

FY 2024 |



# BUDGET PRESENTATION BOOK



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A path apart.

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# INTRODUCTION



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A path apart.

# ELECTED LEADERS



Gary W. Waters  
Mayor



Maurice Mercer  
City Council President



David Coram  
City Council Place 1



Chad Leverett  
City Council Place 2



Rick Wash  
City Council Place 3

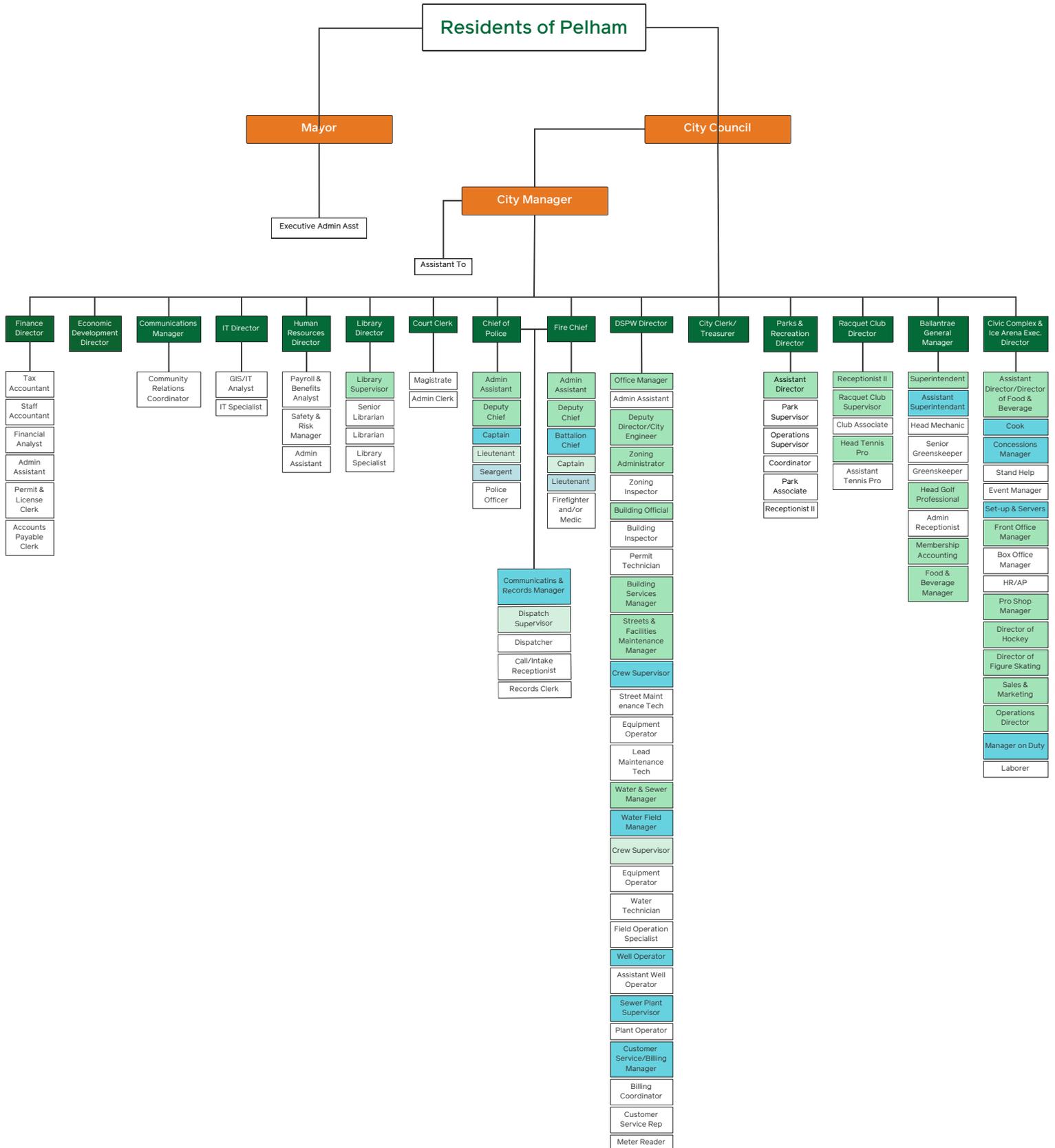


Mildred Lanier-Reed  
City Council Place 5

# CITY STAFF LEADERSHIP

Gretchen DiFante	City Manager
Ainsley Allison	Communications & Branding Manager
Andre` Bittas	Development Services & Public Works Director
Jennifer Bridwell	Court Clerk
Hal Brown	Ballantrae Golf Club General Manager
Mary Campbell	Library Director
Brian Cooper	Parks & Recreation Director
Chuck Crocker	Information Technology Director
Seth Greenberg	Pelham Civic Complex & Ice Arena Executive Director
Tracy Hill	Human Resources Director
Brooke Jenkins	Assistant to the City Manager
Chaney Mills	Pelham Racquet Club Director
Mike Reid	Fire Chief
Tom Seale	City Clerk/Treasurer
Michael Simon	Economic Development Director
Brent Sugg	Chief of Police
Jamie Wagner	Finance Director

# ORGANIZATIONAL CHART



# PELHAM AT A GLANCE

Pelham is home to Oak Mountain State Park, Alabama's largest. With 11,584 acres, visitors enjoy fishing, swimming, hiking, mountain biking, golfing, wildlife attractions, and so much more. In addition to Oak Mountain, Pelham offers a diverse mix of recreational and entertainment options. Oak Mountain Amphitheater draws in Grammy-award-winning bands and musicians from around the country. The Pelham Civic Complex & Ice Arena is home to The Birmingham Bulls, a Southern Professional Hockey League team, and the Magic City Soccer Club, the latest addition to the National Indoor Soccer League. The Pelham Racquet Club hosts an annual United States Tennis Association Pro Circuit women's tournament that attracts top players from around the world. Ballantrae Golf Club is a favorite for both residents and visitors amongst public golf courses in Birmingham. Pelham's municipal parks and recreational offerings are unmatched. The Greenway Trail connects our city in a way no other city can claim. Our Pelham City Park complex features a tennis center, recreation center, outdoor basketball and sand volleyball courts, a splash pad, baseball, softball, football fields, and a dog park.

Pelham boasts more than 5,500 businesses, a two-to-one advantage over its nearest competitor in Shelby County. Seventeen hundred of them are small or mid-sized. While Pelham's population of 24,000 allows us to retain our small-town feel, we have two exits off Interstate 65, offering convenient and easy access to Birmingham, Atlanta, and the beautiful beaches of South Alabama. Our scenic neighborhoods offer a retreat from the busy world. It's a wonderful place to call home and a great place to visit.

Incorporated in

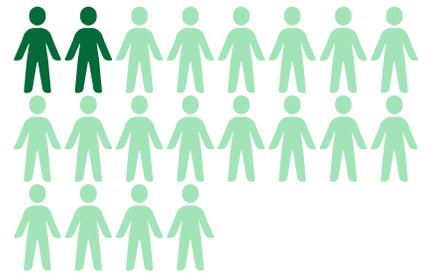
1964

38.3  
square miles

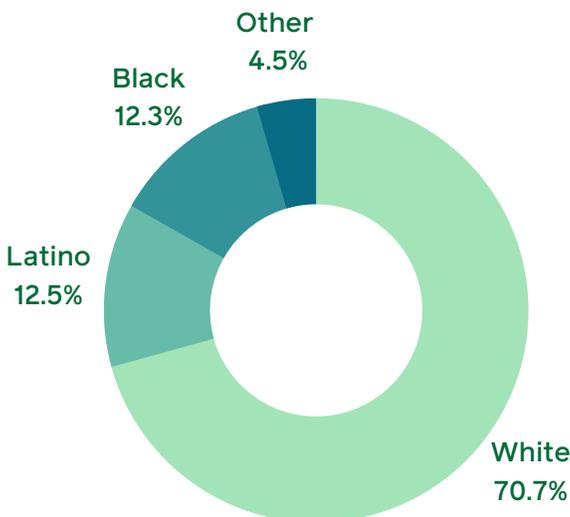
POPULATION

24,755

A 2.4% increase from  
2020



## RACIAL/ETHNIC BREAKDOWN



84%

Owner-occupied housing units

\$215,700

Median home value (2017-2021)

MEDIAN HOUSEHOLD  
INCOME **\$81,606**

In 2021 dollars



# BUDGET INTRODUCTION

The City provides several services for residents and businesses to enhance the quality of life for those living, working, and visiting the City. The quality of public services also helps to attract investment. These services are expensive, and the prioritization and funding processes require the coordinated efforts of the City Council, Mayor, City Manager, and all members of management. The City receives funds from various sources, which constitutes its revenue. The costs for public services are termed expenditures.

The City Manager is responsible for recommending a balanced budget to the City Council and Mayor. To inform the budget, the City Council sets the direction for the City and establishes priorities. The City Manager recommends a budget after thorough analysis to ensure consistency with the priorities established by the Council. Several factors go into setting those priorities, including critical infrastructure needs, citizen input (most recently garnered through a comprehensive plan, citizen surveys, and a park and recreation master plan), and financial limitations.

The City Council is involved in the budget process before the City Manager presents the recommended budget. Councilors hear from the department heads about their priorities and have an opportunity to ask questions of every department head at the Budget Workshops. The City Manager, Finance Director, and Director of Development Services then present the proposed budget to the Council Finance Committee, which consists of two Council members. Next, the City Manager and Finance Director present the proposed budget to the entire Council, and the Council votes on whether to adopt the budget. The adopted budget becomes the City's spending law and operational roadmap for the year.

The City's fiscal year (FY) runs from October 1 through September 30, and FY2024 signifies the period between these dates. The City's budget includes financial information from the Governmental Funds and the City's Proprietary Funds. The following provides a brief overview of these funds as they pertain to the City's budget.

## Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Governmental funds are classified into five fund types: general, special revenue, capital projects, debt service, and permanent funds.

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

Special Revenue Funds account for and report the proceeds of specific revenue sources restricted or committed to expenditure for purposes other than debt service or capital projects.

Capital project funds account for and report financial resources restricted, committed, or assigned to expenditure for capital outlays, including the acquisition of new and investment in existing facilities and other capital assets. The financing for capital project funds comes from several different sources, including general obligation bonds, grants from the state and federal government, and appropriations from the general or special revenue funds.

## 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 "business units." These include Water and Sewer Departments, Garbage Collection Operations, Pelham Civic Complex & Ice Arena, Ballantrae Golf Club, and the Pelham Racquet Club. These City operations are financed and operated similarly to private enterprise. User charges and impact fees recover the 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 significant indirect impact on the City's total revenue. This is commonly called 'economic impact,' which 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, the City supplements the shortfall in the "bottom line" of these operations with monies from the general fund.

The second type of proprietary fund is an Internal Service Fund. They account for financing services and supplies from one City department to another on a cost-reimbursement basis.

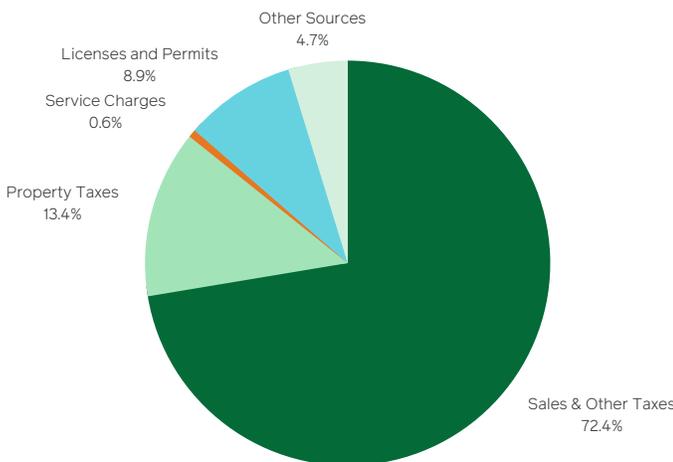
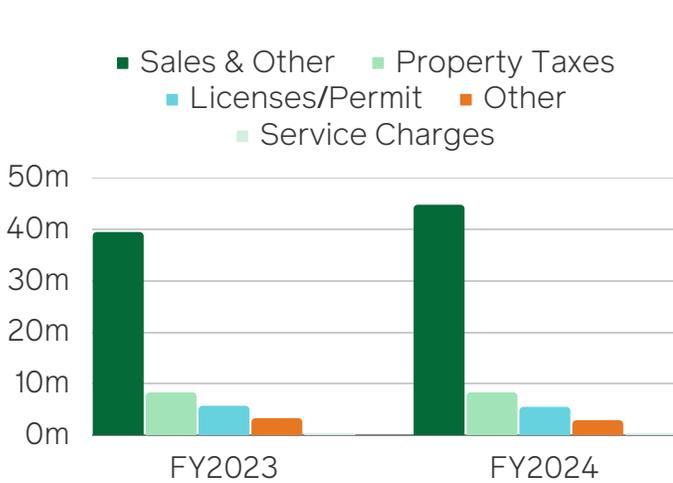
# BUDGET INTRODUCTION

## Where does the money come from?

### The General Fund

The City has multiple revenue sources to support operations, capital projects, and capital outlays. Sales and use taxes are the largest revenue source in the City's General Fund, providing 72% (\$44.7 million) of revenue. The total sales tax rate for purchases made within the City is 10%, which includes 4% appropriated to the State, 5% to the City, and 1% to Shelby County.

The second largest revenue source for the General Fund is Property Taxes, which provided 13% (\$8.3 million) of revenue. The third largest revenue source is Business Licenses and Permits, which provided 9% (\$5.5 million) of revenue. The remaining 6% comes from fines and forfeitures, charges for service, other sources, and interest income.



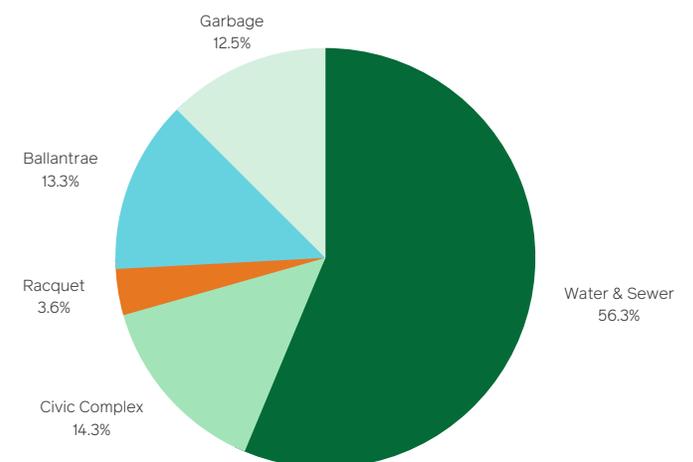
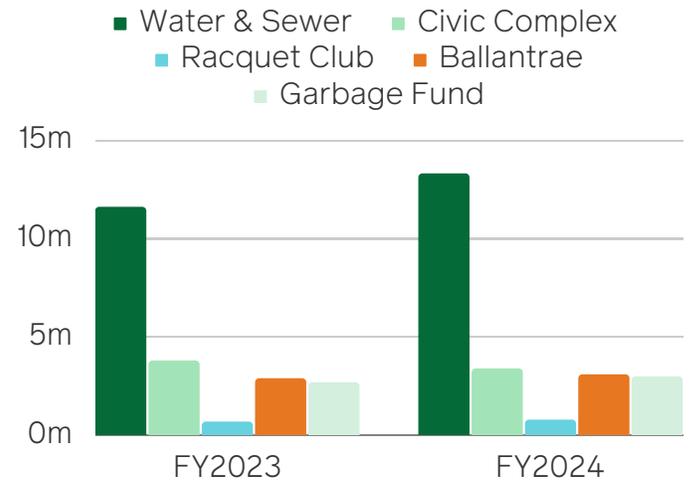
### Proprietary Funds

Water and Sewer revenues are generated primarily by service charges and tap fees determined by the City Council.

Most revenues for the Pelham Racquet Club and Ballantrae Golf Club come from lessons, memberships, and customer fees.

The Pelham Civic Complex & Ice Arena derives its revenues from rentals, food and beverage sales, and events.

The Garbage Fund collects its earnings from billing customers. This money is then transferred to the Cahaba Solid Waste Disposal Authority.



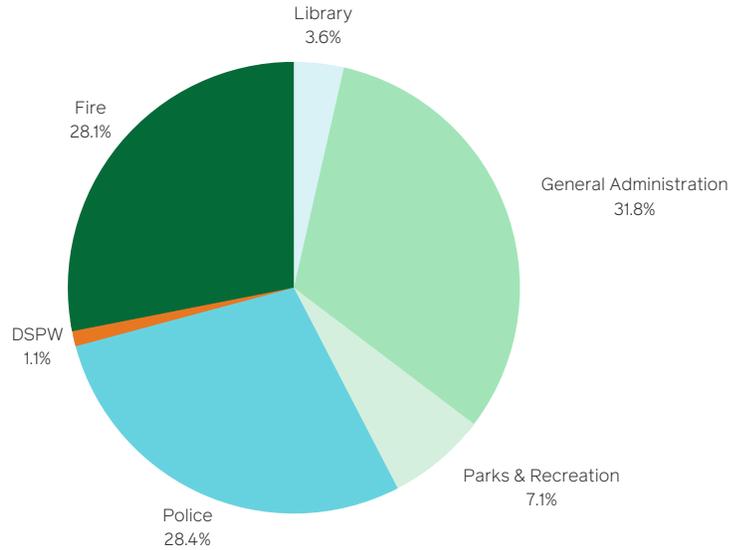
# BUDGET INTRODUCTION

## Where does the money go?

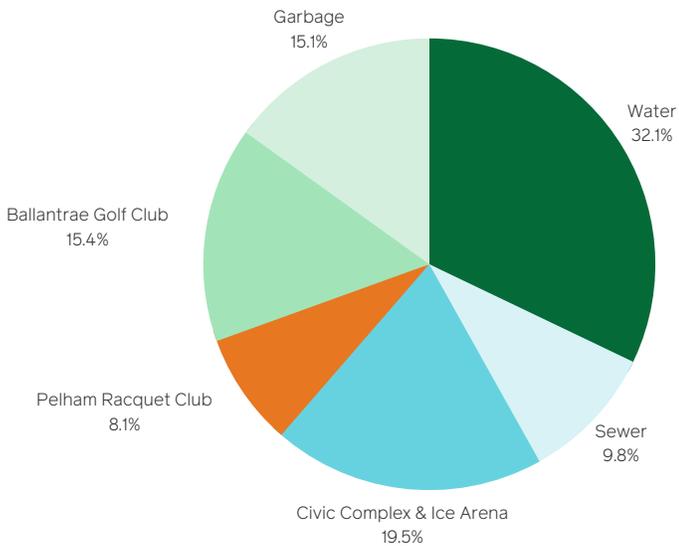
### The General Fund

Once the government collects taxes and other revenues, the resources must be spent effectively to provide essential services to citizens and businesses. The General Fund finances the regular day-to-day operations of the City; therefore, it is the primary focus of this section.

This chart provides a general breakdown of operating expenses by function for the General Fund's proposed budget. Governmental function means any regulatory, legislative, permitting, zoning, enforcement (including police power), licensing, or other tasks that the City is authorized or required to perform in its capacity as a municipality in accordance with applicable laws.



General administration includes costs for the City Council, Mayor, City Manager, Finance, Information Technology, Human Resources, Court, Communications and Branding, Economic Development, City Clerk, and the City Attorney. The education tax payment to Pelham Board of Education is accounted for in general administration. Development Services and Public Works (DSPW) includes Streets, Landscape and Facilities Maintenance, Engineering, and the Building and Zoning Department.



### The Proprietary Funds

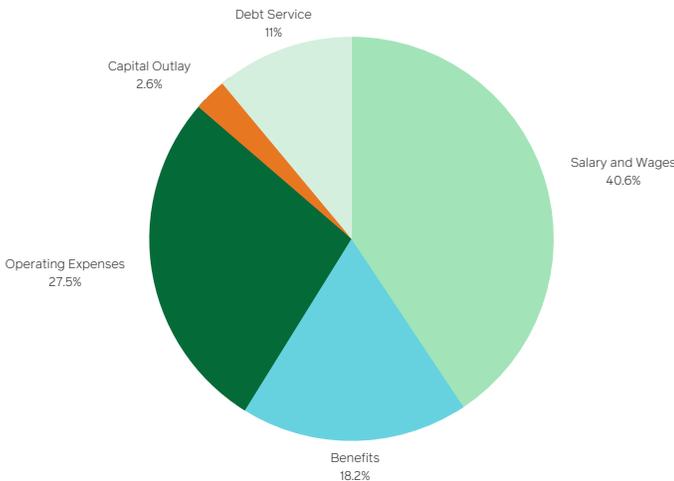
Enterprise or proprietary funds are accounting and reporting entities for a business-type activity separate from the taxpayer-supported General Fund and involve a municipal service supported wholly or primarily by user fees. The independent accounting and reporting of such an entity allow the City to balance the service's specific costs, which typically involve the maintenance of capital infrastructure, with the revenues generated from the related user fees. Resources of an enterprise fund cannot be diverted to other unrelated uses.

General management of all enterprise operations is provided by the City Manager's office, along with more specific administrative services from the Development Services and Public Works (DSPW) (for Water, Sewer, and Garbage operations) and the Directors (for Recreation operations). This permits the City to better track the revenues and expenditures of the recreation operations and gives the Directors more flexibility in adding or changing program offerings. The chart (left) is a general breakdown of operating expenses by Enterprise Fund for the proposed budget.

# BUDGET INTRODUCTION

The charts below provide a general breakdown of spending by category for the proposed budget. The City uses the revenue it receives to provide a variety of services to the community. The residents of Pelham expect superior service and accountability for their tax dollars. Therefore, the City has created a budget that provides high-quality services in a manner that is cost-effective and respects the tax dollars we collect.

## General Fund Expenditures by Category



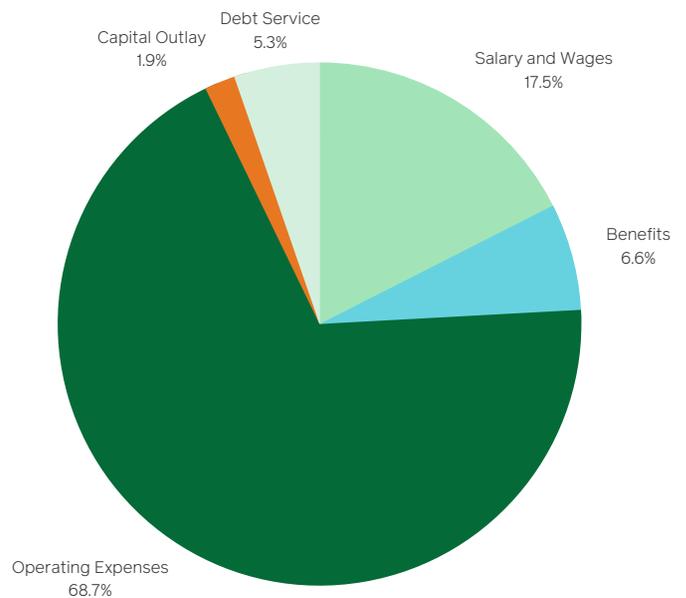
The budget is designed to achieve the key goals outlined by the City Council as reflected in the comprehensive plan and input from the citizen survey. Among those goals are to maintain current service levels, enhance infrastructure, and retain a talented workforce. To ensure Pelham stays competitive in recruiting and retaining employees, the City budgeted for a 2% cost of living raise.

The City's annual revenues are typically not adequate to finance all the expenditures proposed and approved by the City Council. Expenses that benefit citizens long-term generally have significant costs, and it is reasonable to spread those costs over several years. Some projects, such as a new building, extensive road construction, or utility improvements, are not affordable with current year revenue alone.

The City can fund those projects by borrowing and/or taking funds from reserves (discussed later). Financing allows the City to spread costs associated with large projects over many years, keeping the annual expenditures related to these projects affordable.

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

## Proprietary Funds Expenditures by Category



# BUDGET INTRODUCTION

## Long-term Planning

The budget can be about more than just providing public services to improve Pelham's quality of life each fiscal year. 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 for these things, which are reflected in the current budget.

## Money with "Strings Attached"

Some city revenue has "strings attached," 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

Like most responsible people and organizations, the City has a "rainy day fund," or money set aside to help the City continue providing services and fulfilling commitments when revenue is inadequate. These funds help protect against budget risk. The budget refers to these as financial reserves and fund balance reserves. Some reserves are available to spend as the Council wishes (unassigned), and others are earmarked by federal and/or state laws for specific purposes.

As a further responsible and practical management practice, the City also keeps cash reserves in mind during long-term capital planning. Cash reserves provide more financial stability and create greater confidence among the public and city leaders.

## Financial Accountability and Transparency

City leaders are accountable to the public for the money spent by the City. To assist in understanding the city's financial activities, this budget and the City's 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 the information in this budget document is intended to educate and promote accountability and transparency.

Like most industries, government budgeting and accounting have a professional organization governed by best practices. That organization is the Government Finance Officers Association (GFOA) for government finance. The City became a member of GFOA in 2018 and is working towards adopting industry best practices. For more information, visit [www.gfoa.org](http://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](http://www.gasb.org).

## Capital Projects Fund

The Capital Projects Fund provides funding for property acquisition, infrastructure improvements, and capital improvements. The City knows that capital improvements made in the areas of recreation and infrastructure will make Pelham a desirable place to live and work and encourage private development in the local economy. Projects appearing in the Capital Projects Fund are paid for through various funding sources, including the General Fund, current and planned borrowings, other city funds, grant funds, development agreement funds, or water and sewer funds. Among other information, a capital budget should identify the method of financing each recommended expenditure.

Capital Project Funds are used for the various departments' capital outlays for projects for which the amount expended is significantly large enough to create disparities when comparing departmental expenditures over several years. By accounting for large dollar capital projects within this fund, multi-year expenditure comparisons of departmental operations are more clearly "apples to apples." Some capital will remain part of the departmental expenditures within the city operating funds. These capital items are usually everyday items such as vehicles and equipment needed to complete daily tasks. The expenditures are generally not of a long-term project nature.

## Budget Monitoring

The City Manager, Finance Director, and budget staff monitor revenues and expenditures monthly during the fiscal year and review progress on departmental initiatives. The City Manager holds department heads accountable for their department's overall budgetary performance. Careful budget administration typically results in changes to fund balances that are better than budgeted.

# BUDGET SNAPSHOT

	FY 2023 REVISED BUDGET	FY 2024 BUDGET PROJECTION
<b>Revenues</b>		
Taxes		
Sales tax	35,391,447	44,675,852
Property tax	8,150,338	8,257,689
Motor Vehicle/Gas tax	539,520	529,508
Other tax	161,753	201,959
Licenses and permits	5,670,532	5,489,759
Fines and forfeitures	268,000	309,152
Charges for services	21,578,865	23,740,921
Interest income	640,792	1,815,993
Other	726,750	8,837,422
<b>Total revenues</b>	<b>73,127,997</b>	<b>93,858,255</b>
<b>Expenditures</b>		
General administration		
Administrative	1,926	-
City Manager	317,220	290,736
Mayor	428,106	224,420
City Council	158,823	137,045
Court	710,903	690,931
IT	1,637,159	1,995,663
Human Resources	1,813,310	1,855,636
Finance	815,462	1,011,138
Economic Development	645,892	644,632
Communications & Branding	373,961	372,051
City Clerk	5,287,731	5,440,548
Library	1,365,720	1,420,219
Parks & Recreation	2,480,946	2,826,648
Police	10,806,717	11,333,790
Fire	10,277,079	11,203,672
DSPW	4,124,746	4,334,431
Water & Sewer Fund	8,591,130	8,663,399
Civic Complex & Ice Arena	3,890,549	4,026,755
Racquet Club	1,619,025	1,678,002
Ballantrae Golf	2,983,811	3,193,283
Pelham Garbage	3,053,664	3,119,396
	<b>61,383,880</b>	<b>64,462,395</b>
<b>Revenues less expenditures</b>	<b>11,744,117</b>	<b>29,395,860</b>

# BUDGET SNAPSHOT

	FY 2023 REVISED BUDGET	FY 2024 BUDGET PROJECTION
Capital Outlay (Bond Projects Added)	55,947,555	21,084,569
Debt service	-	-
Principal retirement	5,051,717	4,621,666
Interest	2,229,373	2,152,957
<b>Total capital outlay and debt expenditures</b>	<b>63,228,645</b>	<b>27,859,192</b>
Excess (deficiency) of revenues over (under) expenditures	(51,484,528)	1,536,668
<b>Other financing sources (uses)</b>		
Proceeds from Other Financing	800,365	
Interfund Capital Transfers (In)	2,272,850	16,432,372
Interfund Capital Transfers (Out)		(19,970,345)
Interfund Operating Transfers (In)		2,420,963
Interfund Operating Transfers (Out)	2,358,847	(1,722,914)
<b>Total other financing sources (uses)</b>	<b>5,432,062</b>	<b>(2,839,924)</b>
Committed Reserve Fund Balance		(840,000)
<b>Net change in Unencumbered Fund Balance</b>	<b>(46,052,466)</b>	<b>(463,256)</b>

## Special Revenue

Use of Committed Reserve Funds or Special Revenue will be noted throughout the budget book as it relates to a direct expense. Additional information regarding Committed Reserve Funds and Special Revenue Funds is provided in this Budget Book's Funds & Departmental Detail Section.

# MESSAGE FROM THE CITY MANAGER

Honorable City Council Members,

It is my privilege to present for your consideration the proposed FY 2024 budget.

This past year, we have seen many projects come to fruition after a pandemic, supply chain delays, and workforce shortage. We finally opened the City's splash pad, covered batting cages, and new restroom at Pelham City Park. Equipment for the new park playground has been ordered, and the site is ready for installation. The renovations at Fire Station No. 2 were completed, while Ballantrae Golf Club renovations are nearing completion. Facade improvements are finished at the Pelham Civic Complex & Ice Arena. Amphitheater Road paving began in late August, and the work on the west parking lot is also underway. The creek cleanup, made possible by a grant from the National Resources Conservation Service, was completed, and we moved into our newly renovated City Hall. We proudly showcase the building that so many employees now call home by holding meetings and hosting citizens.

