

FY 2026 |



# BUDGET PRESENTATION BOOK



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# INTRODUCTION



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# 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

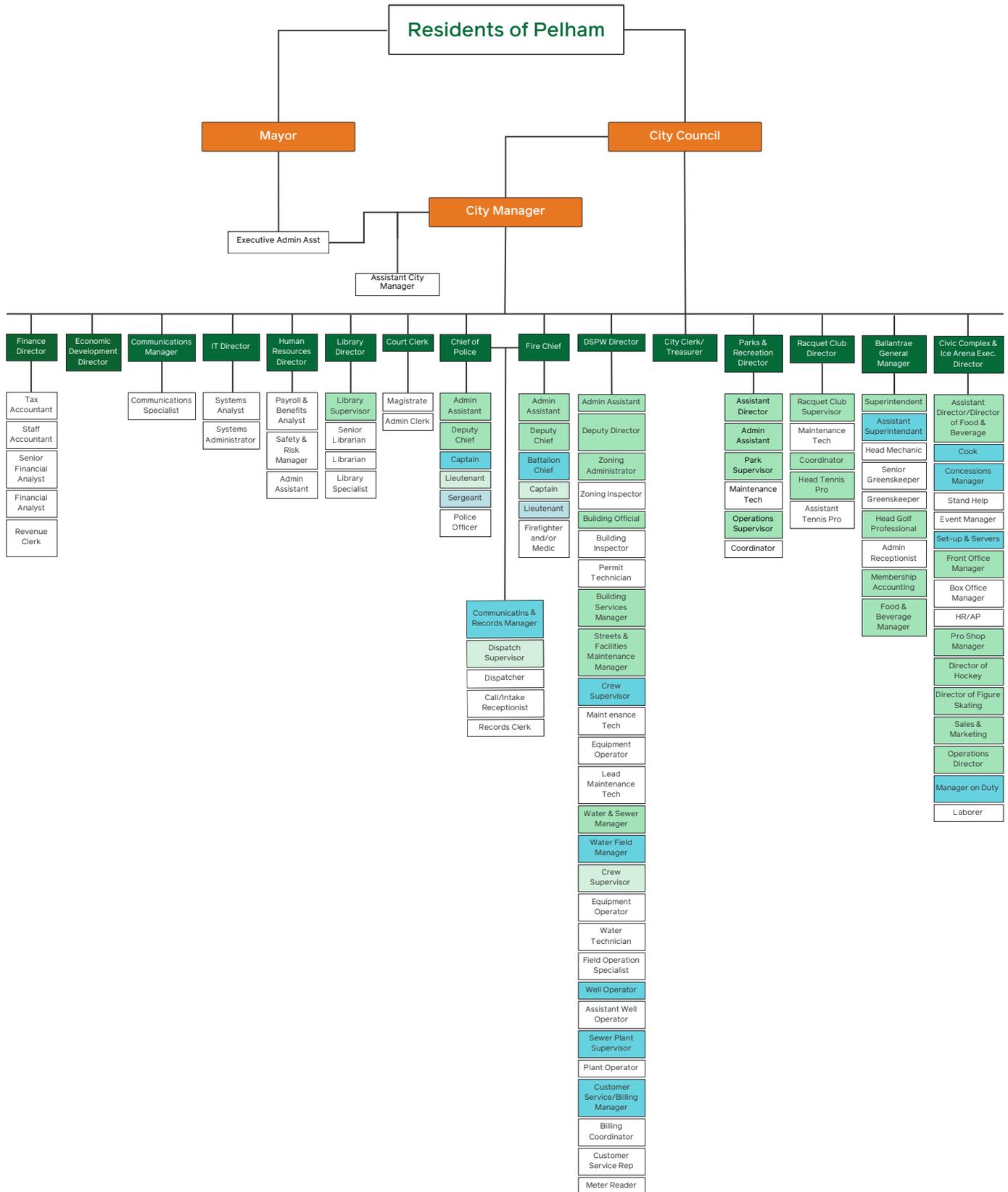


Michael Harris  
City Council Place 5

# CITY STAFF LEADERSHIP

Gretchen DiFante	City Manager
Justin Smith	Assistant 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
Ed Delmore	Chief of Police
Seth Greenberg	Pelham Civic Complex & Ice Arena Executive Director
Tracy Hill	Human Resources Director
Chaney Mills	Pelham Racquet Club Director
Mike Reid	Fire Chief
Jonathan Seale	City Clerk/Treasurer
Vacant	Economic Development Director
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 has experienced significant economic growth in recent years, making it an attractive location for businesses of all sizes. The city has a diverse economy, with thriving industries in healthcare, education, retail, and hospitality. 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

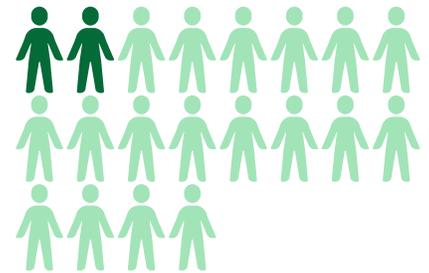
1964

38.8  
square miles

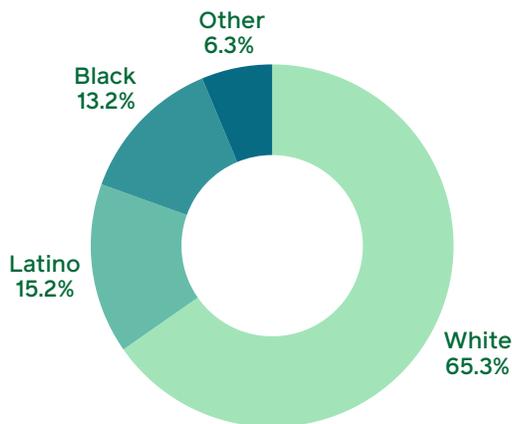
POPULATION

25,412

A 4.8% increase from  
2020



## RACIAL/ETHNIC BREAKDOWN



84%

Owner-occupied housing units

\$278,900

Median home value (2019-2023)

MEDIAN HOUSEHOLD  
INCOME **\$91,904**

In 2023 dollars



EMPLOYMENT  
RATE

**68.9%**



# VISION, MISSION & VALUES



## Vision

Pelham forges A Path Apart. A thriving, authentic community where every individual is engaged, empowered, and valued. Through vibrant spaces, bold progress, and unwavering connection, we create a future where people are at the heart of a dynamic, inclusive city.



## Mission

Pelham is committed to delivering exceptional services, fostering a thriving community, and creating unparalleled opportunities for residents and businesses.



## Values

ISEE Pelham's Trailblazing Spirit

Integrity – We lead with honesty, transparency, and accountability, earning trust through ethical governance and within the parameters of the laws to which we are accountable.

Sustainability – We make data-driven decisions that balance growth, fiscal responsibility, and long-term prosperity.

Engagement – We foster collaboration between the city and its residents, ensuring every voice is heard and valued.

Excellence – We raise the bar through innovation, dedication, and servant leadership, always striving to do better.



## Seven Pillars of Excellence

Well-Managed City

Public Safety

Infrastructure

Physical Character

Smart/Responsible Development

Community Engagement

Recreation & Cultural Arts

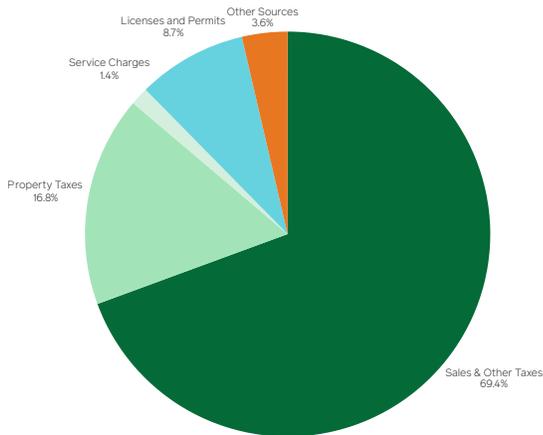
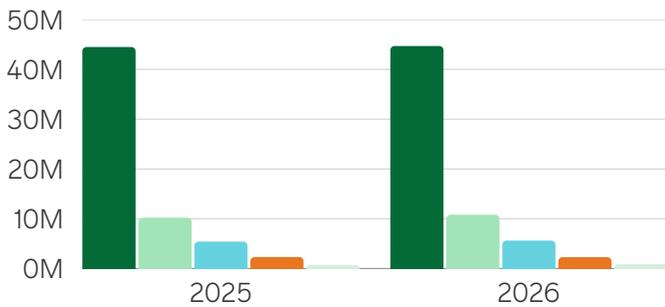
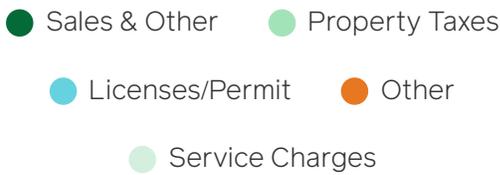
# A PRIMER ON CITY BUDGETING

## 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 69% (\$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 17% (\$10.8 million) of revenue. The third largest revenue source is Business Licenses and Permits, which provided 9% (\$5.6 million) of revenue. The remaining 5% comes from fines and forfeitures, charges for service, other sources, and interest income.



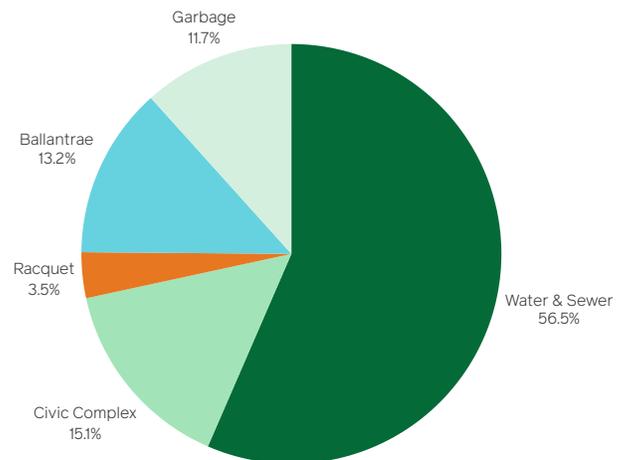
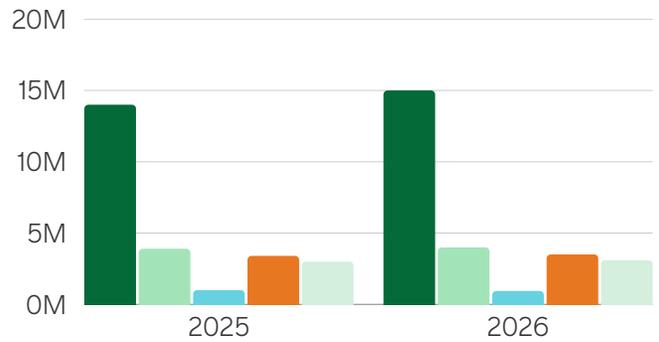
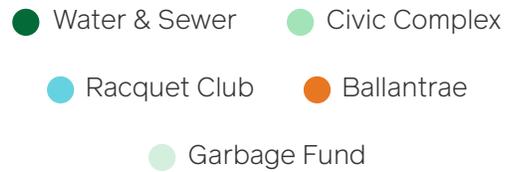
### Proprietary Funds

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

The Pelham Racquet Club and Ballantrae Golf Club's main revenues are 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.



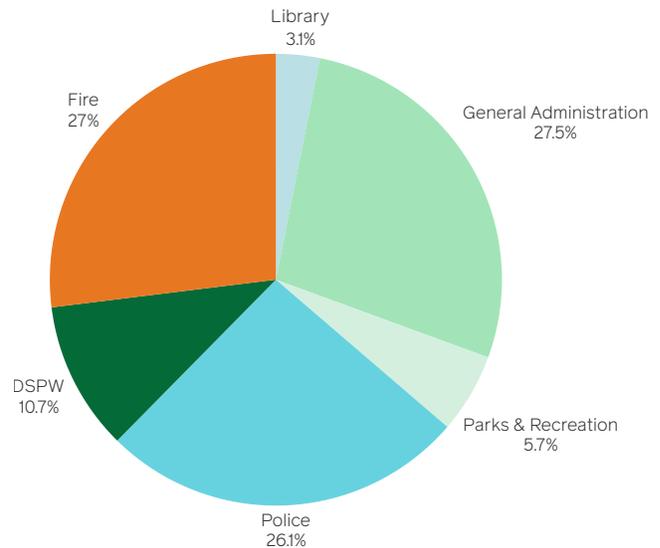
# A PRIMER ON CITY BUDGETING

## Where does the money go?

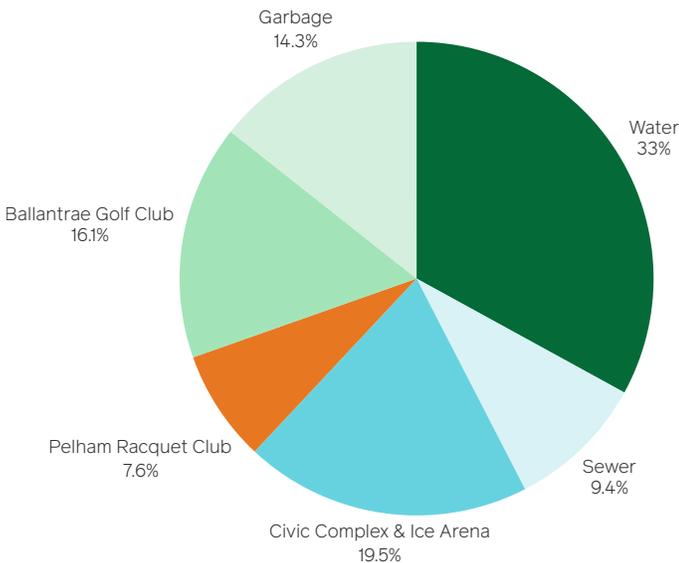
### The General Fund

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 City's regular day-to-day operations; therefore, it is the primary focus of this section.

This chart (right) 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 the 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

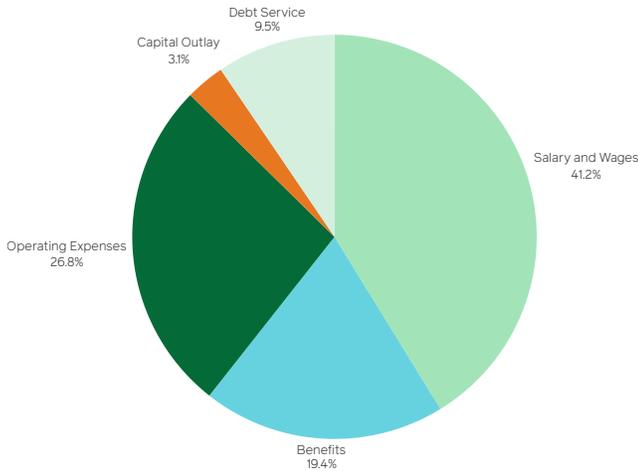
Enterprise or proprietary funds are accounting and reporting entities for a business-type activity separate from the taxpayer-supported General Fund and involve a municipal service supported wholly or primarily by user fees. The independent accounting and reporting of such an entity allow the City to 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.

# A PRIMER ON CITY BUDGETING

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



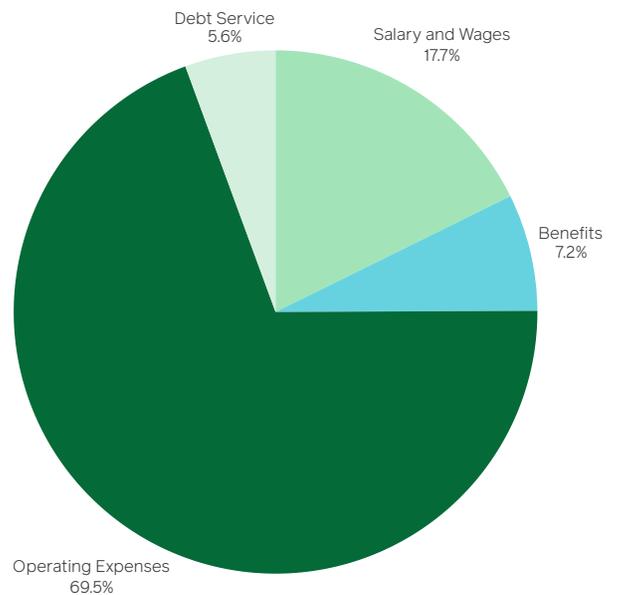
The budget is designed to achieve the key goals outlined by the City Council as reflected in the comprehensive plan and input from the citizen survey. Among those goals are to maintain current service levels, enhance infrastructure, and retain a talented workforce. To ensure Pelham stays competitive in recruiting and retaining employees, the City budgeted for a 3% 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



# A PRIMER ON CITY BUDGETING

## 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 the 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 on 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 2025 REVISED BUDGET	FY 2026 BUDGET PROJECTION
<b>Revenues</b>		
Taxes		
Sales tax	43,722,281	43,954,447
Property tax	10,238,186	10,826,658
Motor Vehicle/Gas tax	529,508	531,081
Other tax	254,254	224,500
Licenses and permits	5,433,300	5,623,550
Fines and forfeitures	305,000	311,000
Charges for services	25,838,709	27,231,376
Interest income	1,924,351	2,003,750
Other	471,185	517,215
<b>Total revenues</b>	88,716,774	91,223,577
<b>Expenditures</b>		
General administration		
City Manager	542,906	554,288
Mayor	126,825	129,379
City Council	163,732	218,588
Court	903,765	886,323
IT	2,543,332	2,359,058
Human Resources	2,090,755	2,262,093
Finance	947,041	987,293
Economic Development	802,328	871,905
Communications & Branding	540,613	592,701
City Clerk	4,808,237	5,255,741
Fire	12,462,260	13,837,556
Police	12,319,335	13,396,524
DSPW	5,238,693	5,476,818
Parks & Recreation	2,668,777	2,932,201
Library	1,547,675	1,604,333
Water & Sewer Fund	9,166,091	9,687,049
Civic Complex & Ice Arena	4,453,458	4,460,752
Racquet Club	1,700,503	1,741,934
Ballantrae Golf	3,438,897	3,664,821
Pelham Garbage	3,119,396	3,275,366
	69,584,619	74,194,722
<b>Revenues less expenditures</b>	19,132,155	17,028,855

# BUDGET SNAPSHOT

	FY 2025 REVISED BUDGET	FY 2026 BUDGET PROJECTION
Capital Outlay	6,729,542	1,836,086
Debt service		
Principal retirement	5,208,765	5,106,243
Interest	1,990,473	1,834,267
expenditures	13,928,780	8,776,596
<b>Excess (deficiency) of revenues over (under) expenditures</b>	5,203,374	8,252,259
<b>Other financing sources (uses)</b>		
Proceeds from sale of capital assets	1,000	28,114
Committed Fund Balance	102,000	575,000
Interfund Capital Transfers (In)	1,417,261	1,099,000
Interfund Capital Transfers (Out)	(44,460,542)	(12,554,350)
Interfund Operating Transfers (In)	2,509,181	2,404,235
Interfund Operating Transfers (Out)	(1,612,000)	(1,568,711)
Total other financing sources (uses)	(42,043,100)	(10,016,712)
<b>Net change in Fund Balance</b>	(36,839,726)	(1,764,453)

## 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,

The staff and I compiled the budget three months earlier than in previous years, and we look forward to the Council having ample time to review and formulate any lingering questions. We identified 2025 as the year of Planning, and we are seven months into the year with a vision, mission, values, and strategic pillars completed by the City Council with the help of the city administration. It is now time for the leadership team to take that work, along with all the capital plans, the comprehensive plan, and the citizen surveys, and develop some overall long-term objectives that will be shared city-wide. Once we complete that exercise by the end of the summer, we can share that information with the current council members and incoming elected officials to ensure we are all on the same page.

At the beginning of FY 2026, we will kick off a joint planning session for all department management teams to collaborate on the most effective way to meet organizational goals. That work will be translated into measurable goals for the entire organization and each department. With the new budget tracking and strategic planning software the Council approved this year, we will have the software implemented and be able to assign actions to individuals. Those individuals will easily see the link between their priorities and the City's top goals. We have worked hard to get here and are grateful for the City Council's support every step of the way.

Bullet Coffee, the first restaurant to open at the new City Park Campus, opened in the first seven months of FY 2025. Waldo's Chicken and Beer is also scheduled to open this year, with Edgar's Bakery opening before the end of calendar year 2026. Plans for the new park to support this development are right on track, and we look forward to watching our citizens and visitors enjoy this new gathering spot, a high priority identified in our citizen surveys under economic development.

The redevelopment of the Amphitheater property will continue to be a top priority for the staff as we kick off the public planning sessions late this summer and look forward to the selection of a master planner for that development.

This budget marks the fourth year of a full budget in our Enterprise ERP accounting system, and we continue to become more familiar and improve efficiencies with the ERP software. In another year, we will be ready to begin the application process for the coveted Government Finance Officers Association (GFOA) Budget Award, just one more accountability measure to demonstrate to the public that Pelham takes financial transparency and accountability seriously and will continue to do all we can to increase our efforts to protect the City and its finances.

The following pages comprise the City Manager's 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 2024, the City conducted its second Citizen Satisfaction Survey to inform budgeting priorities. The first survey in 2022 allowed us to obtain a baseline measurement of our residents' perceptions. The results of the 2024 survey showed that 74 of the 88 areas assessed have improved since our baseline in 2022. It also showed the following:

- 83% of Pelham citizens are satisfied with the overall quality of life in the City, with only 3% indicating they were dissatisfied.
- The City rated 34% above the U.S. average and 29% above the Southeast regional average in the overall service quality.
- The City rated above the U.S. average and the southeast regional average in all 52 major areas compared to others. Pelham chose to add additional categories above and beyond ETC's standard package because we wanted additional feedback.

The results of both surveys play heavily into staff recommendations for budget priorities. I presented the results of both surveys in a council meeting that was captured on video and posted to our website. Our communications team also posted a breakdown of the survey on all of the City's communications channels.

The citizens' priorities continue to be reflected in staff recommendations.

## Maintaining a Conservative Budgeting Approach

City management continues its practice of conservative budgeting. Sales tax revenue is projected to remain relatively flat due to the uncertainties of the new tariffs and halt to some federal funding. Our total revenue projection of \$91.2 million is a \$2.5 million increase over the current budget projections. Please see pages 26-29 for a full explanation of how the city estimates revenues. The FY 2026 budget estimates on the expense end utilize more aggressive projections, reflecting the same uncertainty on the revenue side. We are projecting an increase of about \$4.7 million over the current year, with total operations of \$74.2 million. A list and explanation of the major drivers of that increase is outlined in the following section.

## EMS Transport and Staffing Changes

The largest operational increase in the FY 2026 budget is \$1.4 million for the fire department. The increased expense is partially to account for the first full year of our ambulance transport services where we only accounted for nine months of those expenses in the FY 2025 budget. This total also includes an ESTIMATE of our expected cost recovery. The collection cycle still needs to catch up to the payment cycle. We should see that cycle come together in the second half of 2026, and at that time we will have much better data to determine our true cost. Between January 1st and May 1st, the department transported more than 500 citizens to local hospitals with greatly improved response rates over the privatized service formerly used by the City. The department has hired several positions in 2025 to replace retirees, and all the new positions were eligible for step increases while the positions replaced were not.

## School District Tax Collection and Transfer

The City Clerk's budget shows an increase of nearly \$400,000 in the payment made to the school. This number does not reflect the City Clerk's operations expenses but rather a simple pass-through number for taxes and debt payments collected by the City.

## Liability Insurance, Economic Incentive Payments & Utility Costs

The city's liability insurance premiums have increased by 15 percent for almost \$200,000. Incentives for economic development grew \$157,000, while utility cost rose by nearly \$400,000.



