

# MAYOR'S PROPOSED OPERATING BUDGET FISCAL YEAR 2010

## INTRODUCTION

### HOW TO USE THIS DOCUMENT

This document is designed to provide concise and readable information about the approved budget for general government operations in the municipality of Birmingham, Alabama for the fiscal year which begins July 1, 2009. It presents the major programs and plans for the fiscal year and summarizes anticipated revenues and expenditures.

The proposed budget document is divided into the following major sections:

--The **Budget Message** includes the Mayor's transmittal of proposed spending priorities for the City of Birmingham for the 2009 – 2010 fiscal year.

--The **Introduction** section contains general information and statistics about the City of Birmingham. An organizational chart of city government is included as well as a brief description of the more significant departments and governing boards. In the introduction also is a statement of the City's budgetary goals and financial policies and a review of the budget process.

--The **Summary of Revenues and Appropriations** features a tabulation of actual revenue and expenditures in the City's General Fund for the fiscal years ended June 30, 2008; appropriations and estimated revenues through April 30<sup>th</sup> for the current year which ends June 30, 2009, and budgeted amounts for the upcoming fiscal year.

--The **General Fund Revenues** section lists the amounts of actual, estimated and projected revenues according to revenue type for fiscal years 2008, 2009 and 2010.

--The **General Fund Appropriations** summarizes actual expenditures, current appropriations and proposed amounts for fiscal year 2008, 2009 and 2010, respectively.

--The **Detail of Appropriations and Budgeted Positions by Function** section presents information on operations according to functional area. There are three functional areas listed: general government, public safety, and culture and recreation. Each department is assigned to one of these areas. Expenditures for fiscal year 2008, appropriations for fiscal year 2009 and proposed budget amounts for fiscal year 2010 are presented for each department by expense account classification (i.e., personnel services, repair and maintenance, fleet expenses, supplies, communications, general and administrative, etc.). Information is also given on the number of positions budgeted for each department in the General Fund during fiscal years 2008 and 2009, and proposed for fiscal year 2010. Information on budgeted positions is summarized in this section by status (i.e., classified, elected, appointed or unclassified) and by function.

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--The **Budgets Which Contain Additional Operating Appropriations** include the General Bond Debt Reserve Fund, the Capital Improvement Fund, the Corrections Fund and the Community Development Block Grant Fund. Estimated revenues and appropriations for the fiscal year 2010 are given for each of these funds.

--The **Debt Service** caption includes a discussion of the City's debt management policies and provides a schedule listing the amounts required for payment of principal and interest during fiscal year 2010.

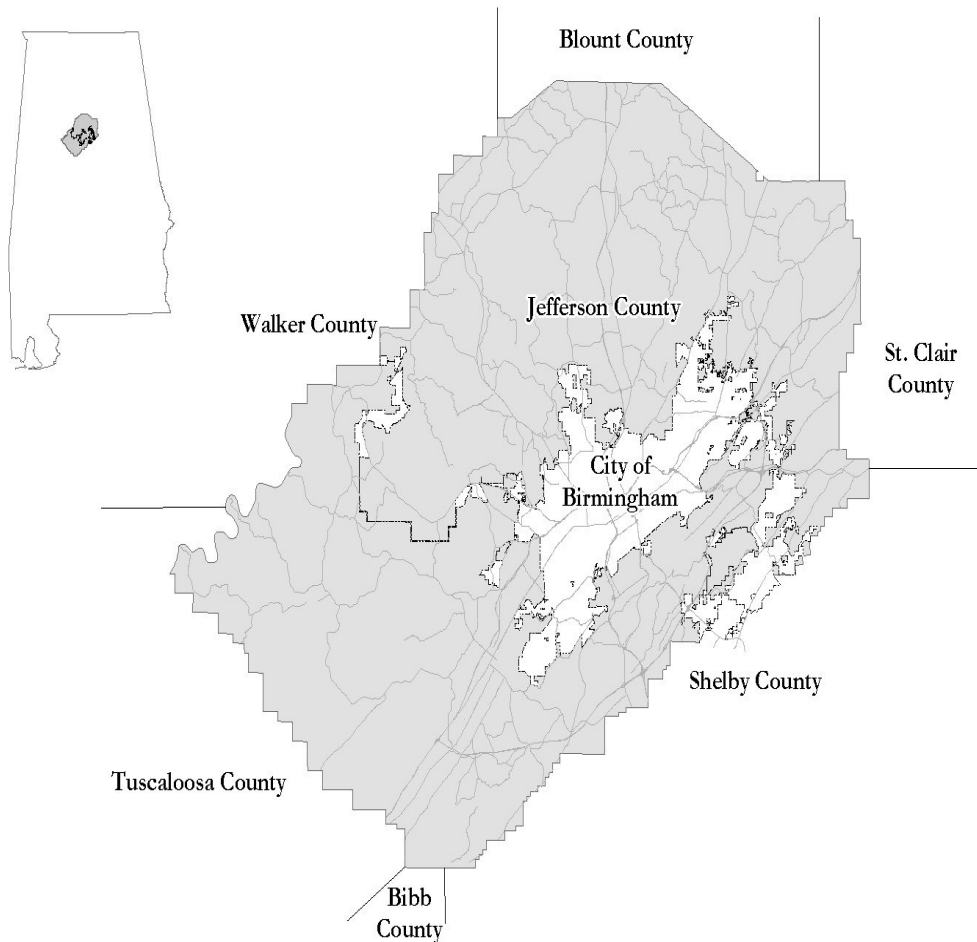
--The **Appendices** include a Classification and Pay Plan which shows the current job classes and the salary range for each class. Also included is a Glossary of Key Terms.

