

STATE OF ALABAMA) (
 :
COUNTY OF BALDWIN) (
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The City Council met in a Work Session at 4:30 p.m., Fairhope Municipal Complex Council Chamber, 161 North Section Street, Fairhope, Alabama 36532, on Wednesday, 9 October 2019.

Present were Council President Jack Burrell, Councilmembers: Jay Robinson (arrived at 4:48 p.m.), Jimmy Conyers (arrived at 4:49 p.m.), Robert Brown (arrived at 4:56 p.m.), and Kevin Boone (arrived at 4:35 p.m.), Mayor Karin Wilson, City Attorney Marcus E. McDowell, and City Clerk Lisa A. Hanks.

Council President Burrell called the meeting to order at 4:50 p.m.

The following topics were discussed:

- Mayor Wilson explained the attached handout for “Revenue and Transfers.” Council President Burrell commented we have not enacted the one percent lodging tax increase, so it should not be added to revenue. He stated that Monday night the City Council agreed on revenues to be \$30 million. Councilmember Robinson agreed to not budget if the City Council has not adopted.

Finance Director Jill Cabaniss explained that the additional \$1.00 for garbage per household was left out; and has now been added. She commented the City Administrator has been deleted. Council President Burrell stated we always have \$200,000.00 to \$300,000.00 for items not budgeted. He requested the City Council to get updated “Summary Pages.”

- Councilmember Brown gave an update for the Education Advisory Committee who has discussed dissolving the Committee; and establishing the Fairhope School Commission with nine members appointed. He spoke to the Baldwin County Board of Education to make we are following the process.
- Councilmember Boone announced the Harbor Board meeting scheduled for October 16, 2019 at 4:30 p.m.
- Councilmember Robinson gave an update for the Recreation Board who has discussed the need for renovations at Volanta Park for baseball; and the vote was unanimous.
- Council President Burrell brought up that City property usage must be approved by the City Council; i.e. Franchise Agreements generates a revenue sharing with the City. He commented that the Christmas Parade is being moved from Friday night to Saturday due to First Friday Art Walk being the same night. Councilmember Brown said to leave the Christmas Parade on Friday and move First Friday Art Walk to Saturday.

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The consensus of the City Council was to leave the Christmas Parade on Friday and move the art walk to Saturday. Community Affairs Director Jessica Walker addressed the City Council and said from staffs' standpoint this would be problematic. Council President Burrell commented historically the Christmas Parade is on Friday and a huge celebration. A resolution was requested to be prepared for the Christmas Parade to be held on Friday and First Friday Art Walk moved to Saturday to add on the City Council agenda.

- Public Works Director Richard Johnson addressed the City Council regarding the following items:
 - 1) ATRIP-II grant for County Road 44 (Twin Beech) and U. S. Highway 98 intersection improvements (turn lanes);
 - 2) TAP grants 2016 and 2018 now in progress; and the Pedestrian and Bicycle Committee will have celebration once opened;
 - 3) BP Kick off meeting was held for Bucket 1;
 - 4) Alley Project is ready to begin once we receive the 3rd party cost analysis; and
 - 5) K-1 Structural Survey Update (Assessment).
- Special Projects Manager Lynn Maser addressed the City Council regarding the brochures for the "Loopers" and fuel sales.
- Operation Director Richard Peterson addressed the City Council regarding Side Stream Storage bid, design work in progress, and coating was discussed (ASTM Testing); and the Odor Control Filter System has been installed at Twin Beech lift station. He also mentioned the three agenda items for the City Council meeting.
- Electric Superintendent Michael Allison addressed the City Council regarding the first transformer was put in at Twin Beech.
- Community Affairs Director Jessica Sawyer addressed the City Council regarding the following items:
 - 1) Veteran of the Year Application;
 - 2) Christmas Parade Application;
 - 3) Fall Farmers Market;
 - 4) Fairhope Tree Lighting Ceremony will be held on November 21, 2019 beginning at 5:30 p.m.;
 - 5) Welcome Center cleaning;
 - 6) National Park Service;
 - 7) Jim Bates at the James P. Nix Center is resigning on October 31, 2019;
 - 8) Neighborhood Bridges; and
 - 9) The City of Fairhope's 125th Anniversary to be held at the Fairhope Museum of History on November 15, 2019 from 3:00 p.m. to 5:00 p.m.; and send your Fairhope Stories to 125th@fairhopeal.gov.