We also focused on our senior citizens. The new Senior Center pavilion is finished, with the pickleball courts ready to be striped in September. In addition to several water, sewer, and street infrastructure project improvements, the multi-year water meter radio read project was completed this year, and we can benefit from the improved accuracy and efficiency of this new system.

Construction on the new public park at Campus 124 is substantially complete. It will be open by November 1. The City is nearing completion of negotiations to sell the property in front of the library to a developer who is bringing in three new restaurants, an office building, and beautiful public gathering spaces. We also saw the grand opening of the Canopy Park Apartments and welcomed Taco Mac, the newly expanded Cahaba Cycles, and Mountain High Outfitters to The Canopy.

Moving to the southwest portion of the City, we completed site work on Oak Mountain Trail and saw the grand opening of Tractor Supply. Ascension St. Vincents received the long-awaited approval for a freestanding emergency department and medical specialty building to be constructed on CR-52 near the I-65 North off-ramp at Exit 242.

While we were disappointed in the delays for the HWY 261 widening and trail extension projects, we were grateful for our funding partner's commitment to additional dollars for the trail. We also made history by being the country's largest recipient of Railroad Crossing Elimination (RCE) Grant dollars from the Federal Railroad Administration. As a result of the award, Pelham will eliminate two problematic railroad crossings, make critical infrastructure improvements on US 31, and widen CR-52 while aligning this road's eastern and western portions. The 2022 Citizen Satisfaction Survey showed traffic congestion as the number one concern of our residents, and the HWY 261 and CR-52 Flyover projects will make incredible improvements in this area for all those traveling in and through Pelham while dramatically improving fire and EMS services for residents of Pelham and Helena.

The City Council wisely set plans to address the other top priority from the 2022 Citizen Survey, flood mitigation, and drainage improvement. The complete analysis and report from Kimley Horn was presented to the council in July, and monies are set aside from American Rescue Plan Administration funds received in FY 2022 to put towards potential remediation projects, which will begin in FY 2024.

The following proposal reflects a predicted continued increase in the cost of goods and services next year and health and liability insurance increases. While the personnel costs reflect higher benefit rates for existing and retired employees and regular step increases for salaries, total operations expenses are kept within 3% of last year despite the rising cost of inflation. While the new 1% sales tax increase on some goods results in an overall sales tax increase in this budget, we are budgeting revenue conservatively with a predicted 3% decrease in sales tax revenues year over year, as economic predictors experience rapid fluctuation and a slight downward trend in some of our sales tax categories over the last three months.

The following pages comprise 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.

# BUDGET PRIORITIES

## Citizen Survey Priorities

In 2022, the City conducted a Citizen Satisfaction Survey to inform budgeting priorities. The ETC Institute, a national leader in market research for local government organizations since 1982, led the survey on the City's behalf. The survey has allowed us to obtain a baseline measurement of our residents' perceptions and has been used to inform budget priorities for the second consecutive year. The Council has concentrated on ensuring the top priorities are aligned with the wants and needs of the residents. The top priorities from the survey are stormwater management, traffic congestion, and road and facilities maintenance. These priorities are evident throughout the FY2024 budget, including projects such as the CR-52 railroad flyover, Highway 261 widening, drainage improvements, and traffic light intersection improvements. Along with the City's comprehensive plan, the citizen survey gives clear direction on what the citizens want the City to provide and accomplish.

## Federal Railroad Administration Grant

The City was awarded a \$42 million grant, the largest in the nation, to eliminate two at-grade crossings on CR-52 at Lee Street that frequently restrict access across CR-52 and obstruct emergency vehicles responding to calls for help. Pelham residents and visitors alike have long been plagued with the problem of blocked railroad crossings, and this is a concerted endeavor to alleviate this issue.

As part of the proposed realignment, the intersection of CR-52 and US-31 will be reconfigured, and additional improvements will be implemented along US-31.

The project will also widen and reconstruct CR-52 East of US-31 to increase capacity and update the roadway to current design standards. The federal funds must be expended within five years of receipt.

## Emergency Medical System Transport

Response times for ambulance services have become a concern for communities nationwide, and Pelham is no different. We do not currently contract for nor supplement ambulance services, and as wait times at hospitals increase and paramedic shortages continue, studies show this problem will not improve. The key to finding a cost-effective and quality solution is holistically addressing the problem. We need to look at priority dispatching so we don't require an ambulance to start for every call, no matter the situation. We also must work with our hospital partners to decrease the time paramedics have to wait with patients in ERs (commonly called wall time), holding them up from being able to respond to the next emergency in their community.

We are exploring several options to address this problem, including a "Quad City" contract for emergency Ambulance services with a third-party vendor that includes Pelham, Alabaster, Helena, and Calera, or even establishing a municipal emergency services division. The goal is to establish a foundation for accountability of EMS transport response times.

The cities have put out a Request for Proposals to see if there is a vendor who can meet the requirements established by the Quad Cities. If there is not, the cities will explore alternatives, and the City Council will look at all options to ensure the best path forward for Pelham.



## PROJECTED TIMELINE

*\*Projected timeline is an estimate & subject to change*



# BUDGET PRIORITIES

## Technology in the City

The City has been undergoing a software implementation with Tyler Technologies since March 2021. The Enterprise ERP system will reach its implementation culmination in the first quarter of FY 2024. The ERP project teams have already implemented finance, accounts payable, accounts receivable, budgeting, capital assets, cash management, project and grant accounting, purchasing, payroll, human resources, talent management, general billing, cashing, recruiting, time and attendance, and permitting and licensing modules. The ERP team is diligently working to complete the implementations for business licenses, inventory, utility billing, GIS, revenue, and enterprise asset management modules. Many staff hours have been focused on ensuring that this software is implemented utilizing best practices, and citizens will undoubtedly reap the benefit of decreased wait times for multi-departmental approvals and the ability to access the new self-service portals on our website.

The technology team is also transitioning many services in-house and utilizing other vendors. The City has long contracted with its current IT servicer. After reviewing several processes and procedures, our IT team has forged a partnership with C-Spire, which is more in line with the City's current direction and technological goals.

## Continued Investment in Civic Complex & Ice Arena

The Civic Complex & Ice Arena continues to be managed by a company with the resources to provide operational oversight and marketing support needed for a facility of this nature. A budget continues to be created for this proprietary fund, and VenuWorks has hired its team and spun up its operations. The City and VenuWorks management closely evaluate monthly expenses and revenues. Recent updates to the Complex, either completed or currently underway, include remodeled banquet rooms, bathrooms, building facade, plaza, signage, and a new parking lot. The budget reflects continued capital investment in the facility as we begin the replacement of the ice plant and HVAC systems, which will result in reduced utility costs.

## Ballantrae Bunkers & Golf Cart Path

Ballantrae Golf has seen record growth in memberships and rounds played for the past two years. With additional use comes wear and tear to the greens, bunkers, and golf cart path. In FY 2024, the bunkers will be replaced on the first half of the course, with the other half in FY 2025. The cart path will receive improvements that are funded in the FY24 budget.

## Racquet Club Renovation

The Racquet Club will be reconfigured due to increased tournaments and usage. The upstairs layout will be modified, allowing for additional seating upstairs, and the space will be enclosed, making it more optimal to host events. Renovations will also include the restrooms and locker rooms downstairs.



# BUDGET PRIORITIES

## Support Critical Economic Development Projects

The City continues to have projects that will have a significant impact on economic development:

- Wellborn Street - Pelham's Commercial Development Authority has sold the Wellborn Street property to United Construction and Design. United plans to construct a mixed commercial, retail, restaurant, and office space with three buildings.
- Oak Mountain Trail Development - This new development off CR-52 is pad-ready and is already home to Tractor Supply. There has also been much interest in other food, retail, and hoteliers for the other areas of the site.
- Ascension St. Vincent's - This freestanding emergency department, primary care, and multispecialty space is highly anticipated in the area. A facility of this magnitude could be the differentiator between life and death for someone needing immediate care. The proposed project includes medical specialty as well.
- Pelham Park Development - The property in front of the library is moving forward with plans for a retail/office space with dining choices and a city-managed outdoor gathering space for residents and visitors to enjoy. The details of the development agreement are being finalized, and the project will be moving forward.
- The Pelham Arts & Entertainment District is slated to be up and running this fall. The area will encompass the areas that include the Pelham Civic Complex & Ice Arena, Campus 124, the Canopy, and Creekside BBQ. It will serve to expand the area in which alcohol can be consumed.

## Continued Investment in City Infrastructure

In FY 2023, Pelham completed its four-year “catch-up” on critical maintenance and repair of long-time neglected city facilities. We have incorporated long-term maintenance in the capital plan and accompanying budget. City Council has spent several years investing in our infrastructure and assets. We must protect the investment, and that requires funding.

After approving the 1% sales tax increase, the Council requested that the annual paving budget be increased from \$750,000 to \$1.25 million. This allows the City to better address the priorities of the Citizen Satisfaction Survey with attention to critical infrastructure needs.

Traffic signal upgrades will address congestion, another top priority identified in the survey. Imaging and thermal detection technology will be installed at all intersections over the next three years to improve signal timing and synchronization. This technology will replace in-ground loops, which are more difficult and costly to repair and maintain. The sales tax increase allowed the Council to double the number of intersections receiving this upgrade in FY 2024.



# BUDGET PRIORITIES

## Solid Waste and Unstable Fuel Costs

The City's move to join the Cahaba Solid Waste Authority (CSWA) and contract with services by AmWaste on January 1, 2022, has been resoundingly successful. Residents have communicated their feedback directly to city management and through the Citizen Satisfaction Survey. The Authority is actively pursuing a bulk fuel purchasing initiative as a result of the increase in the cost of fuel. This initiative will not only allow for the City's continued level of service but also will show a good faith effort to recognize the challenges of the current economic climate with which the Authority's vendor partner is faced.

## Flood Mitigation and Stormwater Management

The City remains committed to spending 100% of the final American Rescue Plan Administration funding on drainage improvements and floodplain management, and that continues to be reflected in this budget. The Kimley-Horn report on engineered drainage recommendations and ordinances updates was presented to the Council in July, with the first project budgeted in FY 2024. In addition, Kimley-Horn recommended the City re-submit the FEMA buyout grant previously submitted after the 900-year flood event in 2022.

## Quarterly Magazine, Monthly E-Newsletter, and an Employee Newsletter

City communications will continue to be amplified in several ways in FY 2024. The Pelham Pathway has been produced quarterly, with issues in December, March, June, and September. The magazine has been supplemented with the creation of a monthly e-newsletter. As of August 2023, 533 people have subscribed.

## Sales Tax Increase

The Council voted to increase the sales tax by 1% to help pay for public safety and emergency services, parks and recreation, roads, lighting, and other operational requirements. The reality is that inflation and supply chain issues have caused prices to rise much faster than revenues. Due to federal stimulus monies, we have had a two-year run of higher-than-expected revenues. The City's revenue base is 42%. In 2001, the City increased the tax by 1% for City expenses and infrastructure and in 2013 by 1% for Pelham City Schools. Leaders determined that by raising sales tax and not property tax, visitors to the City can help shoulder the burden, just like Pelham residents do when they shop in other cities.

## Cost of Living Adjustment

We recommend a 2% cost of living adjustment in the salary budget. While the cost of living is significantly higher, in FY 2022, the City Council approved a new competitive compensation plan. Despite a much higher inflation rate, we have made strides to keep the total operations budget within 3% of FY 2023.



# MESSAGE FROM THE CITY MANAGER

In closing, as you know, a great deal of work goes into developing a budget. Fortunately, we have an experienced and talented group of leaders who bring their collective decades of management to make recommendations about operations for which they are the experts. I want to extend a special thanks to our Finance Director, Jamie Wagner, who managed the transition to new financial software last year and continues to seek ways to ensure financial transparency and best practices in all our financial matters. Jamie is joined by an excellent group of professionals in the finance department who do what is necessary to make this the best budget possible. I want to thank our tax accountant, Phil Brashier, who is continuously studying our revenues as well as national and state financial trends to provide excellent information that leads to thoughtful revenue estimates, as well as Allison Gailey and Megan Freeman, who have supported the team and the budget process in too many ways to count.

I would also like to thank Candy Porter, Ainsley Allison, and Brooke Jenkins, all instrumental in ensuring the information is correct, complete, and professionally presented, and Andre Bittas for his work with Jamie on the capital projects fund.

On behalf of the entire city staff, I'd like to thank Mayor Gary Waters for his support during the best and most difficult times and this City Council for its leadership. Great things are happening in Pelham, and being in this together is a privilege.

Sincerely,



City Manager



# FUNDS & DEPARTMENT DETAIL



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A path apart.

# PROPOSED FY2024 BUDGET OVERVIEW

The Government Finance Officers Association has issued a best practice for adopting a structurally balanced budget, described as a budget where recurring revenues are sufficient to cover recurring expenditures. City Management has worked diligently to provide a structurally balanced budget while addressing the City's infrastructure needs with a conservative and sustainable plan. In the General Fund overview, you will see planned drawdowns of fund balance for FY2024, mainly due to proposed capital projects. Also, as has been our practice, our revenue projections continue to be appropriately conservative while our expenditure projections are realistic.

Department heads must justify all budget requests, specifying the expected cost savings, additional operating and maintenance expenses, and budgetary impact. Proposals are submitted through the City's financial software. Additional electronic forms and supporting documentation for capital improvement projects and capital outlay may be required. Each department proposes initiatives based on the Council's priorities and on carrying out the priorities established through the Citizen Survey. Similar to budget requests, these initiatives are submitted electronically. Each department's mission, major functions, and initiatives are outlined in this document. Upon receipt of the departmental budget requests, the City Manager, with assistance from the budget team, develops a proposed budget and presents it to the City Council. During budget work sessions, the City Manager and staff offer an overview of the current year's achievements and financial status, as well as the proposed budget and initiatives for the upcoming year. All work sessions are open to the public.

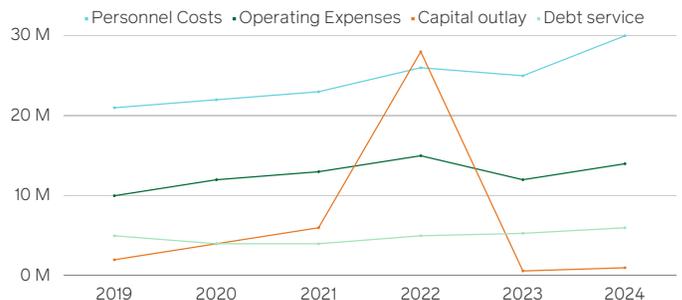
This budget represents the continuing commitment of our City government to deliver superior services while striving toward excellence in efficiency and taxpayer value. The budget reflects the Council's priorities and tradition of fiscal discipline, input from the citizens we serve, and the City's historically conservative management policies. Fiscal sustainability in the face of a slow national economic recovery due to some of the lasting impacts of the pandemic and other economic conditions, such as the potential for a recession, are key factors in our budgeting strategy. As demonstrated during FY 2020, when the pandemic began, management can quickly pivot to respond to significant economic fluctuations while continuing to ensure the delivery of essential services.

## General Fund Highlights

The recording, maintaining, and reporting of all past fiscal transactions is the starting point of revenue projections. A detailed history of all revenue transactions is preserved for all funds. The City's financial software records and tracks financial transactions and provides the foundation for analysis and reporting completed by staff and management during budget development. The budget document is the final product of hours of analysis, discussion, and review of the revenue projections. The Finance Department develops revenue projections for the upcoming budget year, incorporating historical revenue trends, current economic information, and legislation that may affect revenue sources. These trends and any relevant notations are analyzed by looking at year-over-year changes and yearly cycles of collection and billing. This analysis establishes a baseline reviewed with data that might directly affect the revenue line item. Along with trend analysis, consultation with multiple functional area experts occurs continuously. Some functional areas include other City business units or departments, such as Planning Services, Economic Development, Inspection Services, and Public Safety.



This year, consideration of Pelham's past economic growth has been made; however, there is some uncertainty surrounding the economy and inflation. In response to this uncertainty, revenue projections remain conservative for the upcoming year. The Finance Director determines the initial revenue estimates, considering the information, documents and figures outlined above. Other knowledgeable staff review this initial estimate before the final projections are sent to the City Manager for review.



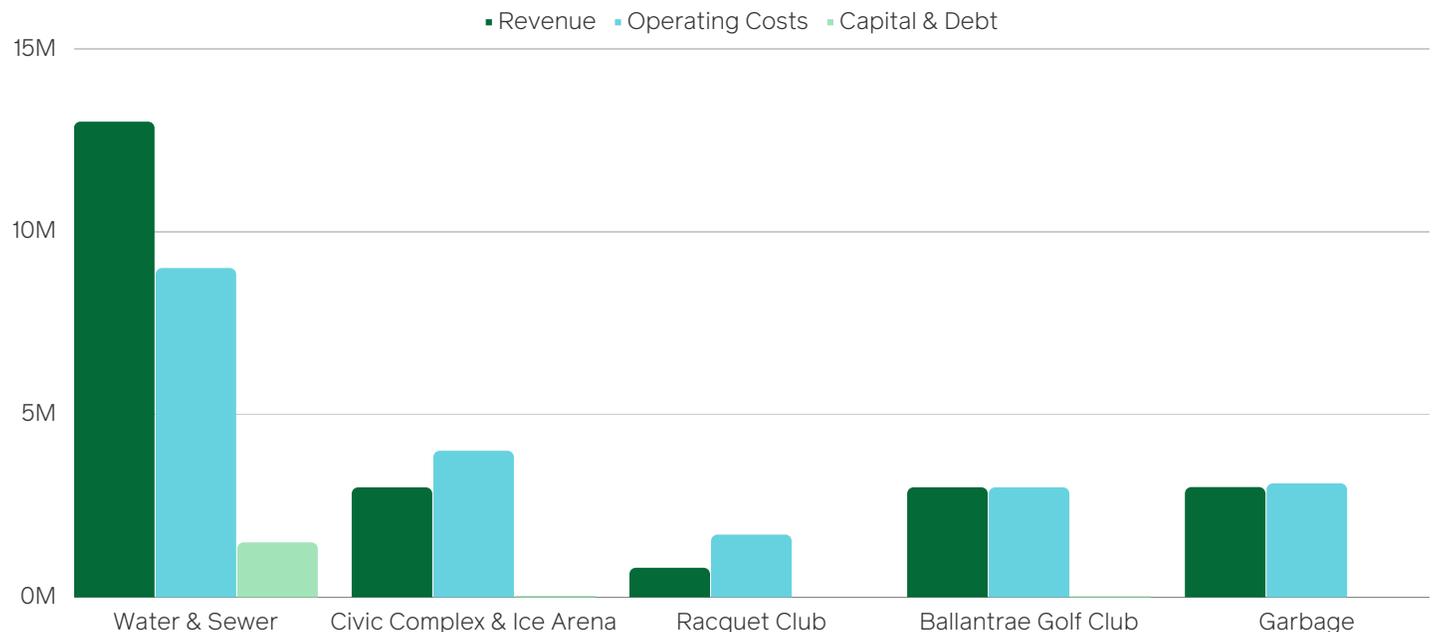
The increase in FY2022 capital outlay was due to the bond issuance in 2021.

# PROPOSED FY2024 BUDGET OVERVIEW

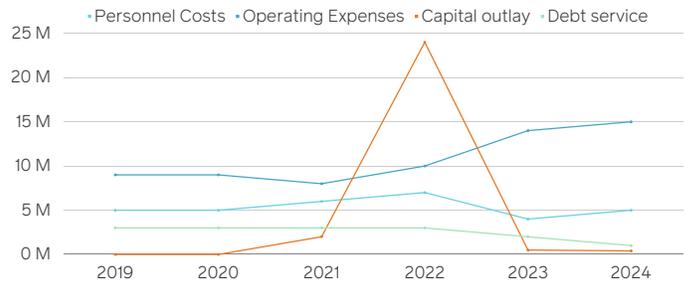
The City Manager reviews these revenue and fund balance projections to determine if any adjustments to previously set budget goals need to be made. The personnel budget is handled as a collaboration between the Human Resources Director and the Finance Director. It includes items such as new positions, reclassification requests, and any new service initiatives. All budget segments are assembled and balanced to the revenue forecasts. For a more in-depth analysis of General Fund expenditure trend data, see the General Fund page in the Fund Summaries portion of the budget.

## Enterprise Fund Highlights

An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows the City to demonstrate to the public the portion of the total costs of a service that is recovered through user charges and the part subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery (direct, indirect, and capital costs) are identified.



This allows the City to recover total service costs through user fees if it chooses. Enterprise accounting also enables the City to reserve the "surplus" or unrestricted net assets generated by the operation of the enterprise rather than closing it out to the general fund at year-end. The user fees or rates have been set to maintain operations, but with aging infrastructure, the City will need to begin planning for the potential of critical infrastructure improvements. Although the debt issuance in 2021 will cover the immediate infrastructure improvements, the City will need to continue to evaluate rates and user fees to ensure that reserves will be available.



Program revenues for the recreational enterprise funds have returned stronger than before the pandemic. Increased expenses are corresponding to the need for additional inventory to meet demand. General maintenance and operations supplies have incurred the most significant cost increase due to inflation and supply chain disruptions. For further analysis of the Enterprise Fund expenditures, please take a look at the Enterprise Fund pages in the Fund Summaries section of this budget.

# GENERAL FUND SUMMARY

	General Fund	Capital Projects	Summary Total
<b>Revenues</b>			
Taxes			
Sales tax	44,675,852		44,675,852
Property tax	8,257,689		8,257,689
Motor Vehicle/Gas tax	529,508		529,508
Other tax	201,959		201,959
Licenses and permits	5,489,759		5,489,759
Fines and forfeitures	309,152		309,152
Charges for services	384,040		384,040
Interest income	1,459,771		1,459,771
Other	423,940	8,400,000	8,823,940
<b>Total revenues</b>	61,731,670	8,400,000	70,131,670
<b>Expenditures</b>			
General administration			
City Manager	290,736		290,736
Mayor	224,420		224,420
City Council	137,045		137,045
Court	690,931		690,931
IT	1,995,663		1,995,663
Human Resources	1,855,636		1,855,636
Finance	1,011,138		1,011,138
Economic Development	644,632		644,632
Communications & Branding	372,051		372,051
City Clerk	5,440,548		5,440,548
Library	1,420,219		1,420,219
Parks & Recreation	2,826,648		2,826,648
Police	11,333,790		11,333,790
Fire	11,203,672		11,203,672
Public works	4,334,431		4,334,431
Water & Sewer Fund			
Civic Complex & Ice Arena			
Racquet Club			
Ballantrae Golf			
Pelham Garbage			
	43,781,560		43,781,560
Revenues less expenditures	17,950,110	8,400,000	26,350,110
Capital Outlay	1,336,883	19,325,686	20,662,569
Debt service			
Principal retirement	4,053,723		4,053,723
Interest	1,543,262		1,543,262
	6,933,868	19,325,686	26,259,554
Total capital outlay and debt expenditures			
Excess (deficiency) of revenues over (under) expenditures	11,016,243	(10,925,686)	90,557
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets			
Interfund Capital Transfers (In)	665,000	10,925,686	11,590,686
Interfund Capital Transfers (Out)	(10,925,686)		(10,925,686)
Interfund Operating Transfers (In)	698,049		698,049
Interfund Operating Transfers (Out)	(1,722,914)		(1,722,914)
Total other financing sources (uses)	(11,285,551)	10,925,686	(359,865)
Committed Reserve Fund Balance	(840,000)		(840,000)
<b>Net change in Unencumbered Fund Balance</b>	570,692		570,692

# GENERAL FUND SUMMARY

## Change in Fund Balance

The City’s approach to determining the level of fund balance to be maintained in the City’s General Fund is two-fold: 1) a solid fiscal administration and budget monitoring process that enables a timely management response to changing economic conditions and 2) commitment to a level of sales and use taxes and fee and fine schedules that support the cost and provision of services, infrastructure, and facilities as well as provide a sufficient reserve. The City adopted financial policies in 2007, ensuring it would maintain Unrestricted General Fund Reserves with a target balance of four months of General Fund Operating Expenses. According to the last audited financial statements, the City has continued to exceed the target balance, and the proposed budget has a conservative approach to ensure the City is stable during uncertain economic periods. Maintaining substantial reserves is a strategy that has worked well over the years. This approach helped to mitigate the effects of the 2008 recession and the COVID-19 pandemic. City management will continue to evaluate the need for infrastructure improvements while ensuring operating reserves are available to continue the exceptional service provided by departments citywide. The City issued bonds for capital improvements in FY 2021, which inflated the fund balance, but that balance will begin to regulate as the earmarked projects are completed.

	Audited Actuals		Projected	Proposed
	FY2021	FY2022	FY2023	FY2024
<b>Beginning Fund Balance</b>	<b>66,450,734</b>	<b>93,948,260</b>	<b>89,728,093</b>	<b>62,564,013</b>
Revenues	50,973,619	57,978,101	51,758,642	61,731,670
Other Financing Sources (OFS)	43,409,976	2,236,779	3,440,235	2,203,049
<b>Total Revenues &amp; OFS</b>	<b>94,383,595</b>	<b>60,214,880</b>	<b>55,198,877</b>	<b>63,934,719</b>
Expenditures	44,591,182	58,572,248	47,301,310	50,715,427
Other Financing Uses (OFU)	22,294,887	5,862,799	35,061,647	12,648,600
<b>Total Expenditures &amp; OFU</b>	<b>66,886,069</b>	<b>64,435,047</b>	<b>82,362,957</b>	<b>63,364,027</b>
<b>Excess Revenues &amp; OFS over Expenditures &amp; OFU</b>	<b>27,497,526</b>	<b>(4,220,167)</b>	<b>(27,164,080)</b>	<b>570,692</b>
<b>Net Ending Fund Balance</b>	<b>93,948,260</b>	<b>89,728,093</b>	<b>62,564,013</b>	<b>63,134,705</b>

## Committed Reserve Funds

The City Council approved five resolutions at the end of FY 2021 to commit a portion of the excess revenue over expenditures to reserve funds for specified purposes. Committing reserves is a comprehensive management tool that ensures funds are available when anticipated future expenditures become due. Below is a chart detailing using a portion of those funds in the proposed budget.

Committed Reserve Fund Description	Current Account Balance	Remaining FY2023 Budget	Estimated FY2023 Year-End Balance	Proposed FY2024 Budget	Estimated FY2024 Year-End Balance
Capital Reserve for Replacement of City Vehicles	\$1,821,591	(\$329,826)	\$1,491,765	(\$840,000)	\$651,765
Capital Reserve for the City’s Information Technology System and Equipment	\$1,058,748	(\$570,288)	\$488,459	-	\$488,459
Capital Reserve for the City’s Parks & Recreation Facilities	\$2,311,176	(\$1,522,476)	\$788,700	-	\$788,700
Emergency Response Reserve	\$1,000,000	-	\$1,000,000	-	\$1,000,000
Emergency Reserve for City Facilities & Infrastructure	\$991,996	(\$86,811)	\$905,185	-	\$905,185

# GENERAL FUND REVENUE PROJECTIONS

## Revenue Projections for Major Categories

The Finance Department's Revenue Office administers the collection of all City Council-levied (including some associated State) taxes and fees except for ad valorem (property) taxes, which are collected by the county as provided by State law, and fees that are collected by individual City departments for services or fines. The City's sales tax, property tax, business license, and permit fees make up approximately 91% of the General Fund's total revenue. As such, the Finance Department obtained necessary data about each source to be used in projecting General Fund revenues for FY 2024. The City Manager's review ensures that relevant factors known at the chief executive level are considered in projecting the revenue sources for the fiscal year's operations.

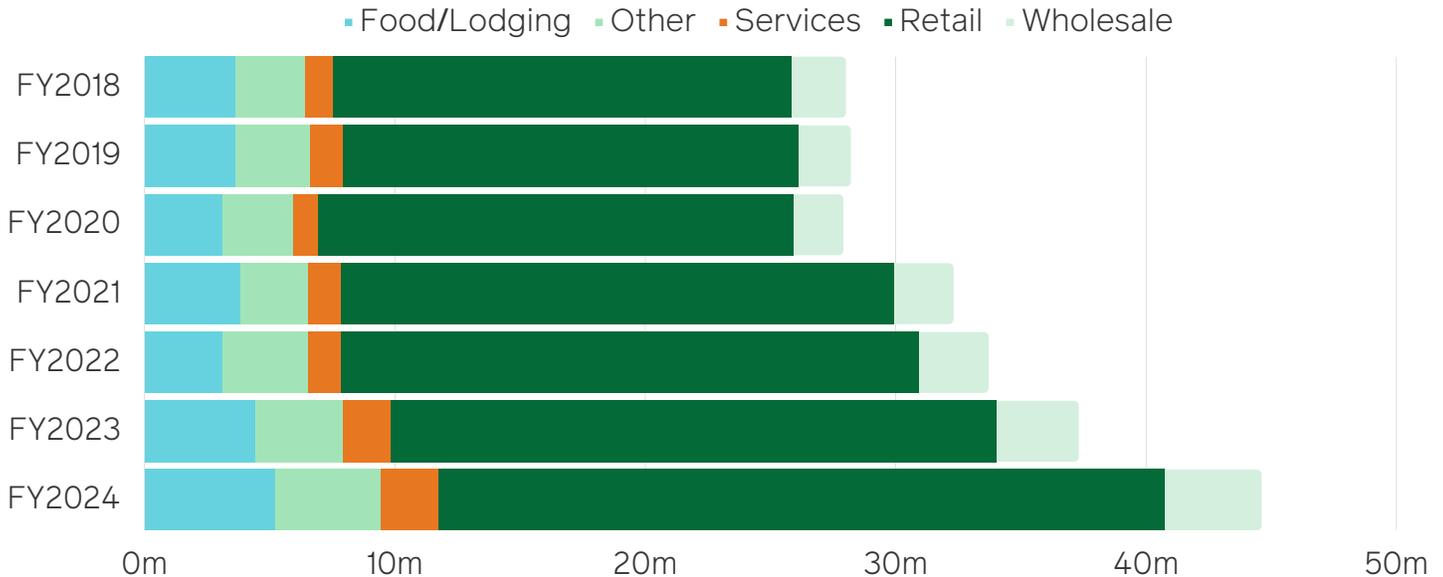
Top 10 Revenue Generators
Walmart Stores East, LP
Publix Alabama, LLC
Home Depot USA, INC
Donohoo Auto, LLC
Driver's Way, LLC
American Wallzone Supply, LLC
Mi Pueblo Supermarket, LLC
Birmingham Auto Acquisitions, INC
Med Center Cars, INC
Aldi INC

Reporting Agency	GDP Growth Forecast 2024
International Monetary Fund	1%
Congressional Budget Office	1.5%
Federal Reserve Bank of Philadelphia	1.3%
Wells Fargo	.7%
Culverhouse	.7%
Average	1%
High	2%
Low	0%
City Recommendation for FY2024	-3%

## Sales and Use Tax

Despite high inflation and multiple interest rate increases, revenues this past year have exceeded expectations. Unemployment rates remain low, and economists believe we may either avoid a recession or have a brief and mild one. That being said, the consensus is that interest rates and diminished consumer spending will cause decreased revenues and a slight increase in unemployment over the coming year. The above table shows the 2024 GDP predictions from five respected industry organizations, which predict an average 1% growth in GDP, indicating that growth is expected to decrease significantly. For this reason, city management is recommending a 3% decrease in estimated sales tax revenues for FY 2024. The chart on the left shows a list of our top 10 taxpayers, and a chart showing revenues by business type can be seen on the next page.