Further information about the operating budget may be obtained by calling (205) 254-2311, or by visiting the website <http://www.informationbirmingham.com/budget.aspx>.

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## THE CITY OF BIRMINGHAM, ALABAMA

The City of Birmingham, Alabama, is a municipal corporation under the laws of the State of Alabama. Birmingham is the largest city in the state with a population currently estimated at 242,820 and a total area of approximately 163 square miles. As shown on the map below, Birmingham is located in Jefferson and Shelby counties in north central Alabama.



*City of Birmingham, Alabama*

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## FACTS ABOUT BIRMINGHAM AND METROPOLITAN AREA

- Ranks 13<sup>th</sup> in population among the 25 largest southeastern metropolitan areas.
- Represents 23.7 percent of Alabama's population.
- Ranks 43<sup>rd</sup> in population among the nation's 362 metropolitan areas.
- Represents 26.8 percent of Alabama's retail sales.

AREA: 5,332 square miles—MSA (Metropolitan Statistical Area)—Jefferson, Bibb, St. Clair, Shelby, Walker, Chilton and Blount Counties.

ALTITUDES:	Average – 620 ft. Range – 538 ft. – 1,200 ft.
LATITUDE:	33° 38' N
LONGITUDE	86° 50' W
CLIMATE:	Average temperature – 61.8° Average annual rainfall – 54.84” Average annual snowfall – 1.40”
EDUCATION:	Enrollment at Area Colleges and Universities: University of Alabama at Birmingham – 16,572 University of Montevallo – 2,999 Samford University – 4,507 Birmingham-Southern College – 1,411 Southeastern Bible College – 232 Miles College – 1,716 Jefferson State Community College – 7,173 Lawson State Community College – 2,371 Virginia College at Birmingham – 2,407
GOVERNMENT:	Birmingham, the county seat, is one of 33 separately incorporated municipalities in Jefferson County. The City has a mayor/council form of government with a general fund annual budget of approximately \$415.8 million for fiscal year 2010.
METROPOLITAN POPULATION:	1,052,238
BIRMINGHAM POPULATION:	242,820

*City of Birmingham, Alabama*

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CULTURAL DENSITY (Birmingham): African-American: 73.5 percent  
White: 24.1 percent  
Other: 2.4 percent

MEDIAN 2001 HOUSEHOLD EFFECTIVE BUYING INCOME (Birmingham): \$31,851

2001 PER CAPITA PERSONAL INCOME (MSA): \$30,602

LARGEST EMPLOYERS:

- University of Alabama at Birmingham
- U.S. Government
- AT&T Telecommunications, Inc.
- Alabama Power Company
- Regions Bank
- Compass Bank
- City of Birmingham
- American Cast Iron Pipe Co.
- Birmingham Board of Education
- Seton Health Corporation

LARGEST TAXPAYERS:

- Alabama Power Company
- University of Alabama at Birmingham
- Wal-Mart
- American Cast Iron Pipe Co.
- Alabama Gas Corporation
- Pro Sys Information Systems
- Lowe's, Inc.
- Regions Bank
- Target Corporation
- Compass Bank

BOND RATING:

- Standard & Poor's: AA
- Moody's: Aa3
- Fitch: AA-

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### EMPLOYMENT BY INDUSTRY (NON-AGRICULTURAL)

PERCENT OF JOBS BY SECTOR: Finance, Insurance & Real Estate: 30.2 percent  
Wholesale and Retail Trade: 24.0 percent  
Government: 13.2 percent  
Manufacturing: 10.3 percent  
Health Care: 9.1 percent  
Mining & Construction: 6.8 percent  
Transportation & Public Utilities: 6.4 percent

RESTAURANTS: There are more than 500 restaurants in the Birmingham area. This number includes full service restaurants, cafeterias, fast food outlets and hotel and motel establishments.

CHURCHES: The Birmingham metropolitan area has over 1,300 churches, and church membership is held by approximately 60 percent of the population.

### POINTS OF INTEREST

Alabama Jazz Hall of Fame—Located in the historic Carver Theater for the Performing Arts, the museum honors great jazz artists with ties to the state of Alabama. While furnishing educational information, the museum is also a place for entertainment.

Alabama Sports Hall of Fame—The Birmingham-Jefferson Civic Center Complex houses this museum which showcases Alabama's rich heritage in athletics.

Alabama State Fairgrounds—The Fairgrounds is currently undergoing a redevelopment which will combine athletic facilities with residential, retail and entertainment facilities.