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There being no further business to come before the City Council, the meeting was duly adjourned at 5:52 p.m.



Jack Burrell, Council President



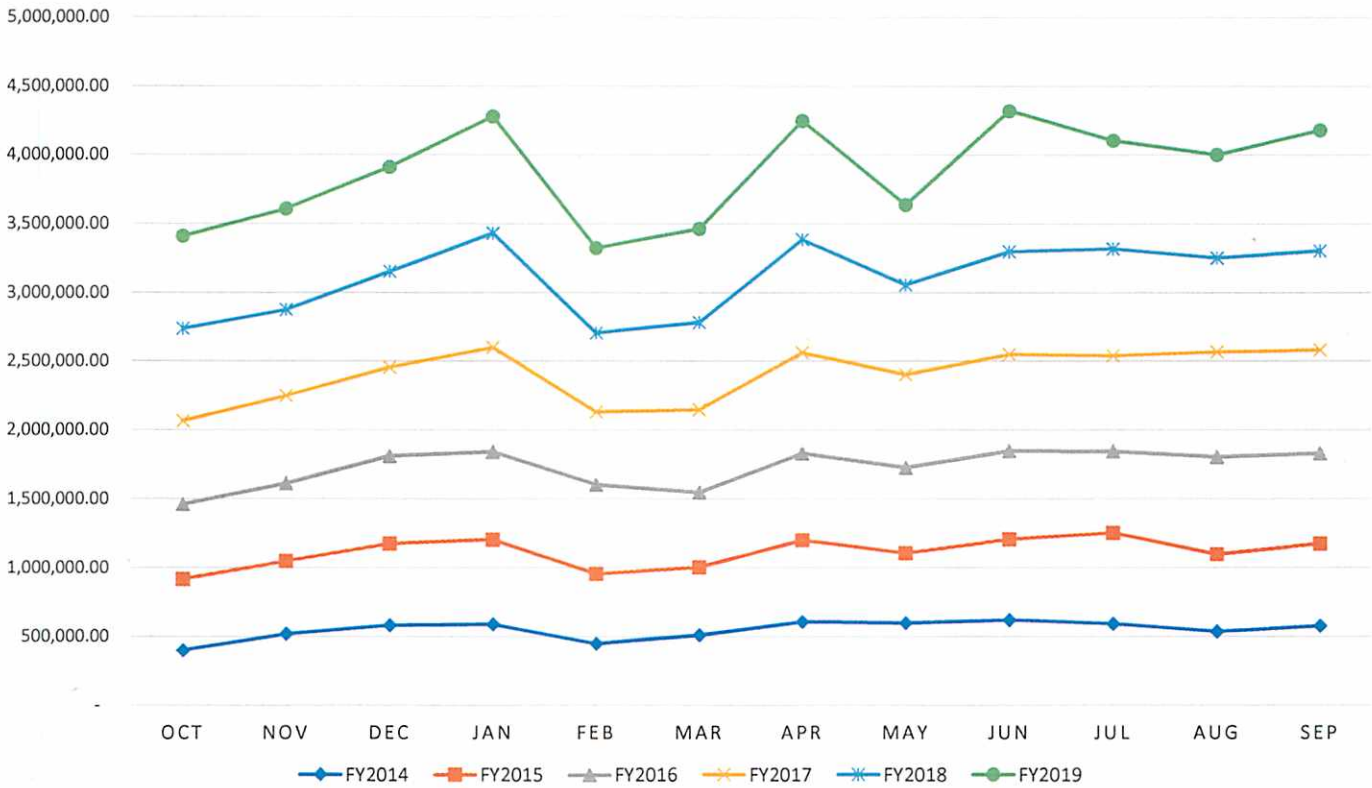
Lisa A. Hanks, MMC
City Clerk

REVENUE & TRANSFERS	FISCAL YEAR	FISCAL YEAR	Change '15	MAYOR'S PROPOSED								Notes about estimates	Council Proposal	
	END 2015	END 2016	to '16	FY2017	% Chan	FY2018	% Chan	FY2019	% Chan	BUDGET 2020	Estimated Change			
Real Estate Taxes	3,950,750	4,218,538	7%	4,433,020	5%	4,874,857	10%	5,277,153	8%	5,700,000	8.01%	Property Tax estimate from Teddy is \$5.87M reduced by 3% from Teddy Faust's figures. This is what will be collected does not need to be reduced	5,600,000	6%
Sales Tax	6,797,757	7,422,726	9%	8,006,744	8%	8,344,237	4%	8,898,012	7%	8,797,387	-1.13%	This revenue was up 9, 5 and 9% last three years. 1.3% estimate is conservative.	9,183,744	0%
