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Councilmember District 3

WALLACE B. HUNTER, City Manager  
MELONY LEE, City Clerk

## CITY OF PHENIX CITY BUDGET MESSAGE 2021-2022 PROPOSED BUDGETS

A synopsis of the City of Phenix City’s Proposed Budgets for the 2021/2022 fiscal year:

### GENERAL FUND BUDGET

The General Fund Revenue Budget for fiscal year 2021/2022 is \$43,401,852, a decrease of \$2,684,750, which is a 6% decrease from the fiscal year 2020/2021 budget. The decrease is due to conservative projections in revenue streams, in conjunction with planned decreases in operating expenditures to offset any economic downturns as a result of the continuation of the national pandemic. Budgeted expenditures and transfers for the General Fund are \$43,193,979. Budgeted operating expenditures are \$40,743,979 with debt service transfers of \$1,250,000, and reserves for future debt service of \$1,200,000. The City has budgeted \$1,337,967 for departmental capital expenditures. The City projects to end the 2021/2022 fiscal year with a surplus of \$207,873. There are no tax or fee increases proposed or expected for fiscal year 2021/2022.

### UTILITIES FUND BUDGET

The Utility Fund Revenue Budget for fiscal year 2021/2022 is \$14,404,414, an increase of \$892,601, which is a 6% increase from the fiscal year 2020/2021 budget. Budgeted operating expenses for the Utilities Division are \$13,926,331 with a utility debt service budget of \$3,830,584, which includes \$1,895,000 in principle debt reduction. The operating budget includes \$1,008,919 for departmental capital expenses. The City projects the Utility



System to end the 2021/2022 fiscal year with a surplus in its operating budget of \$478,083.

The City’s Utility System has \$275,000 budgeted for capital improvements from System Development Fees, and \$11,804,000 budgeted for sewer and water improvements and system expansion funded by State Revolving Fund Loans. As a result of these planned and required Utility System improvements and expansions, the City anticipates an increase in Utility rates in the 2021/2022 fiscal year.

Beginning in fiscal year 2008/2009, the City began a multi-year program to upgrade the treatment plants, storage tanks, and old water and sewer lines. The Utility System continues to expand its sewer system to the south and west, and to upgrade the pumping stations and lines in the northern areas of the City. The City is moving forward with plans to ensure adequate water and sewer will be in place to accommodate new and proposed developments on Highway 431 in South Phenix City, Highway 80 in West Phenix City, and Riverchase Drive and Summerville Road in North Phenix City.

**SPECIAL REVENUE FUNDS BUDGETS**

The City’s Special Revenue Fund Budgets for the 2021/2022 fiscal year are as follows:

- The General Fund’s Capital Improvement Fund Budgets of \$4,275,000 includes:
  - o Resurfacing Knowles Road and 43<sup>rd</sup> Street
  - o Bridge replacement on Seale Road
  - o Riverwalk Improvements
  - o A park on 14<sup>th</sup> Avenue
  - o Reroofing the Central Activities Center and the C-Club
  - o A new landfill, and
  - o A new fire training center
- The Gas Tax Funds Budgets include \$500,000 for road improvements, and \$420,000 for resurfacing Dobbs Drive.
- The Corrections Fund Budget of \$42,000 helps defray the cost of operating the Municipal Court.



- The Second Mortgage Fund Budget of \$260,000, along with \$50,000 in the General Fund's Code Enforcement Department, is for the removal of substandard structures throughout the city, and for compliance with Federal ADA regulations.
- The Confiscated Property Budget of \$5,000 assists with the operating expenses of the Police Department.
- The Three and Four Mill Tax Funds Budgets of \$2,466,471 are for contributions to the Phenix City School System.
- The Seven Mill Tax Fund Budget of \$4,232,221 is for the repayment of general obligation debt, which includes \$2,580,000 in principle debt reduction.
- The Municipal Court Fund Budget of \$101,000 from State mandated fees from court cases assists with the operating expenses of the Municipal Court.
- The Donated Money Fund Budget of \$2,350 includes donations to the City and are used for employee recognitions and acknowledgements.
- The City's Public Building Authority's Budget of \$7,649,319 includes \$6,402,566 in capital spending on improvements to the Public Safety and the City's administrative buildings, and \$865,000 in principle debt reduction of the PBA Debt.
- The Library Fund Budget of \$40,000 from State and local governmental assistance assists with the operations of the Phenix City/Russell County Library.

### **HIGHLIGHTS OF EMPLOYEE BENEFITS**

For the 2021/2022 fiscal year, the City budgeted merit raises for eligible employees, as warranted from a salary study completed by Ellis-Harper Management in accordance with the City's Merit System. The city participates in the State of Alabama Employee Retirement System. In January of 2015, the City joined the State of Alabama Local Government Health Insurance Plan. Employees who participate in the City's annual wellness program receive a discount in the cost of their insurance premiums. The employees' share of the

premiums, which became effective in January of 2017, is 10% for individual coverage and 50% for family coverage.

### **CONCLUSION**

These are the budgetary highlights of the City's proposed budgets for the 2021/2022 fiscal year. Copies of this message and the budget documents will be available for review in the office of the City Clerk of the City of Phenix City, Alabama.

Wallace Hunter  
City Manager