MAYOR'S BUDGET MESSAGE

AUGUST 19, 2008

MAYOR'S 2009 BUDGET ADDRESS

Mr. President and distinguished members of council, it is an honor to come before you for the ninth time as the Mayor of our great City.

Just as I have done in the past, I am presenting a balanced budget for your consideration.

Like most cities across the country, Montgomery witnessed an economic slowdown during the 2008 fiscal year. I am proud the City was able to weather the storm. It's a testament to the conservative economic policies we've been using for years and also to our department heads.

Several months ago when we first saw signs of a downturn, I directed the department heads to make a mid-year reduction in their budgets of more than 5 percent. By taking that action in a timely manner we were able to minimize the impact on City services and avoid layoffs of City personnel.

For the past several months my staff, our department heads and the Finance Department have been working on the budget for fiscal year 2009. Once again, Montgomery is going to be better off than many cities, but we're facing major challenges and we have had to make some hard choices.

Many of you, as members of the council, attended the budget presentations made by our department heads. You saw firsthand, how the City is tightening its belt to deal with the realities of declining revenues.

The budget I am presenting to you calls for a hiring freeze on all city positions that are not critical. This means during the upcoming fiscal year, when our employees retire or resign, most of their positions will remain vacant.

Merit raises, which reward City employees for their hard work, cannot be given this year, due to the slowdown in the economy.

Both of these decisions are difficult, but they are the only way to avoid layoffs of City personnel.

I would like to take a moment to compliment the brave men and women who work to ensure public safety here in Montgomery.

Crime in Montgomery is down. Compared to this time a year ago, we're down 3.5 percent. This year we are seeing sharp declines in the number of homicides... nine fewer than a year ago; the number of robberies... 109 less than a year ago; and the number of burglaries... down 104 from last year.

We cannot and will not disrupt the work of the Police Department to keep our streets safe. This year's budget calls for the replacement of 37 black and white police cars, and 11 unmarked units. I'm also calling for the proper auxiliary equipment to outfit these vehicles.

Our firefighters and medics have also done excellent work to keep Montgomery's citizens and visitors safe. This year the Montgomery Fire Department has responded to more than 5,200 fire related calls and nearly 25,000 medical emergencies. To assist the Fire Department in the coming year, I am recommending: 2 rescue modular vehicles, 25 air paks and 25 air cylinders.

The downturn in the economy will keep us from purchasing new pumper trucks and new ladder trucks.

Our major public works departments also deserve a pat on the back for the ways they continue to allow our city to move forward. Road construction, maintenance of our parks, street repaving, and trash and garbage collection are necessities we cannot do without.

However, due to the downturn in the economy that is affecting Montgomery along with cities across the country, this year's public works budget is far leaner than in year's past.

I am directing the department heads to put off purchasing heavy machinery. Instead they will do their jobs by trying to squeeze one more year of service out of equipment and machinery that would otherwise be retired or put up for auction and sold.

The economic slowdown also will require that some longtime services and programs be placed on hiatus until our revenues return to normal.

The reduced allocations will not be limited just to our City departments. Many of the agencies and charities that partner with the City will see their funding reduced as well.

Some agencies use the dollars they receive from the City to receive larger matching funds from the state or federal government. If possible, we will try to provide them with level funding; but the hard realities of this year's budget will be felt by many.

These changes are unfortunate and unavoidable.

The City's financial situation is similar to what tens of thousands of Montgomery families are going through. The City cannot spend what it does not have. It would not be fiscally prudent. It would not be financially responsible. In fact...it would be against the law.

This has been one of the toughest budgets on which I have ever worked. In the past we have seen our finances grow while other cities suffered setbacks and deficits.

I am optimistic a brighter day is on the horizon for Montgomery due to projects and actions we have already undertaken.

Earlier this year our state-of-the-art Hotel/Convention Center/ Performing Arts complex had its grand opening. A black tie gala with the Alabama Music Hall of Fame was the marquee event. The eyes of the region were focused on downtown Montgomery and the City looked glamorous. Last weekend, Buckmasters made a successful return to the Capital City.

The new facility is attracting groups and conventions that previously never considered coming to Montgomery. New tourism jobs and dollars are boosting our economy.

During this past year, we completed construction at Gateway Park. The new lodge is booked through August of 2009. Cookout shelters throughout the park are also being enjoyed by families who want to spend quality time together and engage in recreation.

The groundbreaking for the new George Washington Carver High School marks the start of a new era for Montgomery Public Schools.

Public education is the backbone of every community's economy. The $44-million the City is giving our school system will help ensure our workforce is filled with qualified employees.

Each month, new businesses set up shop in Montgomery, bringing new and better jobs to our community. Hyundai's new four cylinder engine plant is close to completion. Existing companies are expanding, providing more jobs for Montgomery families. The E R Solutions call center will soon fill 200 new positions.

Along with being a great place to work, Montgomery is a great place to live. Lanier Place will offer new, affordable homes on West Fairview Avenue. I'm proud of the role the City's Planning and Development Department is playing to make this new neighborhood a reality.

Private developers and investors continue to provide new homes in our eastside neighborhoods. Waterford Park, Hampstead and New Park will soon attract families that will call Montgomery home.

The Parkland Subdivision off of the Atlanta Highway is another location where families will find high quality construction at an affordable price.

A growing number of people are calling downtown Montgomery their new address. Vacant or under-used buildings are now being

converted into lofts. Our city façade program is serving as a catalyst to help spur downtown development.

This past year, we opened the new intermodal center: a transfer location for the growing number of people who are making use of public transportation.

Last year, MATS ridership surpassed one million passenger trips for the first time ever. This year, that record will be shattered! Unfortunately, the same high gas prices that are leading people to take the bus are also causing the system's operational costs to skyrocket.

We are already laying the groundwork for a tower and pedestrian bridge that will connect the Intermodal to the River Walk.

Construction is also taking place on the Alleyway project. It will be a fun, upscale place for local residents and visitors to grab a bite to eat and enjoy entertainment. It will be in the heart of downtown on the same block as the new Hampton Inn which opened in the former Tuskegee Bank Building.