Arlington Antebellum Home and Gardens—This Greek Revival style house built in the 1850's is known as the official hospitality center for the City of Birmingham.

Birmingham Botanical Gardens—Featuring waterfalls, statuary and flora from throughout the world, the Botanical Gardens is a popular place for weddings or for an afternoon stroll.

Birmingham Civil Rights Institute—A state-of-the-art facility housing exhibits that depict historical events from post World War I racial separation to present day racial progress. More than a museum, the Institute promotes on-going research and discourse on human rights issues through its archival and educational programs and services.

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Birmingham-Jefferson Civic Center—A massive sports, entertainment and convention/exhibition complex, the Civic Center is located in the heart of downtown Birmingham.

Birmingham Museum of Art—One of the finest museums in the south and the largest municipal museum in the southeast, the Birmingham Museum of Art has permanent exhibits of 19<sup>th</sup> and 20<sup>th</sup> Century American paintings, the Kress Collection of Italian Renaissance Art and many pre-Columbian objects.

Birmingham Race Course—A simulcast horse and dog racing facility, situated on 350 acres in the eastern area of Birmingham, is served by three interstates—I-59, I-459, and I-20.

Birmingham Zoo—The Zoo exhibits a variety of animals, birds and reptiles in a series of attractive and educational displays.

Cobb Lane—A quaint, rambling cluster of shops and restaurants in two historic connecting houses is located in the Five Points South section of the City.

Finley Avenue Farmers Market—Produce from area farmers can be purchased in this open air market.

Five Points South—Restaurants, bars and specialty shops surround this newly restored area on Birmingham's South side that has emerged as a nucleus for dining, entertainment and shopping.

Legion Field—The scene of several of the state's major collegiate and high school football clashes, Legion Field seats more than 71,500. Legion Field was also the site of the 1996 Summer Olympic Soccer trials.

McWane Center—Children are welcomed to a hands-on museum which encourages them to feel and discover the wonders of science.

Meyer Planetarium—The 900 seat planetarium features a simulated look at celestial bodies and other aspects of outer space. Located on the campus of Birmingham-Southern College, Meyer Planetarium offers a regular schedule of public showings.

Oak Mountain State Park—Located 15 miles south of Birmingham, this is the largest of Alabama's State Parks encompassing 9,940 acres of lush, green valley filled with pine ridges.

Rickwood Field—Opened on August 18, 1910, Rickwood Field is the oldest baseball stadium in America. Rickwood served as home field for both the Birmingham Barons, now the AA farm club for the Chicago White Sox, and the Birmingham Black Barons of the old Negro American League. With help from the City of Birmingham and other contributors, the restored stadium now stands as a monument to baseball greats such as Ty Cobb and Willie Mays who played here.

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Ruffner Mountain Nature Center—Ruffner Mountain, the last undeveloped remnant of the Red Mountain Ridge, is the site of the Nature Center. Visitors are invited to hike along one of the many nature trails and to tour the Center which is open daily.

Sloss Furnaces National Historical Landmark—Located on the eastern edge of the downtown business district, the Sloss Furnaces have been a dominant feature of Birmingham's skyline for over a century. The only one of its kind in the world, the museum offers furnace tours (led by trained guides, many of whom are retired blast furnace workers) and media presentations which examine Birmingham's industrial heritage.

Southern Museum of Flight—East of downtown and north of the Birmingham International Airport this unique museum houses full-scale airplanes, memorabilia from World War II, a library of aviation and Delta Airlines first airplane.

Vulcan—Vulcan Park has featured the largest cast iron statue in the world and has been one of the City's largest tourist attractions. Visitors enjoy the formal gardens, beautiful water fountains and meticulously landscaped grounds with space for mountainside picnics, weddings and receptions. In 1997, Vulcan was named "Birmingham's Must See Spot for Visitors" by a readers' poll of the Birmingham News. Although the park closed in March 1999 due to structural deterioration, the Vulcan Statue has been refurbished largely due to fund raising efforts spearheaded by the Chamber of Commerce. The park reopened to the public during the first quarter of 2004.

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## **RESPONSIBILITIES OF THE CITY OF BIRMINGHAM, JEFFERSON COUNTY AND THE STATE OF ALABAMA**

### **Law Enforcement:**

The City of Birmingham, Jefferson County, and the State of Alabama have coextensive law enforcement jurisdiction. The City operates a misdemeanor court system.

### **Streets and Highways:**

The State of Alabama is responsible for maintaining state roads and federal highways within the City of Birmingham. The City builds and maintains local traffic arteries only.

### **Sewers:**

Jefferson County constructs and maintains sewer plants and trunk line sewers. The City of Birmingham constructs and maintains sanitary and storm sewers within its boundaries.

### **Health:**

Jefferson county and all the municipalities located within the county (including the City of Birmingham) contribute to the County Health Department on a formula basis. Jefferson County operates a public, tax supported hospital.