# GENERAL FUND REVENUE PROJECTIONS

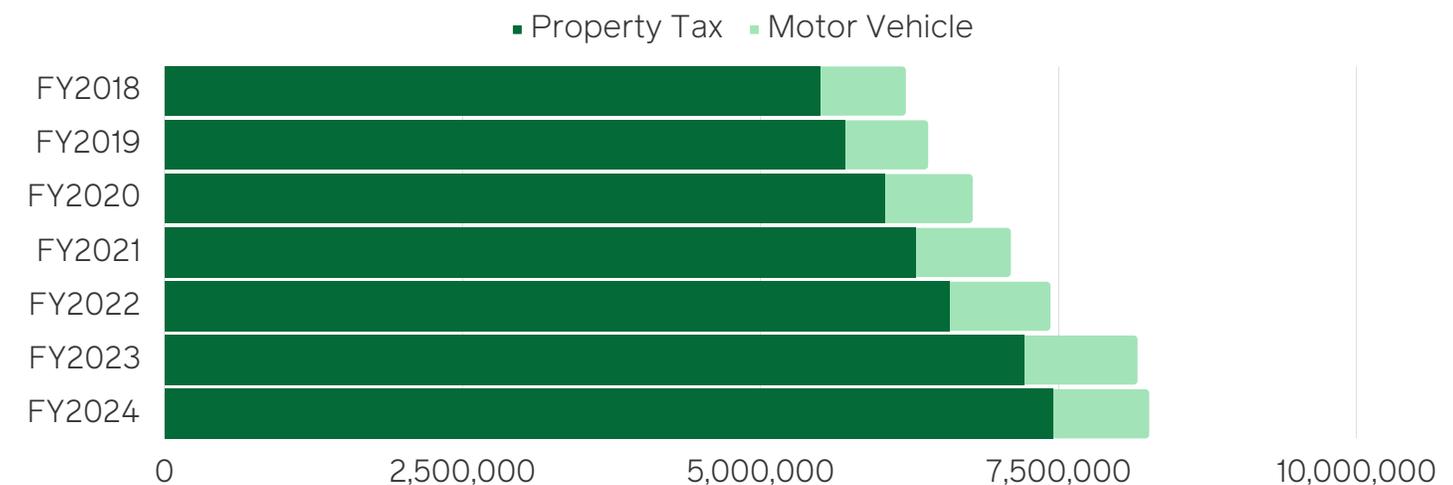


## Property Tax (Ad Valorem)

Alabama Property Taxes are some of the lowest in the nation, historically making property tax revenues a smaller portion of total revenue than they would be for other states. Property taxes are typically the most stable source of City revenues. There has been no change in the Pelham millage rates over the past decade, so the changes in property tax revenues are primarily driven by new construction and the property's assessed value within the City. The City's reputation for high quality of life and a highly acclaimed City school system continues to drive property values upward, contributing to a solid tax base through growth in existing real estate values. For the last several years, property tax revenues have increased due to the high demand for homes and low interest rates for borrowing. While increased interest rates and lower demand have become an issue, it should not be reflected in this year's numbers. Property taxes are collected and estimated by Shelby County, which is projecting a 3% increase over FY 2023.

## Motor Vehicle License Tax

Motor vehicle/mobile home tax is collected by Shelby County on motor vehicles and manufactured homes. We are estimating no change from last year.



# GENERAL FUND REVENUE PROJECTIONS

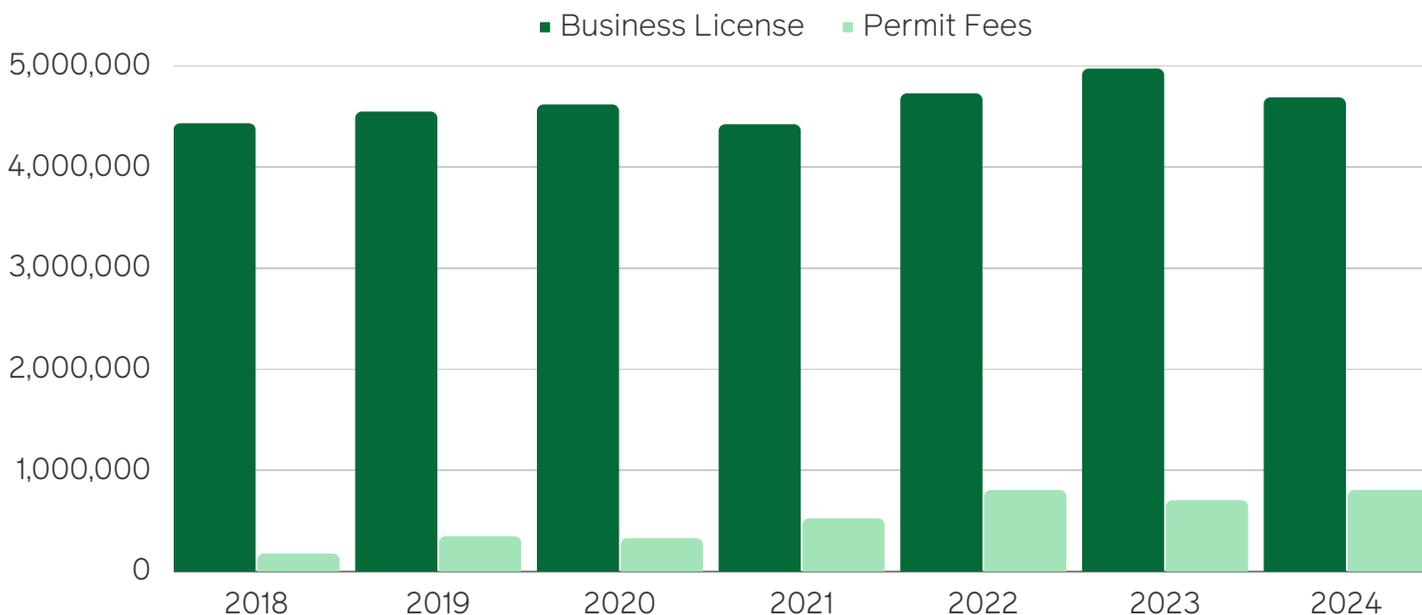
## Business Licenses and Permit Fees

### Business Licenses

City ordinance requires that each business obtain a license annually before conducting business operations within the City. This category includes general business license fees, residential and commercial rental fees, and fees related to contractors doing business within the City. The assessed business license fee is dependent upon the nature of the business and the amount of its previous year's gross receipts, except that there is a flat fee for the first year's business license. Typically, variations in this revenue source reflect changes in the prior year's economic conditions, the number of businesses conducting operations in Pelham, the success of individual businesses, and the Finance Department's business license enforcement efforts. Most business license fees are collected in January and February each year. City management recommends a 3% decrease in business license revenue from FY 2023. Except for those set by state law, business license fees are calculated as a percentage of the business's gross receipts for the prior calendar year. This revenue source is a lagging indicator, and economic effects are realized the following year. While business licenses are calculated on previous years' gross receipts, the increase in interest rates and the softening economy will impact the revenue from new business applications.

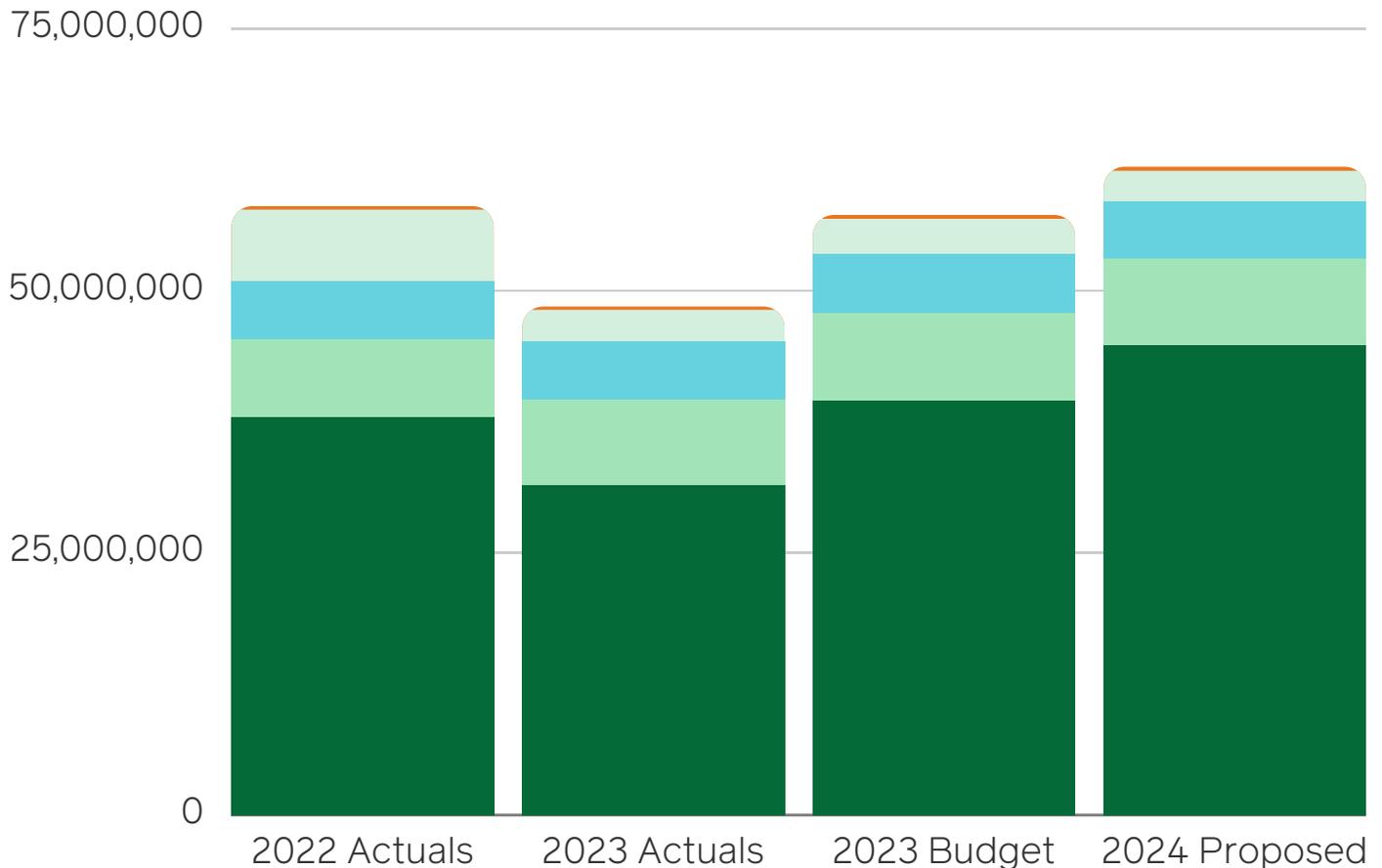
### Building Permits and Inspections

Doing business with the Building, Zoning, Engineering, and Fire Departments just got easier! The team has implemented the permitting and licensing module in the ERP system, and as of late August, residents and businesses have access to several services through the self-serve portal. The city continues to see dramatic increases in zoning compliance across the city and will continue to work with the Pelham City Court when necessary to mitigate non-compliance. Due to a higher-than-average increase in permits in FY 2023, mainly because of the Canopy development, several residential neighborhood expansions, and some key business expansions, along with current economic conditions, city management recommends a 6% decrease in this revenue source.



# GENERAL FUND REVENUE PROJECTIONS

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Sales & Other	37,838,388	32,871,339	39,445,607	44,675,852
■	Property Taxes	7,429,081	8,134,673	8,280,371	8,257,689
■	Licenses/Permit	5,529,526	5,467,038	5,708,161	5,489,759
■	Other	6,846,434	2,715,324	3,335,911	2,924,330
■	Service Charges	334,568	306,239	367,486	384,040
		<b>57,977,997</b>	<b>49,494,613</b>	<b>57,137,536</b>	<b>61,731,670</b>



# CITY MANAGER'S OFFICE

The City Council sets the overall vision of the City and sets the priorities through the annual budget. In addition, the Council sets the ordinances, which become the City's local law. The City Manager is responsible for the overall operation and supervision of the governmental functions in the City and serves as the City's Chief Administrative Officer. The City Manager is also responsible for ensuring adherence to all laws set by Council. The City Manager conducts the performance evaluations of all department heads except the Mayor's Executive Administrative Assistant and is responsible for working with each department to set goals to fulfill the overall vision set by the City Council. The City Manager receives direction from and reports to the City Council.

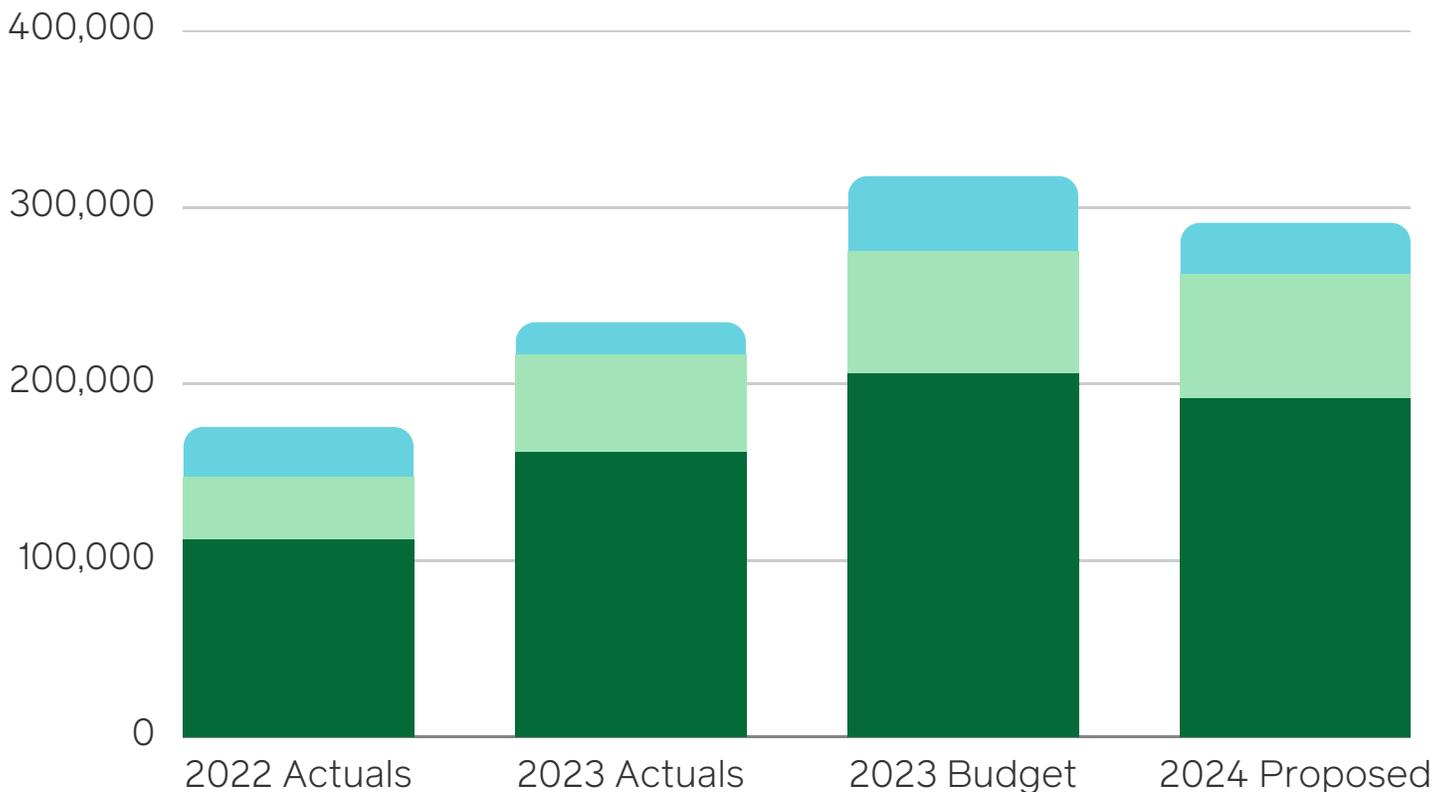
Functions of the City Manager's Office include but are not limited to:

- Managing and coordinating the day-to-day administrative operations of the City, including approval of operating procedures based on policies set by the City Council.
- Responding to calls and requests from citizens.
- Ensuring the development and execution of the municipality's long-term plans and annual budget.
- Directing and supervising department heads.
- Carrying out the policies and programs determined by the elected City Council.
- Serving as a policy advisor to the City Council and Mayor on federal, state, and local laws and regulations and the City's administrative procedures.
- Monitoring and overseeing the enforcement of all laws and ordinances of the City.
- Monitoring the overall fiscal activity of the City to ensure compliance with established budgets and keeping the Mayor and Council fully informed about the City's financial condition.
- Serving as the appointing authority for hiring and removing Civil Service employees within legal limitations.
- Recommending to the City Council any changes or amendments to the City code that may be beneficial for the efficient and legal operation of the business and affairs of the City.
- Originating ideas for improvements in all City procedures and organizations to enhance services and/or reduce costs.
- Making and executing lawful contracts on behalf of the City after approval by the City Council.
- Managing projects within the City.



# CITY MANAGER'S OFFICE

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	111,492	160,957	205,450	191,488
■	Benefits	35,235	55,069	69,035	70,264
■	Operating Expenses	28,345	18,383	42,735	28,984
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>175,072</b>	<b>234,419</b>	<b>317,220</b>	<b>290,736</b>



# MAYOR'S OFFICE

Pelham operates under a Mayor/Council Government with a City Manager by ordinance. The Mayor serves as the policy head of the City and appoints the Fire Chief and Police Chief with City Council approval. The Mayor works as a team with the City Council, City Manager, and the City of Pelham employees to provide the public with:

- A safe community in which to live and work
- Services delivered courteously and professionally
- Fiscal responsibility with accountability
- Convenient opportunities for recreation

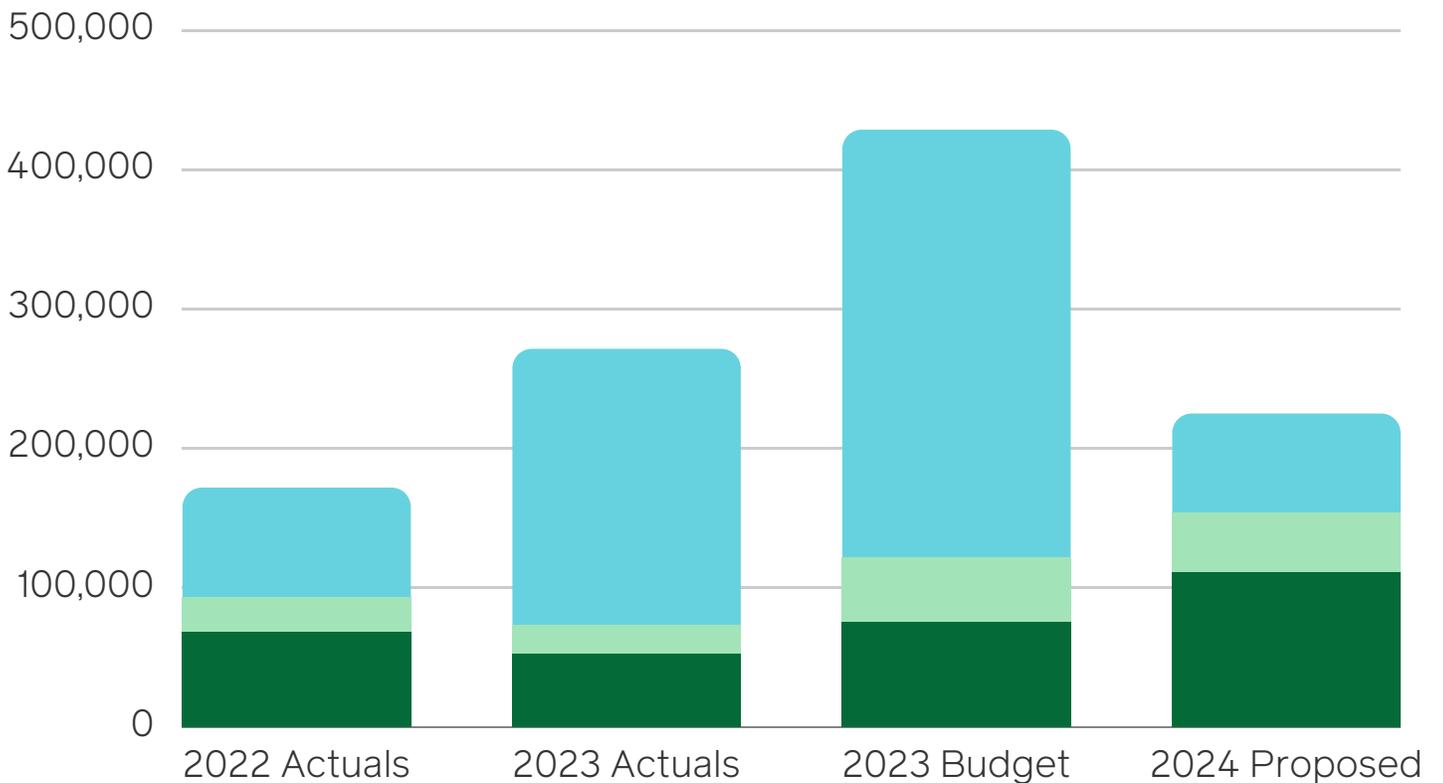
Functions of the Office of The Mayor include but are not limited to:

- Responding to calls and requests from citizens.
- Advocating with county, state, national, and neighboring elected officials and offices, ensuring the City's needs are communicated to other government entities.
- Serving as the Chairman of the Pelham Water Authority.
- Serving on the Planning and Zoning Commission.
- Appointing all members of the Planning and Zoning Commission.
- Advocating for, planning, and/or directing community events (i.e., Fire on the Water, The Pelham Strong Christmas Parade, Pelham Palooza, Shred and E-recycle event, Pelham BEAT activities, etc.)
- Working alongside the City Manager to inform residents and businesses about city development, revised laws, and community events.
- Supporting the City's Pastor's Group, American Legion Post 555, and other groups, the Mayor determines the group serves a public benefit.
- Welcoming local businesses during ribbon-cuttings and other opportunities.
- Promoting the City's brand to residents, businesses, and visitors.
- Supporting and providing guidance and counsel to the City Manager.
- Providing support and/or guidance as needed to Department Heads.
- Executing lawful contracts on behalf of the City Council.
- Representing the City in real estate closings and legal mediations.
- Declaring City Proclamations as the Mayor determines is beneficial to the public good.



# MAYOR'S OFFICE

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	68,189	52,410	75,319	110,304
■	Benefits	24,789	20,479	46,284	42,841
■	Operating Expenses	78,305	197,954	306,503	71,275
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>171,283</b>	<b>270,843</b>	<b>428,106</b>	<b>224,420</b>



# CITY COUNCIL

This Council has had another busy year! Please look at the chart to the right that includes the number of resolutions approved by the Pelham City Council over the past five years.

City Council continues to work tirelessly to set priorities and direct funds to facilities that have been neglected for some time. In addition, in FY 2022, the City Council prioritized a Citizen Satisfaction Survey to help determine citizen priorities and to inform the Council's decision-making.

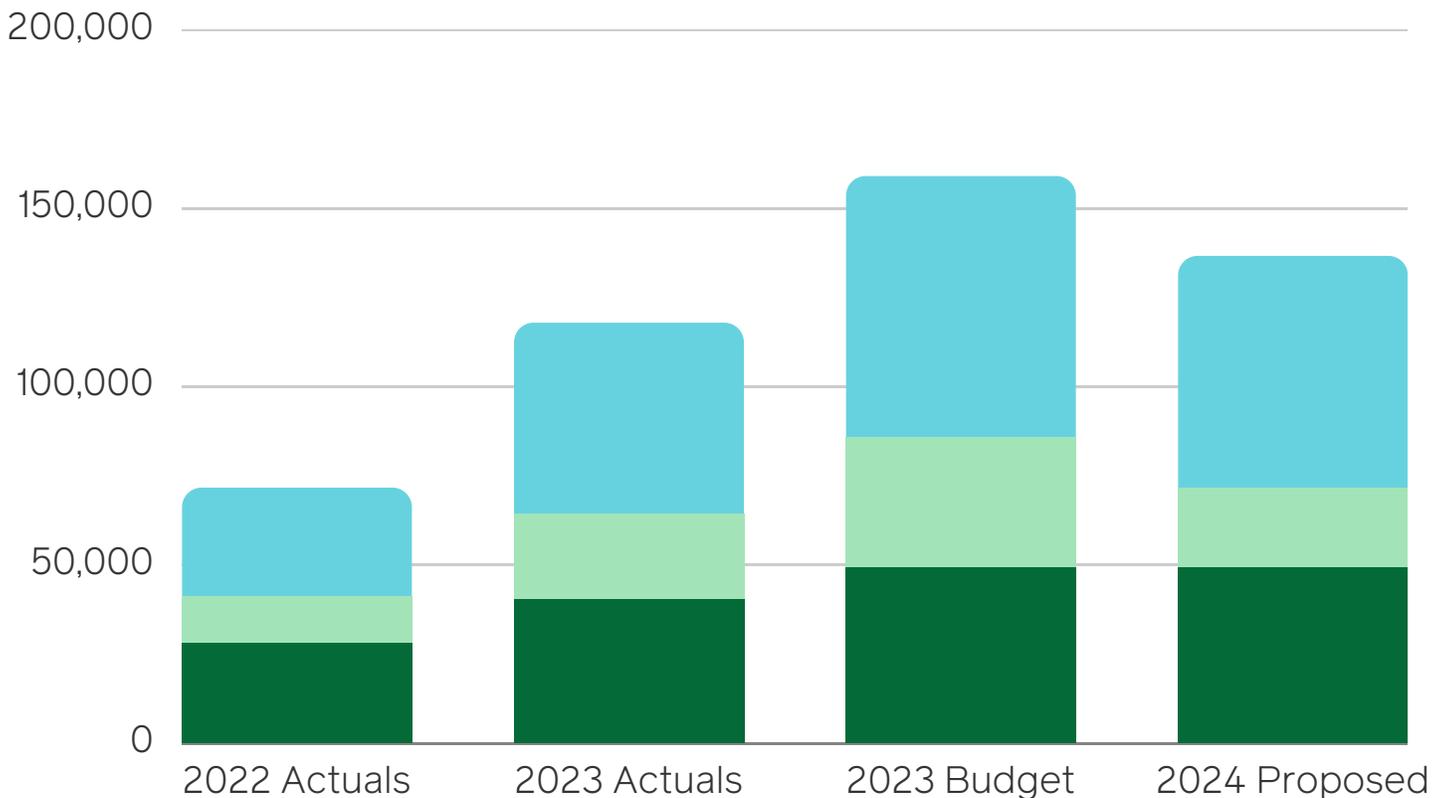
- Functions of the City Council include but are not limited to:
- Forming the City's legislative branch of government and establishing the vision, laws, policies, and priorities of the City of Pelham.
  - Approving an annual budget.
  - Attending work sessions and council meetings to conduct city business.
  - Submitting letters of support and/or passing resolutions to communicate City needs to other local, state, regional, and federal government entities.
  - Appointing a City Manager, City Clerk, City Attorney, and City Prosecutor.
  - Providing an annual evaluation to the City Manager.

Year	Resolutions Passed
2019	147
2020	128
2021	194
2022	234
2023	223 (YTD)



# CITY COUNCIL

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	27,880	40,200	49,200	49,200
■	Benefits	13,096	23,974	36,523	22,245
■	Operating Expenses	30,499	53,539	73,100	65,600
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>71,475</b>	<b>117,713</b>	<b>158,823</b>	<b>137,045</b>



# PELHAM MUNICIPAL COURT

Pelham Municipal Court strives to serve the public by resolving matters brought before the court in the interest of justice in a fair and timely manner. The court's vision is to compel, encourage, and assist citizens in becoming law-abiding, productive, successful members of society.

Pelham Municipal Court is the judicial branch of the city government and interprets the meaning of laws, applies laws to individual cases, and ensures the protection of individual civil liberties.

