

City of Fairhope Financial Report



Six Month Budget Review for 2009 – 2010 Revenue

		YTD @ 3/31/10	Projections provided to FAC 3/8/10	Projections over (under) Budget
Property Tax		4,458,401	4,988,073	446,716
Local Taxes		2,497,657	5,166,811	364,304
Licenses/Permits		1,843,820	2,212,753	87,370
Fines/Forfeitures		153,732	375,000	-
Adult Rec/Special Services		22,781	35,560	802
Golf Dept.	*	441,771	718,600	(500,000)
Intergovernmental-State/Federal	**	21,193	303,077	52,876
Interests and Rents		100,522	201,717	(248)
Charges for Service		2,213,377	4,345,983	(26,866)
Recreation Dept.		163,869	357,700	-
Other Revenue		125,826	1,485,317	193,098
Transfers from Utilities/Cap. Proj.		2,144,684	5,136,593	239,489
		<u>14,187,633</u>	<u>25,327,184</u>	<u>857,541</u>
			INCREASE	
			\$857,541	

Six Month Budget Review for 2009 – 2010 Expenses

		YTD @ 3/31/10	Projections provided to FAC 3/8/10	Projections over (under) Budget
General Administration	*	2,925,242	6,234,944	550,587
Police Department		2,324,256	4,370,537	202,800
Fire Department		456,982	854,629	85,140
Recreation Department		523,363	1,111,887	(1,954)
Adult Recreation/Special Services		276,506	693,549	9,405
Golf Department	**	531,899	1,096,930	54,347
Street Department		1,391,928	2,680,750	68,340
Sanitation Department		915,309	2,643,301	81,280
Appropriations		443,678	927,356	-
Debt Service		823,249	1,870,714	(42,502)
Transfers to Capital Projects		115,000	115,000	115,000
		<u>10,727,412</u>	<u>22,599,597</u>	<u>1,122,443</u>

INCREASE
\$1,122,443

Major Variance to 2010 Budget

Real Estate Taxes	382,807
Sales Tax	401,816
Golf Revenue	(500,000)
Inter-governmental	52,876
Insurance Franchise	43,094
Cable Franchise	104,180
Miscellaneous Income-Airport Suit	187,000
Transfer from Capital Projects	239,489
	<hr/>
	911,262

Insurance	238,200
Legal	65,002
Miscellaneous Expense-Airport Suit	235,386
Police Employee Costs	225,733
Fire Employee Costs	86,860
Golf Employee costs	53,265
Street/Sanitation Employee Costs	170,147
	<hr/>
	1,074,593

YTD Comparison

	Revenue YTD @ 3/10/2010	Revenue YTD @ 3/10/2009	Revenue YTD Variance
PROPERTY TAX	\$4,458,401	\$4,322,673	\$135,728
LOCAL TAXES	\$2,497,657	\$428,220	\$2,069,437
LICENSE AND PERMITS	\$1,843,820	\$1,802,718	\$41,102
FINES/FORFEITURES	\$153,732	\$118,983	\$34,749
ADULT REC/SPECIAL SERVICES	\$22,781	\$21,908	\$873
GOLF DEPARTMENT *	\$441,771	\$642,624	(\$200,853)
INTERGOVERNMENTAL-STATE/FEDERAL **	\$21,193	\$18,626	\$2,567
INTERESTS AND RENTS	\$100,522	\$105,029	(\$4,507)
CHARGES FOR SERVICES	\$2,213,377	\$2,130,271	\$83,106
RECREATION DEPARTMENT	\$163,869	\$17,819	\$146,050
OTHER REVENUE	\$125,826	\$214,503	(\$88,677)
TRANSFERS FROM UTILITIES/CAPITAL PROJECTS	\$2,144,684	\$2,077,083	\$67,601
	\$14,187,633	\$11,900,457	\$2,287,176

* Revenue for Restaurant excluded for 2009

** Grant revenue excluded 2010 and 2009.

INCREASE
\$2,287,176

YTD Comparison

		Expenses YTD @ 3/31/2010	Expenses YTD @ 3/31/2009	Expenses YTD Variance
GENERAL ADMINISTRATION	*	\$2,925,242	\$2,633,355	\$291,887
POLICE DEPARTMENT		\$2,324,256	\$1,955,083	\$369,173
FIRE DEPARTMENT		\$456,982	\$404,577	\$52,405
RECREATION DEPARTMENT		\$523,363	\$375,004	\$148,359
ADULT REC/SPECIAL SERVICES		\$276,506	\$202,243	\$74,263
GOLF DEPARTMENT	**	\$531,899	\$665,299	(\$133,400)
STREET DEPARTMENT		\$1,391,928	\$1,295,011	\$96,917
SANITATION DEPARTMENT		\$915,309	\$742,093	\$173,216
APPROPRIATIONS		\$443,678	\$486,090	(\$42,412)
DEBT SERVICE		\$823,249	\$1,195,804	(\$372,555)
TRANSFERS FROM CAPITAL PROJECTS		\$115,000		\$115,000
		\$10,727,412	\$9,954,559	\$772,853