As you can see there are a few bright spots in our overall economic picture. Wall Street still admires the City of Montgomery. No community in Alabama has a better bond rating.

The City has been able to weather the stormy economy thanks to fiscal discipline, controlled spending and sound budgeting. This budget continues that tradition. It comes in at $227,173,462. A disciplined figure that is smaller than last year's budget.

It meets the present needs of the City with the resources that are available...while also allowing us to be positioned for the prosperous times that can be ours in the future.

Thank you,

Bobby N. Bright
Mayor

ANNUAL COST OF FRINGE BENEFITS

(Based on Annual City Salary of $41,356)
(Salary does not include overtime)

	EMPLOYEE	EMPLOYEE W/FAMILY
.Health Care Insurance	3,636.00	7,032.00
.Life Insurance	93.48	93.48
.Retirement Contribution		
.Fire/Police Officer	6,124.83	6,124.83
.General Employee	2,146.38	2,146.38
.Social Security		
.Fire/Police Officer	599.67	599.67
.General Employee	3,163.74	3,163.74
.Vacation Pay (13 days @ 159.12)	2,068.56	2,068.56
.Sick Time (1/2 of the time earned =6.5 days @ 159.12)	1,034.28	1,034.28
.Holiday Cost (13 days @ 159.12)	2,068.56	2,068.56
.ANNUAL COST		
.Fire/Police	15,625.38	19,021.38
.General Employee	14,211.00	17,607.00
.ANNUAL COST AS A % OF AVG. SALARY		
.Fire/Police	37.8%	46.0%
.General Employee	34.4%	42.6%

CITY OF MONTGOMERY

DIRECT DEBT

September 30, 2008

Name of Governmental Unit	Net Debt Outstanding	Percentage Applicable to City of Montgomery	City of Montgomery's Share of Debt
City of Montgomery:			
General Obligation Debt including Capital Leases	$245,061,328	100%	$245,061,328
TOTAL DIRECT DEBT			$245,061,328

DEBT MARGIN

Assessed value for tax year ending 09/30/08 (estimate)	$2,269,840,000
Debt limit 20% of assessed value (est)	$453,968,000
Amount of Direct Debt Applicable to Debt Limit: Long-term and Short-term Debt	$179,938,216
DEBT MARGIN (Excluding Overlapping Dept)	$274,029,784

ATTACHMENT 2

DEBT SERVICE REQUIREMENTS

GENERAL OBLIGATION WARRANTS/REVENUE WARRANTS

FISCAL YEAR ENDING 9/30/2009

	DATE DUE	PRINCIPAL	INTEREST	TOTAL	
General Obligation Warrants,	11/1/2008	580,000.00	449,102.50	1,029,102.50	(a)
Series 2001	5/1/2009	0.00	436,777.50	436,777.50	(a)
General Obligation Warrants,	11/1/2008	0.00	1,420,631.25	1,420,631.25	(a)
Series 2003A	5/1/2009	1,205,000.00	1,420,631.25	2,625,631.25	(a)
General Obligation Refunding	11/1/2008	1,160,000.00	23,708.75	1,183,708.75	(a)
Warrants, Series 2003B	5/1/2009	0.00	8,628.75	8,628.75	(a)
Riverfront Stadium Series 2003A					
Taxable Special Lodging Tax	11/1/2008	135,000.00	544,356.25	679,356.25	(b)
Revenue Warrants	5/1/2009	0.00	540,981.25	540,981.25	(b)
Taxable Variable/Fixed Rate	9/1/2009	500,000.00	0.00	500,000.00	(c)
Revenue Riverfront Stadium	12 Months	0.00	212,500.00	212,500.00	(c)
Series 2003B Warrants	Interest (Total)				
Taxable General Obligation	10/1/2008	0.00	752,253.65	752,253.65	(a)
Warrants, Series 2005A	4/1/2009	1,110,000.00	752,253.65	1,862,253.65	(a)
General Obligation Refunding	11/1/2008	1,785,000.00	402,634.38	2,187,634.38	(a)
Warrants, Series 2005B	5/1/2009	0.00	377,644.38	377,644.38	(a)
Taxable General Obligation Tax					
Increment Warrants,	1/1/2009	315,000.00	249,785.00	564,785.00	(d)
Series 2006A	7/1/2009	0.00	241,831.25	241,831.25	(d)
General Obligation Tax Increment	1/1/2009	355,000.00	183,043.75	538,043.75	(d)
Warrants, Series 2006B	7/1/2009	0.00	177,363.75	177,363.75	(d)
General Obligation Warrants,	1/1/2009	665,000.00	392,771.88	1,057,771.88	(a)
Series 2006C	7/1/2009	0.00	382,131.88	382,131.88	(a)
General Obligation Warrants,	2/1/2009	1,125,000.00	947,871.88	2,072,871.88	(a)
Series 2007 (BOE)	8/1/2009	0.00	925,371.88	925,371.88	(a)
General Obligation Warrants,	2/15/2009	0.00	6,985.00	6,985.00	(e)
Series 2007 (ADEM)	8/15/2009	65,000.00	6,985.00	71,985.00	(e)
Totals		**9,000,000.00**	**10,856,244.83**	**19,856,244.83**	

The above represents the City of Montgomery General Obligation Warrants and Revenue Warrants Debt Service requirements for the fiscal year ending September 30, 2009.

E. Lloyd Faulkner
Director of Finance

(a) Funding is provided in the FY 2009 Operating Budget and in the FY 2008 Transfers to Debt Service.

(b) Funding is provided by the 2.5% Lodging Tax Revenue.

(c) Funding is provided by proceeds from the Riverfront Stadium Lease. FY 2009 interest is an estimate based on $17,708.33/month . The warrants bear a variable interest rate computed on a weekly rate. Interest is due on the first business day of each month.

(d) Funding is provided by capitalized interest on the Series 2006A and 2006B bond issues dated January 17, 2006.

(e) Funding is provided by proceeds from the Municipal Court Corrections Fund.