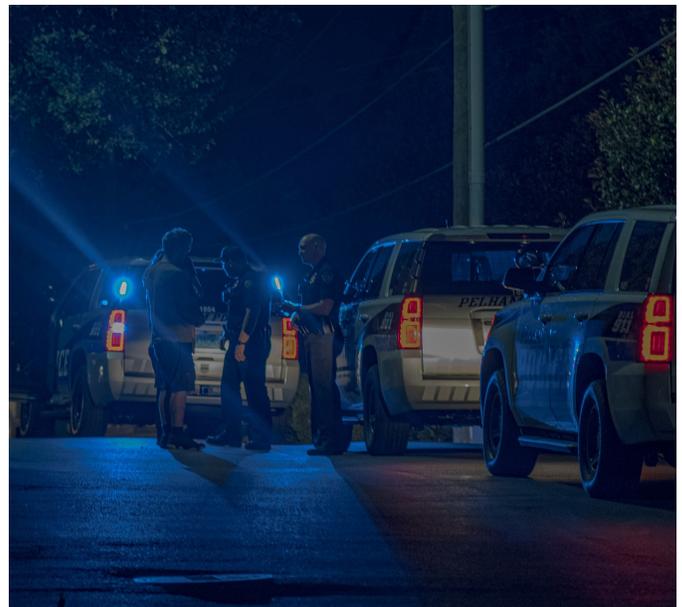
The purpose of the Pelham Municipal Court is to provide a fair, impartial, and efficient process whereby city ordinances and misdemeanor complaints are adjudicated. Its mission is to provide the best quality service to the citizens of Pelham and those who visit.

The Office of the Clerk of the Court processes and houses all records from official court proceedings within the City of Pelham. The Clerk of Court receives, records, and disburses all fines and court costs paid to the Municipal Court.

Magistrates manage cases and dockets, conduct hearings, set bonds, hear pleas, and adjudicate cases, among other things. Their work is essential to crime control, due process, and rehabilitation of individuals in the criminal justice system.

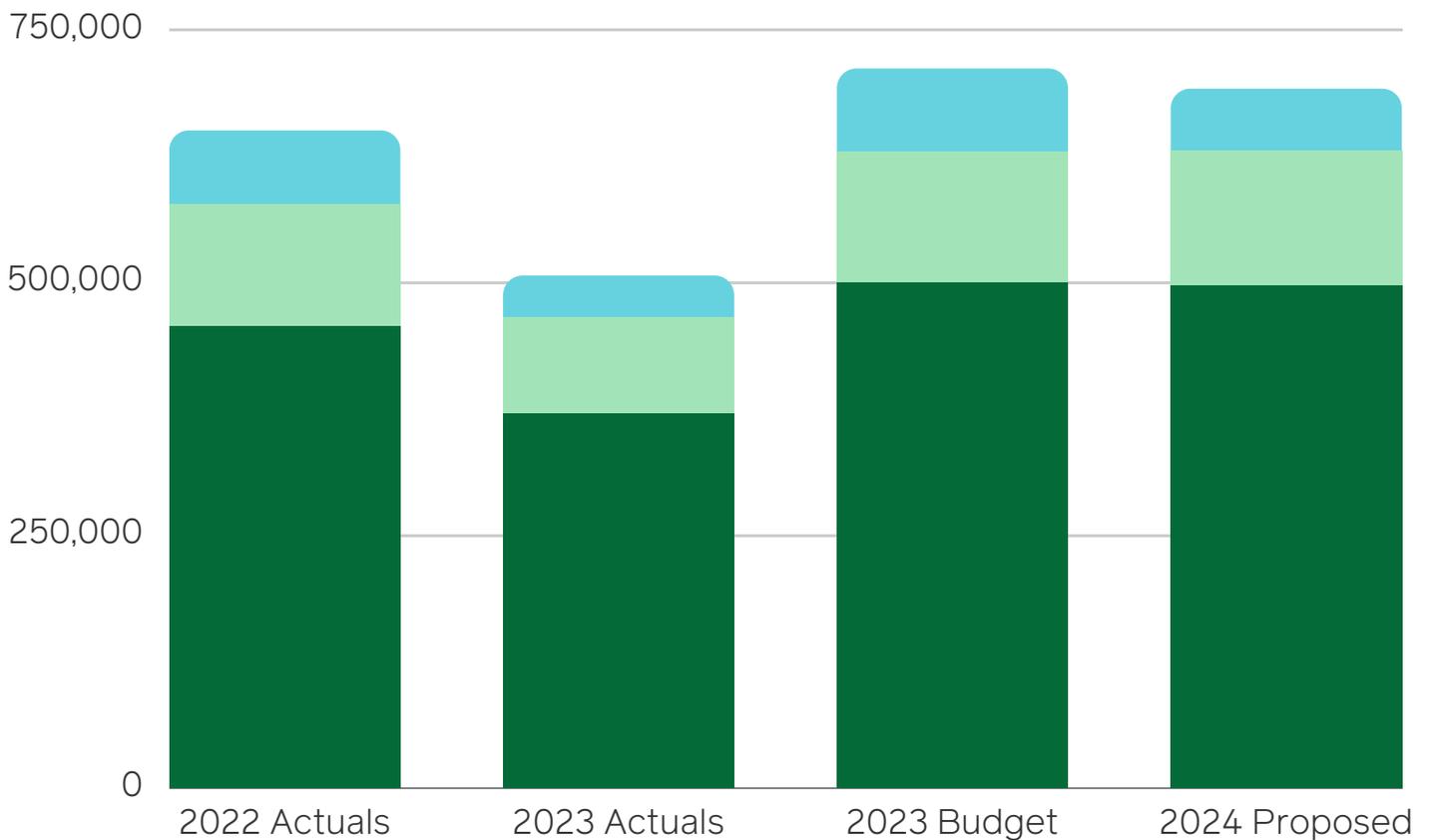
Functions of the Municipal Court include but are not limited to:

- Conduct probable cause hearings and issue arrest warrants for violations of municipal ordinances, violations, and misdemeanors
- Process payments and legal correspondence
- Conduct arraignment dockets and trials
- Oversee the provisions of probation, including the collection of fines, rehabilitation, and counseling.



# PELHAM MUNICIPAL COURT

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	455,584	369,421	499,560	496,683
■	Benefits	121,114	95,667	129,190	133,021
■	Operating Expenses	72,980	41,072	82,153	61,227
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>649,678</b>	<b>506,160</b>	<b>710,903</b>	<b>690,931</b>



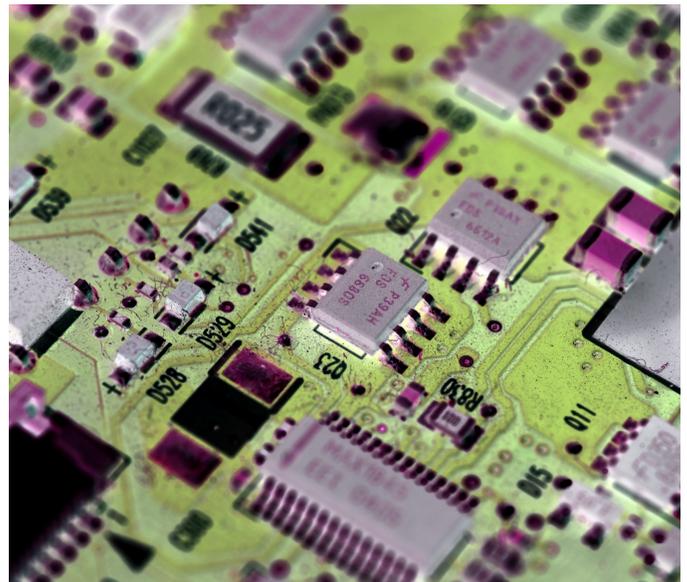
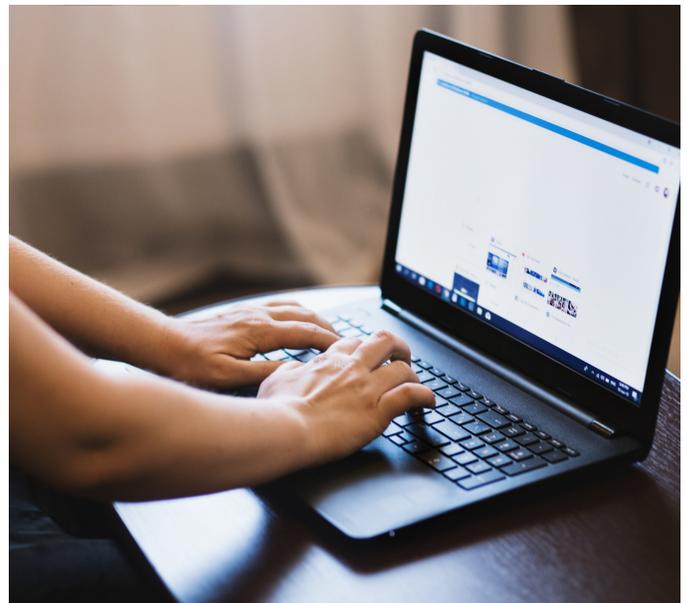
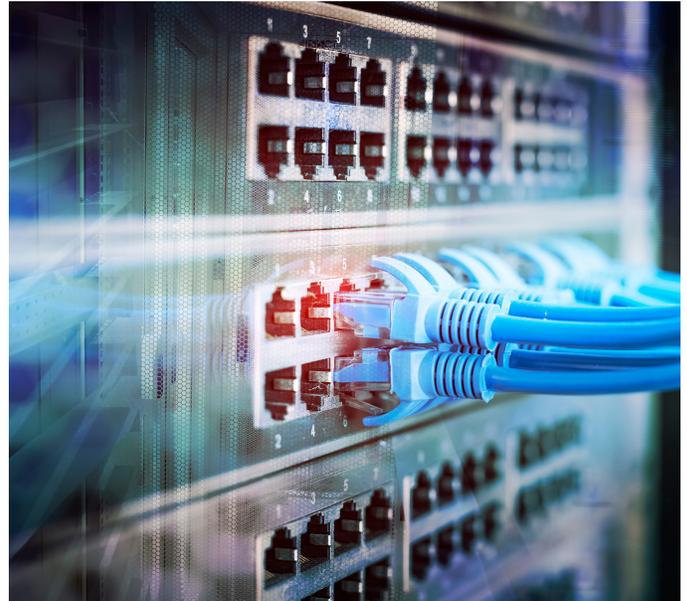
# INFORMATION TECHNOLOGY

The Information Technology Department provides leadership, governance, management, and modern information technology systems support to promote efficient and effective government. It seeks to encourage innovation in all that we do.

IT responsibilities include monitoring and maintaining technical infrastructure, serving our employees as customers by assisting with all technology concerns, maintaining a formal service desk system to log and manage our support services, and providing oversight and best practices for all technology efforts.

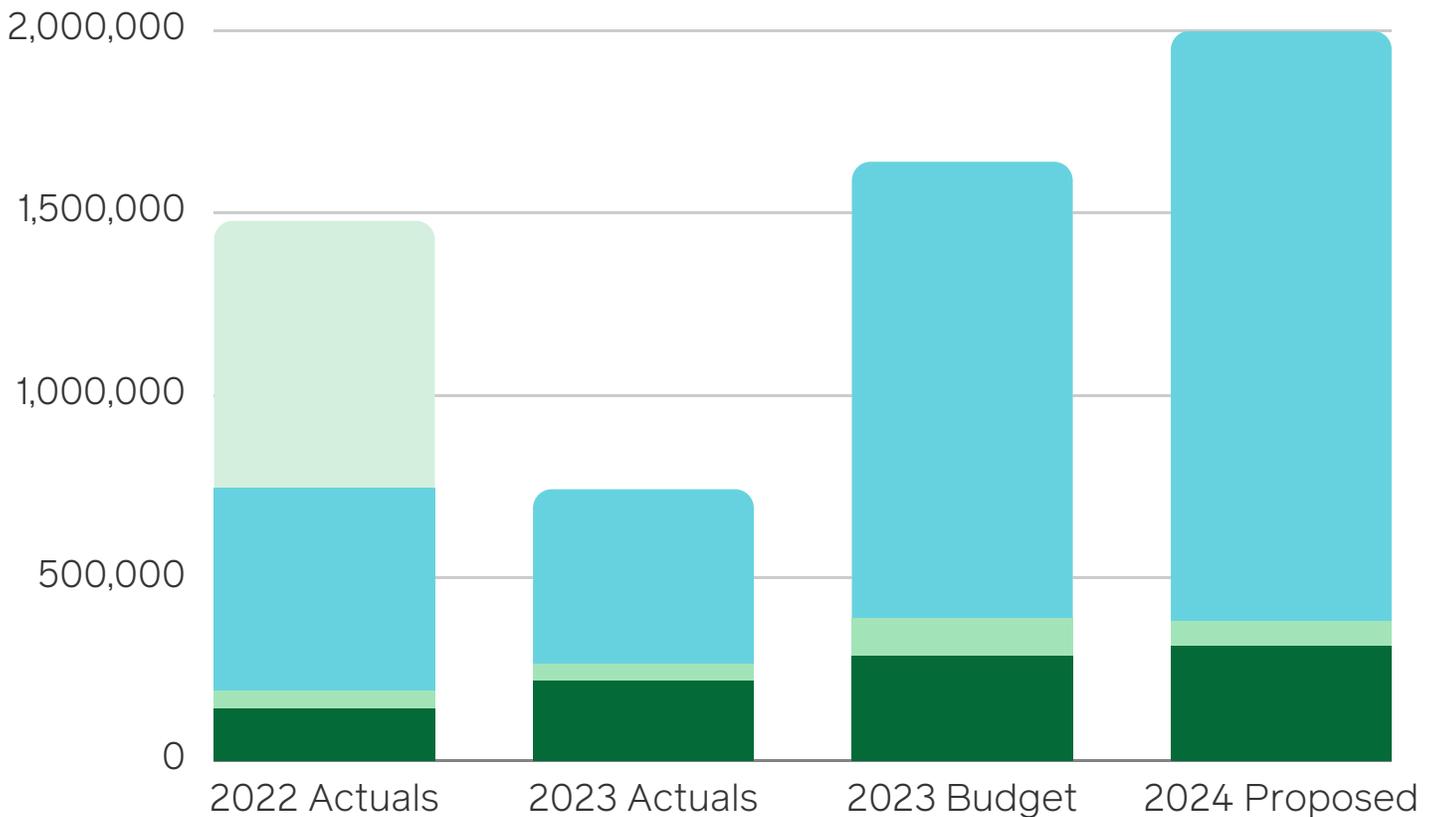
Because each action or service Pelham delivers occurs at a specific location, the IT Department maintains an authoritative Geographic Information System (GIS), which provides operational efficiency and decision-making support. Our IT team also supports cybersecurity efforts and disaster recovery to help ensure the continuity of government services.

IT's forward-looking goals include digital transformation, which includes adopting leading-edge technologies that support Pelham's strategic priorities, improve operational excellence, and drive innovation.



# INFORMATION TECHNOLOGY

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	142,200	215,901	284,389	312,014
■	Benefits	48,464	47,044	104,999	69,219
■	Operating Expenses	554,963	477,264	1,247,770	1,614,430
■	Capital Outlay	729,909	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>1,475,536</b>	<b>740,209</b>	<b>1,637,158</b>	<b>1,995,663</b>



# 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, manages and maintains the personnel records of all City employees, coordinates and manages employee benefits, processes payroll, and develops training and coaching programs. HR is committed to seeking and employing the best-qualified personnel for all departments and attracting, developing, and retaining a diverse and productive workforce. In addition, the department is charged with ensuring compliance with applicable laws and the City's Civil Service Act.

The future of local government human resources will see a more significant shift from manual documentation and record keeping of job applicants and new hire paperwork to digital management using applicant tracking software (ATS). Such cloud-based solutions allow local municipality and human resource managers to recruit, identify, hire, and onboard higher-quality talent without manual document management.

The City provides equal employment opportunities to all employees and applicants for employment and prohibits discrimination and harassment of any type without regard to race, color, religion, age, sex, national origin, disability status, genetics, protected veteran status, or any other characteristic protected by federal, state or local laws. The HR Department strives to maintain an environment that treats employees with courtesy and respect while promoting professionalism and accountability, making the City of Pelham a very desirable place to work for people who are dedicated to serving this community and protecting the City and its employees from losses due to injuries, accidents, and liability claims.

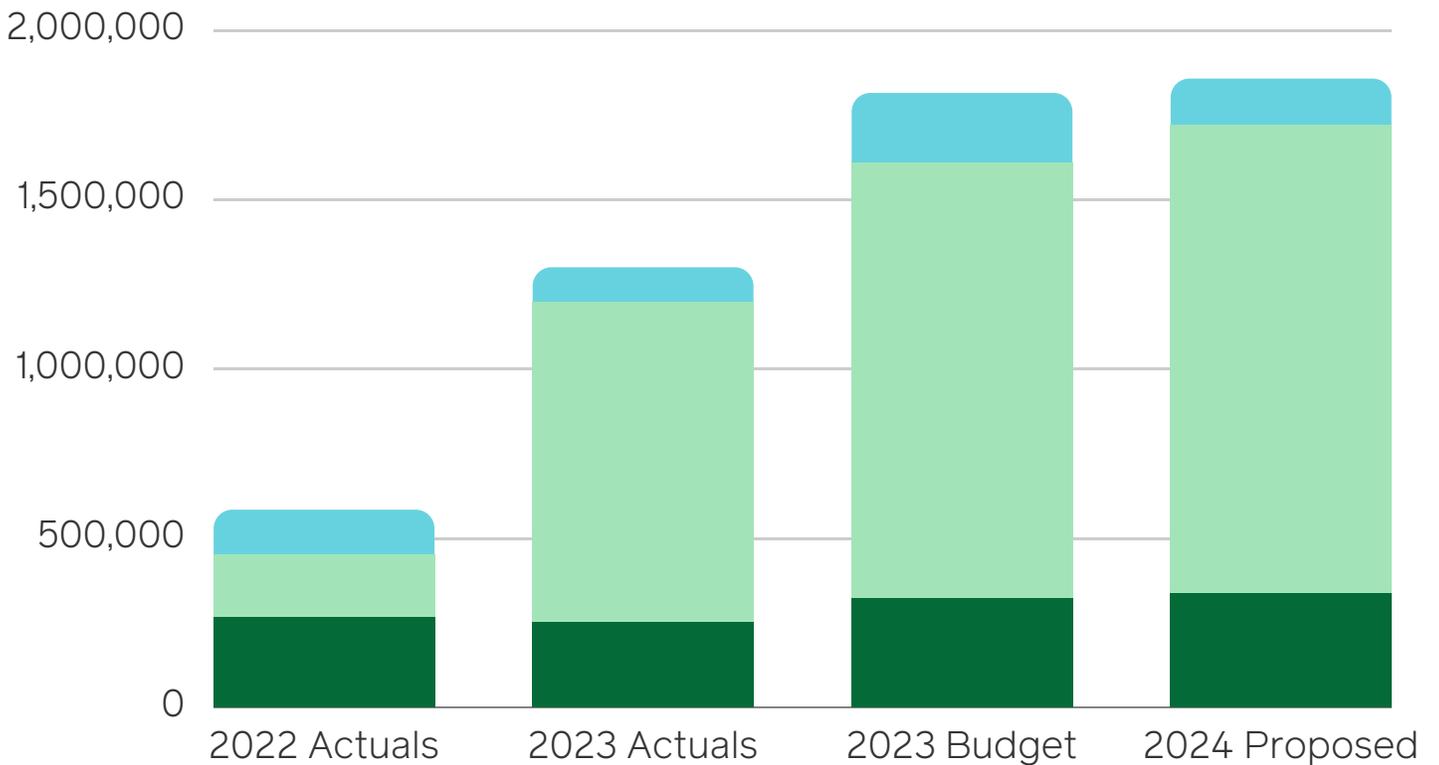
Functions of the Human Resources Department include but are not limited to:

- Coordinate and manage competitive employee compensation and benefits.
- Recruit, screen, and onboard new employees.
- Coordinate training and continuing education and development across all city departments.
- Consult and assist employees with human resource and personnel issues.
- Assist retirees with post-retirement benefit issues.
- Administer the City's Employee Safety Program.
- Provide counsel to the Mayor, City Manager, and Department Heads regarding department policies and disciplinary actions to limit liability.
- Work with the City Manager and Department Heads to recommend and provide appropriate organizational development needs.



# HUMAN RESOURCES

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	265,266	251,809	321,800	336,176
■	Benefits	183,150	943,550	1,284,464	1,383,119
■	Operating Expenses	133,683	102,850	207,046	136,341
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>582,099</b>	<b>1,298,209</b>	<b>1,813,310</b>	<b>1,855,636</b>



# FINANCE DEPARTMENT

The mission of the Finance Department is to foster a sense of cooperation with both the City of Pelham departments and customers of the City of Pelham in carrying out receipting, expending, and accounting for City funds. Under the direction of the Finance Director, the Department issues business licenses, administers revenue collection, and pays bills incurred by City Departments. The revenue division fairly and impartially applies all laws and regulations for collecting various taxes and fees due to the City.

The Finance Department is responsible for the fiscal management of the City of Pelham through measuring and reporting on the financial position, financial stability, liquidity, and growth, projecting and managing revenues, projecting and monitoring expenditures, and planning for the City's short and long-term financial needs. The Finance Department provides monthly and annual reports to the City Manager detailing expenses, budgetary compliance, and the collection of revenues.

Additionally, the Finance Department is responsible for the administration, direction, and coordination of the City's financial services. The Department's goal is to deliver reliable management information to other departments to assist in achieving their goals and objectives and increase their services' efficiency and effectiveness. The Department also serves the needs of the Mayor, City Manager, City Council, and the general public. It operates under established management principles and adheres to generally accepted accounting principles (GAAP).

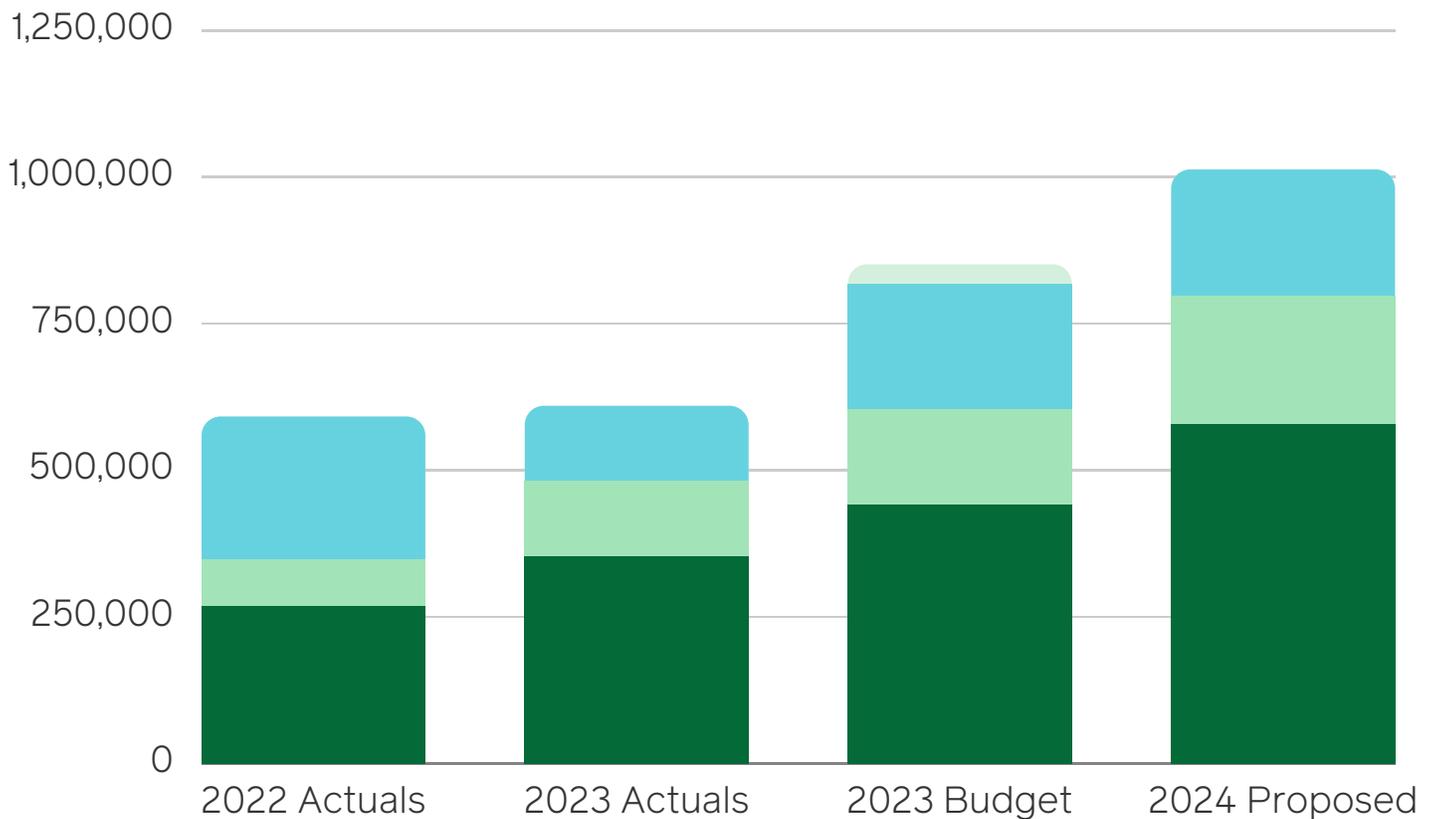
Functions of the Finance Department include but are not limited to:

- Providing accurate, complete, and timely information regarding the City's financial condition and transactions to internal and external customers of the City.
- Executing procedures for the timely payment of all properly documented City liabilities, which ensures compliance with all legal requirements.
- Maintaining a commitment to a high level of personal productivity and a continuous pursuit of improving the Department's procedures and achieving significant personal satisfaction in the staff's professional roles.
- Maintaining knowledge of current laws, regulations, and requirements through active participation in professional organizations and maintaining related professional certifications. This knowledge will be used to administer the laws, regulations, and requirements efficiently and equitably.



# FINANCE DEPARTMENT

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	267,101	352,210	440,445	576,289
■	Benefits	80,190	128,126	161,752	218,464
■	Operating Expenses	242,642	127,864	213,265	216,385
■	Capital Outlay	-	-	34,000	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>589,933</b>	<b>608,200</b>	<b>849,462</b>	<b>1,011,138</b>



# ECONOMIC DEVELOPMENT

The Economic Development Director coordinates the City's economic development activities and administers the City's economic development program, including prospect development, industry contacts, and negotiation with industry representatives to encourage business development in the City of Pelham. The Economic Development Director reports to the City Manager under the Administrative Department and serves as the secretary (ex officio) of any development organizations within the City as permitted by law (i.e., CDA, IDB).

Functions include but are not limited to:

- Responding to calls and requests from citizens.
- Answering questions from prospective business partners on available properties in the City; zoning policies and processes as requested or as necessary to make business decisions.
- Recruiting commercial and industrial business developers through targeted marketing; meetings with developers, brokers, retailers, and other businesses to encourage business development opportunities in the City of Pelham.
- Partnering with the City's Communications Manager to inform the residents of impending strategies or activities that may impact the Pelham community; providing assistance to the communications manager to create messaging relevant to Pelham businesses and economic development, updating media platforms, and delivering presentations to the City Council as well as private or public partners to encourage local business development.
- Leading negotiations on business partnerships or development agreements for commercial and industrial business development in the City, which may include tax abatement options or similar business development incentives; monitoring agreements for compliance with state, local, and/or federal regulations and working with the City's finance department to ensure compliance with agreements.
- Developing and recommending incentive programs to aid in developer and tenant recruitment.
- Serving as co-leader of the Implementation Team for Comprehensive Plan.
- Researches, develops, and distributes economic development data and reports.
- Prepares and maintains updated statistical data on related business and industry.

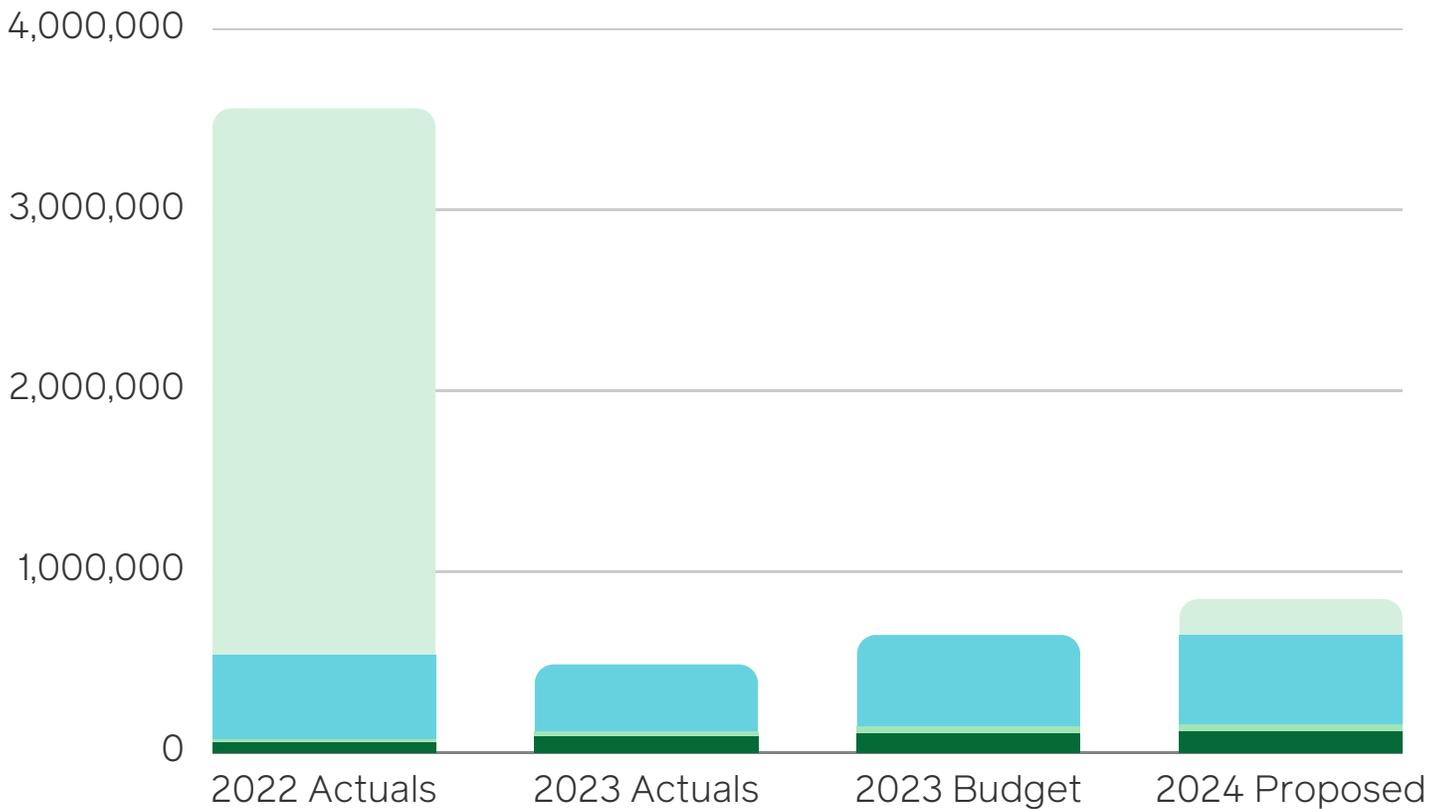


## Capital Outlay

The Economic Development Department is requesting \$200,000 to acquire additional land in North Pelham to be used for the Pelham Entrance feature and commercial development of the Oak Mountain Trail.

