

**ORDINANCE NO. 1777**

**AN ORDINANCE REPEALING AND REPLACING  
ORDINANCE NO. 1520, AN ORDINANCE ALLOCATING  
THE FUNDS COLLECTED FROM  
THE CITY OF FAIRHOPE'S SALES AND USE TAX**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAIRHOPE ALABAMA, as follows:

**Section 1.** That the Treasurer for the City of Fairhope is hereby instructed and empowered to receive and deposit any funds collected in the future as Sales and Use Tax receipts according to the following distribution:

1. Deposit one-half (1/2) of each month's Sales and Use Tax receipts into the General Fund Operating Account, for operations of the General Fund.
2. Deposit any amount of the remaining one-half (1/2) of each month's Sales and Use Tax receipts necessary to maintain the Sales Tax Reserve Account balance of \$10,000,000.00.
3. In months when the Sales Tax Reserve Account is \$10,000,000.00, the remaining one-half (1/2) of each month's Sales and Use Tax receipts is to be deposited as follows:
  - a. Deposit one-half (1/2) into a General Fund Reserve Account, specifically designated as General Fund Debt Pre-payment Account. Funds in this General Fund Debt Pre-payment Account are to be used for pre-payment of existing debt of the General Fund or General Fund operations as set forth in Section 3.
  - b. Deposit one-half (1/2) into a Capital Projects Fund, specifically designated as Infrastructure Improvement Special Account. Funds in this Infrastructure Improvement Special Account are to be used only for improvements to City streets, sidewalks, parks, and buildings, as approved by vote of the City Council.

**Section 2.** During the budget process, the City Council will review and decide if any additional debt principal reduction will be made during the next fiscal year. If additional debt principal reduction is agreed upon, the City Treasurer will move the necessary amount into the General Fund Debt Pre-payment Account which will decrease the funds going into the Capital Projects Fund for that year.

**Section 3.** During the budget process, the City Council will decide if any additional debt principal reduction for the Utilities by reducing transfers from the Utilities to the General Fund will be made during the next fiscal year. To offset the reduction of transfers from the Utilities, the portion of the Sales and Use Tax revenue that is restricted in the General Fund Debt Pre-payment Account can be used for General Fund operations up to the amount of the reduction. If additional debt principal reduction is agreed upon, a statement with the reduction amount will be included in the resolution adopting the budget for that year.

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Severability. The sections, paragraphs, sentences, clauses and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by a court of competent jurisdiction, then such ruling shall not affect any other paragraphs and sections, since the same would have been enacted by the municipality council without the incorporation of any such unconstitutional phrase, clause, sentence, paragraph or section.

Effective Date. This ordinance shall take effect immediately upon its due adoption and publication as required by law.

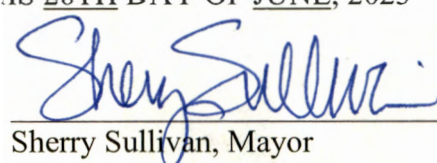
ADOPTED AND APPROVED THIS 26TH DAY OF JUNE, 2023

  
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Jay Robinson, Council President

ATTEST:

  
\_\_\_\_\_  
Lisa A. Hanks, MMC  
City Clerk

ADOPTED AND APPROVED THIS 26TH DAY OF JUNE, 2023

  
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Sherry Sullivan, Mayor

Ord. No. 1777 Published in  
FAIRHOPE COURIER  
on Wednesday, July 5, 2023  
L. Hanks City Clerk

ORDINANCE NO. 1520

AN ORDINANCE REPEALING AND REPLACING  
ORDINANCE NO. 1384 AND ORDINANCE NO. 1459,  
AN ORDINANCE ALLOCATING THE FUNDS COLLECTED FROM  
THE CITY OF FAIRHOPE'S SALES AND USE TAX

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAIRHOPE ALABAMA, as follows:

**Section 1.** That the Treasurer for the City of Fairhope is hereby instructed and empowered to receive and deposit any funds collected in the future as Sales and Use Tax receipts according to the following distribution:

1. Deposit one-half (1/2) of each month's Sales and Use Tax receipts into the General Fund Operating Account, for operations of the General Fund.
2. Deposit any amount of the remaining one-half (1/2) of each month's Sales and Use Tax receipts necessary to maintain the Sales Tax Reserve Account balance of \$7,000,000.00.
3. In months when the Sales Tax Reserve Account is \$7,000,000.00, the remaining one-half (1/2) of each month's Sales and Use Tax receipts is to be deposited as follows:
  - a. Deposit one-half (1/2) into a General Fund Reserve Account, specifically designated as General Fund Debt Pre-payment Account. Funds in this General Fund Debt Pre-payment Account are to be used for pre-payment of existing debt of the General Fund or General Fund operations as set forth in Section 3.
  - b. Deposit one-half (1/2) into a Capital Projects Fund, specifically designated as Infrastructure Improvement Special Account. Funds in this Infrastructure Improvement Special Account are to be used only for improvements to City streets, sidewalks, parks, and buildings, as approved by vote of the City Council.

**Section 2.** During the budget process, the City Council will review and decide if any additional debt principal reduction will be made during the next fiscal year. If additional debt principal reduction is agreed upon, the City Treasurer will move the necessary amount into the General Fund Debt Pre-payment Account which will decrease the funds going into the Capital Projects Fund for that year.

**Section 3.** During the budget process, the City Council will decide if any additional debt principal reduction for the Utilities by reducing transfers from the Utilities to the General Fund will be made during the next fiscal year. To offset the reduction of transfers from the Utilities, the portion of the Sales and Use Tax revenue that is restricted in the General Fund Debt Pre-payment Account can be used for General Fund operations up to the amount of the reduction. If additional debt principal reduction is agreed upon, a statement with the reduction amount will be included in the resolution adopting the budget for that year.

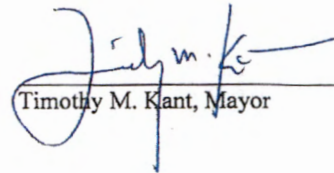
Ordinance No. 1520

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Severability. The sections, paragraphs, sentences, clauses and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by a court of competent jurisdiction, then such ruling shall not affect any other paragraphs and sections, since the same would have been enacted by the municipality council without the incorporation of any such unconstitutional phrase, clause, sentence, paragraph or section.

Effective Date. This ordinance shall take effect immediately upon its due adoption and publication as required by law.

ADOPTED AND APPROVED THIS 29TH DAY OF SEPTEMBER, 2014

  
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Timothy M. Kant, Mayor

ATTEST:

  
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Lisa A. Hanks, MMC  
City Clerk

Ord. No. 1520 Published in  
FAIRHOPE COURIER  
on Thursday, October 2, 2014  
Lisa A. Hanks City Clerk