DEBT SERVICE FINANCING
SHORT-TERM LEASE PURCHASE OBLIGATIONS

EQUIPMENT PURCHASES YE 2006

Downtown Redevelopment	$	57,421
Planning Controls		11,779
Inspections		63,877
Tech Services-Landfill Div		27,843
Fleet Management		37,885
Sanitation		1,544,976
Maintenance		483,079
Police		105,198
Fire		1,199,217
Communications		13,303
Parks and Recreation		250,730
TOTAL	$	3,795,309
Less Payments Thru YE 2008		(2,463,104)
BALANCE		1,332,205

YEAR	PRINCIPAL	INTEREST	TOTAL
YE '09	$1,332,205	$38,348	$1,370,553
	$1,332,205	**$38,348**	**$1,370,553**

FY 06 Debt will be paid in full at YE 2009

EQUIPMENT PURCHASES YE 2007

Finance	47,780
Downtown Redevelopment	24,897
City Clerk	8,205
Engineering	87,679
Information Technology	16,807
Planning & Development	13,404
Inspections	80,154
Tech Services/Landfill Div	148,736
Fleet Management	150,495
Sanitation	660,225
Traffic Engineering	184,515
Municipal Court	65,163
Maintenance	758,610
Police	1,949,258
Fire	129,962
Communications	103,449
Parks and Recreation	286,070
TOTAL	4,715,409
Less Payments Thru YE 2008	(1,514,336)
BALANCE	3,201,073

YEAR	PRINCIPAL	INTEREST	TOTAL
YE '09	$1,564,120	$113,547	$1,677,667
YE '10	$1,636,953	$40,714	$1,677,667
	$3,201,073	**$154,261**	**$3,355,334**

FY 07 Debt will be paid in full at YE 2010

EQUIPMENT PURCHASES YE 2008

Finance	54,456
Downtown Redevelopment	97,782
Engineering	95,346
Inspections	32,720
Fleet Management	55,671
Sanitation	1,259,844
Traffic Engineering	260,231
Mayor	73,125
Municipal Court	106,470
Maintenance	772,928
Police	1,605,379
Fire	1,169,163
Communications	17,184
Parks and Recreation	337,751
TOTAL	5,938,050
BALANCE	5,938,050

YEAR	PRINCIPAL	INTEREST	TOTAL
YE '09	$1,891,141	$228,524	$2,119,665
YE '10	$1,978,020	$141,645	$2,119,665
YE '11	$2,068,890	$50,775	$2,119,665
	$5,938,050	**$420,944**	**$6,358,995**

FY 08 Debt will be paid in full at YE 2011

SHORT TERM DEBT REQUIREMENTS

		BALANCE AT 09/30/08	FY 09 BUDGET	BALANCE AT 9/30/2009	NET DEBT SERVICE INCREASE
BUYS					
(3,795,309)	FY 06	1,332,205	1,332,205	0	(1,332,205)
(4,715,409)	FY 07	3,201,073	1,564,120	1,636,953	(1,564,120)
(5,398,050)	FY 08	5,938,050	1,891,141	4,046,909	(1,891,141)
		$ 10,471,328	$ 4,787,466	$ 5,683,862	(4,787,466)
(2,837,307)	FY 09	-	-	2,837,307	2,837,307
		$ 10,471,328	$ 4,787,466	$ 8,521,169	(1,950,159)

ATTACHMENT 5

FY 2009 RECOMMENDED EQUIPMENT PURCHASES

"A" ADDITIONAL
"R" REPLACEMENT

FINANCE	(0400)				
Finance	(0410)				
(2) Mid-Size Sedan		R	38,000	*	
(1) Personal Computer for power user		R	2,400		
(1) Personal Computer for power user		R	2,400		
(1) Personal Computer for power user		R	2,400		
(1) Personal Computer for standard user		R	1,900		
(1) Laser Printer heavy usage		R	1,600		48,700

INFORMATION TECHNOLOGY	(0800)				
(1) Mid-Size Sedan		R	19,000	*	
(1) Cisco 3563G Network Hardware		R	25,500		
(1) Council Switch Cisco 3560G		R	8,500		
(2) Servers		R	30,000		
(3) Cisco 3750 Fiber Switch		A	25,500		
Cisco 2811 Network		R	17,500		
Wick IT (TI Network Card)		R	3,500		
Cisco 2960 Network		R	3,200		
(1) Laptop		R	2,400		
(1) Laptop		R	2,400		
Cisco 2960		A	3,000		
Cisco 2960		A	3,000		143,500

DOWNTOWN REDEVELOPMENT	(2200)				
(1) Batter's Eye		R	3,000	*	3,000

MUNICIPAL COURT	(3000)				
(1) Network Switch		R	15,000		
(1) Personal Computer for standard user		R	1,900		
(1) Personal Computer for standard user		R	1,900		
(1) Personal Computer for standard user		R	1,900		
(1) Personal Computer for standard user		R	1,900		
(1) Laser Printer for heavy usage		R	1,600		24,200

LEGAL	(3200)				
Personal Computer for standard user		R	1,900		
Office Furniture		A	1,500		3,400

FY 2009 RECOMMENDED EQUIPMENT PURCHASES

"A" ADDITIONAL
"R" REPLACEMENT

PLANNING & DEVELOPMENT	(3401)				
(1) Trimble		R	5,000	*	5,000
PLANNING & CONTROLS	(3403)				
(1) Personal Computer (GIS)		R	4,000		4,000
INSPECTIONS	(4220)				
(1) Mid-Size Sedan		R	19,000	*	19,000
GARAGE	(4800)				
(1) 1/2 T Regular Cab Pickup Truck		R	18,000	*	
(1) Air/Hyd Floor Jack		R	2,350		
(1) Coats Balancer Accessory Kit		R	1,575		
(1) Personal Computer for standard user		A	1,900		
(1) Personal Computer for standard user		A	1,900		25,725
TRAFFIC ENGINEERING	(5410)				
(1) 1/2 Ext Cab Pick-Up Truck			18,500	*	18,500
PARKING METERS	(5420)				
(1) Van		R	19,000	*	19,000
MAINTENANCE	(5800)				
(1) Airless Paint Sprayer		R	1,800		
(1) 24" Water Blaster Mower		R	1,100		
(1) Asphalt Compactor		R	2,200		
(1) Carpet Extractor w/Atachments		R	1,315		
(1) Burnisher		R	1,395		
(1) Drum Sander		A	1,690		
(1) LH 2000 Platform w/Ext Hoist		A	1,500		11,000
POLICE	(6210)				

