



Proposed Annual Budget

Mayor Tommy Battle

City of Huntsville, Alabama

Fiscal Year 2023

Beginning October 1, 2022

City Council

Bill Kling, Jr.

Jennie Robinson

John Meredith

Devyn Keith

Frances Akridge

Proposed Annual Budget

The City of Huntsville, Alabama

For the Fiscal Year Beginning October 1, 2022

City Administration and Departments

Tommy Battle, Mayor

| | |
|---|---|
| John Hamilton, City Administrator | Shane Davis, Urban and Economic Development |
| Karen Sheppard, Animal Services | Randy Cunningham, Inspection |
| Tara Sloan, Cemetery | Brian Walker, Landscape Management |
| Kenneth Benion, Clerk Treasurer | Trey Riley, Legal |
| Kelly Schrimsher, Communications | Lonzo Robinson, Municipal Court |
| Scott Erwin, Community Development | Scott Cardno, Natural Resources |
| Kenny Anderson, Diversity, Equity and Inclusion | Quisha Bryant, Parking and Public Transit |
| Jeffrey Birdwell, Emergency Management | James Gossett, Parks and Recreation |
| Kathy Martin, Engineering | Thomas Nuñez, Planning |
| Penny Smith, Finance | Dennis Madsen, Planning |
| Howard McFarlen, Fire and Rescue | Kirk Giles, Police |
| Ricky Wilkinson, General Services | Chris McNeese, Public Works |
| Byron Thomas, Human Resources | Nicholas Nene, Traffic Engineering |
| Bill Steiner, Information Technology Services | Shane Cook, Water Pollution Control |

Prepared by the City of Huntsville Finance Department

Penny L. Smith, CPA, CGFM, CGMA, Director of Finance

Rachel Biggs, MAcc, CPA, Assistant Director of Finance

Jennifer Hershey, Budget Manager

Kim Thigpen, Payroll Manager

Stacy Noblitt, Finance Administrative Manager

Whitney Gentry, Grants Manager

Lorrie Perry, Accountant III



HUNTSVILLE

Tommy Battle
Mayor

September 8, 2022

Dear City Council Members:

For your consideration, the City of Huntsville Proposed Annual Budget for Fiscal Year 2023 is presented. This budget represents the continuing commitment of our city government to provide quality services to a growing community while meeting the challenges ahead.

In 2022, Huntsville was given the coveted title of “Best Place to Live in the United States” by U.S. News & World Report. Attributes such as job market, housing affordability, quality of life, desirability, and net migration allowed the City to top this prestigious list. Rankings like these affirm our commitment to provide a healthy, thriving economy and vibrant community. This same commitment is displayed in the 2023 budget.

This budget reflects the growth in tax base, both in type and size of businesses. Our economy has seen a continued rise in spending levels. Since May of 2021, the City has had a surge in sales tax revenue as the population returned to enjoying all the restaurants, parks, and entertainment Huntsville has to offer. Additionally, we have seen an increase in construction to meet the demand in housing, commercial, and industry in our area. While the City has received the benefits of increase in revenue, we remain aware of the potential for sudden shifts in the financial stability of the current economic environment, as seen in the continued growth in gas prices and cost of goods and services, coupled with pressures in the current labor market.

Huntsville has seen multiple eating and entertainment venues open across the City. Downtown, Stovewood, and MidCity are just a few of our destinations which have benefitted from new businesses and increased population. The opening of the City’s Orion Amphitheater earlier this year was a splash and placed Huntsville on the map as a destination for music. The City continues to see a steady rise in hotel room rentals which create increased tax revenue from the many visitors (and citizens) enjoying an evening of entertainment. The Von Braun Center revealed some of its much-anticipated renovations this past summer. Investing in these venues nurtures our economy and provides momentum as hotels, offices, and apartments clamor to move in alongside these hubs.

Along with all the growth, comes demands from our community on City services. This budget meets that demand. Every Department came to the table with new ideas and ways to meet challenges and solve problems. They look at each aspect of their work and see the small details, while not forgetting the bigger picture. Some departmental highlights included in this budget are additional Public Work construction crews which address the large and small drainage, sidewalk and potholes projects around the City; increase in personnel and operational expenditures in Fire & Rescue for upgrades in radio equipment, and to prepare

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for the new Fire Station; additional funding to address motor equipment repairs and maintenance due to the supply shortage of vehicles and parts; and the co-responder program through Huntsville Police Department in partnership with mental health agencies continues to be fully-funded.

Commutes and ease of travel around Huntsville remain at the forefront of my mind. Resurfacing budgets will be expanded in this budget to meet existing capacity. Signal and intersection improvements continue to be addressed and expansion or widening of our arterial roadways. We will also continue with planned phases at many parks and recreational spaces across the City: the next phases to the Sandra Moon Complex, John Hunt Park, and a recreation center on Martin Rd (West) are in this budget, along with many other leisure improvements.

Supporting the substantial expansion of the City through programs, infrastructure, and facilities is good, but it is the employees that serve our community daily that make such growth possible. We have included a 5% cost of living salary increase in this budget. They are our most important asset, and we commend all the work they continue to provide in our City.

Taking care of our employees into retirement is a commitment I take seriously. We have seen the cost of healthcare rise in recent years, especially in the retiree population. We meet the demand of this increase in cost in this budget. While the employees pay a small portion of the premiums, the City is committed to meet the remaining amounts to see that these plans are fully-funded.

As always, I present to you a balanced budget. This budget meets the goals and objectives demanded by a growing City and is designed to continue to meet the expectations of a fast-paced, progressive City with enough flexibility to react to the continued economic uncertainty. I hope this book will be helpful as we introduce and walk you through the City's financial plan for the upcoming fiscal year.

Sincerely,



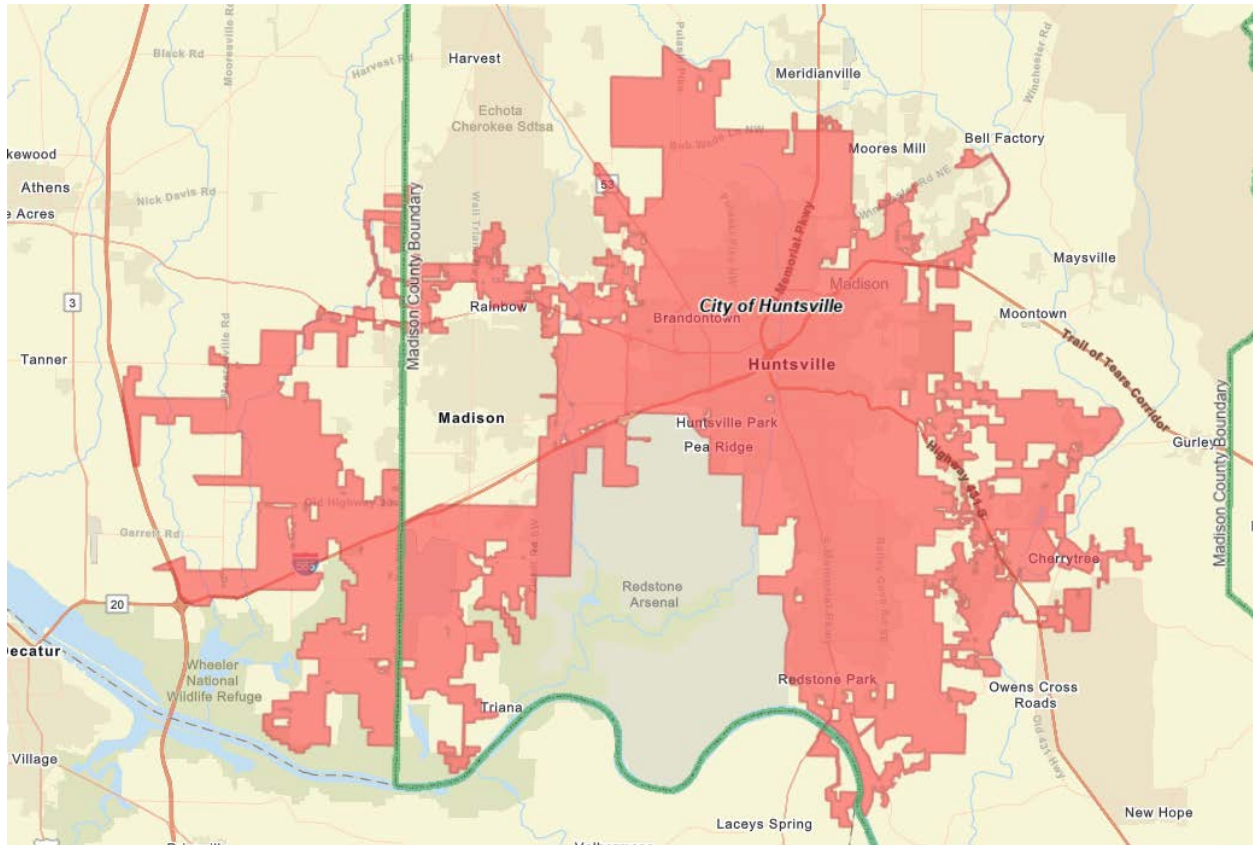
Tommy Battle
Mayor

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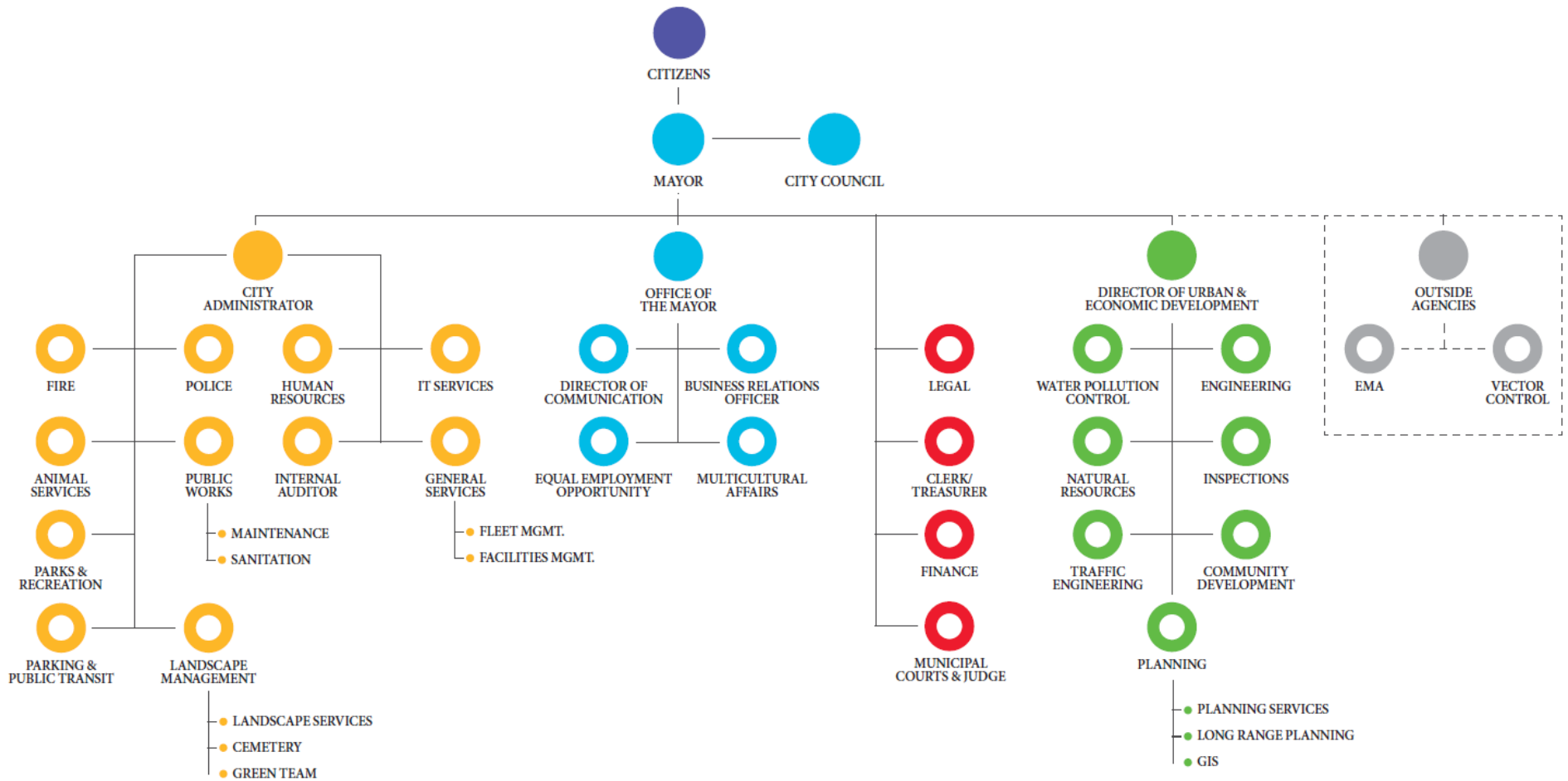
City of Huntsville, Alabama

City Limits



City of Huntsville, Alabama

Organizational Chart



City of Huntsville
FY23 Proposed Annual Budget
For the Fiscal Year Beginning October 1, 2022

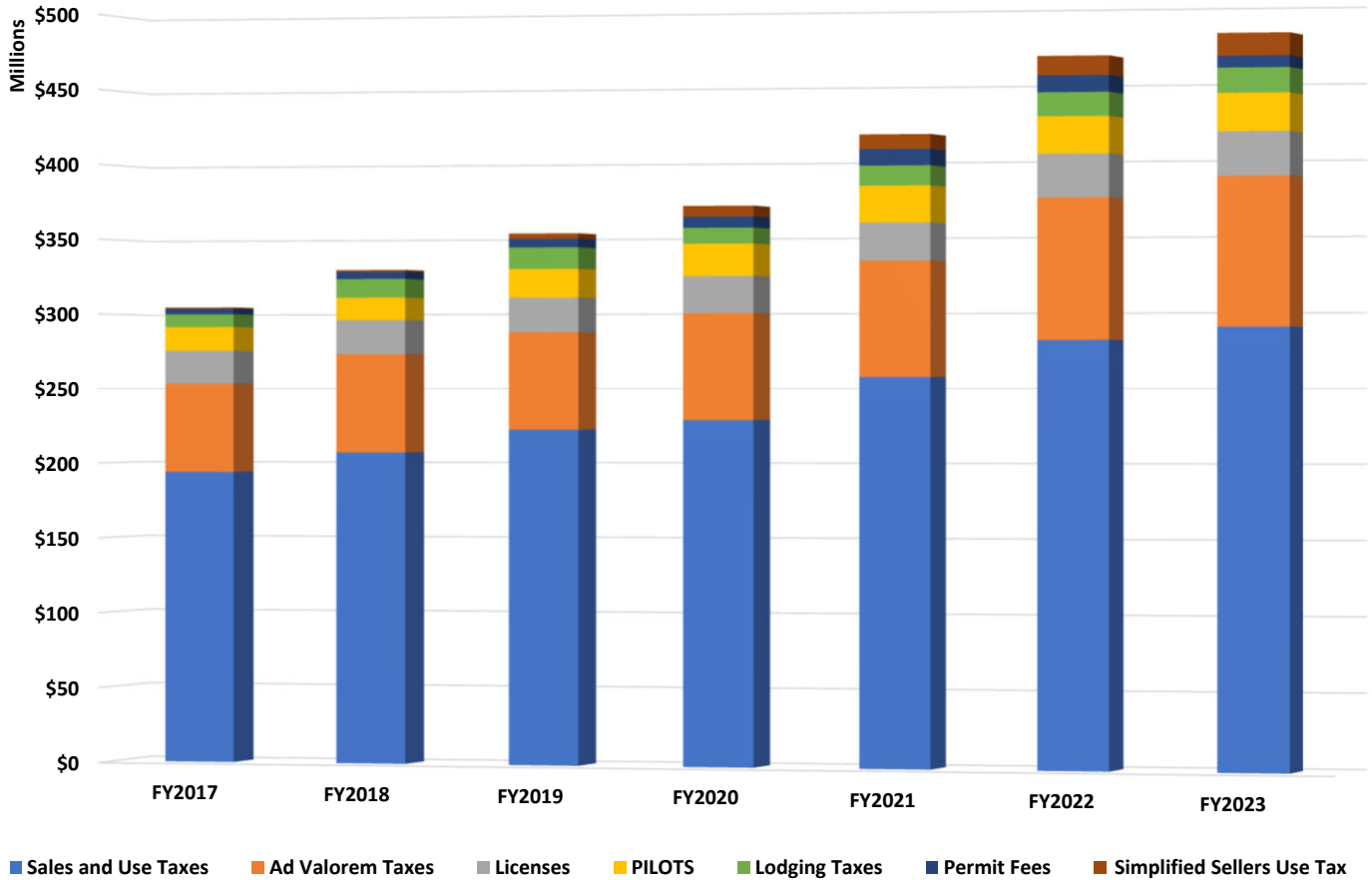
Revenues



City of Huntsville

Trends in Top Revenues Sources

| | Actual | | | | | Projected | Proposed Budget |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Sales and Use Taxes | 193,853,254 | 207,042,957 | 222,309,608 | 228,858,172 | 257,843,999 | 281,960,697 | 290,419,518 |
| Ad Valorem Taxes | 59,517,420 | 66,083,001 | 65,167,284 | 71,078,187 | 76,334,406 | 93,000,000 | 97,978,863 |
| License Fees | 22,000,418 | 22,589,775 | 22,961,832 | 24,420,469 | 24,875,255 | 28,500,000 | 28,930,000 |
| PILOTS | 16,059,967 | 15,095,329 | 19,051,519 | 21,420,909 | 24,337,682 | 24,500,000 | 24,968,881 |
| Lodging Taxes | 8,480,826 | 12,407,344 | 14,247,977 | 10,506,906 | 13,139,614 | 15,700,000 | 16,400,800 |
| Permit Fees | 3,658,168 | 4,719,354 | 5,615,459 | 7,256,071 | 10,754,503 | 11,000,000 | 7,615,000 |
| Simplified Sellers Use Tax | 905,304 | 1,250,357 | 3,665,782 | 7,165,223 | 9,744,501 | 12,700,000 | 14,880,000 |
| Totals | 304,475,357 | 329,188,117 | 353,019,460 | 370,705,937 | 417,029,960 | 467,360,697 | 481,193,062 |



City of Huntsville

Trends in Top Revenue Sources

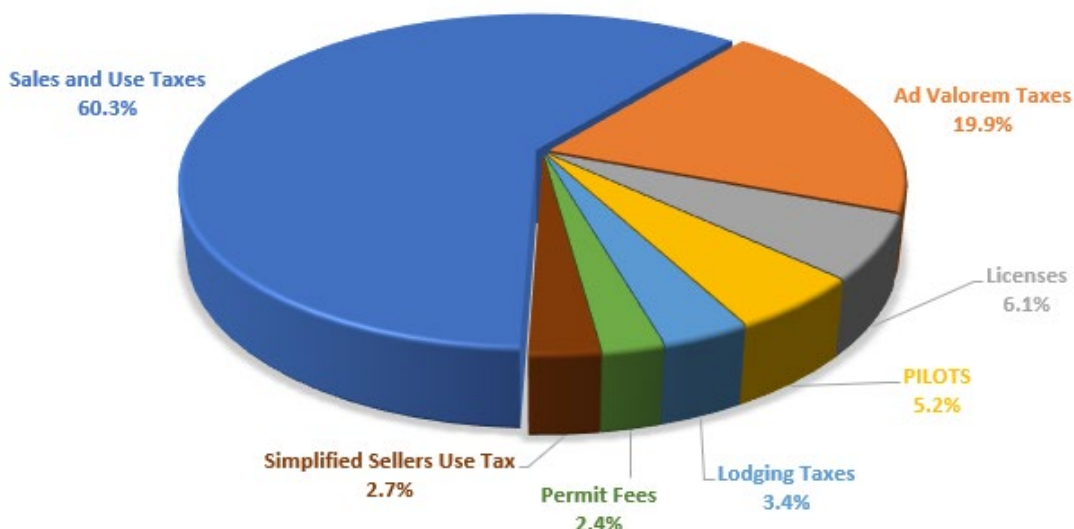
A portion of the directive to the Finance Department is to provide for the adequate funding of City government. Laying the groundwork to this funding is the development of revenue projections. Each revenue stream is unique, requiring analysis from a historical and current prospective. The trends, along with relevant notations, are analyzed by looking at year-over-year changes and annual cycles of collections and billings, which establishes a baseline. These baseline numbers are reviewed in conjunction with data that may directly affect the revenue line item.