# ECONOMIC DEVELOPMENT

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	56,250	85,137	105,762	113,066
■	Benefits	18,143	29,147	38,856	39,391
■	Operating Expenses	462,155	368,724	501,274	492,175
■	Capital Outlay	3,020,959	-	-	200,000
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>3,557,507</b>	<b>483,008</b>	<b>645,892</b>	<b>844,632</b>



# COMMUNICATIONS & BRANDING

The Communications & Branding Department oversees the City's daily release of information, public relations, marketing, and compliance with the City's brand standards and story. The Communications & Branding Manager reports to the City Manager and serves as the City's Public Information Officer. The Community Relations Coordinator is responsible for fostering positive relationships with community members and organizations and planning and executing community outreach activities. Three primary communications vehicles used to accomplish these responsibilities are the City's quarterly magazine, monthly e-newsletter, and employee e-newsletter.

Functions include but are not limited to:

- Promotion of the City to internal and external customers.
- Monitor social, economic, political, and industry trends to proactively make appropriate recommendations regarding communications strategies in response to identified trends.
- Manage all public relations activities for the City, including website and social media management, brand and reputation management, marketing materials development, attending/photographing and writing about significant events, video/audio/print messaging, maintaining current fact sheets, community outreach, media relations, event planning, etc.
- Field media inquiries and pitch stories to the media.
- Compile and format talking points and key documents for marketing, public relations, community outreach functions, and internal communications.
- Handle crisis communication



AUGUST 2023  
**E-NEWSLETTER**  
 NEWS FROM THE CITY OF PELHAM  
 GINA WOMACK, EDITOR



## DISCOVER



### What About My Street?

As outlined in the article, prioritizing street paving is based on several factors.

Here is the paving plan through 2027:

[2023-2027 Five-Year Paving Plan](#)

### BETTER STREETS 2023 Street Paving Begins This Month

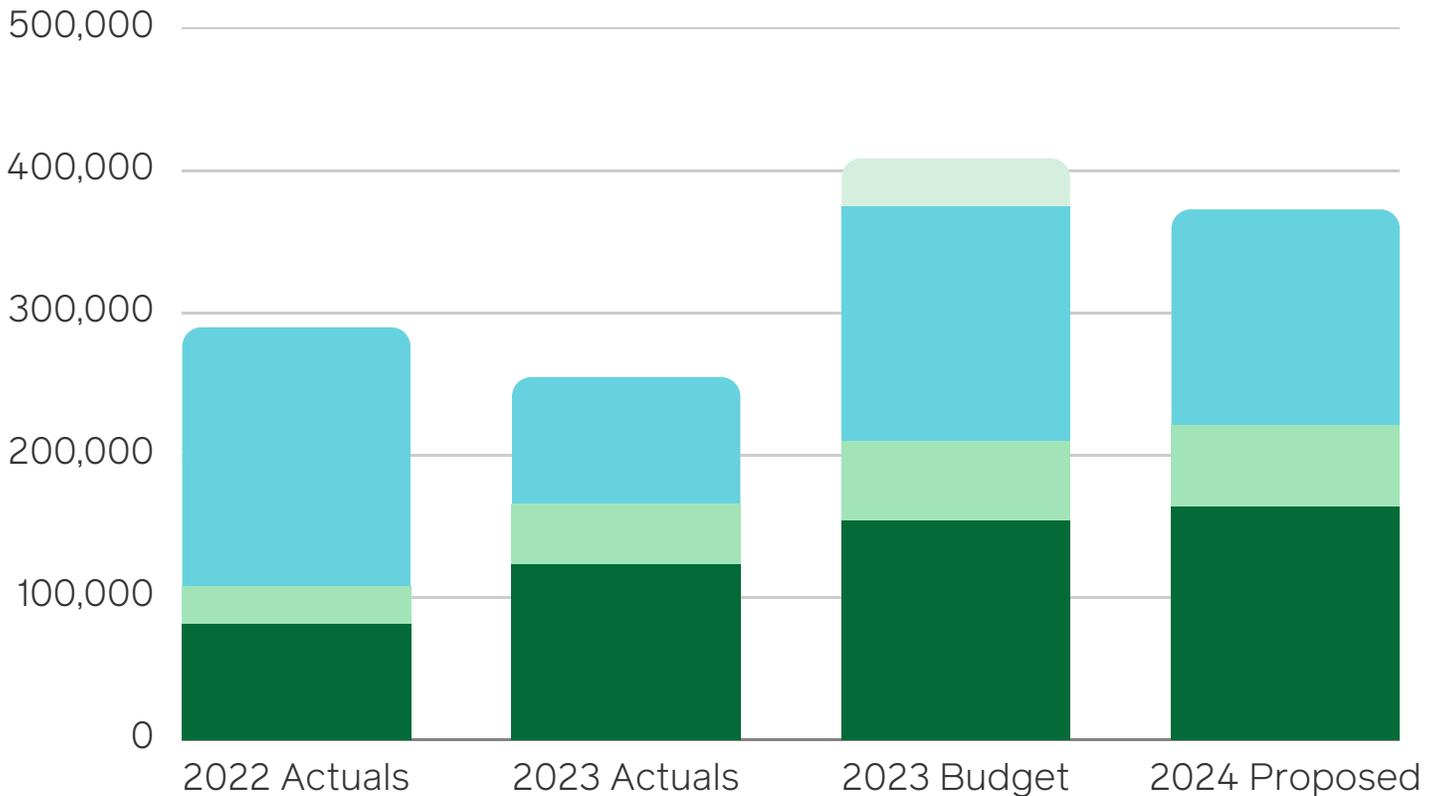
Pelham's annual street resurfacing project is slated to begin Monday, August 7th, weather permitting. The paving project was delayed due to rain a few weeks ago.

Resurfacing will occur in the Cedar Cove and Ivy Brook areas, as well as Chantry Drive and Circle, Chandcroft Drive and Circle, Valley View Drive and Valley View Road, and several smaller areas. [Download the 2023 Street Paving List](#). If you live on one of the streets scheduled to be repaved, please do not park vehicles on the street. There will be some inconveniences related to this work, but we will do our best to minimize them. For any questions or concerns, please contact the City Engineer at 205.620.6408.

Streets are selected using evaluations on condition, usage, and street ratings. The tentative outlay is developed based on priority and upcoming utility work (water, sewer, and storm drains). The schedule may change as new information becomes available. Each year's projects will include miscellaneous patching, striping, and paving.

# COMMUNICATIONS & BRANDING

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	80,859	123,052	153,358	163,636
■	Benefits	26,292	42,347	56,374	57,160
■	Operating Expenses	182,062	88,820	164,229	151,255
■	Capital Outlay	-	-	34,000	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>289,213</b>	<b>254,219</b>	<b>407,961</b>	<b>372,051</b>



# CITY CLERK/TREASURER

The Office of the City Clerk/Treasurer is integral to local government. It performs many functions in various areas, including, but not limited to, customer service, office management, administration, public relations, and finance. Citizens expect the proper execution and operation of government to truly serve the people's needs, and City Clerks are there to record the proceedings of the municipal government to ensure that its legal processes are properly executed.

The City Clerk/Treasurer prepares ordinances and resolutions, attends all meetings of the Pelham City Council, and records in the minutes an accurate description of the actions of the governing body. The City Clerk/Treasurer serves as custodian of the rules, ordinances, resolutions, and minutes of the City Council, municipal lawsuits, subdivision bonds, and other permanent records of the City. Additional responsibilities include processing municipal bids and contracts, updating the Code of Ordinances, managing records for the City, and accessing public records. The City Clerk/Treasurer is the Election Manager in charge of all municipal elections.

Functions of the Administrative – City Clerk/Treasurer include but are not limited to:

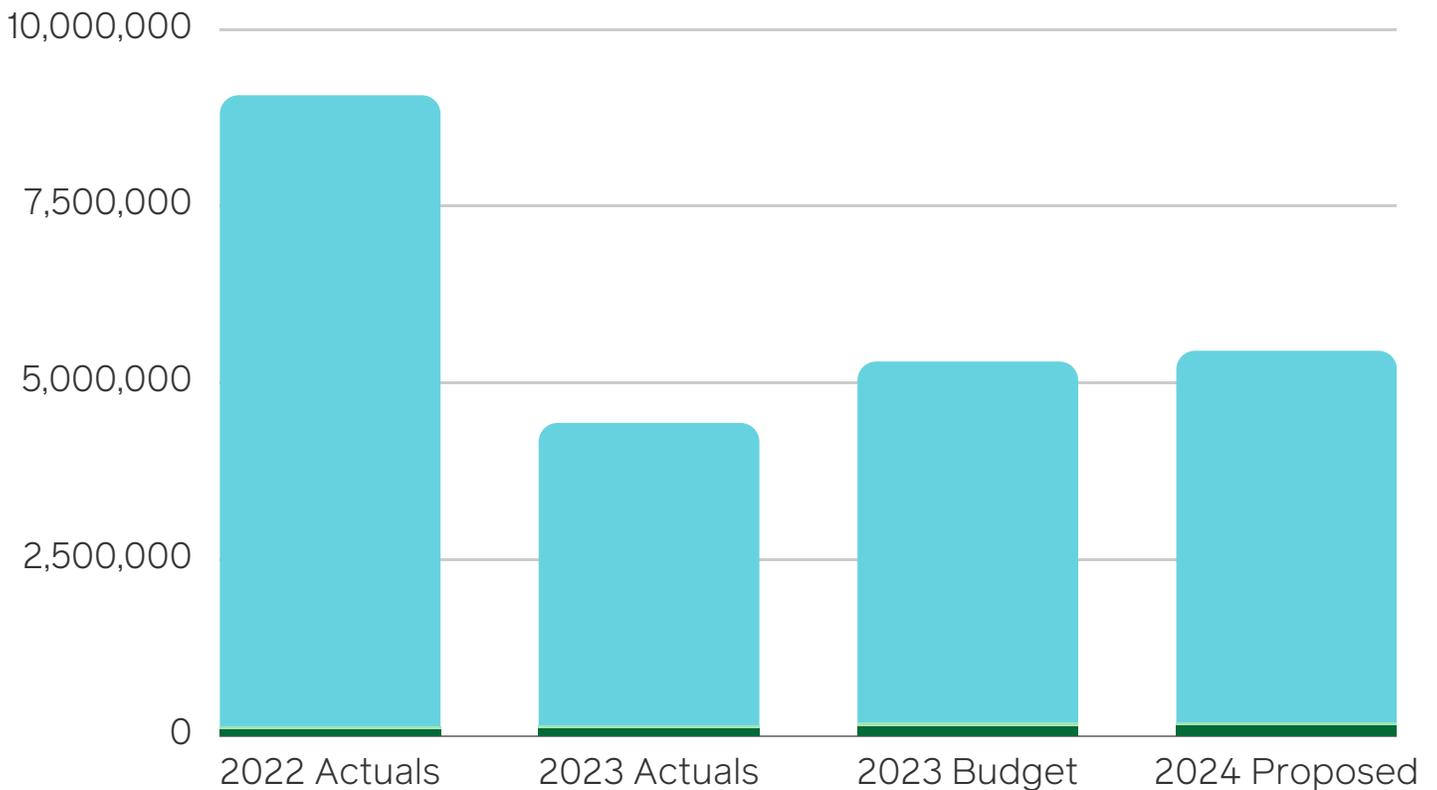
- Assists the municipal government via administrative duties defined by the Code of Alabama for City Clerk/Treasurer.
- Serves as the City Treasurer and executes applicable documents on behalf of the City.
- Responds to calls and requests from citizens, City administration, and staff.
- Prepares council meeting and work session agendas with the Mayor, City Manager, and City Council.
- Prepares and develops resolutions and ordinances with the City Manager and other applicable city employees, City officials, and external resources.
- Attends and records minutes of regular and special council meetings and work sessions.
- Manages and directs municipal elections.
- Oversees City bids, Requests for Proposals (RFP), and related activities; maintains bid book of vendors and answers vendor's questions.
- Certifies exempt or reduced utility fee applications each year.
- Coordinates with the City Attorney on all lawsuits filed against the City.
- Supervises the sale of City surplus property, equipment, and inventory.
- Administers, coordinates, monitors, and evaluates the City's liability insurance coverages.

- Administers the City's debt service; works with bond counsel and financial advisors about the City's current and future debt service.
- Prepares monthly debt service reports included in monthly financials from the City Manager.



# CITY CLERK/TREASURER

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	96,165	110,790	138,649	142,164
■	Benefits	31,529	35,937	44,963	46,983
■	Operating Expenses	8,928,193	4,271,880	5,104,119	5,251,401
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>9,055,887</b>	<b>4,418,607</b>	<b>5,287,731</b>	<b>5,440,548</b>



# PELHAM PUBLIC LIBRARY

The Pelham Public Library is a central gathering place where the community may engage with one another and the universe of ideas. The library commits to serving a diverse community of people of all ages, abilities, and backgrounds. We provide the community with materials and programming for educational, cultural, and recreational purposes, affordable access to technologies, reliable information (both print and digital), access to diverse resources, and helpful staff.

More than just books, the library provides access to media, digital books and resources, technology, programs, meeting and study rooms, and professional staff to help with the community's informational needs. In 2019, the library became the first fully sensory-certified library in the state through KultureCity. Also, in 2019, the library received the status of Gold Level Library from the Alabama Library Service Association. This is the highest honor they award. In 2022, all full-time staff completed the "Librarians Guide to Homelessness" training. This training equips staff better to serve the unhoused and people with mental health issues.

## Pelham Citizen Survey

- 89% satisfaction rating (second highest in the city)
- 0% of respondents answered dissatisfied or very dissatisfied by the overall quality of public library facilities and services or a rating of 88.5% (without "Don't Know")

## Statistics for FY 2022

- Door Count: 132,757
- Program Attendance: 5,195
- Programs Held: 346
- Meeting/Study Room Use: 6,410
- Questions Answered: 17,899
- Computer Use: 8,833
- WiFi Connections: 30,357
- School year 22/23: 39 middle school students visited the library after school 1,250 times.

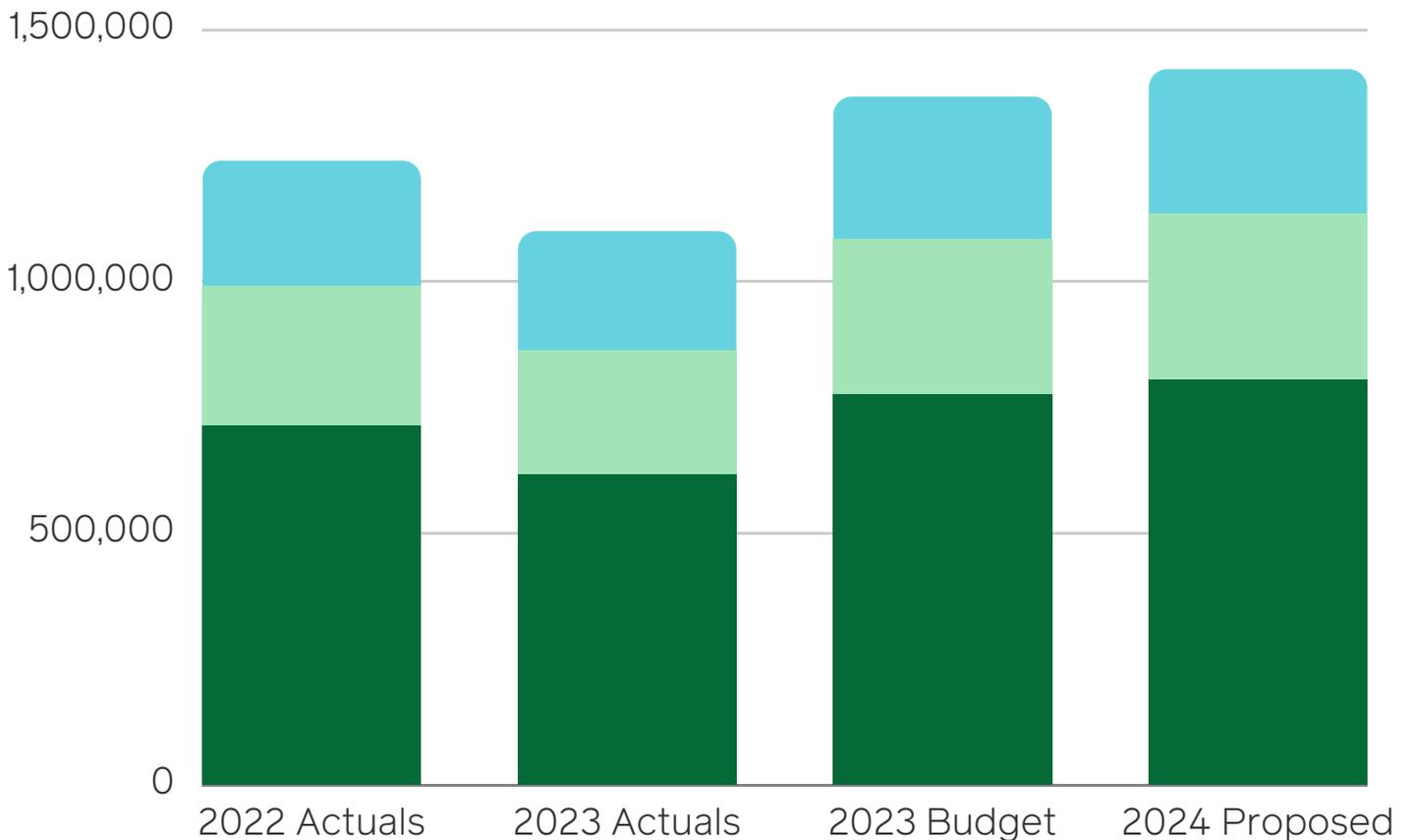
## Key library functions

- Develop a collection that reflects the community's interests, needs, and diversity.
- Provide residents and other visitors with access to reliable information and information professionals (librarians) to assist them.
- Provide resources and programs contributing to a literate, informed, and engaged community.
- Provide patrons with access to high-quality technology as well as professionals to assist in the use of technology.
- Provide residents, students, and visitors with a safe and welcoming community hub.



# PELHAM PUBLIC LIBRARY

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	711,976	615,137	774,109	802,901
■	Benefits	277,431	247,154	309,285	329,375
■	Operating Expenses	249,007	236,230	282,326	287,943
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>1,238,414</b>	<b>1,098,521</b>	<b>1,365,720</b>	<b>1,420,219</b>



# PARKS & RECREATION

The Pelham Parks & Recreation Department is a comprehensive recreational program that provides recreational and leisure programs for all ages in the community.

Parks and recreation have three values that make them essential services to communities:

- Economic Value
- Health and Environmental benefits
- Social Importance

Just as water, sewer, and public safety are considered essential public services, parks are vitally important to maintaining and establishing the quality of life in a community while also ensuring the health of families and youth, as well as contributing to the economic and environmental well-being of a community and a region.

No communities pride themselves on their quality of life, promote themselves as a desirable location for businesses to relocate, or maintain that they are environmental stewards of their natural resources without such communities having a robust, active system of parks and recreation programs for public use and enjoyment.

In 2019, the department opened four sand volleyball courts and outdoor basketball courts in a joint venture with Shelby County. In 2020, the first phase of the Pelham Greenway Trail was opened in the City Park. A Park Master Plan was completed in 2021 with the resulting Park Improvement Plan that will recommend priority projects for every city park, inform priority projects, and provide a roadmap to implement the vision outlined in the master plan. In FY 2023, the city added a splash pad, a new pavilion, and an additional bathhouse at the City Park along with its first covered batting cage. A pavilion and pickleball courts were also added at the Senior Center.

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, fields, and green space.
- Promote and host sporting events and community events for the community.
- 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.

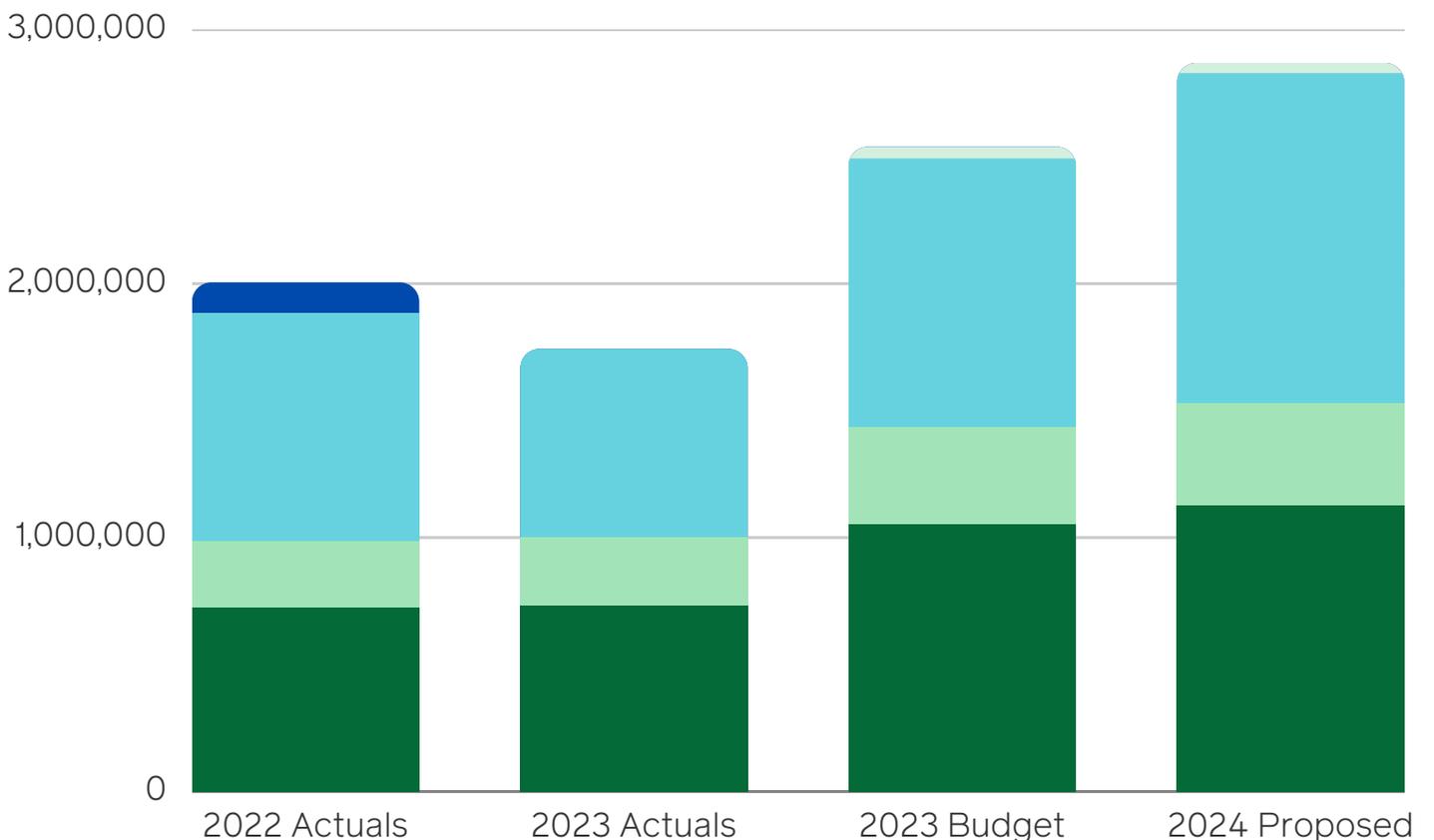


## Capital Outlay

The Park and Recreation Department is requesting \$40,000 to purchase a vehicle for the Superintendent to use for traveling between the Park and the Racquet Club.

# PARKS & RECREATION

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	722,094	730,492	1,050,236	1,125,372
■	Benefits	262,663	270,561	382,808	402,281
■	Operating Expenses	896,242	739,531	1,057,302	1,298,995
■	Capital Outlay	-	-	46,649	40,000
■	Debt Services	-	-	-	-
■	Other Financial Uses	121,455	-	-	-
		<b>2,002,454</b>	<b>1,740,584</b>	<b>2,536,995</b>	<b>2,866,648</b>



# PELHAM POLICE DEPARTMENT

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 City's business owners, residents, and visitors with high 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.

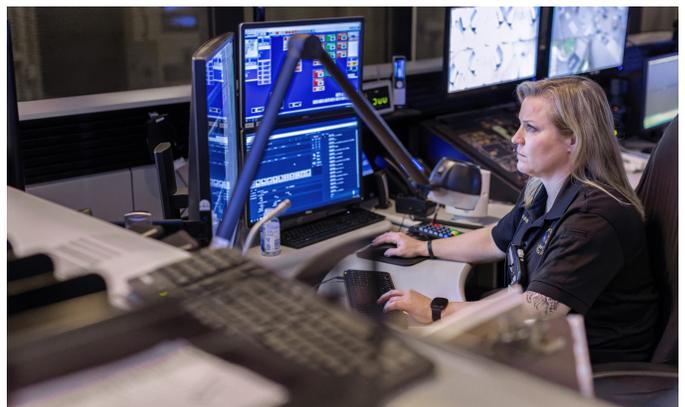
The Pelham Police Department is a modern, progressive, full-service municipal law enforcement agency dedicated to providing superior police services to its community.

To accomplish our mission, we are committed to:

- The preservation of human life
- Crime prevention and suppression
- Investigation of crimes
- Apprehension of offenders
- Crime reduction
- Law enforcement
- The movement of traffic and people
- Investigation of traffic accidents
- Maintenance of public order
- Provision of emergency services
- Provision of general public service
- Protection of the community's constitutional rights
- Community Outreach

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 improves safety for the City of Pelham.
- Provide crime prevention programs to maintain a sense of security in the community.
- Ensure safe and secure schools through school resource officers (SROs).



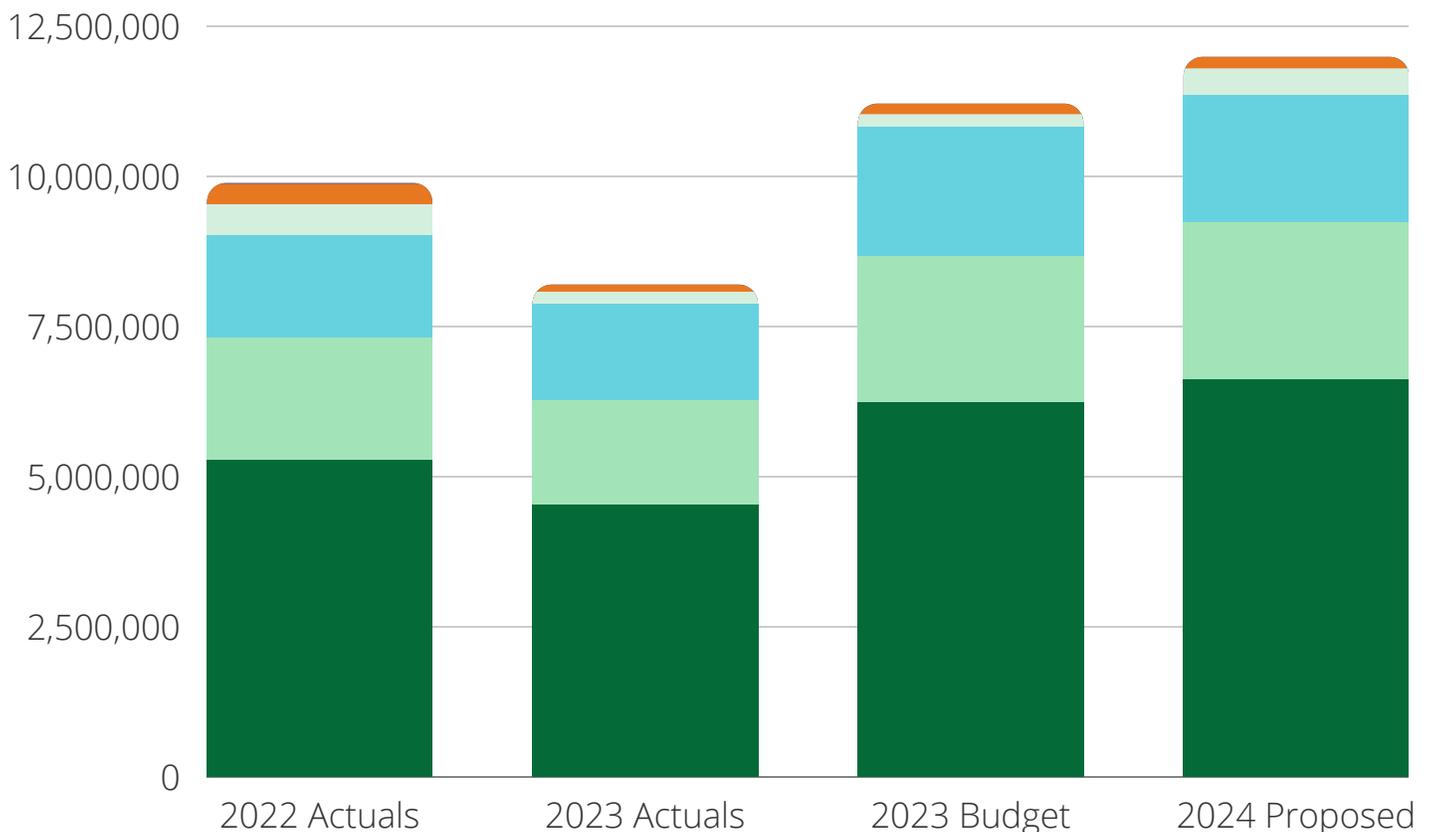
## Capital Outlay

The Police Department is requesting \$450,000 to purchase and equip ten new vehicles. This is to replace aging vehicles and provide take-home vehicles for all sworn personnel.