FY 2009 RECOMMENDED EQUIPMENT PURCHASES

"A" ADDITIONAL
"R" REPLACEMENT

(30) B & W Sedans	R	720,000	*	
(30) Dash Board Cameras	R	165,000	*	
(30) MDT/Lap Tops	R	300,000	*	
(30) Graphics Rhino Bars @ 1,300 each	R	39,000	*	
(30) Light Bars @ 2,200 each	R	66,000	*	
(30) In-Car Radios @ 4,300 each	R	129,000	*	
(7) B & W Sedans	A	168,000	*	
(7) Dash Board Cameras	A	38,500	*	
(7) MDT/Lap Tops	A	70,000	*	
(7) Graphics/Rhino Bars @ 1,300 each	A	9,100	*	
(7) Light Bars @ 2,200 each	A	15,400	*	
(7) In-Car Radios @ 4,300 each	A	30,100	*	
(11) Plain Sedans	R	264,000	*	
(8) In-Car Radios @ 4,300 each	R	34,400	*	
(4) Canine Trailblazer	R	88,000	*	
(4) Dash Board Cameras	R	22,000	*	
(4) MDT/Lap Tops	R	40,000	*	
(4) Graphics Rhino Bars @ 1,300 each	R	5,200	*	
(4) Light Bars @ 2,200 each	R	8,800	*	
(4) In-Car Radios @ 4,300 each	R	17,200	*	2,229,700

FIRE	(6400)			
(2) Rescue Modular Vehicles	R	170,000	*	
(2) 1/4 T Command Vehicle	R	72,466	*	
(6) Master Steam Monitor Nozzel w/Logic Bx	R	42,942	*	
(7) Full Function 12 Lead EKG Monitors	R	78,750	*	
(2) Hurst Tools	R	33,000	*	
(25) Air Paks @ 4,500 each	R	112,500		
(25) Air Cylinders @ 1000 each	R	25,000		
(4) 2 1/2" Fog Nozzles @ 1,050 each	R	4,200		
(5) 5" Hose Shut-Offs @ 1,600 each	R	8,000		
(5) 4 1/2" Piston Intakes @ 1,200 each	R	6,000		
(5) 6" Butterfly Valves @ 1,200 each	R	6,000		
(4) Ice Machines @ 1,800 each	R	7,200	*	
(5) Pulse Oximeter @ 1,000 each	A	5,000		
(1) Battery Charger	A	1,700		572,758

COMMUNICATIONS	(7500)			
Spare Cards for Phone System (90%)	R	8,100		8,100

LAGOON	(8300)			
(15) Gas Golf Carts @ 3,850 each	R	57,750	*	57,750

FY 2009 RECOMMENDED EQUIPMENT PURCHASES

"A" ADDITIONAL
"R" REPLACEMENT

LIBRARY	(8400)				
(1) Cisco 4507 Chassis Switch		R	55,000		
(1) Cisco 2660 Switch		R	5,000		60,000

MUSEUM	(8600)				
(1) Set of Tourmates		R	7,500		
(1) MacBook		R	1,182		
(1) Imac		R	1,268		
(1) Imac		R	1,268		
(1) Imac		R	1,268		
(1) Windows Vista Ultimate PC (500 g)		R	3,169		
(1) Windows Vista Ultimate PC (250 g)		R	2,139		17,794

FOOD SERVICES	(8810)				
(1) Reach In Freezer		R	3,304	*	
(1) Reach in Refrigerator		R	2,695	*	5,999

Source of Funding

Operating Budget	$ 439,819
*Lease Purchase	$ 2,837,307
	$ 3,277,126

MONTGOMERY
AREA CHAMBER OF COMMERCE

Imagine a Greater Montgomery
2008 Mid-Year Report of Progress

Reaching New Heights through Partnership

- **The *Imagine a Greater Montgomery* strategy was launched in 2007, built upon the strong support of the City of Montgomery, Mayor Bobby Bright and the City Council, in partnership with the business community and public sector partners.**

- **This bold new strategy set forth a broad vision for the capital city — a vision shared by dedicated leaders like our Mayor and City Council who are investing in a better, more prosperous life for all citizens. The pillars of the *Imagine* strategy are its four goals — goals that define the tremendous challenges and opportunities Montgomery must address in order to become far more than we have imagined. The following report is a brief update on the progress within those goal areas midway through Year Two of the five-year implementation.**

"It is all coming together: a viable and thriving manufacturing sector which will continue to challenge the work force and will demand and reward readiness; a retail market which will continue to dominate the greater market area; and a growing prosperity that will require and demand more services and developments. However, this economic growth can only be achieved if we remain mindful of our responsibility and committed to improving the quality of life for future generations. The present generation's legacy has to be its commitment to imagining, and realizing, an even greater future for Montgomery."

Dr. Keivan Deravi, Ph.D.
Professor of Economics &
Special Assistant to the Chancellor
Auburn University Montgomery

Goal I
Champion Public Education and Build a Competitive Workforce

Education & Workforce Development Council Gains Momentum

- In February 2008, the Chamber launched the Education and Workforce Development Council composed of business, education and government leaders. The Council's founding mission is to forge partnerships with key stakeholders and bring collaboration, concensus and consolidation around shared priorities for Montgomery Public Schools.