A mixture of revenue streams support activities across the City. Examples include, Sales and Use Taxes supporting capital projects, Huntsville City Schools (HCS), and department operations, while Property Taxes are revenue sources for debt payments on City infrastructure, Tax Increment Financing (TIF) District Investments, and HCS capital projects. For efficiency and consistency across the funds, these revenues were analyzed by source, not distribution.

Top Revenue Sources

The following major revenues sources support services and capital construction across the City in Fiscal Year 2022:

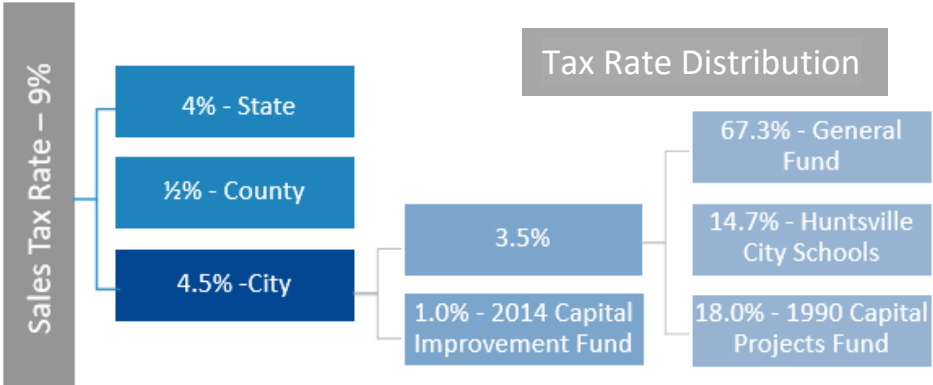
- Sales and Use Taxes
- Ad Valorem (Property) Taxes
- License Fees
- Payments in Lieu of Taxes (PILOT)
- Lodging Taxes
- Permit Fees
- Simplified Sellers Use Tax (SSUT)



Sales and Use Tax

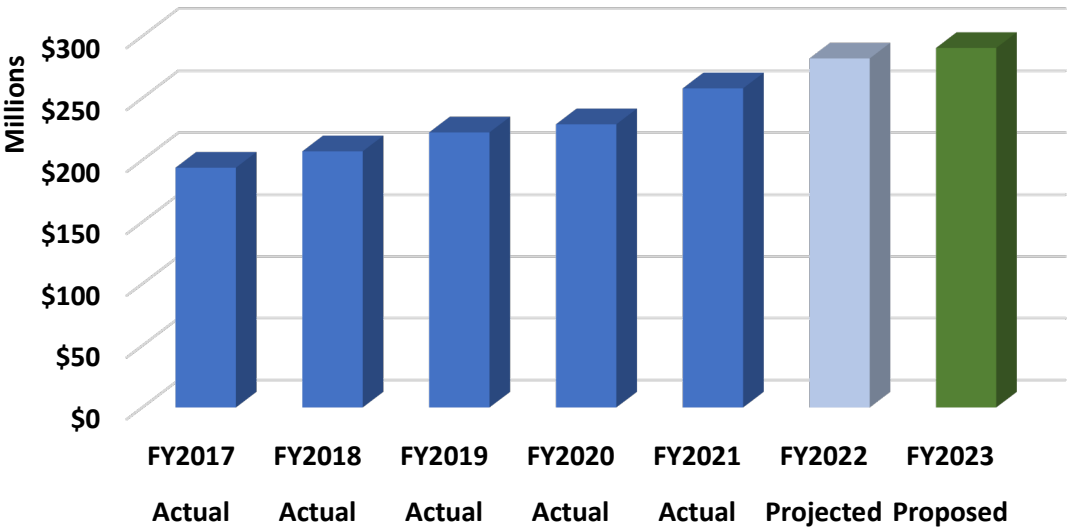
Sales and Use taxes are the largest source of revenue for the City. As authorized by ordinance, the City levies a sales tax, generally known as the tax paid on the retail purchase of goods, at the rate of 4.5 percent. The City also levies a parallel use tax on goods delivered within the City that are not subject to sales tax at the same rate.

In 2014, the Sales and Use tax rate was increased by 1% to fund the 2014 Capital Improvement Plan. The prior rate of 3.5% remained restricted, per ordinance, to support departmental operations, schools and capital projects.



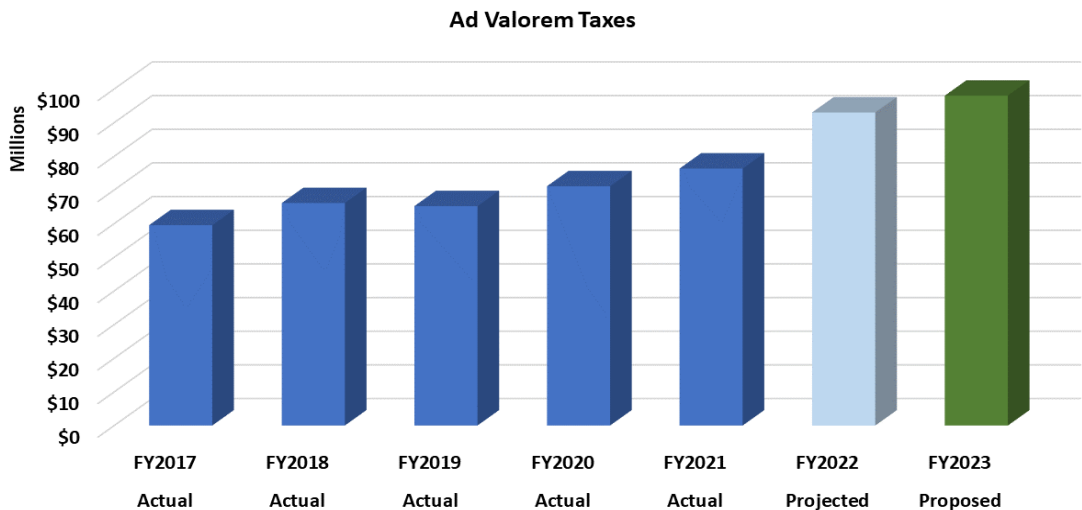
For budget purposes, sales and use tax revenue is projected by estimating the current revenue through fiscal year end by using trend analysis and forecasts of growth in the local economy. The graph below shows historical sales and use tax revenue trends, as well as a comparison of projected revenue for FY 2022, along with the proposed budget for FY2023. Due to the COVID-19 pandemic, sales and use tax revenue underperformed in FY2020. Starting in April of FY2021, sales tax revenue produced above expectations and continued to exceed expected gains well into FY2022. Expected gains in FY2022 exceed 9% over the prior year. However, indications from local numbers and experts reveal revenues are trending back towards normal gains in this revenue stream.

Sales and Use Taxes



Ad Valorem or Property Taxes

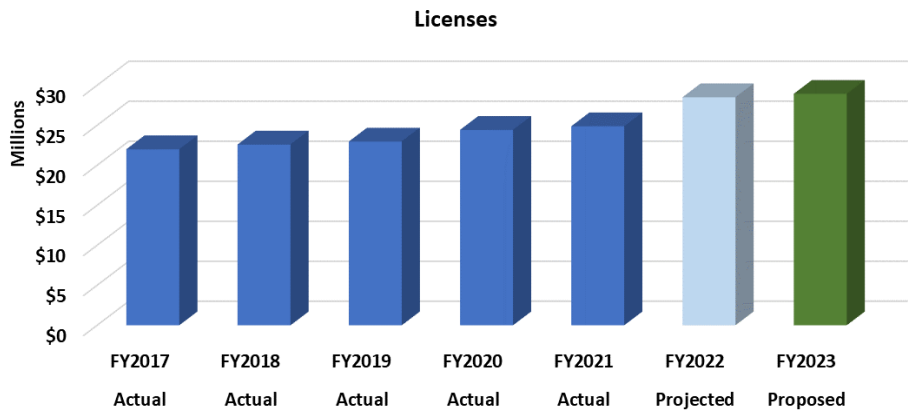
Property, or ad valorem taxes are levied under various provisions of the Constitution and Statutes of the State of Alabama. Many ad valorem taxes may be used only for the purposes for which they are levied. Of the total collected by the City, 6.5 mills are allocated to general purposes, 6.5 mills are restricted for Huntsville City Schools, 6.5 mills are dedicated for capital projects, and a portion is collected in support of the infrastructure improvements made within the City’s Tax Increment Financing Districts. Total property tax collections make up 19.9% of the City’s top revenue sources.



Taxes are assessed on October 1st each year, but not collected until the following year, which creates a lagging effect from economic trends. From FY2017 through FY2021, property taxes have grown by more than an average of 7 percent. This is reflective of economic development, the growth in the size of Huntsville, and the value of residential and commercial properties. The proposed increase is due mainly to the increase value in expansion and plant openings, captured in our TIF revenues.

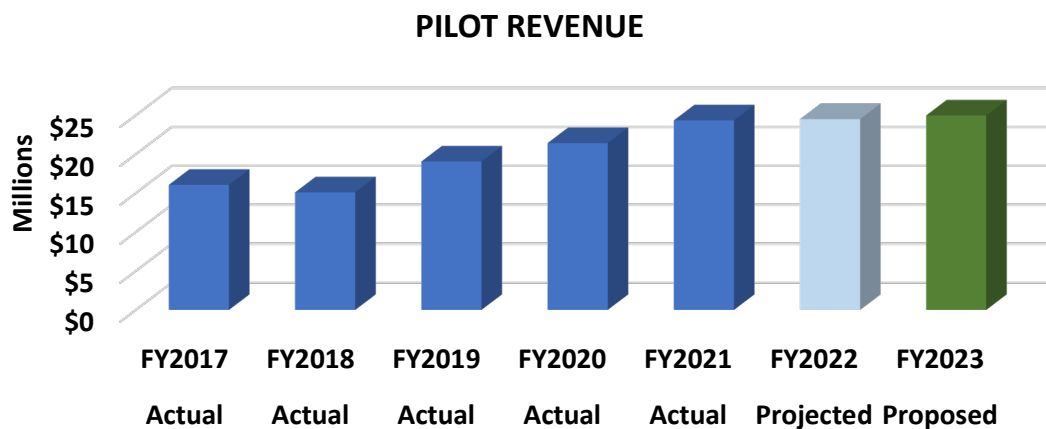
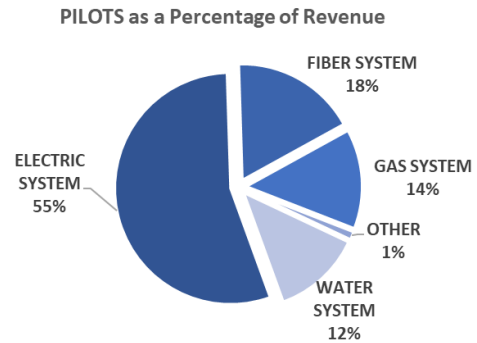
License Revenue

The third largest revenue source for the City is license fees, which comprises 6.1% of the top revenue sources. The City levies a license fee on business conducted in the Huntsville city limits at rates that vary based on a business classification schedule. Most schedules and rates are set by the State of Alabama and adopted at a local level. In accordance with the schedule, the majority of fees assessed are based on gross revenue of the business.



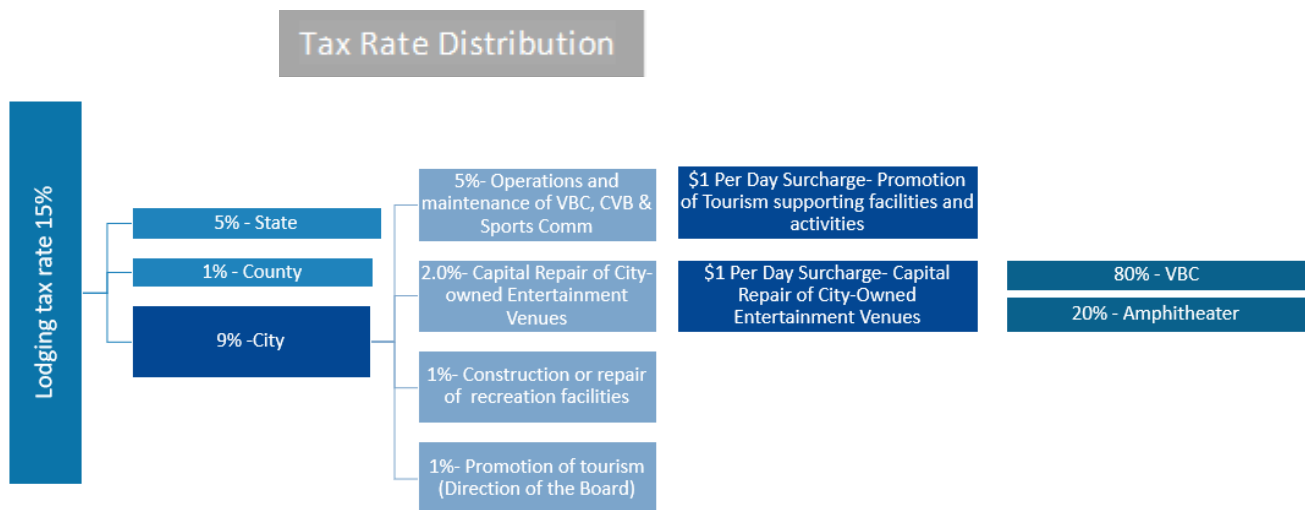
Payments in Lieu of Taxes (PILOT)

Huntsville Utilities, a City-owned public utility, is composed of three systems: Electric, Gas, and Water, all governed by boards which are appointed by the City Council. All significant Board actions require approval of City Council and the City is secondarily liable for all outstanding debt of the Utilities. Since these systems are public, they are not subject to property taxes. A City Council ordinance, through the Tennessee Valley Authority, authorized payments in lieu of taxes (PILOT), which would be due if utility systems were subject to ad valorem taxation. Additionally, through a City Council resolution passed in the 1950's, the Gas and Water Boards pay 6% of net bills. The fiber initiative, which is complete, began in 2016. Although listed separately for accounting purposes, it is a part of the electric utilities and is considered an asset for the PILOT calculation. This increase in assets by the electric system is the contributing factor to the large increase in the City's PILOT revenue. This will begin to decline as assets depreciate and lose book value. An audit conducted by the Utilities increased assets for FY2019 and the following years, which resulted in a substantial payment. The City also pays a fee for direct connectivity to the new network which was charged against the revenue in the past and has subsequently been moved to be apportioned in expenditures at the end of FY2019 and the following years. As the City of Huntsville continues to grow by both population and area, so will the revenue and assets of Huntsville Utilities. This should produce stable, small growth in the PILOT revenue received by the City.

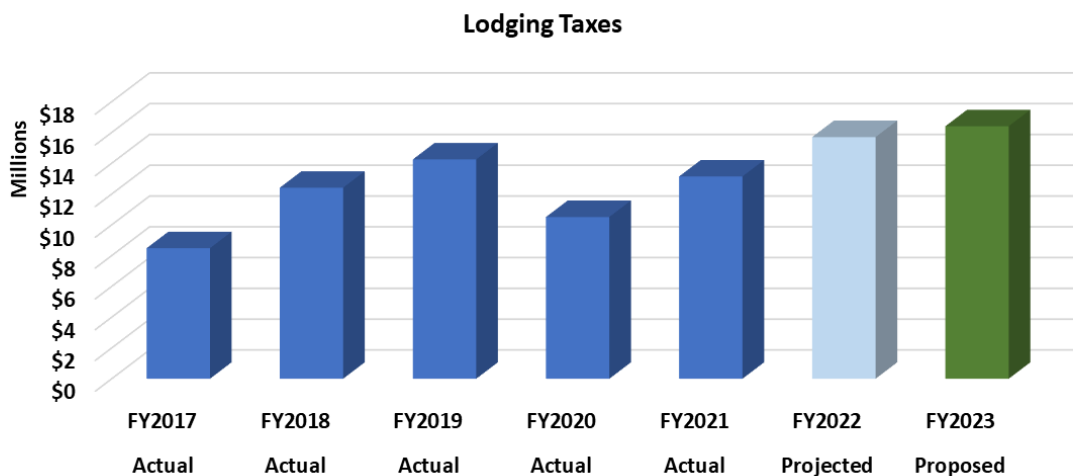


Lodging Taxes

The City levies a total of 9% lodging tax and a \$2 per room surcharge on local hotel businesses. The City Council restricts this revenue by ordinance to promote tourism and support operation of city-owned agencies, including the Von Braun Center (VBC), and the Huntsville Convention and Visitors Bureau (CVB). For accounting purposes, these proceeds are accounted for within a special revenue fund. The following illustration shows the how Lodging Tax proceeds are utilized by the City:

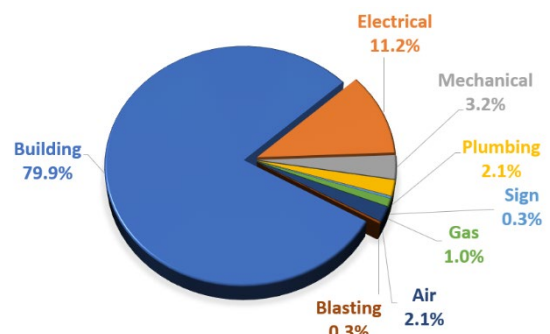


As with most cities across the country, the COVID-19 pandemic affected Lodging Tax revenue in the City of Huntsville. The chart below shows Lodging revenue declined by 26% in FY2020, as a result of the pandemic. As predicted, lodging tax revenues has seen a steady rise throughout FY2021 and FY2022. We anticipate continued growth which through FY2023 will move this revenue stream above prepandemic level.