### **Transportation:**

A regional bus system, operated by the Birmingham-Jefferson County Transit Authority, is funded by federal monies which are matched by county and municipal funds on a formula basis. The Birmingham International Airport is operated by the Birmingham Airport Authority under a lease agreement with the City of Birmingham,

### **Education:**

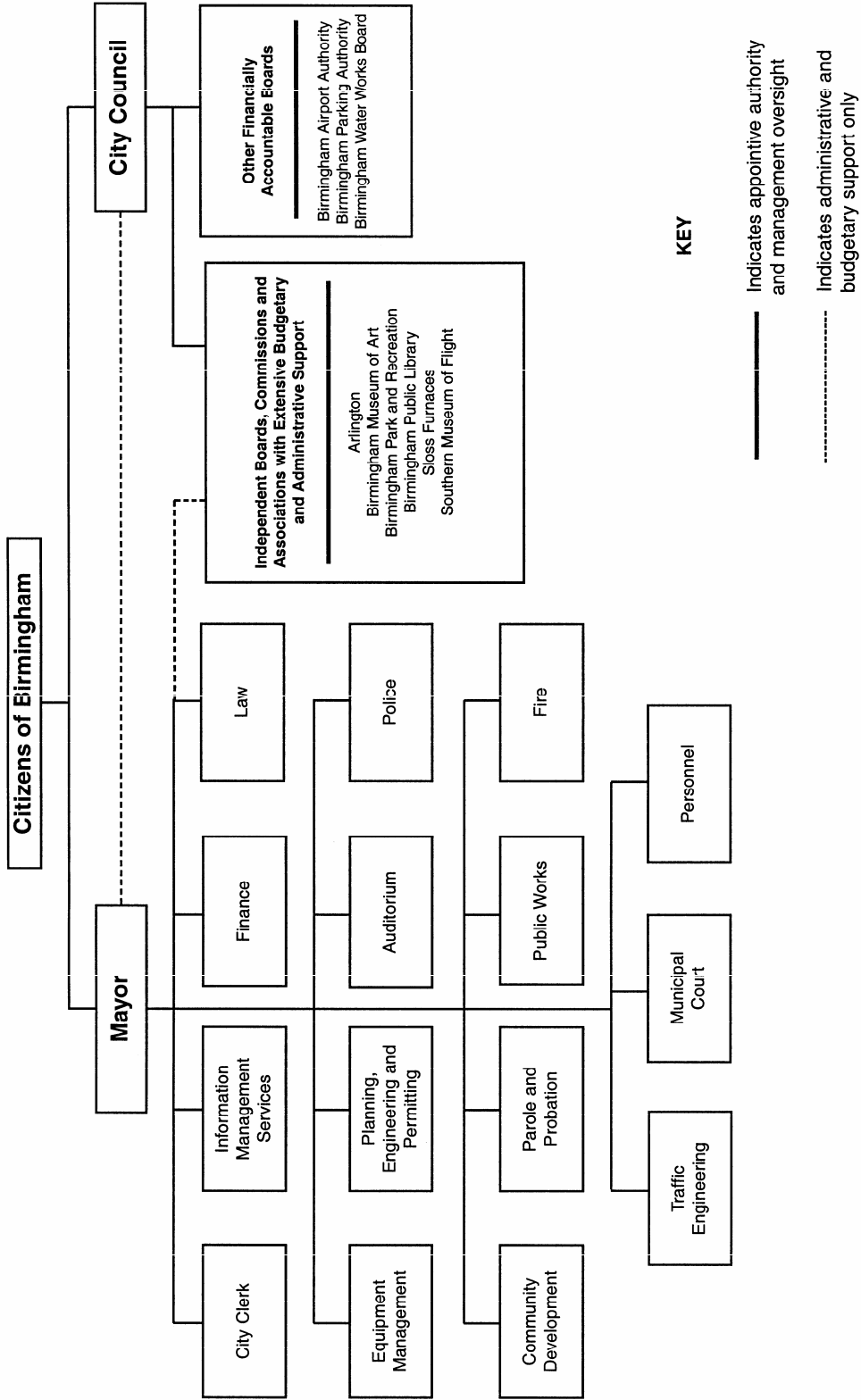
The citizens of Birmingham elect members to the Birmingham Board of Education which operates all City schools. School funding comes from local ad Valorem taxes and from state and federal funds. The City assists the Board of Education in borrowing for capital purposes.

### **Recreation:**

The City of Birmingham funds a recreation program which includes swimming pools, museums and sports facilities. The Mayor represents the City on the board of the Birmingham-Jefferson Civic Center Authority. The Civic Center Authority operates a coliseum, theater and an exhibition hall.

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## City of Birmingham, Alabama Organization Chart



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## ORGANIZATION OF THE CITY OF BIRMINGHAM

The organization of Birmingham city government is illustrated in the chart on page 19. The City of Birmingham operates under a mayor-council form of government as provided by Act No. 452 of the Alabama State Legislature. The Mayor is elected at large and serves as the City's chief administrative officer. The Mayor makes all personnel appointments and terminations subject to the laws governing the civil service system. The City Council is comprised of nine councilors elected by districts. The City Council exercises legislative power and makes appointments to any independent or quasi-independent boards and agencies over which the City has appointive power.