# BUDGET PRIORITIES

## Investment in City Staff

Over the past five years, the City Council has directed the City Manager to ensure Pelham can compete against other cities to recruit, hire, and retain highly qualified individuals with a proven track record of excellence, accountability, and integrity. To back up this commitment, the Council approved two market compensation studies over the past five years. Previous councils had approved the spending for compensation studies but had not been able to use the information to implement a revised compensation plan.

In 2021, the Council directed the City Manager to increase the City's contribution to retiree healthcare. In 2024, the Council requested the City Manager include an increase in City finances to cover employee healthcare premiums. This resulted in no increase in employees' healthcare costs, so in FY 2025, the City fully funded the expected 5% increase.

The FY 2026 budget includes a 7.5% increase in the City's healthcare costs, totaling \$285,000, and a 2% increase in Retirement Systems of Alabama contributions for active employees, totaling \$109,000.

## Step Increases and a Cost-of-Living Increase for Employees

Pelham has an approved compensation plan and has managed it congruently with the City's Civil Service Act (CSA). The FY 2026 budget includes a 3% COLA and the cost of step increases outlined in the CSA. Due to a large number of recent retirements, the City has hired many younger employees who are eligible for annual step increases within the compensation plan. The COLA helps to ensure competitiveness in the marketplace because the increase is applied to the entire pay plan. Pelham has typically been at the low end of COLA increases over the past five years compared to surrounding cities.

Most have been somewhere between 3-5%, while Pelham's have been 2.5-3.5%. We believe that as long as we continue to evaluate compensation against the competitive marketplace at regular intervals and apply small incremental increases through an annual COLA, as we have in recent years, our compensation will remain competitive without the need to take on large increases in any single year. We are also able to retain our market position as directed by the City Council at the 80<sup>th</sup> percentile (of cities identified as our biggest competitors for employees) for public safety and the 50<sup>th</sup> percentile for all other positions. Therefore, city management is recommending a 3% COLA for a \$779,930 increase in compensation, and an estimated \$623,017 in step increase expense is also included in the budget.

## Keeping Up With Growth in Parks and Recreation Facilities

When we use the expression parks and recreation, most people think of our city parks, recreation center, and perhaps the many neighborhood parks we have in Pelham. Many don't consider the full span of recreation amenities, including the Pelham Racquet Club, Ballantrae Golf Club, and the Pelham Civic Complex & Ice Arena. The usage of all recreation facilities in Pelham continues to grow, and the 2024 Citizen Survey ranked City, Senior, and Youth Athletic Recreation, Community Rec Centers, and Maintenance of City Parks (in that order) second only to the expansion of trails in the category of Recreation.

The City has reached the point where annual visits to these facilities have surpassed those to Oak Mountain State Park! We cannot continue to grow the programs our citizens want without improving and expanding facilities. Between 4/1/24 and 5/31/25, annual visits to the Pelham Racquet Club, Ballantrae Golf Club, Pelham Civic Complex & Ice Arena, and Pelham's City Park were 4% higher than visits to Oak Mountain State Park.

Annual Visits  
April 1, 2024 - March 31, 2025



# BUDGET PRIORITIES

The FY 2026 budget includes the following capital projects to support recreation:

- Design of a maintenance building for the Pelham Racquet Club, as the current building cannot accommodate the needs of the consolidated maintenance supplies and staff, and its location is unsafe for pedestrian traffic.
- The upgrade of the Pelham Racquet Club elevator for safety.
- Improvements to the Ballantrae Golf Club driving range, which is worn down from the increased activity at the course.
- The application of a spray foam insulator to eliminate humidity on the new enclosed patio.
- Electrical upgrades at the Pelham Civic Complex & Ice Arena. Design work will be completed in FY 2025.
- Installation of new dasher boards around the main ice arena.
- Design of renovations at the Pelham Senior Center to accommodate the 200% growth over the past five years.
- Creation of a disc golf course at Pelham City Park.
- Drainage improvements along the walking trail at Coker Park.
- Resurfacing of the rear parking lot at the baseball field complex.

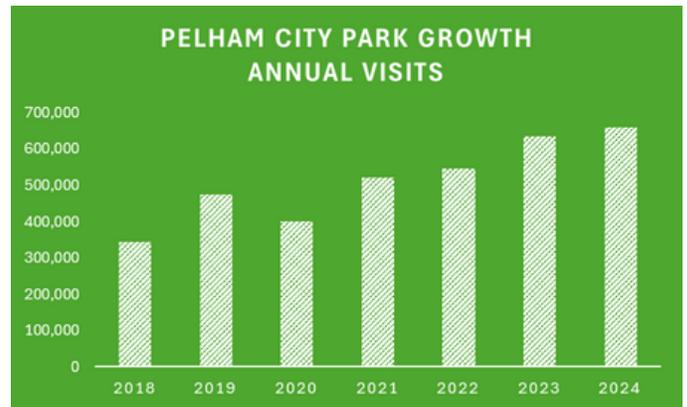
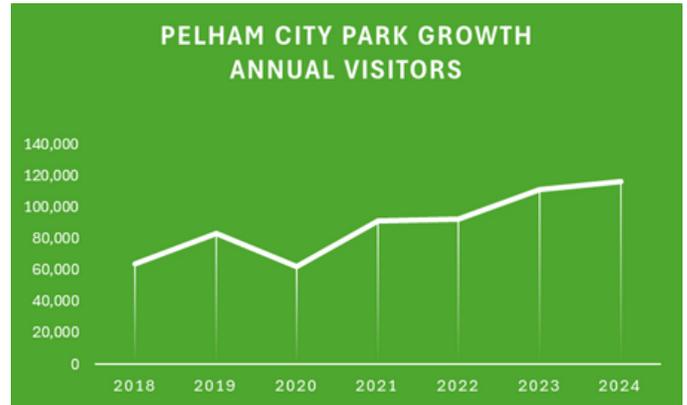
Please see pages 78 and 80 for a complete list of the budgeted amounts and projected funding sources for these proposed items.

## Infrastructure Maintenance and Improvements

The FY 2026 budget includes the following items for maintaining other general fund infrastructure not associated with parks:

- Street Resurfacing
- ADA improvements on City Rights-of-Way
- Design phase of Fire Station No. 1 renovations to accommodate the 100' ladder truck scheduled to arrive in FY 2028 and expanded quarters for ambulance personnel.
- Landscaping at I-65 & CR-52 and I-65 & Hwy 119 interchanges. The City recently entered into a contract with ALDOT to maintain these areas, and part of that includes landscape design and installation. ALDOT must approve the design plan before landscaping can begin.
- Grey Oaks Traffic Signal—This item is budgeted at 50% from City funds, with the remaining expense from Shelby County. It is set aside to be used when Shelby County determines the signal is warranted.

More information for these proposed items can be found on page 78.



## Water and Sewer Fund Capital Projects

It's important to remember that all water and sewer expenses are generated from fees charged for these services and are planned years in advance through a five-year rolling capital improvement plan. In accordance with state law, these funds cannot be used to fund any other expenses in the city budget. A complete list of those projects can be found on page 79.



# MESSAGE FROM THE CITY MANAGER

In closing, I want to acknowledge the hard work that went into developing our budget. We have a talented leadership team dedicated to excellence, transparency, and continuous improvement. Every year, we learn about ways we can improve our process, and it just keeps getting better and easier. Special thanks to:

- Andre Bittas, Director of Development Services and Public Works, and his entire team for their excellent management of our huge number of capital projects.
- Jamie Wagner, Finance Director, for her leadership of the budget process and for continually seeking improvement.
- Phil Brashier, tax accountant, for insightful revenue analysis.
- Allison Gailey and Megan Freeman for their wise accounting strategy, and Allison for teaching us all how to maximize the use of our software and making us all look better for checking for accuracy.
- Tammy Walker, Becky Wallace, and Courtney Walker for their support to the rest of the finance team during budget "consumption" time.
- Candy Porter, benefits and payroll professional extraordinaire, and Ainsley Allison, Communications Manager, for their outstanding contributions.
- Justin Smith and Stacey Currier for helping keep all the balls in the air while we take on the tasks of the Economic Development Director.
- Jonathan Seale, who has jumped right in despite none of us having time to spend with him - thank God he knows his stuff and is so self-motivated!

I also want to thank the City Council for its leadership. Great progress is being made in Pelham, and it has been a privilege to work together these past five years.

Most of all, I want to thank Mayor Gary Waters, whose combination of humility and wisdom is unparalleled and will be hard to ever see matched in Pelham. The citizens will never know what this man had to give up to change a culture and allow others to step in where he had once led and emphatically support them while expecting excellence and offering encouragement at every turn. Success is not all about what you do; it is also about what you don't do, and Mayor Waters has taught me more about that than anyone I have ever known. He truly "gets it." Mayor Waters, I am so grateful for these "best of times."

Sincerely,  
Gretchen DiFante  
City Manager



# FUNDS & DEPARTMENT DETAIL



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A path apart.

# PROPOSED FY 2026 BUDGET OVERVIEW

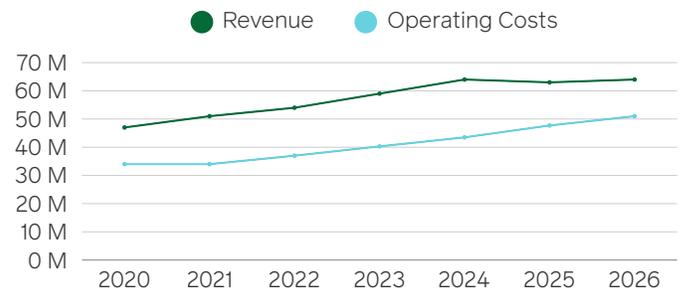
The Government Finance Officers Association has issued a best practice for adopting a structurally balanced budget, described as a budget where recurring revenues are sufficient to cover recurring expenditures. City Management has worked diligently to provide a structurally balanced budget while addressing 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 FY 2026, 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.

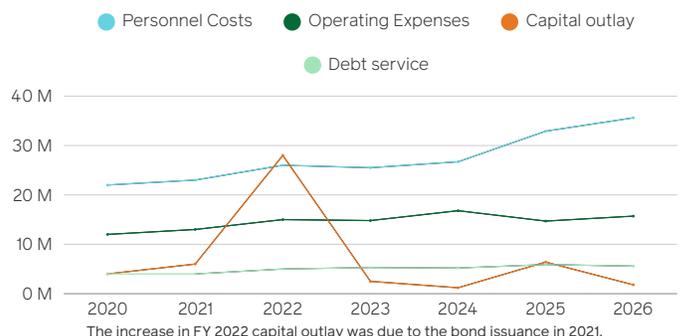
This budget represents the continuing commitment of our City government to deliver superior services while striving toward excellence in efficiency and taxpayer value. The budget reflects the Council's priorities and tradition of fiscal discipline, input from the citizens we serve, and the City's historically 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.



While consideration of Pelham's past economic growth has been made, rapid changes in federal policy and macroeconomic conditions make forecasting difficult. For this reason, 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.



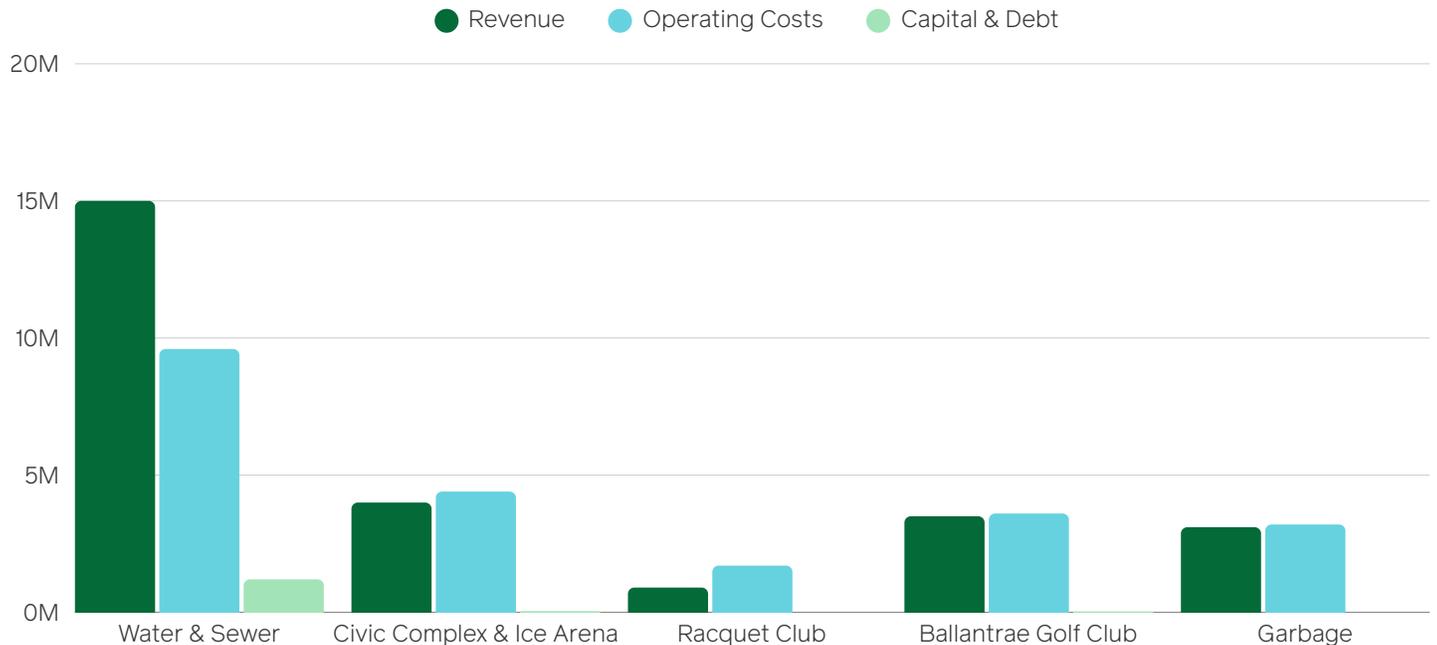
The increase in FY 2022 capital outlay was due to the bond issuance in 2021.

# PROPOSED FY 2026 BUDGET OVERVIEW

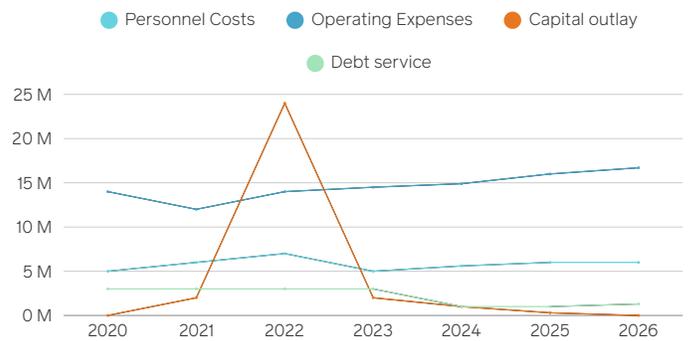
The City Manager reviews these revenue and fund balance projections to determine if any adjustments to previously set budget goals need to be made. The personnel budget is handled as a collaboration between the Human Resources Director and the Finance Director. It includes items such as new positions, 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, and replace aging infrastructure. As a fiscally responsible City with long term strategies, Pelham will 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	43,954,447		43,954,447
Property tax	10,826,658		10,826,658
Motor Vehicle/Gas tax	531,081		531,081
Other tax	224,500		224,500
Licenses and permits	5,623,550		5,623,550
Fines and forfeitures	311,000		311,000
Charges for services	930,982		930,982
Interest income	1,550,000		1,550,000
Other	479,515		479,515
<b>Total revenues</b>	64,431,733	-	64,431,733
<b>Expenditures</b>			
General administration			
City Manager	554,288		554,288
Mayor	129,379		129,379
City Council	218,588		218,588
Court	886,323		886,323
IT	2,359,058		2,359,058
Human Resources	2,262,093		2,262,093
Finance	987,293		987,293
Economic Development	871,905		871,905
Communications & Branding	592,701		592,701
City Clerk	5,255,741		5,255,741
Fire	13,837,556		13,837,556
Police	13,396,524		13,396,524
DSPW	5,476,818		5,476,818
Parks & Recreation	2,932,201		2,932,201
Library	1,604,333		1,604,333
Water & Sewer Fund			-
Civic Complex & Ice Arena			-
Racquet Club			-
Ballantrae Golf			-
Pelham Garbage			-
	51,364,800	-	51,364,800
<b>Revenues less expenditures</b>	13,066,933	-	13,066,933
Capital Outlay	1,836,086	12,554,350	14,390,436
Debt service			
Principal retirement	4,280,116		4,280,116
Interest	1,306,835		1,306,835
<b>Total capital outlay and debt expenditures</b>	7,423,037	12,554,350	19,977,387
<b>Excess (deficiency) of revenues over (under) expenditures</b>	5,643,896	(12,554,350)	(6,910,454)
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	28,114		28,114
Committed Fund Balance	575,000		575,000
Interfund Capital Transfers (In)		12,554,350	12,554,350
Interfund Capital Transfers (Out)	(4,079,000)		(4,079,000)
Interfund Operating Transfers (In)	835,524		835,524
Interfund Operating Transfers (Out)	(1,568,711)		(1,568,711)
<b>Total other financing sources (uses)</b>	(4,209,073)	12,554,350	8,345,277
<b>Net change in Fund Balance</b>	1,434,823	-	1,434,823

# 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
	FY2023	FY2024	FY2025	FY2026
<b>Beginning Fund Balance</b>	<b>89,728,093</b>	<b>89,059,403</b>	<b>90,004,987</b>	<b>63,607,862</b>
Revenues	61,025,215	64,834,004	63,202,933	64,431,733
Other Financing Sources (OFS)	3,425,326	1,962,070	897,181	863,638
<b>Total Revenues &amp; OFS</b>	<b>64,450,541</b>	<b>66,796,074</b>	<b>64,100,114</b>	<b>65,295,371</b>
Expenditures	49,745,457	50,264,259	60,002,572	58,796,757
Other Financing Uses (OFU)	15,373,774	15,586,231	30,494,667	5,647,711
<b>Total Expenditures &amp; OFU</b>	<b>65,119,231</b>	<b>65,850,490</b>	<b>90,497,239</b>	<b>64,444,468</b>
<b>Excess Revenues &amp; OFS over Expenditures &amp; OFU</b>	(668,690)	945,584	(26,397,125)	850,903
<b>Net Ending Fund Balance</b>	<b>89,059,403</b>	<b>90,004,987</b>	<b>63,607,862</b>	<b>64,458,764</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. The City has committed to purchasing a pumper truck and ladder truck in FY 2028 for \$2,820,220. The City plans to add \$575,00 to vehicle reserves for ten new police cars.

Committed Reserve Fund Description	Current Account Balance	Encumbered FY2025 Budget	Estimated FY2025 Year-End Balance	Proposed FY2026 Budget	Estimated FY2026 Year-End Balance
Capital Reserve for Replacement of City Vehicles	\$3,950,737	(\$2,820,220)	\$1,130,517	(\$575,000)	\$555,517
Capital Reserve for the City's Information Technology System and Equipment	\$602,851	(\$349,427)	\$253,424	\$0	\$253,424
Capital Reserve for the City's Parks & Recreation Facilities	\$3,479,430	(\$3,398,102)	\$81,328	\$0	\$81,328
Emergency Response Reserve	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
Emergency Reserve for City Facilities & Infrastructure	\$885,121	\$0	\$885,121	\$0	\$885,121

# 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 95% 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 2026. 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.

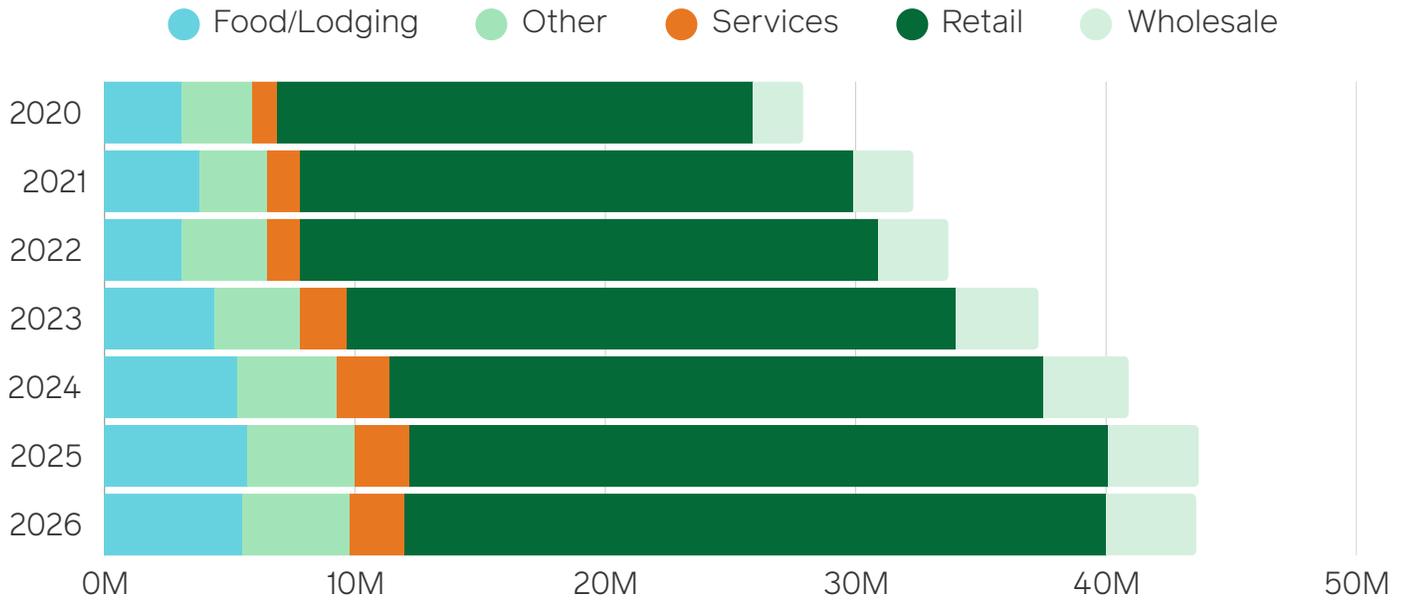
Top 10 Revenue Generators
Walmart Stores East, LP
Publix Alabama, LLC
Home Depot USA, INC
Donohoo Auto, LLC
Driver's Way, LLC
Mi Pueblo Supermarket, LLC
Med Center Cars, INC
American Wallzone Supply ,LLC
Birmingham Auto Acquisitions, INC (Kia)
Chick-Fil-A, Inc.

Reporting Agency	GDP Growth Forecast 2026
International Monetary Fund	1.7%
Congressional Budget Office	1.8%
Federal Reserve Bank of Philadelphia	2.2%
Wells Fargo	1.5%
Ernst & Young	1.1%
Average	1.6%
High	2%
Low	1%
City Recommendation for FY 2026	.5%

## Sales and Use Tax

The economy was already beginning to cool heading into 2025, with consumer sentiment dropping and inflation still above the Federal Reserve target level. The Federal Government has since made significant policy changes, including large tariff increases and budget cuts. This may prove beneficial in the long run, but the anticipated immediate effect is a rise in consumer costs, the unemployment rate, and a decrease in consumer spending. Adding to this uncertainty are frequent changes or delays to federal policy implementation and a number of lawsuits filed against the government. Projected sales and associated taxes are expected to be less than 1% above budgeted 2025 revenues, which is the amount city management recommends. The above table shows the 2026 GDP predictions from five respected industry organizations, which predict an average 1.6% growth in GDP. The chart on the left shows a list of our top ten taxpayers, and a chart showing revenues by business type can be seen on the next page.

