

CAPITAL IMPROVEMENTS BUDGET

In accordance with ACT 85-229, Section 60, a capital budget for fiscal year 2011-2012 is submitted for Council approval. Also, as required by this Act, a five-year Capital Improvement Budget Plan is submitted.

Summary

The proposed Capital Improvement budget estimates \$18,850,000 from Net Sales Tax Receipts. An increase of approximately \$2,000,000 is attributed to an increase in debt service payments, of which \$1,864,817 is allocated to the Mobile, Alabama Cruise Terminal. The proposed budget projects overall funds available to be \$19,400,000. Of this amount, \$12,734,746 is projected to be expended for debt service and interfund transfers. The interfund transfer is budgeted from the Capital Improvements Fund to the Mobile Metro Transit Service Fund. The amount of the transfer is \$307,526.

The Capital Improvements Budget Inclusions

- Improvements and Repairs, \$2,505,000. Some of these projects are Miscellaneous Street \$300,000. This CIB item is used for citywide emergency street and drainage improvements and repairs, cave-ins, etc.;
- \$1,000,000 for Citywide Drainage Projects;
- Miscellaneous Bridges -- \$250,000.;
- Saenger Theatre -- \$200,000;

Economic Development Incentives, \$2,000,000. This appropriation is scheduled to continue annually through FY 2025. year.

STRATEGIC PLAN BUDGET

The projected revenues for the FY 2011-2012 Strategic Plan budget total \$13,225,857. Of this amount, \$12,225,857 will be derived from certain designated taxes and licenses and \$1,000,000 is a budgeted receivable from Go Daddy as a sponsor of a local College Bowl Game. A tax entitled "Lodging Tax" was imposed by Ordinance 34-055, adopted December 7, 2004 and 2% of the revenues derived from this tax are designated for deposit into the Strategic Plan Fund. These revenues are to be used for the City's Share of the USA Cancer Center Project.

Interfund transfers are budgeted from the Strategic Plan Fund to the General Fund and the ALS Transport Enterprise Fund. The amount to be transferred to the General Fund is \$4,665,700, which includes continued funding for the E911 Program and the Police Officer Program and an amount of \$131,000 which is the excess of Lodging Tax projected over the amount needed for the City's contribution to the USA Cancer Center Project. The amount to be transferred to the ALS Transport Enterprise Fund is \$1,023,428, which is for the Ambulance Program and the Fourth Paramedic Unit – continuing programs in the Strategic Plan Fund.

The second major category of expenditure in this fund is debt service. The Strategic Plan Fund is responsible for paying \$5,693,546 of the City's general obligation debt service. Also included in this category is the City's payment to the USA Cancer Center Project.

Other Areas Of Expenditures Included In SPF

- Performance contracts. Due to the current economic conditions, the City was forced to maintain the reduction in all performance contracts by at least 10% which was implemented in FY 2009-2010;
- In the FY 2011-2012 Budget, Mobile Educational Foundation has a proposed allocation of \$135,000;
- Workforce Development, \$54,000;
- Citywide Sporting Events, \$50,000;
- Homeless Coalition-COM Pro-Rata Share, \$67,500;
- Battleship Restoration, \$45,000;
- The Mary Abbie Berg Center will receive \$100,000 for capital expansions and renovations of its facility. This represents an annual installment toward the \$1,000,000 commitment which continues through FY 2014-2015.

Note: The City's obligation for the college football bowl game is now \$1,135,000; however, this is offset by the \$1,000,000 receivable from Go Daddy.com – the event's major sponsor.

Finally, the Strategic Plan Fund has proposed allocations for 3 Tower Site Rentals for 800 MHZ \$130,000; \$275,000 for Police Motorcycles/Vehicles; \$625,000 for City-wide Marketing & Strategic Planning; \$50,000 Consultant and Miscellaneous Expenses; and \$200,000 for Communication/REACT/Citismart. These funds will be used for continuation of the Alert System and the installation of communications equipment in new and/or renovated facilities throughout the City.