INCREASE
\$772,853

* Manley Road land purchase excluded YTD 2010;
(Grant expenditures excluded YTD 2009)

** Restaurant expense excluded YTD 2009.

Annual Comparison

	Revenue Actual Fiscal YE 2008	Revenue Actual Fiscal YE 2009	Revenue Budget After Adjustments 2010
PROPERTY TAX	\$4,631,476	\$4,915,687	\$4,541,357
LOCAL TAXES	\$1,037,882	\$1,998,539	\$4,802,507
LICENSE AND PERMITS	\$2,729,209	\$2,058,307	\$2,125,383
FINES/FORFEITURES	\$252,838	\$224,022	\$375,000
ADULT REC/SPECIAL SERVICES	\$32,791	\$36,317	\$34,758
GOLF DEPARTMENT *	\$1,314,429	\$861,669	\$1,218,600
INTERGOVERNMENTAL-STATE/FEDERAL **	\$143,395	\$271,366	\$250,201
INTERESTS AND RENTS	\$230,527	\$207,939	\$201,965
CHARGES FOR SERVICES	\$4,596,049	\$4,433,108	\$4,372,849
RECREATION DEPARTMENT	\$83,920	\$130,740	\$357,700
OTHER REVENUE	\$1,388,307	\$348,530	\$1,292,219
TRANSFERS FROM UTILITIES	\$3,658,368	\$5,094,136	\$4,897,104
	\$20,099,191	\$20,580,360	\$24,469,643

* Does not include restaurant sales for 2009 or 2008, none budgeted for 2010

* Does not include grant revenue

** Does not include \$1.3 loan proceeds for the library bridge loan.

INCREASE
\$4,370,452

Annual Comparison

		Expenses Actual Fiscal YE 2008	Expenses Actual Fiscal YE 2009	Expenses Budget After Adjustments 2010
GENERAL ADMINISTRATION	*	\$5,589,606	\$5,557,081	\$5,726,679
POLICE DEPARTMENT		\$4,059,323	\$4,053,812	\$4,167,737
FIRE DEPARTMENT		\$855,399	\$788,912	\$769,489
RECREATION DEPARTMENT		\$834,507	\$867,174	\$1,113,841
ADULT REC/SPECIAL SERVICES		\$440,570	\$421,703	\$684,144
GOLF DEPARTMENT		\$1,305,684	\$1,298,275	\$1,041,809
STREET DEPARTMENT		\$2,492,538	\$2,451,746	\$2,612,500
SANITATION DEPARTMENT		\$1,650,310	\$1,493,072	\$2,573,083
APPROPRIATIONS		\$1,109,560	\$832,090	\$927,356
DEBT SERVICE	**	\$1,931,573	\$1,831,903	\$1,913,216
TRANSFERS FROM CAPITAL PROJECTS			\$2,576	
		<hr/> \$20,269,070	<hr/> \$19,598,344	<hr/> \$21,529,854

INCREASE
\$1,260,784

* Does not include expenditures for grant projects.

** Does not include \$1.3 loan repayment for the library bridge loan.
(\$1.3 borrowed for this purpose.)

City Cash Increase for 12 Months

	2009	2010	Increase
General Fund	3,456,627	4,421,213	964,586
Gas Fund	308,007	1,420,712	1,112,705
Electric Fund	1,885,581	3,199,920	1,314,339
Water Fund	<u>1,624,220</u>	<u>2,090,368</u>	<u>466,148</u>
Totals	7,276,444	11,134,223	3,857,779

INCREASE
\$3,857,779

2009/2010 Employee Expense

Changes in Salaries - General fund only		<u>Increase per Pay Period</u>	<u>Increase per Year</u>
City Administrator	1	\$790.77	\$20,560.02
Human Resources Director	1	\$240.24	\$6,246.24
Chief of Police	2	\$3,653.85	\$95,000.10
Asst. Chief of Police	2	\$3,196.04	\$83,097.04
Promotion of Corporal to Sergeant	2	\$805.60	\$20,945.60
Promotion of Lieutenant to Captain	2	\$194.00	\$5,044.00
4 new Corrections Officers	PT	\$3,285.00	\$85,410.00
2 new Dispatchers	PT	\$1,656.00	\$43,056.00
1 Fire Station Custodian	1	\$960.00	\$24,960.00
Total changes		\$14,781.50	\$384,319.00