# GENERAL FUND REVENUE PROJECTIONS

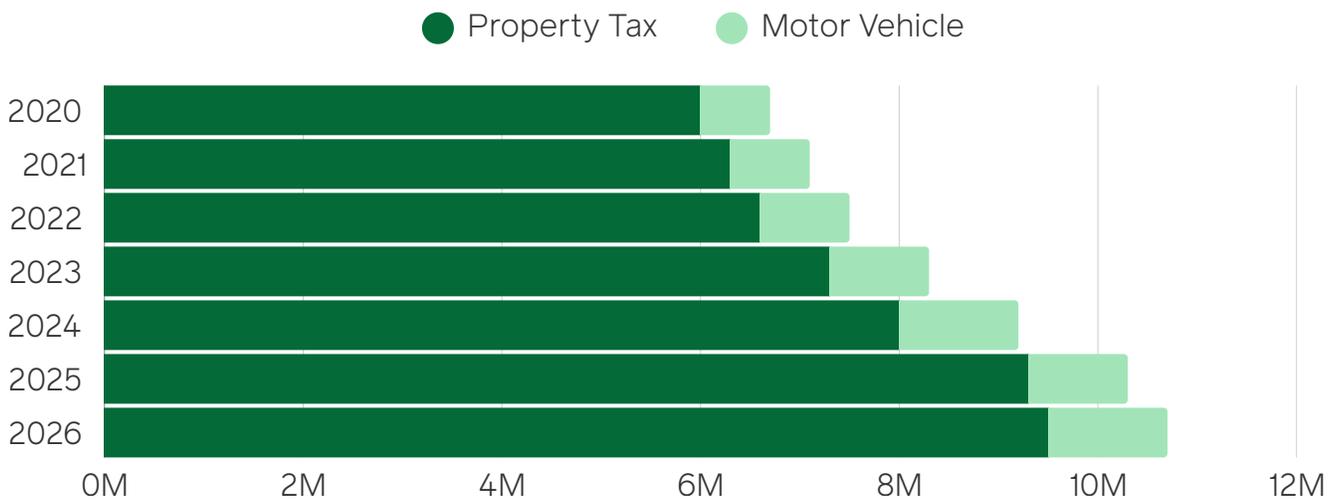


## Property Tax (Ad Valorem)

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. Because the Alabama Legislature recently passed a law capping property tax increases, many properties have been revalued, leading to higher property tax revenues than normal. Property taxes are collected and distributed by Shelby County. We are projecting a 5.75% increase over FY 2025.

## Motor Vehicle License Tax

Motor vehicle/mobile home tax is collected by Shelby County on motor vehicles and manufactured homes. We are estimating a 12% increase from last year.



# GENERAL FUND REVENUE PROJECTIONS

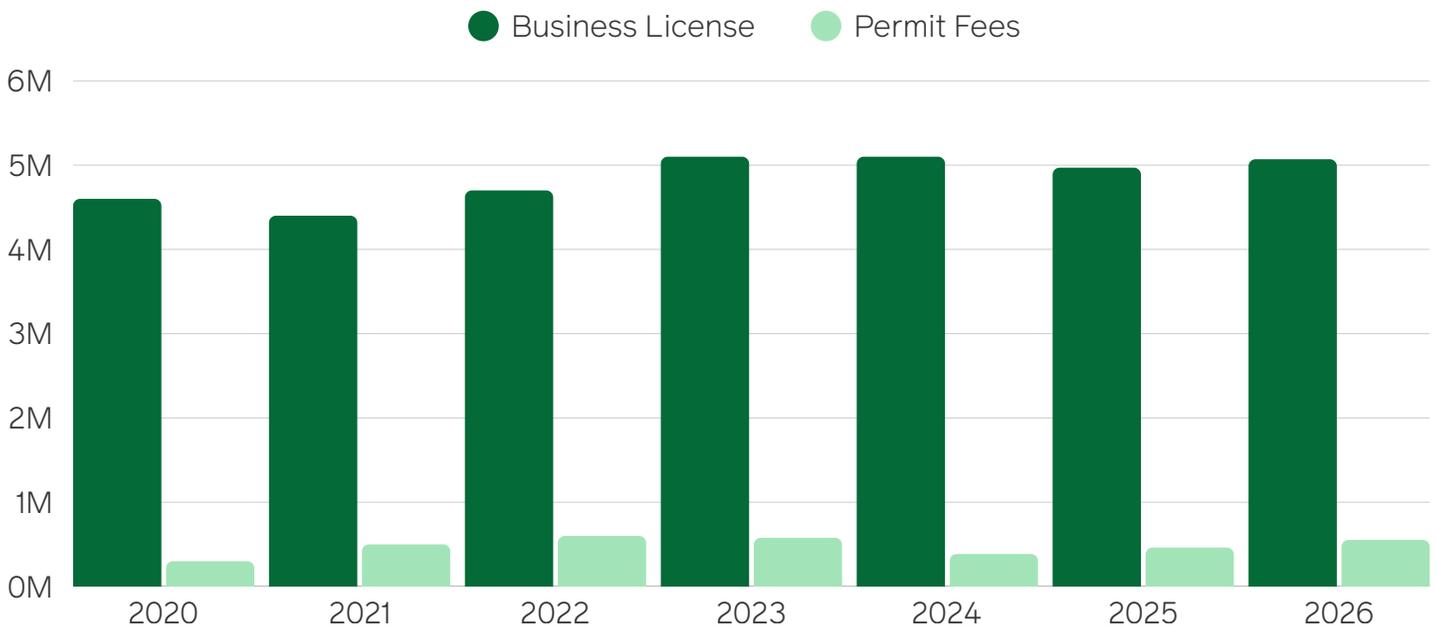
## Business Licenses and Permit Fees

### 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 inside city limits. The assessed business license fee is usually dependent upon the nature of the business and the amount of its previous year's gross receipts, though some business types just pay a flat fee. 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 2% increase in business license revenue from FY 2025. 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 we expect the economic uncertainty to impact the opening of new businesses and a slight reduction in reported business revenue, increased collection and enforcement and continued economic development should provide a modest increase.

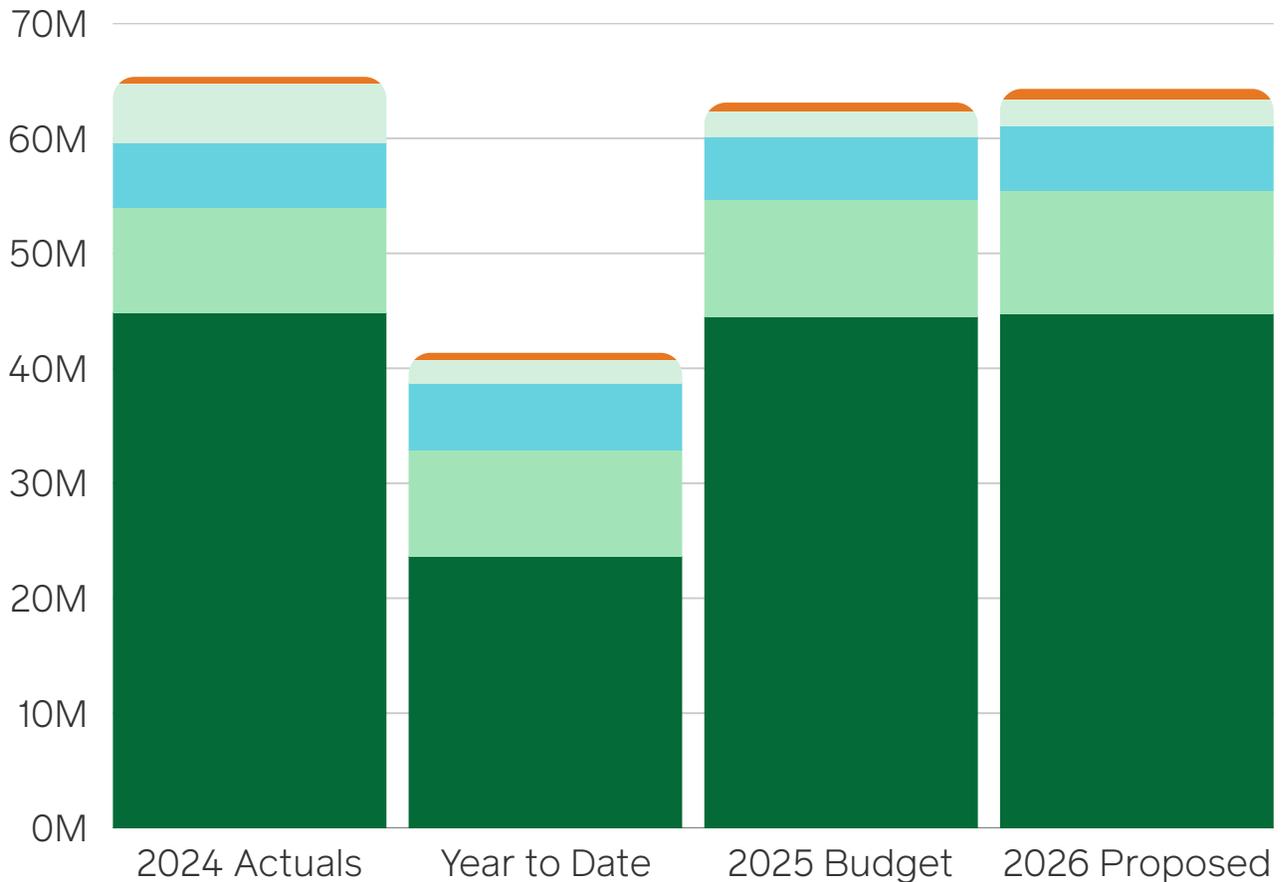
### Building Permits and Inspections

Residential new construction is booming. The building department has issued 124 new construction home permits so far, this fiscal year. We anticipate many more new homes in the coming months, with several new subdivisions approved, such as Silver Ridge (307 lots), Sweetbriar (10 lots), McAlpin Highlands at Ballantrae (29 lots), and Ridge Dr (30 lots). The commercial side of things has been slow thus far but is starting to pick up with Big Bad Breakfast, which is underway along with Specification Rubber, Edgar's, and Waldo's Chicken and Beer. We also have recently approved Riverchase Kia's \$4,500,000.00 interior/exterior renovation permit.



# GENERAL FUND REVENUE PROJECTIONS

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Sales & Other	44,896,762	23,657,088	44,506,043	44,710,028
■	Property Taxes	9,219,316	9,397,936	10,238,186	10,826,658
■	Licenses/Permit	5,668,724	5,834,004	5,433,300	5,623,550
■	Other	5,208,247	2,093,521	2,310,589	2,340,515
■	Service Charges	553,772	350,443	714,815	930,982
		<b>65,546,821</b>	<b>41,332,992</b>	<b>63,202,933</b>	<b>64,431,733</b>



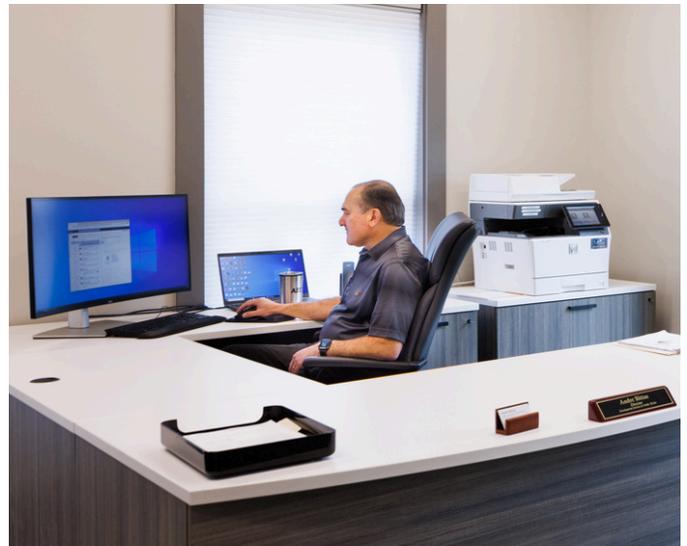
# CITY MANAGER'S OFFICE

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 the City's adherence to federal, state, and municipal laws. The City Manager conducts the performance evaluations of all department heads 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 as a whole.

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

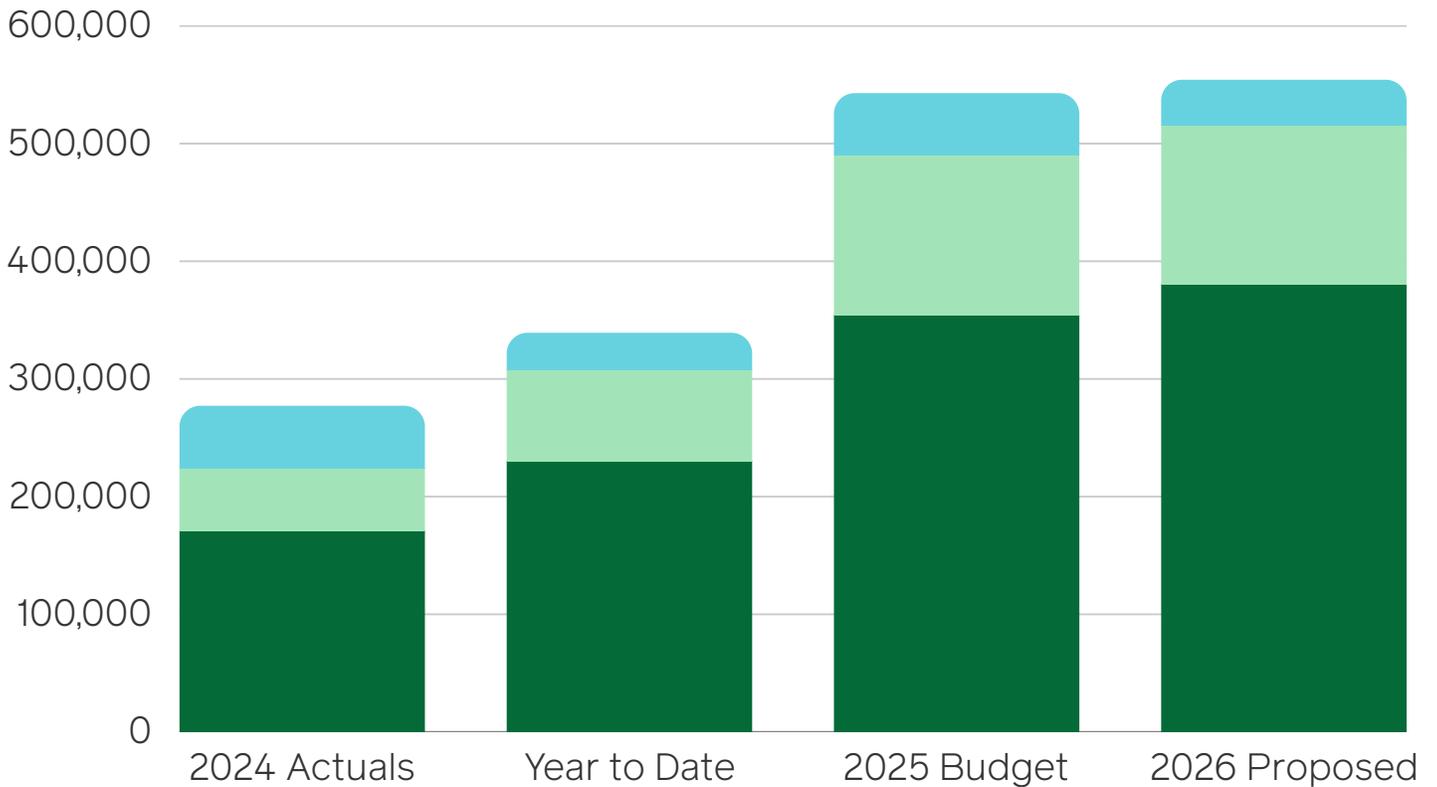
- Managing and coordinating the day-to-day administrative operations of the City, including approval of operating procedures based on policies set by the City Council
- Responding to calls and requests from citizens
- Ensuring the development and execution of the municipality's long-term plans and annual 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

The increase shown in the City Manager's budget is due to a full year of expenses for an Assistant City Manager and executive assistant who is shared with the Mayor.



# CITY MANAGER'S OFFICE

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	170,802	229,893	354,497	380,833
■	Benefits	53,043	77,533	135,889	134,480
■	Operating Expenses	53,372	31,817	52,520	38,975
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>277,217</b>	<b>339,243</b>	<b>542,906</b>	<b>554,288</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

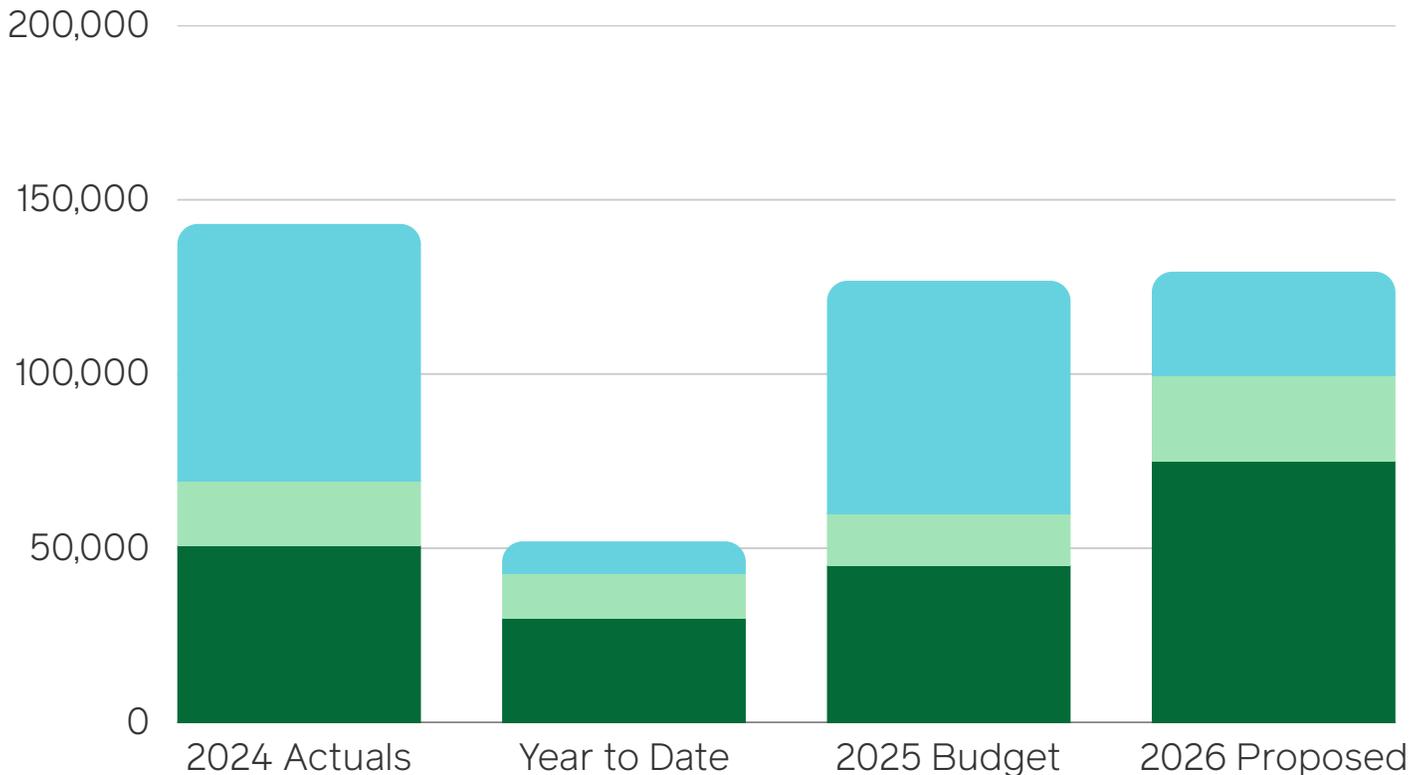
Functions of the Office of The Mayor include but are not limited to:

- 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 and planning community events (i.e., Fire on the Water, Pelham Palooza, Shred and E-recycle event, etc.)
- Working alongside the City Manager to inform residents and businesses about city development, revised laws, and community events
- 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
- Executing lawful contracts on behalf of the City Council.
- Representing the City in real estate closings and legal mediation
- Declaring City Proclamations as the Mayor determines is beneficial to the public good



# MAYOR'S OFFICE

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	50,637	30,000	45,000	75,000
■	Benefits	18,485	12,631	14,884	24,654
■	Operating Expenses	73,962	9,329	66,941	29,725
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>143,084</b>	<b>51,960</b>	<b>126,825</b>	<b>129,379</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 six years.

The City Council sets priorities for the City through the annual budget, which is informed by the Citizen Surveys of FY 2022 and FY 2025, the City's comprehensive plan, Plan Pelham, and capital plans.

- 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
2020	128
2021	194
2022	234
2023	260
2024	174
2025	144 (YTD)



# CITY COUNCIL

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	47,698	32,800	49,200	59,000
■	Benefits	37,852	38,123	31,657	69,238
■	Operating Expenses	39,881	57,318	82,875	90,350
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>125,431</b>	<b>128,241</b>	<b>163,732</b>	<b>218,588</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.