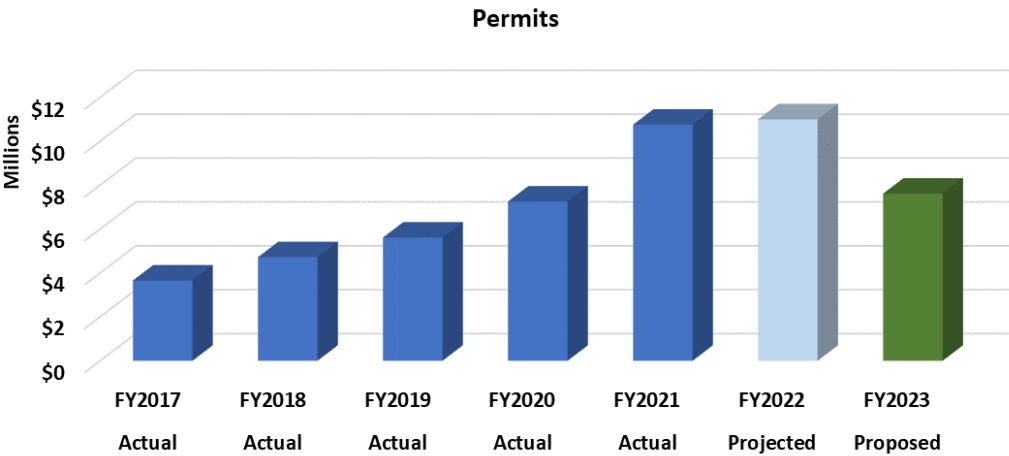


Permit Fees

Permit fees are assessed to provide for the regulation and management of certain activities in the City. Enforcement of building, air, and sound codes protect the public. Growth in construction permit fees are a direct reflection of the strength and development in Huntsville. The assessment of construction in residential, commercial, and industrial markets increases, both due to rise in value and volume of investment in the local area. Permits are assessed and categorized into building, electrical, mechanical, plumbing, sign, air, blasting, and gas. The graph to the right depicts the ratio of permit revenues to each other. Construction permits, including building, electrical, mechanical, plumbing, and gas, make up the majority (97.3%)

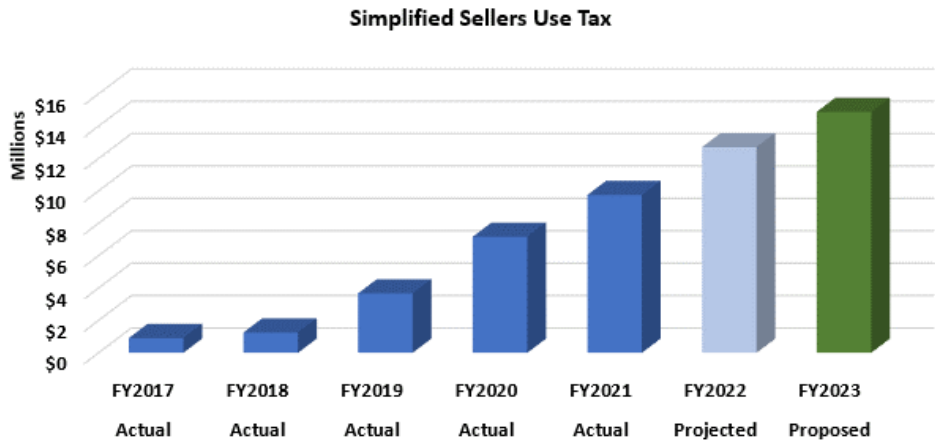


of the City permit fee revenue. These line items have seen double-digit growth during FY2017 through FY2021. To date, FY2022 shows a modest increase of less than 5 percent. With some very large permitted industrial projects under construction, the forecast for FY2023 reflects a decreased expectation in entrance of large industrial projects in the next twelve months.



Simplified Sellers Use Tax (SSUT)

A State of Alabama shared tax, the Simplified Sellers Use Tax (SSUT) became a major source of revenue for the City during the pandemic. In October 2015, the State established the SSUT Remittance Act to allow eligible e-commerce sellers to collect a flat 8% tax. After taking the State portion of 4%, the remainder is split between municipalities and county governments 60%/40%, respectively, and then disbursed based on population. In January 2019, the program was expanded to include third party sellers that conduct business through online platforms, such as Amazon. Collection and disbursement of this State tax continues to be adjusted in the State legislative sessions since its adoption. The graph shows the remarkable rise in collections since inception.



City of Huntsville
General Revenues

| REVENUE SOURCE | ORIGINAL BUDGET FY 2022 \$ | PROJECTED BUDGET FY2022 \$ | PROPOSED BUDGET FY2023 \$ | INC (DEC) FY2023 PROPOSED OVER FY2022 PROJECTED | |
|--|-------------------------------------|-------------------------------------|------------------------------------|--|--------------|
| | | | | AMOUNT \$ | PERCENT % |
| GASOLINE TAX | 1,300,000 | 1,300,000 | 1,250,000 | (50,000) | -3.85% |
| RENTING & LEASING TAX | 4,500,000 | 4,500,000 | 5,650,000 | 1,150,000 | 25.56% |
| SALES TAX | 113,243,728 | 121,000,000 | 131,530,000 | 10,530,000 | 8.70% |
| USE TAX | 19,354,114 | 20,000,000 | 22,900,000 | 2,900,000 | 14.50% |
| OTHER LOCALLY LEVIED TAXES | 1,970,000 | 1,970,000 | 2,000,000 | 30,000 | 1.52% |
| LOCALLY LEVIED TAXES | 140,367,842 | 148,770,000 | 163,330,000 | 14,560,000 | 9.79% |
| SALES TAX FROM STATE ONLINE | 9,750,000 | 12,000,000 | 14,880,000 | 2,880,000 | 24.00% |
| STATE ALCOHOL TAXES | 1,940,000 | 1,940,000 | 1,880,000 | (60,000) | -3.09% |
| OTHER STATE SHARED TAXES | 2,262,000 | 3,062,000 | 3,045,000 | (17,000) | -0.56% |
| STATE SHARED TAXES | 13,952,000 | 17,002,000 | 19,805,000 | 2,803,000 | 16.49% |
| PILOT REVENUE | 25,667,099 | 25,667,099 | 27,768,881 | 2,101,782 | 8.19% |
| PROPERTY TAX | 21,550,000 | 22,025,000 | 24,044,000 | 2,019,000 | 9.17% |
| FINES AND FORFEITURES | 2,035,500 | 2,035,500 | 2,034,300 | (1,200) | -0.06% |
| OTHER REVENUE | 1,332,800 | 3,622,050 | 1,194,000 | (2,428,050) | -67.04% |
| LICENSES | 21,840,000 | 24,000,000 | 26,030,000 | 2,030,000 | 8.46% |
| PERMITS | 9,103,000 | 9,103,000 | 7,615,000 | (1,488,000) | -16.35% |
| FRANCHISE FEES | 2,900,000 | 2,900,000 | 2,900,000 | - | 0.00% |
| LICENSES AND PERMITS | 33,843,000 | 36,003,000 | 36,545,000 | 542,000 | 1.51% |
| PARKING FEES | 2,474,750 | 2,474,750 | 2,583,000 | 108,250 | 4.37% |
| OTHER CHARGES FOR SERVICES | 2,850,398 | 2,850,398 | 3,198,900 | 348,503 | 12.23% |
| LICENSES AND PERMITS | 5,325,148 | 5,325,148 | 5,781,900 | 456,753 | 8.58% |
| MISC GRANT REVENUE | 1,368,181 | 1,934,532 | 583,000 | (1,351,532) | -69.86% |
| SUBTOTAL GENERAL FUND (1000 ONLY) | 245,441,570 | 262,384,329 | 281,086,081 | 18,701,752 | 7.13% |
| 12% LIQUOR TAX (93-21) | 3,744,000 | 5,000,000 | 5,200,000 | 200,000 | 4.00% |
| 5% LODGING TAX (12-365) | 5,772,000 | 6,000,000 | 7,540,000 | 1,540,000 | 25.67% |
| 2% 2017 LODGING TAX (17-456) | 2,308,800 | 2,400,000 | 3,016,000 | 616,000 | 25.67% |
| LODGING SURCHARGE (12-365) | 1,248,000 | 1,248,000 | 1,414,400 | 166,400 | 13.33% |
| LODGING SURCHARGE (17-456) | 1,248,000 | 1,248,000 | 1,414,400 | 166,400 | 13.33% |
| 1% 2003 LODGING TAX | 1,154,400 | 1,200,000 | 1,508,000 | 308,000 | 25.67% |
| 1% 2013 LODGING TAX | 1,154,400 | 1,200,000 | 1,508,000 | 308,000 | 25.67% |
| LIQUOR AND LODGING TAXES | 16,629,600 | 18,296,000 | 21,600,800 | 3,304,800 | 18.06% |
| TOTAL REVENUE | 262,071,170 | 280,680,329 | 302,686,881 | 22,006,552 | 7.84% |

City of Huntsville
FY23 Proposed Annual Budget
For the Fiscal Year Beginning October 1, 2022

Expenditures



City of Huntsville

Expenditures

While the revenue budget for the new year is based on historical, current, and projected economic trends, the expenditure budgets are based on known cost trends and spending plans in the next budget year. The costs of known public services exceeds revenues, so expenditure planning is critical to achieving a balanced budget.

Each year requires careful deliberation to plan spending levels of the City. The following are important issues to consider when reviewing costs projections and how movement in any area may dramatically influence other spending levels:

- Personnel – a critical City resource, changes to which directly affect public services.
- Personnel health care – a function of employee wellness and health cost trends.
- Fuel costs – most volume is for fixed service levels (police, landscape management). Price is economic driven.
- Utilities – market-based rates, dependent on weather and public use of facilities.
- Debt service – fixed costs based on transcripts (legal) agreements.
- Agency appropriations – key public services affected by changes in funding.
- Fleet maintenance – driven by age and type of use. Growth in personnel and services, combined with the degradation of the individual vehicles, increase costs.
- Technology – annual support and upgrades to existing systems, includes advancement in customer service and the ability to automate services with growth in demand.
- Infrastructure maintenance – age of city infrastructure increase costs. Construction materials and labor costs are driven by availability and economic factors.

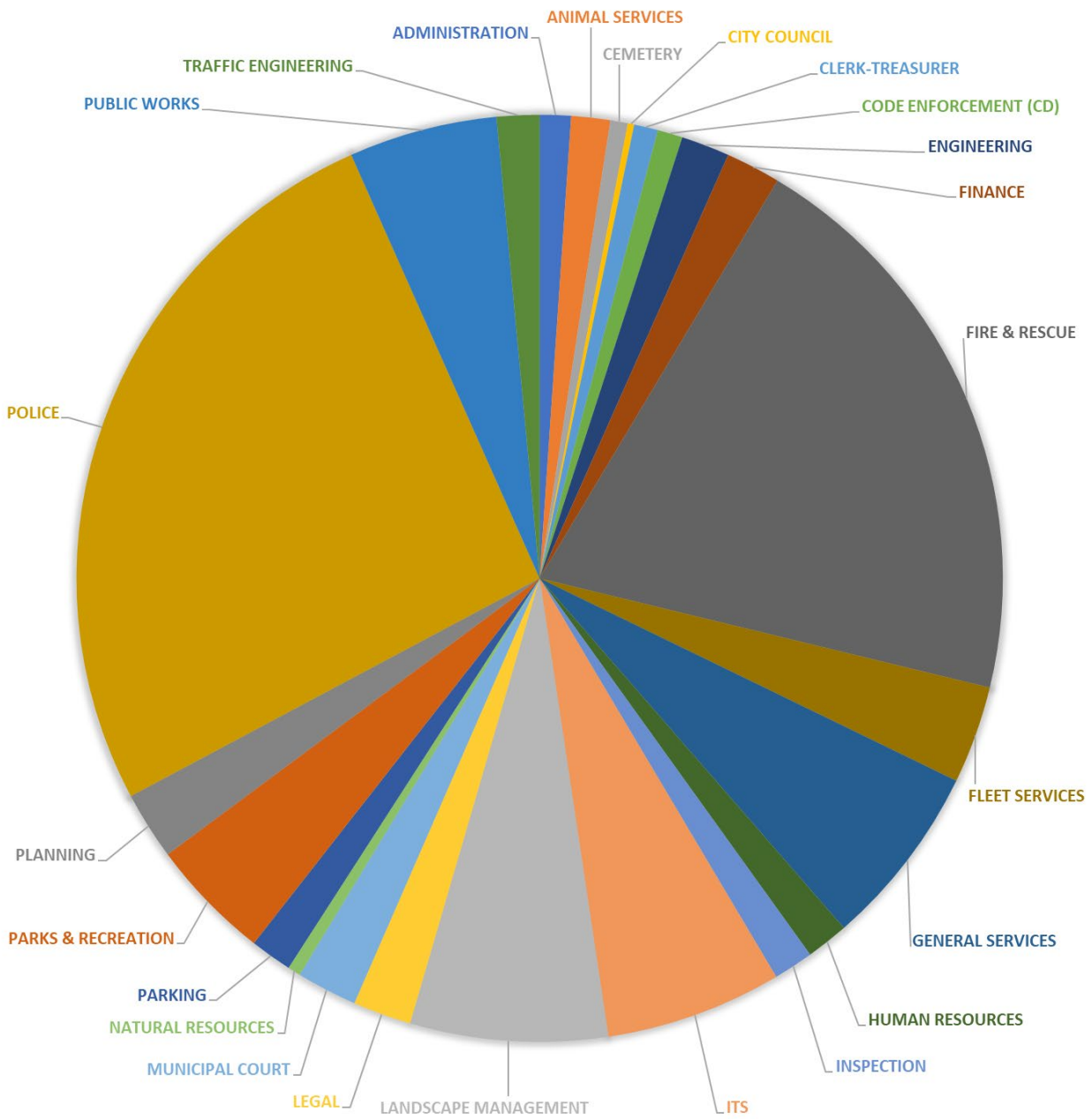
Another factor to consider is the addition and construction of new facilities and infrastructure. Most construction is the result of increased demand driven by population growth, such as road extension, additional fire stations, and parks and recreation facilities. While much of the actual construction costs are supported by borrowing, the City must consider the personnel, operational, and debt service costs that increase the annual cost of the City's budget.

Considering the above factors, the expenditures presented in this section are divided into the following sections for comparability: departmental spending with trend information on personnel and authorized strength, agency and intergovernmental appropriations, debt service and transfers.

Departmental Operations

For reporting purposes, the City has 27 departments, most of which are financially captured in the general fund. Five City departments, Community Development, Public Transit, Sanitation, Water Pollution Control, and Emergency Management Agency are fully or partially accounted for outside of the general fund and discussed in later sections of this document.

Shown below are the FY2023 Proposed Budgets compared to one another. The largest departments are representative of departments that contain the greatest numbers of employees, who as mentioned above, have the largest effect on service levels in our community.