  - After only three months of work, a mentoring subcommittee has been formed to consolidate and strengthen school-based mentoring programs in all Montgomery Public Schools. A system-wide mentoring program, rather than piecemeal efforts, is a key priority identified by Superintendent John Dilworth and has the potential to transform student achievement throughout the district.
  - In order to advance the development of thematic high schools (high schools with relevant curriculum in targeted industry sectors, designed to meet the needs of today's students and workforce), the Chamber will partner with the Montgomery Education Foundation and the

Montgomery County Board of Education to jointly fund a position responsible for directing middle and high school reform efforts.

- The Chamber led Montgomery's first Inter City Visit of civic, elected and business leaders to Chattanooga, TN to view firsthand a model public education foundation and successful thematic high schools initiative. One of the priorities established early on by the Education & Workforce Development Council was to take a comprehensive look at the restructuring of Montgomery's middle and high schools.

Montgomery Public Schools Receive National Acclaim

- *U.S. News & World Report* gives Montgomery's Loveless Academic Magnet High School its highest honors in the spring update of its prestigious America's Best High Schools report. Montgomery is the only public school system in the state of Alabama to receive a Gold Award, and one of only four schools in the U.S. Overall, Loveless ranks 22nd among all high schools evaluated in the full report, out of more than 18,000 schools nationwide. Montgomery had two more public schools recognized with Bronze Awards— Booker T. Washington Magnet High School and Brewbaker Technology Magnet High School.

- *Newsweek* magazine's list of the 1300 Top Public High Schools in America ranks Montgomery's Loveless High School in the top two percent in the nation, ahead of Auburn, Homewood, Hoover and Huntsville area public high schools.

- The White House selected only two Presidential Scholars from Alabama this year, one of them was Jacinth Greywoode, a Montgomery Public Schools graduate.

"Newsweek ranked Montgomery's Loveless Academic Magnet High School as being in the top 2% of America's Best Public High Schools, ahead of Auburn, Homewood, Hoover and Huntsville area public schools."

New Chamber program is "Manufacturing the Future" of Montgomery's Workforce

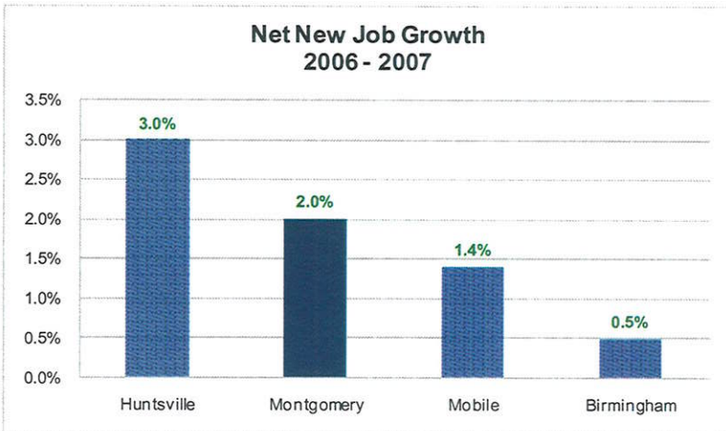
- The Chamber has launched a Youth Training program aimed at providing opportunities to Montgomery high school students while developing a better workforce for area businesses. The Youth Training initiative allows students to gain job training in targeted industry sectors and be prepared to go immediately into a job following graduation. In June 2007 the Chamber launched the MANUFACTURE YOUR FUTURE career exploration camp, exposing area students to the opportunities available in the advanced manufacturing field. The 2008 summer camp doubled in size, with 50 students participating overa two-week period. Alabama Industrial Development Training (AIDT), a primary partner in MANUFACTURE YOUR FUTURE, has recently hired an instructor for the 18 students who are scheduled to begin training in the first actual class set to launch August 11. Training classes will take place at Trenholm State Technical College's Patterson Campus. The Chamber secured a $250,000 grant from the U.S. Department of Labor and the Governor's Office of Workforce Development through the Alabama Department of Economic and Community Affairs (ADECA) to partially fund the initiative.

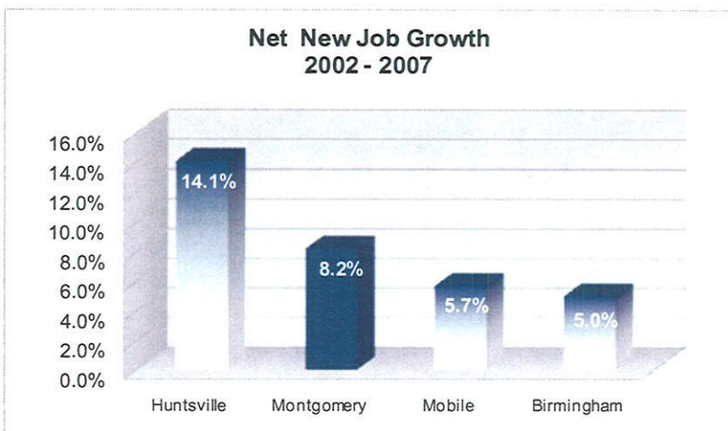
Goal II

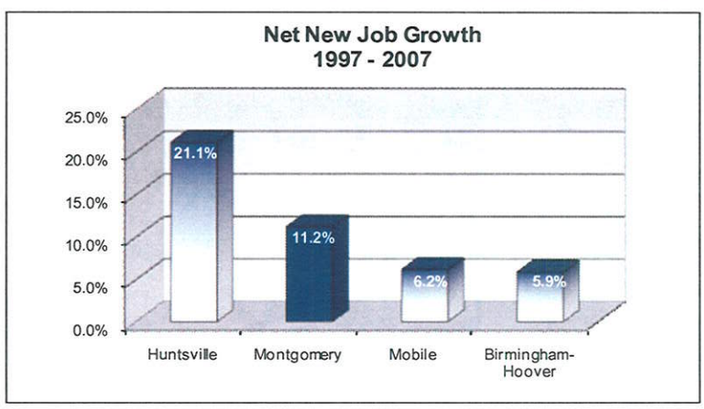
Strengthen the Montgomery Regional Economy