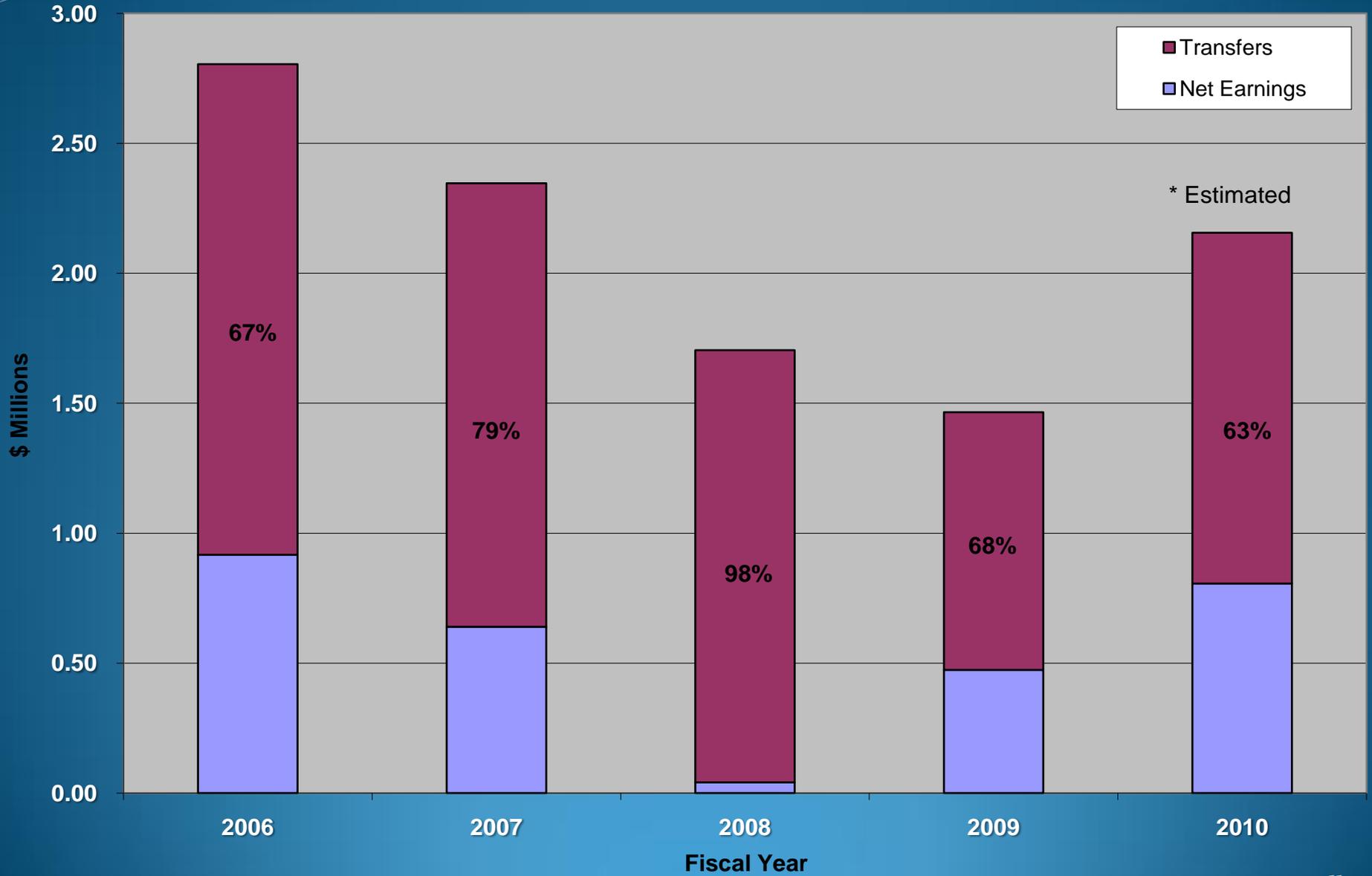
Associated Annual Increases:

\$384,319.00	x			7.65% additional FICA/Med	\$29,400.40
1 \$51,766.26	x	0.05	x	1.92 additional RSA match	\$4,969.58
2 \$204,086.74	x	0.06	x	1.61 additional RSA match (police)	\$21,097.87
.					
\$384,319.00	x			approx. increase in Workers 0.15% Comp Ins.	576.48