The Police Department also has \$191,000 in Debt Service, which is for capital leases. It is reported as debt service in our financials.

# PELHAM POLICE DEPARTMENT

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	5,428,542	4,527,247	6,224,892	6,601,314
■	Benefits	2,039,202	1,734,694	2,435,125	2,612,527
■	Operating Expenses	1,708,462	1,593,350	2,151,874	2,119,949
■	Capital Outlay	511,379	209,909	209,910	450,000
■	Debt Services	347,288	118,295	174,540	191,100
■	Other Financial Uses	10,673	-	-	-
		<b>10,045,546</b>	<b>8,183,495</b>	<b>11,196,341</b>	<b>11,974,890</b>



# PELHAM FIRE DEPARTMENT

The Pelham Fire Department is a full-time career fire department serving the City of Pelham. The department operates out of five fire stations 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 various community risk reduction programs.

The men and women of the Pelham Fire Department strive for excellence in all that they provide for Pelham's citizens and visitors. Our mission statement is "We are committed to meet the needs of our citizens; to conduct ourselves as professionals, with compassion and efficiency." Pelham Fire Department prides itself on meeting the needs of the citizens and being on the cutting edge of new and innovative techniques in all aspects of its jobs.

The Pelham Fire Department provides fire and emergency medical services and technical rescue services in rope rescue, confined space rescue, hazardous materials response, and dive rescue and recovery. We also have a Community Paramedic Program, a Smoke Detector Program, and a very active Fire Prevention Education Program. We are constantly seeking to provide the highest level of service.

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

- Provide immediate response to all fire and EMS calls.
- Provide technical rescue services.
- Provide community paramedic services.
- Provide building fire code inspections for all new construction.
- Provide fire prevention inspections for City businesses.
- Provide fire prevention education for citizens of all ages.
- Provide fire suppression services.
- Provide Emergency medical response.
- Provide public education.
- Perform vehicle extrication.
- Perform surface and underwater rescue.
- Perform confined space/high-angle rescue.
- Perform trench rescue.
- Perform hazardous materials mitigation.



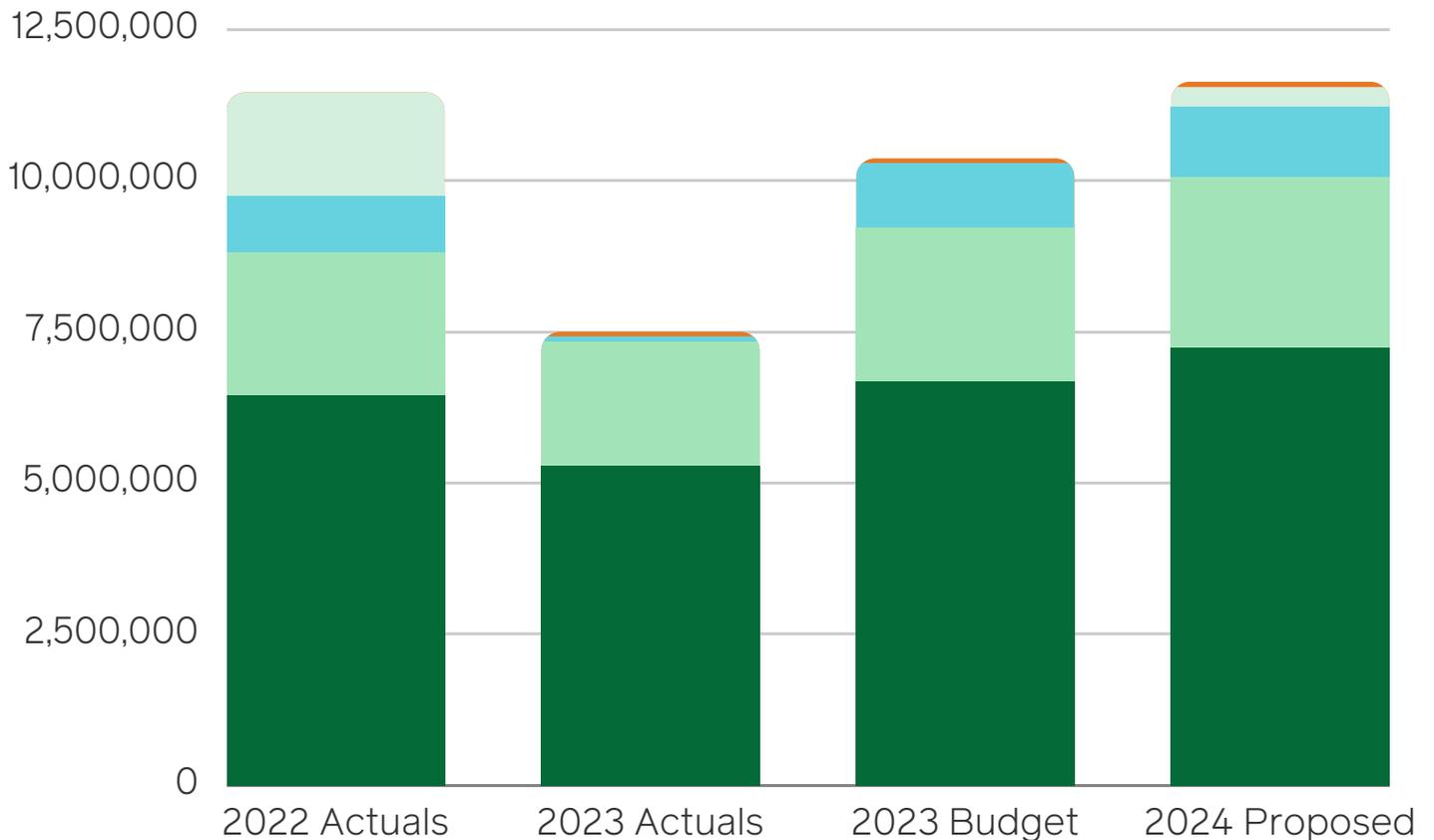
## Capital Outlay

- \$35,000 for new flooring in the administrative spaces in Station No. 1 and the replacement of cabinets and countertops at Station No. 4
- \$45,000 for a replacement EMS vehicle
- \$35,000 for 10% match to replace Brush #3
- \$213,883 for EMS equipment

The Fire Department has a total amount of \$87,499 in debt service expenditure for capital leases that are reported under debt service in our financials.

# PELHAM FIRE DEPARTMENT

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	6,432,000	5,264,862	6,658,016	7,214,295
■	Benefits	2,361,558	2,059,572	2,540,743	2,830,837
■	Operating Expenses	930,349	841,836	1,045,903	1,158,540
■	Capital Outlay	1,722,091	-	-	328,883
■	Debt Services	-	74,724	75,000	87,499
■	Other Financial Uses	-	-	-	-
		<b>11,445,998</b>	<b>8,240,994</b>	<b>10,352,079</b>	<b>11,620,054</b>



# DSPW

The Development Services and Public Works Department oversees residential, commercial, and governmental construction within the City, provides services, and improves the quality of life through maintaining City property and infrastructure as well as provides engineering oversight within the City, aids building services in overseeing residential, commercial, and governmental construction to ensure compliance with laws, regulations, and City ordinances.

The building function administers building permits, oversees building inspections, and works with the police department to address code enforcement issues. They also monitor development in the City, recognize and act upon recommended changes in City Zoning Ordinances, and are charged with ensuring adherence to local Zoning Ordinances. The facilities maintenance function services various facilities, and the public works function services the City's streets and public rights of way. This includes street improvements, sidewalk and drainage systems, and installation and maintenance of traffic controls and street signs. The engineering function serves to aid in designing and maintaining public infrastructure as well as to review developments within the City.

Functions of the Development Services and Public Works 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, the Court Clerk, and Finance Director to ensure compliance with the City's Building and Zoning Ordinances.
- Provide technical assistance to the Mayor, City Manager, City Council, and other City departments.
- Maintain streets, ditches, stormwater drains and pipes, and sidewalks with the City of Pelham.
- Provide maintenance on City facilities and manage maintenance projects.
- 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.
- Review, administer, and communicate regulations and guidelines within the City.
- Monitor and advise the City on infrastructure and capital improvement needs within the City.
- Working alongside the Building Official, responding to the needs of the Planning and Zoning Commission.
- Manages the City's Municipal Separate Storm Sewer System Program (MS4).
- Provides varying levels of project management on all public works capital projects.

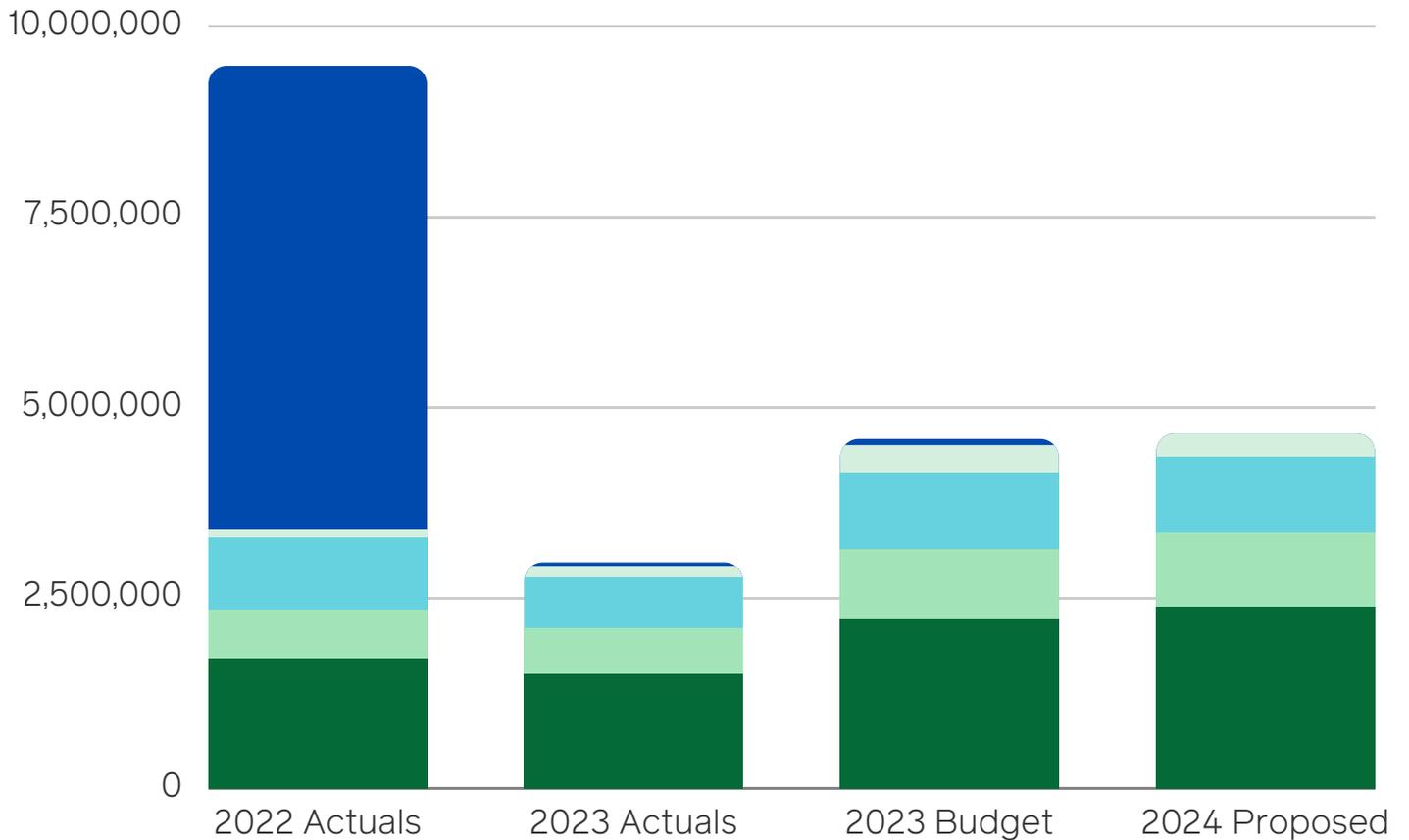


## Capital Outlay

The Development Services and Public Works department is requesting a total of \$318,000 to purchase two John Deere Lawn Mowers, two F-250's, and two F-150's

# DSPW

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	1,700,145	1,495,935	2,203,002	2,379,783
■	Benefits	640,038	591,244	928,014	970,131
■	Operating Expenses	945,125	673,741	993,730	984,517
■	Capital Outlay	103,919	149,761	372,731	318,000
■	Debt Services	-	-	-	-
■	Other Financial Uses	6,088,401	47,036	81,770	-
		<b>9,477,628</b>	<b>2,957,717</b>	<b>4,579,247</b>	<b>4,652,431</b>





# ENTERPRISE FUNDS SUMMARY



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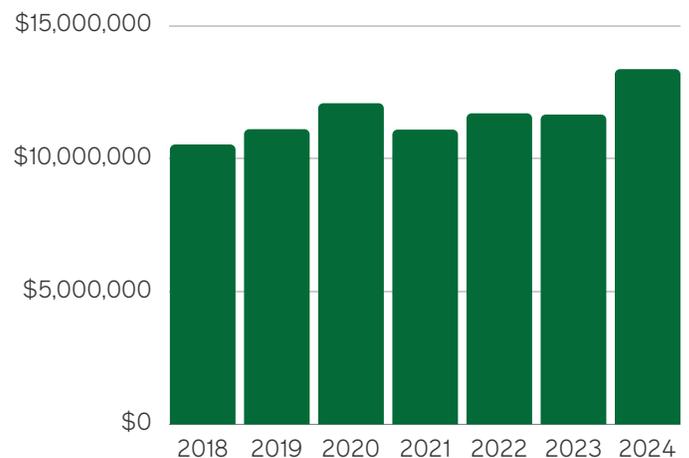
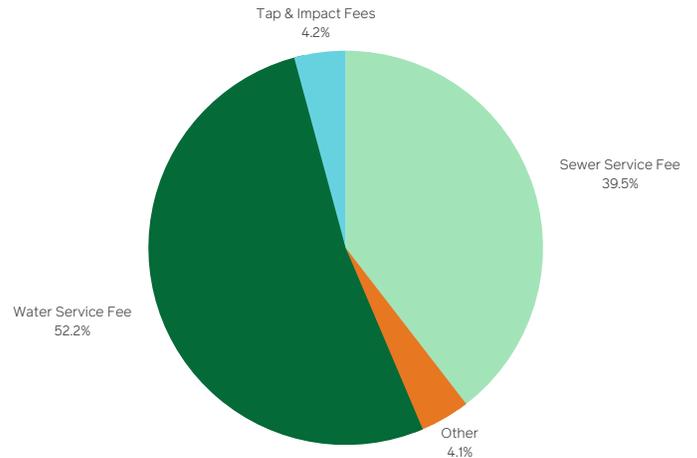
# ENTERPRISE FUND BUDGET SUMMARY

	Water & Sewer	Complex	Racquet	Golf	Trash	Summary Total
<b>Revenues</b>						
Taxes						
Sales tax						
Property tax						
Motor Vehicle/Gas tax						
Other tax						
Licenses and permits						
Fines and forfeitures						
Charges for services	13,010,568	3,395,336	843,862	3,148,570	2,958,545	23,356,881
Interest income	340,300			5,071	10,851	356,222
Other	3,432			10,050		13,482
<b>Total revenues</b>	<b>13,354,300</b>	<b>3,395,336</b>	<b>843,862</b>	<b>3,163,691</b>	<b>2,969,396</b>	<b>23,726,585</b>
<b>Expenditures</b>						
General administration						
City Manager						
Mayor						
City Council						
Court						
IT						
Human Resources						
Finance						
Economic Development						
Communications & Branding						
City Clerk						
Library						
Parks & Recreation						
Police						
Fire						
Public works						
Water & Sewer Fund	8,663,399					8,663,399
Civic Complex & Ice Arena		4,026,755				4,026,755
Racquet Club			1,678,002			1,678,002
Ballantrae Golf				3,193,283		3,193,283
Pelham Garbage					3,119,396	3,119,396
	8,663,399	4,026,755	1,678,002	3,193,283	3,119,396	20,680,835
Revenues less expenditures	4,690,901	(631,419)	(834,140)	(29,592)	(150,000)	3,045,750
Capital Outlay	422,000					422,000
Debt service						
Principal retirement	527,473	24,282		16,188		567,943
Interest	572,402	22,376		14,917		609,695
Total capital outlay and debt expenditures	1,521,875	46,658		31,105		1,599,638
Excess (deficiency) of revenues over (under) expenditures	3,169,026	(678,077)	(834,140)	(60,698)	(150,000)	1,446,112
<b>Other financing sources (uses)</b>						
Proceeds from sale of capital assets						
Committed Fund Balance						
Interfund Capital Transfers (In)		3,741,686	600,000	500,000		4,841,686
Interfund Capital Transfers (Out)	(4,202,973)	(3,741,686)	(600,000)	(500,000)		(9,044,659)
Interfund Operating Transfers (In)					150,000	150,000
Interfund Operating Transfers (Out)		678,077	834,140	60,698		1,572,914
Total other financing sources (uses)	(4,202,973)	678,077	834,140	60,698	150,000	(2,480,059)
Committed Reserve Fund Balance						
<b>Net change in Unencumbered Fund Balance</b>	<b>(1,033,947)</b>					<b>(1,033,947)</b>

# 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 water supply to our growing community. The Water and Sewer Departments must meet or exceed all standards of 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 on the City’s website under Water Quality Reports.

It is vital for the City to regularly measure the cost of providing water and sewer services and adjust fees accordingly. New water and sewer rates were adopted in FY 2023.

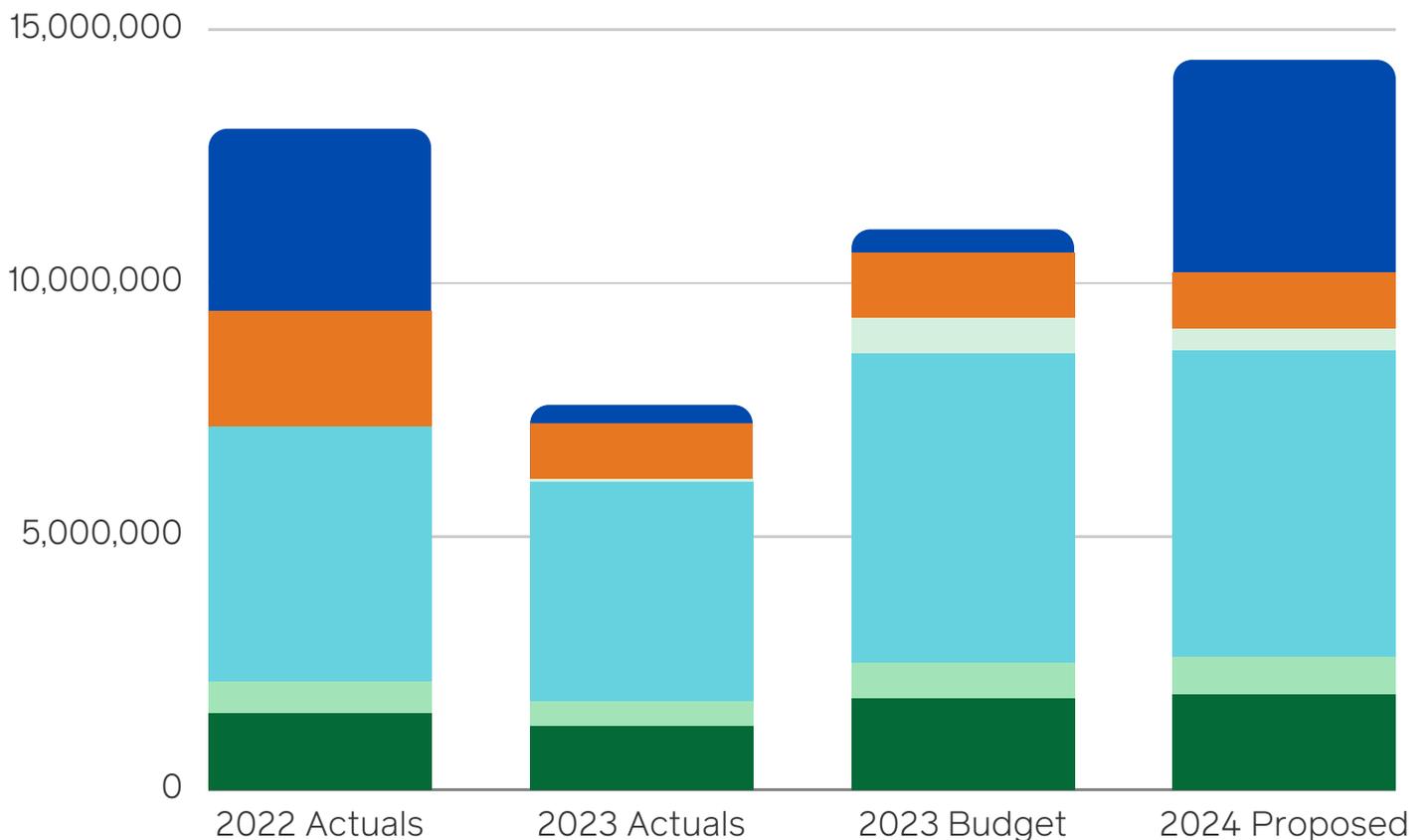


## Capital Outlay

The Water & Sewer Department is requesting a total amount of \$422,000 to purchase an excavator, one crew truck, two service trucks, and a forklift.

# WATER & SEWER FUND

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	1,504,582	1,259,308	1,798,021	1,879,605
■	Benefits	620,714	480,821	707,672	736,921
■	Operating Expenses	5,032,272	4,316,950	6,085,437	6,046,873
■	Capital Outlay	-	65,498	700,128	422,000
■	Debt Services	2,280,253	1,097,709	1,281,111	1,099,876
■	Other Financial Uses	3,592,241	360,804	472,662	4,202,973
		<b>13,030,062</b>	<b>7,581,090</b>	<b>11,045,031</b>	<b>14,388,247</b>



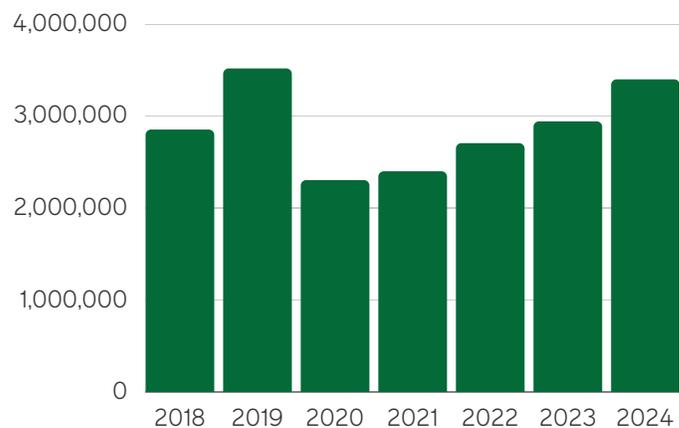
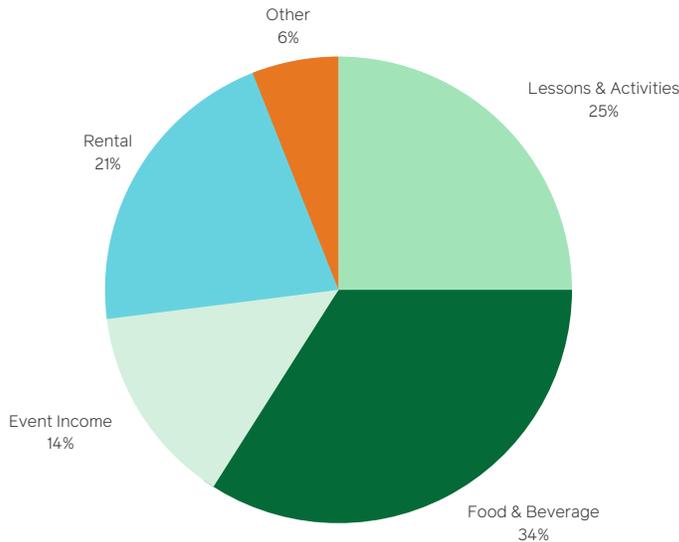
# CIVIC COMPLEX & ICE ARENA

The Pelham Civic Complex & Ice Arena features two National Hockey League-sized rinks (the main arena seats approximately 4,000), a banquet/conference space, offices, locker rooms, catering, commissary/kitchen, storage, mechanical and pre-function spaces. Ice-related activities form the bulk of usage at the facility, which hosts more than 27,000 ice skaters each year, from beginners to seasoned professionals. The main arena is home to the Birmingham Bulls and has 317,000 square feet of floor space with the capability of adapting to host a variety of events.

In October of 2021, the City Council agreed to contract with VenuWorks to manage all operations and marketing for the facility. In addition, VenuWorks, on behalf of the Civic Complex, manages all food and concession services at the City Park as well as during selected events at the Pelham Racquet Club.

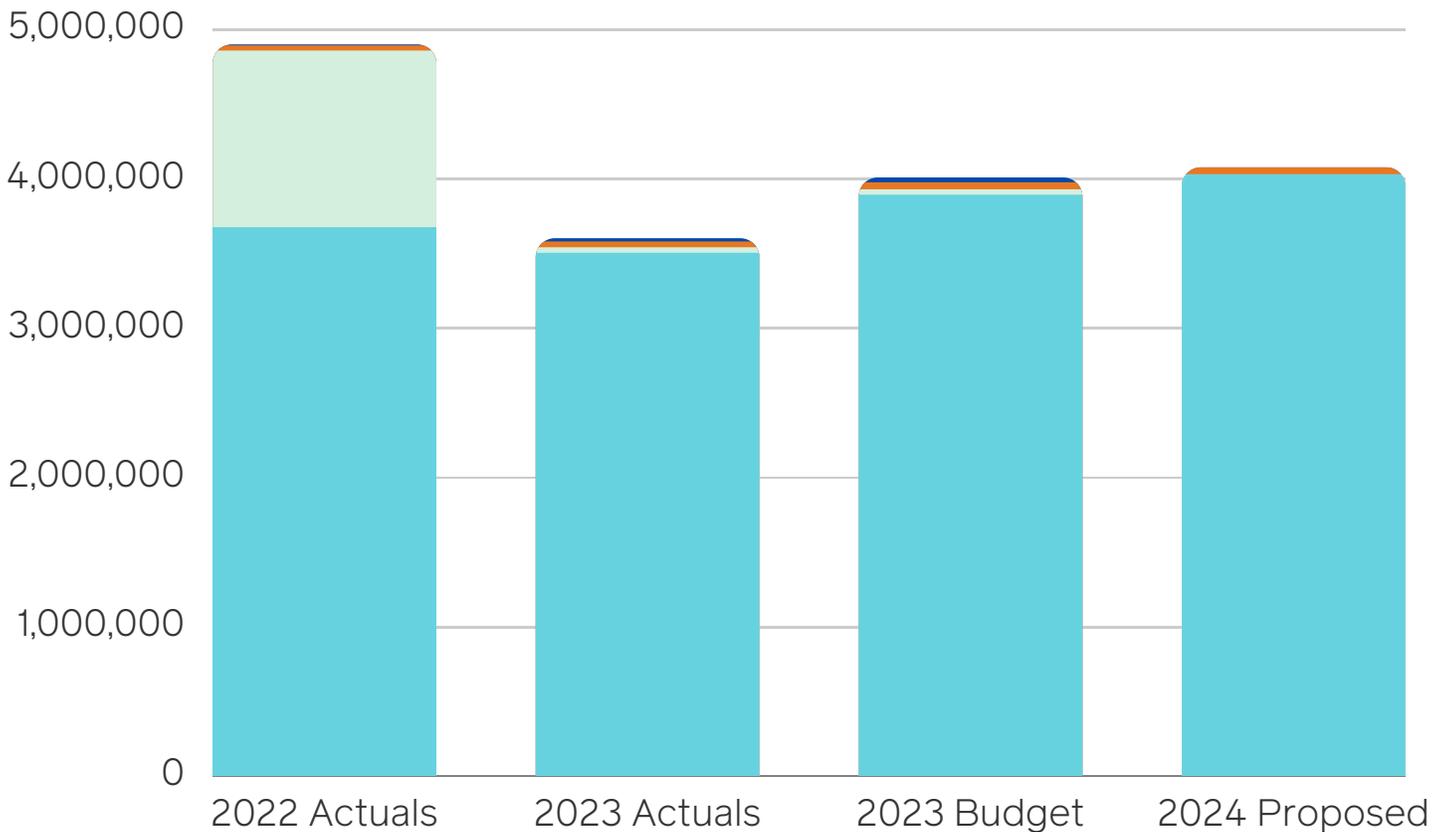
Major functions include but are not limited to the following:

- Hosting ice arena events such as national, regional, and local figure skating exhibitions and competitions, youth and adult hockey tournaments and league play, seasonal camps for all abilities, roller hockey, and broomball.
- Serving as the home of the Southern Professional Hockey League’s Birmingham Bulls Hockey Team.
- Serving as the home of the University of Alabama D1 and D3 Collegiate Club Hockey, Birmingham Bulls Youth Hockey, Southern Elite Hockey, Pensacola Youth Ice Flyers Travel Hockey, Pelham Youth Hockey, Pelham Skate School, Multiple Adult Hockey Leagues, Birmingham Figure Skating Club, Magic City Theatre on Ice, and UAB Collegiate Skating.
- Maintaining a Pro Shop for figure skaters, hockey players, and fans.
- Running concessions for events of all sizes.
- Home to the Pelham Skate School, Aspire Academy, and Pelham Hockey Development Academy, 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, from small meetings to large conferences, banquets, receptions, weddings, birthday parties, and graduations.
- Providing full-service ticketing, box office, and event marketing services.



