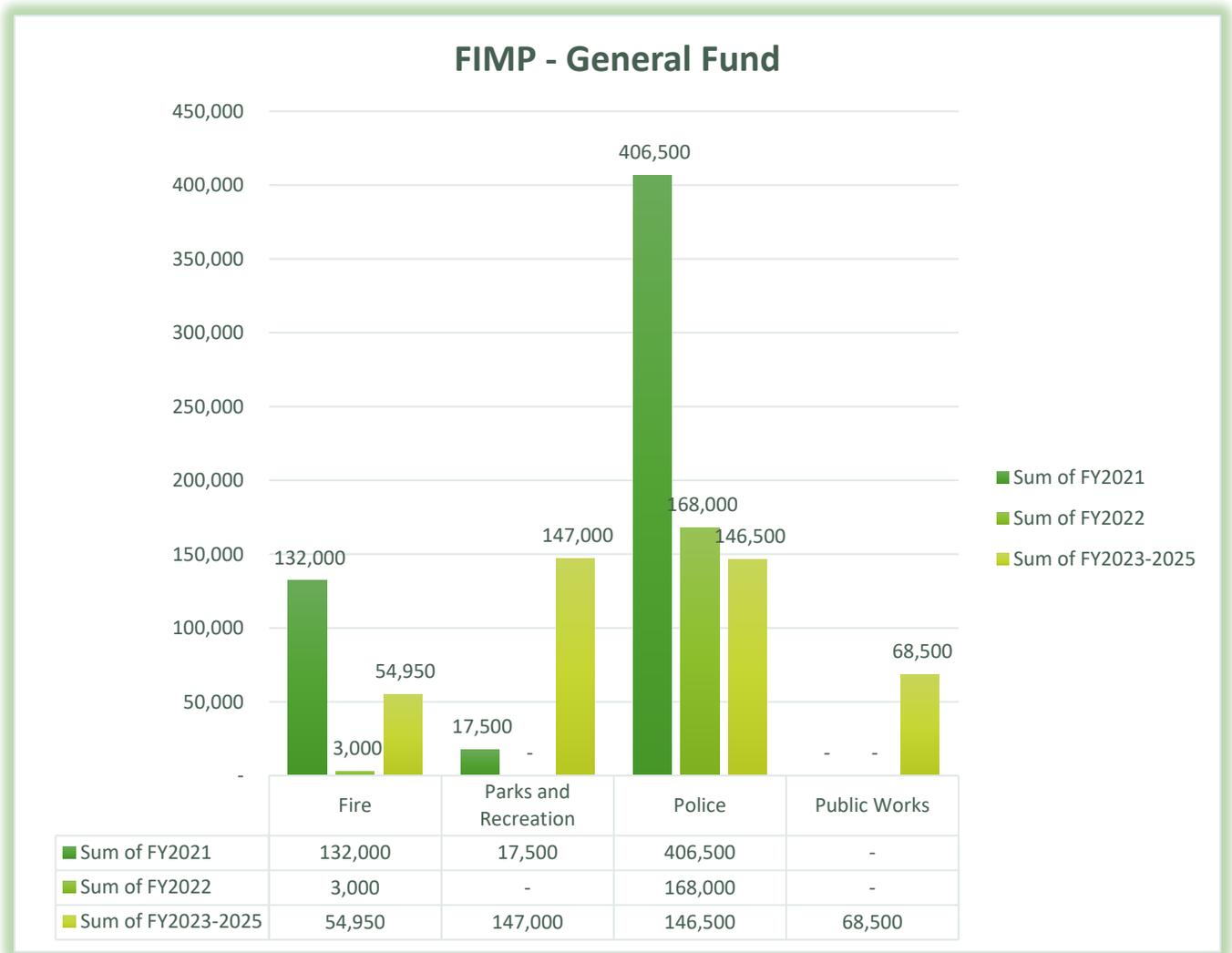
Facilities Maintenance and Improvement Plan (FIMP)

The FIMP represents the five year capital project and funding plan for all City-owned facilities. During FY2019, the City engaged a consulting firm to perform an audit of the City's facilities to determine necessary building and building equipment improvements. City management reviewed the reports provided by the consultants and used the results to compile an extensive list of improvements needed to City facilities. The City will fund the improvements on an annual basis.