City of Huntsville
Expenditures – General Fund Only

| DEPARTMENTS | ACTUAL FY 2021 \$ | REVISED BUDGET FY2022 \$ | PROPOSED BUDGET FY2023 \$ | INC (DEC) PROPOSED FY2023 OVER FY2022 | |
|----------------------------|-------------------------|-----------------------------------|------------------------------------|--|--------------|
| | | | | AMOUNT \$ | PERCENT % |
| ADMINISTRATION | 2,010,244 | 2,231,654 | 2,627,842 | 396,187 | 17.75% |
| ANIMAL SERVICES | 2,381,813 | 2,842,148 | 3,295,622 | 453,474 | 15.96% |
| CEMETERY | 878,845 | 1,228,024 | 1,474,401 | 246,377 | 20.06% |
| CITY COUNCIL | 536,446 | 532,867 | 546,403 | 13,536 | 2.54% |
| CLERK-TREASURER | 1,441,341 | 1,790,310 | 2,017,978 | 227,668 | 12.72% |
| CODE ENFORCEMENT (CD) | - | 1,672,701 | 2,130,385 | 457,684 | 27.36% |
| ENGINEERING | 3,228,491 | 3,616,668 | 4,090,003 | 473,335 | 13.09% |
| FINANCE | 3,187,360 | 3,918,992 | 4,637,527 | 718,535 | 18.33% |
| FIRE & RESCUE | 39,841,674 | 43,979,804 | 49,015,400 | 5,035,596 | 11.45% |
| FLEET SERVICES | 8,285,836 | 7,514,967 | 8,255,853 | 740,886 | 9.86% |
| GENERAL OPERATIONS | 5,808,163 | 6,757,253 | 6,933,000 | 175,747 | 2.60% |
| GENERAL SERVICES | 13,052,923 | 15,044,263 | 15,529,977 | 485,714 | 3.23% |
| HUMAN RESOURCES | 2,890,513 | 3,200,861 | 3,589,554 | 388,693 | 12.14% |
| INSPECTION | 2,945,972 | 3,201,405 | 3,379,430 | 178,025 | 5.56% |
| ITS | 9,728,844 | 13,701,225 | 14,943,823 | 1,242,598 | 9.07% |
| LANDSCAPE MANAGEMENT | 12,203,793 | 14,312,635 | 16,715,631 | 2,402,996 | 16.79% |
| LEGAL | 4,319,296 | 4,436,353 | 4,943,172 | 506,819 | 11.42% |
| MUNICIPAL COURT | 4,500,581 | 4,660,697 | 5,137,232 | 476,535 | 10.22% |
| NATURAL RESOURCES | 735,476 | 894,692 | 1,087,054 | 192,362 | 21.50% |
| PARKING | 2,675,592 | 3,185,486 | 3,547,949 | 362,463 | 11.38% |
| PARKS & RECREATION | 7,923,174 | 9,195,881 | 10,343,168 | 1,147,287 | 12.48% |
| PLANNING | 4,013,306 | 4,716,952 | 5,752,796 | 1,035,844 | 21.96% |
| POLICE | 52,753,942 | 58,020,376 | 63,340,594 | 5,320,217 | 9.17% |
| PUBLIC WORKS | 19,870,361 | 9,328,928 | 12,566,112 | 3,237,185 | 34.70% |
| TRAFFIC ENGINEERING | 2,667,666 | 3,286,503 | 3,614,857 | 328,354 | 9.99% |
| SUBTOTAL - DEPARTMENTS | 207,881,651 | 223,271,646 | 249,515,761 | 26,244,115 | 11.75% |
| PERSONNEL | 160,450,759 | 170,185,283 | 191,997,096 | 21,811,813 | 12.82% |
| OPERATING | 44,379,103 | 47,063,108 | 51,566,378 | 4,503,270 | 9.57% |
| CAPITAL | 3,051,789 | 6,023,254 | 5,952,286 | (70,968) | -1.18% |
| SUBTOTAL - DEPARTMENTS | 207,881,651 | 223,271,646 | 249,515,761 | 26,244,115 | 11.75% |
| APPROPRIATIONS | 1,994,780 | 2,821,735 | 3,703,328 | 881,593 | 31.24% |
| INTERGOVERNMENTAL | 13,360,688 | 12,675,667 | 12,877,095 | 201,428 | 1.59% |
| TRANSFERS | 18,688,884 | 17,188,465 | 14,989,897 | (2,198,568) | -12.79% |
| SUBTOTAL - NON-DEPT | 34,044,352 | 32,685,868 | 31,570,320 | (1,115,548) | -3.41% |
| GRAND TOTAL - GENERAL FUND | 241,926,002 | 255,957,514 | 281,086,081 | 25,128,567 | 9.82% |

City of Huntsville
Expenditures by Department Category – General Fund Only

| DEPARTMENTS | ACTUAL FY 2021 \$ | REVISED BUDGET FY2022 \$ | PROPOSED BUDGET FY2023 \$ | INC (DEC) PROPOSED FY2023 OVER FY2022 AMOUNT \$ | PERCENT % |
|------------------------------|-------------------------|-----------------------------------|------------------------------------|--|--------------|
| ADMINISTRATION | | | | | |
| PERSONNEL | 1,841,346 | 1,881,404 | 2,262,579 | 381,174 | 20.26% |
| OPERATING | 168,898 | 350,250 | 365,263 | 15,013 | 4.29% |
| ADMINISTRATION Total | 2,010,244 | 2,231,654 | 2,627,842 | 396,187 | 17.75% |
| ANIMAL SERVICES | | | | | |
| PERSONNEL | 1,919,949 | 2,311,851 | 2,748,410 | 436,559 | 18.88% |
| OPERATING | 461,864 | 530,297 | 547,212 | 16,915 | 3.19% |
| ANIMAL SERVICES Total | 2,381,813 | 2,842,148 | 3,295,622 | 453,474 | 15.96% |
| CEMETERY | | | | | |
| PERSONNEL | 681,897 | 935,143 | 1,180,563 | 245,420 | 26.24% |
| OPERATING | 196,948 | 292,881 | 293,838 | 957 | 0.33% |
| CEMETERY Total | 878,845 | 1,228,024 | 1,474,401 | 246,377 | 20.06% |
| CITY COUNCIL | | | | | |
| PERSONNEL | 427,287 | 462,267 | 476,403 | 14,136 | 3.06% |
| OPERATING | 109,160 | 70,600 | 70,000 | (600) | -0.85% |
| CITY COUNCIL Total | 536,446 | 532,867 | 546,403 | 13,536 | 2.54% |
| CLERK-TREASURER | | | | | |
| PERSONNEL | 1,284,403 | 1,427,981 | 1,720,508 | 292,527 | 20.49% |
| OPERATING | 156,937 | 362,329 | 297,470 | (64,859) | -17.90% |
| CLERK-TREASURER Total | 1,441,341 | 1,790,310 | 2,017,978 | 227,668 | 12.72% |
| CODE ENFORCEMENT (CD) | | | | | |
| PERSONNEL | - | 1,472,886 | 1,890,479 | 417,593 | 28.35% |
| OPERATING | - | 199,815 | 239,906 | 40,091 | 20.06% |
| CODE ENFORCEMENT (CD) Total | - | 1,672,701 | 2,130,385 | 457,684 | 27.36% |
| ENGINEERING | | | | | |
| PERSONNEL | 3,164,674 | 3,514,385 | 3,984,947 | 470,561 | 13.39% |
| OPERATING | 63,817 | 102,283 | 105,056 | 2,773 | 2.71% |
| ENGINEERING Total | 3,228,491 | 3,616,668 | 4,090,003 | 473,335 | 13.09% |
| FINANCE | | | | | |
| PERSONNEL | 2,810,618 | 3,425,992 | 4,133,527 | 707,535 | 20.65% |
| OPERATING | 373,442 | 493,000 | 504,000 | 11,000 | 2.23% |
| CAPITAL | 3,300 | - | - | - | 0.00% |
| FINANCE Total | 3,187,360 | 3,918,992 | 4,637,527 | 718,535 | 18.33% |
| FIRE & RESCUE | | | | | |
| PERSONNEL | 36,751,081 | 40,281,313 | 44,606,292 | 4,324,980 | 10.74% |
| OPERATING | 2,727,561 | 3,178,491 | 3,889,108 | 710,617 | 22.36% |
| CAPITAL | 363,031 | 520,000 | 520,000 | - | 0.00% |
| FIRE & RESCUE Total | 39,841,674 | 43,979,804 | 49,015,400 | 5,035,596 | 11.45% |

City of Huntsville

Expenditures by Department Category – General Fund Only (continued)

| DEPARTMENTS | ACTUAL FY 2021 \$ | REVISED BUDGET FY2022 \$ | PROPOSED BUDGET FY2023 \$ | INC (DEC) PROPOSED FY2023 OVER FY2022 AMOUNT \$ | PERCENT % |
|-----------------------------------|-------------------------|-----------------------------------|------------------------------------|--|---------------|
| FLEET SERVICES | | | | | |
| PERSONNEL | 3,685,593 | 3,988,493 | 4,304,268 | 315,775 | 7.92% |
| OPERATING | 4,580,263 | 3,479,474 | 3,906,585 | 427,111 | 12.28% |
| CAPITAL | 19,979 | 47,000 | 45,000 | (2,000) | -4.26% |
| FLEET SERVICES Total | 8,285,836 | 7,514,967 | 8,255,853 | 740,886 | 9.86% |
| GENERAL SERVICES | | | | | |
| PERSONNEL | 3,862,048 | 4,353,851 | 4,696,612 | 342,760 | 7.87% |
| OPERATING | 9,190,875 | 10,690,412 | 10,833,365 | 142,953 | 1.34% |
| GENERAL SERVICES Total | 13,052,923 | 15,044,263 | 15,529,977 | 485,714 | 3.23% |
| HUMAN RESOURCES | | | | | |
| PERSONNEL | 1,301,817 | 1,349,138 | 1,654,779 | 305,641 | 22.65% |
| OPERATING | 1,588,696 | 1,851,723 | 1,934,775 | 83,052 | 4.49% |
| HUMAN RESOURCES Total | 2,890,513 | 3,200,861 | 3,589,554 | 388,693 | 12.14% |
| INSPECTION | | | | | |
| PERSONNEL | 2,714,018 | 2,884,345 | 3,258,657 | 374,312 | 12.98% |
| OPERATING | 231,954 | 317,060 | 120,773 | (196,287) | -61.91% |
| INSPECTION Total | 2,945,972 | 3,201,405 | 3,379,430 | 178,025 | 5.56% |
| ITS | | | | | |
| PERSONNEL | 3,752,488 | 4,323,427 | 4,709,887 | 386,460 | 8.94% |
| OPERATING | 4,232,313 | 5,151,818 | 6,181,150 | 1,029,332 | 19.98% |
| CAPITAL | 1,744,043 | 4,225,980 | 4,052,786 | (173,194) | -4.10% |
| ITS Total | 9,728,844 | 13,701,225 | 14,943,823 | 1,242,598 | 9.07% |
| LANDSCAPE MANAGEMENT | | | | | |
| PERSONNEL | 9,212,787 | 10,201,060 | 11,885,062 | 1,684,002 | 16.51% |
| OPERATING | 2,991,006 | 4,023,575 | 4,742,569 | 718,994 | 17.87% |
| CAPITAL | - | 88,000 | 88,000 | - | 0.00% |
| LANDSCAPE MANAGEMENT Total | 12,203,793 | 14,312,635 | 16,715,631 | 2,402,996 | 16.79% |
| LEGAL | | | | | |
| PERSONNEL | 2,139,248 | 2,349,353 | 2,648,172 | 298,819 | 12.72% |
| OPERATING | 2,180,048 | 2,087,000 | 2,295,000 | 208,000 | 9.97% |
| LEGAL Total | 4,319,296 | 4,436,353 | 4,943,172 | 506,819 | 11.42% |
| MUNICIPAL COURT | | | | | |
| PERSONNEL | 3,752,542 | 3,848,436 | 4,290,775 | 442,339 | 11.49% |
| OPERATING | 748,039 | 794,424 | 846,458 | 52,034 | 6.55% |
| CAPITAL | - | 17,837 | - | (17,837) | -100.00% |
| MUNICIPAL COURT Total | 4,500,581 | 4,660,697 | 5,137,232 | 476,535 | 10.22% |

City of Huntsville

Expenditures by Department Category – General Fund Only (continued)

| DEPARTMENTS | ACTUAL FY 2021 \$ | REVISED BUDGET FY2022 \$ | PROPOSED BUDGET FY2023 \$ | INC (DEC) PROPOSED FY2023 OVER FY2022 AMOUNT \$ | PERCENT % |
|-------------------------------------|-------------------------|-----------------------------------|------------------------------------|--|---------------|
| NATURAL RESOURCES | | | | | |
| PERSONNEL | 704,958 | 751,197 | 972,139 | 220,942 | 29.41% |
| OPERATING | 27,104 | 58,495 | 69,915 | 11,420 | 19.52% |
| CAPITAL | 3,414 | 85,000 | 45,000 | (40,000) | -47.06% |
| NATURAL RESOURCES Total | 735,476 | 894,692 | 1,087,054 | 192,362 | 21.50% |
| PARKING | | | | | |
| PERSONNEL | 1,409,119 | 1,784,092 | 2,166,544 | 382,453 | 21.44% |
| OPERATING | 372,885 | 597,894 | 972,404 | 374,510 | 62.64% |
| CAPITAL | 893,587 | 803,500 | 409,000 | (394,500) | -49.10% |
| PARKING Total | 2,675,592 | 3,185,486 | 3,547,949 | 362,463 | 11.38% |
| PARKS & RECREATION | | | | | |
| PERSONNEL | 7,515,436 | 8,333,470 | 9,582,868 | 1,249,398 | 14.99% |
| OPERATING | 407,738 | 862,411 | 760,300 | (102,111) | -11.84% |
| PARKS & RECREATION Total | 7,923,174 | 9,195,881 | 10,343,168 | 1,147,287 | 12.48% |
| PLANNING | | | | | |
| PERSONNEL | 3,691,169 | 4,143,360 | 4,867,642 | 724,282 | 17.48% |
| OPERATING | 321,056 | 550,581 | 885,153 | 334,572 | 60.77% |
| CAPITAL | 1,081 | 23,010 | - | (23,010) | -100.00% |
| PLANNING Total | 4,013,306 | 4,716,952 | 5,752,796 | 1,035,844 | 21.96% |
| POLICE | | | | | |
| PERSONNEL | 49,553,050 | 53,040,835 | 57,228,604 | 4,187,769 | 7.90% |
| OPERATING | 3,200,843 | 4,820,615 | 5,373,490 | 552,875 | 11.47% |
| CAPITAL | 49 | 158,927 | 738,500 | 579,573 | 364.68% |
| POLICE Total | 52,753,942 | 58,020,376 | 63,340,594 | 5,320,217 | 9.17% |
| PUBLIC WORKS | | | | | |
| PERSONNEL | 14,041,553 | 8,017,317 | 11,312,939 | 3,295,622 | 41.11% |
| OPERATING | 5,806,563 | 1,289,111 | 1,230,673 | (58,438) | -4.53% |
| CAPITAL | 22,245 | 22,500 | 22,500 | - | 0.00% |
| PUBLIC WORKS Total | 19,870,361 | 9,328,928 | 12,566,112 | 3,237,185 | 34.70% |
| TRAFFIC ENGINEERING | | | | | |
| PERSONNEL | 2,463,206 | 2,878,687 | 3,169,442 | 290,754 | 10.10% |
| OPERATING | 203,401 | 376,316 | 413,916 | 37,600 | 9.99% |
| CAPITAL | 1,059 | 31,500 | 31,500 | - | 0.00% |
| TRAFFIC ENGINEERING Total | 2,667,666 | 3,286,503 | 3,614,857 | 328,354 | 9.99% |
| GRAND TOTAL | 202,073,488 | 216,514,393 | 242,582,761 | 26,068,368 | 12.04% |

City of Huntsville

Personnel Authorization Summary

The Mayor has long recognized that employees are the City's most important resource and has invested considerably in training and development over the years. Salaries and benefits are a significant operational expenditure to the City, therefore the goal of hiring and retaining quality individuals are factored into all employee policy decisions. Current and future workforce profiles are listed below.

Authorized Positions

Employees are hired into "authorized positions," which are approved by the City Council as part of the budgeting process. Money is budgeted for the positions based on the salary and associated benefits of each. Any significant change in workforce levels that might impact personnel cost budgets are monitored closely throughout the year.

Below is a history of authorized positions.

| DEPARTMENTS | ADOPTED | | | | | PROPOSED |
|------------------------------------|---------|--------|--------|--------|--------|----------|
| | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 |
| ADMINISTRATION | 15 | 16 | 27 | 27 | 29 | 30 |
| ANIMAL SERVICES | 32 | 33 | 37 | 37 | 41 | 45 |
| CEMETERY | 12 | 13 | 13 | 15 | 18 | 19 |
| CITY COUNCIL | 8 | 7 | 8 | 8 | 8 | 9 |
| CLERK-TREASURER | 18 | 19 | 19 | 19 | 20 | 21 |
| COMMUNITY DEVELOPMENT | 43 | 41 | 39 | 40 | 47 | 47 |
| EMERGENCY MANAGEMENT AGENCY | 9 | 9 | 9 | 9 | 9 | 9 |
| ENGINEERING | 45 | 45 | 46 | 45 | 46 | 45 |
| FINANCE | 35 | 35 | 35 | 35 | 40 | 45 |
| FIRE & RESCUE | 439 | 439 | 442 | 454 | 478 | 519 |
| FLEET SERVICES | 50 | 50 | 51 | 51 | 51 | 51 |
| GENERAL SERVICES | 52 | 50 | 53 | 54 | 57 | 57 |
| HUMAN RESOURCES | 16 | 15 | 16 | 17 | 18 | 20 |
| INFORMATION TECH SERVICES (ITS) | 46 | 47 | 48 | 50 | 50 | 49 |
| INSPECTION | 30 | 34 | 34 | 34 | 35 | 37 |
| LANDSCAPE MANAGEMENT | 149 | 151 | 157 | 168 | 182 | 184 |
| LEGAL | 16 | 17 | 18 | 18 | 19 | 20 |
| MUNICIPAL COURT | 52 | 50 | 53 | 54 | 56 | 54 |
| NATURAL RESOURCES | 7 | 8 | 9 | 9 | 9 | 10 |
| PARKING | 51 | 33 | 53 | 54 | 57 | 57 |
| PARKS & RECREATION | 196 | 145 | 205 | 230 | 265 | 267 |
| PLANNING | 47 | 46 | 52 | 52 | 52 | 51 |
| POLICE | 702 | 666 | 738 | 756 | 784 | 815 |
| PUBLIC TRANSIT | 80 | 63 | 105 | 107 | 111 | 119 |
| PUBLIC WORKS (INCLUDES SANITATION) | 238 | 253 | 254 | 253 | 255 | 297 |
| TRAFFIC ENGINEERING | 39 | 37 | 40 | 41 | 43 | 43 |
| WATER POLLUTION CONTROL | 133 | 184 | 164 | 167 | 198 | 182 |
| GRAND TOTAL | 2560 | 2506 | 2725 | 2804 | 2978 | 3102 |

Note: Departments can be dramatically affected by a shift in the organizational alignment (i.e., moving a division from one department to another).