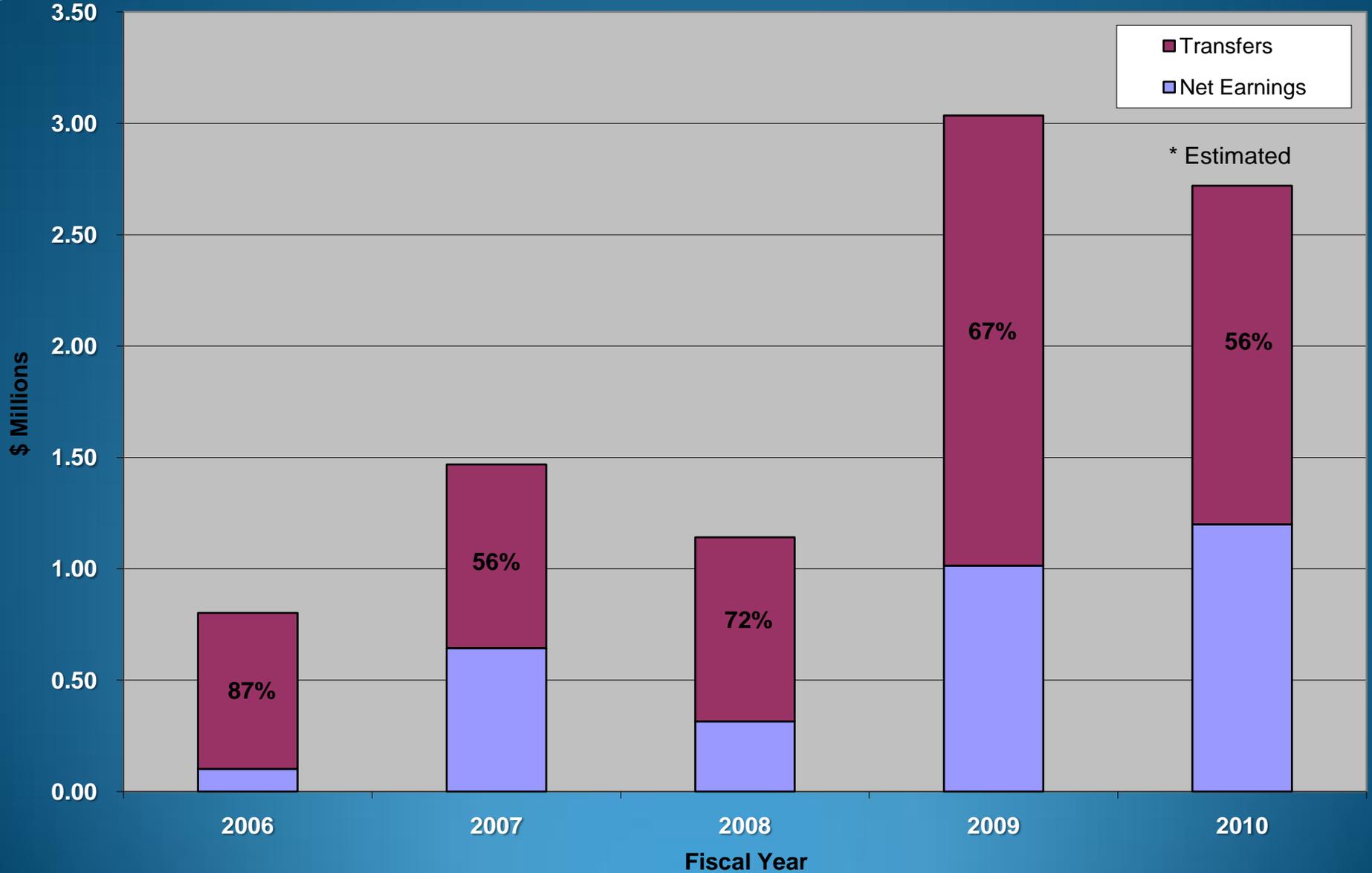
Annual increase in general fund due to increase in salaries & benefits