SSUT Income (online sales tax)	-	-		62,607		100,004	60%	282,742	183%	367,565	30.00%			
Lodging Tax	681,419	696,379	2%	762,562	10%	653,697	-14%	485,936	66%	573,000	0.00%	Kept lodging tax the same as last year. Proposing increasing to 7% (in line with neighboring municipalities). This add'l 1% creating ~\$175k in revenue (\$87,500 split btwn in and outside City limits)	500,000	3%
Lodging Tax-PJ								600,403		688,000	0.00%		550,000	-8%
	11,429,926	12,337,643	8%	13,264,932	8%	13,972,795	5%	15,544,246	11%	16,125,952	3.74%		15,833,744	1.9%

ACCOUNT DESCRIPTION**LOCAL TAXES****2019 ACTUALS 2020 MAYOR'S
PROPOSED BUDGET**

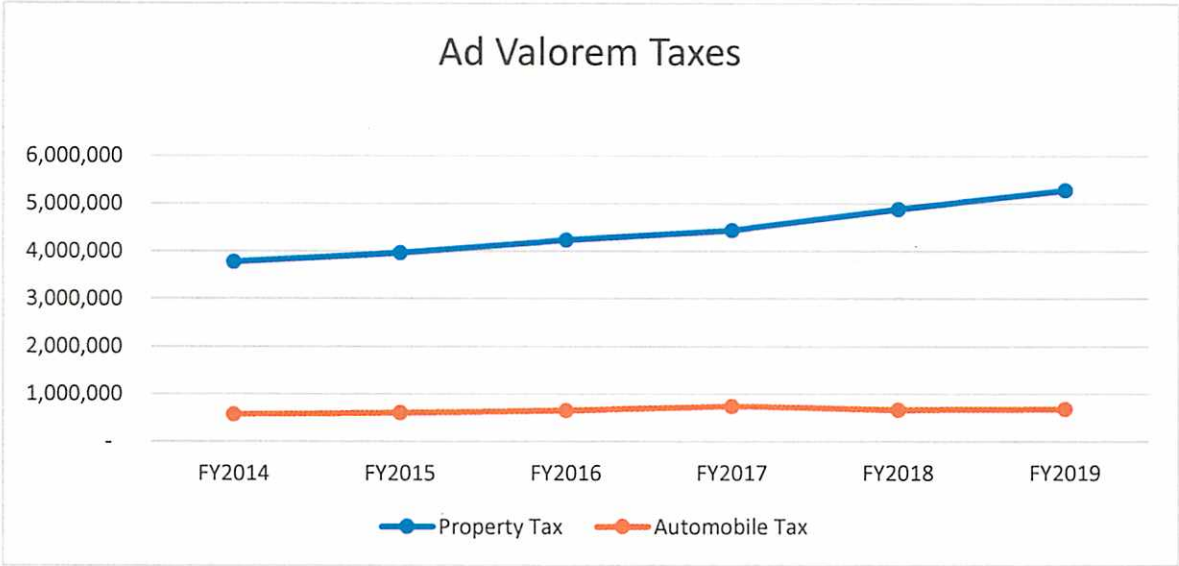
Beer Tax	293,555	290,000
Beer Tax-Police Jurisdiction	25,044	24,000
Wine Tax	57,186	61,722
Wine Tax-Police Jurisdiction	407	450
Liquor Tax	134,057	135,000
Liquor Tax-Police Jurisdiction	32,499	30,000
Dog Tax	54	60
Cigarette Tax	84,936	90,000
Cigarette Tax-Police Jurisdiction	36,764	35,000
	664,502	666,232