City of Huntsville
Personnel Authorization Summary (continued)

Huntsville's rate of growth in population and area demands a greater number of employees to maintain the level of services expected by our citizens. Current and proposed changes to the City's authorized strength for FY2023 is as follows:

| DEPARTMENTS | ADOPTED FY2022 | | | INCREASE/DECREASE IN POSITIONS | | | | PROPOSED FY2023 | | |
|------------------------------------|----------------|------------|--------------|--------------------------------|---------------|-----------------|----------------|-----------------|------------|--------------|
| | FT | PT | TOTAL | DURING FY2022 | | PROPOSED FY2023 | | FT | PT | TOTAL |
| | | | | ADD/DEL | AS OF 8/26/22 | ADD/DEL | TOTAL PROPOSED | | | |
| ADMINISTRATION | 18 | 11 | 29 | 2 | 31 | (1) | 30 | 19 | 11 | 30 |
| ANIMAL SERVICES | 35 | 6 | 41 | 1 | 42 | 3 | 45 | 39 | 6 | 45 |
| CEMETERY | 17 | 1 | 18 | - | 18 | 1 | 19 | 18 | 1 | 19 |
| CITY COUNCIL | 8 | - | 8 | 1 | 9 | - | 9 | 8 | 1 | 9 |
| CLERK-TREASURER | 19 | 1 | 20 | 1 | 21 | - | 21 | 20 | 1 | 21 |
| COMMUNITY DEVELOPMENT | 42 | 5 | 47 | (1) | 46 | 1 | 47 | 42 | 5 | 47 |
| EMERGENCY MANAGEMENT AGENCY | 9 | - | 9 | - | 9 | - | 9 | 9 | - | 9 |
| ENGINEERING | 43 | 3 | 46 | (1) | 45 | - | 45 | 42 | 3 | 45 |
| FINANCE | 38 | 2 | 40 | 1 | 41 | 4 | 45 | 43 | 2 | 45 |
| FIRE & RESCUE | 473 | 5 | 478 | 22 | 500 | 19 | 519 | 512 | 7 | 519 |
| FLEET SERVICES | 51 | - | 51 | - | 51 | - | 51 | 51 | - | 51 |
| GENERAL SERVICES | 50 | 7 | 57 | - | 57 | - | 57 | 50 | 7 | 57 |
| HUMAN RESOURCES | 14 | 4 | 18 | - | 18 | 2 | 20 | 17 | 3 | 20 |
| INFORMATION TECH SERVICES (ITS) | 48 | 2 | 50 | - | 50 | (1) | 49 | 49 | - | 49 |
| INSPECTION | 35 | - | 35 | - | 37 | - | 37 | 36 | 1 | 37 |
| LANDSCAPE MANAGEMENT | 178 | 4 | 182 | 1 | 183 | 1 | 184 | 182 | 2 | 184 |
| LEGAL | 18 | 1 | 19 | - | 19 | 1 | 20 | 19 | 1 | 20 |
| MUNICIPAL COURT | 49 | 7 | 56 | (2) | 54 | - | 54 | 48 | 6 | 54 |
| NATURAL RESOURCES | 7 | 2 | 9 | - | 9 | 1 | 10 | 8 | 2 | 10 |
| PARKING | 26 | 31 | 57 | (1) | 56 | 2 | 57 | 26 | 31 | 57 |
| PARKS & RECREATION | 130 | 135 | 265 | - | 265 | 2 | 267 | 132 | 135 | 267 |
| PLANNING | 45 | 7 | 52 | 1 | 53 | (2) | 51 | 46 | 5 | 51 |
| POLICE | 644 | 140 | 784 | 7 | 791 | 24 | 815 | 669 | 146 | 815 |
| PUBLIC TRANSIT | 61 | 50 | 111 | - | 111 | 8 | 119 | 68 | 51 | 119 |
| PUBLIC WORKS (INCLUDES SANITATION) | 254 | 1 | 255 | 13 | 268 | 29 | 297 | 296 | 1 | 297 |
| TRAFFIC ENGINEERING | 39 | 4 | 43 | 1 | 44 | (1) | 43 | 39 | 4 | 43 |
| WATER POLLUTION CONTROL | 195 | 3 | 198 | 1 | 199 | (17) | 182 | 182 | - | 182 |
| GRAND TOTAL | 2,546 | 432 | 2,978 | 47 | 3,027 | 76 | 3,102 | 2,670 | 432 | 3,102 |

Part of position budgeting in a large City is the understanding that there will always be turnover in staff, providing vacant positions. In review of historical vacancies and current understanding of personnel cycles, this budget is presented with some departmental positions, while authorized, unbudgeted. As always, the budgets across departments are monitored to ensure salaries and benefits are appropriately funded.

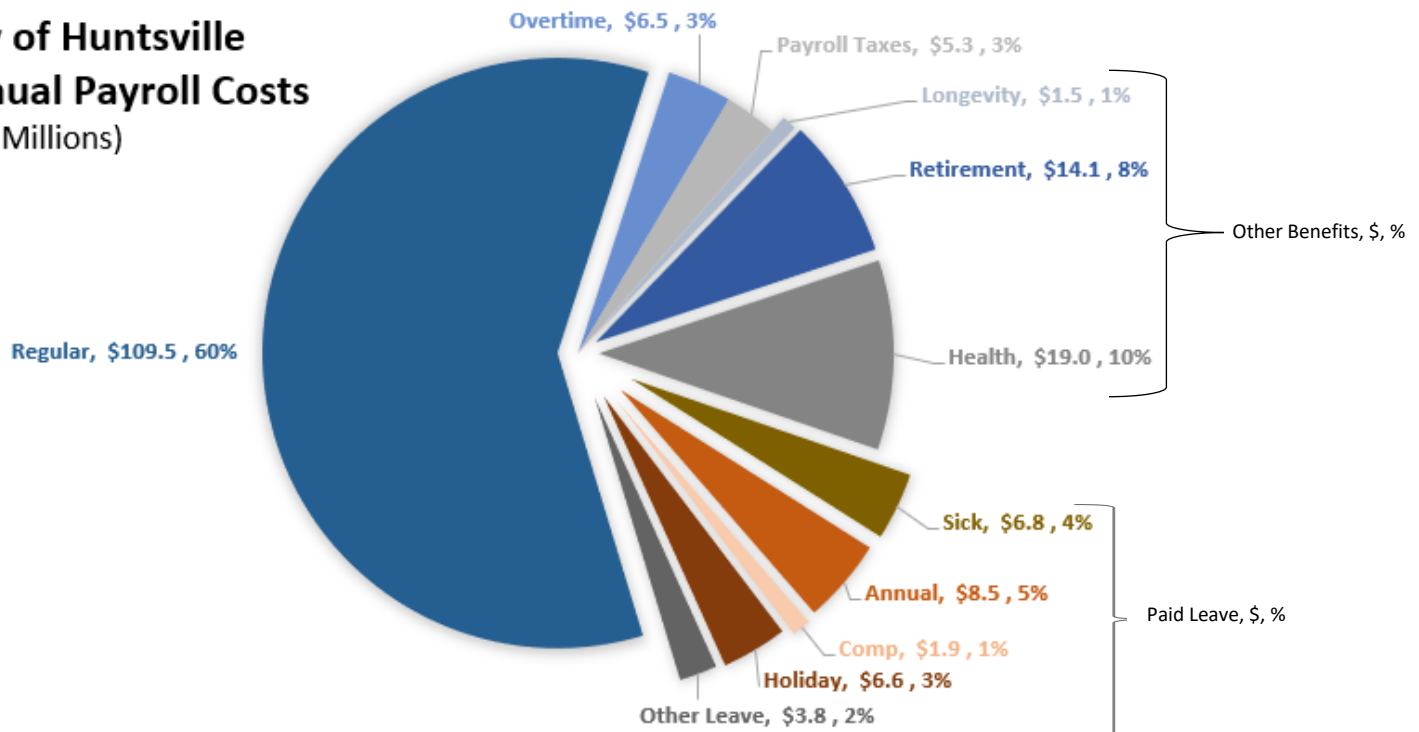
A profile of the workforce as of 8/26/2022 used in the development of the budget is as follows:

| | FILLED POSITIONS | VACANT POSITIONS | TOTAL AUTHORIZED |
|-------------------------------|------------------|------------------|------------------|
| REGULAR FULL-TIME EMPLOYEES | 2243 | 427 | 2670 |
| REGULAR PART-TIME EMPLOYEES | 214 | 120 | 334 |
| TEMPORARY PART-TIME EMPLOYEES | 11 | 32 | 43 |
| CONTRACT EMPLOYEES | 28 | 27 | 55 |
| GRAND TOTAL | 2496 | 606 | 3102 |

Salaries and Benefits Costs

The City of Huntsville will spend about \$183.5 million in FY2022 on employee salaries and benefits. Of this amount, approximately 81% (\$148.9M) will be spent on employee salaries, and 19% (\$34.6M) will be spent on other benefits. A breakdown of FY2022 personnel costs is illustrated as follows:

City of Huntsville Annual Payroll Costs (\$ in Millions)



City of Huntsville

Expenditures – Agency and Intergovernmental Appropriations

The City partners with numerous agencies to further culture, community, education, recreation, public safety, medical services, and other requirements and demands of a growing community. The City contracts with each entity in an understanding of the specific services the entity will provide. These entities, partnerships, and contracts take many forms to deliver the greatest impact to the directed population. Below is a listing of all special appropriations to outside City and nonprofit agencies.

| OUTSIDE APPROPRIATIONS | Revised Budget FY 2022 \$ | Proposed Budget FY 2023 \$ | Inc (Dec) Amount \$ |
|--|------------------------------------|-------------------------------------|---------------------------|
| 100 BLACK MEN OF GREATER HUNTSVILLE, INC. | - | 10,000 | 10,000 |
| BIG BROTHERS BIG SISTERS OF THE TENNESSEE VALLEY | 25,000 | 30,000 | 5,000 |
| BOYS & GIRLS CLUBS OF NORTH ALABAMA, INC. | 110,000 | 150,000 | 40,000 |
| BUSINESS TECHNOLOGY CENTER, INC. (BIZTECH) | 83,000 | 83,000 | - |
| CHRISTMAS CHARITIES YEAR ROUND | 15,000 | 15,000 | - |
| COMMUNITY ACTION AGENCY PARTNERSHIP | 100,000 | 100,000 | - |
| COMMUNITY FREE DENTAL CLINIC | 36,414 | 100,000 | 63,586 |
| DOWNTOWN HUNTSVILLE, INC. | 90,000 | 90,000 | - |
| FAMILY SERVICES, INC. (LIFT HOUSING, INC.) | 11,210 | 10,000 | (1,210) |
| FIRST STOP, INC. | 149,876 | 184,239 | 34,363 |
| GIRLS INC. OF HUNTSVILLE | 15,000 | 15,000 | - |
| GLOBAL TIES ALABAMA | 30,000 | 30,000 | - |
| HATCH HSV, INC. | 90,000 | 90,000 | - |
| HEALS, INC. | 29,000 | 35,000 | 6,000 |
| HISTORIC HUNTSVILLE FOUNDATION | - | 30,000 | 30,000 |
| HUNTSVILLE BALLET ASSOCIATION | 40,000 | 40,000 | - |
| HUNTSVILLE COMMUNITY WATCH | 24,500 | 28,504 | 4,004 |
| HUNTSVILLE EMERGENCY MEDICAL SERVICES, INC. (HEMSI) | 300,000 | - | (300,000) |
| HUNTSVILLE HOSPITAL FOUNDATION | 25,000 | 25,000 | - |
| HUNTSVILLE SYMPHONY ORCHESTRA ASSOCIATION | 114,510 | 114,500 | (10) |
| HUNTSVILLE-MADISON COUNTY RESCUE SQUAD | 4,900 | 4,900 | - |
| LEGAL SERVICES OF ALABAMA | 46,000 | 46,000 | - |
| MADISON COUNTY 310 BOARD | 40,000 | 40,000 | - |
| NASA/MARSHALL SPACE FLIGHT CENTER RETIREES ASSOC | - | 50,000 | 50,000 |
| NORTH ALABAMA HOMEBUILDERS ACADEMY | 200,000 | 200,000 | - |
| NORTH HUNTSVILLE BUSINESS ASSOCIATION | 48,500 | 50,000 | 1,500 |
| PARTNERSHIP FOR DRUG FREE COMMUNITY, INC. | 90,990 | 90,990 | - |
| SECOND MILE DEVELOPMENT, INC. | 34,195 | 34,195 | - |
| SINGING RIVER TRAIL - LAUNCH 2035 | 50,000 | 50,000 | - |
| SOUTH HUNTSVILLE BUSINESS ASSOCIATION (MAIN STREET) | 28,500 | 50,000 | 21,500 |
| THE ARTS COUNCIL, INC. (DBA ARTS HUNTSVILLE) | 450,000 | 500,000 | 50,000 |
| THE ARTS COUNCIL, INC. (DBA ARTS HUNTSVILLE) CAPITAL | 250,000 | 250,000 | - |
| THE ARTS COUNCIL, INC. (DBA ARTS HUNTSVILLE) STAFFING | 77,000 | 77,000 | - |
| THE LAND TRUST FACILITIES PROJECT (10-YR) | 200,000 | 200,000 | - |
| THE LAND TRUST OF HUNTSVILLE AND NORTH ALABAMA, INC. | 70,000 | 125,000 | 55,000 |
| THE LEGACY CENTER, INC. | 30,000 | 30,000 | - |
| UNITED CEREBRAL PALSY OF HUNTSVILLE & TENNESSEE VALLEY | 20,000 | - | (20,000) |
| UNITED WAY | 40,000 | 45,000 | 5,000 |
| VILLAGE OF PROMISE, INC. | 40,000 | 50,000 | 10,000 |
| YMCA OF METROPOLITAN HUNTSVILLE (H'VILLE CHILD CARE CTR) | 13,140 | 30,000 | 16,860 |
| | 3,021,735 | 3,103,328 | 81,593 |

City of Huntsville

Expenditures – Agency and Intergovernmental Appropriations (continued)

| INTERGOVERNMENTAL TRANSFERS AND CONTRACTS | Revised Budget FY 2022 \$ | Proposed Budget FY 2023 \$ | Inc (Dec) Amount \$ |
|--|------------------------------------|-------------------------------------|---------------------------|
| CHAMBER OF COMMERCE OF HUNTSVILLE/MADISON CO. | 275,000 | 300,000 | 25,000 |
| HUNTSVILLE CITY SCHOOLS, BOARD OF EDUCATION | 55,000 | 55,000 | - |
| HUNTSVILLE CITY SCHOOLS, BOARD OF EDUCATION CAPITAL | 1,000,000 | 1,000,000 | - |
| HUNTSVILLE HOSPITAL | 150,000 | 150,000 | - |
| HUNTSVILLE PUBLIC LIBRARY | 5,000,000 | 5,217,681 | 217,681 |
| HUNTSVILLE-MADISON COUNTY SENIOR CENTER, INC. | 415,000 | 415,000 | - |
| MADISON CO COMM (NEAVES-DAVIS CENTER FOR CHILDREN) | 873,000 | 873,000 | - |
| MADISON COUNTY - JAIL OPERATIONS | 2,100,000 | 2,100,000 | - |
| MADISON COUNTY HEALTH DEPARTMENT | 1,335,000 | 1,335,000 | - |
| THRIVE ALABAMA CAPITAL | 200,000 | 200,000 | - |
| WELLSTONE BEHAVIORAL HEALTH | 861,414 | 861,414 | (0) |
| WELLSTONE BEHAVIORAL HEALTH - JAIL DIVERSION PROGRAM | 50,000 | 50,000 | - |
| WELLSTONE BEHAVIORAL HEALTH CAPITAL | 200,000 | 200,000 | - |
| WELLSTONE BEHAVIORAL HEALTH STAFFING | 120,000 | 120,000 | - |
| | 12,634,414 | 12,877,095 | 242,681 |

| CULTURE AND TOURISM APPROPRIATIONS | Revised Budget FY 2022 \$ | Proposed Budget FY 2023 \$ | Inc (Dec) Amount \$ |
|---|------------------------------------|-------------------------------------|---------------------------|
| AL CONST VILLAGE-EARLYWORKS FAMILY OF MUSEUMS | 700,000 | 700,000 | - |
| AMPHITHEATER | 729,600 | 886,080 | 156,480 |
| BURRITT MUSEUM (93-21) | 450,000 | 500,000 | 50,000 |
| FANTASY PLAYHOUSE | 200,000 | 200,000 | - |
| HUNTSVILLE BOTANICAL GARDENS WELCOME CENTER | - | 800,000 | 800,000 |
| HUNTSVILLE BOTANICAL GARDENS WELCOME CENTER | 400,000 | 400,000 | - |
| HUNTSVILLE BOTANICAL GARDENS, INC. (93-21) | 400,000 | 500,000 | 100,000 |
| HUNTSVILLE CONVENTION & VISITORS BUREAU (12-365) | 2,554,745 | 3,091,400 | 536,655 |
| HUNTSVILLE MUSEUM OF ART (93-21) | 725,000 | 900,000 | 175,000 |
| HUNTSVILLE SPORTS COMMISSION (12-365) | 405,021 | 490,100 | 85,079 |
| HUNTSVILLE TENNIS CENTER BOARD OF CONTROL (93-21) | 250,000 | 250,000 | - |
| U.S. SPACE & ROCKET CENTER FOUNDATION (93-21) | 325,000 | 325,000 | - |
| VON BRAUN CENTER - CAPITAL (17-456) | 2,062,624 | 2,511,469 | 448,845 |
| VON BRAUN CENTER - OPERATING (12-365) | 3,271,319 | 3,958,500 | 687,181 |
| WEEDEN HOUSE MUSEUM (93-21) | 40,000 | 40,000 | - |
| | 12,513,308 | 15,552,549 | 3,039,241 |

TOTAL SPECIAL APPROPRIATIONS 28,169,457 31,532,972 3,363,515

City of Huntsville

Expenditures – Debt Service and Debt Outstanding

The City issues debt to finance the construction of long-term capital projects. Some debt is issued as "general obligation" debt, or debt that is backed by the full faith and credit of the City. Other debt is "revenue" debt, or debt that is backed exclusively by certain revenue of the City, and holders of this debt must rely on the adequacy of the revenue supporting the debt.

