



The
Budget
Handbook

YOUR COMMON SENSE
GUIDE TO THE BUDGET PROCESS

Welcome

Tax Payer,

Here at the Birmingham City Council, we believe that it shouldn't take being elected to public office to know exactly how the City's budget comes together and how it's implemented every year.

Municipal government budgets play a crucial role in shaping the priorities and direction of a city. This past fiscal year, (July 1st - June 30th) the City passed the largest budget to date at \$554 million.

But whereas the fiscal year begins on July 1st, the Council is constantly working towards maintaining a balanced budget.

Yearly, our offices received roughly 16,000 phone calls, upward of 12,000 emails, and we attended over 1,000 Neighborhood Association meetings. This is where the rubber meets the road and we hear from our residents about what priorities they would like to see reflected in the annual budget.

The budget doesn't start and stop upon its passage every year. Most weeks you can find amendments to the City's budget on the City Council agenda. So to understand a little more, we need to break it down into two categories: The Operating Budget and the Capital Budget.

Operating Budget Capital Budget &

Purpose & Focus

Operating Budget:

The operating budget - known as the General Fund Budget --focuses on day-to-day expenses and recurring costs associated with running the city. It covers operational activities such as salaries, employee benefits, utilities, maintenance, fleet vehicles and equipment, public safety equipment, and other routine expenditures required to provide ongoing services.

Capital Budget:

The capital budget, on the other hand, is designed for capital expenditures that involve long-term investments in assets. It focuses on major infrastructure projects, construction, and the acquisition of fixed assets like buildings, roads, bridges, and equipment. Capital projects typically have a longer lifespan and contribute to the city's long-term development.



Funding Sources

Operating Budget:

The operating budget is often funded through recurring revenue sources, such as taxes, fees, and grants. It covers the day-to-day expenses required to maintain existing services.

Capital Budget:

Funding for the capital budget is usually obtained through sources like bonds, grants, and specific allocations from savings or reserves. Capital projects often require substantial upfront investments, and the funding may be secured over an extended period.



Many of the City's recurring expenses are already factored into the annual budget. For instance, in the FY 2024 Operating Budget, roughly 83 percent of that was dedicated to city departments to cover salaries, employee benefits, equipment management, communications and all the administrative costs that it takes to run a functioning government.

The remaining funds for the General Fund Budget are allocated towards a variety of redevelopment initiatives, transportation, youth programs and social services.



MAYOR COUNCIL ACT

The good people of Birmingham's nine districts elect a City Councilor to represent their community's best interests. The City Council is the legislative body of Birmingham -- imagine them as Birmingham's smaller version of Congress, but much more approachable and non-partisan-- no one runs for a city office as a Republican, Democrat, or Independent.

Sometimes people come to speak at the City Council meetings and give their representatives a piece of their mind -- often with impassioned speeches that would make our Founding Fathers tip their caps in admiration. And that's what democracy is all about, y'all! Contrary to what some may think, the Council is not able to issue directives to city departments. That's what the Mayor does.



Above all else, the Council's mission is to Legislate, Advocate, Pass a Balanced Budget, and Appoint Members to Boards and Agencies.

Every two years, a City Council President and President Pro Tem are elected by a majority of the nine Councilors. The President is the person who keeps the meetings moving and makes sure everyone has an opportunity to speak. They keep the meetings moving in the right direction because it's easy to get lost in the bright lights and excitement.

The President also has the responsibility of appointing members and a chairperson to oversee the 10 committees within the City Council. These committees discuss, debate and vet the ordinances, contracts, and other items that are slated to come before the full council. Think of the committees as an entry point for future legislation. The three members in each committee vote to either recommend or not recommend the item; they don't necessarily have the power to "kill a bill" outside of delaying an item.



How It Was.

In 2016, the Alabama Legislature made changes to the Mayor Council Act which impacts the way the annual process unfolds. Prior to the changes, a majority of the council could make changes to the proposed budget and city departments; now, any amendment to the proposed budgets and departments need written approval from the mayor's office.

Changes to the Mayor-Council Act after the 2016 legislative session granted Birmingham mayors autonomy when it comes to budgetary decisions, and restricted the Council's ability to make changes without the mayor's approval.



How It Is....

By statute, the Council is still required to hold a public hearing on the budget, even though the legislative body's ability to make changes was overturned by the Alabama State Legislature in 2016. (Act No. 2013-376(HB 523), § 2(5.08))

Submission of Budget

On a day to be fixed by the council but in no case later than May 20th in each year, the mayor shall submit to the council:

A separate current revenue and expense budget for the general operation of the city government, to be known as the "general fund budget" ; a budget for each public utility owned and operated by such city, a capital budget and a budget message.



Sec. 5.08.