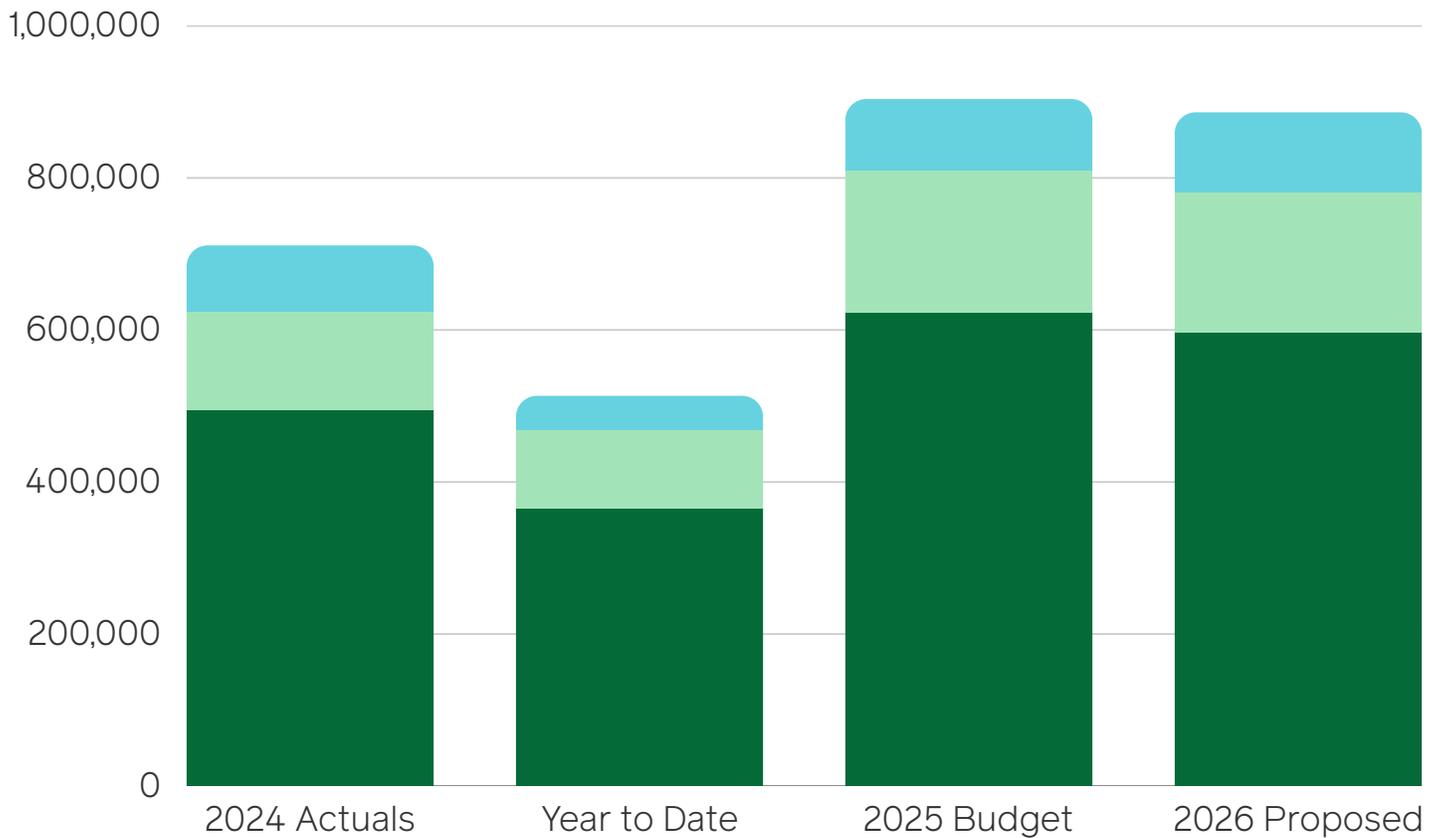
Functions of the Municipal Court include but are not limited to:

- Conducting probable cause hearings and issuing arrest warrants for violations of municipal ordinances, violations, and misdemeanors
- Processing payments and legal correspondence
- Conducting arraignment dockets and trials
- Overseeing the provisions of probation, including the collection of fines, rehabilitation, and counseling



# PELHAM MUNICIPAL COURT

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	495,389	365,290	622,994	596,649
■	Benefits	129,703	103,923	187,252	185,470
■	Operating Expenses	86,167	44,162	93,519	104,204
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>711,259</b>	<b>513,375</b>	<b>903,765</b>	<b>886,323</b>



# INFORMATION TECHNOLOGY

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

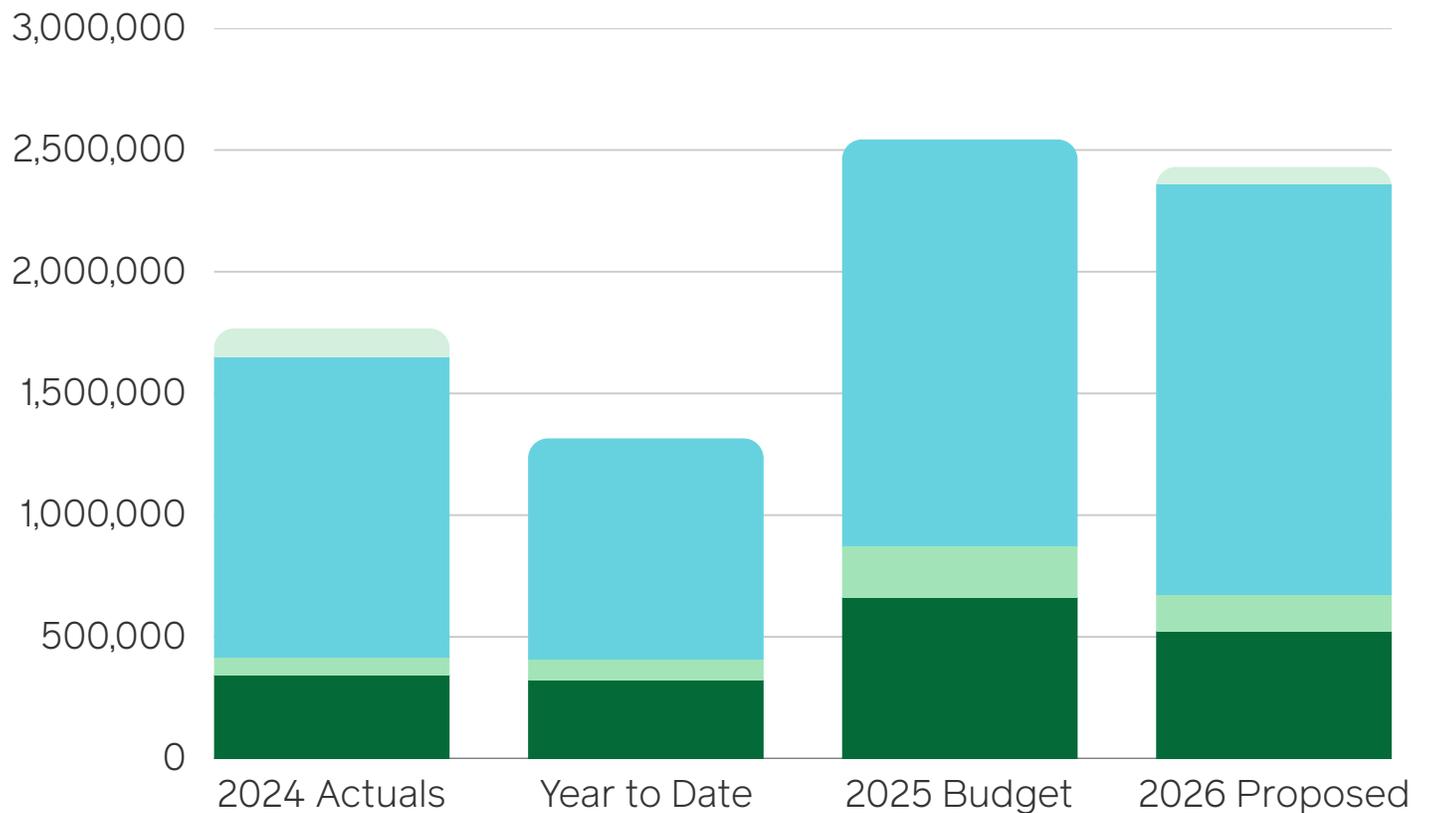
IT responsibilities include but are not limited to the following:

- 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
- Providing oversight and best practices for all technology efforts
- Maintaining an authoritative Geographic Information System (GIS) that provides operational efficiency and decision-making support
- Supporting cybersecurity efforts as well as disaster recovery to help ensure the continuity of government services



# INFORMATION TECHNOLOGY

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	342,022	322,871	660,845	523,583
■	Benefits	74,528	86,376	211,215	149,030
■	Operating Expenses	1,233,510	906,042	1,671,271	1,686,445
■	Capital Outlay	116,918	-	-	71,382
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>1,766,978</b>	<b>1,315,289</b>	<b>2,543,331</b>	<b>2,430,440</b>



# HUMAN RESOURCES

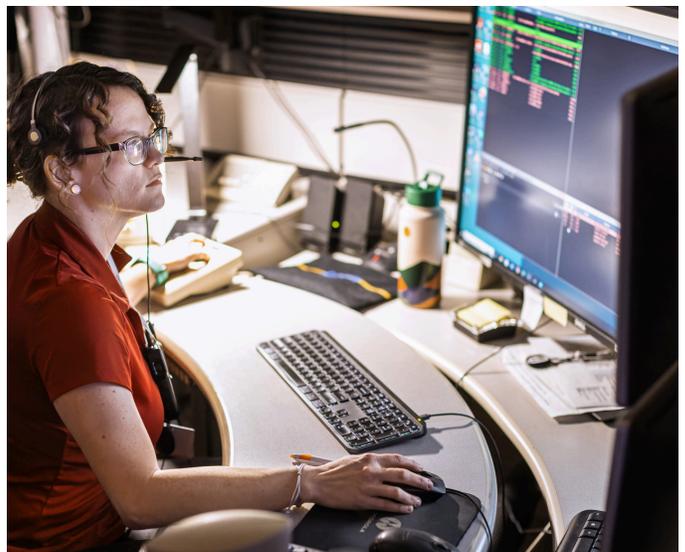
The Human Resources Department recruits and serves the needs of the City's employees. The department handles the administration of compensation and benefits, maintains job descriptions, administers testing, manages and maintains the personnel records of all City employees, coordinates and manages employee 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.

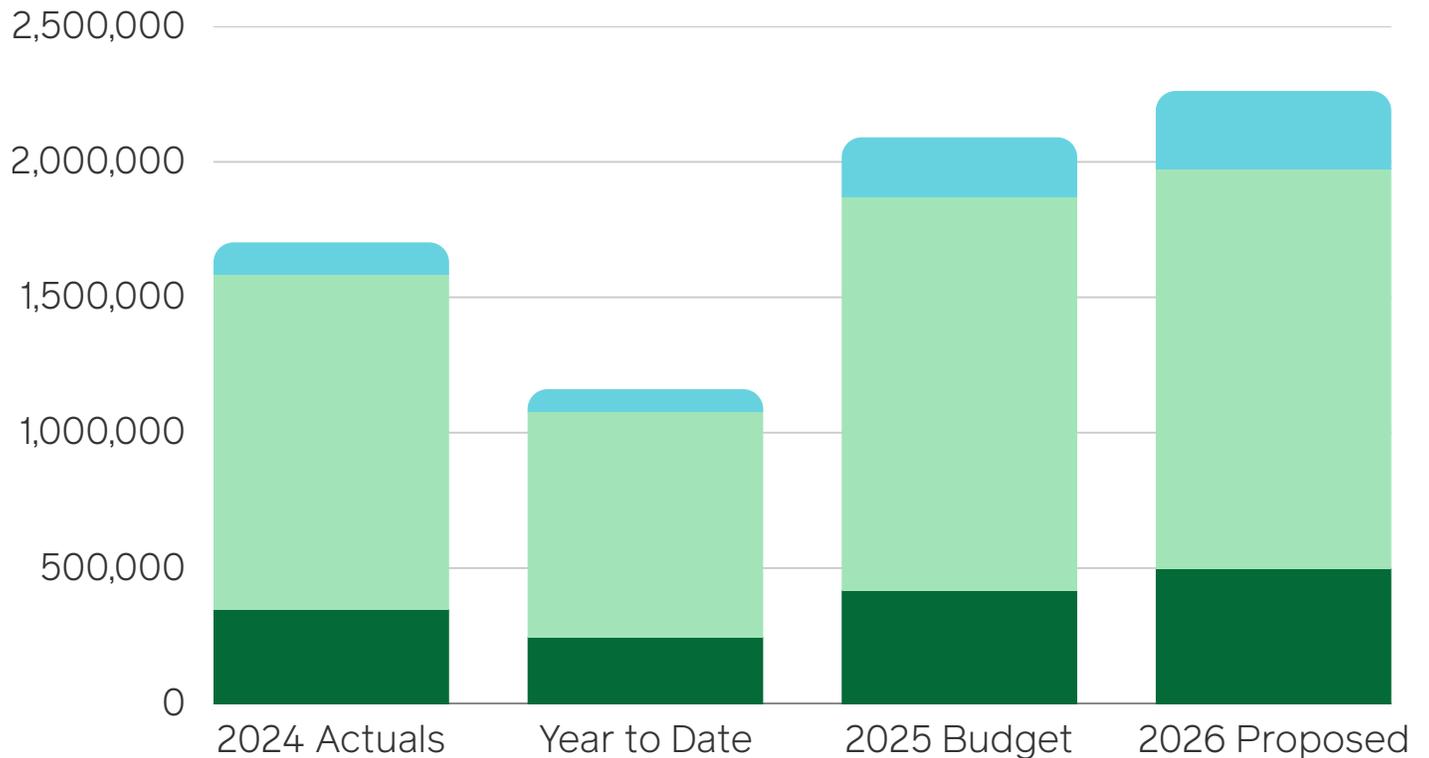
Functions of the Human Resources Department include but are not limited to:

- Coordinating and managing competitive employee compensation and benefits
- Recruiting, screening, and onboarding new employees.
- Coordinating training and continuing education and development across all city departments
- Consulting and assisting employees with human resource and personnel issues
- Assisting retirees with post-retirement benefit issues.
- Administering the City's Employee Safety Program
- Providing counsel to the Mayor, City Manager, and Department Heads regarding department policies and disciplinary actions to limit liability
- Working with the City Manager and Department Heads to recommend and provide appropriate organizational development needs



# HUMAN RESOURCES

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	346,561	243,317	415,420	496,267
■	Benefits	1,238,169	834,141	1,455,143	1,477,553
■	Operating Expenses	117,959	83,176	220,192	288,273
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>1,702,689</b>	<b>1,160,634</b>	<b>2,090,755</b>	<b>2,262,093</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).

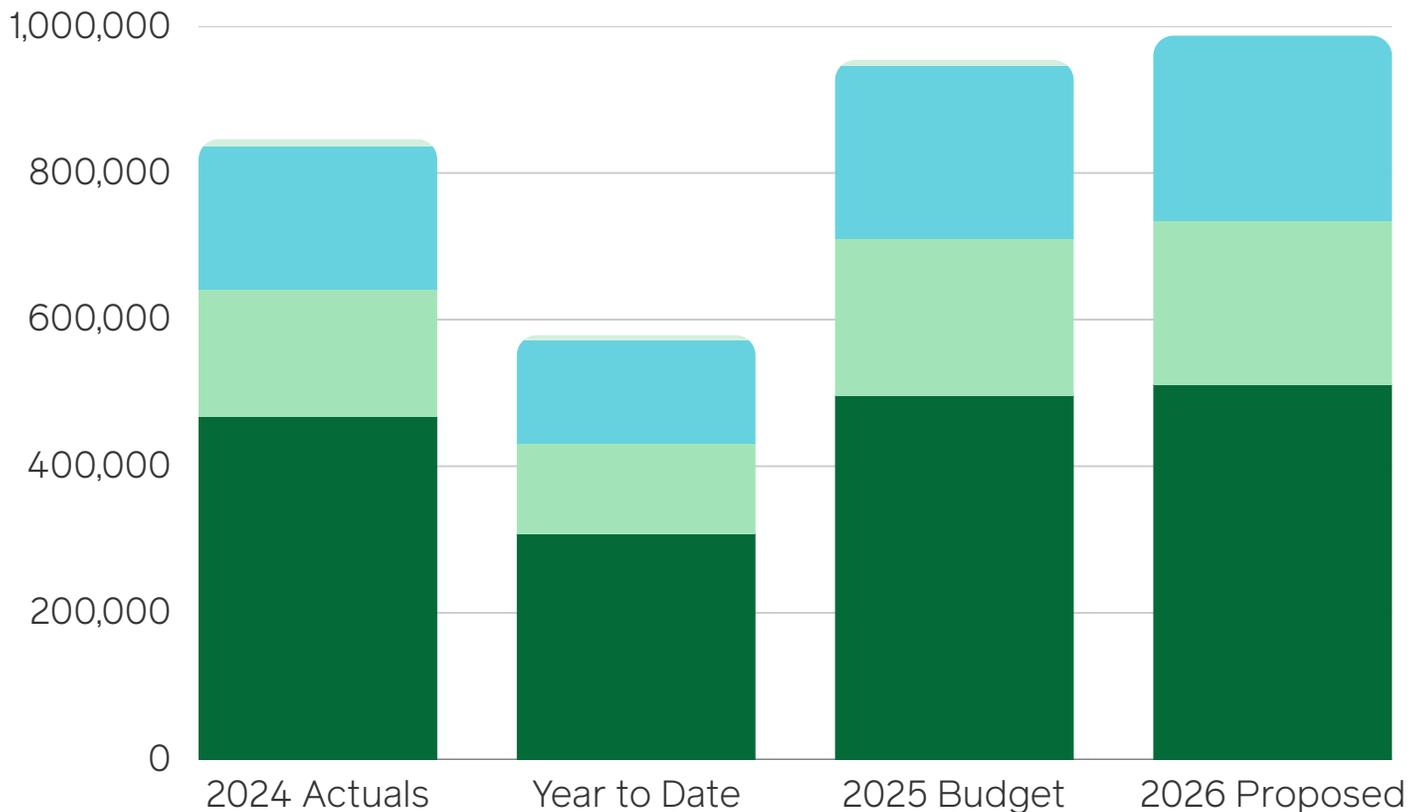
Functions of the Finance Department include but are not limited to:

- 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	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	468,367	307,559	496,088	511,702
■	Benefits	173,066	123,726	214,575	223,300
■	Operating Expenses	195,800	140,591	236,378	252,291
■	Capital Outlay	8,878	6,982	6,982	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>846,111</b>	<b>578,858</b>	<b>954,023</b>	<b>987,293</b>



# ECONOMIC DEVELOPMENT

The responsibilities for economic development are currently being carried out by the City Manager and Assistant City Manager. The City's economic development activities include prospect development, industry contacts, and negotiation with industry representatives to encourage business development in the City of Pelham consistent with Plan Pelham.

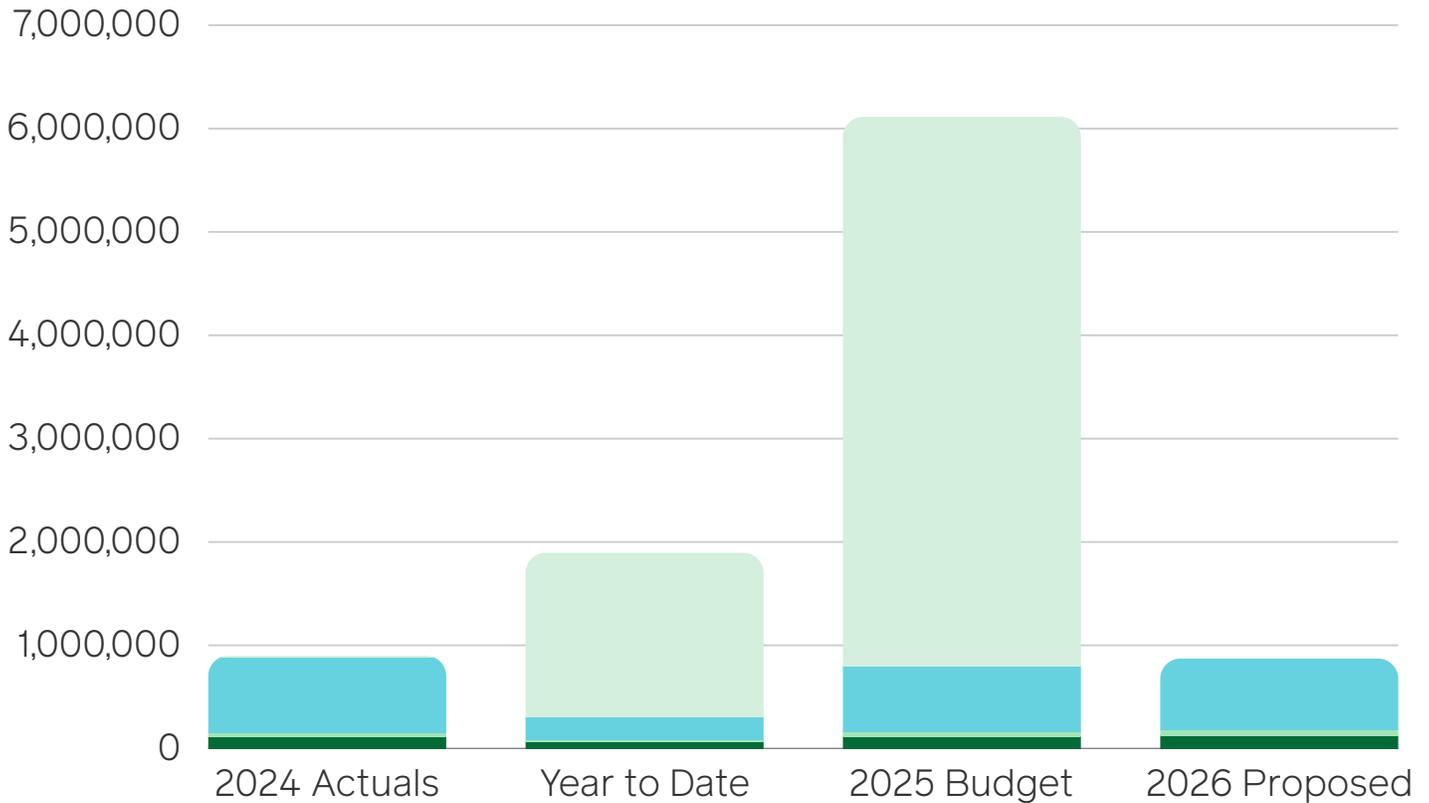
Functions include but are not limited to:

- Responding to calls and requests from citizens
- Answering questions from prospective business partners on available properties in the city, as well as zoning policies and processes as requested or as necessary to make business decisions
- Recruiting commercial and industrial business developers through targeted marketing and meeting with developers, brokers, retailers, and other businesses to encourage business development opportunities in the City of Pelham
- 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
- Researching, developing, and distributing economic development data and reports
- Preparing and maintaining updated statistical data on related business and industry



# ECONOMIC DEVELOPMENT

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	113,664	66,098	119,744	127,704
■	Benefits	38,786	21,457	45,337	50,808
■	Operating Expenses	736,312	217,920	637,247	693,393
■	Capital Outlay	10,230	1,590,000	5,310,661	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>898,992</b>	<b>1,895,475</b>	<b>6,112,989</b>	<b>871,905</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. Communications Specialists are responsible for the day-to-day marketing and public relations efforts, including fostering positive relationships with community members and organizations and promoting community activities and programs. The five primary communications vehicles used to accomplish these responsibilities are the City's websites, social media, the Pelham 311 app, a quarterly magazine, and two monthly e-newsletters.

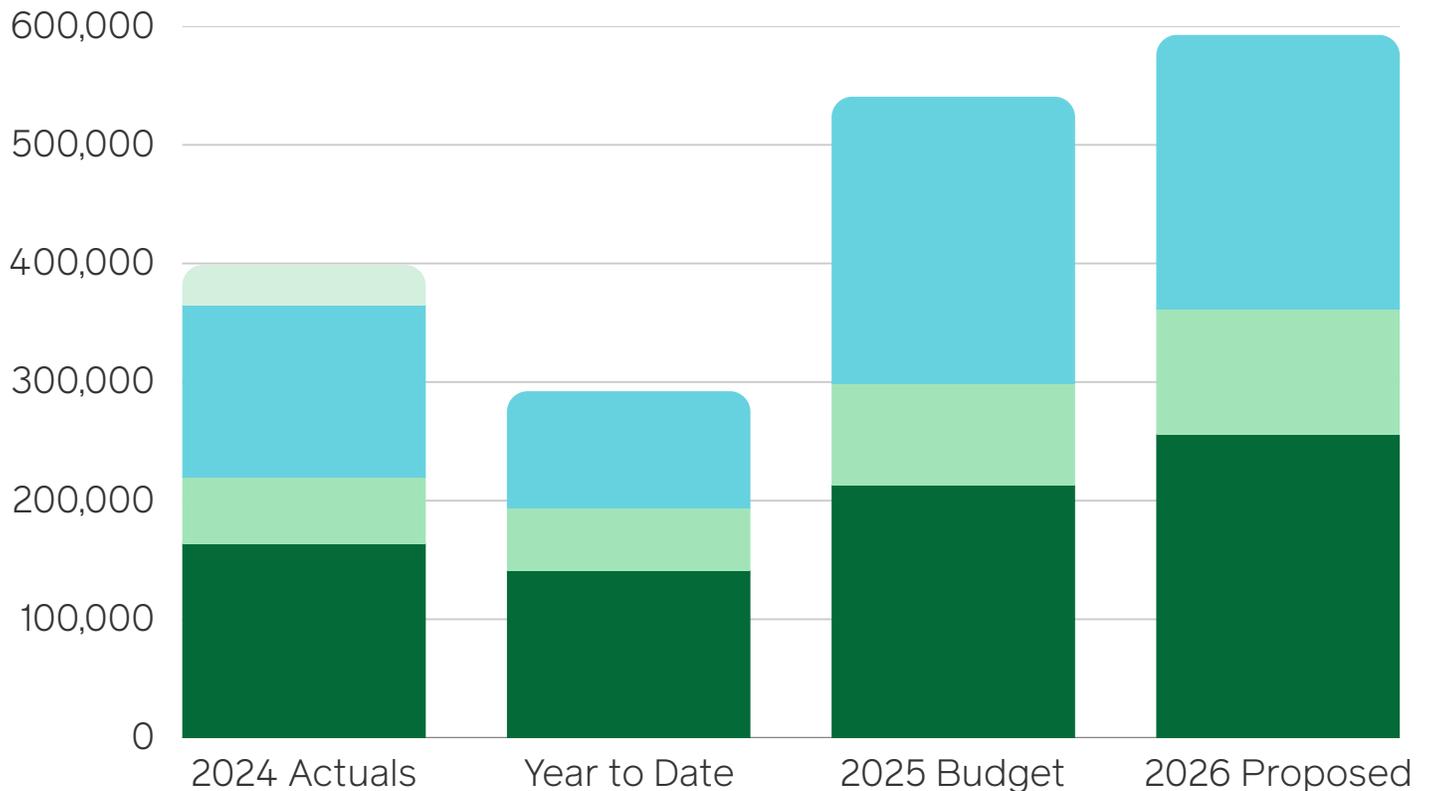
Functions include but are not limited to:

- Promoting the City to internal and external customers
- Monitoring social, economic, political, and industry trends to proactively make appropriate recommendations regarding communications strategies in response to identified trends
- Managing 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
- Fielding media inquiries and pitch stories to the media
- Compiling and formatting talking points and key documents for marketing, public relations, community outreach functions, and internal communications
- Handling crisis communication



# COMMUNICATIONS & BRANDING

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	163,512	141,064	212,995	256,291
■	Benefits	55,898	52,694	86,036	105,166
■	Operating Expenses	145,758	98,505	241,582	231,244
■	Capital Outlay	33,602	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>398,771</b>	<b>292,263</b>	<b>540,613</b>	<b>592,701</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.