A summary of all the outstanding debt of the City and the Public Building Authority of the City of Huntsville is as follows:

| ISSUANCE SERIES | ORIGINAL ISSUE AMOUNT \$ | OUTSTANDING AT 10/1/2022 \$ |
|---|--------------------------------|-----------------------------------|
| HUNTSVILLE CITY CAPITAL PROJECTS | | |
| 2013A | 6,450,000 | 870,000 |
| 2013B | 14,580,000 | 14,580,000 |
| 2013D | 24,970,000 | 2,240,000 |
| 2013E | 6,460,000 | 815,000 |
| 2014A | 15,245,000 | 8,305,000 |
| 2014B | 19,345,000 | 15,640,000 |
| 2015A | 61,390,000 | 45,700,000 |
| 2016A | 30,483,888 | 27,181,663 |
| 2016C | 20,089,456 | 14,816,054 |
| 2017B | 8,560,000 | 5,410,000 |
| 2017C | 11,045,000 | 8,980,000 |
| 2017D | 16,846,200 | 16,333,800 |
| 2018B | 44,009,350 | 38,592,050 |
| 2019A | 56,520,000 | 50,845,000 |
| 2020A | 26,928,038 | 18,151,762 |
| 2020C | 21,966,505 | 21,175,643 |
| 2021VBC | 7,000,000 | 6,725,964 |
| TOTAL | 391,888,437 | 296,361,934 |
| HUNTSVILLE CITY SCHOOLS | | |
| 2013C | 77,050,000 | 7,775,000 |
| 2014C | 27,045,000 | 18,235,000 |
| 2016B | 29,890,000 | 29,890,000 |
| 2016D | 31,550,000 | 28,065,000 |
| 2017A | 17,355,000 | 14,560,000 |
| 2017E | 49,195,000 | 48,335,000 |
| 2020B | 13,265,000 | 10,105,000 |
| 2020D | 27,610,000 | 24,725,000 |
| TOTAL | 272,960,000 | 181,690,000 |

City of Huntsville

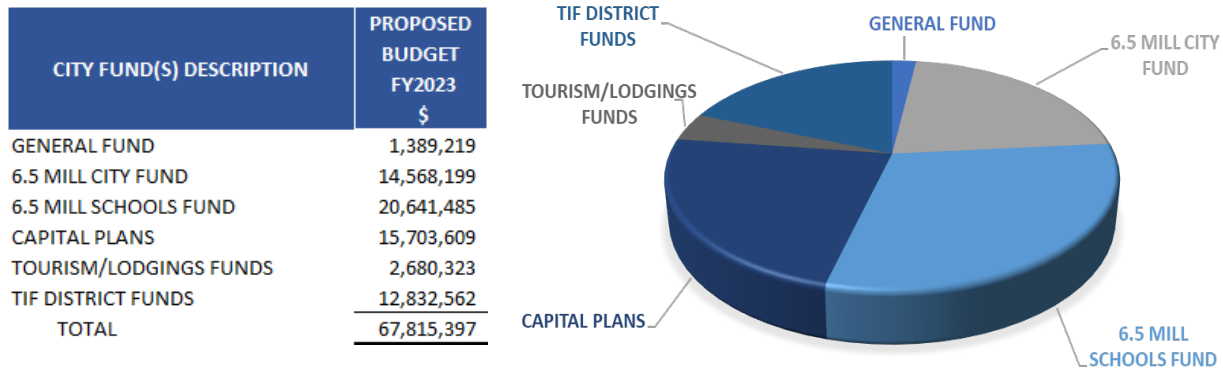
Expenditures – Debt Service and Debt Outstanding (continued)

| ISSUANCE SERIES | ORIGINAL ISSUE AMOUNT \$ | OUTSTANDING AT 10/1/2022 \$ |
|---|--------------------------------|-----------------------------------|
| TAX INCREMENT FINANCING DISTRICTS | | |
| 2014A | 25,680,000 | 18,080,000 |
| 2015B | 8,185,000 | 6,905,000 |
| 2016A | 5,241,113 | 4,088,338 |
| 2016C | 3,873,607 | 2,322,665 |
| 2018A | 50,590,000 | 48,630,000 |
| 2018B | 17,975,650 | 15,762,950 |
| 2018C | 5,385,000 | 4,915,000 |
| 2019A | 20,480,000 | 18,425,000 |
| 2020A | 1,880,560 | 655,000 |
| 2020C | 2,755,000 | 1,995,000 |
| 2020E | 15,047,500 | 13,643,081 |
| TOTAL | 157,093,430 | 135,422,033 |
| WATER POLLUTION CONTROL SYSTEM | | |
| 2011SRF | 2,130,000 | 1,220,000 |
| 2014A | 13,185,000 | 8,660,000 |
| 2016C | 12,066,937 | 9,076,281 |
| 2017D | 3,208,800 | 3,111,200 |
| 2020A | 5,821,402 | 4,833,238 |
| 2020C | 6,488,495 | 6,219,357 |
| TOTAL | 42,900,634 | 33,120,077 |
| MUNICIPAL JUSTICE COMPLEX/JOINT JAIL | | |
| 2017PBA | 46,965,000 | 40,585,000 |
| HUNTSVILLE AMPHITHEATER | | |
| 2021PBA | 37,000,000 | 37,000,000 |
| HUNTSVILLE CITY HALL | | |
| 2022PBA | 74,285,000 | 74,285,000 |
| TOTAL ALL DEBT | 1,023,092,500 | 798,464,044 |

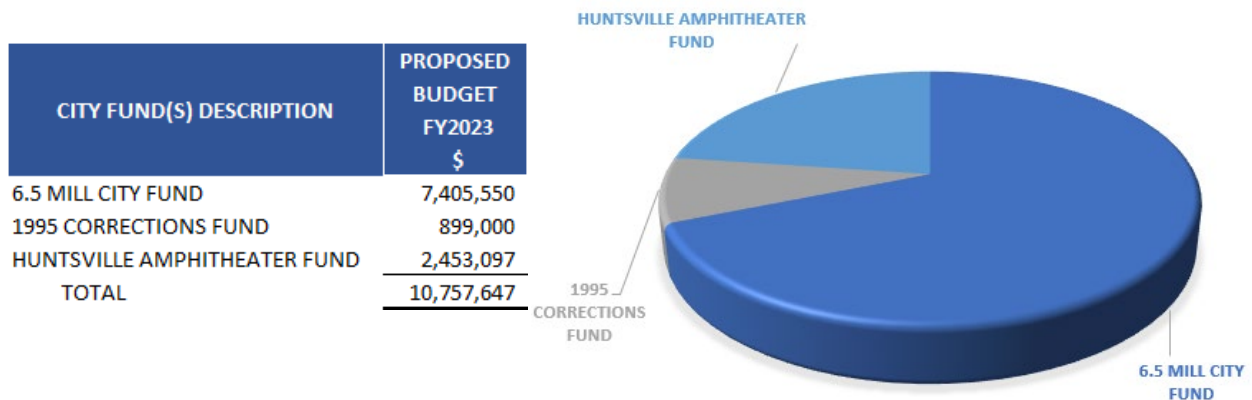
City of Huntsville

Expenditures – Debt Service and Debt Outstanding (continued)

Debt Service (principal and interest) is budgeted in each fund as appropriated throughout the City. The list below only includes governmental funds.



The Public Building Authority (PBA) was originally organized for the purpose of constructing a public safety and municipal court facility, including the City/County jail. The PBA was utilized in 2021 for the purpose of constructing the Huntsville Amphitheater and again in 2022 for the purpose of constructing Huntsville City Hall. The City, through lease agreements, is responsible for all the debt issued by the PBA. The annual debt service for the PBA is summarized below.



City of Huntsville
Expenditures – Transfers

| TRANSFER DESCRIPTION | ACTUAL | REVISED | PROPOSED | INC (DEC) PROPOSED | |
|--|-------------------|-------------------|-------------------|--------------------|---------|
| | FY 2021 | BUDGET | BUDGET | FY2023 OVER FY2022 | |
| | \$ | FY2022 | FY2023 | AMOUNT | PERCENT |
| | | \$ | \$ | \$ | % |
| PUBLIC TRANSIT FUND | 5,500,000 | 2,923,191 | 3,242,468 | 319,277 | 10.9% |
| <i>Annual transfer in support of Public Transit for administrative costs.</i> | | | | | |
| COMMUNITY DEVELOPMENT FUND | 2,479,574 | 880,872 | 890,872 | 10,000 | 1.1% |
| <i>Annual transfer in support of Community Development for administrative Costs.</i> | | | | | |
| 1990 CAPITAL PROJECTS FUND | 6,786,534 | 674,250 | 85,000 | (589,250) | -87.4% |
| <i>Transfer in support of departmental projects and capital costs.</i> | | | | | |
| SANITATION | - | 1,600,000 | 2,369,502 | 769,502 | 48.1% |
| <i>Transfer in support of departmental operating and capital costs.</i> | | | | | |
| 1995 CORRECTIONS | 377,750 | 219,000 | 150,000 | (69,000) | -31.5% |
| LODGING & LIQUOR TAXES | 1,100,000 | - | - | - | 0.0% |
| GAS TAX FUND - STREET LIGHTING SUBSIDY | 1,250,000 | 1,222,000 | 1,665,440 | 443,440 | 36.3% |
| EMERGENCY MANAGEMENT AGENCY | 303,609 | 295,914 | 325,285 | 29,371 | 9.9% |
| TRANSFER FOR DEBT SERVICE | 1,391,417 | 1,393,238 | 1,389,219 | (4,019) | -0.3% |
| POST RETIREMENT HEALTH TRUST | 2,500,000 | 7,500,000 | 4,872,111 | (2,627,889) | -35.0% |
| HEALTH AND LIFE BENEFITS | - | 500,000 | - | (500,000) | -100.0% |
| TOTAL TRANSFERS | <u>21,688,884</u> | <u>17,208,465</u> | <u>14,989,897</u> | | |

City of Huntsville
FY23 Proposed Annual Budget
For the Fiscal Year Beginning October 1, 2022

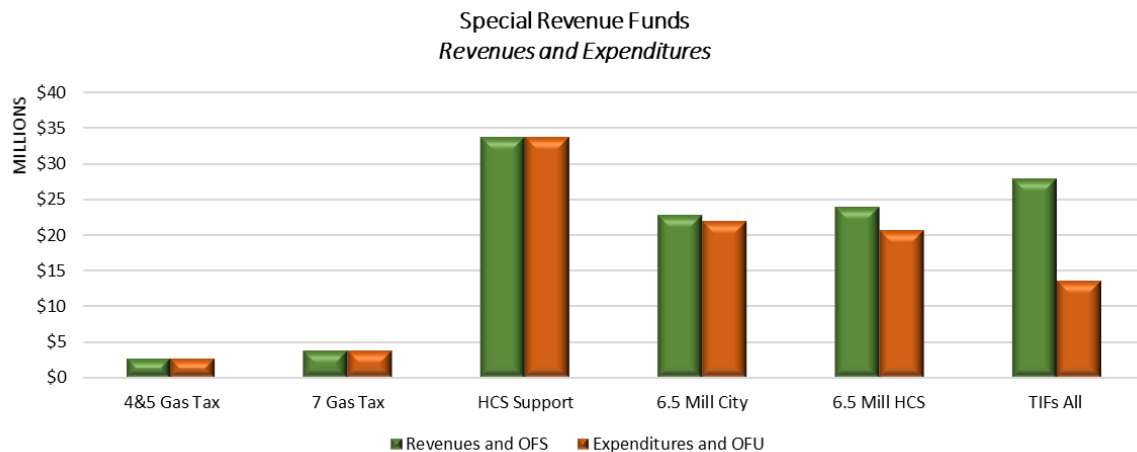
Special Revenue Funds



City of Huntsville
Fiscal 2023 Proposed Budget
Special Revenue Funds – Revenues and Expenditures

| Special Revenue Funds | Proposed Budget FY2023 | | | | | | FY2023 |
|-----------------------------------|------------------------|------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| | 4&5 Gas Tax | 7 Gas Tax | HCS Support | 6.5 Mill City | 6.5 Mill HCS | TIFs All | Total SRF |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenues | 2,646,000 | 2,119,560 | 33,730,000 | 22,800,000 | 23,939,257 | 27,995,606 | 113,230,423 |
| Other Financing Sources | - | 1,665,440 | - | - | - | - | 1,665,440 |
| Total Revenues and OFS | 2,646,000 | 3,785,000 | 33,730,000 | 22,800,000 | 23,939,257 | 27,995,606 | 114,895,863 |
| Total Expenditures and OFU | 2,650,000 | 3,785,000 | 33,730,000 | 21,973,749 | 20,641,485 | 13,618,562 | 96,398,796 |
| Revenues over(under) Expenditures | (4,000) | - | - | 826,251 | 3,297,772 | 14,377,044 | 18,497,067 |

| Tax Increment Financing Districts | Proposed Budget FY2023 | | | | | | FY2023 |
|-----------------------------------|------------------------|----------|------------------|------------------|------------------|-------------------|-------------------|
| | TIF 2 | TIF 3A | TIF 4 | TIF 5 | TIF 6 | TIF 7 | TIFs All |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenues | 1,928,860 | - | 5,667,183 | 2,521,670 | 5,833,118 | 12,044,775 | 27,995,606 |
| Other Financing Sources | - | - | - | - | - | - | - |
| Total Revenues and OFS | 1,928,860 | - | 5,667,183 | 2,521,670 | 5,833,118 | 12,044,775 | 27,995,606 |
| Expenditures | 1,112,650 | - | 1,800,905 | 800,382 | 1,442,803 | 7,675,822 | 12,832,562 |
| Other Financing Uses | 786,000 | - | - | - | - | - | 786,000 |
| Total Expenditures and OFU | 1,898,650 | - | 1,800,905 | 800,382 | 1,442,803 | 7,675,822 | 13,618,562 |
| Revenues over(under) Expenditures | 30,210 | - | 3,866,278 | 1,721,288 | 4,390,315 | 4,368,953 | 14,377,044 |



City of Huntsville

Special Revenue Funds – Revenues and Expenditures (continued)

| Title and Discription of the Special Revenue Fund | Actual FY 2021 \$ | Budget FY 2022 \$ | Proposed FY 2023 \$ |
|--|-------------------------|-------------------------|---------------------------|
| Four and Five cent Gas Tax Fund | | | |
| <i>Accounts for Huntsville's share of the State of Alabama four and five cent gas tax revenues and expenditures for the resurfacing, restoration and rehabilitation of roads, bridges and streets.</i> | | | |
| Revenue | | | |
| State 4 Cent Gas Tax | 1,056,929 | 1,037,167 | 1,040,000 |
| State 5 Cent Gas Tax | 358,912 | 348,886 | 350,000 |
| State Fuel Excise Tax | 16,553 | 18,239 | 20,000 |
| Rebuild Alabama Gas Tax | 1,164,629 | 1,055,161 | 1,236,000 |
| Interest Revenue | 241 | - | - |
| Total Revenues and OFS | 2,597,264 | 2,459,453 | 2,646,000 |
| Expense | | | |
| Street Resurfacing | 959,642 | - | - |
| Transfer to Fund 3020 (for Resurfacing) | 1,000,000 | 2,459,453 | 2,650,000 |
| Transfer to Fund 3080 (for Resurfacing) | 314,701 | - | - |
| Total Expenditures and OFU | 2,274,343 | 2,459,453 | 2,650,000 |
| Excess (deficit) of Rev & OFS over Exp & OFU | 322,921 | - | (4,000) |
| Seven cent Gas Tax Fund | | | |
| <i>Accounts for Huntsville's share of the State of Alabama seven cent gas tax revenues and expenditures for street related projects.</i> | | | |
| Revenue | | | |
| State 7 Cent Gas Tax | 2,056,275 | 2,020,000 | 2,060,400 |
| State Fuel Inspection Fee | 57,854 | 58,000 | 59,160 |
| Interest Revenue | 91 | - | - |
| Transfer from General Fund | 1,250,000 | 1,222,000 | 1,665,440 |
| Total Revenues and OFS | 3,364,220 | 3,300,000 | 3,785,000 |
| Expense | | | |
| Bank Fees | 423 | - | - |
| Street Lighting | 3,407,733 | 3,300,000 | 3,785,000 |
| Total Expenditures and OFU | 3,408,157 | 3,300,000 | 3,785,000 |
| Excess (deficit) of Rev & OFS over Exp & OFU | (43,937) | - | - |

City of Huntsville

Special Revenue Funds – Revenues and Expenditures (continued)

| Title and Discription of the Special Revenue Fund | Actual FY 2021 \$ | Budget FY 2022 \$ | Proposed FY 2023 \$ |
|--|-------------------------|-------------------------|---------------------------|
| Huntsville City School Support | | | |
| <i>Accounts for the appropriation of sales and use taxes allocated to the Huntsville City Schools at 14.7% of 3.5 pennies of City sales and use taxes.</i> | | | |
| Revenue | | | |
| Sales Tax | 25,696,095 | 26,450,000 | 28,730,000 |
| Use Tax | 4,267,551 | 4,773,484 | 5,000,000 |
| Total Revenues and OFS | 29,963,646 | 31,223,484 | 33,730,000 |
| Expense | | | |
| Huntsville City Schools | 29,961,029 | 31,223,484 | 33,730,000 |
| Total Expenditures and OFU | 29,961,029 | 31,223,484 | 33,730,000 |
| Excess (deficit) of Rev & OFS over Exp & OFU | 2,617 | - | - |
| 6.5 Mills - City Debt Property Tax Fund | | | |
| <i>Accounts for 6.5 mills of ad valorem taxes restricted for debt service payments on City projects.</i> | | | |
| Revenue | | | |
| Ad Valorem (Property) Tax | 20,409,023 | 20,750,000 | 22,800,000 |
| Long Term Proceeds | 42,885,867 | - | - |
| Total Revenues and OFS | 63,294,890 | 20,750,000 | 22,800,000 |
| Expense | | | |
| Debt Service Costs | 43,074,441 | - | - |
| Transfer to PBA | 2,627,236 | 4,142,703 | 7,405,550 |
| Transfer for Debt Service | 16,895,410 | 18,120,350 | 14,568,199 |
| Total Expenditures and OFU | 62,597,087 | 22,263,053 | 21,973,749 |
| Excess (deficit) of Rev & OFS over Exp & OFU | 697,803 | (1,513,053) | 826,251 |

City of Huntsville

Special Revenue Funds – Revenues and Expenditures (continued)

| Title and Description of the Special Revenue Fund | Actual FY 2021 \$ | Budget FY 2022 \$ | Proposed FY 2023 \$ |
|--|-------------------------|-------------------------|---------------------------|
| 6.5 Mills - School Debt Property Tax Fund | | | |
| <i>Accounts for 6.5 mills of ad valorem tax restricted for the furtherance of education. Approved by voters in 1985, most revenue is allocated for debt service payments on school facilities. This debt is 'general obligation' debt issued by the City on behalf of the Huntsville City Schools.</i> | | | |
| Revenue | | | |
| Ad Valorem (Property) Tax | 21,276,419 | 21,478,140 | 23,939,257 |
| Long Term Proceeds | 44,401,214 | - | - |
| IRS Interest Subsidy | 52,890 | - | - |
| Transfer from Other Funds | 900,000 | - | - |
| Total Revenues and OFS | 66,630,523 | 21,478,140 | 23,939,257 |
| Expense | | | |
| Huntsville City Schools | 900,000 | - | - |
| Debt Service Costs | 44,534,552 | - | - |
| Transfer for Debt Service | 20,770,368 | 20,440,035 | 20,641,485 |
| Total Expenditures and OFU | 66,204,920 | 20,440,035 | 20,641,485 |
| Excess (deficit) of Rev & OFS over Exp & OFU | 425,603 | 1,038,105 | 3,297,772 |

Tax Increment Financing District 2 Fund

A Tax Increment Financing District (TIF) established in 2000, to provide resources for the construction of public improvements to enhance retail development and for the renovation of Huntsville High School. Property taxes within the geographic TIF boundary are restricted for repayment of expenditures and debt issued on infrastructure and projects directly associated with the TIF.

| | | | |
|--|-----------|-----------|-----------|
| Revenue | | | |
| Ad Valorem (Property) Tax | 1,387,623 | 1,549,244 | 1,928,860 |
| Interest Revenue | 872 | - | - |
| Long Term Proceeds | 5,026,020 | - | - |
| Total Revenues and OFS | 6,414,514 | 1,549,244 | 1,928,860 |
| Expense | | | |
| Debt Service Costs | 5,063,065 | - | - |
| Transfer to Capital Project Fund 3020 | 298,297 | 468,000 | 786,000 |
| Transfer for Debt Service | 1,088,878 | 1,080,582 | 1,112,650 |
| Total Expenditures and OFU | 6,450,240 | 1,548,582 | 1,898,650 |
| Excess (deficit) of Rev & OFS over Exp & OFU | (35,726) | 662 | 30,210 |

City of Huntsville

Special Revenue Funds – Revenues and Expenditures (continued)

| Title and Discription of the Special Revenue Fund | Actual FY 2021 \$ | Budget FY 2022 \$ | Proposed FY 2023 \$ |
|---|-------------------------|-------------------------|---------------------------|
|---|-------------------------|-------------------------|---------------------------|

Tax Increment Financing District 3A Fund

A Tax Increment Financing District established in 2001, to provide resources for the construction of public improvements in a north Huntsville industrial park and improve eight northwest Huntsville schools. Property taxes within the geographic TIF boundary are restricted for repayment of expenditures and debt issued on infrastructure and projects directly associated with the TIF. TIF 3A was paid off in FY2022.