\$440,363.33 10

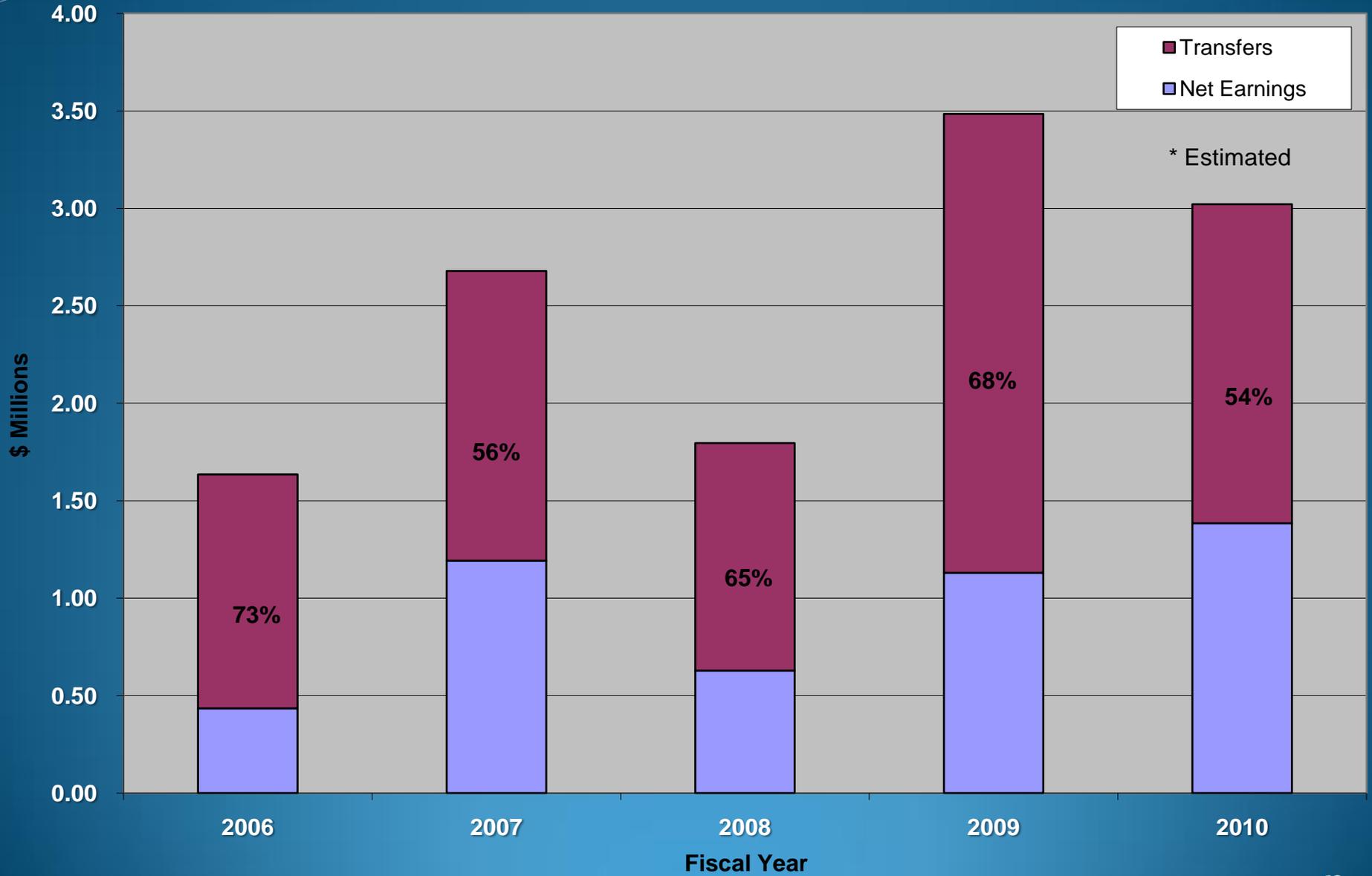
Water & Sewer Utility Earnings and Transfers to General Fund for Fiscal Years 2006 - 2010*