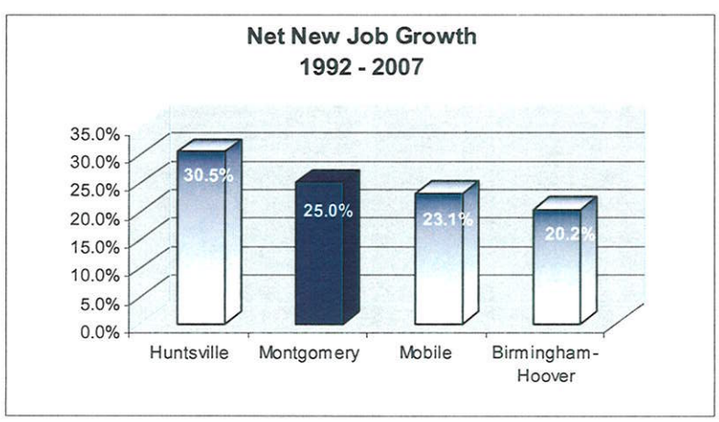
Montgomery Consistently Ranks Second Only to Huntsville in Overall Net New Job Growth

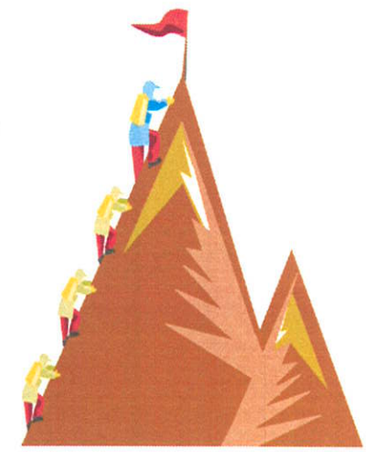
- ***Over time, Montgomery performs second only to Huntsville in the percentage growth of net new jobs among the state's largest metropolitan cities.***











A cornerstone of the Chamber's economic development strategy is the ability to benchmark Montgomery's performance and lead the state's MSA's in key economic indicators. Montgomery continues to compete with Huntsville for bragging rights to the #1 spot in the growth of net new jobs. Depicted in the charts to the left, Montgomery consistently has outperformed Mobile and Birmingham in the percentage growth of net new jobs over four various time spans since 1992.

Source: US Bureau of Labor Statistics

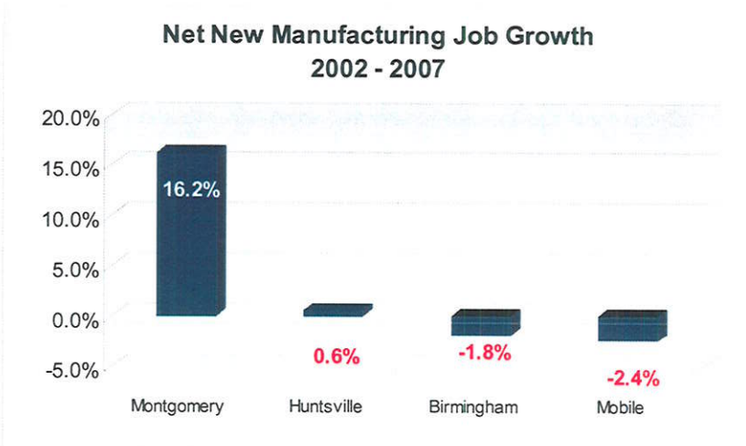
Attachment 7

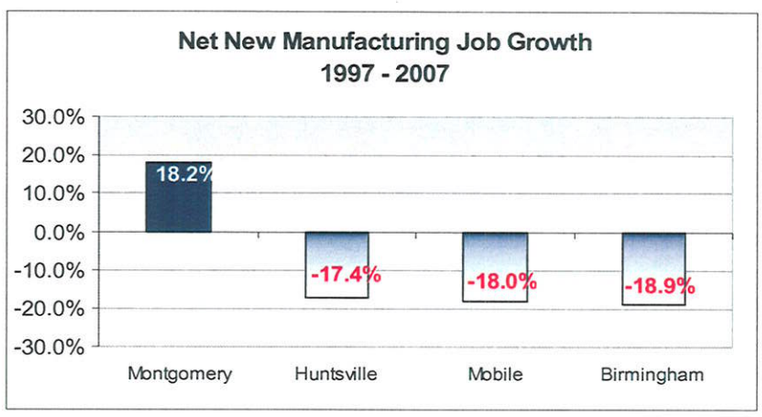
HMMA Engine Plant & Mobis Expansion Add 662 New Jobs

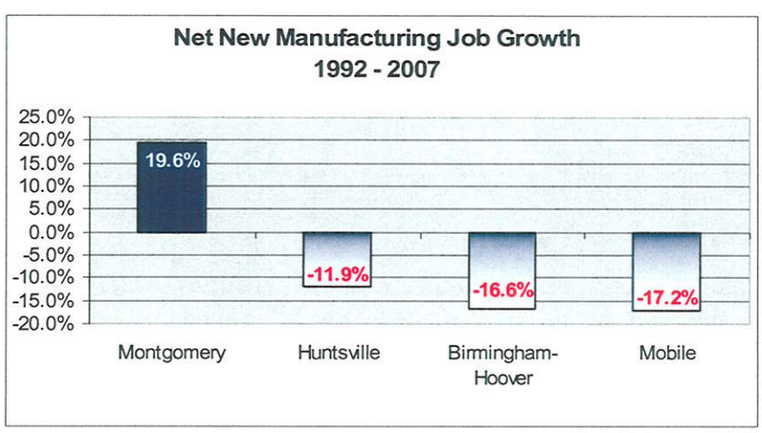
- **The strong partnership between the City of Montgomery and the Chamber resulted in a banner year in 2007, with the HMMA Engine Plant and Mobis Alabama Expansion fueling even greater job growth in the capital city. YTD in 2008, economic development project activity is at an all-time high, with more than 60 projects currently being worked by the Chamber's Corporate Development & Recruitment staff.**

Manufacturing Job Growth

- **Throughout the years of Alabama's greatest-ever economic development surge, Montgomery has consistently led the state's metropolitan areas in the growth of new manufacturing jobs.**







A track record of job creation and economic strength

This snapshot of Montgomery's job growth compared across three different time spans between 1992 and 2007 reveals that Montgomery has consistently outperformed the state's other major metro areas in manufacturing job growth, in addition to outpacing national manufacturing job growth indicators.