City services are provided by approximately twenty-four departments and quasi-independent boards. Each department has a department head appointed by the Mayor. The quasi-independent boards appoint a director who serves as chief operating officer. A description of some of the more significant departments and boards is presented below:

### **Boutwell Auditorium and Alabama State Fair**

To stage cultural and entertainment events for people in the Birmingham area.

### **Equipment Management**

Provides repair and maintenance for the City's rolling stock.

### **Office of the City Clerk**

The City Clerk is secretary to the City Council and custodian of all official City records. The City Clerk also serves as secretary to the Election Commission, the Library Board, the Employees Pension Board, the Industrial Development Board and the Commercial Development Board of the City of Birmingham.

### **Finance Department**

The Finance Department is administered by the Director of Finance, who is appointed by the Mayor. The principal duties of the Director of Finance are established by statute and include the following: budget preparation and administration; investments; capital financing; insurance and risk management; disbursements; accounting; audit; collection of sales and occupational license taxes, business licenses and other revenues; and the purchasing of all materials, supplies, equipment and services.

### **Fire Department**

The City maintains a modern fire fighting department housed in 31 stations located throughout the City. Thirty-six fire companies are staffed by approximately 708 personnel. The department has its own training school for new employees and for retraining of

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personnel. The Fire Department operates 16 advanced life support units, a fire prevention bureau, and a hazardous materials response team.

### **Police Department**

The Birmingham Police Department utilizes the most current law enforcement techniques and equipment. It is staffed by approximately 910 uniformed officers and 321 civilian personnel. The Police Department has four precinct offices and several sub-stations located throughout the city. Day-to-day operations of the department are divided among four units: Administrative Operations Bureau, Support Services Bureau, Patrol and Special Forces Operations Bureau and Investigative Operations Bureau.

### **Public Works Department and Traffic Engineering Department**

The employees of the Public Works Department collect trash and garbage for the households and businesses within the jurisdiction of the City of Birmingham. The department also operates two sanitary landfills and maintains all City streets, storm and sanitary sewers. It is also responsible for the maintenance of City Hall and other City-owned buildings. The Traffic Engineering Department installs and maintains traffic control devices including signs, parking meters and street lights.

### **Community Development Department**

Community Development personnel work with neighborhood citizens advisory councils to establish priorities for public works activities and other government programs. They also help to develop federal assistance and grant projects and aid in the upgrading and expansion of the city's housing stock.

### **Department of Planning, Engineering and Permits**

The Department of Planning, Engineering and Permits conducts planning and zoning activities; constructs streets, sidewalks, viaducts, storm and sanitary sewers and other public works; administers the City's building, electrical and plumbing codes; and inspects weighing and measuring devices within the city. They also oversee all condemnation and demolition activities for the City.

### **Law Department and Municipal Court**

Attorneys in the Law Department advise the Mayor, City Council and other City departments and agencies on legal matters. The department's attorneys also represent the City in litigation and prosecute misdemeanor cases in the City's Municipal Court.

### **Information Management Services**

To provide electronic and communication services for City department who then respond to the needs of the citizens of Birmingham.

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## **Office of Personnel**

Provides programs, services and explanation of benefits for City employees.

## **Parole and Probation**

Serves as the parole office for the City's municipal courts.

## **Museum of Art, Arlington Museum, Southern Museum of Flight and Sloss Furnace Museum**

The departments provide cultural and educational experiences to the community by presenting works of art.

## **Park and Recreation Board**

Most park and recreation facilities in the City are operated by the Park and Recreation Board. The board is made up of five members appointed by the City Council. The budget of the Park Board is subject to approval by the City Council. The Park Board is responsible for the operation of Legion Field, the City's athletic stadium; the Botanical and Japanese Gardens; 2 golf courses; 18 recreation centers; 17 swimming pools and numerous athletic fields and tennis courts.

## **Birmingham Library Board**

The Birmingham Library Board oversees the operation of a central library located in downtown Birmingham and twenty-one branch libraries throughout the city. Library personnel catalogue and maintain a book collection of over one million volumes. Staff members also provide a variety of research services and educational programs to Birmingham citizens. The Library Board consists of nine members appointed by the City Council.

## **Birmingham Parking Authority**

Off-street parking facilities within the City of Birmingham are operated by the Birmingham Parking Authority. The Authority is governed by a three member board of directors who are appointed by the City Council. The Authority currently employs 94 full and part-time personnel to service and maintain ten parking decks and two surface lots.

## **Birmingham Airport Authority**

The Birmingham-Shuttlesworth International Airport, which is located five miles northeast of the center of downtown Birmingham, is operated by the Birmingham Airport Authority under the provisions of a long term lease with the City of Birmingham. The City Council makes appointments to the seven member board of the Authority. The City Council also must approve the Authority's annual budget. The Authority reimburses the City for the

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cost of fire and police personnel stationed at the airport. The Authority also reimburses the City for debt service on the airport parking deck and cargo building.

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## **BUDGETARY GOALS AND FINANCIAL POLICIES**

The budget document for fiscal year 2009-2010 is prepared in compliance with the City of Birmingham's Mayor-Council Act and in accordance with the financial policies set forth by the Mayor and the City Council. These policies provide guidelines for evaluating both current activities and proposals for future programs.