Revenue

| | | | |
|---------------------------|-----------|-----------|---|
| Ad Valorem (Property) Tax | 4,212,214 | 5,776,349 | - |
| Interest Revenue | 2,447 | - | - |
| Total Revenues and OFS | 4,214,661 | 5,776,349 | - |

Expense

| | | | |
|--|-------------|-----------|---|
| Bank Fees | 40 | - | - |
| Debt Service Costs | 11,585,455 | - | - |
| Transfer for Debt Service | 816,649 | 829,670 | - |
| Total Expenditures and OFU | 12,402,145 | 829,670 | - |
| Excess (deficit) of Rev & OFS over Exp & OFU | (8,187,483) | 4,946,679 | - |

Tax Increment Financing District 4 Fund

A Tax Increment Financing District established in 2006, to provide resources for the rebuilding of Lee High School, construction of a variety of public facilities in downtown Huntsville, and northeast Huntsville road improvements. Property taxes within the geographic TIF boundary are restricted for repayment of expenditures and debt issued on infrastructure and projects directly associated with the TIF.

Revenue

| | | | |
|---------------------------|-----------|-----------|-----------|
| Ad Valorem (Property) Tax | 3,472,127 | 4,646,260 | 5,667,183 |
| Interest Revenue | 342 | - | - |
| Total Revenues and OFS | 3,472,468 | 4,646,260 | 5,667,183 |

Expense

| | | | |
|--|-----------|-----------|-----------|
| Bank Fees | 121 | - | - |
| Transfer to Capital Project Fund 3020 | 1,650,000 | 2,369,791 | - |
| Transfer for Debt Service | 1,802,148 | 1,802,655 | 1,800,905 |
| Total Expenditures and OFU | 3,452,269 | 4,172,446 | 1,800,905 |
| Excess (deficit) of Rev & OFS over Exp & OFU | 20,199 | 473,814 | 3,866,278 |

City of Huntsville

Special Revenue Funds – Revenues and Expenditures (continued)

| Title and Discription of the Special Revenue Fund | Actual FY 2021 \$ | Budget FY 2022 \$ | Proposed FY 2023 \$ |
|--|-------------------------|-------------------------|---------------------------|
| Tax Increment Financing District 5 Fund | | | |
| <i>A Tax Increment Financing District established in 2010, to provide resources for the construction of public infrastructure on the U.S. Army's Redstone Arsenal, in support of a new office park for federal government contractors. Property taxes within the geographic TIF boundary are restricted for repayment of expenditures and debt issued on infrastructure and projects directly associated with the TIF.</i> | | | |
| <i>Financing for TIF projects is provided by loans from the commercial developer and are secured by future property taxes from the development, which are not general obligations of the City.</i> | | | |
| Revenue | | | |
| Ad Valorem (Property) Tax | 1,220,125 | 2,053,059 | 2,521,670 |
| Interest Revenue | 164 | - | - |
| Long Term Proceeds | 4,402,509 | - | - |
| Total Revenues and OFS | 5,622,797 | 2,053,059 | 2,521,670 |
| Expense | | | |
| EUL Projects | 4,392,432 | - | - |
| Debt Service Costs | 428,102 | - | - |
| Transfer for Debt Service | 804,939 | 800,497 | 800,382 |
| Total Expenditures and OFU | 5,625,473 | 800,497 | 800,382 |
| Excess (deficit) of Rev & OFS over Exp & OFU | (2,676) | 1,252,562 | 1,721,288 |
| Tax Increment Financing District 6 Fund | | | |
| <i>A Tax Increment Financing District established in 2016, to provide resources for the construction of infrastructure to support economic development in west Huntsville. Property taxes within the geographic TIF boundary are restricted for repayment of expenditures and debt issued on infrastructure, and projects directly associated with the TIF.</i> | | | |
| Revenue | | | |
| Ad Valorem (Property) Tax | 3,618,990 | 4,769,288 | 5,833,118 |
| Total Revenues and OFS | 3,618,990 | 4,769,288 | 5,833,118 |
| Expense | | | |
| Transfer for Debt Service | 1,441,098 | 1,442,728 | 1,442,803 |
| Total Expenditures and OFU | 1,441,098 | 1,442,728 | 1,442,803 |
| Excess (deficit) of Rev & OFS over Exp & OFU | 2,177,892 | 3,326,560 | 4,390,315 |

City of Huntsville

Special Revenue Funds – Revenues and Expenditures (continued)

| Title and Discription of the Special Revenue Fund | Actual FY 2021 \$ | Budget FY 2022 \$ | Proposed FY 2023 \$ |
|---|-------------------------|-------------------------|---------------------------|
| Tax Increment Financing District 7 Fund | | | |
| <i>A Tax Increment Financing District established in 2016, to provide resources for the construction of infrastructure to support economic development in west Huntsville. Property taxes within the geographic TIF boundary are restricted for repayment of expenditures and debt issued on infrastructure, and projects directly associated with the TIF.</i> | | | |
| Revenue | | | |
| Ad Valorem (Property) Tax | 328,861 | 6,526,761 | 12,044,775 |
| Transfer in Capital Project Fund 3080 | 4,916,915 | 1,151,187 | - |
| Total Revenues and OFS | 5,245,776 | 7,677,948 | 12,044,775 |
| Expense | | | |
| Transfer for Debt Service | 5,245,776 | 7,677,947 | 7,675,822 |
| Total Expenditures and OFU | 5,245,776 | 7,677,947 | 7,675,822 |
| Excess (deficit) of Rev & OFS over Exp & OFU | (0) | 1 | 4,368,953 |

City of Huntsville

FY23 Managerial Budgets

For the Fiscal Year Beginning October 1, 2022



City of Huntsville
Managerial Budgets - Revenues and Expenditures

| Title and Description of the Fund | FY2023 Budgets | |
|--|----------------|--------------------|
| | Revenues \$ | Expenditures \$ |
| Four and Five cent Gas Tax Fund | | |
| State Shared Gas Taxes | 1,410,000 | |
| Rebuild Alabama Gas Tax | 1,236,000 | |
| Transfer for Resurfacing | | 2,650,000 |
| Seven cent Gas Tax Fund | | |
| State Shared Gas Taxes and Fees | 2,119,560 | |
| Transfer from General Fund | 1,665,440 | |
| Street Lighting | | 3,785,000 |
| 1% Lodging Tax 2003 Fund | | |
| Liquor and Lodging Taxes | 1,508,000 | |
| Capital Projects | | 1,508,000 |
| 1% Lodging Tax 2013 Fund | | |
| Liquor and Lodging Taxes | 1,508,000 | |
| Agency Appropriations | | 1,508,000 |
| Huntsville City School Support | | |
| Sales and Use Tax | 33,730,000 | |
| Huntsville City Schools | | 33,730,000 |
| 6.5 Mills - City Debt Property Tax Fund | | |
| Ad Valorem (Property) Tax | 22,800,000 | |
| Debt Service and Transfers | | 21,973,749 |
| 6.5 Mills - School Debt Property Tax Fund | | |
| Ad Valorem (Property) Tax | 23,939,257 | |
| Debt Service and Transfers | | 20,641,485 |
| Tax Increment Financing District 2 Fund | | |
| Ad Valorem (Property) Tax and Interest | 1,928,860 | |
| Debt Service and Transfers | | 1,898,650 |
| Tax Increment Financing District 4 Fund | | |
| Ad Valorem (Property) Tax and Interest | 5,667,183 | |
| Debt Service and Transfers | | 1,800,905 |

City of Huntsville

Managerial Budgets - Revenues and Expenditures (continued)

| Title and Description of the Fund | FY2023 Budgets | |
|--|----------------|--------------------|
| | Revenues \$ | Expenditures \$ |
| Tax Increment Financing District 5 Fund | | |
| Ad Valorem (Property) Tax and Interest | 2,521,670 | |
| Debt Service and Transfers | | 800,382 |
| Tax Increment Financing District 6 Fund | | |
| Ad Valorem (Property) Tax and Interest | 5,833,118 | |
| Debt Service and Transfers | | 1,442,803 |
| Tax Increment Financing District 7 Fund | | |
| Ad Valorem (Property) Tax and Interest | 12,044,775 | |
| Debt Service and Transfers | | 7,675,822 |
| 1995 Corrections Fund | | |
| 1995 Corrections Revenue | 750,000 | |
| Transfer from the General Fund | 150,000 | |
| Debt Service | | 899,000 |
| Amphitheater Fund | | |
| Orion Facility Fee Revenue | 800,000 | |
| Transfer from Liquor and Lodgings Fund | 886,080 | |
| Transfer from Capital Project Fund | 2,500,000 | |
| Operating | | 1,732,983 |
| Debt Service | | 2,453,097 |
| Health and Life Benefits Fund | | |
| Employer/Employee Premiums | 28,648,791 | |
| Claims and Fees | | 27,665,029 |
| Post-Retirement Benefits Trust Fund | | |
| Premiums | 2,597,000 | |
| Transfer from the General Fund | 4,872,111 | |
| Claims and Fees | | 8,685,600 |

City of Huntsville
FY23 Proposed Annual Budget
For the Fiscal Year Beginning October 1, 2022

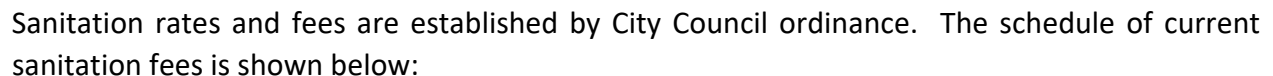
Enterprise Funds

Sanitation
Water Pollution Control



Sanitation Division of the Public Works Department

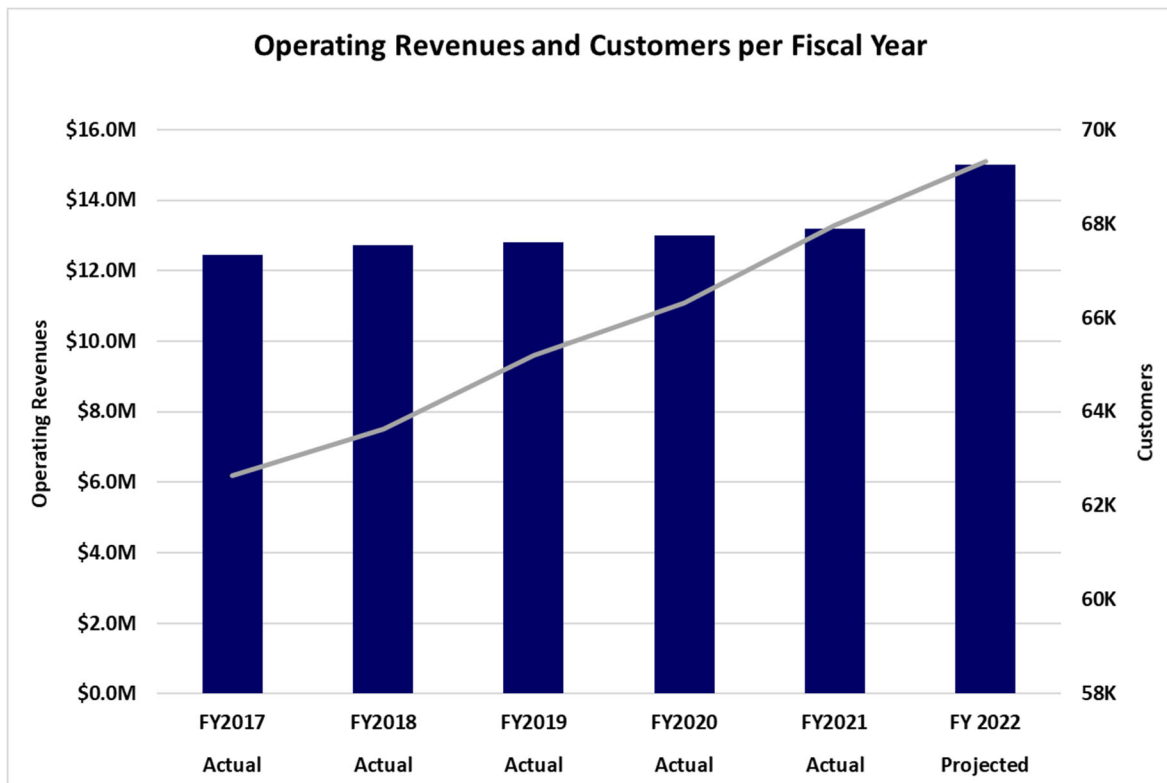
Household garbage collection accepts paper products and household food waste once a week for residential customers. Large green carts are provided to residents and placed curbside for pick-up. *Residential bulk trash* is the collection of yard waste such as grass clippings, twigs, hedge clippings, junk or rubbish in approved containers.

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City of Huntsville

Sanitation Division of the Public Works Department

Huntsville Utilities bills and collects sanitation charges monthly. Due to the rise in population within the City, sanitation revenues have risen, as well. The following chart provides an overview of these trends and shows the history of operational revenue collection and total customers for the Sanitation division. Sanitation rates have remained constant for the years reflected below. The total customer count continues to increase at an average of 2.06% per year.



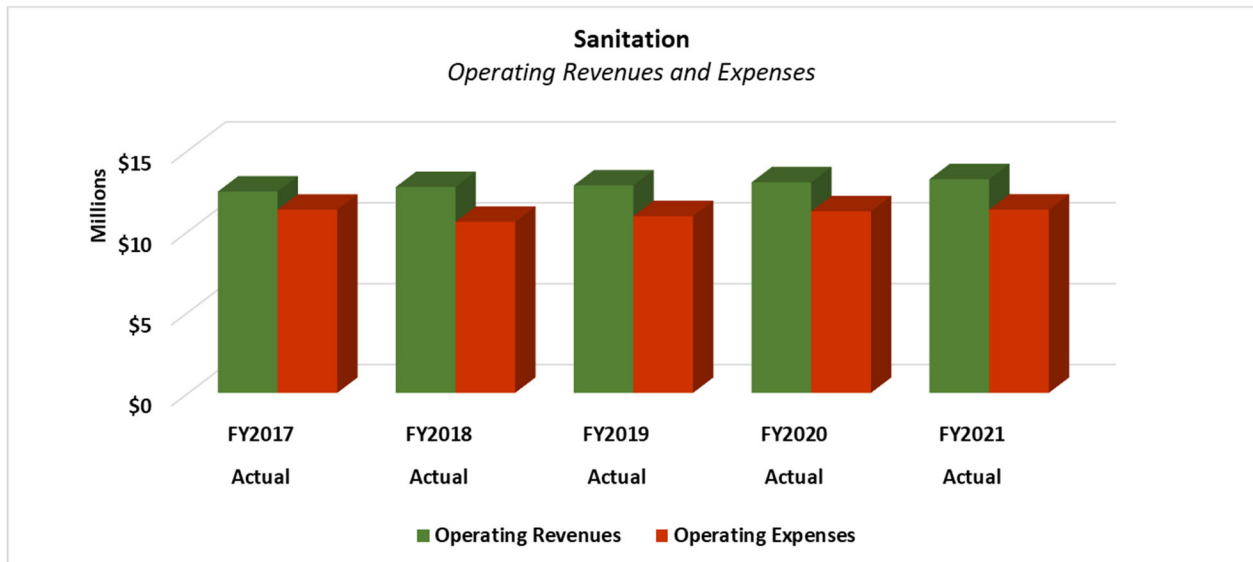
The Sanitation Fund as a proprietary fund will need to account for all Assets, Liabilities, Revenues and Expenses appropriately. The main capital assets, consisting of fleet (garbage and boom trucks) have been moved and are accounted for in this fund. Any debt or other affiliated liabilities will also be accounted for in this fund. As we move into this fiscal year, we will continue to assess the ability of the fund to cover not only the operational expenses, but capital expenses, as well.

Late in the fiscal year, we will look at timing of completing a rate study. This will not only assess the ability of rates to cover expenses of the service provided, but also the service cost by type, rate structure, appropriate rates to user class, and other areas of consideration.

City of Huntsville

Sanitation Division History *

| | Actual | | | | | Inc/(Dec) FY21 over FY20 | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|-------------|
| | FY 2017 | FY2018 | FY2019 | FY2020 | FY2021 | Amount | As % |
| OPERATING REVENUES | | | | | | | |
| Charges for services | 12,440,162 | 12,721,982 | 12,819,607 | 13,010,139 | 13,202,489 | 192,351 | 1.5% |
| Total operating revenues | 12,440,162 | 12,721,982 | 12,819,607 | 13,010,139 | 13,202,489 | 192,351 | 1.5% |
| OPERATING EXPENSES | | | | | | | |
| Personnel | 5,852,370 | 6,252,771 | 6,423,365 | 6,361,353 | 6,483,359 | 122,007 | 1.9% |
| Operating | 5,465,592 | 4,317,575 | 4,496,486 | 4,855,800 | 4,841,460 | (14,339) | -0.3% |
| Capital | 3,919 | 2,339 | 3,917 | 403 | - | (403) | -100.0% |
| Total operating expenses | 11,321,881 | 10,572,684 | 10,923,768 | 11,217,555 | 11,324,820 | 107,265 | 1.0% |
| Operating income (loss) | 1,118,281 | 2,149,297 | 1,895,838 | 1,792,584 | 1,877,670 | 85,086 | 4.7% |



* Note: The numbers above are reported on a modified accrual basis. During the fiscal year, the Sanitation Fund will transition to a full accrual basis.