Source: US Bureau of Labor Statistics

HMMA Facts and Impact

- HMMA supplier impact alone has generated 2,366 jobs, $223 million in capital investment, and more than 1.5 million occupied industrial square footage in Montgomery. That represents about one-third of the total supplier capital investment and supplier related jobs created by HMMA.

- The HMMA plant and new engine plant combined will employ more than 3,600 people, with a capital investment of $1.7 billion. The HMMA plant alone generates more than $1.4 billion in economic impact in the local economy each year.

- When the local supplier base is combined with the HMMA plant and new engine plant, Montgomery's total direct impact from the automotive sector will total $1.9 billion in capital investment and more than 6,000 new jobs.

- The grand total of statewide HMMA start-up direct impact totals approximately $2.5 billion in capital investment and10,600 jobs.

City of Montgomery Suppliers

Supplier	Location	Capital Investment	Jobs	Product
Mobis Alabama	Airport Industrial Park	$ 170,600,000	1016	Cockpit Modules; Chassis; Injection Molding; Parts Distribution
ANM Services	Airport Industrial Park	TBD	50	Quality inspection & Parts Reworking
ArvinMeritor	Interstate Industrial Park	$ 5,000,000	50	Door Module
Hantal Alabama	Airport Industrial Park	$ 7,000,000	49	Plastic Injection Molding
Glovis Alabama, LLC	Hyundai Boulevard	$ 14,000,000	250	Logistics
Glovis America /Montgomery Vehicle Processors	Hyundai Boulevard	$500,000	165	Logistics
Johnson Controls	Montgomery	$ 6,300,000	70	Floor Consoles & Interior Trim
Lear Montgomery	Interstate Industrial Park	$ 14,000,000	420	Seat Assembly
Panalpina/J.I.T.	Interstate Industrial Park	$ 750,000	210	Warehousing, Sequencing & Logisitics Services
EnovaPremier	Wesport Industrial Park	$ 11,000,000	65	Tire & Wheel Assembly
Sungwoo USA	Perimeter Park	$ 600,000	10	Batteries
Total City of Montgomery	**10 Suppliers**	**$223 million**	**2,366 jobs**	

All Other HMMA Suppliers

HMMA Suppliers Located Outside City of Montgomery				
AGC Automotive Americas	Alabaster	N.A.	50	CM Glass Processing & Sequencing
Arvin Meritor Sejong	Fort Deposit	$ 10,000,000	100	Exhaust Systems; Catalytic Converter Assembly
Auto Electronic America Co.	McKenzie	$ 1,000,000	50	Carts, Racks, Conveyors
CNC Enterprises	Troy	$ 4,000,000	40	Metal Fabrication and Equipment Maintenance
CRH-DAS	Clanton	N.A.	50	Seat Adjuster Systems
Daehan Solutions AL	Tyson	$ 25,000,000	180	Interior, Insulation Parts
Dongwon	Sardis	$ 15,000,000	100	Door Frames, Roof Ditch Molding, Impact Beam
Engelhard Corp.**	Huntsville	N.A.	N.A.	Catalytic Converter Systems
Guyoung Tech, USA	Evergreen	$ 10,000,000	80	Metal Stampings
Halla Climate Systems Alabama Corp.	Shorter	$ 49,000,000	330	Heating & AC Units
Hanil E-HWA	Selma	$ 38,000,000	73	Door Trims, Seats, Head Linings and Interior Parts

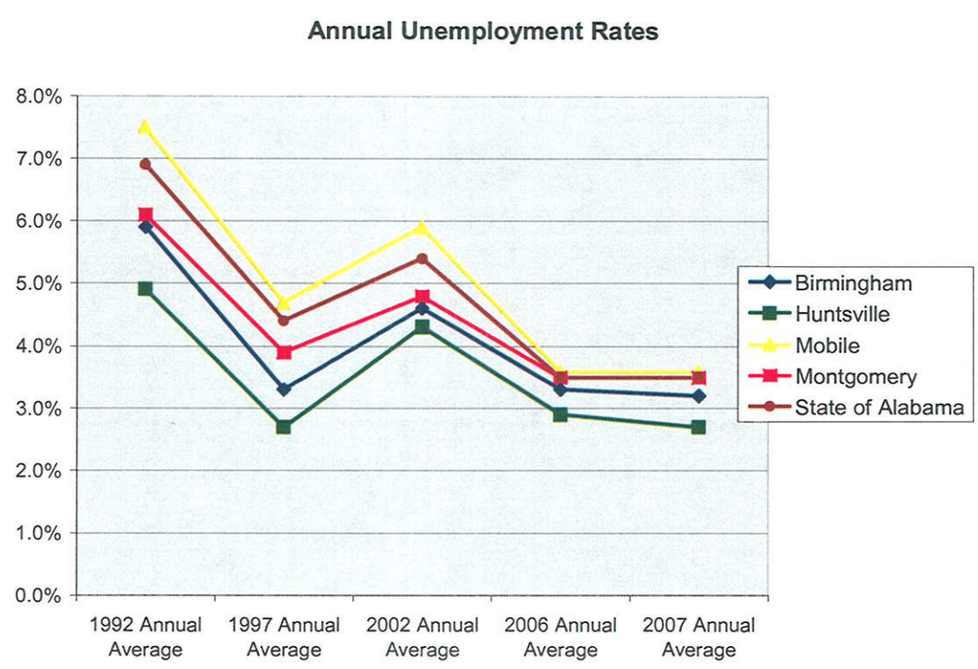
Hanil USAS	Tallassee	$ 2,300,000	30	Plastic and Steel Tube Components for fuel systems
Hinge Tech USA	Union Springs	$ 1,000,000	60	Conveyor Belts and Small Cranes
Hisan**	Scottsboro	N.A.	N.A.	Brake, Fuel Lines
HS Automotive	Enterprise	$ 43,000,000	850	Weather Stripping, Windshield Molding,Rubber Tubing, Hoses
Hwashin Co. Ltd.	Greenville	$ 70,000,000	380	Chassis & Body Parts
Hysco America	Greenville	$ 30,000,000	125	Steel Sheeting and Coils
Jay Mid South LLC.	Gadsen	$ 8,000,000	80	Metal Seat Frames
JCI **	Cottondale	N.A.	N.A.	Plastic Parts
Lear/Kyung Shin Sales & Engineering	Selma	$ 12,000,000	50	Wire Harness
Mando America Corp.	Opelika	$ 65,000,000	320	Braking, Steering & Suspension Systems
Maxforma Plastics	Opelika	$ 14,000,000	100	Bumper Back Beams & Impact Resistant Bumper Cores
PPG Industries	Talladega	N.A.	42	NF Glass Processing & Sequencing
Renosal	Selma	$ 10,000,000	120	Polyurethane Foam Seat Padding
SAFA Systems, LLC.	Tallassee	$ 1,000,000	35	Automated Machinery and Equipment, Racks, Pallets
S L Alabama LLC	Alexander City	$ 53,000,000	400	Automotive Lighting
Seohan Auto USA/Seohan Driveshaft USA	Auburn	$ 33,000,000	170	Front and Rear Axle Assemblies
Seoil America	Tallassee	$ 2,300,000	25	Chemicals
Silla Engineering America LLC	Brantley	$ 500,000	30	Metal pallets & Racks
SMART Alabama LLC	Luverne	$ 110,000,000	600	Stamped Metal Parts
Sung Won ELEC-COMM Corp.	Tallassee	$ 1,000,000	10	Electronic Panels and Communication Systems
Teksid Aluminum North America	Sylacauga	$ 18,000,000	100	Cylinder Block
Y.E.S.A.C. Alabama	Tallassee	$ 2,000,000	80	Steel Racks