CONVENTION CENTER

Total budgeted revenue for the Convention Center Fund for FY 2011-2012 is \$10,496,045. Of this amount, \$8,775,000 is anticipated revenue from the Sales Tax on Restaurants and \$1,721,045 is anticipated revenue from the 2% Room Tax.

The largest single category of expenditure is \$4,784,486 for Debt Service of the Convention Center. Remaining budgeted expenditures are \$1,350,000 for Convention Center Operations; \$350,000 for Maintenance and Equipment Allowance; \$2,400,000 for Mobile Bay Convention and Visitor's Bureau; \$425,000 for Sports & Marketing; and \$500,000 for Building Insurance.

Finally, \$622,550 is proposed for Additional Convention Center Funding. \$602,550 represents Performance Contracts. Due to the current economic conditions, the City was forced to maintain the reduction in all Performance Contracts by at least 10% which was implemented in FY 2009-2010. These allocations include: LPGA, \$315,000; Bayfest, \$243,000; United Cerebral Palsy, \$22,500; Southwest Basketball, \$22,050; and Marketing, \$20,000.

BUDGET

	PROPOSED FY 2011-12	
<u>ANTICIPATED REVENUES:</u>		
NET SALES TAX RECEIPTS	18,850,000	
TRANSFER FROM SPF	450,000	
SPF LIBRARY LOAN (THRU FY 2014-15)	100,000	
TOTAL REVENUES	<u>19,400,000</u>	
<u>LESS:</u>		
DEBT SERVICE G. O. WARRANTS	9,571,196	
DEBT SERVICE -- CRUISE TERMINAL	1,864,817	
BANK SERVICE CHARGES	13,000	
ARBITRAGE REBATE CALCULATION	20,000	
LEASE PAYMENTS	958,207	
TRANSFER TO METRO TRANSIT	307,526	
TOTAL RESERVE, DEBT SERVICE & TRANSFERS	<u>12,734,746</u>	<i>Exhibit 1</i>
AMOUNT AVAILABLE FOR ALLOCATION	6,665,254	
<u>EXPENDITURES:</u>		
IMPROVEMENTS & REPAIRS	2,505,000	<i>Exhibit 2</i>
HURRICANE RESERVE	250,000	
CAPITAL RESERVE	1,700,000	
CITY'S SHARE-ECO DEV INCENT-THRU FY 2025	2,000,000	
FINANCE- EQUIP/SOFTWARE UPGRADE	210,000	
TOTAL EXPENDITURES	<u>6,665,000</u>	
UNALLOCATED BALANCE	<u>254</u>	

Exhibit 1

**DEBT SERVICE &
TRANSFERS TO OTHER FUNDS
BUDGET DETAIL**

	<u>PROPOSED FY 2011-12</u>
<u>DEBT SERVICE:</u>	
DEBT SERVICE G. O. WARRANTS	9,571,196
DEBT SERVICE--CRUISE TERMINAL	1,864,817
ARBITRAGE REBATE CALCULATION	13,000
BANK SERVICE CHARGES	20,000
LEASE PAYMENTS	958,207
TOTAL DEBT SERVICE	<u>12,427,220</u>
 <u>TRANSFERS TO OTHER FUNDS:</u>	
TO MOBILE METRO TRANSIT SERVICE FUND	<u>307,526</u>
TOTAL TRANSFER	<u>307,526</u>
 TOTAL DEBT SERVICE & TRANSFERS	<u><u>12,734,746</u></u>