At the meeting of the council at which the budget and budget message are submitted, the council shall determine the place and time of the public hearing on the budget, and shall cause to be published a notice of the place and time, not less than seven days after the date of publication, at which the Council will hold a public hearing

Sec. 5.09.

After the conclusion of the public hearing, the Council, by an affirmative vote of five members and only if approved in writing by the mayor, may insert new items of expenditures or may increase, decrease or strike out items of expenditure in the general fund budget, except that no item of expenditure for debt service, or any other item required to be included by this Act or other provision of law, shall be reduced or stricken out. The Council shall not alter the estimates of receipts contained in the said budget except to correct omissions or mathematical errors and it shall not cause the total of expenditures as recommended by the mayor to be increased without a public hearing on such increase, which shall be held not less than three days after notice thereof by publication in a newspaper of general circulation published in the city. (Act No. 2016-277(HB515)).

Sec. 5.10.

Adoption of general fund budget.

Not later than June 20th of the current fiscal year, the council by a majority vote shall adopt the general fund budget, and such ordinances providing for additional revenue as may be necessary to put the budget in balance. If for any reason the council fails to adopt the general fund budget on or before such day, the general fund budget of the current fiscal year shall be the general fund budget for the ensuing year, until such time as a newly revised budget shall be adopted by the Council.



BUDGET TIMELINE



Mid March

Departmental Budget Presentations

May 20th

Deadline for Budgets to be presented to Council



DEADLINE



Early-Mid June

Budget hearing

June 20th

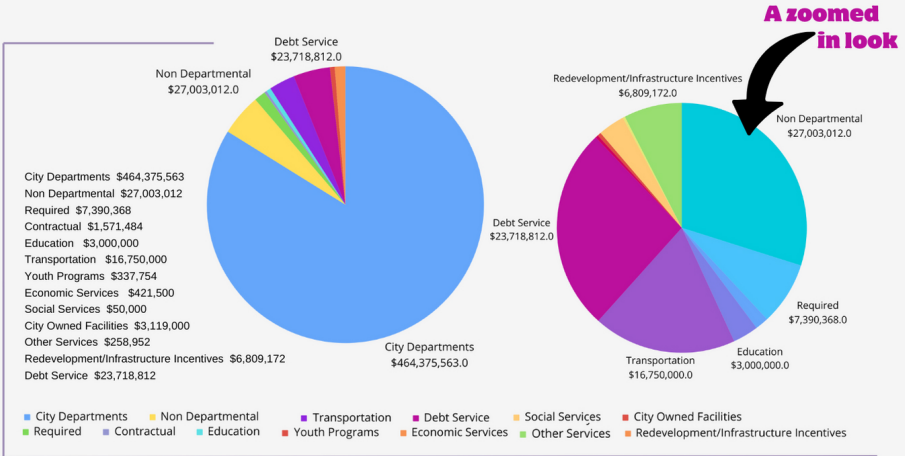
Deadline for Council to adopt budget



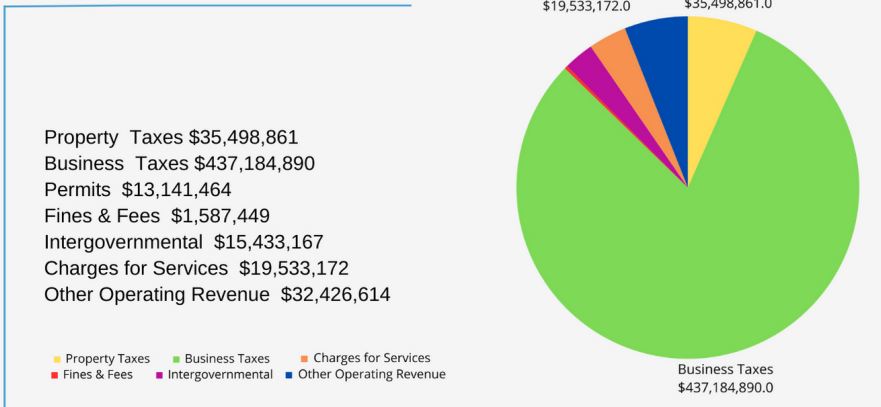
July 1st

Start of new fiscal year

Fiscal Year 2024 Expenditures Summary



Fiscal Year 2024 Revenue Summary



**Here's
What That
Data
Means...**



Economic Development

\$10,831,224.00

Capital Projects: \$6,031,951
Department of Innovation and Economic Opportunity: \$4,515,273
Jefferson County Port Authority: \$125,000
Create Birmingham: \$150,000
CAPS: \$9,000



Education/Youth Services

\$25,338,005.00

Birmingham Public Library: \$15,472,985
Birmingham Promise: \$2 million
Department of Youth Services: \$3,308,416
Birmingham City Schools (Mental Health Services Support): \$1 million
BHM Financial Freedom financial literacy: \$1 million
Conflict resolution through Common Ground H.E.A.T. Curriculum: \$1 million
Safe Haven Program: \$500,000
RESTORE juvenile justice reentry: \$225,000
Kids and Jobs Program: \$210,000 (Department of Youth Services)
McWane Science Center: \$159,104
Theatre and Arts: \$125,000
High School Athletics: \$337,500



Blight Removal

\$4,000,000.00

Sidewalks: \$200,000 (combined with surplus carry over of \$875,000)
Weed Abatement: \$2 million (combined with surplus carry over of \$1.25 million)
Demolition: \$1 million
Land Bank Authority: \$500,000
Recycling: \$300,000



The budget reflects the main priorities that are in line with the countless conversations that all nine of our City Councilors have with residents over the course of the year.