# CIVIC COMPLEX & ICE ARENA

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	-	-	-	-
■	Benefits	-	-	-	-
■	Operating Expenses	3,668,225	3,501,037	3,890,549	4,026,755
■	Capital Outlay	1,187,884	36,893	35,935	-
■	Debt Services	34,739	38,905	46,685	46,658
■	Other Financial Uses	6,524	21,681	32,456	-
		<b>4,897,372</b>	<b>3,598,515</b>	<b>4,005,625</b>	<b>4,073,413</b>



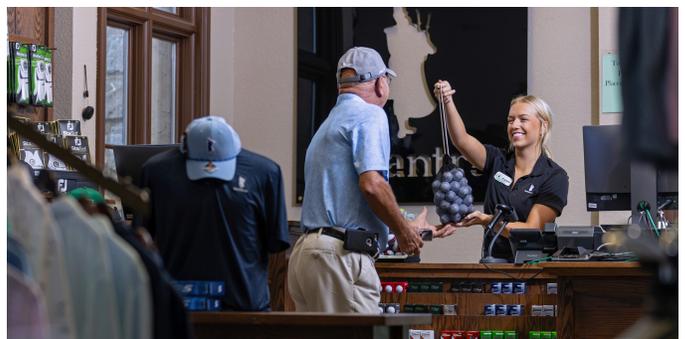
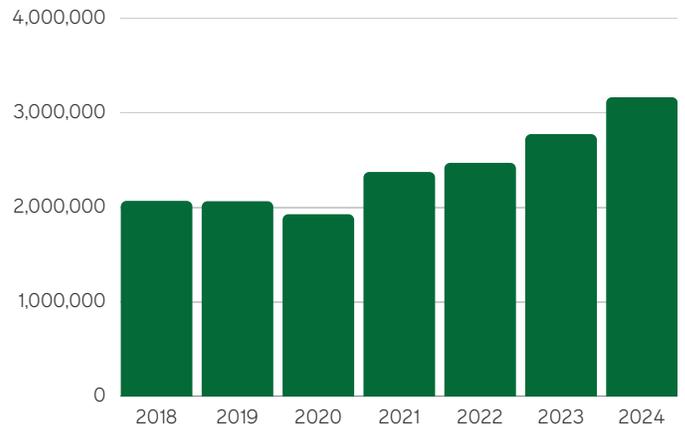
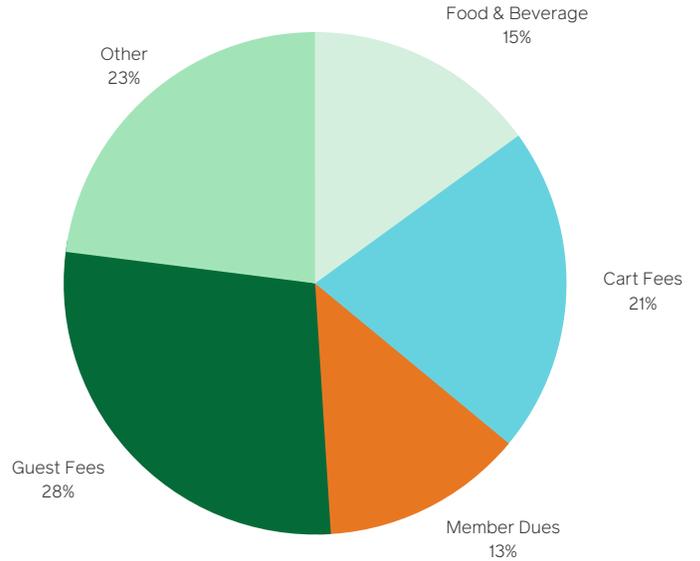
# BALLANTRAE GOLF CLUB

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, the Fireside Grille, a Clubhouse, a Conference Room, and a Practice Facility. Ballantrae provides a fun experience to all who frequent the facility which is open to the public with memberships available.

Rounds of golf and membership are both at an all-time high at Ballantrae! We are on pace once again to set a new yearly rounds record reaching almost 42,000 rounds of golf played. In addition, membership is full with 200 members and 8 on the waiting list to join.

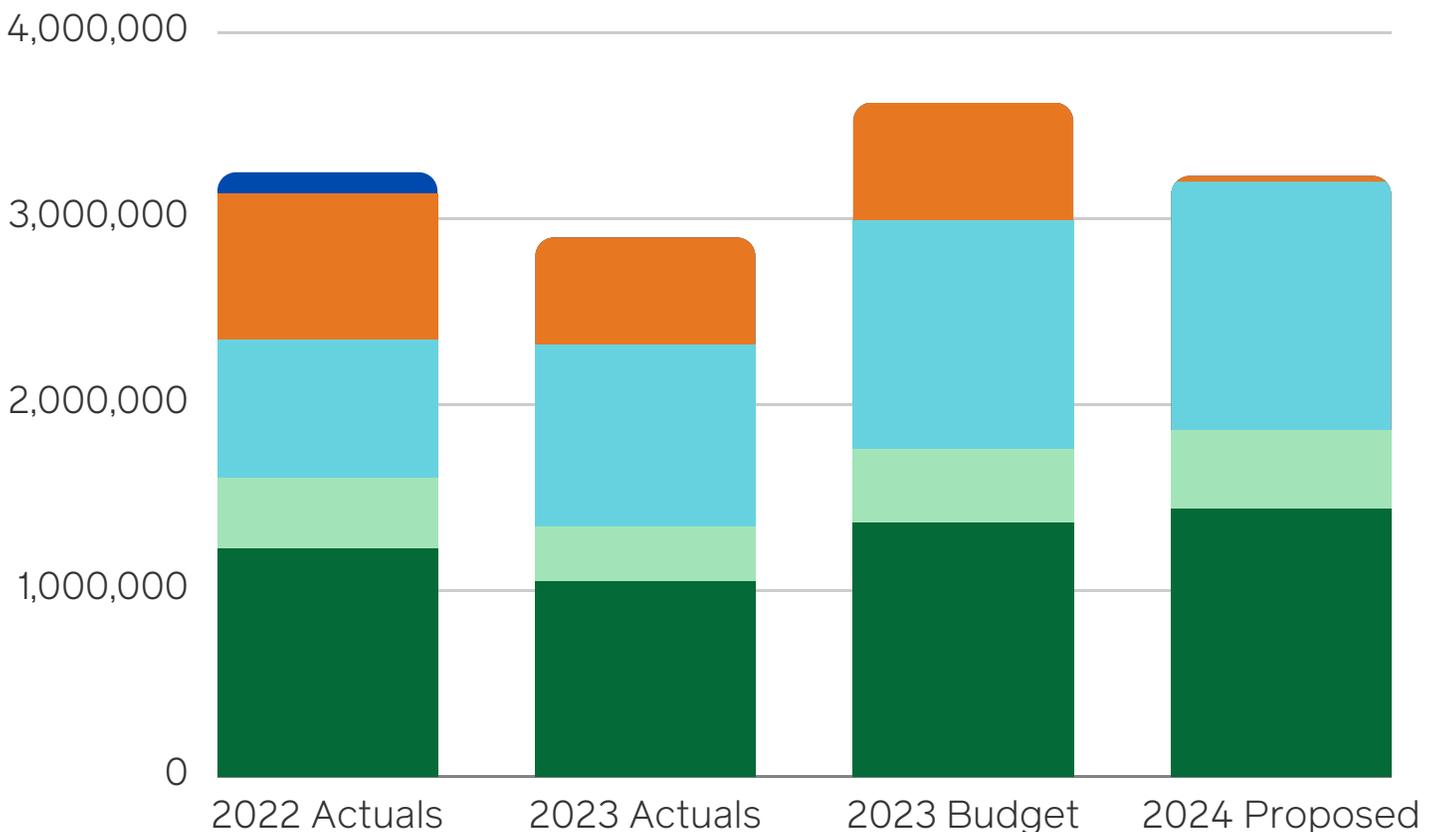
Major functions of Ballantrae Golf Club include, but are not limited to:

- Provide a beautifully maintained, safe, and friendly golfing experience for members and the public.
- Provide the highest level of customer service to members and guests.
- Offer special events for our 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.



# BALLANTRAE GOLF CLUB

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	1,223,635	1,046,257	1,359,196	1,438,190
■	Benefits	376,692	291,019	396,973	419,758
■	Operating Expenses	741,197	981,491	1,227,642	1,335,335
■	Capital Outlay	-	-	-	-
■	Debt Services	787,703	574,756	635,004	31,105
■	Other Financial Uses	114,415	-	-	-
		<b>3,243,642</b>	<b>2,893,523</b>	<b>3,618,815</b>	<b>3,224,388</b>



# PELHAM RACQUET CLUB

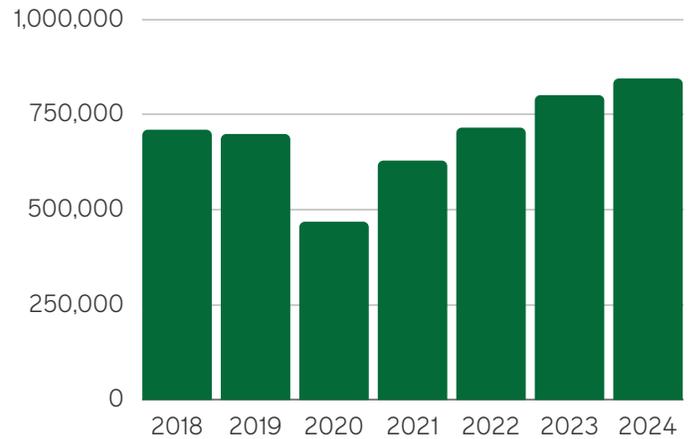
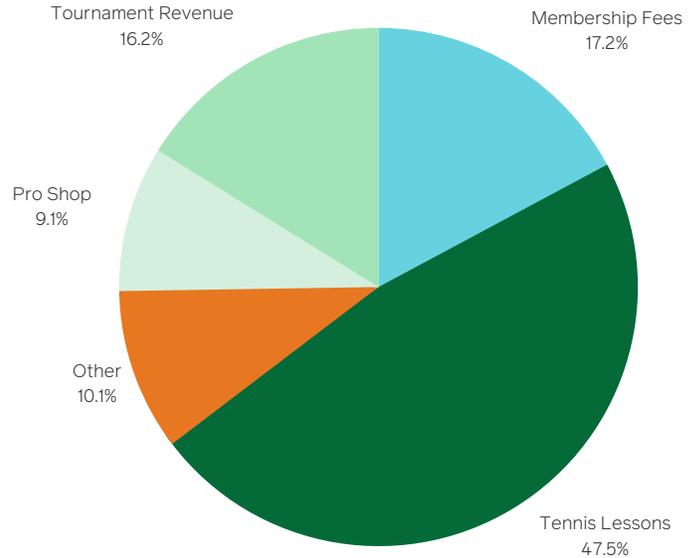
The Pelham Racquet Club is one of the largest public clay court facilities in the state, offering 20 clay courts and 5 hard courts all lighted with above tournament-grade lighting. The entire facility is beautifully landscaped on three tiers providing function and visibility to all courts. The club offers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

The facility hosts more than a dozen tournaments per year, including the Pelham Racquet Club Women's \$60,000 Pro Classic, which features participants from 27 nations. In addition to tournaments, lessons, league play, clinics, and socials are offered year-round.

The Club also has a Pro Shop and stringing services available on-site.

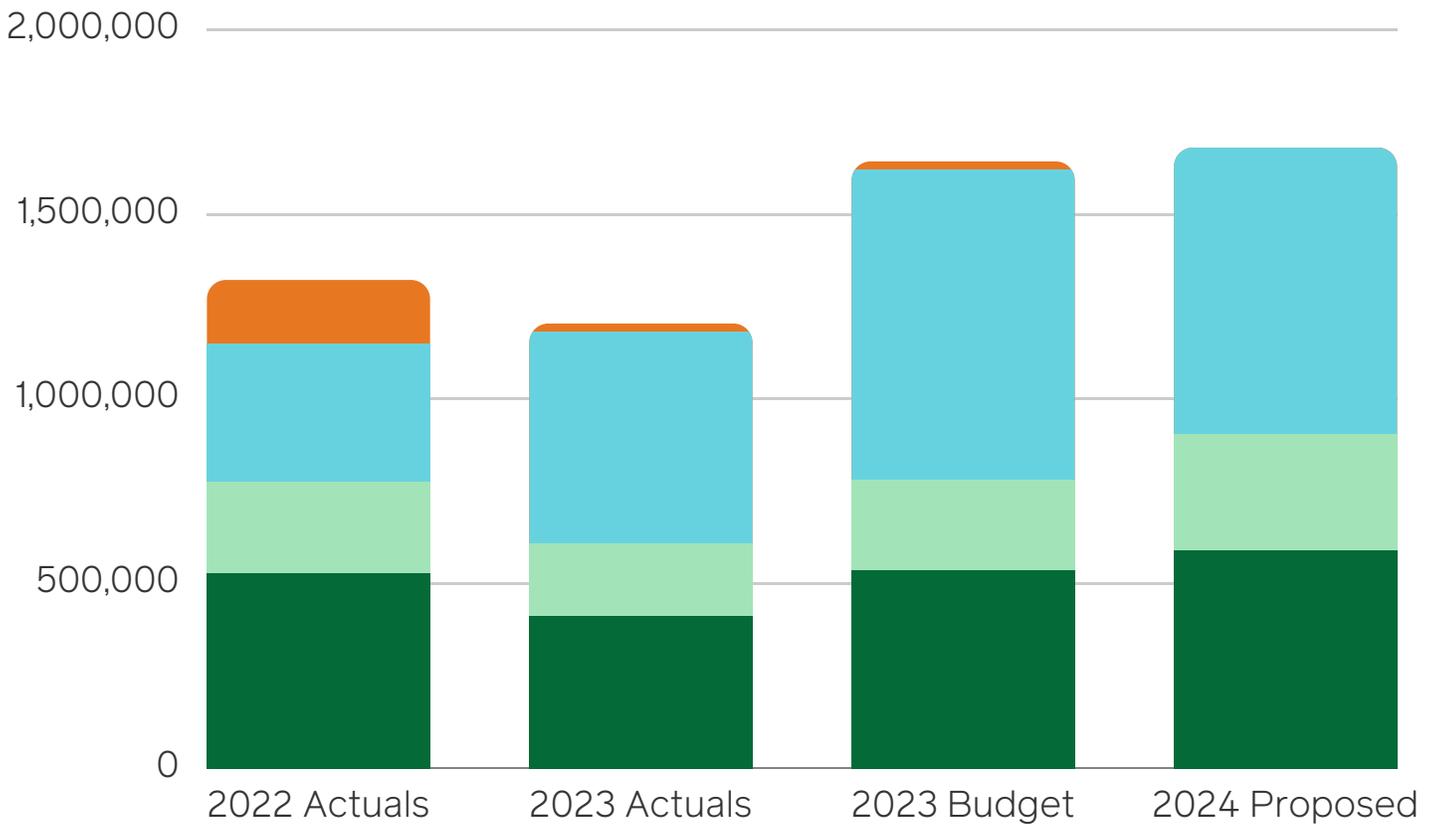
The functions of the Racquet Club include but are not limited to:

- 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



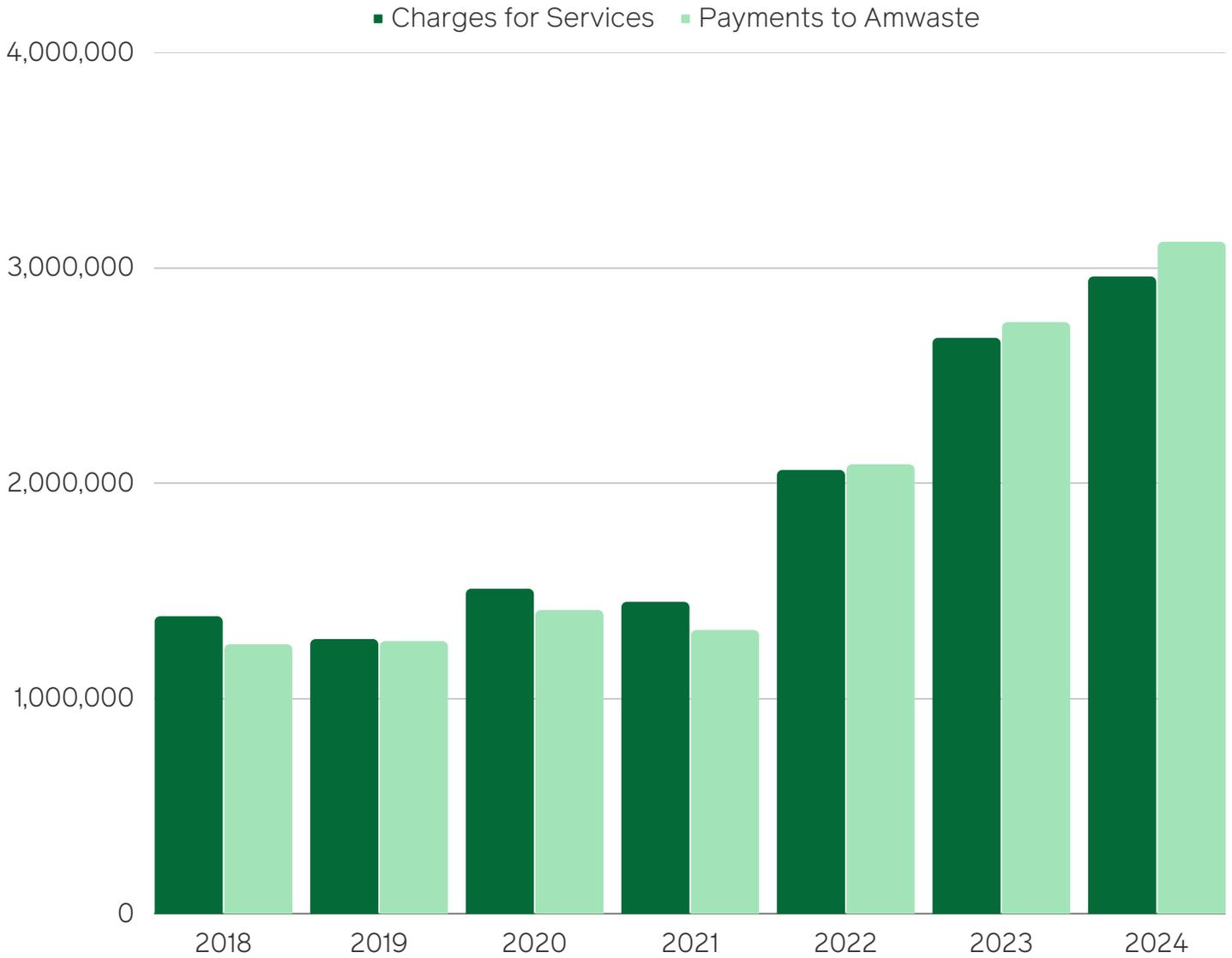
# PELHAM RACQUET CLUB

	Expenditure Types	2022 Actuals	2023 Actuals	2023 Budget	2024 Proposed
■	Salary & Wages	525,235	410,608	532,898	586,617
■	Benefits	247,581	197,043	245,675	316,881
■	Operating Expenses	372,746	572,386	840,452	774,504
■	Capital Outlay	-	-	-	-
■	Debt Services	174,070	21,623	21,624	-
■	Other Financial Uses	-	-	-	-
		<b>1,319,632</b>	<b>1,201,660</b>	<b>1,640,649</b>	<b>1,678,002</b>



# 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 the collection of garbage.





# OTHER FUNDS



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A path apart.

# 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's 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 the 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's 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.

### Library State Aid Fund

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

## 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 the Spring of 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 CAN NOT be used for:

1. Salaries, benefits, or any other form of compensation for the 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.

## 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.

## Library Board Fund

The City's Library Board Fund consists 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.

# OTHER 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 is 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 is 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.

## 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 monthly.

## 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.

Account Description	Estimated FY2023 Ending Balance	Projected FY2024 Income	Proposed FY2024 Transfers	Estimated FY2024 Ending Balance	Proposed Uses for Transfers to General Fund & Capital Project Fund
4 & 5 Cent Gas Tax	\$ 66,160	\$ 42,604	\$(100,000)	\$ 8,764	Annual Curbs & Gutters
7 Cent Gasoline Tax	\$ 83,076	\$ 53,838	\$(100,000)	\$ 36,914	Annual Curbs & Gutters
10 Cent Gas Tax	\$ 230,324	\$ 184,951	\$(375,000)	\$ 40,274	Annual Resurfacing
Motor Vehicle Gas Tax	\$ 73,398	\$ 114,319	\$(90,000)	\$ 97,718	Traffic Signal Upgrades
Municipal Corrections	\$ 116,661	\$ 378,332	\$(482,807)	\$ 12,186	Court Salary Reimbursements
Municipal Admin Fee	\$ 252,585	\$ 61,321	\$(20,992)	\$292,914	Court Salary Reimbursements
Fair Trial Tax	\$ 21,173	\$ 38,520	\$(42,374)	\$ 17,319	Court Salary Reimbursements
Police 911	\$ 62,375	\$ 116,631	\$(151,876)	\$ 27,130	Dispatcher Salary Reimbursements



# CAPITAL PROJECTS & DEBT SERVICE



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# CAPITAL PROJECT HIGHLIGHTS

Department	Project	Project No.	PHASE					
			Pre Design	Design	Bid/Award	Construction	Complete	Inactive
Court	Magistrate Office Expansion	1323001					X	
	Magistrate Warrant Room Door	1323002					X	
	Courtroom Improvements	1323003						X
Fire	Fire Station 1 Improvements	3023001				X		
	Fire Station No 2	3023002					X	
	Fire Station No. 3 - Exit Traffic Light	3023003		X				
	Fire Station No. 4 Window Installatation	3023004					X	
	Fire Station 5 - Bathroom Remodel	3023005					X	
	Fire Station No. 1 Bldg Envelope	3023006	X					
	Fire Station No. 5 HVAC	3023007					X	
Police	Police Department Parking Lot Addition	3523001						X
	Police Department - HVAC Improvements	3523002					X	
	Police Department - Roof Replacement	3523003				X		
	Police Department - HVAC - Phase 2	3523004					X	
Public Works	City Hall Campus Master Plan	5023007						X
	PW City Storage Envelope	5023008					X	
	Fencing	5023009			X			
	PW Old Office Envelope	5023010						X
Engineering	Pelham Resurfacing 2023	5323007				X		
	ProWag FY23 - ADA	5323008					X	
	Drainage Improvements	5323009	X					
	Canterbury Drainage Repairs	5323010					X	
	Red Fox Drainage Replacement	5323011					X	
	Stormwater Mapping	5323012				X		
	NRCS Creek Clean-up	5323013					X	
	City Hall	5323014					X	
	City Hall - Landscaping and IT	5323015					X	
	Hydrology Study	5323016					X	
	Highway 261 Widening	5323017		X				
	The Canopy	5323018				X		
	Amphitheater Road Widening	5323019				X		
	RTOP Traffic Signal Repairs	5323020			X			
	US 31 Lighting	5323021		X				
	Oak Mountain Trail	5323022					X	
	Oak Mtn Trail - ALDOT Dirt Payment	5323022.1					X	
	Blueberry Hill Public Space	5323023					X	
	Gateway Improvements	5323024		X				
	Drill Field Site Cleanup	5323025						X
Highway 52 Flyover - Grant Application	5323026					X		
Highway 52/31 Improvements	5323027						X	
Parks N Rec	Campus 124 Park	6023001				X		
	Phase 3 and 4 Trails	6023002.1		X				
	Greenway Trail Extension	6023002.2		X				
	Dog Park and Trail Lighting	6023003					X	
	Tennis Center Improvements	6023004					X	
	Tennis Center HVAC	6023005					X	
	Tennis Center Court Improvements	6023006		X				
	City Park Monument Sign	6023007						X
	Batting Cages	6023008				X		
	Splash Pad	6023009				X		
	City Park Bathroom Upgrades	6023010					X	
	City Park Playground	6023011			X			
	Senior Center Pickleball Courts	6023012				X		
	Senior Center Pavilion	6023013				X		
	Senior Center HVAC	6023014					X	
	Coker Park Improvements	6023015				X		
	Library	Public Space - Library Development	6123001	X				

# CAPITAL PROJECT HIGHLIGHTS

Department	Project	Project No.	PHASE					
			Pre Design	Design	Bid/Award	Construction	Complete	Inactive
Civic Complex	Civic Complex - FAÇADE Improvements	6223001				X		
	Civic Complex - Parking Lot	6223002				X		
	Civic Complex Parking Land	6223003						X
	Civic Complex FFE	6223004					X	
	Civic Complex - Roof	6223005					X	
	Civic Complex - Turbochiller	6223006				X		
	Civic Complex - FY21 HVAC Improvements D	6223007					X	
	Civic Complex - FY23 HVAC Improvements W	6223008				X		
	PPC KITCHEN EQUIPMENT	6223009					X	
Golf	Ballantrae Golf Clubhouse Improvements	6323001				X		
	Ballantrae 18th Hole Bridge	6323002					X	
	Ballantrae Maintenance Bldg HVAC	6323003					X	
	Ballantrae Cart Barn HVAC	6323004					X	
	Ballantrae Club House HVAC	6323005					X	
Racquet Club	Racquet Club Lobby Reconfiguration	6423001		X				
	Racquet Club Walkway - Lower Entrance	6423002					X	
	Racquet Club - Clay Court Resurfacing	6423003					X	
Water	Chandalar Drive PVC Replacement	7122004.1					X	
	Annual PVC Replacement	7123004.1		X				
	Hwy 11 PVC Replacement	7123004.2				X		
	I-65 Crossing at Tank Farm PVC Replacement	7123004.3		X				
	King Valley Drive PVC Replacement	7123004.4					X	
	Ridge Drive PVC Replacement	7123004.5						X
	SCADA Integration	7123006				X		
	2021 AMR System	7123007					X	
	Ballantrae Backup	7123008				X		
	Water Shop Improvements	7123009			X			
	Material/Equipment Pole Barn	7123010			X			
	DSPW Interior Improvements	7123011					X	
	Heather Ridge Well	7123012				X		
	Chandalar Well Pull and Inspect	7123013					X	
	Campbell Ridge Well	7123014					X	
City Hall Water Main	7123015					X		
Sewer	Lift Station Remediation - LS B	7223004.1				X		
	Lift Station Remediation - Stratford	7223004.2				X		
	Lift Station Remediation - LS F Piping	7223004.3	X					
	Lift Station Remediation - Business Center	7223004.4	X					
	Grit & Grease	7223005					X	
	SCADA Integration	7223006				X		
	Southgate Lift Station	7223007			X			
	Buck Creek Sewer Lift Station Pump	7223008.1					X	
	WWTP Influent Screen Rehab	7223008.2			X			
	Blower Replacement	7223008.3		X				
	Traveling Bridge Filter Upgrades	7223008.4		X				
	SSES - Rehab - Phase 2	7223009.1					X	
	SSES - TVI FY23	7223009.4				X		
SSES Rehab - Phase 3	7223009.5			X				
<b>TOTAL PROJECTS</b>		<b>104</b>	<b>5</b>	<b>12</b>	<b>8</b>	<b>25</b>	<b>45</b>	<b>9</b>

# CAPITAL PROJECT HIGHLIGHTS

City management recommends funding the following capital projects and capital outlay as follows:

## FY 2024 General Fund: New Projects

### Traffic Signal Upgrades

Upgrade traffic signal loops to thermal imaging cameras at ten intersections.

*Budgeted amount: \$500,00*

Funding Sources: Special Revenue - Motor Vehicle Tax and General Fund transfer

### Gateway Improvements - Local Roads

Five local road gateway improvements.

*Budgeted amount: \$450,000*

Funding Sources: General Fund transfer

### Pelham Resurfacing FY 2024

Annual city-wide resurfacing.

*Budget amount: \$1,250,000*

Funding Sources: Special Revenue - 10 Cent Gas Tax and General Fund transfer

### PROWag/ADA - Annual

Annual ADA improvements on City Rights of Way.

*Budget amount: \$50,000*

Funding Sources: General Fund transfer

### Annual Drainage Improvements

City-wide drainage improvements.

*Budget amount: \$500,000*

Funding Sources: Special Revenue - 4 & 5 Cent Gas Tax, Special Revenue - 7 Cent Gas Tax, and General Fund transfer

### Highway 52 Widening - Grant Match

Widening of Highway 52.

*Budget amount: \$500,000*

Funding Sources: Grant and General Fund transfer

### City Facilities Maintenance and Upgrades

Annual maintenance and upgrades to City facilities.

*Budget amount: \$250,000*

Funding Sources: General Fund transfer

### Amphitheater Road Cross Walks

Two crosswalks with striping and caution lighting.