### **Operating Budget Goals:**

1. To continue delivering all basic services to the citizens of Birmingham by maintaining the proper level of police, fire and sanitation service.
2. To remain a financially stable city with good fiscal management and a sound tax base in the face of the economic downturn.
3. To continue efforts to reduce crime and devise ways of dealing with the roots of crime, such as through drug awareness and youth programs.
4. To encourage increased citizen participation in city government by providing financial support to the Citizen Advisory Board.
5. To maintain the role of the City of Birmingham as the major provider of regional amenities and cultural activities.
6. To proceed in our commitment to office automation, electronic data processing, and productivity improving tools and techniques.
7. To provide for competitive wage rates and fringe benefits for all City employees.
8. To adopt a balanced General Fund Budget. A balanced budget is defined as follows: In no event shall the expenditures recommended by the Mayor in the General fund Budget exceed the receipts estimated.

### **Cash Management and Investment Policies:**

1. The City will deposit all cash receipts on the day they are received.
2. The City will collect all revenues in a timely manner and aggressively pursue collection of all past due receivables of any type.

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### **Debt Policies:**

1. The City will maintain a debt structure that will allow it to retain its AA rating with Standard & Poor's and Aa3 with Moody's investment services.
2. The City will issue voter approved bonds in such amounts and at such times as allows the City to maintain an orderly capital expenditure program.
3. Over the life of all debt, the City will maintain a balanced debt service structure, letting neither near term or future debt service requirements to unduly burden its financial condition.
4. The City's General Debt Reserve Fund (the Sinking Fund) will be monitored closely and used in the most appropriate way to provide short term liquidity and long term reserves for general obligation bonds of the City.
5. New bonds, warrants and capital leases will only be issued after an assessment has been made of the impact such new debt will have upon the City's general financial condition and upon the total debt and annual debt service of the City.
6. Total variable rate debt issues of the City will be limited to approximately twenty percent of the outstanding amount of total City debt.
7. When conditions are favorable, existing debt issues will be currently or advanced refunded with new debt in order to provide the lowest possible interest cost to the City.
8. New debt will be issued at interest rates that are consistent with the City's bond rating.

### **Financial Reserve Policy:**

The City will maintain a reserve (fund balance) in the General Operating Fund equal to three months of operating expenditures.

### **Accounting, Auditing and Financial Reporting Policies:**

1. An independent audit of the City's financial records and internal control procedures will be performed on an annual basis.
2. The city will produce a comprehensive annual financial report in accordance with generally accepted accounting principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB).
3. The City will maintain a staff of internal auditors to conduct periodic reviews and special investigations as needed or requested by the Mayor.

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## Capital Budget Policies

1. The City will develop a multi-year plan for capital improvements which will be updated annually. All capital improvements will be made in accordance with this plan.
2. The City will maintain physical assets at a level appropriate to protect the City's investment and minimize future maintenance and replacement costs.
3. The City will acquire and develop land for industrial park sites in order to attract new businesses and thus promote economic development.

# **MAYOR'S PROPOSED OPERATING BUDGET FISCAL YEAR 2010**

## **THE BUDGET PROCESS (SUMMARY)**

The City follows these procedures in establishing the budgetary data reflected in this document:

1. On or before May 20, the Mayor submits to the City Council a proposed General Fund Operating Budget for the fiscal year commencing the following July 1. The General Fund Operating Budget includes proposed expenditures and sources of revenue.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to July 1, this budget legally enacted through passage of an ordinance.
4. The Mayor is authorized to transfer budgeted amounts within departmental appropriations within a fund. However, any revisions that alter the total expenditures for any fund or transfers funds between departments or between approved capital projects must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund (see item 7 below). Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation indenture provision.
6. Adopted budgets for the General Fund are consistent with generally accepted accounting principles (GAAP) except that budgets and budgetary schedules included are prepared using encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded. At the end of the fiscal year, unencumbered appropriations of the General Fund automatically lapse.
7. Legally adopted annual budgets are not prepared on Special Revenue and Capital Project Funds; consequently, there are no statements of revenue and expenditures, budget and actual, for Special Revenue and Capital Project funds. However, budgets for Special and Capital Project funds are adopted on an individual project basis.
8. The adopted General Fund budget is allocated to each department or agency of the City as provided in the Mayor-Council Act of 1955, State of Alabama. Total expenditures may not exceed appropriations unless the City Council amends the budget due to increased revenues or through a reduction of fund balance. The City Council has the authority to amend the budget as needed throughout the year provided adequate funds are available at the time of the amendment.

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## THE BUDGET PROCESS (DETAIL)

### ARTICLE V (MAYOR-COUNCIL ACT)

Adopted by the Alabama legislature, September 9, 1955 Act No. 452

#### **Sec. 5.01 Fiscal Year**

The fiscal year of the city government shall begin on the first day of July and shall end on the last day of June of each calendar year. Such fiscal year shall also constitute the budget and accounting year.