Here are a few of the major highlights from a recent budget that outlines programs and projects that the City Council has advocated for in order to improve the quality of life for all our residents in all 99 neighborhoods.

Public Safety

\$199,380,203.00

Police and Fire Departments \$1,99,130,203
Traffic Calming: \$250,000



Infrastructure

\$82,412,098.00

Public Works: \$44,541,075
Department of Transportation: \$13,061,851
Street Resurfacing: \$15,000,000
Redevelopment and Infrastructure
Projects: \$6,809,172
Department of Public Works deferred
maintenance: \$3 million



Parks and Greenspaces

\$26,456,567.00

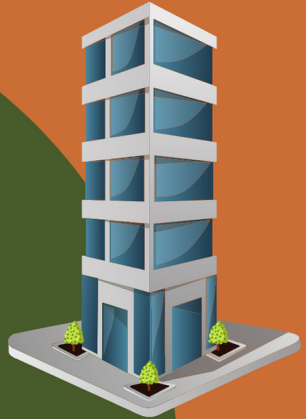
Parks and Recreation: \$24,125,270
Birmingham Civil Rights Institute capital improvements: \$1 million
Ruffner Mountain: \$250,000
Red Mountain Park: \$250,000
Vulcan Park: \$525,000
Cemetery Improvements/Maintenance: \$306,297



Housing

\$9,765,934.00

Housing rehabilitation: \$2,765,820
Housing opportunities for persons with AIDS: \$1,759,938
HOME Investment Partnership Program: \$1,438,242
Allocations for organizations focused on housing: \$3,801,934



Public Transportation

\$16,500,000.00

BJCTA fixed route service: \$11 million
Birmingham Xpress bus rapid transit: \$3 million
Birmingham On Demand powered by VIA: \$2.5 million





How To Get Involved!

Here in Birmingham, there are a lot of things that you can do to help make the Magic City shine! We all know that legislation is not the only way to make a difference.

For instance, if you see a problem like a pothole, broken traffic lights, trash piles, etcetera, we want you to report that using the **MY BHAM 311** App.

THREE WAYS TO REPORT AN ISSUE



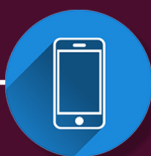
PHONE

311
or call
205-254-2489



ONLINE

VISIT THE WEBSITE
www.birminghamal.gov/311



APP

Download
MY BHAM 311



When submitting a complaint online or via the app, be sure that you have a registered account.

For the fastest service, have the following information ready:

- Location of the problem
- Description of the problem
- How long has the problem existed
- Your contact information

Neighborhood Associations

No matter where you step foot in Birmingham, you'll find yourself in one of Birmingham's 99 neighborhoods.

The Neighborhood Associations serve an important role in making sure the types of businesses, events, and developments that seek to locate in a particular neighborhood are in line with the character of the neighborhood, and with the desires of those who live there.

Each of Birmingham's 99 Neighborhood Associations has received money from the City for over 40 years, and is able to vote on projects it wants to spend its money on. There are 99 Neighborhood Associations that meet once a month. These meetings are as close as Democracy comes to your door. The Council and the Committees strongly consider the votes that are taken at neighborhood meetings when an item comes before them.





The Birmingham City Council meets every Tuesday at 9:30 a.m. on the third floor of City Hall. Anyone is able to sign up for the speakers list and will have the ability to do so, starting around 8:45 a.m. directly outside of the chamber.

Each speaker has three minutes to speak about whatever topic they like, given they observe the basic rules of decorum. This is a great opportunity to get comments into the record and highlight issues that the Council was not aware of previously.

The Council's various Committees are also a great opportunity for residents to come and listen to in-depth discussions on upcoming legislation, projects, rezoning cases and other points of interest. These schedules and agendas can be found on the City Council's website.



Stay Connected!

Be sure you are subscribed to all the City Council's social media pages to stay up to speed on what's happening in your city and how you can volunteer. Help us keep all of Birmingham's 99 neighborhoods beautiful.

Check us out on Facebook, Instagram, X
and YouTube!

[@citycouncilbham](https://www.instagram.com/citycouncilbham)