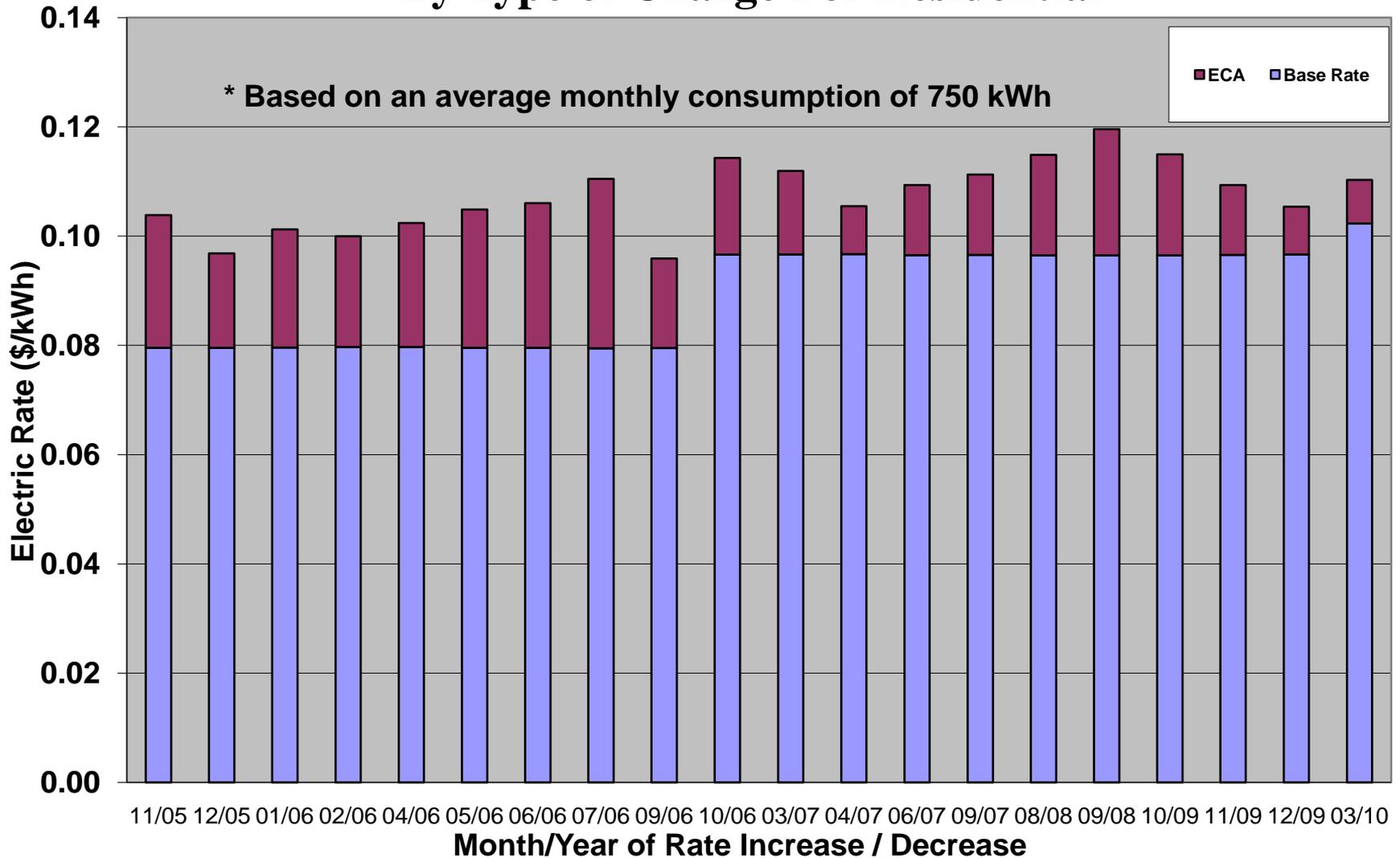
Gas Utility Earnings and Transfers to General Fund for Fiscal Years 2006 - 2010*



Electric Utility Earnings and Transfers to General Fund for Fiscal Years 2006 - 2010*