Exhibit 2

**IMPROVEMENTS & REPAIRS
BUDGET DETAIL**

<u>IMPROVEMENTS REPAIRS:</u>	<u>PROPOSED FY 2011-12</u>
BUILDING DEMOLITIONS	100,000
DEMO-WESTSIDE/BREWER-CITY MATCH	85,000
ENGINEERING, ROW, TESTING	50,000
BUILDINGS & GROUNDS ALLOWANCE	200,000
MECHANICAL MAINTENANCE	110,000
PUBLIC BUILDINGS MAINTENANCE	110,000
MISCELLANEOUS BRIDGE IMPROVEMENTS	250,000
CITYWIDE DRAINAGE PROJECTS	1,000,000
MISCELLANEOUS STREET IMPROVEMENTS	300,000
CIVIC CENTER MAINTENANCE	100,000
SAENGER THEATRE -- LEASE OBLIGATIONS	200,000
TOTAL IMPROVEMENTS & REPAIRS	<u>2,505,000</u>

**STRATEGIC PLAN FUND
BUDGET**

	<u>PROPOSED FY 2011 -12</u>
<u>STRATEGIC PLAN REVENUES</u>	
LEASE/RENTAL	1,435,000
CAR RENTAL	445,000
SALES TAX DISCOUNT	3,718,637
GAS TAX INCREASE	2,235,000
ROOM TAX--CITY	1,721,220
ROOM TAX--PJ	10,000
BUSINESS LICENSE INCREASE	2,325,000
INTEREST INCOME	6,000
APT BUSINESS LICENSE	<u>330,000</u>
<u>ANTICIPATED REVENUES:</u>	<u>12,225,857</u>
RECEIVABLE FROM GMAC	<u>1,000,000</u>
TOTAL REVENUES	<u>13,225,857</u>
<u>TRANSFERS:</u>	
TO GENERAL FUND (INCL EXC ROOM TAX REV.)	131,000
E-911 DISPATCHERS	466,837
ADDTL POLICE OFFICERS	<u>2,494,435</u>
TOTAL TRANSFERS TO GENERAL FUND	<u>3,092,272</u>
ALS TRANSPORT	619,282
4TH PARAMEDIC UNIT	404,146
TO CAPITAL IMPROVEMENT	450,000
TO CAPITAL IMPROV-MPL LOAN (THRU FY 2015)	<u>100,000</u>
TOTAL TRANSFERS	<u>4,665,700</u>
<u>DEBT SERVICE:</u>	
2006 G. O. REF & CAP WARRANTS	4,929,875
USA-CANCER CENTER DEBT (THRU FY 2015)	<u>763,671</u>
TOTAL DEBT SERVICE	<u>5,693,546</u>
<u>EXPENDITURES:</u>	
SITE RENTAL FOR 800 MHZ	130,000
MOBILE EDUCATION FOUNDATION	135,000
COMMUNITY FOUND-WORKFORCE DEVELOP	54,000
HOMELESS COALITION-COM PRO RATA SHARE	67,500
BATTLESHIP RESTORATION CONTRIB.	45,000
POLICE-VEHICLES ACQUISITION	275,000
MARY ABBIE BERG CENTER (THRU FY 2015)	<u>100,000</u>
COMMUNICATION/REACT/CITISMART	200,000
CITYWIDE MKG, STRATEGIC PLAN,	625,000
CONSULTANT & MISC EXPENSES	50,000
CITYWIDE SPORTING EVENTS	50,000
COLLEGE FOOTBALL BOWL GAME	<u>1,135,000</u>
TOTAL EXPENDITURES	<u>2,866,500</u>

UNALLOCATED BALANCE

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**CONVENTION CENTER FUND
BUDGET**

	<u>PROPOSED FY 2011-12</u>
<u>ANTICIPATED REVENUE</u>	
SALES TAX RECEIPTS	\$ 8,775,000
ROOM TAX	<u>1,721,045</u>
TOTAL BUDGETED REVENUE	<u>\$ 10,496,045</u>
<u>EXPENDITURES:</u>	
DEBT SERVICE	\$ 4,784,486
CONVENTION CENTER OPERATIONS	1,350,000
MAINTENANCE & EQUIPMENT ALLOWANCE	350,000
ADDITIONAL CONVENTION FUNDING	622,550
MOBILE CONV & VISITORS CORP.	2,400,000
SPORTS AND MARKETING	425,000
BUILDING INSURANCE	<u>500,000</u>
TOTAL EXPENDITURES	<u>\$ 10,432,036</u>
UNALLOCATED BALANCE	<u>\$ 64,009</u>

