



DR. R. GRIFF GORDY
Mayor Pro Tem / At Large

STEVE BAILEY
Councilmember District 1

EDDIE N. LOWE
Mayor

VICKEY CARTER JOHNSON
Councilmember District 2

ARTHUR L. DAY, JR.
Councilmember District 3

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

**CITY OF PHENIX CITY
BUDGET MESSAGE
2022-2023 PROPOSED BUDGETS**

It is a pleasure to present the City of Phenix City’s Proposed Budgets for the 2022/2023 fiscal year. Each year the budget is prepared in the most conservative manner and with careful consideration to ensure the effective use of the City’s resources and to provide the best services possible to the citizens of Phenix City. Plans are in place to continue to improve the infrastructure of the City, grow the local economy, and provide the best services feasibly possible to promote the best quality of life for the citizens of this community. The City strives to maintain a competitive salary structure and benefits package in order to attract and retain a high caliber workforce capable of providing the best quality of services.

The budget document includes the projections for the General Fund Budget, which includes general government operations, public safety, public works and parks and recreation; the Utilities Fund Budget, which includes the city’s water and sewer services; and Special Revenue Fund Budgets. An overview of each budget is as follows:

GENERAL FUND BUDGET

The General Fund Revenue Budget for fiscal year 2022/2023 is \$48,151,555, an increase of \$4,749,704, which is an 11% increase from the fiscal year 2021/2022 budget. Budgeted operating expenditures are \$45,625,191, debt service transfers are \$1,250,000, and reserves set aside for future debt service are \$1,200,000, for total budgeted expenditures and transfers for the General Fund of \$48,075,191. The City projects to end the 2022/2023 fiscal year with a surplus of \$76,364. An increase in the sales tax rate for the City has been proposed to increase the tax revenue needed to adequately sustain the growing demands and needs of this City.

UTILITIES FUND BUDGET

The Utility Fund Revenue Budget for fiscal year 2022/2023 is \$27,724,019, an increase of \$650,512, which is a 2% increase from the fiscal year 2021/2022 budget. Budgeted expenses for the Utilities Division are \$27,368,968, which includes \$10,541,336 for operations, \$13,031,000 for capital expenditures, and \$3,796,632 for debt service, of which \$1,930,000 will result in principle debt reduction. The City projects the Utility System to end the 2022/2023 fiscal year with a surplus of \$355,051.



The capital improvements and expansion of the City's Utility System includes \$470,000 budgeted from System Development Fees, and \$12,561,000 budgeted from funding from State Revolving Fund Loans. Requirements for the improvements and expansion of the Wastewater Treatment Plant will be partially funded with funding received from the American Rescue Plan Act of 2021.

A rate study was done in this fiscal year of the Utility Systems fee structure. As a result of the study and the vast improvements and expansion required to sustain the City's Utility System, the Utility Rates were increased in March 2022, with another increase planned for March 2023.

SPECIAL REVENUE FUNDS BUDGETS

The City's Special Revenue Fund Budgets for the 2022/2023 fiscal year are as follows:

- The General Fund's Capital Improvement Fund Budget of \$147,000, includes expenditures for the landfill project and repairs to the Lakewood Dam.
- The Gas Tax Funds Budgets of \$960,000 includes expenditures for road improvements.
- The Corrections Fund Budget of \$45,000 includes expenditures to help defray the cost of operating the Municipal Court.
- The Second Mortgage Fund Budget of \$250,000, along with \$50,000 in the General Fund's Code Enforcement Department, includes expenditures for the removal of substandard structures throughout the city, and for compliance with Federal ADA regulations.
- The Confiscated Property Budget of \$5,000 includes expenditures to assist with the operating expenses of the Police Department.
- The Three and Four Mill Tax Funds Budget of \$2,676,061 includes projected contributions to the Phenix City School System.
- The Seven Mill Tax Fund Budget of \$4,052,811 includes expenditures for the repayment of general obligation debt, which includes \$2,665,000 in principle debt reduction.
- The Municipal Court Fund Budget of \$1,250 from State mandated fees from court cases includes expenditures to assist with the operating expenses of the Municipal Court.
- The Donated Money Fund Budget of \$3,200 that includes donations to the City are used for employee recognitions and acknowledgements.
- The City's Public Building Authority's Budget of \$3,752,155 includes \$2,500,000 in capital spending on improvements to the City's administrative buildings, and \$885,000 in principle debt reduction of the PBA Debt.
- Capital Projects funded through debt issued in 2017 includes plans to improve the Seale Road Bridge in South Phenix City and for the construction of a training center for the Fire Department.

- The City plans to use the funding received from the American Rescue Plan Act of 2021 for upgrades and expansion required for the Utility Department's Wastewater Treatment Plant.

HIGHLIGHTS OF EMPLOYEE BENEFITS

In an effort to hire, retain, and increase the longevity of the City's workforce, the City offers a competitive benefits package to employees. The City's compensation plan includes making periodic studies of wages and salary levels in the labor market. For the 2022/2023 fiscal year, the City budgeted increases in starting salaries of entry level positions to be competitive with the local labor market to increase the workforce in order to provide high quality services to the community. The City completes a salary study at least once every three years in accordance with the City's Merit System. The city participates in the State of Alabama Employee Retirement System, and offers employee health insurance through the State of Alabama Local Government Health Insurance Plan.

CONCLUSION

Each department has done a superb job carefully and conservatively preparing budget projections to fulfill the operations of this city and to maintain the services provided to the citizens in the most efficient and cost effective manner. We look forward to steady growth throughout the entire City and are grateful to serve the residents of Phenix City.

Copies of this message and the fiscal year 2022-2023 budget documents will be available for review in the office of the City Clerk of the City of Phenix City, Alabama.

Thank you,

Wallace B. Hunter Sr.
City Manager