SALES TAX REVENUE



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	
Oct	395,166.32	519,381.70	544,699.36	603,797.51	668,212.51	673,396.80	
Nov	514,276.25	531,457.65	565,186.08	633,673.59	626,111.70	734,142.47	
Dec	577,559.42	597,550.28	634,083.40	643,396.21	697,079.98	757,961.86	
Jan	584,552.02	618,751.14	636,103.66	757,399.29	830,658.45	846,163.17	
Feb	442,726.56	510,209.18	648,301.52	527,826.33	572,668.12	618,376.11	
Mar	504,681.96	495,406.21	545,682.24	597,077.02	633,393.42	683,586.69	
Apr	601,879.55	596,269.59	630,147.54	729,630.20	824,854.42	859,960.95	
May	592,449.79	510,722.90	621,332.43	674,434.81	654,552.86	581,298.66	
Jun	616,349.43	588,679.56	640,262.23	699,613.11	749,146.14	1,021,314.76	
Jul	586,706.80	664,506.25	592,148.82	692,359.70	779,960.13	783,739.92	
Aug	531,289.60	563,415.73	707,710.90	761,898.81	685,460.95	747,104.41	
Sep	570,610.87	601,406.51	657,068.13	748,243.70	722,142.01	873,707.78	
Actual YTD	6,518,248.57	6,797,756.70	7,422,726.31	8,069,350.28	8,444,240.69	9,180,753.58	
% of increase			4%	9%	9%	5%	9%
SSUT Tax	-	-	-	62,606.60	100,004.13	282,741.87	

Ad Valorem Taxes



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Property Tax	3,759,584	3,950,750	4,218,538	4,433,020	4,874,857	5,277,153
Automobile Tax	570,954	600,015	651,339	740,614	660,894	673,527