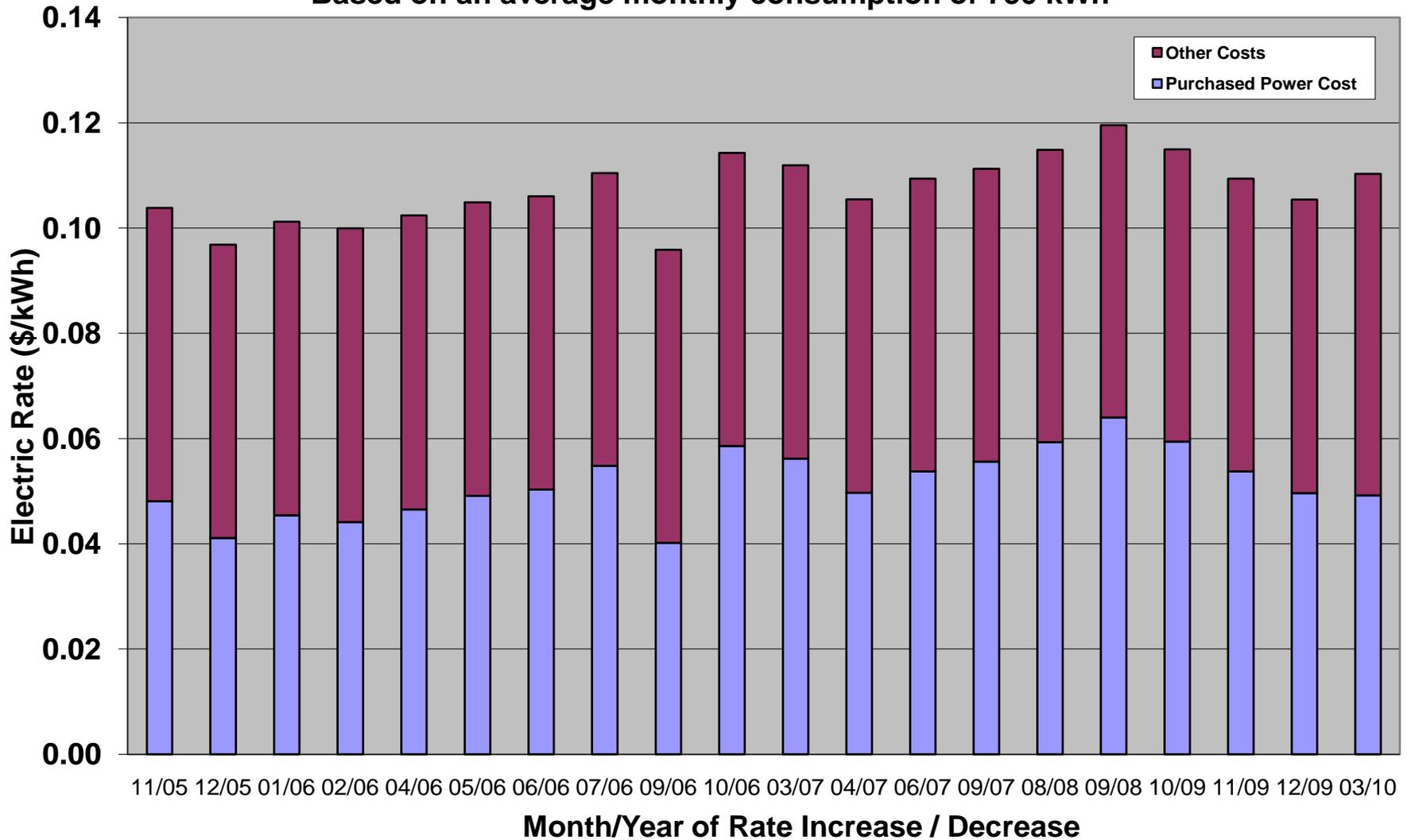


Historical Electric Rate Increases / Decreases By Type of Charge For Residential *