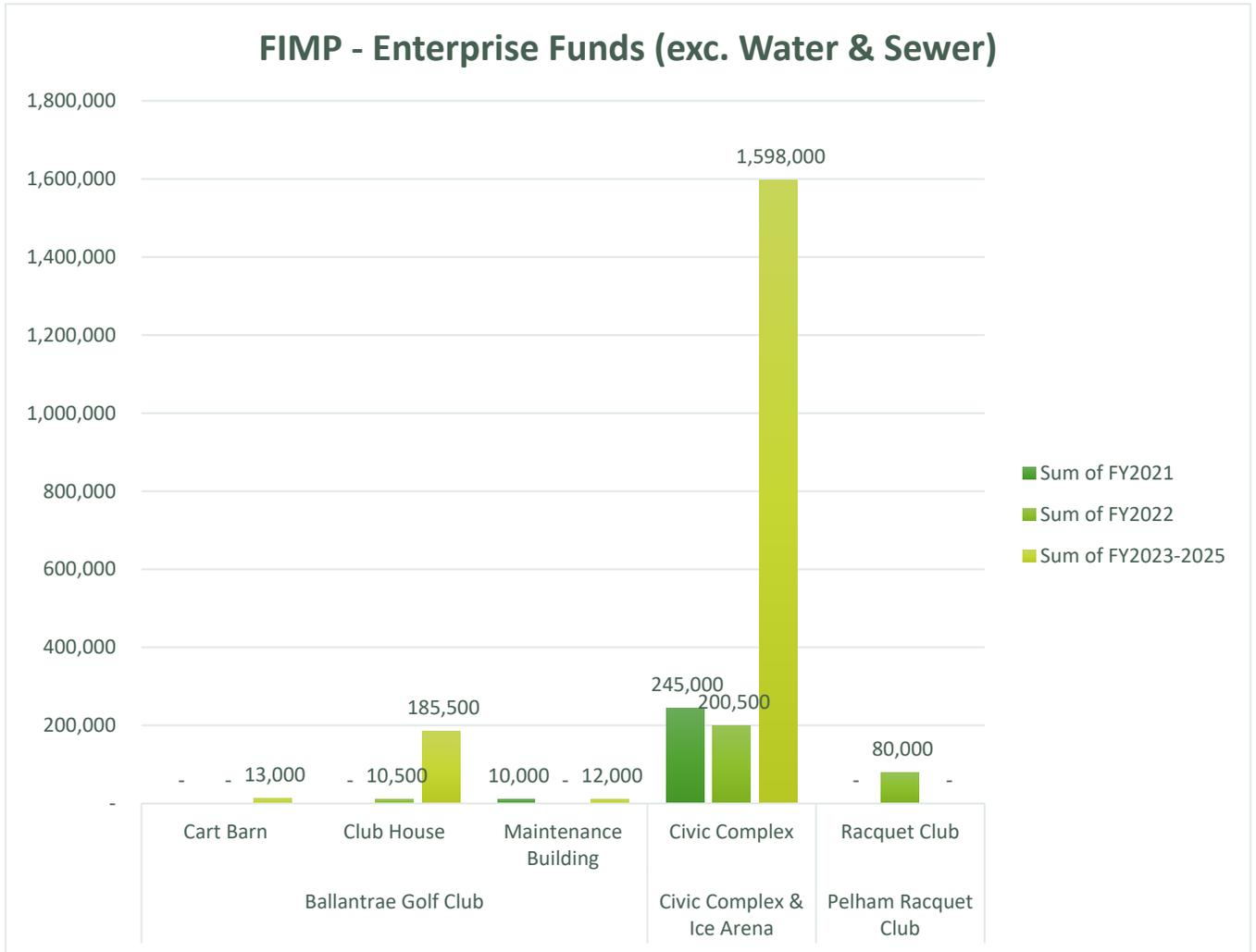
Budget amount: \$1,496,090



A chart of the schedule of projected FIMP expenditures for the General Fund through FY2025 follows.



A chart of the schedule of projected FIMP expenditures for the Enterprise Funds (excluding Water and Sewer) through FY2025 follows.