CITY OF FAIRHOPE PROPOSED BUDGET FY 2019-2020

REVENUE	2020 BUDGET	CHANGES BY MAYOR	COUNCIL CHANGES	DEPARTMENTAL	2020 REVISED	2019 ACTUAL	2019 BUDGET
				CHANGES AFTER BUDGET MEETINGS			
TOTAL PROPERTY TAXES	6,355,000	0	(155,000)		6,200,000	5,950,680	6,055,000
TOTAL LOCAL TAXES	11,016,232	97,529	(116,256)		10,997,505	10,931,595	10,687,320
TOTAL LICENSES AND PERMITS	4,719,500	(84,650)	0		4,634,850	4,626,579	4,861,015
TOTAL FINES AND FORFEITURES/COURT	308,000	4,000	0		312,000	278,347	\$280,000
TOTAL ADULT RECREATION DEPT.	38,500	(500)	0		38,000	36,489	\$40,400
TOTAL RECREATION DEPT	447,000	5,000	0		452,000	456,362	\$498,500
TOTAL GOLF DEPARTMENT	1,106,000	(4,000)	0		1,102,000	1,060,651	\$1,242,500
TOTAL STATE OF ALABAMA	330,000	(260,000)	0		70,000	448,659	201,650
TOTAL INTEREST AND RENTS	367,501	(5,000)	0		362,501	256,061	253,420
TOTAL MARINA REVENUE	399,200	56,000	0		455,200	428,881	472,000
TOTAL CHARGES FOR SERVICE	5,031,500	77,500	0		5,109,000	4,565,401	4,581,000
TOTAL OTHER REVENUE	616,000	0	0		616,000	172,141	\$261,200
PROJECTED TOTAL REVENUE	30,734,433	(114,121)	(271,256)		30,349,056	29,211,846	29,434,005
EXPENDITURES							
GENERAL GOVERNMENT							
JUDICIAL	4,578,469	(249,945)	64,600	(4,896)	4,388,228	3,643,122	4,043,675
POLICE DEPARTMENT	316,166		0		316,166	319,743	198,880
FIRE DEPARTMENT	7,498,796	(128,927)	0	(94,096)	7,275,773	6,143,796	6,729,081
ECONOMIC & COMMUNITY DEVELOPMENT	739,017	4,878	331,000	10,317	1,085,212	763,780	983,589
PARKS AND RECREATION SERVICES	2,084,912	8,766	38,448	44,704	2,176,830	2,051,333	1,903,580
PLANNING & DEVELOPMENT SERVICES	5,638,048	4,578	(200,000)	(65,755)	5,376,871	4,603,160	5,146,154
PUBLIC WORKS	1,769,508	(4,120)	0	0	1,765,388	1,528,579	1,471,577
	7,938,763	65,304	(117,856)	(66,060)	7,820,151	8,149,119	7,259,945
<i>Estimated discounted utilities to the City (actual cost will be determined when cost of service study is complete-Ordinance would need to be updated for cost only because the City is currently paying residential rates)</i>							
Gas wholesale cost of product plus cost of service	(12,710)				0		
Electric wholesale cost of product plus cost of service	(153,000)				(12,710)	(12,710)	
Water cost of service	(44,133)				(153,000)	(153,000)	
Wastewater cost of service	(44,133)				(44,133)	(44,133)	
TOTAL GOVERNMENTAL EXPENDITURES	30,309,702	(299,466)	116,192	(175,786)	29,950,642	26,948,656	27,736,481
APPROPRIATIONS AND TRANSFERS							
PUBLIC LIBRARY							
BALDWIN COUNTY TRANSIT HUB	818,477		40,924		859,401	818,477	818,477
THE HAVEN	27,600		-		27,600	27,600	27,600
AIRPORT	65,000		-		65,000	65,000	65,000
LEASE PURCHASE	320,000		-		320,000	320,000	320,000
TRANSFERS TO DEBT SERVICE	69,820		-		69,820	\$52,438	67,500
TRANSFERS TO CAPITAL PROJECTS	300,000		-		300,000	3,318,786	2,248,507
TOTAL APPROPRIATIONS AND TRANSFERS	1,600,897		40,924	0	1,641,821	5,745,801	4,690,584
TOTAL REVENUES	30,734,433	(114,121)	(271,256)	0	30,349,056	29,211,846	29,434,005
<i>Municipal Capital Improvement Funding</i>							
Utility Transfers for City Operating	-				0		400,000
Utility Transfers for City Capital Purchases	-				0	510,000	510,000
Proposed Utility PILOT fee of 8% to the City (community dev)	513,000				0		-
Transfers from Impact Fees	524,521				513,000	1,128,000	1,128,000
Capital Lease Proceeds				10,317	534,838	116,393	968,400
Funding for Corrections Capital Purchases	154,450					990,929	
Rollover for 2019 Capital-Fund Balance					154,450		
				102,501	102,501		
TOTAL EXPENDITURES	31,910,599	(299,466)	157,116	(175,786)	31,592,463	32,694,457	32,427,065
SURPLUS (DEFICIT)	15,805	185,345	(428,372)	288,604	61,382	(737,290)	13,340