Historical Electric Rate Increases / Decreases For Residential *

* Based on an average monthly consumption of 750 kWh

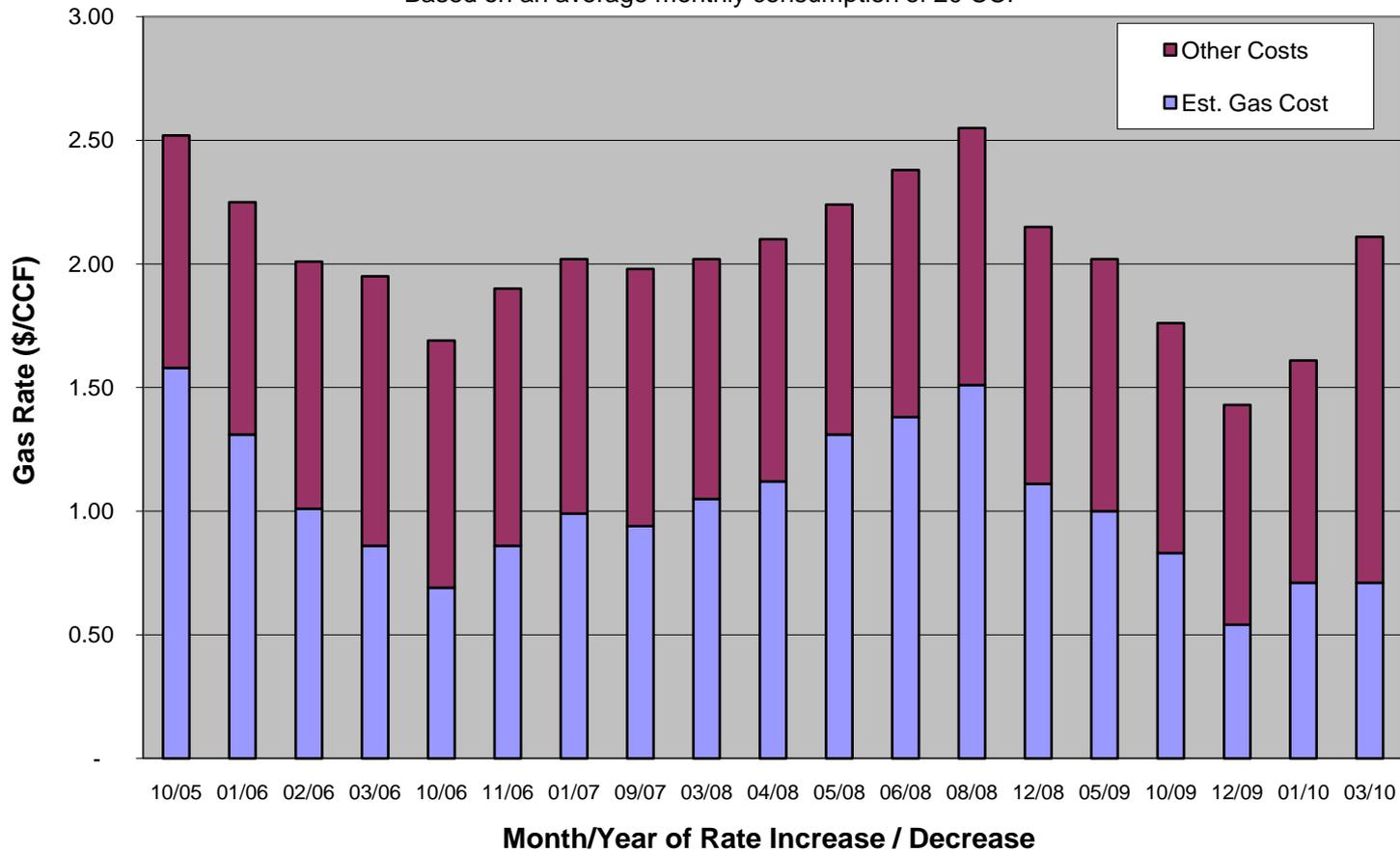


Historical Electric Rates For Residential

Month/Yr	Base Rate \$/kWh	ECA \$/kWh	Total Charge \$/kWh
11/05	0.079560	0.024300	0.103860
12/05	0.079537	0.017300	0.096837
01/06	0.079614	0.021600	0.101214
02/06	0.079671	0.020300	0.099971
04/06	0.079700	0.022700	0.102400
05/06	0.079573	0.025300	0.104873
06/06	0.079531	0.026500	0.106031
07/06	0.079464	0.031000	0.110464
09/06	0.079484	0.016400	0.095884
10/06	0.096583	0.017700	0.114283
03/07	0.096637	0.015300	0.111937
04/07	0.096674	0.008800	0.105474
06/07	0.096512	0.012864	0.109376
09/07	0.096539	0.014725	0.111264
08/08	0.096459	0.018400	0.114859
09/08	0.096442	0.023126	0.119568
10/09	0.096474	0.018494	0.114968
11/09	0.096534	0.012842	0.109376
12/09	0.096668	0.008728	0.105396
03/10	0.102297	0.008000	0.110297

Historical Gas Rate Increases / Decreases For Residential *

* Based on an average monthly consumption of 20 CCF



Historical Gas Rate Increases / Decreases for Residential *

Month/Yr	Charge (\$/CCF)
10/05	2.52
01/06	2.25
02/06	2.01
03/06	1.95
10/06	1.69
11/06	1.90
01/07	2.02
09/07	1.98
03/08	2.02
04/08	2.10
05/08	2.24
06/08	2.38
08/08	2.55
12/08	2.15
05/09	2.02
10/09	1.76
12/09	1.43
01/10	1.61
03/10	2.11

* Based on 20 units

Gas Bill @ 8 Pope Court

DATE	UNITS	FAIRHOPE	MOBILE GAS
12/07/09	25	\$36.38	\$58.27
01/06/10	65	\$86.72	\$121.08
02/04/10	81	\$121.17	\$147.68
03/05/10	75	\$151.56	\$137.70

Savings to Fairhope Customers of 14.8%
Less Than Mobile Gas which is
Regulated by the Public Service Commission

Mandatory Requirements for City Utility Revenue Warrants

11.4 Furnish No Free Service

11.5 Maintain Adequate Rates

Equal to Sum of operating expenses plus 1.1 times the annual debt service for fiscal year.

Article X1 – Particular Covenants of the City are signed off each year by Auditor and City Treasurer.

Revenue/Tax Increases Since October 2008

WATER RATES 23%

SEWER RATES 46%

ELECTRIC RATES 17%

SALES TAX 2%

Questions for Council

Drop Price	Back Amount	Profit	Less Transfer
\$0.40		\$2,040,197	\$568,000
\$0.30		\$2,210,197	\$466,000
\$0.20		\$2,380,197	\$365,000
\$0.10		\$2,550,197	\$263,000
No Charge		\$2,720,197	\$160,000

**2010 Budget Profit with \$2,992,765 with 60% transferred
\$1,792,666**

**Recommend dropping price \$0.40 which will lower cost from
\$2.03 to \$1.63 - Mobile Gas Unit Price \$1.68**

Increase transfer from 60% to 80% \$1,632,157

Five Year Plan

Total For General Fund \$20,651,867

Total for Utilities \$30,367,647

\$51,019,514

Questions:

1. Are you going to increase revenues/taxes?
2. Are you going to borrow more money?
3. Work with the revenues the City currently has or none of the above?

- Portico for Museum
- Recreation Center Addition
- Sniper Rifle and Sub-Guns
- Automatic Gate at the Warehouse
- Irrigation System for Golf Course