Enterprise Fund Capital Projects

The City's Enterprise Fund budget for FY2021 includes the following capital items:

Water and Sewer Fund

The Water and Sewer fund has numerous ongoing improvement projects to the both Water system and Sewer system. Those projects include the following:

WATER SYSTEM:

PVC Water Line Replacement Project – Budget amount: \$500,000

Water Meter Replacement Project – Budget amount: \$25,000

Indian Hills Well Electrical Upgrades – Budget amount: \$200,000

SCADA Integration - Phase 1 – Budget amount: \$20,000

Leak Survey – Budget amount: \$25,000

Rate Review – Budget amount: \$15,000

Hydraulic Model – ISO – Budget amount: \$15,000

SEWER SYSTEM:

Lift Station M Generator Carryover – Budget amount: \$350,000

Lift Station B Design – Budget amount: \$50,000

Southgate Lift Station – Budget amount: \$330,000

Row Clearing – Budget amount: \$25,000

Ongoing I/I Remediation – Budget amount: \$700,000

Rate Review – Budget amount: \$7,500

In Plant SCADA – Budget amount: \$20,000

The Water and Sewer fund has building improvement projects budgeted for its well operator building, the customer service workspace in the Water & Sewer administrative building, and for the building at the Wastewater Treatment Plant.

Remodel Well Operator Building - 1200 sf x \$80/sf – Budgeted amount: \$96,000

CSR Upgrades - 1100 sf @ \$30/sf – Budgeted amount: \$33,000

Wastewater Treatment Building Remediation – Budgeted amount: \$175,000

Lastly, the Water and Sewer fund has budgeted for the following vehicles and equipment for use in its operations:

Excavator – Budgeted amount - \$87,000

Trailer - Budgeted amount - \$13,000

Truck – Budgeted amount - \$30,000

Pelham Civic Complex and Ice Arena

The Pelham Civic Complex and Ice Arena budget for FY2020 included amounts for the purchase of a box truck for transporting items from storage and for a forklift for use in operations at the facility. The items were not purchased in FY2020, so they were included in the FY2021 budget as follows:

Box Truck – Budgeted amount - \$35,000

Forklift - Budgeted amount - \$22,000

Pelham Civic Complex and Ice Arena

The Pelham Racquet Club budget includes capital projects for upgrading its irrigation system and for repairs and replacement of flooring on the exterior bottom level. In addition, the Racquet Club has budgeted for a Kubota utility vehicle to be used for maintenance of the courts and facilities. The amounts included are as follows:

Irrigation System Upgrade – Budgeted amount: \$10,000

Exterior Flooring – Bottom – Budget amount \$35,000

Kubota Utility Vehicle - \$18,000

Ballantrae Golf Club

The Ballantrae Golf Club budget includes capital projects for improvement on Hole 11. The amount is included as follows:

Hole 11 Improvement – Golf Course - \$10,000

Capital projects and capital asset additions for the Enterprise Funds total a budgeted amount of \$2,846,500.

City management recommends funding the FY2021 proposed General Fund capital projects and capital outlay as follows:

Capital assets/improvements		Funding					
Parks & Rec							
35,000	New Director Vehicle	(35,000)	Excess in revenues over expenditures				
125,000	Park Improvements Plan	(125,000)	Unencumbered Fund Balance				
50,000	Depot Renovation	(50,000)	Unencumbered Fund Balance				
250,000	Campus 124 Park	(250,000)	Unencumbered Fund Balance				
220,000	Green Space Park Improvements	(220,000)	Unencumbered Fund Balance				
680,000							
Engineering							
500,000	2020 Annual Paving	(500,000)	Unencumbered Fund Balance				
125,000	Gateway Improvements	(52,759)	Unencumbered Fund Balance				
		(72,241)	Note payable				
400,000	2021 Annual Paving	(40,000)	Excess in revenues over expenditures				
		(4,381)	Unencumbered Fund Balance				
		(355,619)	Cap impr				
20,000	ADS Pipe Replacement	(20,000)	Unencumbered Fund Balance				
100,000	Highway 52 Widening - Design	(100,000)	Unencumbered Fund Balance				
30,000	PROWAG - ADA	(30,000)	Unencumbered Fund Balance				
100,000	Additional Trails	(100,000)	Unencumbered Fund Balance				
225,000	Village Place/Bearden	(225,000)	7 cent gas tax				
50,000	Stormwater Mapping and Assessment	(50,000)	Unencumbered Fund Balance				
1,496,090	FIMP	(830,327)	Excess in revenues over expenditures				
		(665,763)	Cap impr				
29,000	Pole Barn Purchases - Garage	(29,000)	Trash Fund				
3,620,355	City Hall	(3,620,355)	Note payable				
300,000	Phase 3 and 4 Trails	(300,000)	Excess in revenues over expenditures				
255,000	State Park Road	(255,000)	4 & 5 cent gas tax				
7,250,445							