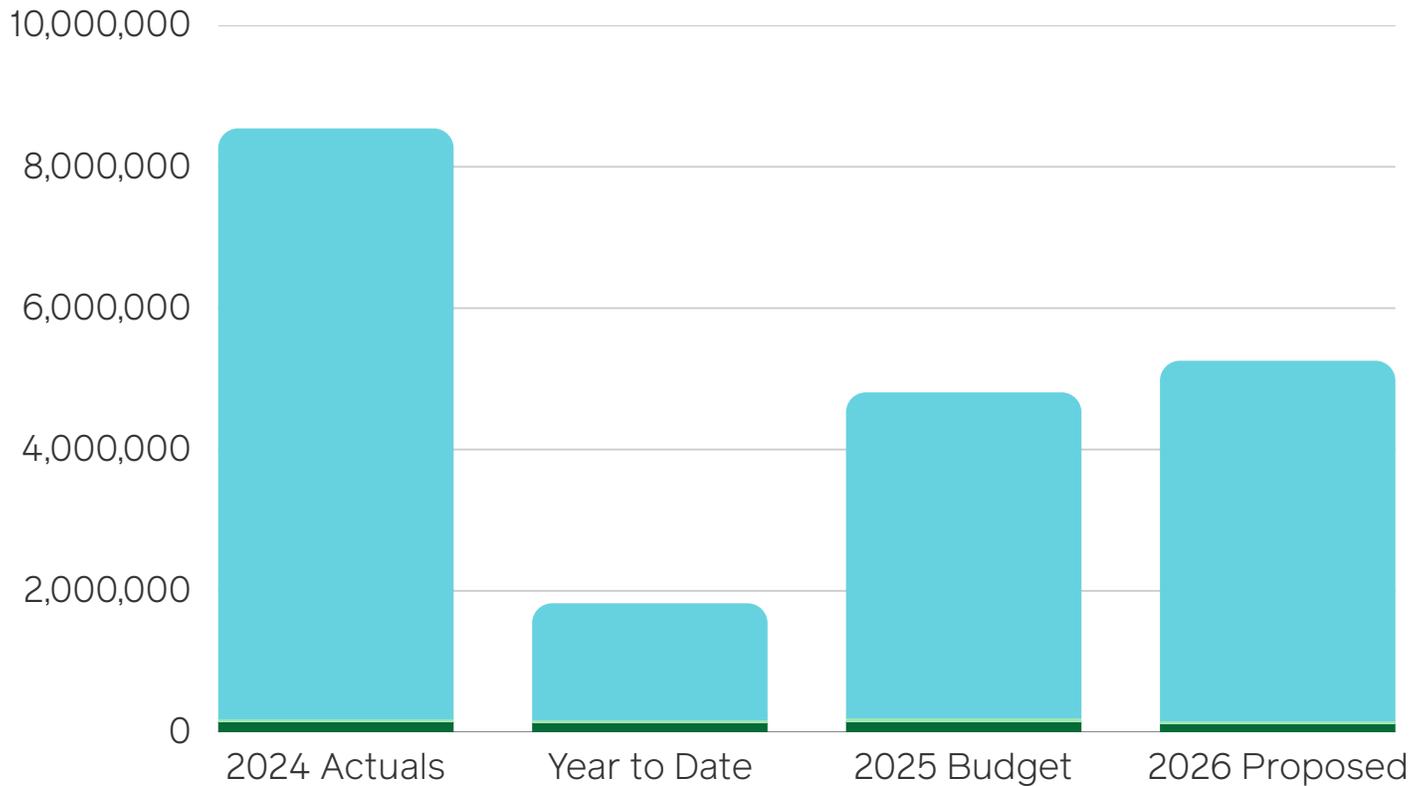
Functions of the Administrative – City Clerk/Treasurer include but are not limited to:

- Administering the City's debt service; working with bond counsel and financial advisors about the City's current and future debt service
- Preparing monthly debt service reports included in monthly financials from the City Manager
- Assisting the municipal government via administrative duties defined by the Code of Alabama for City Clerk/Treasurer
- Serving as the City Treasurer and executing applicable documents on behalf of the City
- Responding to calls and requests from citizens, City administration, and staff
- Coordinating and maintaining relationships with the City's banking partners with respect to its deposit account
- Preparing council meeting and work session agendas with the Mayor, City Manager, and City Council
- Preparing and developing resolutions and ordinances with the City Manager and other applicable city employees, City officials, and external resources
- Attending and recording minutes of regular and special council meetings and work sessions
- Managing and directing municipal elections
- Overseeing City bids, Requests for Proposals (RFP), and related activities; maintaining vendors' bid book and answering vendors' questions
- Certifying exempt or reduced utility fee applications each year
- Coordinating with the City Attorney on all lawsuits filed against the City
- Supervising the sale of City surplus property, equipment, and inventory
- Administering, coordinating, monitoring, and evaluating the City's liability insurance coverage



# CITY CLERK/TREASURER

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	143,963	127,560	149,421	123,060
■	Benefits	46,231	43,766	53,515	39,768
■	Operating Expenses	8,352,932	1,652,677	4,605,300	5,092,913
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>8,543,126</b>	<b>1,824,003</b>	<b>4,808,236</b>	<b>5,255,741</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. The Pelham Public Library is a certified Gold Level library and sensory-certified facility through Kulture City.

Statistics of the Pelham Public Library:

- Approximately 10,000 visitors a month
- Approximately 17,500 items circulated per month
- Year to date, over 5,000 people attended a program at the library

Functions of the Pelham Public Library include but are not limited to:

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

Review from resident Jonathon LeJeune:

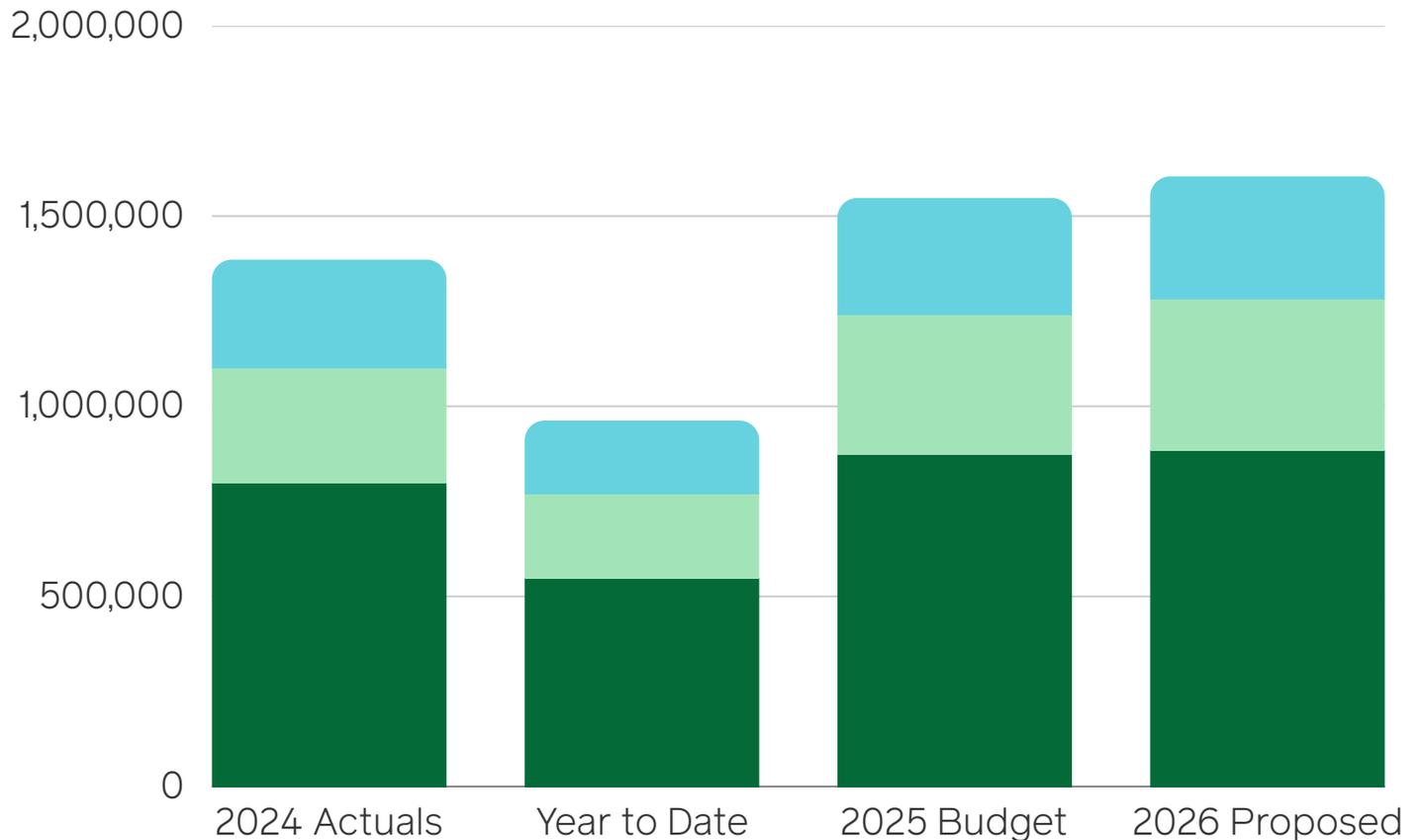
"The Pelham Library saved my bacon this week! I needed proctoring services for my insurance license renewal on short notice. David Smith took ownership of the opportunity and made sure I was authorized to pass all my exams. Angela (Ahnjayla) also assisted when necessary. They were both accommodating, polite, and professional. I wish I could thank them more than just in this review.

As an aside, my wife loves taking our toddler to storytime on Wednesdays! Thanks, David, and enjoy your retirement!"



# PELHAM PUBLIC LIBRARY

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	797,987	548,233	874,067	883,804
■	Benefits	303,533	222,295	367,727	398,379
■	Operating Expenses	284,089	191,946	305,881	322,150
■	Capital Outlay	-	-	-	-
■	Debt Services	-	-	-	-
■	Other Financial Uses	-	-	-	-
		<b>1,385,609</b>	<b>962,475</b>	<b>1,547,675</b>	<b>1,604,333</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.

Functions of the Parks & Recreation Department include but are not limited to:

- Providing safe and affordable activities for all ages and all life stages.
- Maintaining recreation facilities, fields, and green space.
- Promoting and hosting sporting events and community events for the community.
- Maintaining the City's parks and recreational trails.
- Keeping the City's recreational offerings current with best industry practices and applicable to the changing and growing needs of the community.

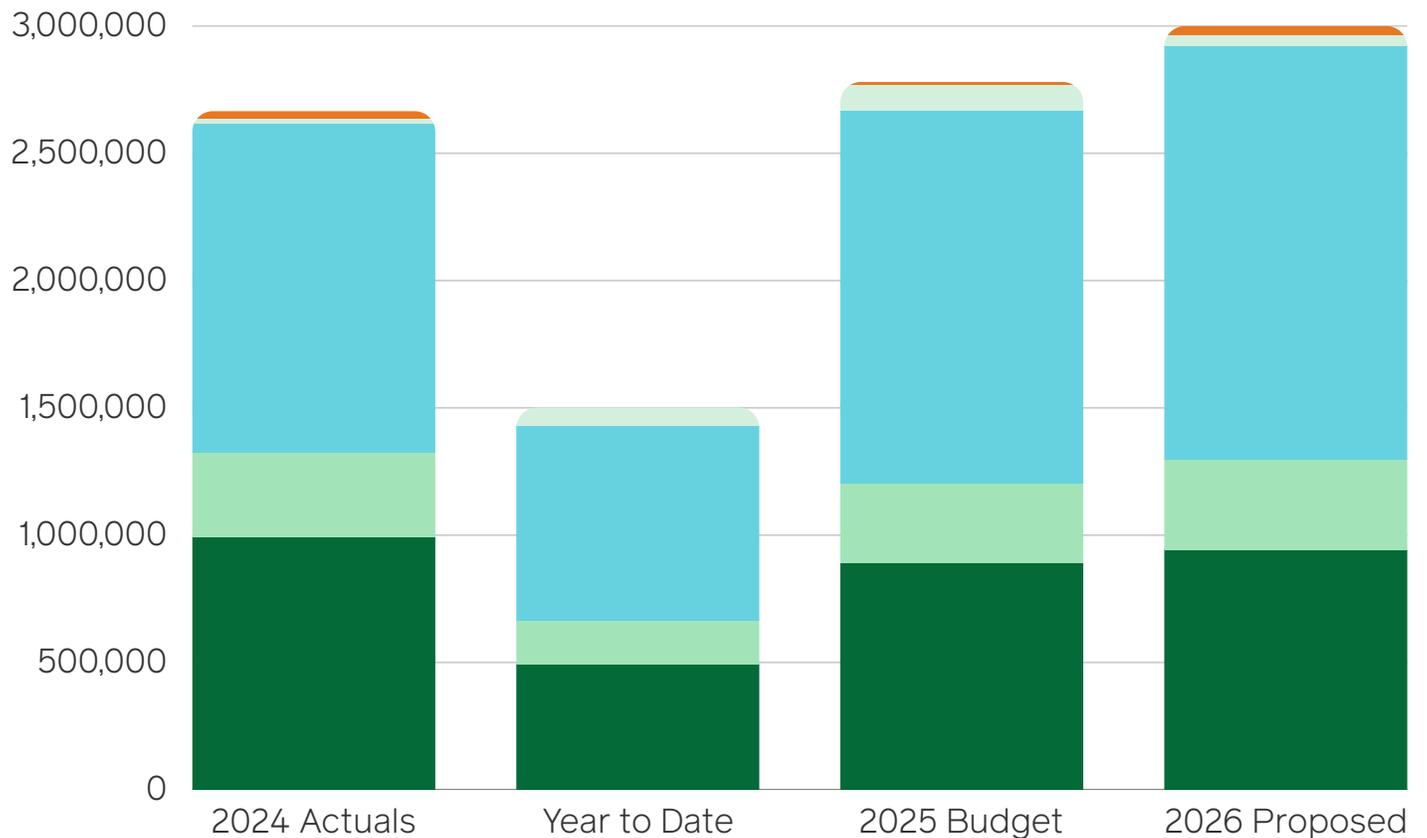


## Capital Outlay

The Parks & Recreation Department is requesting \$44,000 to purchase new bleachers for the football field at City Park and two new pieces of fitness equipment for the recreation center.

# PARKS & RECREATION

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	992,009	494,049	892,312	941,697
■	Benefits	333,705	170,418	312,066	365,817
■	Operating Expenses	1,293,354	764,581	1,464,399	1,624,687
■	Capital Outlay	17,577	72,083	102,896	44,000
■	Debt Services	28,518	-	9,121	33,896
■	Other Financial Uses	-	-	-	-
		<b>2,665,163</b>	<b>1,501,131</b>	<b>2,780,794</b>	<b>3,010,097</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:

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



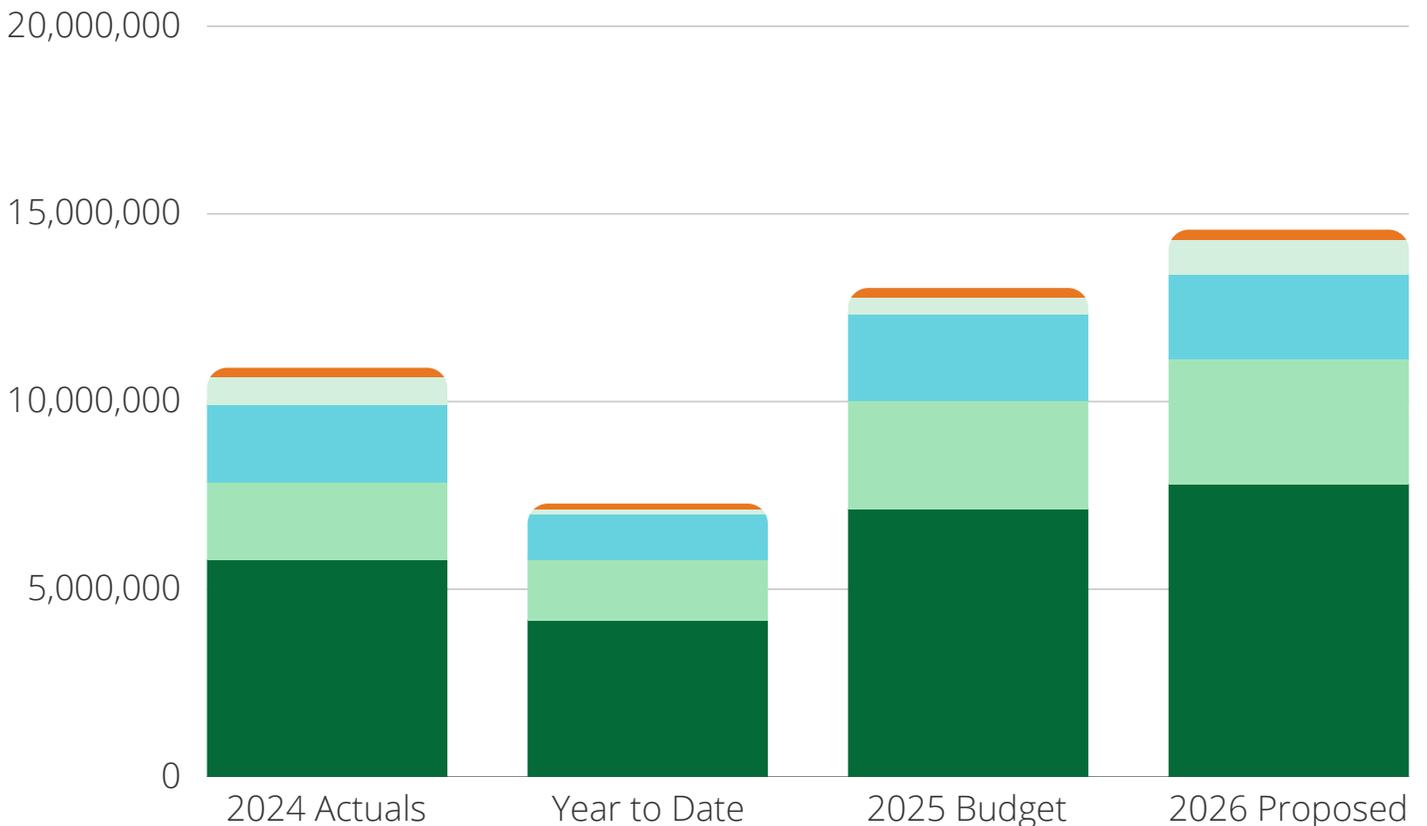
## Capital Outlay

- \$100,000 for interior painting
- \$889,218 for vehicles & upfitting

The Police Department has a total amount of \$254,780 in debt service expenditure for capital leases that are reported under debt service in our financials.

# PELHAM POLICE DEPARTMENT

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	5,775,273	4,172,396	7,146,183	7,806,805
■	Benefits	2,085,178	1,622,877	2,883,368	3,324,837
■	Operating Expenses	2,068,247	1,221,444	2,289,784	2,264,881
■	Capital Outlay	725,080	122,618	459,360	928,898
■	Debt Services	246,892	142,196	247,762	254,780
■	Other Financial Uses	-	-	-	-
		<b>10,900,670</b>	<b>7,281,531</b>	<b>13,026,457</b>	<b>14,580,201</b>



# PELHAM FIRE DEPARTMENT

The Pelham Fire Department is a full-time career fire department serving the City of Pelham. It 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, hazardous material response, dive rescue and recovery, and various community risk reduction programs. In January 2025, the department began EMS Transport Services and has completed 508 medical transports since then.

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 meeting the needs of our citizens; to conduct ourselves as professionals, with compassion and efficiency." The 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.

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

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



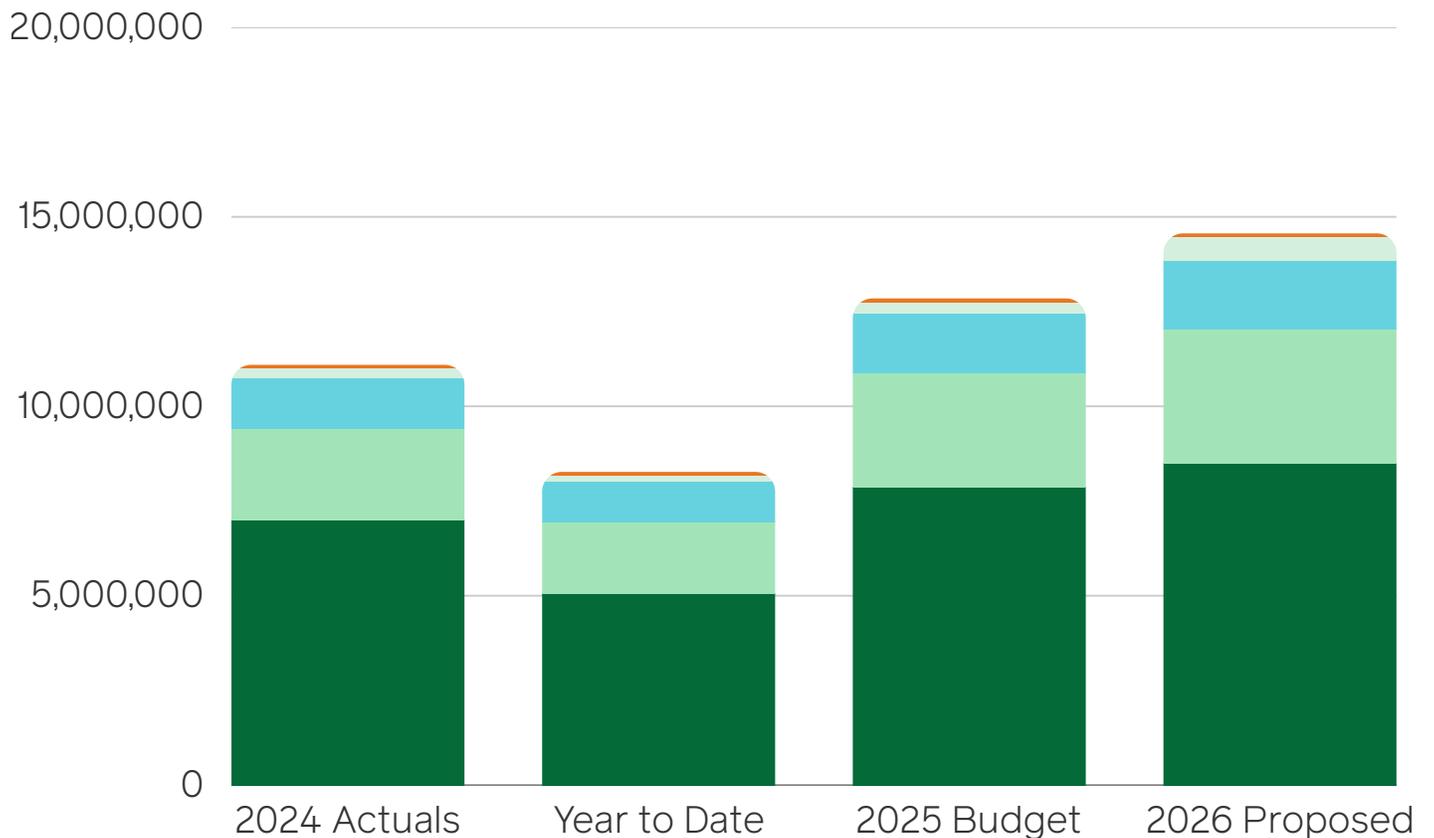
## Capital Outlay

- \$586,000 Scott X3 Pro 4.5 SCBA
- \$14,320 new gear lockers for Station 4
- \$10,000 commercial gas range oven for Station 1
- \$15,220 Double Stack Boat Trailer

The Fire Department has a total amount of \$89,124.26 in debt service expenditure for capital leases that are reported under debt service in our financials.