ADDITIONAL CONVENTION FUNDING

Exhibit 1	<u>PROPOSED FY 2011-12</u>
UNITED CEREBRAL PALSY	22,500
LPGA	315,000
BAYFEST	243,000
SOUTHWEST BASKETBALL	22,050
MARKETING	<u>20,000</u>
	<u>\$ 622,550</u>

**CAPITAL IMPROVEMENTS FUND
ANALYSIS OF OBLIGATIONS
FIVE YEAR BUDGET PLAN**

DESCRIPTION	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
PROJECTED REVENUES:					
ANTICIPATED SALES TAX (NET)	18,850,000	20,852,350	20,852,350	20,852,350	20,852,350
STRATEGIC PLAN FUND	450,000	-	350,000	350,000	950,000.00
SPF LIBRARY LOAN (THRU 2015)	100,000	100,000	100,000	100,000	-
TOTAL	19,400,000	20,952,350	21,302,350	21,302,350	21,802,350
DEBT SERVICE, RESERVE & TRANSFERS:					
G.O. WARRANTS	9,571,196	11,601,932	11,324,032	13,125,195	12,501,375
CRUISE TERMINAL DEBT	1,864,817	1,864,685	1,862,385	1,863,704	1,861,951
ARBITRAGE REBATE CALCULATION	20,000	10,000	10,000	10,000	10,000
BANK SERVICE CHARGES	13,000	10,000	10,000	10,000	10,000
LEASE PAYMENTS	958,207	958,207	958,207	765,733	765,733
TO METRO TRANSIT SERVICE	307,526	307,526	307,526	500,000	500,000
SUB TOTAL	12,734,746	14,752,350	14,472,150	16,274,632	15,649,059
BALANCE AVAILABLE FOR ALLOCATION	6,665,254	6,200,000	6,830,200	5,027,718	6,153,291
EXPENDITURES:					
OTHER IMPROVEMENTS & REPAIRS	655,000	535,000	700,000	300,000	750,000
SAENGER THEATRE-LEASE OBLIGATIONS	50,000	50,000	50,000	50,000	50,000
SAENGER THEATRE REPAIRS	150,000	150,000	150,000	150,000	150,000
CITYWIDE DRAINAGE PROJECTS	1,000,000	1,750,000	2,000,000	1,350,000	625,000
CITYWIDE BRIDGE REPAIR PROJECTS	250,000	250,000	200,000	200,000	300,000
STREET MAINTENANCE & REPAIRS	300,000	350,000	300,000	300,000	450,000
CITY'S SHARE-ECO DEVEL INCENTIVE-FY2025	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
CAPITAL RESERVE	1,700,000	500,000	850,000	350,000	1,250,000
HURRICANE RESERVE	250,000	300,000	250,000	0	250,000
CIVIC CENTER MAINTENANCE & REPAIRS	100,000	100,000	100,000	100,000	100,000
FINANCE-ORACLE EQUIPMENT/SOFTWARE UPGRADE	210,000	210,000	210,000	210,000	210,000
SUB TOTAL	6,665,000	6,195,000	6,810,000	5,010,000	6,135,000
BALANCE	254	5,000	20,200	17,718	18,291