Police Department					
7,500	Refurbish old message board sign - \$7,500	(7,500)	Police Fed Forf		
12,280	Riot Gear for 15 officers minus helmets; 15 additional full sets \$12,280	(12,280)	Police Fed Forf		
54,433	15 Cradle Point Modems & Sharkfin Antenna's, AT&T Proposal: Equipment - \$7,600(\$16,575 refund); 12 w/Hotspot-\$6,480; 63 w/data - \$30,240; 43 Car Wifi - \$19,608; 118 Taxes and 911 - \$7,080; ***This line will replace H78, H35, H32 resulting in saving \$5,102	(54,433)	Unencumbered Fund Balance		
136,000	CCTV System	(136,000)	Unencumbered Fund Balance		
144,000	4 Police Vehicles - \$36,000/each	(144,000)	Unencumbered Fund Balance		
354,213					
IT Department					
709,170	ERP System	(709,170)	Unencumbered Fund Balance		
Fire Department					
3,007,404	Fire Station 3 - Construction	(3,007,404)	Note payable		
650,000	Fire Apparatus - Engine 94	(650,000)	Note payable		
650,000	Fire Apparatus - Engine 95	(650,000)	Note payable		
45,000	Fire Station 4 Improvements	(45,000)	Unencumbered Fund Balance		
4,352,404					
Public Works					
80,000	Vehicle with Sign Installation Equipment	(80,000)	Trash fund		
20,000	Rubber Tire Trailer	(20,000)	Trash fund		
30,000	Truck - Bldg Maintenance Supervisor	(30,000)	Trash fund		
130,000					
13,476,232	Total Capital Outlay (Summary Budget)				

Water and Sewer Fund capital projects and capital asset additions will be recovered through user fees and through the issuance of the Sewer Revolving Fund debt as proposed by the Director of Development Services and Public Works. The capital projects and capital asset additions for the remaining Enterprise Funds (Pelham Civic Complex and Ice Arena, Pelham Racquet Club, and Ballantrae Golf Club) will be funded through transfers from the General Fund.

DEBT



Debt Service

The City has the following debt for which payments have been budgeted for FY2021.

Series 2013-B

Series 2013-B was issued to refund Series 2003, for which proceeds were used for construction of the Golf Course with a portion of the proceeds going to the General Fund.

Series 2013-B General Obligation Warrants, dated August 8, 2013, are due in semi-annual payments through August 8, 2023, bearing an interest rate of 1.92%.

Series 2013-C

Series 2013-C was issued to refund Series 2005, for which proceeds were used for construction of the police and court building.

Series 2013-C General Obligation Warrants, dated August 8, 2013, are due in semi-annual payments through August 8, 2029, bearing an interest rate of 2.47%.

Series 2014

The Series 2014 Warrants were issued and transferred to the Pelham City School Board. The City has a note receivable from the School Board pertaining to the debt.

Series 2014 General Obligation Warrants, dated August 13, 2014, are due in semi-annual payments through February 1, 2035, bearing interest rates of 3.00% to 5.00%.

Series 2015

The Series 2015 Warrants were issued and transferred to the Pelham City School Board. The City has a note receivable from the School Board pertaining to the debt.