# PELHAM FIRE DEPARTMENT

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	7,000,555	5,050,073	7,857,434	8,494,868
■	Benefits	2,421,313	1,899,874	3,038,313	3,543,817
■	Operating Expenses	1,333,552	1,069,698	1,566,514	1,798,871
■	Capital Outlay	264,216	160,072	296,003	636,806
■	Debt Services	74,724	89,124	89,124	89,125
■	Other Financial Uses	-	-	-	-
		<b>11,094,360</b>	<b>8,268,843</b>	<b>12,847,388</b>	<b>14,563,487</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 Department reviews plans and issues building permits, performs building inspections, and works with the police department to address code enforcement issues. The Planning and Zoning Department monitors development in the City, recognizes and acts upon recommended changes in City Zoning Ordinances, and is charged with ensuring adherence to local Zoning Ordinances. The facilities maintenance function is responsible for the maintenance and repairs of city-owned facilities, and the public works function maintains the city's streets and public rights. 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, constructing, and maintaining public infrastructure as well as reviewing developments within the city.

Functions of the Development Services and Public Works Department include but are not limited to:

- Reviewing, administering, and communicating building and zoning regulations and guidelines within the City
- Working closely with potential and existing businesses to ensure the development process is efficient and effective
- Administering the building permit and inspection process
- Providing 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
- Providing technical assistance to the Mayor, City Manager, City Council, and other City departments
- Maintaining streets, ditches, stormwater drains and pipes, and sidewalks with the City of Pelham
- Providing and managing maintenance on City facilities
- Maintaining right-of-way, street lights, and traffic signs within the City
- Performing minor road and sidewalk repairs
- Performing landscape maintenance and beautification services at many of the City facilities and along the public right-of-ways

- Monitoring and advising 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
- Managing the City's Municipal Separate Storm Sewer System Program (MS4) and floodplain program
- Providing varying levels of project management on all public works capital projects

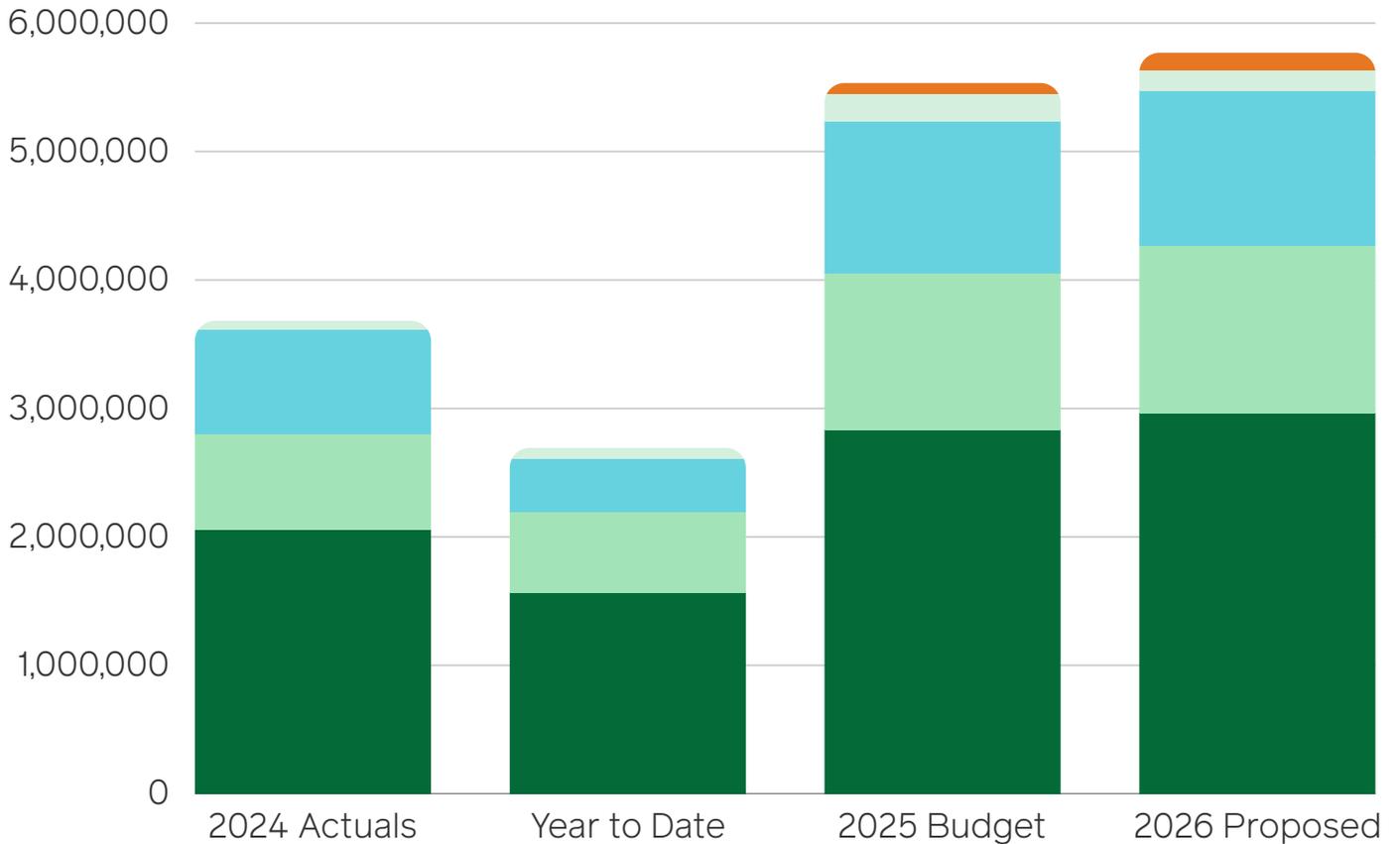


## Capital Outlay

The Development Services and Public Works department is requesting a total of \$168,700 to purchase a F550 Flatbed Truck, various lawn equipment, a trailer and a concrete saw.

# DSPW

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	2,059,709	1,563,856	2,831,362	2,961,951
■	Benefits	745,918	635,854	1,221,898	1,309,864
■	Operating Expenses	813,376	411,777	1,185,433	1,205,003
■	Capital Outlay	62,548	81,893	216,100	155,000
■	Debt Services	-	-	78,703	136,865
■	Other Financial Uses	-	-	-	-
		<b>3,681,551</b>	<b>2,693,380</b>	<b>5,533,496</b>	<b>5,768,683</b>



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# ENTERPRISE FUNDS SUMMARY



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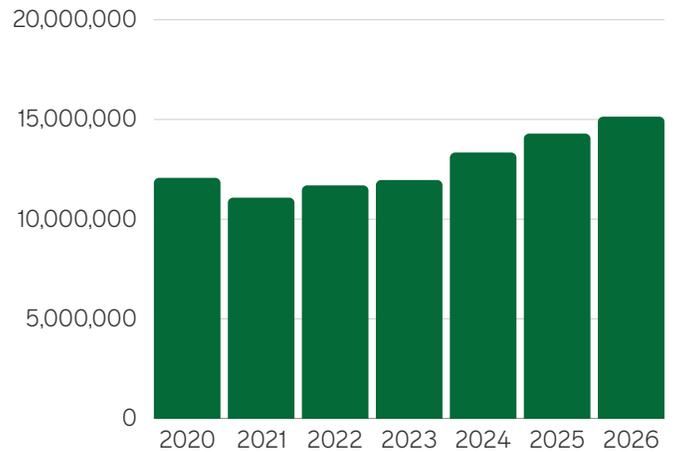
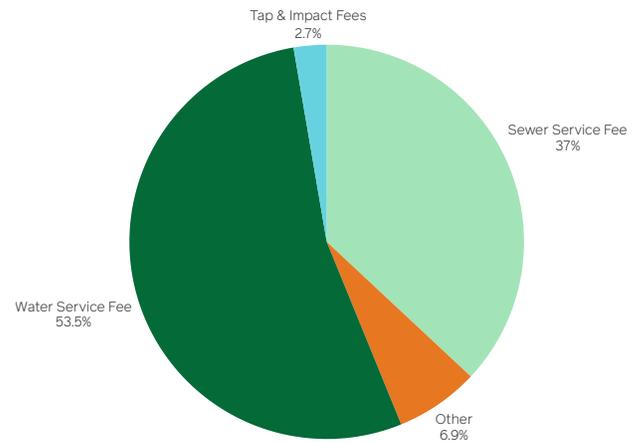
# ENTERPRISE FUND BUDGET SUMMARY

	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	14,708,635	4,045,275	940,500	3,492,868	3,113,116	26,300,394
Interest income	425,000		2,500	14,000	12,250	453,750
Other	6,100			31,600		37,700
<b>Total revenues</b>	<b>15,139,735</b>	<b>4,045,275</b>	<b>943,000</b>	<b>3,538,468</b>	<b>3,125,366</b>	<b>26,791,844</b>
<b>Expenditures</b>						
General administration						
City Manager						-
Mayor						-
City Council						-
Court						-
IT						-
Human Resources						-
Finance						-
Economic Development						-
Communications & Branding						-
City Clerk						-
Fire						-
Police						-
DSPW						-
Parks & Recreation						-
Library						-
Water & Sewer Fund	9,687,049					9,687,049
Civic Complex & Ice Arena		4,460,752				4,460,752
Racquet Club			1,741,934			1,741,934
Ballantrae Golf				3,664,821		3,664,821
Pelham Garbage					3,275,366	3,275,366
	<u>9,687,049</u>	<u>4,460,752</u>	<u>1,741,934</u>	<u>3,664,821</u>	<u>3,275,366</u>	<u>22,829,922</u>
<b>Revenues less expenditures</b>	<b>5,452,686</b>	<b>(415,477)</b>	<b>(798,934)</b>	<b>(126,353)</b>	<b>(150,000)</b>	<b>3,961,923</b>
Capital Outlay	-					-
Debt service						
Principal retirement	783,009	25,871		17,247		826,127
Interest	492,603	20,897		13,932		527,432
<b>Total capital outlay and debt expenditures</b>	<b>1,275,612</b>	<b>46,768</b>	<b>-</b>	<b>31,179</b>	<b>-</b>	<b>1,353,559</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>4,177,074</b>	<b>(462,245)</b>	<b>(798,934)</b>	<b>(157,532)</b>	<b>(150,000)</b>	<b>2,608,364</b>
<b>Other financing sources (uses)</b>						
Proceeds from sale of capital assets						-
Committed Fund Balance						-
Interfund Capital Transfers (In)		818,000	116,000	165,000		1,099,000
Interfund Capital Transfers (Out)	(7,376,350)	(818,000)	(116,000)	(165,000)		(8,475,350)
Interfund Operating Transfers (In)		462,245	798,934	157,532	150,000	1,568,711
Interfund Operating Transfers (Out)						-
<b>Total other financing sources (uses)</b>	<b>(7,376,350)</b>	<b>462,245</b>	<b>798,934</b>	<b>157,532</b>	<b>150,000</b>	<b>(5,807,639)</b>
<b>Net change in Fund Balance</b>	<b>(3,199,276)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,199,276)</b>

# WATER & SEWER FUND

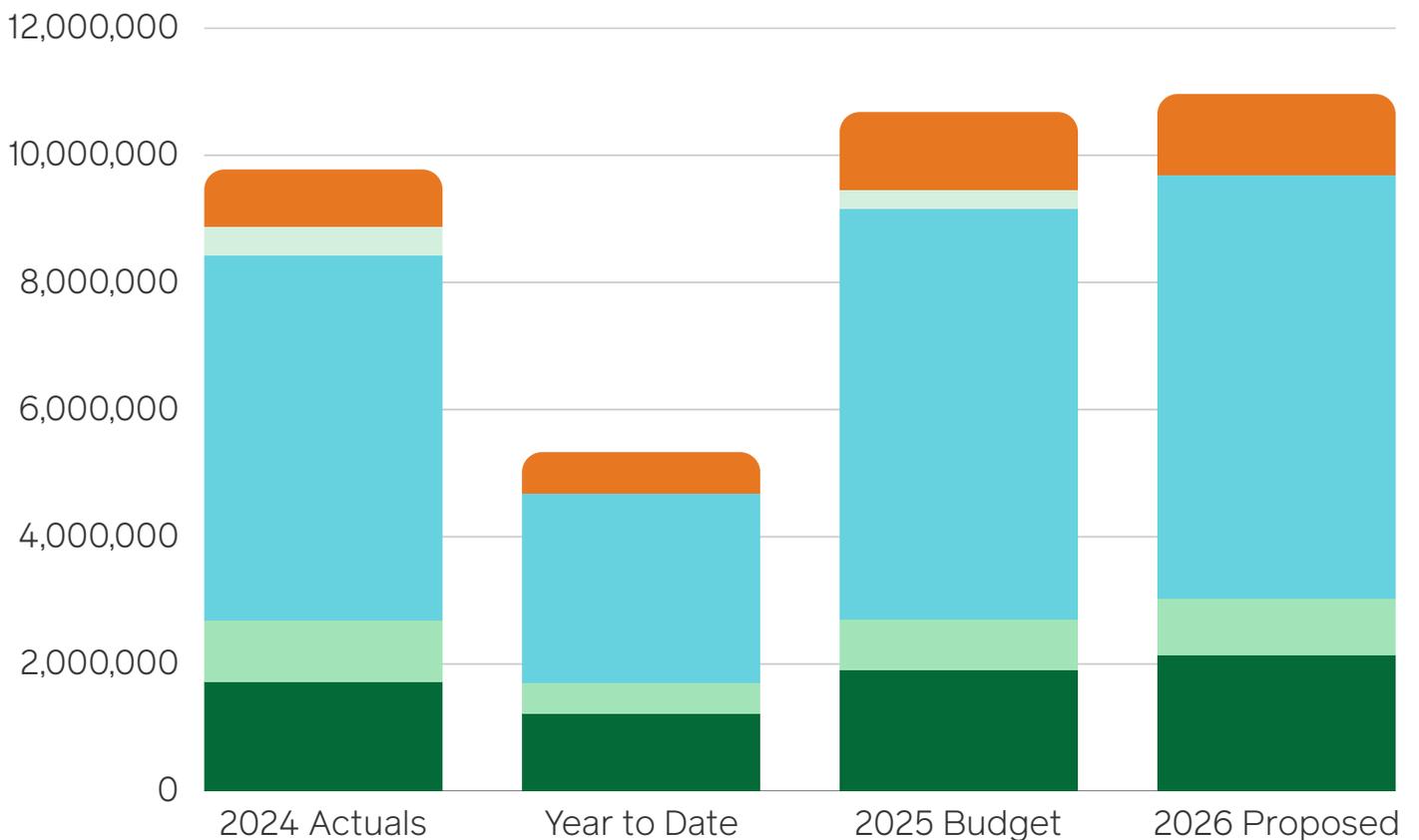
Pelham Water and Wastewater Departments are dedicated to providing our customers with safe, high-quality water and reliable service. Improvements are continuously being made to all aspects of the water and sewer systems to ensure a safe and reliable water supply to our growing community. The Water and 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.



# WATER & SEWER FUND

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	1,728,003	1,220,640	1,908,245	2,139,134
■	Benefits	968,552	478,860	791,486	885,140
■	Operating Expenses	5,733,794	2,989,985	6,466,360	6,662,775
■	Capital Outlay	455,668	-	296,033	-
■	Debt Services	890,184	641,606	1,217,812	1,275,612
		<b>9,776,201</b>	<b>5,331,091</b>	<b>10,679,936</b>	<b>10,962,661</b>

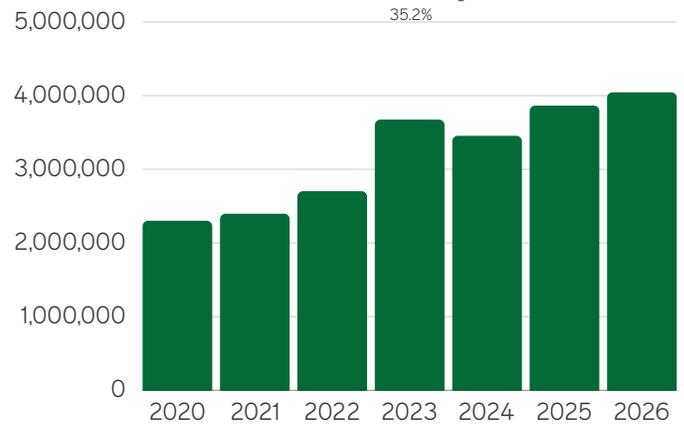
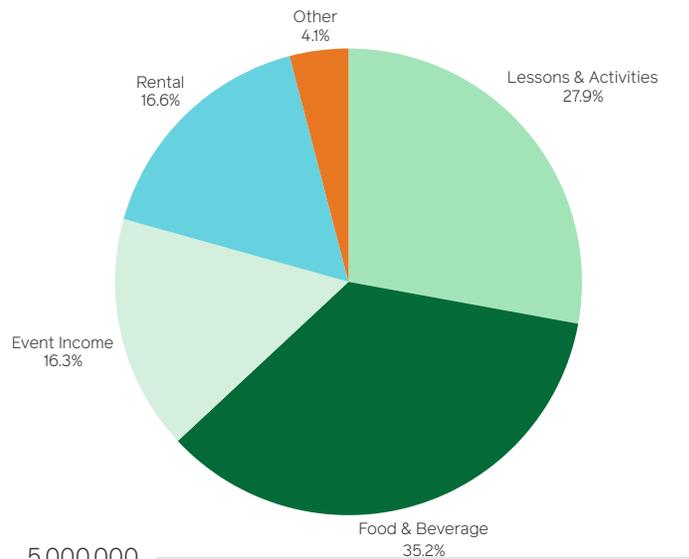


# CIVIC COMPLEX & ICE ARENA

The Pelham Civic Complex & Ice Arena features two National Hockey League-sized rinks (the main arena seats approximately 4,200), a 7,000 square foot banquet/conference space, catering, commissary/kitchen, concessions, pro shop, offices, locker rooms, storage, mechanical and pre-function spaces. Ice-related activities form the bulk of usage at the facility, which hosts more than 35,000 ice skaters annually, 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.

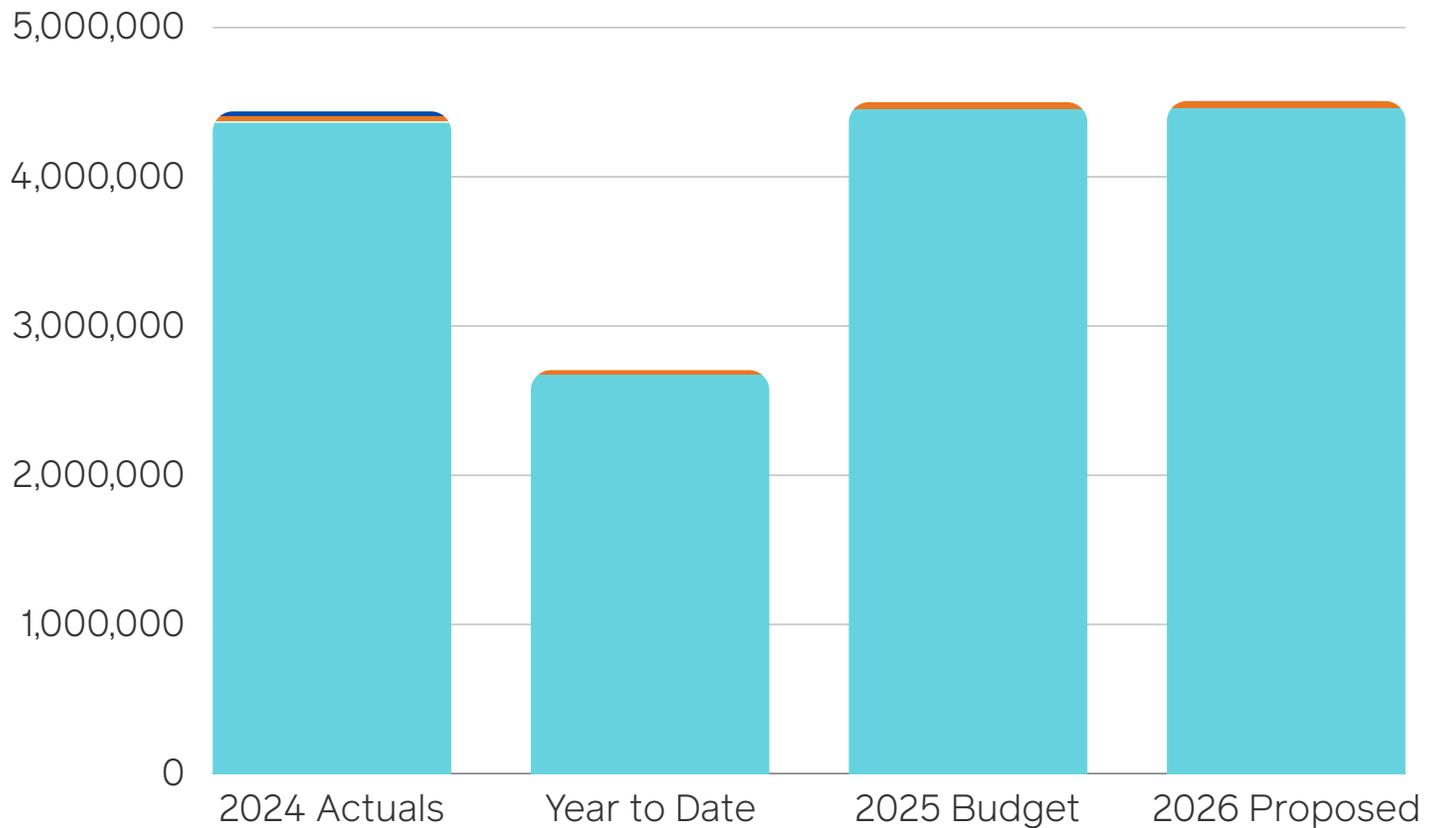
Major functions include but are not limited to the following:

- Hosting ice arena events such as national, regional, and local figure skating exhibitions and competitions, youth and adult hockey tournaments and league play, seasonal training camps for all abilities, and broomball
- Serving as the home of the Southern Professional Hockey League's Birmingham Bulls Hockey Team
- Serving as the home of 4 University of Alabama Collegiate Club Hockey Teams (3 Men's & 1 Women's), UAB Collegiate Club Hockey Team, Birmingham Jr. 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	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	-	-	-	-
■	Benefits	-	-	-	-
■	Operating Expenses	4,361,827	2,677,034	4,453,458	4,460,752
■	Capital Outlay	12,779	-	-	-
■	Debt Services	37,513	27,217	46,279	46,768
		<b>4,412,119</b>	<b>2,704,251</b>	<b>4,499,737</b>	<b>4,507,520</b>



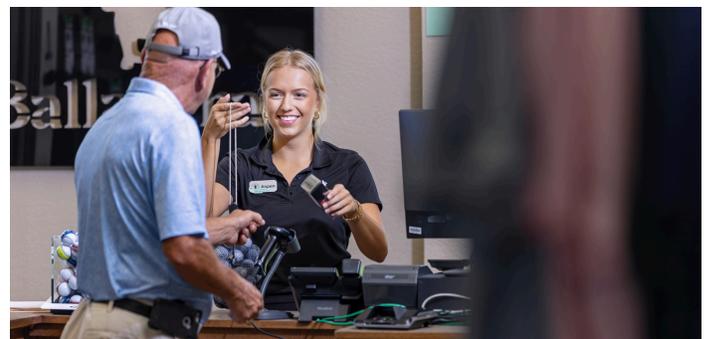
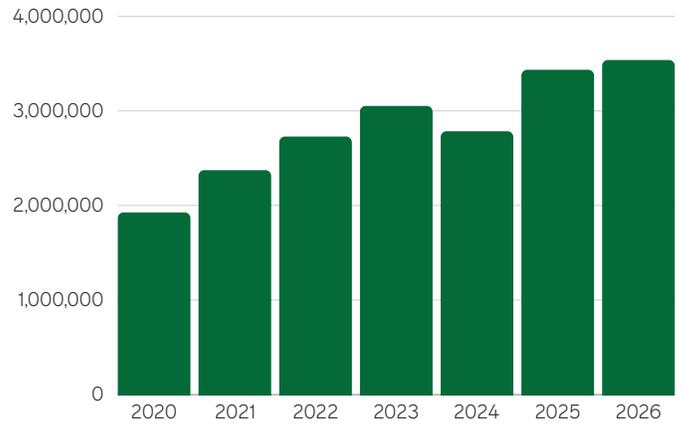
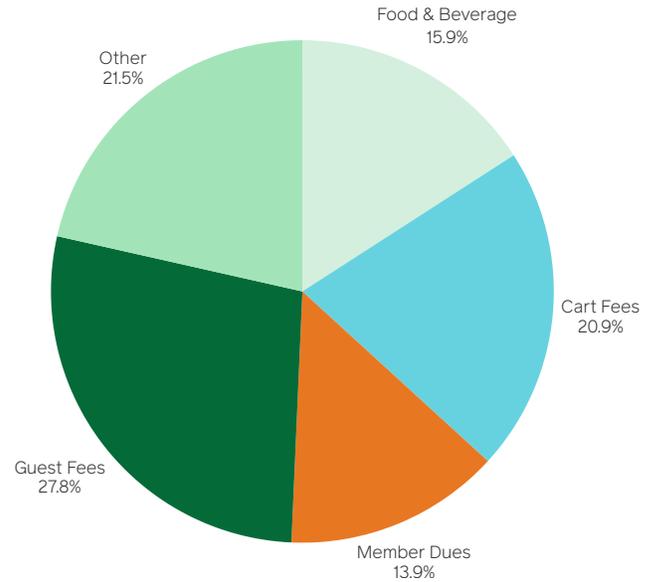
# BALLANTRAE GOLF CLUB

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.

This past calendar year, Ballantrae set yet another record with 45,000 rounds played, almost 20,000 more rounds than when the facility opened in 2004.

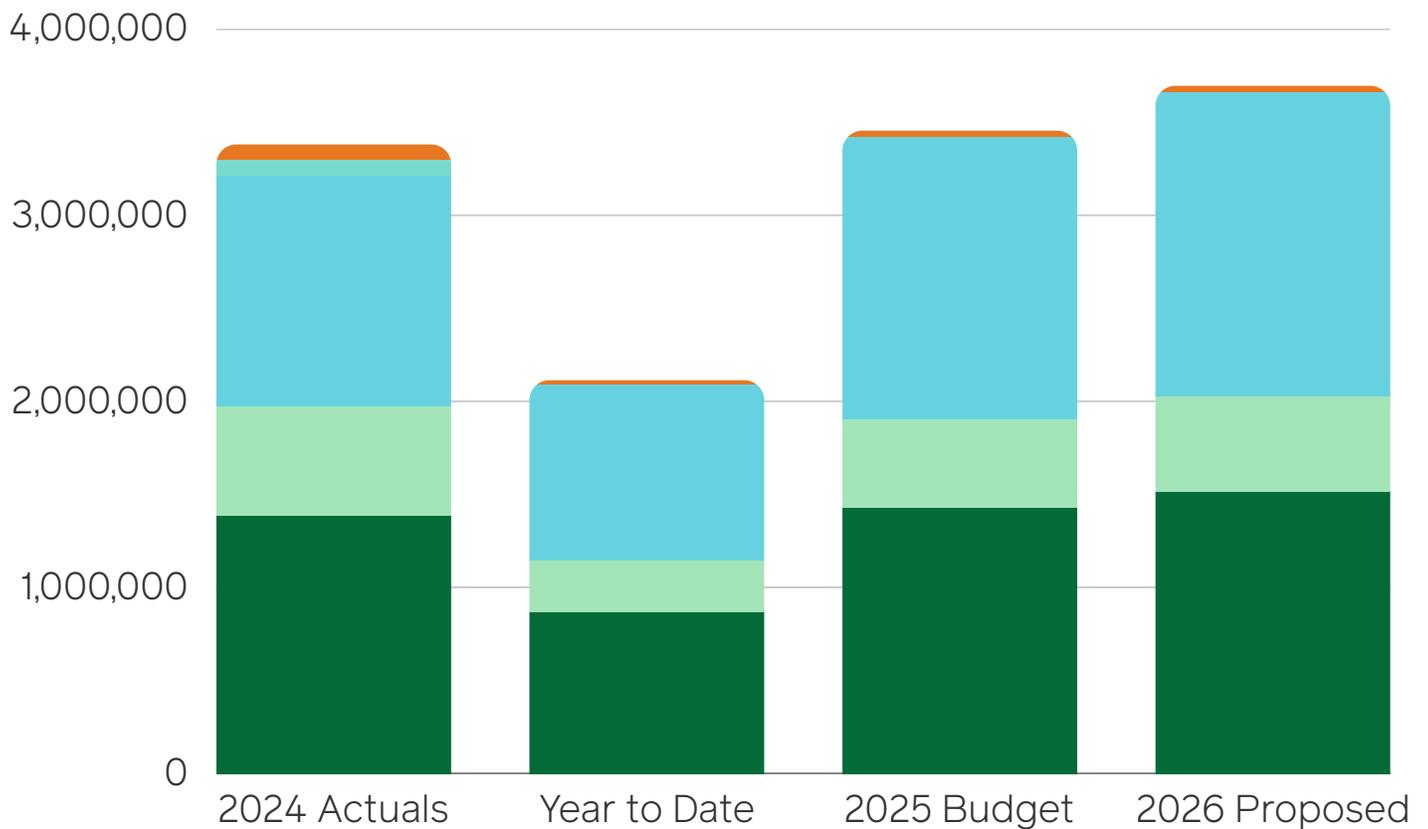
Major functions of Ballantrae Golf Club include, but are not limited to:

- Providing a beautifully maintained, safe, and friendly golfing experience for members and the public
- Providing the highest level of customer service to members and guests
- Offer special events for our members and the public.
- Providing excellent golf instructions by certified pros
- Offering a high-quality grille menu for golfers and for those visiting our community
- Managing a high-quality golf shop with inventory our customers need and want



# BALLANTRAE GOLF CLUB

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	1,388,816	869,581	1,430,285	1,517,323
■	Benefits	586,129	275,583	474,448	513,360
■	Operating Expenses	1,242,915	950,025	1,519,164	1,634,137
■	Capital Outlay	81,852	-	-	-
■	Debt Services	81,028	18,145	30,852	31,179
		<b>3,380,740</b>	<b>2,113,334</b>	<b>3,454,749</b>	<b>3,695,999</b>



# PELHAM RACQUET CLUB

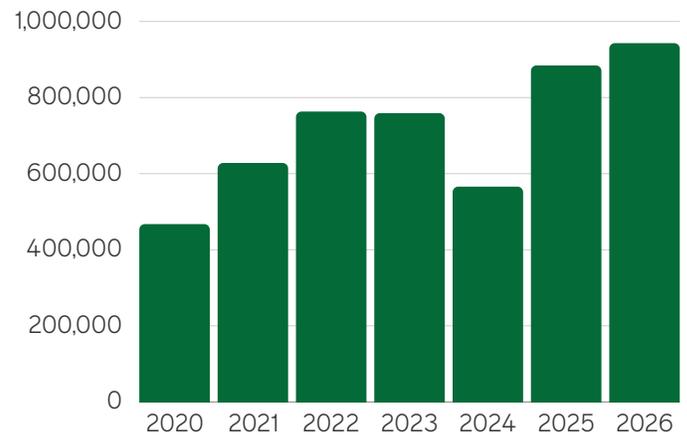
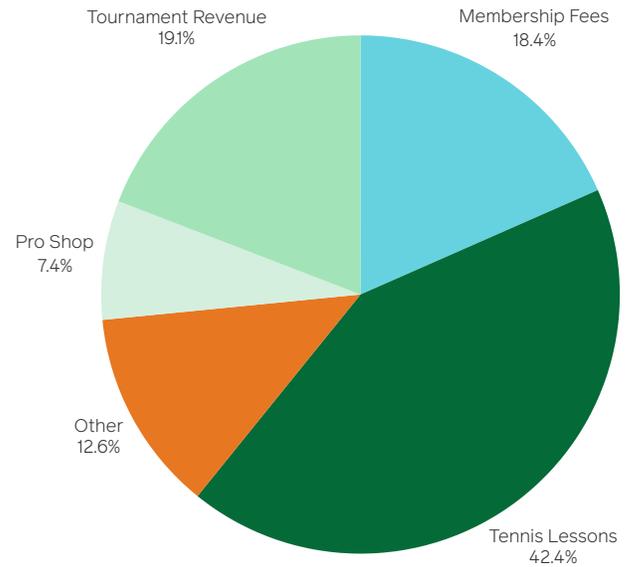
The Pelham Racquet Club is one of the largest public clay court facilities in the state, offering 20 clay courts and 5 hard courts, all lighted with above-tournament-grade lighting. The entire facility is beautifully landscaped on three tiers, providing function and visibility to all courts. The club 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 W50, 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.

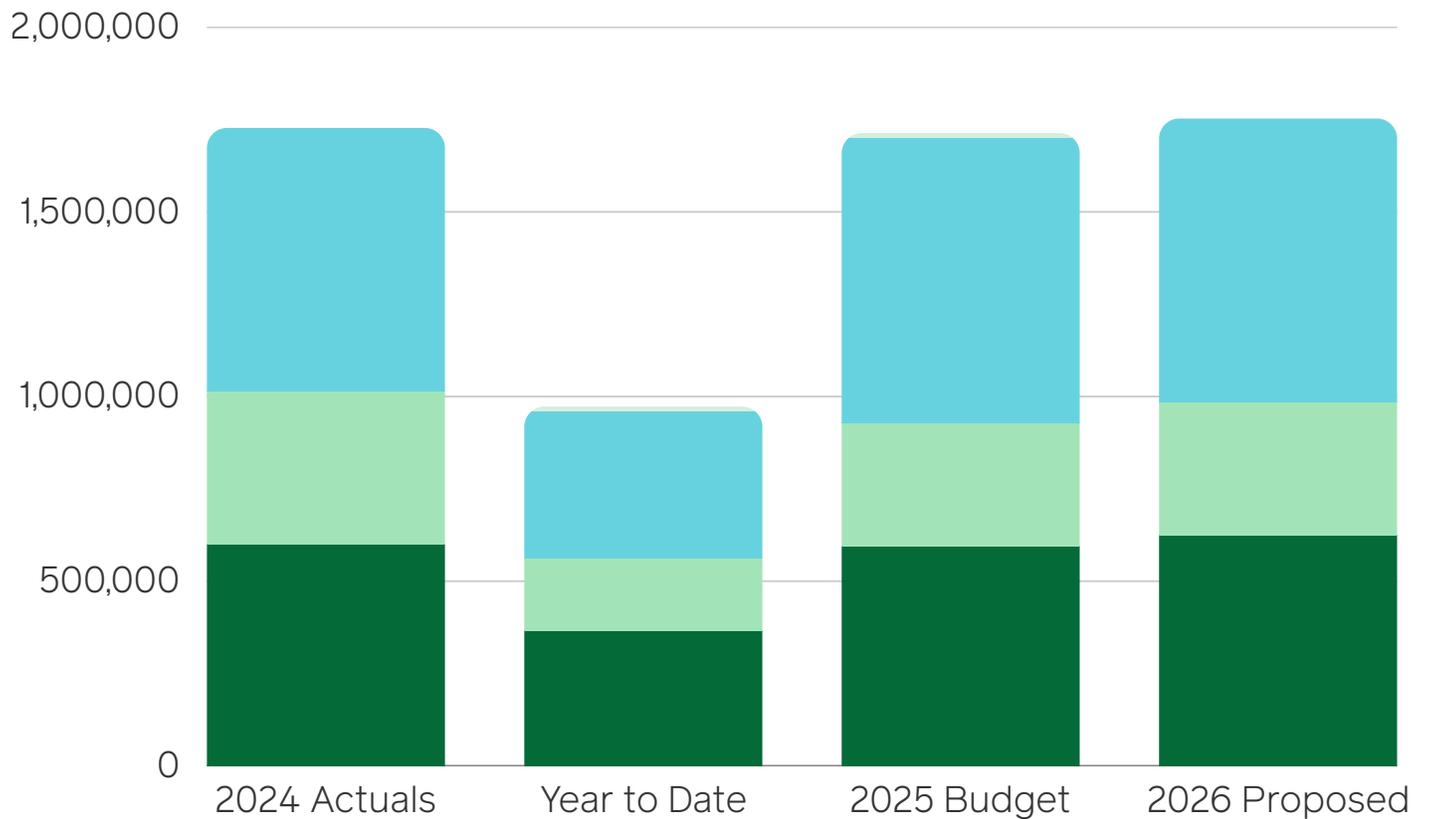
The functions of the Racquet Club include but are not limited to:

- Offering tennis lessons with licensed professionals, serving the needs of beginners through professionals
- Hosting professional tournaments throughout the year
- Offering adult and junior league play
- Offering racquet stringing
- Offering a wide variety of tennis apparel and accessories in the Pro Shop
- Hosting regular social events



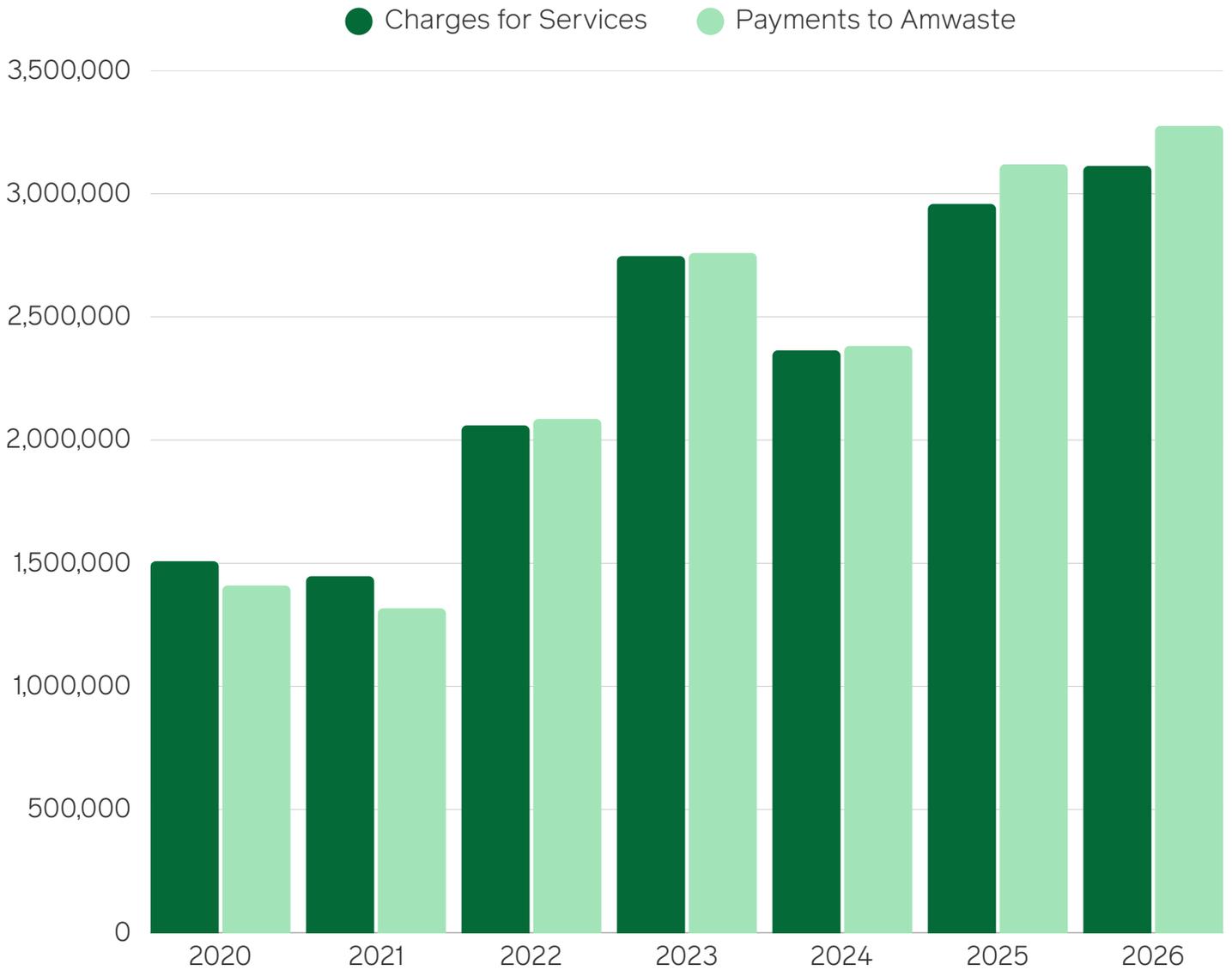
# PELHAM RACQUET CLUB

	Expenditure Types	2024 Actuals	Year to Date	2025 Budget	2026 Proposed
■	Salary & Wages	600,834	365,667	595,317	624,047
■	Benefits	414,889	196,671	333,593	349,335
■	Operating Expenses	711,623	398,318	771,593	768,551
■	Capital Outlay	-	12,022	13,000	-
■	Debt Services	-	-	-	-
		<b>1,727,346</b>	<b>972,678</b>	<b>1,713,503</b>	<b>1,741,933</b>



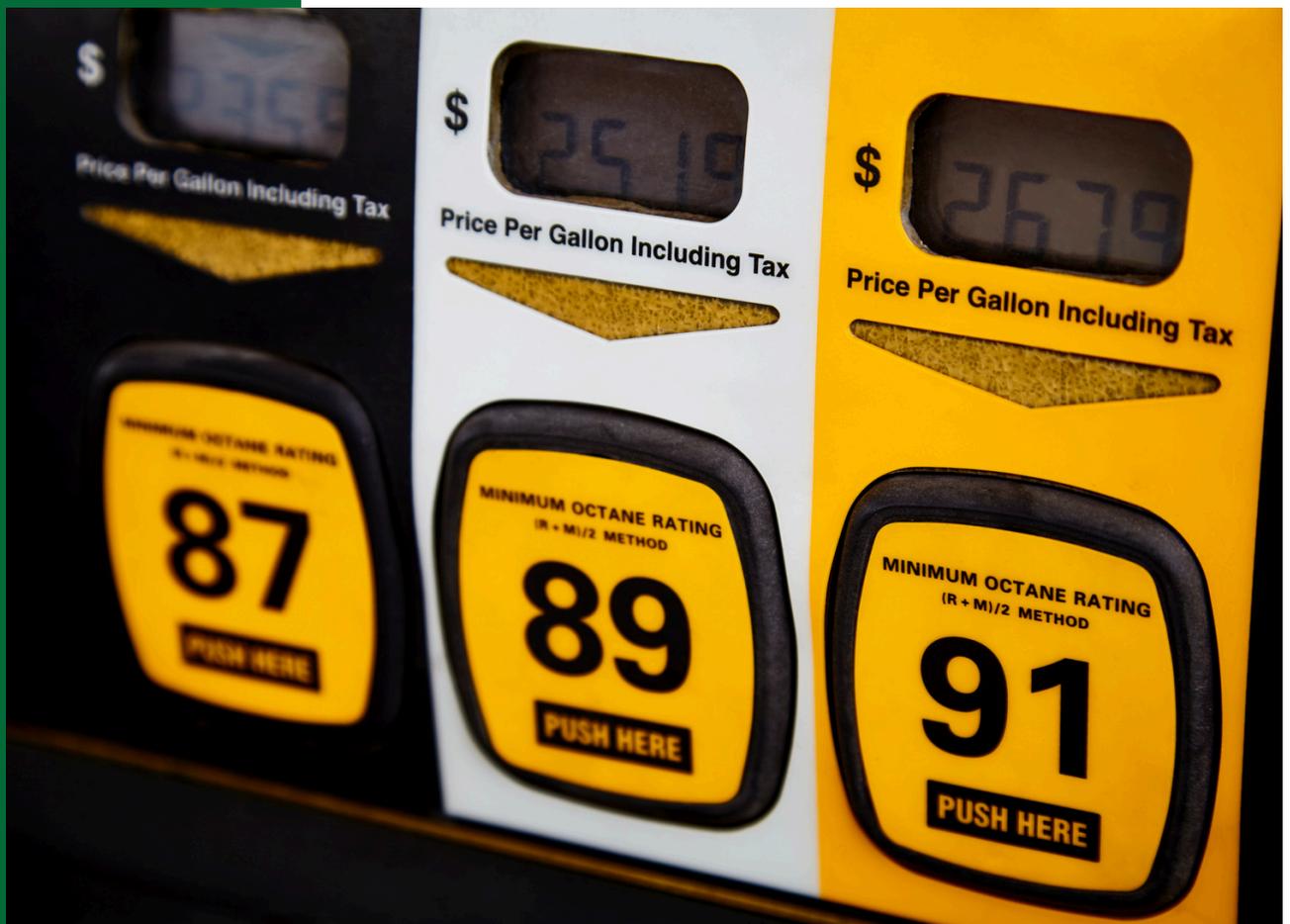
# PELHAM GARBAGE FUND

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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# 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 FY2025 Ending Balance	Projected FY2026 Income	Proposed FY2026 Transfers	Estimated FY2026 Ending Balance	Proposed Uses for Transfers to General Fund & Capital Project Fund
Municipal Corrections	\$145,368	\$423,825	(\$555,264)	\$13,929	Court Salary Reimbursements
Municipal Admin Fee	\$147,194	\$89,486	(\$93,886)	\$292,914	Court Salary Reimbursements
Fair Trial Tax	\$11,932	\$36,107	(\$42,374)	\$17,319	Court Salary Reimbursements
Police 911	\$18,069	\$144,000	(\$144,000)	\$27,130	Dispatcher Salary Reimbursements

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# CAPITAL PROJECTS & DEBT SERVICE



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# CAPITAL PROJECT HIGHLIGHTS

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

## FY 2026 General Fund: New Projects

### **Pelham Resurfacing FY 2026**

Annual city-wide resurfacing.