#### **Sec. 5.02 Submission of Budgets**

On a day to fixed by the council but no later than the 20<sup>th</sup> day of May in each year, the mayor shall submit to the council: a separate current revenue and expense budget for the general operation of the City government, to be known as the "general fund budget"; a capital budget; and a budget message.

#### **Sec. 5.03 Preparation of Budgets**

It shall be the duty of the head of each department, and each other office or agency supported in whole or in part by the city, to file with the director of finance, at such times as the mayor may prescribe, estimates of revenue and expenditure for that department, office or agency for the ensuing fiscal year. Such estimates shall be submitted on the forms furnished by the director of finance and it shall be the duty of the head of each such department, office or agency, to supply all the information which the director of finance may require to be submitted thereon. The director of finance shall assemble and complete these estimates and supply such additional information relating to the financial transactions of the city as may be required by the mayor in the preparation of the budgets. The mayor shall hold hearings as he may deem advisable and with the assistance of the director of finance shall review the estimates and other data pertinent to the preparation of the budgets and make revisions in estimates as he may deem proper, subject to the laws of the State of Alabama and any municipal ordinance relating to obligatory expenditures for any purpose.

#### **Sec. 5.04 Scope of General Fund Budget**

The general fund budget shall be prepared in accordance with accepted principles of municipal accounting and budgetary procedure and techniques, and shall show:

- (a) such portion of the general fund cash surplus estimated to exist at the end of the current fiscal year, and is proposed to meet expenditures in the general fund budget for the ensuing year;
- (b) an estimate of the receipts from current ad valorem taxes on real estate and tangible property during the ensuing fiscal year;

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- (c) an estimate of receipts from all other sources of revenue. If additional revenue is to be derived from the state, the amount fixed by the mayor shall not exceed the amount which the proper state official shall certify in writing to be the reasonable expectation of receipts from such source;
- (d) a statement to be furnished by the director of finance of the debt service requirements for the ensuing year.
- (e) an estimate of the general fund cash deficit, if any, at the end of the current fiscal year any other obligations required by law to be budgeted for the ensuing fiscal year.
- (f) an estimate of expenditures and appropriations for all other purposes to be met from the general fund in the ensuing fiscal year. All the estimates shall be in detail showing receipts by sources and expenditures by operating units, character and object, so arranged to show receipts and expenditures as estimated for the current fiscal year and actual receipts and expenditures for the last preceding year, in comparison with estimated receipts and recommended expenditures for the ensuing fiscal year.

### **Sec. 5.05 A Balanced Budget**

In no event shall the expenditures recommended by the mayor in the general fund budget exceed the receipts estimated, taking into account the estimated cash surplus or deficit at the end of the current fiscal year. Unless the mayor shall recommend an increase in or levy of new or increased taxes or licenses within the power of the city to levy and collect in the ensuing fiscal year, the receipts from which, estimated on the basis of the average experience with the same or similar taxes during the three (3) full tax years last past, will make up the difference.

### **Sec. 5.06 A Budget Message**

The budget message shall contain the recommendations of the mayor concerning the fiscal policy of the city, a description of the important features of the budget plan, an explanation of all salient changes in each budget submitted, as to estimated receipts and recommended expenditures as compared with the current fiscal year and the last preceding fiscal year, and a summary of the proposed budget.

### **Sec. 5.07 Availability of Budgets for Inspection and Publication of the Budget Message**

The mayor shall cause the budget message to be printed, mimeographed or otherwise reproduced for general distribution at the time of its submission to the council. Sufficient copies of the proposed general fund and capital budgets shall be supplied to each council member and each daily newspaper of general circulation published in the city. Two (2) copies are to be deposited in the office of the city clerk where they shall be open to public inspection during regular business hours.

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## **Sec. 5.08 Publication of Notice of Public Hearing**

At the meeting of the council at which the budget and budget message are submitted, the council shall determine the place and time of the public hearing on the budget, and shall cause to be published a notice of the place and time, not less than seven (7) days after the date of publication, at which the council will hold a public hearing. The council shall hold a public hearing on the budget as submitted, at which time any citizen of the city shall be given an opportunity to be heard, for or against the estimates or any item thereof.

## **Sec 5.09 Action by the Council on the General Fund Budget**

After the public hearing the council may insert new items of expenditures or may increase, decrease or strike out items of expenditures in the general fund budgets, except that no item of expenditure for debt service or any other item required by this act or other provision of law shall be reduced or stricken out. The council shall not alter the estimates of receipts contained in said budgets except to correct omissions or mathematical errors and it shall not cause the total expenditures as recommended by the mayor to be increased without a public hearing on such increase, which shall be held not less than three (3) days after notice thereof by publication in a newspaper of general circulation published in the city. The council shall in no event adopt a general fund budget in which the total of expenditures exceeds the estimated receipts and available surplus, unless at the same time it adopts measures for providing additional revenue in the ensuing fiscal year, sufficient to make up the difference.