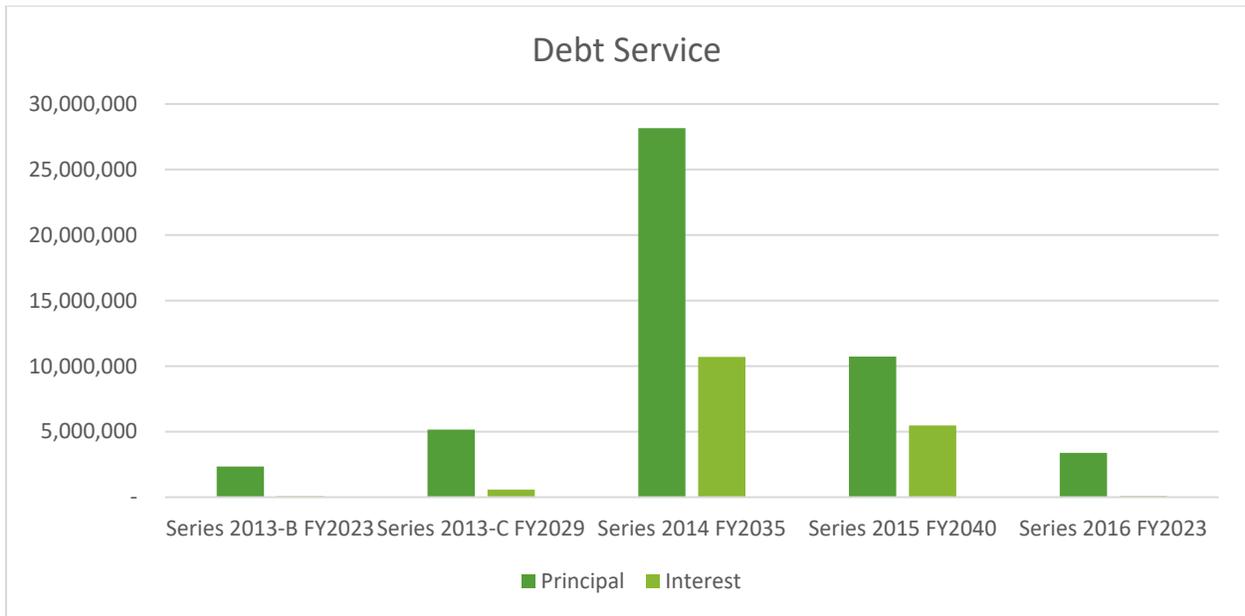
Series 2016 Warrants, dated December 30, 2015, are due in annual payments through February 1, 2040, bearing interest rates of 2.00% to 5.00%.

Series 2016

Series 2016 was issued to refund Series 2006-A and 2006-B, for which proceeds were used for construction of the Racquet Club, with a portion of the proceeds going to the Water & Sewer Fund and to the General Fund.

Series 2016 General Obligation Warrants, dated August 19, 2016, due in semi-annual payments through November 1, 2022, bearing interest rates of 3.00% to 5.00%.

The City's current debt service with respect to warrants payable is as follows:



	Principal	Interest
Series 2013-B FY2023	2,340,329	68,012
Series 2013-C FY2029	5,152,686	587,820
Series 2014 FY2035	28,160,000	10,705,875
Series 2015 FY2040	10,725,000	5,469,740
Series 2016 FY2023	3,382,500	79,306
	49,760,515	16,910,753

The City's current debt service by fund is as follows:

General Fund	Principal	Interest	Maturity Date
Series 2013-B	473,154	13,750	2023
Series 2013-C	5,152,686	587,820	2029
Series 2014	28,160,000	10,705,875	2035
Series 2015	10,725,000	5,469,740	2040
Series 2016	319,964	7,502	2023
	44,830,804	16,784,687	
Water & Sewer	Principal	Interest	Maturity Date
Series 2016	2,735,056	64,126	2023
	2,735,056	64,126	
Golf	Principal	Interest	Maturity Date
2013-B	1,867,175	54,262	2023
	1,867,175	54,262	
Racquet Club	Principal	Interest	Maturity Date
Series 2016	327,480	7,678	2023
	327,480	7,678	

In additions to Warrants payable, the City has a capital lease agreement to finance cost associated with radio equipment upgrades for the Police Department (P25). The budget includes \$317,000 for current year principal and interest amounts due for the lease payment.

APPENDIX



NOTES