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

Funding Sources: General Fund transfer

### **PROWag/ADA - Annual**

Annual ADA improvements on City Rights of Way.

*Budget amount: \$100,000*

Funding Sources: General Fund transfer

### **Grey Oaks Traffic Signal**

New signal when warranted at Grey Oaks/HWY 11.

*Budget amount: \$150,000*

Funding Sources: General Fund transfer

### **Landscaping at Interstate Exchanges**

Landscaping design on the Interstate Exchanges at the I-65 and Highway 52 exit and I-65 and Highway 119 exit.

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

Funding Sources: General Fund transfer

### **Fire Station No 1 Renovations - Design Only**

Design of Fire Station No. 1 renovations

*Budget amount: \$175,000*

Funding Sources: General Fund transfer

### **Senior Center Renovations (Design Only)**

Renovation, expansion, modernize, ADA of the Senior Center.

*Budgeted amount: \$75,000*

Funding Sources: General Fund transfer

### **Disc Golf Course**

Disc golf course at City Park

*Budget amount: \$30,000*

Funding Source: General Fund transfer

### **Walking Trail Drainage Improvements**

Drainage improvements to walking trails at Coker Park

*Budget amount: \$100,000*

Funding Source: General Fund transfer

### **Back Parking Lot Resurfacing**

Resurfacing of the back parking lot at the baseball field complex.

*Budget amount: \$100,000*

Funding Source: 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 2026 Sewer Department: New Projects

### **Lift Station AA - Pumps and Electrical**

Annual lift station upgrades and maintenance.  
*Budget amount: \$200,000*

### **Lift Station S - Pumps and Electrical**

Annual lift station upgrades and maintenance.  
*Budget amount: \$200,000*

### **Buck Creek Lift Station - Generator and ATS**

Annual lift station upgrades and maintenance.  
*Budget amount: \$600,000*

### **Lift Station P - Generator or Dry Prime Pump**

Annual lift station upgrades and maintenance.  
*Budget amount: \$500,000*

### **KOA Lift Station - Wet Well Rehab**

Annual lift station upgrades and maintenance.  
*Budget amount: \$375,000*

### **Lift Station T-Pump Replacement**

Annual lift station upgrades and maintenance.  
*Budget amount: \$120,000*

### **CIPP Rehab Phase 4B - Construction**

SSES scope of work includes point repairs, manhole and pipe lining to reduce and minimize inflows and infiltration into the sanitary sewer system.  
*Budget amount: \$2,500,000*

### **WWTP - Misc. Painting**

Miscellaneous painting at wastewater treatment plant  
*Budget amount: \$50,000*

## FY 2026 Water Department: New Projects

### **Ridge Drive/ Oak Ridge Drive**

Annual PVC water main replacement in the water system.  
*Budget amount: \$577,850*

### **Valleydale Terrace PVC Main Replacement**

Annual PVC water main replacement in the water system.  
*Budget amount: \$819,000*

### **Mallard Circle PVC Main Replacement**

Annual PVC water main replacement in the water system.  
*Budget amount: \$136,500*

### **Appaloosa Trail PVC Main Replacement**

Annual PVC water main replacement in the water system.  
*Budget amount: \$382,800*

### **Richmond Lane PVC Main Replacement**

Annual PVC water main replacement in the water system.  
*Budget amount: \$182,000*

### **Commerce Blvd/Commerce Circle PVC Main Replacement**

Annual PVC water main replacement in the water system.  
*Budget amount: \$473,200*

### **High Ridge Tank Painting (Exterior Only)**

Painting of high ridge tank exterior  
*Budget amount: \$120,000*

### **Annual Tank Maintenance Inspections**

Annual tank maintenance  
*Budget amount: \$15,000*

### **Chandalar Well GAC Pilot - PFAS Removal**

Installation of a filtration system to reduce and remove the PFAS elements from the water system.  
*Budget amount: \$75,000*

### **Weatherly Booster Station Generator**

New generator for the Weatherly Booster Station.  
*Budget amount: \$50,000*

# CAPITAL PROJECT HIGHLIGHTS

## FY 2026 Pelham Racquet Club: New Projects

**Racquet Club Maintenance Building - Design Only**  
Design of new maintenance building and access road  
*Budget amount: \$50,000*  
Funding Source: General Fund transfer

**Racquet Club Elevator Upgrades**  
Upgrades of to Racquet Club elevator  
*Budget amount: \$66,000*  
Funding Source: General Fund transfer

## FY 2026 Ballantrae Golf Club: New Projects

**Ballantrae Driving Range Improvements**  
Renovations of the tee boxes  
*Budget amount: \$115,000*  
Funding Source: General Fund transfer

**Ballantrae Dehumidification and Electrical Upgrades**  
Apply a spray foam insulation between the basement and the enclosed patio area to eliminate humidity and create a barrier between the unconditioned space in the basement and the conditioned space in the enclosed patio. Installation of surge protectors.  
*Budget amount: \$50,000*  
Funding Source: General Fund transfer

## FY 2026 Civic Complex: New Projects

**Civic Complex Improvements - Electrical Upgrades**  
Electrical upgrades to Civic Complex  
*Budget amount: \$550,000*  
Funding sources: General Fund transfer

**Civic Complex Dasher Board**  
Installation of new dasher board.  
*Budget amount: \$268,000*  
Funding sources: General Fund transfer



# CAPITAL PROJECT HIGHLIGHTS

Department	Project	Project No.	Phase					
			Pre Design	Design	Bid/Award	Construction	Complete	Inactive
<b>Public Works</b>	City Hall Campus Master Plan	5023007	X					
<b>Engineering</b>	Drainage Improvements	5323009	X					
	Stormwater Mapping	5323012				X		
	Highway 261 Widening	5323017		X				
	Oak Mtn Trail - ALDOT Dirt Payment	5323022.1					X	
	Gateway Improvements	5323024				X		
	Holland Lakes Drainage Improvements	5324009.1	X					
	Drainage Improvements at City Park	5325001		X				
	Pelham Resurfacing 2025	5325002				X		
	PROWag/ADA	5325003			X			
	Sidewalk Extension	5325004					X	
	Rain Gauges - Hwy 11/Ballantrae	5325005					X	
	Traffic Signal Upgrade - 10 Interse	5325006				X		
	Bishop Creek/Buck Creek Automatic G	5325007		X				
	Building Wayfinding and Signage	5325008		X				
	CC/Trail Parking Lot-Phase 2 Paving	5325009				X		
	Highway 52 Widening/Flyover	5325011		X				
	US 31 Lighting Project	5325010				X		
<b>Parks N Rec</b>	Greenway Trail Extension	6023002.2				X		
	City Park Monument Sign	6023007					X	
	Parking Lot Paving at Splash Pad	6024001					X	
	Tennis Center Improvements	6025001					X	
	Pavilion Construction	6025002					X	
	Soccer/Hockey Rink	6025003				X		
	Senior Center Outdoor Improvements	6025004			X			
	Turf Baseball Field #3	6025005		X				
	Batting Cage/Restroom Addition Faci	6025006		X				
	Pelham Central Park Development	6123001				X		
Phase 3 & 4 Trails/Greenway Trail	6025007		X					
<b>Library</b>	Library Front Desk	6125001		X				
<b>Civic Complex</b>	Civic Complex - Turbochiller	6223006					X	
	Civic Complex - HVAC Improvements W	6223008					X	
	CIVIC COMPLEX IMPROVEMENTS	6224001		X				
<b>Golf</b>	Ballantrae Clubhouse Interior Reno	6325001					X	

# CAPITAL PROJECT HIGHLIGHTS

Department	Project	Project No.	Phase					
			Pre Design	Design	Bid/Award	Construction	Complete	Inactive
<b>Racquet Club</b>	Racquet Club Lobby Reconfiguration	6423001					X	
<b>Water</b>	SCADA Integration	7123006				X		
	King Valley Road - Phase 2	7124004.1					X	
	Aaron Road/Kristen Circle	7124004.2					X	
	Hwy 361/CR35 to Eagle Cv/Dogwood C	7124004.3					X	
	CR 52 Tank Painting and Logo	7125001					X	
	Electric Gate Water Shop	7125002			X			
	Heather Ridge Electrical Upgrades	7125003			X			
	Chandalar Lane PVC Replacement	7125004		X				
	Creekview Drive & Crosscreek Trail	7125004.1				X		
	CR 35 Phase II PVC Replacement	7125005		X				
	Hamilton Road PVC Replacement	7125006		X				
	High Ridge Electrical Upgrades	7125007			X			
	Indian Crest Tank Backup Line	7125008		X				
	Oak Mountain Meter House Improve	7125009		X				
	Water Storage Building Modifications	7125010					X	
	Tank Maintenance	7125011					X	
<b>Sewer</b>	Lift Station Remediation - LS B	7223004.1				X		
	Lift Station Remediation - Stratfor	7223004.2					X	
	Lift Station Remediation - LS F Pip	7223004.3				X		
	Lift Station Remediation - Business	7223004.4				X		
	SCADA Integration	7223006				X		
	Southgate Lift Station	7223007					X	
	WWTP Influent Screen Rehabilitation	7223008.2					X	
	WWTP Blower Replacement	7223008.3		X				
	WWTP Filter Equipment Replacement	7223008.4					X	
	WWTP Oxidation Ditch Rotor Replacment	7223008.6					X	
	WWTP RAS Pumps	7223008.7				X		
	SSES Rehab - Phase 3	7223009.5				X		
	UV System Replacement	7224008.2		X				
	Electric Gate at the back of WWTP	7225001				X		
	WWTP Gate Modifications	7225002				X		
	Lift Station Remediation - KOA & LS P	7225003			X			
	SSES Rehab - Phase 4A - CIPP	7225005			X			
<b>Total Project</b>		<b>68</b>						

# ACTIVE CAPITAL PROJECTS

## General Fund

### **Drainage Improvements**

Implement priority recommendations from the drainage study.

*Budget amount: \$2,284,518*

Funding Source: ARPA funds and 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

### **US 31 Lighting**

Replacement of Hwy 31 corridor lighting.

*Budget amount: \$7,579,013*

Funding Source: Bond proceeds General Fund transfer

### **Gateway Improvements**

Signage, landscaping, and site improvements.

*Budget amount: \$632,350*

Funding Source: General Fund transfer

### **Drainage Improvements at City Park**

City park drainage improvements

*Budget amount: \$60,000*

Funding Source: General Fund transfer

### **Highway 52 Widening/Flyover**

Widening of Highway 52.

*Budget amount: \$2,958,710*

Funding Sources: Grant and General Fund transfer

### **Pelham Resurfacing FY 2025**

Annual city-wide resurfacing.

*Budget amount: \$1,453,145*

Funding Sources: Special Revenue - 10 Cent Gas Tax, Special Revenue - Capital Improvement Fund, and 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

### **Holland Lakes Drainage Improvements**

Drainage improvements in Holland Lakes Neighborhood.

*Budget amount: \$375,000*

Funding Sources: ARPA/Draining Improvement Reserve

### **Library Front Desk**

Redesign the front circulation desk to be more user-friendly and ADA compliant.

*Budget amount: \$50,000*

Funding Sources: General Fund transfer

### **Traffic Signal Upgrade - 10 Intersections**

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

*Budget amount: \$550,000*

Funding Source: Special Revenue Motor Vehicle Fund and General Fund transfer

### **Phase 3 and 4 Trails - Grant Match**

Trail section design from City Park to Campus 124 Park.

*Budget amount: \$8,169,507*

Funding Sources: Grant and General Fund transfer

### **Stormwater Mapping**

Storm sewer network mapping to support drainage maintenance and planning.

*Budget amount: \$150,000*

Funding Source: ARPA

### **Bishop Creek/Buck Creek Automatic Gauging**

Replace gauge at Police Training Area.

*Budget amount: \$30,000*

Funding Source: General Fund transfer

### **Building Wayfinding and Signage**

City-wide buildings and wayfinding

*Budget amount: \$100,000*

Funding Source: General Fund transfer

# ACTIVE CAPITAL PROJECTS

## General Fund

### **CC/Trail Parking Lot - Phase 2 Paving**

Paving of parking lot, sidewalks, and light relocation

*Budget amount: \$806,405*

Funding Source: General Fund transfer

### **Soccer/Hockey Rink**

Construct a multi-purpose soccer/street hockey rink

*Budget amount: \$225,000*

Funding Sources: General Fund transfer

### **Senior Center Outdoor Improvements**

Add two new pickleball courts, solar lighting, and a pavilion/restroom combination facility.

*Budget amount: \$150,000*

Funding Source: General Fund transfer

### **Turf Baseball Field #3 (Design Only)**

Convert baseball field #3 from 1 grass/clay field to 3 synthetic turf fields.

*Budget amount: \$126,000*

Funding Sources: Committed Reserves for the City's Parks & Recreation Facilities

### **Batting Cage/Restroom/Concession Facility**

Design and construct a batting cage facility at the entrance to City Park baseball fields.

*Budget amount: \$3,337,000*

Funding Source: Committed Reserves for the City's Parks & Recreation Facilities

### **Pelham Central Park Development**

Development of central City park.

*Budget amount: \$359,000*

Funding Source: General Fund transfer

### **City Hall Campus Master Plan**

Design of City Hall Campus

*Budget amount: \$251,130*

Funding Source: General Fund transfer

### **Enterprise ERP Powered by Munis Implementation**

Implementation of modules for Enterprise ERP.

*Budget amount: \$942,416*

Funding Sources: Committed Reserves for the City's Information Technology System and Equipment

### **OpenGov Budgeting and Planning Implementation**

Budgeting and Planning Software implementation

*Budget amount: \$60,500*

Funding Source: Committed Reserves for the City's Information Technology System and Equipment

### **Purchase of Fire Apparatus**

Purchase of Fire Apparatus

*Budget amount: \$2,820,220*

Funding Sources: Committed Reserves for the City's Vehicles

### **Oak Mtn Trail - ALDOT Dirt Payment**

The Susan Schein property - ALDOT permit requirement.

*Budget amount: \$70,500*

Funding Sources: General Fund transfer

### **ProWag/ADA**

Annual ADA improvement of the City's right of way.

*Budget amount: \$110,488*

Funding Source: General Fund transfer

# ACTIVE CAPITAL PROJECTS

## Civic Complex & Ice Arena

### **Civic Complex Improvements**

Roof Repairs, Insulation, Electrical Design, and A/V Upgrades.

Budget amount: \$396,941

Funding Source: General Fund transfer

## Sewer Fund

### **Lift Station Remediation for the following stations:**

- LS B
- LS F Pip
- Business Center
- KOA
- LS P

Total Budget amount: \$3,836,760

### **SSES Rehab - Phase 4A - CIPP**

Ongoing remediation of the sanitary sewer collection system.

Budget amount: \$1,000,000

### **SSES Rehab - Phase 3**

Ongoing remediation of the sanitary sewer collection system.

Budget amount: \$2,509,759

### **Misc. Waste Water Treatment Plant Improvements are below:**

- Blower Replacement
- Gate Modification
- RAS Pumps

Total Budget amount: \$1,080,636

### **UV System Replacement**

Construction in FY2025

Budget amount: \$1,140,000

### **Electric Gate at the back of WWTP**

Install an automatic gate at the back of WWTP.

Budget amount: \$50,000

## Water Fund

### **SCADA Integration**

Upgrades to water system control and monitoring system

Budget amount: \$150,000

### **Well House Improvements**

Improvement to the well house roof repairs, door hardware, and lighting upgrades.

Budget amount: \$50,000

### **Electric Gate at back entrance of Water Shop**

Install an automatic gate at the back entrance of the City Hall campus near the Water Shop.

Budget amount: \$50,000

### **Heather Ridge Electrical Upgrades**

Replacement of electrical panels in well house.

Budget amount: \$225,000

### **PVC Main Replacement for the following streets:**

- Chandalar Lane
- Creekview Drive
- Crosscreek Trail
- County Road 35
- Hamilton Road

Total Budget amount: \$3,836,314

### **High Ridge Electrical Upgrades**

New underground power service to replace overhead service and site lighting replacement.

Budget amount: \$15,000

### **Indian Crest Tank Backup Line**

Add redundancy to the water system at Indian Crest Tank.

Budget amount: \$339,411

### **Oak Mountain Meter House Improvements**

Interior painting of meter house.

Budget amount: \$75,000

# DEBT SERVICE

The City has the following debt for which payments have been budgeted for FY 2026.

## 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%.

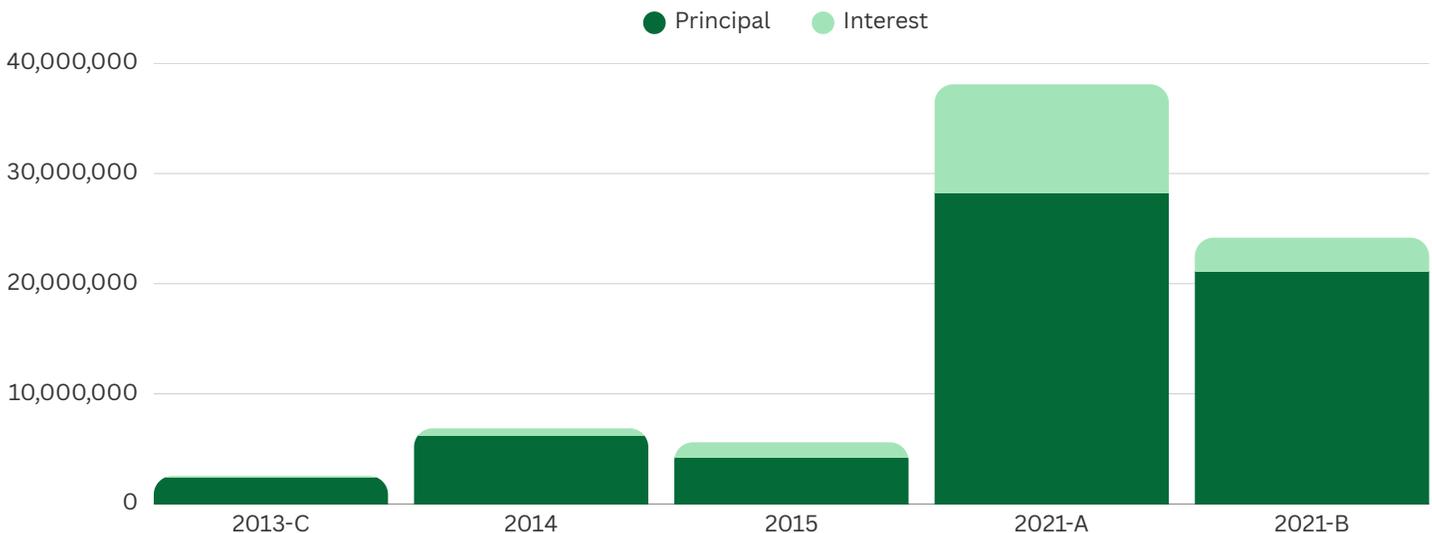
### The following capital projects are funded through Tax Exempt General Obligation Warrants series 2021-A.

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:

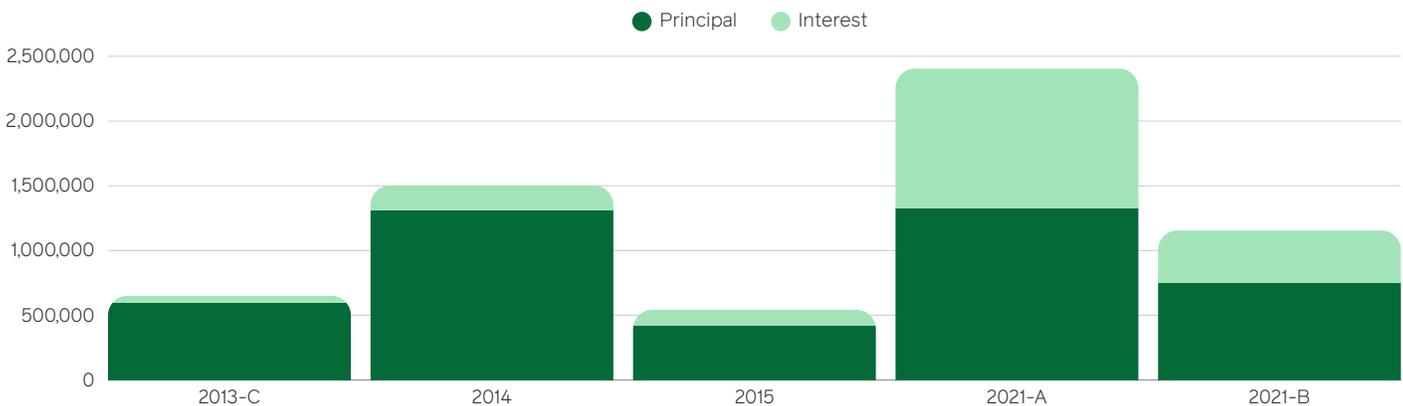
Fund	Issuance	Principal	Interest	Maturity Date
General Fund	Series 2013-C	2,423,701	121,618	2029
General Fund	Series 2021-A	14,367,885	5,025,858	2041
<b>General Fund Total</b>		<b>16,791,586</b>	<b>5,147,476</b>	
Pelham BOE	Series 2014	6,265,000	605,025	2030
Pelham BOE	Series 2015	4,190,000	1,410,703	2040
Pelham BOE	Series 2021-B	21,100,000	3,073,231	2038
<b>Pelham BOE Total</b>		<b>31,555,000</b>	<b>5,088,959</b>	
Water & Sewer	Series 2021-A	12,942,091	4,527,118	2041
<b>Water &amp; Sewer Total</b>		<b>12,942,091</b>	<b>4,527,118</b>	
Civic Complex	Series 2021-A	549,013	192,044	2041
<b>Civic Complex Total</b>		<b>549,013</b>	<b>192,044</b>	
Golf	Series 2021-A	366,010	128,030	2041
<b>Golf Total</b>		<b>366,010</b>	<b>128,030</b>	



# DEBT SERVICE

The City's current proposed FY 2026 principal and interest cost by each fund is as follows:

Fund	Issuance	Principal	Interest	Maturity Date
General Fund	Series 2013-C	596,729	53,140	2029
General Fund	Series 2021-A	677,034	546,870	2041
<b>General Fund Total</b>		<b>1,273,763</b>	<b>600,010</b>	
Pelham BOE	Series 2014	1,313,333	187,950	2030
Pelham BOE	Series 2015	423,333	119,056	2040
Pelham BOE	Series 2021-B	755,000	399,817	2038
<b>Pelham BOE Total</b>		<b>2,491,666</b>	<b>706,823</b>	
Water & Sewer	Series 2021-A	609,849	492,602	2041
<b>Water &amp; Sewer Total</b>		<b>609,849</b>	<b>492,602</b>	
Pelham Civic Complex	Series 2021-A	25,870	20,897	2041
<b>Pelham Civic Complex Total</b>		<b>25,870</b>	<b>20,897</b>	
Golf	Series 2021-A	17,247	13,931	2041
<b>Golf Total</b>		<b>17,247</b>	<b>13,931</b>	



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