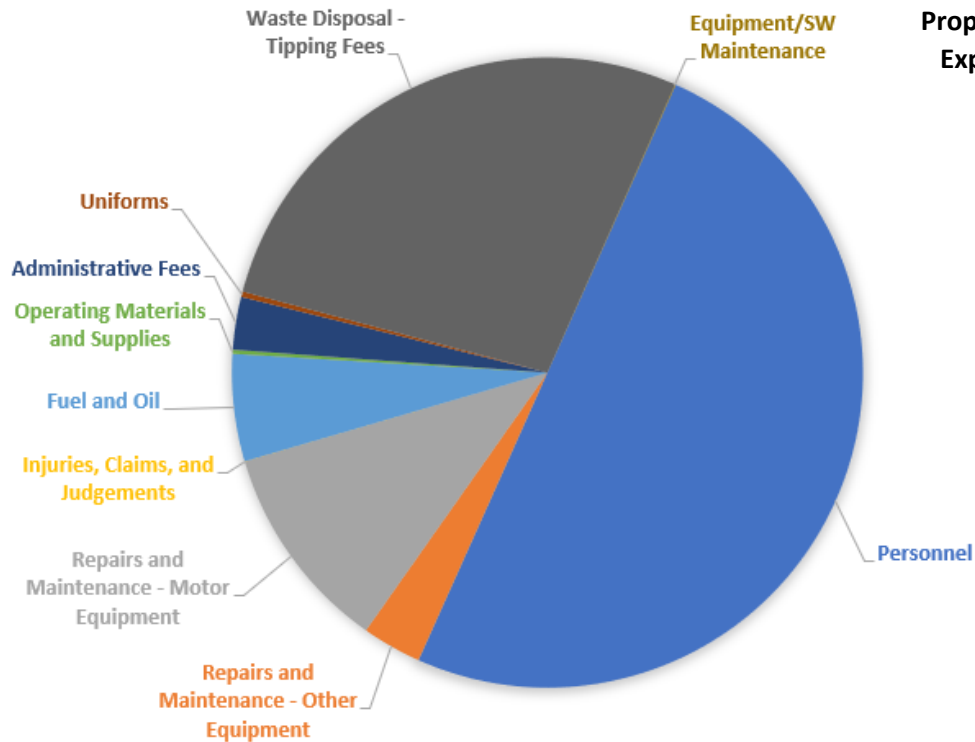
City of Huntsville

Sanitation Division

Overview of Revenues and Expenses *

| | Actual FY2020 \$ | Actual FY2021 \$ | Revised Budget FY2022 \$ | Actual YTD FY2022 \$ | Proposed Budget FY2023 \$ |
|---|------------------------|------------------------|-----------------------------------|----------------------------|------------------------------------|
| OPERATING REVENUES & OFS | | | | | |
| Charges for services | 13,010,139 | 13,202,489 | 13,400,000 | 12,599,152 | 14,000,000 |
| Other financing sources | - | - | 1,600,000 | 1,600,000 | 2,369,502 |
| Total operating revenues & OFS | 13,010,139 | 13,202,489 | 15,000,000 | 14,199,152 | 16,369,502 |
| OPERATING EXPENSES | | | | | |
| Personnel | 6,361,353 | 6,483,359 | 7,017,113 | 6,380,347 | 8,190,402 |
| Operating | 4,855,800 | 4,841,460 | 7,021,611 | 6,822,802 | 8,179,100 |
| Capital | 403 | - | - | - | - |
| Total operating expenses | 11,217,555 | 11,324,820 | 14,038,724 | 13,203,149 | 16,369,502 |
| Operating income (loss) | 1,792,584 | 1,877,670 | 961,276 | 996,003 | - |

* Note: The numbers above are reported on a modified accrual basis. During the fiscal year, the Sanitation Fund will transition to a full accrual basis.

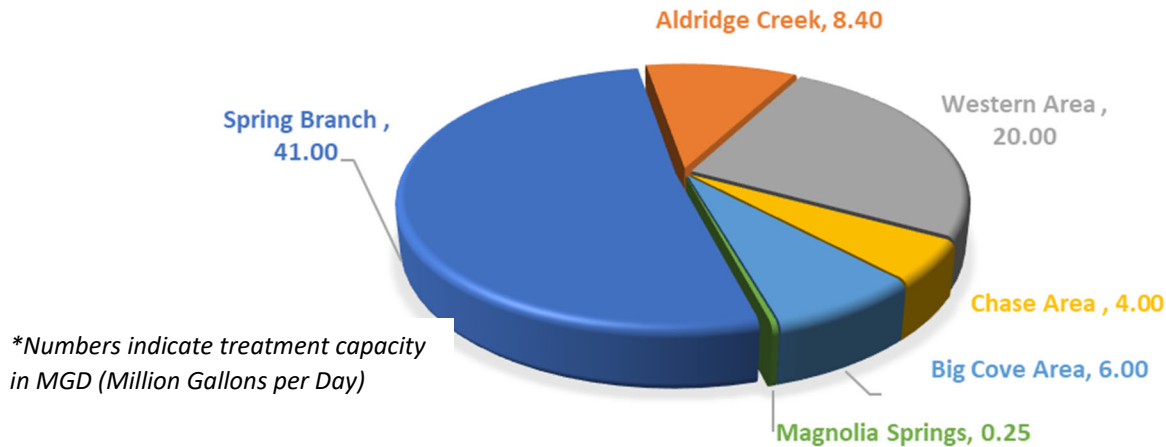


**City of Huntsville
Sanitation Division
Proposed Operating
Expenses Budget
FY2023**

City of Huntsville

Water Pollution Control Department

The Water Pollution Control (WPC) Department manages and oversees the operations of sewage collection and treatment for the City of Huntsville. WPC's main office is located at 1800 Vermont Road, however plants, pumping stations, and basins are located throughout the City. WPC operates six wastewater treatment plants (WWTPs) with the following capacity.



The operation of the WPC department is financed through the City and accounted for within its own "enterprise or proprietary" fund that is separate from the general fund. This means that sewer charges are expected to cover all expenses for the entity, including operations, capital purchases, infrastructure projects and debt service. The City's Water Pollution Control Enterprise Fund accounts for sewer activities using business-type accounting (full accrual basis). Revenue sources include sewer service charges, sewer access fees, septage discharge revenues, tap fees, and investment income. Expenses are accounted for in the following divisions: Administration, Asset Management, Maintenance, Collections, Construction, Television Inspections, Sewer Maintenance, Pump Stations, and Monte Sano. There are also divisions for each Wastewater Treatment Plant and each basin at those plants.

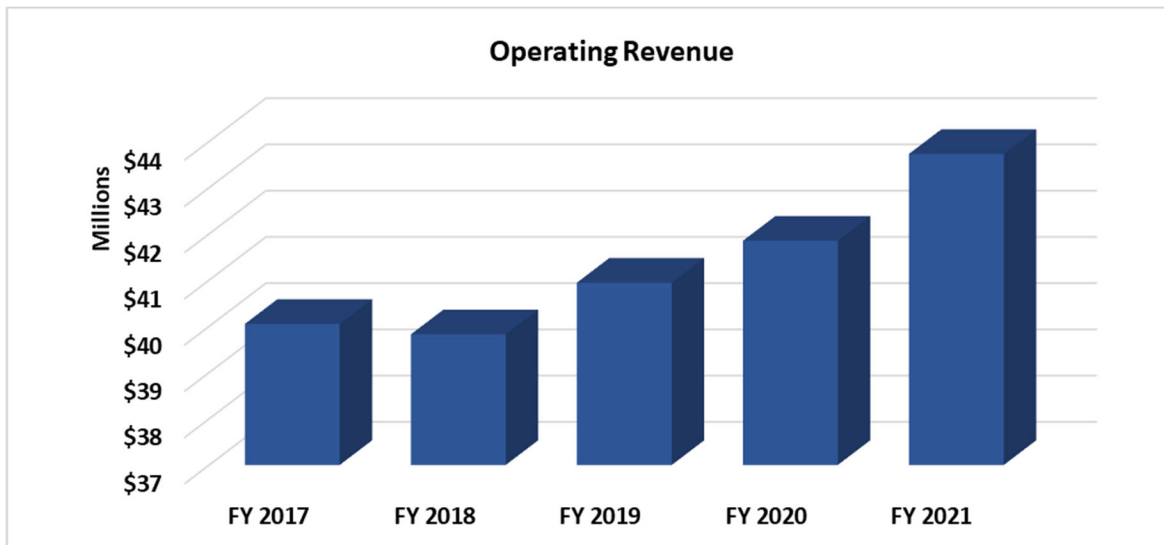
Sewer rates and fees are established by City Council ordinance. It is the Council's intention that sewer fees cover the costs of providing wastewater services to residences and businesses. The schedule of current sewer fees is shown below:

| Entity or Billing Class | Rate per Thousand Gallons | Sewer access fees | |
|---|---------------------------|--------------------|---------|
| Single family homes with one water meter | \$4.83 | 3/4" meter | \$1,000 |
| Single family homes with two water meters, Commerical, and multi-family | \$5.68 | 1" meter | \$1,500 |
| Major Industrial | \$4.72 | 1 1/2" meter | \$2,000 |
| Armory Commission | \$5.68 | 2" meter | \$3,000 |
| Madison County Schools (Riverton) | \$17.33 | 3" meter | \$4,000 |
| Endeavor School (Mag Springs purchase) | \$1,735/month | 4" and above meter | \$6,000 |
| City of Madison | \$2.21 | | |
| Town of Triana | \$2.47 | | |
| Limestone County | \$4.26 | | |

City of Huntsville

Water Pollution Control Department

Sewer revenues have risen over the last few years due to the rise in population within the City. Since sewer rates are charged based on water usage, revenue collections can be subject to precipitation levels (although, irrigation systems usually have a separate meter which is not subject to sewer charges). Huntsville Utilities is responsible for billing and collecting sewer charges. These collections lag usage at the meter by at least two months. Remittance from the collections office is subject to workflow and can experience delays. The chart below (which graphs the numbers from the following page) shows the history of operational revenue collections for the WPC fund.



Proper management of a large system requires long-range planning for large capital projects. Below is the current five-year Capital Improvement Plan.

CAPITAL IMPROVEMENT PLAN

Revised Model Allocation
5 Year Outlook



WATER POLLUTION CONTROL
WASTEWATER TREATMENT DIVISION
FY 2023

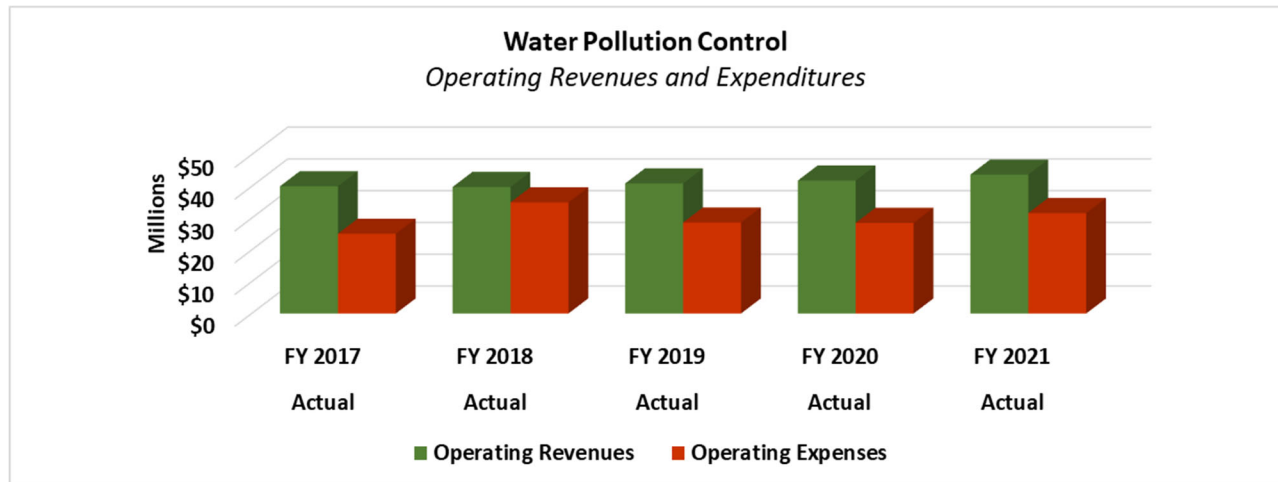
| Project Description | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | Total |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Allocated Capital Plan Projects (FY23 Outlay) | 14,900,000,000 | | | | | 14,900,000,000 |
| CMOM Sanitary Sewer Rehabilitation Projects for Large Diameter Gravity Sewer and Creek Bank Restoration | | 2,500,000,000 | 2,500,000,000 | 2,500,000,000 | 2,500,000,000 | 10,000,000,000 |
| WPC System Wide WWTP & Pump Station Rehabilitation Projects | | 2,500,000,000 | 2,500,000,000 | 2,500,000,000 | 2,500,000,000 | |
| WWTP Effluent Water Reuse & Reclamation Project for Various Green Energy Uses | | 5,000,000,000 | | | | |
| Big Cove WWTP 2 MGD Capacity Upgrade to Include: Ex. Headworks Improvements and New Treatment Process | | | 25,000,000,000 | | | 25,000,000,000 |
| Spring Branch WWTP Bio-Solids Waste to Energy Project | | | | 5,000,000,000 | | 5,000,000,000 |
| Western Area WWTP 10 MGD Capacity Upgrade to Include: 2 Additional New Treatment Process | | | | | 50,000,000,000 | 50,000,000,000 |
| Total - Sewer Fund | 14,900,000,000 | 10,000,000,000 | 30,000,000,000 | 10,000,000,000 | 55,000,000,000 | 119,900,000,000 |

City of Huntsville

Water Pollution Control Fund History

| | Actual | | | | | Increase FY21 over FY20 | |
|---|-------------|-------------|-------------|-------------|------------|-------------------------|---------|
| | FY 2017 | FY2018 | FY2019 | FY2020 | FY2021 | Amount | As % |
| Operating revenues | 40,049,926 | 39,824,923 | 40,942,608 | 41,849,372 | 43,727,045 | 1,877,673 | 4.5% |
| Operating expenses | 25,104,933 | 34,976,387 | 28,634,538 | 28,536,123 | 31,605,358 | 3,069,235 | 10.8% |
| Operating income (loss) | 14,944,993 | 4,848,536 | 12,308,070 | 13,313,249 | 12,121,687 | (1,191,562) | -9.0% |
| Nonoperating revenues (exps) | | | | | | | |
| Gain (loss on disposal of assets) | | | | | | | |
| Interest earned | 750 | 1,136 | 1,526 | 312 | 5,771 | 5,459 | 1749.7% |
| Interest and fiscal charges | (2,849,785) | (2,436,800) | (2,362,735) | (1,197,729) | (527,663) | 670,066 | -55.9% |
| Debt Issuance | (45,296) | - | - | - | (94,793) | (94,793) | 0.0% |
| Miscellaneous revenue (expense) | 8,205 | 10,055 | 84,762 | 54,857 | 31,794 | (23,063) | -42.0% |
| Total nonoperating | (2,886,126) | (2,425,609) | (2,276,447) | (1,142,560) | (584,891) | 557,669 | -48.8% |
| Income before transfers & cap contributions | 12,058,867 | 2,422,927 | 10,031,623 | 12,170,689 | 11,536,796 | (633,893) | -5.2% |
| Grants | 9,090 | - | - | - | - | - | 0.0% |
| Change in net position | 12,067,957 | 2,422,927 | 10,031,623 | 12,170,689 | 11,536,796 | (633,893) | -5.2% |

This history is reported on the full accrual basis. Per Generally Accepted Accounting Principles (GAAP) other sources and uses of funds from capital outlays, debt issuances and debt principal payments (past, present and future) are not reflected in the numbers listed above.



City of Huntsville
Water Pollution Control Fund
Overview of Revenues, Expenses, and Changes in Net Position

| | FY2019 | FY2020 | FY2021 | Revised Budget FY2022 | YTD Actual FY2022 | Proposed Budget FY2023 |
|--|-------------------|-------------------|-------------------|--------------------------|----------------------|------------------------------|
| | \$ | \$ | \$ | \$ | | \$ |
| OPERATING REVENUES | | | | | | |
| Charges for services | 40,942,608 | 41,849,372 | 42,940,702 | 39,168,000 | 40,122,119 | 43,256,200 |
| Intergovernmental | - | - | 692,749 | - | - | - |
| Other | - | - | 93,594 | - | 29,796 | 23,800 |
| Total operating revenues | 40,942,608 | 41,849,372 | 43,727,045 | 39,168,000 | 40,151,915 | 43,280,000 |
| OPERATING EXPENSES | | | | | | |
| Expenses | 28,634,538 | 28,536,123 | 31,605,358 | 21,637,005 | 16,742,625 | 22,821,740 |
| Capital Improvements * | - | - | - | 32,125,184 | 20,174,541 | 14,668,648 |
| Debt Payments * | - | - | - | 5,239,163 | 5,239,163 | 4,497,902 |
| Total operating expenses | 28,634,538 | 28,536,123 | 31,605,358 | 59,001,352 | 42,156,329 | 41,988,290 |
| Operating income (loss) | 12,308,070 | 13,313,249 | 12,121,687 | (19,833,352) | (2,004,414) | 1,291,710 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Interest income | 1,526 | 312 | 5,771 | 1,000 | 3 | - |
| Interest Expense | (2,362,735) | (1,197,729) | (527,663) | (1,499,273) | (1,499,394) | (1,291,364) |
| Miscellaneous revenue (expense) | 84,762 | 54,857 | (62,999) | 7,000 | 15,005 | - |
| Total nonoperating revenues (expenses) | (2,276,447) | (1,142,560) | (584,891) | (1,491,273) | (1,484,387) | (1,291,364) |
| Income (loss) before contributions and transfers | 10,031,623 | 12,170,689 | 11,536,796 | (21,324,625) | (3,488,801) | 345 |
| Change in net position | 10,031,623 | 12,170,689 | 11,536,796 | (21,324,625) | (3,488,801) | 345 |

* Actual amounts are reported on the full accrual basis: capital assets are capitalized and expensed through depreciation and debt service payments of principal are recorded as a reduction of liabilities. The budget is prepared on a modified accrual basis: capital outlays and debt principal are reflected as expenses, for budgetary control purposes.

Water Pollution Control Fund
Proposed Operating Expenses Budget
FY2023