*Budget amount: \$50,000*

Funding Sources: General Fund transfer

### Library - Street Parking

Eleven additional street parking spaces.

*Budget amount: \$209,000*

Funding Sources: General Fund transfer

### Pelham Park Blvd Curb Cut

Part of Library property development.

*Budget amount: \$100,000*

Funding Sources: General Fund transfer

### Phase 3 and 4 Trails - Grant Match

Trail section design from City Park to Campus 124 Park.

*Budget amount: \$1,600,000*

Funding Sources: Grant and General Fund transfer

### Holland Lakes Drainage Improvements

Drainage improvements in Holland Lakes Neighborhood.

*Budget amount: \$375,000*

Funding Sources: ARPA/Drainage Improvement Reserve

### Parking Lot Paving at Splash Pad

Paving the gravel parking lot by the Splash Pad/Dog Park.

*Budget amount: \$250,000*

Funding Sources: General Fund transfer



# CAPITAL PROJECT HIGHLIGHTS

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 & Ice Arena, Pelham Racquet Club, and Ballantrae Golf Club) will be funded through transfers from the General Fund or Special Revenue Funds. City management recommends funding the remaining following capital projects and capital outlay as follows:

## FY 2024 Sewer Department: New Projects

### SCADA Integration

Upgrades to the plant control system at the sewer plant.  
*Budget amount: \$100,000*

### Clarifier Painting

Continuation of project.  
*Budget amount: \$275,000*

### Oxidation Ditch Rotor Replacement and Gate Mod.

Partially expended in FY 2023.  
*Budget amount: \$100,000*

### Traveling Bridge Filter Upgrades

Construction in FY 2025.  
*Budget amount: \$75,000*

### UV System Replacement

Construction in FY 2025.  
*Budget amount: \$100,000*

### SSES - TVI

Ongoing remediation of the sanitary sewer collection system.  
*Budget amount: \$75,000*  
*Funding source: Bond proceeds*

### Lift Station-B Remediation

Annual lift station upgrades and maintenance.  
*Budget amount: \$161,973*

## FY 2024 Water Department: New Projects

### SCADA Integration - New - Phase 2

Upgrades to water system control and monitoring system.  
*Budget amount: \$100,000*

### DSPW Improvements (Interior) - Lower Floor

Finish the replacements in the water department building's lower level.  
*Budget amount: \$30,000*

### Well House Improvements

Improvement to the well house roof repairs, door hardware, and lighting upgrades.  
*Budget amount: \$50,000*

### Water Shop Improvements - FFE

Water shop furniture, fixtures, and equipment for remodeled spaces.  
*Budget amount: \$30,000*

### Ballantrae Tank Access Road Improvements

Improvements to the access road at Ballantrae Golf Club.  
*Budget amount: \$25,000*

### Tank Maintenance

Maintenance of tanks throughout the City.  
*Budget amount: \$15,000*

### Hwy 361/CR35 to Eagle Cv/Dogwood Circle

Annual PVC water main replacement in the water system.  
*Budget amount: \$1,996,000*

### King Valley Road - Phase 2

Annual PVC water main replacement in the water system.  
*Budget amount: \$275,000*

### Aaron Road/ Kristen Circle

Annual PVC water main replacement in the water system.  
*Budget amount: \$795,600*

# CAPITAL PROJECT HIGHLIGHTS

## FY 2024 Civic Complex & Ice Arena: New Projects

### Civic Complex - Turbochiller

Replacement of the ice plant for the two skating rinks.

*Budget amount: \$2,055,569*

Funding Source: General Fund transfer

### Civic Complex - HVAC Improvements

This is the HVAC replacement for the Civic Complex building.

*Budget amount: \$1,686,117*

Funding Source: General Fund transfer



## FY 2024 Pelham Racquet Club: New Projects

### Racquet Club - Lobby Reconfiguration

Racquet Clubhouse renovations to the lobby.

*Budget amount: \$600,000*

Funding Source: General Fund transfer

### Racquet Club Corners (Hwy 52 Improvements)

Pending successful development agreement.

*Budget amount: \$375,000*

Funding Source: General Fund transfer



## FY 2024 Ballantrae Golf Club: New Projects

### Ballantrae Bunkers and Cart Path

Refurbishment of the aging bunkers and cart path.

*Budget amount: \$500,000*

Funding Source: General Fund transfer



# ACTIVE CAPITAL PROJECTS

## General Fund

### Drainage Improvements - Remaining ARPA Funds

Implement priority recommendations from the drainage study.

*Budget amount: \$2,600,000*

Funding Source: ARPA funds

### Hydrology Study

Hydrology/drainage study of primary drainage basins and priority areas.

*Budget amount: \$351,470*

Funding Source: General Fund transfer

### Highway 261 Widening - Grant Match

ALDOT/Helena/Hoover/Pelham/County agreement: local share

*Budget amount: \$675,000*

Funding Source: Grant and General Fund transfer

### Amphitheater Road Widening

Addition of a center turn lane & and construction of Greenway Trail.

*Budget amount: \$2,896,124*

Funding Source: Bond proceeds

### Traffic Signal Upgrade

Upgrade traffic timing loops to thermal imaging cameras.

*Budget amount: \$75,625*

Funding Source: Special Revenue - Motor Vehicle Fund

### US 31 Lighting

Replacement of Hwy 31 corridor lighting.

*Budget amount: \$6,171,447*

Funding Source: Bond proceeds

### Gateway Improvements

Signage, landscaping, and site improvements.

*Budget amount: \$182,350*

Funding Source: General Fund transfer

### Pelham Resurfacing 2023

Annual citywide resurfacing.

*Budget amount: \$750,000*

Funding Source: General Fund transfer

### Fire Station No. 3 Traffic Signal

Exit traffic light for Fire Station No. 3.

*Budget amount: \$364,633*

Funding Source: Bond proceeds

### Fire Station No. 1 Improvements

Lockers purchased in FY 2023 are to be delivered in FY 2024.

*Budget amount: \$30,000*

Funding Source: General Fund transfer

### Campus 124 Park

Completion of Campus 124 Park.

*Budget amount: \$627,722*

Funding Source: General Fund transfer

### Greenway Trail Extension

Trail section construction from Campus 124 Park to Amphitheater Road.

*Budget amount: \$1,149,311*

Funding Source: Bond proceeds

### Tennis Court Improvements

Tennis court upgrades - lighting, fencing, and resurfacing.

*Budget amount: \$60,000*

Funding Source: General Fund transfer

### City Park Monument Sign

New marquis sign at City Park.

*Budget amount: \$200,000*

Funding Source: Capital Reserve for the City's Park & Recreation Facilities and General Fund transfer

### Coker Park Improvements

Improvements to Coker Park.

*Budget amount: \$100,000*

Funding source: Capital Reserve for the City's Park & Recreation Facilities

### Oak Mtn Trail ALDOT Dirt

Susan Schein Property - ALDOT permit requirement

*Budget amount: \$70,500*

Funding Source: General Fund transfer

# ACTIVE CAPITAL PROJECTS

## Public Space - Library Development

Public park space for new development in front of the Library.

*Budget amount: \$50,000*

Funding Source: General Fund transfer

## Batting Cages

New lighting at City Park batting cages.

*Budget amount: \$70,000*

Funding Source: Capital Reserve for the City's Parks & Recreation Facilities

## City Park Playground

Playground upgrades at City Park.

*Budget amount: \$900,000*

Funding Source: Capital Reserve for the City's Parks & Recreation Facilities

## Senior Center Pickleball Courts

New pickleball courts at the senior center.

*Budget amount: \$60,000*

Funding Source: Capital Reserve for the City's Parks & Recreation Facilities

## Sewer Fund

### Lift Station-F Improvements

Annual lift station upgrades and maintenance.

*Budget amount: \$328,500*

### Business Center Lift Station

Annual lift station upgrades and maintenance.

*Budget amount: \$328,500*

### Lift Station-B Remediation

Annual lift station upgrades and maintenance.

*Budget amount: \$311,000*

### Stratford Lift Station

Annual lift station upgrades and maintenance.

*Budget amount: \$328,500*

## SCADA Integration - Phase 1

Upgrades to plant control systems at the sewer plant.

*Budget amount: \$50,000*

## Southgate Lift Station

Annual lift station upgrades and maintenance.

*Budget amount: \$330,000*

## SSES TVI - (Lift Station I Basin)

Ongoing remediation of the sanitary sewer collection system.

*Budget amount: \$111,574*

## SSES Rehab - Phase 3

Ongoing remediation of the sanitary sewer collection system.

*Budget amount: \$750,000*

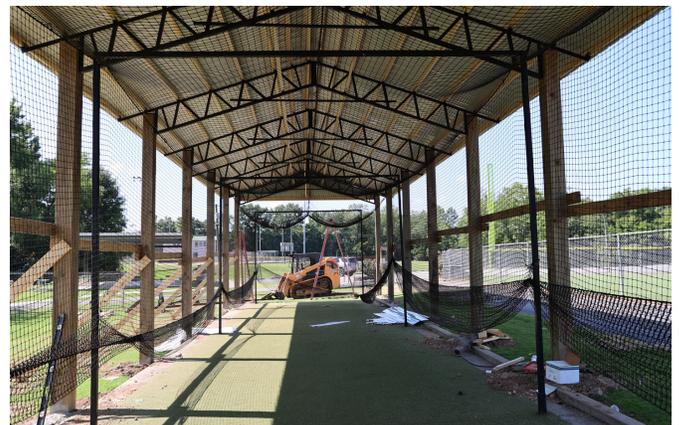
## Misc Waste Water Treatment Plan Improvements

Annual WWTP Upgrades and Maintenance

*Budget amount: \$1,500,000*

Projects under Misc WWTP Improvements are:

- Clarifier Rebuild
- Equipment Painting
- Chemical Feed Equipment - Dewatering Building
- Blower Equipment
- Influent Screen Rehab
- Misc Improvements



# ACTIVE CAPITAL PROJECTS

## Water Fund

### Annual PVC Replacement

Annual PVC water main replacement in the water system.  
*Budget amount: \$500,000*

### Highway 11 PVC

PVC water main replacement.  
*Budget amount: \$2,806,786*

### I-65 Crossing at Tank Farm

Annual PVC water main replacement in the water system.  
*Budget amount: \$286,051*

### Ridge Drive

PVC water main replacement.  
*Budget amount: \$866,775*

### SCADA Integration - Phase 1

Upgrade to water system control and monitoring system.  
*Budget amount: \$50,000*

### Ballantrae Backup

Backup water supply from Shelby County into Ballantrae.  
*Budget amount: \$4,354,688*

### Water Shop Improvements

Building modifications/upgrades in the water department shop/warehouse.  
*Budget amount: \$305,000*

### Water Pole Barns and Material Storage

Equipment and material storage behind the water department shop.  
*Budget amount: \$25,000*

### Heather Ridge Well

Pump inspections and maintenance.  
*Budget amount: \$50,000*

## Civic Complex & Ice Arena

### Civic Complex - Parking Lot Expansion

Construction of additional parking on City acquired property.  
*Budget amount: \$250,000*  
Funding Source: General Fund transfer

### Civic Complex - Parking Land Acquisition

Purchase additional property on Amphitheater Dr for future additional parking and trail access.  
*Budget amount: \$110,000*  
Funding Source: General Fund transfer

### Civic Complex - Turbochiller

Replacement of Ice Plant for rinks.  
*Budget amount: \$1,200,000*  
Funding Source: Funds Allocated to FIMP

### Civic Complex - HVAC Improvements

HVAC replacement for building.  
*Budget amount: \$1,300,000*  
Funding Source: Special Revenue - Capital Imp. Fund

## Pelham Racquet Club

### Racquet Club - Lobby Reconfiguration

Racquet Clubhouse renovations to the lobby.  
*Budget amount: \$150,000*  
Funding Source: General Fund transfer

## Ballantrae Golf Club

### Ballantrae Golf Clubhouse Improvements

Exterior renovations and grill modifications.  
*Budget amount: \$1,130,897*  
Funding Source: ARPA funds, Bond proceeds, and General Fund transfer



# DEBT SERVICE

The City has the following debt for which payments have been budgeted for FY2024.

## Series 2013-C

Series 2013-C was issued to refund Series 2005, for which proceeds were used for the 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%.

*NOTE: A portion of the Series 2014 warrants were refunded during March 2021.*

## 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%.

*NOTE: A portion of the Series 2015 warrants were refunded during March 2021.*

## Series 2021-A

The Series 2021-A Warrants were issued to be used to fund various capital projects within the City and to be used for Water and sewer system improvements.

Series 2021-A General Obligation Warrants, dated March 23, 2021, are due in semi-annual payments through February 1, 2041, bearing interest rates of 3.00% to 4.00%.

## Series 2021-B

The Series 2021-B 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 2021-B Warrants, dated March 23, 2021, are due in annual payments through February 1, 2038, bearing interest rates of .2% to 3.2%.

### The following capital projects are funded through Tax Exempt General Obligation Warrants series 2021-A.

Pelham City Hall	\$3,620,355
Fire Station No. 3	\$3,007,404
Fire Apparatus (x2)	\$1,300,404
US 31 Lighting	\$3,000,000
The Canopy - Infrastructure Improvements	\$535,000
Amphitheater Road Signalized Crosswalk	\$15,000
Amphitheater Road Widening & Improvements	\$3,00,000
Oak Mountain Drive Overlay/Paving	\$50,000
Greenway Trail Extension (Campus 124 to The Canopy)	\$1,150,000
Water & Sewer Infrastructure Improvements	\$12,680,000
Water Mains/Lines - PVC Replacement	\$5,000,000
Civic Complex & Ice Arena Facade Improvements	\$750,000
Land Acquisition for Civic Complex & Ice Arena Parking	\$750,000
Ballantrae Golf Club Clubhouse Improvements	\$500,000
Miscellaneous	\$3,200,000
<b>*TOTAL NOT TO EXCEED*</b>	<b>\$38,557,759</b>

# DEBT SERVICE

The City's outstanding debt service with the respect to warrants payable by each fund is as follows:

General Fund	Principal	Interest	Maturity Date
Series 2013-C	3,573,880	271,176	2029
Series 2021-A	10,953,070	4,379,610	2041
	14,526,950	4,650,786	

Pelham BOE	Principal	Interest	Maturity Date
Series 2014	6,556,667	923,217	2030
Series 2015	5,546,667	1,739,939	2040
Series 2021-B	21,551,667	3,833,799	2038
	33,655,001	6,496,955	

City-CO-OP	Principal	Interest	Maturity Date
Series 2021-A	4,264,078	1,705,001	2041
	4,264,078	1,705,001	

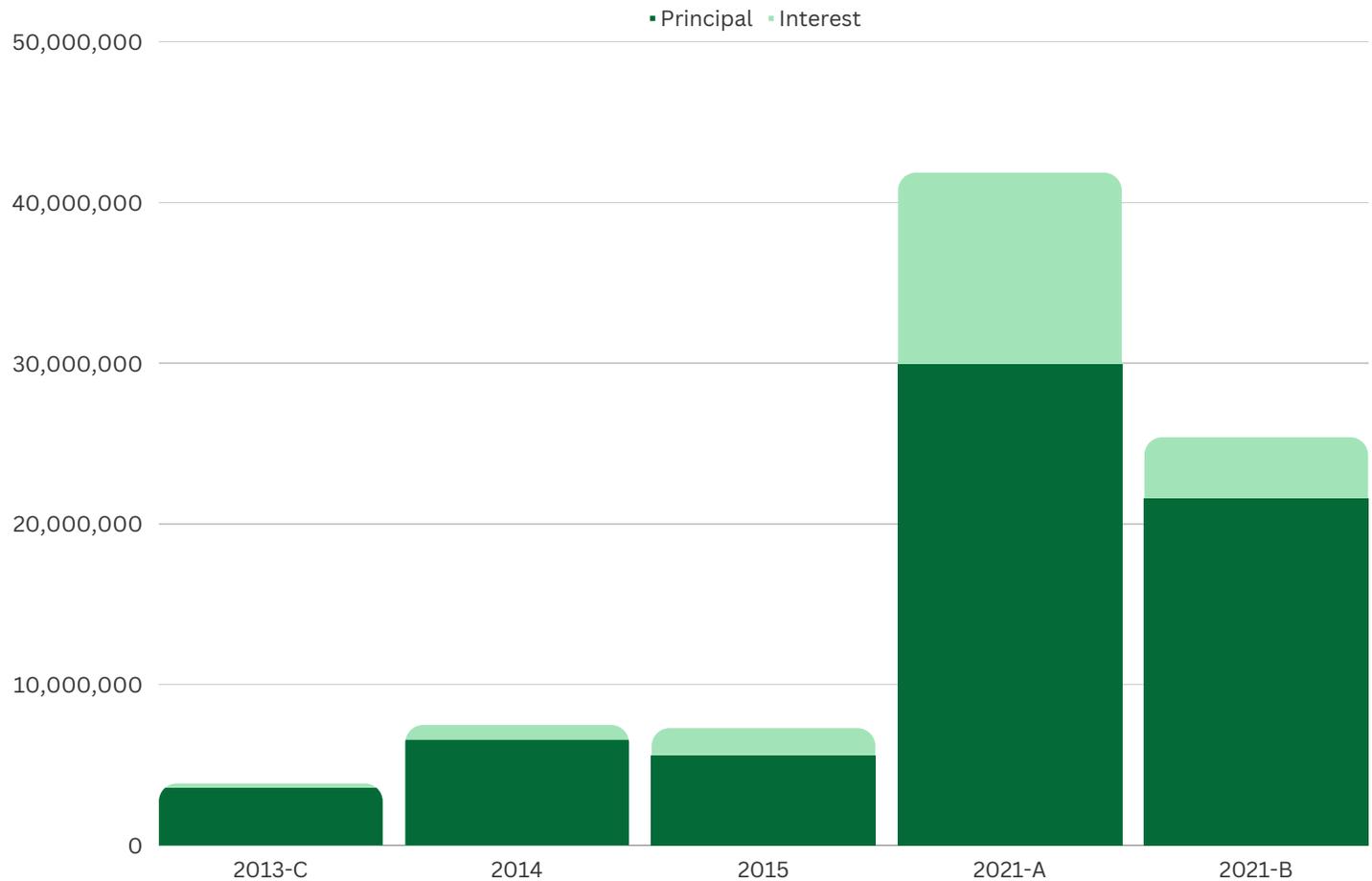
Water & Sewer	Principal	Interest	Maturity Date
Series 2021-A	13,707,077	5,480,805	2041
	13,707,077	5,480,805	

# DEBT SERVICE

The City's outstanding debt service with the respect to warrants payable by each fund is as follows:

Civic Complex	Principal	Interest	Maturity Date
Series 2021-A	581,464	232,500	2041
	581,464	232,500	

Golf	Principal	Interest	Maturity Date
Series 2021-A	387,645	155,001	2041
	387,645	155,001	



# DEBT SERVICE

The City's current proposed FY 2024 principal and interest cost by each fund is as follows:

General Fund	Principal	Interest	Maturity Date
Series 2013-C	567,995	81,873	2029
Series 2021-A	457,396	421,494	2041
	1,025,391	503,367	

Pelham Board of Education	Principal	Interest	Maturity Date
Series 2014	1,271,667	268,917	2030
Series 2015	961,667	190,840	2040
Series 2021-B	338,333	416,049	2038
	2,571,667	875,806	

City-CO-OP	Principal	Interest	Maturity Date
Series 2021-A	178,066	164,089	2041
	178,066	164,089	

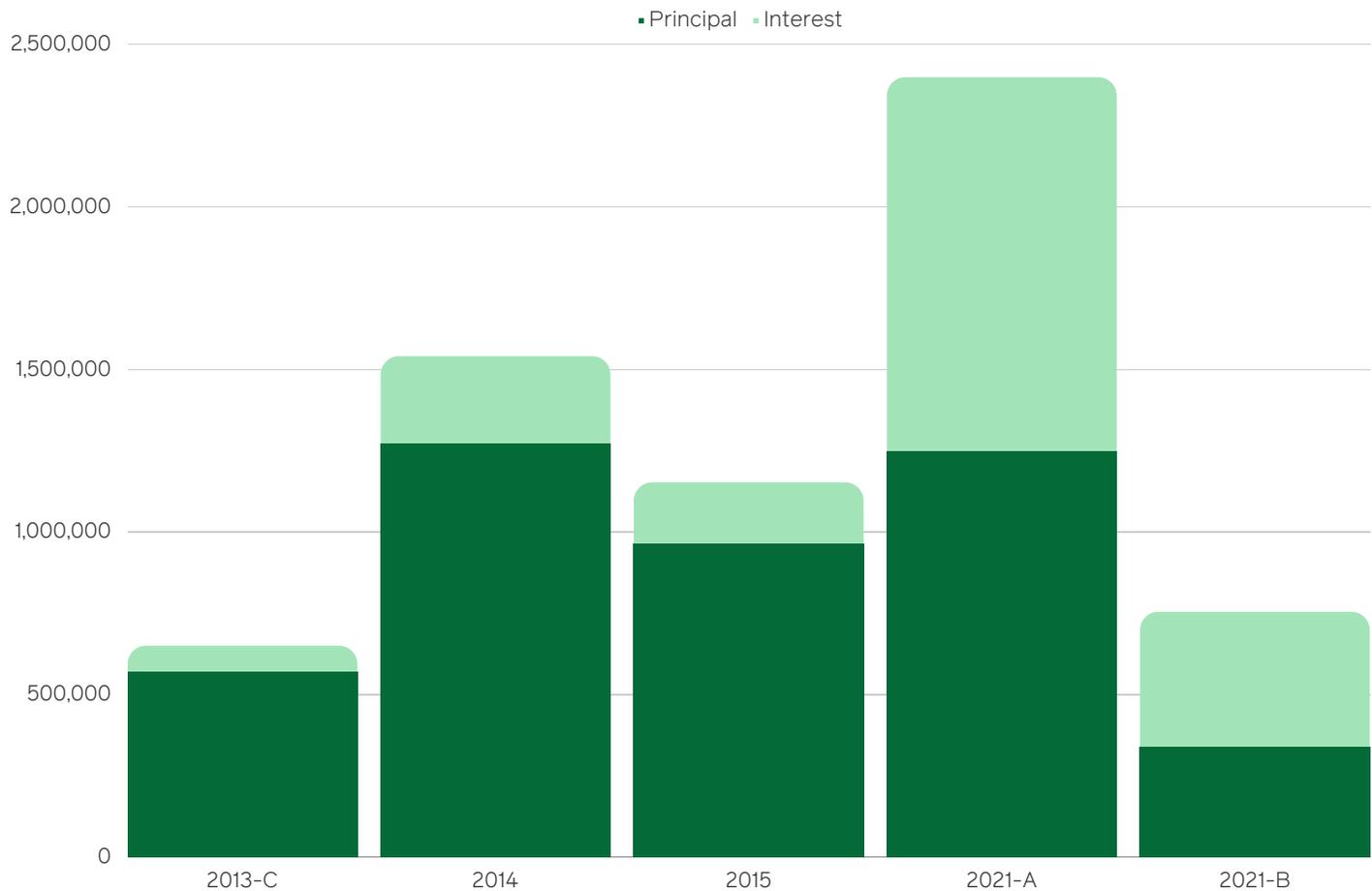
Water & Sewer	Principal	Interest	Maturity Date
Series 2021-A	572,402	527,473	2041
	572,402	527,473	

# DEBT SERVICE

The City's current proposed FY 2024 principal and interest cost by each fund is as follows:

Civic Complex	Principal	Interest	Maturity Date
Series 2021-A	24,282	22,376	2041
	24,282	22,376	

Golf	Principal	Interest	Maturity Date
Series 2021-A	16,188	14,917	2041
	16,188	14,917	





# APPENDIX



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# FINANCIAL POLICIES

## ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The City reports account receivables at net realizable value. Management determines the allowance for doubtful accounts based on historical losses and current economic conditions. On a continuing basis, management analyzes delinquent receivables and once these receivables are determined to be uncollectible, they are written off through a charge against an existing allowance or through bad debt expense.

## ACCOUNTS PAYABLE

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

## BASIS OF BUDGETING

Pelham's budget is developed based on generally accepted accounting principles (GAAP) for the governmental fund types. The modified accrual basis of accounting is used to project revenues and appropriations for the governmental funds: General, Special Revenue, and Debt Service funds. The City has no primary revenue sources that are treated as being susceptible to accrual. The City does not accrue property or sales taxes because those revenue sources are budgeted to finance the fiscal year in which they are scheduled to be received. Each fiscal year's budget and financial statements include twelve months' revenue from these sources. The City accrues grants receivable for the amounts expended from reimbursable-type grants.

For the proprietary funds, a hybrid approach is used for the budget. The full accrual basis of accounting (revenues are recognized when earned) is used for estimating revenues. However, for greater control over Enterprise Fund expenses, the full accrual basis (expenses recognized when incurred) is modified: in addition to the full accrual basis expenses, including amortization and depreciation, capital outlays and any debt service principal payments are included as budgeted expenses. The basis of accounting used for budgeting is the same as the basis used for accounting and financial reporting for all funds, with the exception of the inclusion of capital outlay and debt service principal expenses in proprietary funds' budgets.

## CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (streets, roads, sidewalks, and similar items) are reported in the government-wide financial statements and the fund financial statements for proprietary funds. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life over five years. Capital assets purchased or acquired are carried at historical cost or estimated historical cost.

Donated or contributed capital assets are recorded at their estimated fair value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' useful lives are charged to operations as incurred. Improvements that materially extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of capital assets is computed using the straight-line method over the following estimated useful lives: building and improvements, 20 to 40 years; Water and Sewer Systems, 30 to 40 years; machinery and equipment, 5 to 25 years; improvements, 20 years; and infrastructure, 25 to 50 years. Depreciation is provided in the proprietary funds in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on a straight-line basis.

# FINANCIAL POLICIES

The City shall maintain a detailed listing of capital assets that identifies the cost and location of each capital asset. Department heads shall be responsible for all capital assets assigned to their respective departments. Transfers of capital assets from one department or division to another shall be reported to the Finance Department immediately upon transfer. Missing and surplus capital assets shall be reported to the finance department. Surplus capital assets shall be disposed of per State law and optimize City resources. All surplus capital assets shall be approved by the City Council before disposal of the capital asset. Department heads are responsible for maintaining a list of items for surplus for their respective department. Surplus requests should be submitted to the City Clerk's office promptly to allow their inclusion on the agenda of a regularly scheduled City Council meeting.

## CAPITAL LEASING

Capital leasing may be used for the acquisition of equipment items with an expected useful life of three years or longer and a purchase price of more than \$250,000 with the approval of the City Manager upon the request of the department head for whose department the equipment purchase is proposed. Debt service expenditures (including principal, interest, and any related administrative capital leases will be budgeted in the department for which the equipment was purchased.

## CONTRACTS MANAGEMENT

City contracts may be executed only by the Mayor or City Manager. Prior to the execution of City contracts, the proposed contract document shall be reviewed by the City Attorney and City Clerk and may be reviewed by other City staff, as deemed appropriate. Originals of all executed contracts shall be routed to the City Clerk for filing. Copies of executed contracts shall be routed to affected City departments and other offices, as appropriate. The Finance Department shall be responsible for establishing detailed procedures for tracking contract payments, including payments of retainage, and shall assign contract codes for managing contracts via the City's financial management software. The City Attorney shall address legal issues that may arise in connection with contract management.

## DONATION REQUESTS FROM THE CITY

Pursuant to Resolution 2009-07-20-01 passed by the Pelham City Council on July 20, 2009, organizations requesting funding must complete a funding request form and return it to the City Clerk at P. O. Box 14-19, Pelham, AL 35124 or via email by July 15th of each year for consideration in the upcoming budget. This includes requests for in-kind services. Please note that public funds cannot be used to support private industry events.

## DONATIONS TO THE CITY

Donations include gifts and reimbursement to the City from citizens or business entities. Any donation to the city at large and/or a city department must be accompanied by a letter from the entity the award was received from as to the purpose/designation of the monies, properties, etc. The City Manager or Mayor shall be authorized to accept or reject offers of donated money, equipment, and in-kind donations to City Departments or to the City in general. Donated money will be expended for general purposes within the department or specified purposes, if agreed upon with the donor, as one-time supplements to the department's operating budget.

## EMPLOYEE BENEFITS MANAGEMENT

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

# FINANCIAL POLICIES

## INVENTORY

Inventory consists of various pro-shop merchandise, food and beverage supplies, as well as water and sewer supplies and is stated at the lower of cost, as determined by the first-in, first-out (FIFO) method, or net realizable value. Inventories of materials and supplies shall be controlled through the use of physical controls and inventory procedures that account for the receipt and issuance of inventory items. Periodic counts of inventory items should be completed by staff members a minimum of once annually.

## INTERFUND TRANSFERS, RECEIVABLES, AND PAYABLES

During the normal course of operations, the City has numerous transactions between funds to provide services, construct assets, and service debt. These receivables and payables are classified as "Due to/from other funds" as they are all short-term in nature. These amounts have been eliminated on the government-wide financial statements, except for amounts outstanding between the General Fund and business-type activities.

Routine transfers of resources between City funds that are not intended to be repaid are classified separately from revenues and expenditures. Such inter-fund operating transfers are identified as "Interfund transfers in/(out)" in the accompanying financial statements.

## PREPAID EXPENSES

Prepaid balances are for payments made by the City in the current year to provide goods or services occurring in the subsequent fiscal year. Expenditures are recorded as prepaid expenses in order to more closely match their recognition as expenses with the periods in which they are actually consumed. An example of a prepaid expense is insurance, which is frequently paid in advance for multiple future periods; an entity initially records this expenditure as a prepaid expense (an asset) and then charges it to expense over the usage period. Another item commonly found in the prepaid expenses account is prepaid services billed on a quarterly or annual frequency. The department is responsible for properly identifying and marking an expense as prepaid before the request for payment is submitted to the Finance Department.