## **Sec. 5.10 Adoption of General Fund Budget**

By the 20<sup>th</sup> day of June of the current fiscal year, the council by a majority vote, shall adopt the general fund budget, and such ordinances providing for additional revenues as may be necessary to put the budget in balance. If for any reason the council fails to adopt the general fund budget on or before such day, budget continuation is invoked (Section 5.21)

## **Sec 5.11 Effective Date of Budget; Certification; Copies Made Available**

Upon final adoption, the budget shall be in effect for the budget year. A copy of the budget, as finally adopted, shall be certified by the mayor and city clerk and filed in the office of the director of finance. The budget so certified shall be printed, mimeographed or otherwise reproduced and sufficient copies thereof shall be made available for the use of all offices, departments and agencies for the use of citizens of the city who request a copy.

## **Sec. 5.13 Work Plan and Allotments**

Before the beginning of the fiscal year, the head of each department, office, and agency shall submit to the mayor a work program which shall show the requested allotments of the appropriations for such department, office or agency for the entire fiscal year by monthly or quarterly periods as the mayor may direct. The aggregate of such allotments shall not exceed the total appropriation available to each such department, office or agency for the

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fiscal year. An approved allotment may be revised during the fiscal year in the same manner as the original allotment was made.

### **Sec. 5.14 Transfers of Appropriations**

The mayor may at any time authorize, at the request of any department, office or agency, the transfer of any unencumbered balance or portion thereof in any general fund appropriation from one classification of expenditure to another within the same department, office or agency. At the request of the mayor, the council may by resolution transfer any unencumbered balance or portion thereof in any general fund appropriation from one (1) department, office or agency to another.

### **Sec. 5.15 Additional Appropriations**

Appropriations in addition to those contained in the original general fund budget ordinance, may be made by the council by not less than five (5) affirmative votes, but only on the recommendation of the mayor and only if the director of finance certifies in writing that there is available in the general fund a sum unencumbered and unappropriated sufficient to meet such appropriation.

### **Sec 5.16 Emergency Appropriations**

At any time in any budget year, the council may make emergency appropriations to meet a pressing need for public expenditures for other than a regular or recurring requirement, to protect the public health, safety or welfare. Such appropriation may be made by the council, by not less than five (5) affirmative votes, but only on the recommendation of the mayor. The total of all emergency appropriations made in any budget year shall not exceed five (5) per centum of the total general fund operating appropriation made in the budget for that year.

### **Sec 5.17 Appropriation to Lapse**

Any portion of an appropriation remaining unexpended and unencumbered at the close of the fiscal year shall lapse.

### **Sec 5.18 Capital Budget**

At the same time that he submits the general fund budget, the mayor shall submit to the council a capital improvement program covering all recommended capital improvement projects, for the ensuing fiscal year and for the four (4) fiscal years thereafter, with his recommendation as to the means of financing the improvements proposed for the ensuing fiscal year. The council shall have power to accept with or without amendments or reject the proposed program and proposed means of financing for the ensuing fiscal year; and may from time to time during the fiscal year amend by ordinance, by at least five (5) affirmative votes, the program previously adopted by it, or the means of financing the whole or any part thereof or both, provided that the amendment shall have been recommended by the mayor,

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and further, provided such additional funds are available in the general fund or any other fund of the city available therefore. The council shall adopt a capital budget prior to the beginning of the fiscal year in which the budget is to take effect. No appropriations for a capital improvement project contained in the capital budget shall lapse until the purpose for which the appropriation was made shall have been accomplished or abandoned, provided that any project shall be deemed to have been abandoned if three (3) fiscal years lapse without any expenditure from or encumbrance of the appropriation therefore. Any such lapsed appropriation shall be applied to the payment of any indebtedness incurred in financing the project concerned and if there be no such indebtedness shall be available for appropriation.

### **Sec 5.19 Certification of Funds; Penalties for Violation**

No payment shall be made and no obligation incurred by or on behalf for the city except in accordance with an appropriation duly made and no payment shall be made from or obligation incurred against any allotment or appropriation unless the director of finance shall first certify that there is a sufficient unexpended and unencumbered balance in such allotment or appropriation to meet the same. Every payment made in violation of the provisions of this act shall be deemed illegal and every official who shall knowingly authorize or make such payment or knowingly take part therein and every person who shall knowingly receive such payment or any part thereof shall be jointly and severally liable to the city for the full amount so paid or received.

### **Sec 5.20 Reserve Permanent Public Improvements**

The council may, by ordinance, establish a reserve fund for permanent public improvements and may appropriate thereto any portion of the general fund cash surplus not otherwise appropriated at the close of any fiscal year. Appropriations from the fund shall be made only to finance improvements included in the capital budget.

### **Sec 5.21 Budget Continuation**

Any official adopted budget in existence at the time that the council is first organized, shall continue in force and effect during the balance of the city's then fiscal year, or until such time as the mayor may submit to the council and the council adopts, an amended, altered or revised budget for the balance of said fiscal year.

### **Sec 5.22 Budget Summary**

At the head of the budget there shall appear a summary of the budget, which need not be itemized further than by principal sources of anticipated revenue, stating separately the amount to be raised by property tax, and kinds of expenditures itemized according to departments, doing so in a manner as to present to the taxpayers a simple and clear summary of the detailed estimates of the budget.