**STRATEGIC PLAN FUND
ANALYSIS OF OBLIGATIONS
FIVE YEAR BUDGET PLAN**

PROGRAM	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
PROJECTED REVENUES:					
SALES TAX DISCOUNT	3,718,637	3,718,637	3,718,637	3,718,637	3,718,637
CAR RENTAL	445,000	445,000	445,000	445,000	445,000
GAS TAX	2,235,000	2,235,000	2,235,000	2,235,000	2,235,000
BUSINESS LICENSE	2,325,000	2,325,000	2,325,000	2,325,000	2,325,000
LEASE/RENTAL	1,435,000	1,435,000	1,435,000	1,435,000	1,435,000
ROOM-CITY	1,721,220	1,721,220	1,721,220	1,721,220	1,721,220
ROOM-PJ	10,000	10,000	10,000	10,000	10,000
APT BUSINESS LICENSE	330,000	330,000	330,000	330,000	330,000
INTEREST INCOME	6,000	6,000	6,000	6,000	6,000
RECEIVABLE FROM GMAC	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL REVENUES	13,225,857	13,225,857	13,225,857	13,225,857	13,225,857
TRANSFERS:					
TO GENERAL FUND (INCL ROOM TAX REV)	131,000	250,000	250,000	250,000	250,000
TO CAPITAL IMPROVEMENTS	550,000	100,000	450,000	450,000	950,000
TO ALS TRANSPORT (805)	619,282	619,282	619,282	619,282	619,282
TO 4TH PARAMEDIC UNIT (805)	404,146	404,146	404,146	404,146	404,146
E-911 DISPATCHERS	466,837	466,837	466,837	466,837	466,837
ADDTL POLICE OFFICERS	2,494,435	2,494,435	2,494,435	2,494,435	2,494,435
TOTAL TRANSFERS	4,665,700	4,334,700	4,684,700	4,684,700	5,184,700
**DEBT SERVICE:					
USA-CANCER CENTER DEBT - THRU FY2015	763,671	763,671	763,671	763,671	0
2000 G.O. WARRANTS	4,929,875	5,304,675	4,994,475	4,991,100	5,351,475
TOTAL DEBT SERVICE	5,693,546	6,068,346	5,758,146	5,754,771	5,351,475
EXPENSES					
SITE RENTAL FOR 800 MHZ	130,000	130,000	135,000	135,000	135,000
INFORMATION SYSTEMS UPGRADE	0	0	75,000	75,000	75,000
MOBILE EDUCATION FOUNDATION CONTRIB.	135,000	135,000	135,000	135,000	135,000
HOMELESS COALITION-COM PRO RATA SHARE	67,500	67,500	67,500	67,500	67,500
BATTLESHIP RESTORATION	45,000	45,000	45,000	45,000	45,000

CITYWIDE-SPORTING EVENTS	50,000	100,000	100,000	100,000	100,000
COLLEGE FOOTBALL BOWL GAME	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000
WORKFORCE DEVELOPMENT	54,000	54,000	54,000	54,000	54,000
COMMUNICATION/REACT SYSTEM/CITISMART	200,000	200,000	250,000	250,000	250,000
CITYWIDE-STRATEGIC MARKETING PLAN	625,000	300,000	125,000	125,000	125,000
POLICE-MOTOR VEHICLE ACQUISITION	275,000	500,000	500,000	500,000	500,000
CONSULTANT AND MISC EXPENSES	50,000	50,000	50,000	50,000	50,000
MARY ABBIE BERG CENTER-THRU FY2015	100,000	100,000	100,000	100,000	0
TOTAL EXPENSES	2,866,500	2,816,500	2,771,500	2,771,500	2,671,500
PROJECTED BALANCE	111	6,311	11,511	14,886	18,182

**MOBILE CRUISE TERMINAL
FY 2011-12 PROPOSED BUDGET**

Revenue			
Wharfage	\$	35,159	
Parking		168,280	
Lease		22,700	
Total Revenue			\$ 226,139
Expenditures			
Transportation	\$	1,950	
Personnel		125,686	
Direct expenses		264,383	
Management Fees		6,174	
Insurance		900	
Land Rent		-	
Equipment		4,200	
Other		46,000	
Debt Service		-	
Total Expenditures			<u>449,293</u>
Net Operating Income			<u>\$ (223,154)</u>