	Total #	Capital Investment	Jobs
Total City of Montgomery	**10**	**$ 223 Million**	**2,366**
Total Montgomery Metro Area	**16**	**$266 Million**	**2,791**
Total All Suppliers	**43**	**$852 Million**	**7,026**

Key Economic Indicators

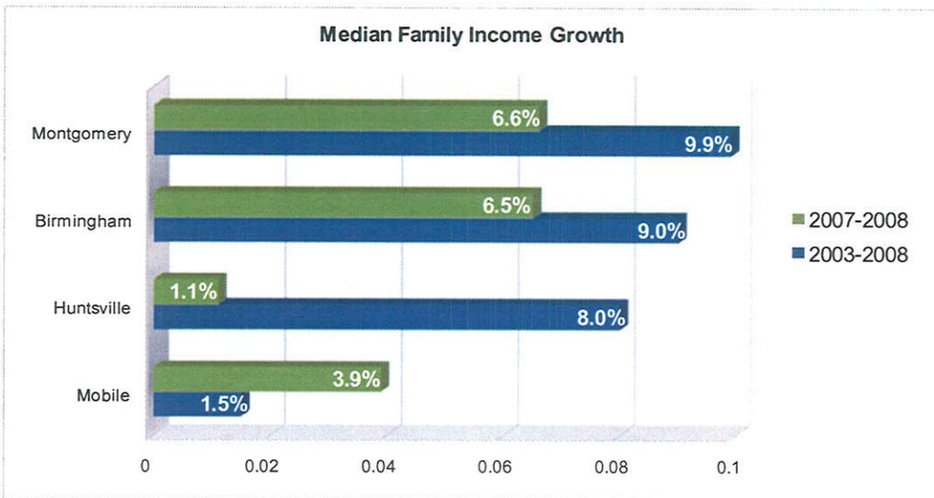
■ Montgomery Unemployment Rates Consistently Below State Average

Montgomery's unemployment rates have remained consistently below the state average over the period 1992-2007, with an average annual rate for the Montgomery metro area of 3% in 2007. The April 2008 unemployment rate for the Montgomery area was 3.6 %.



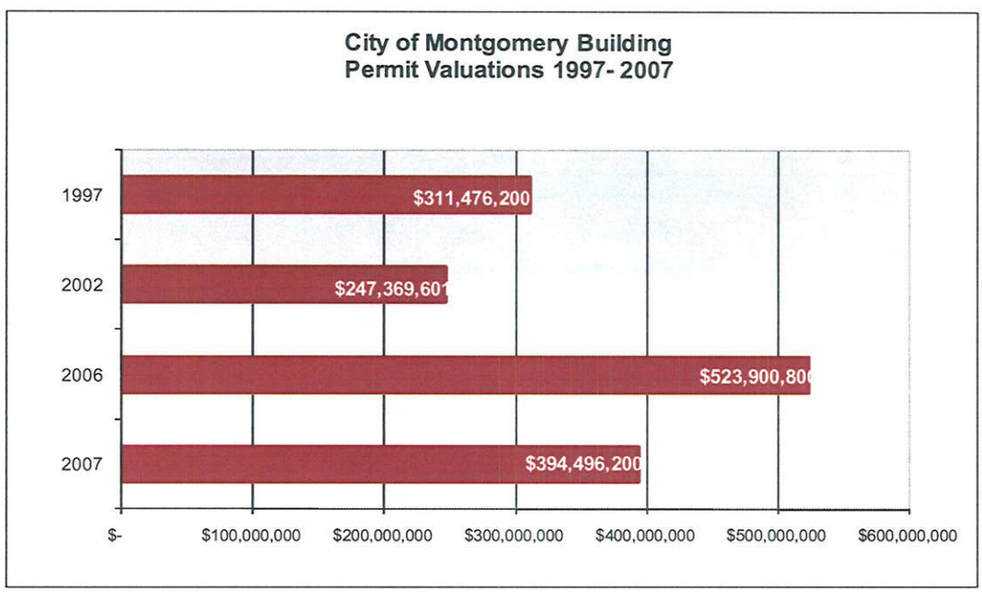
Median Family Income on the Rise

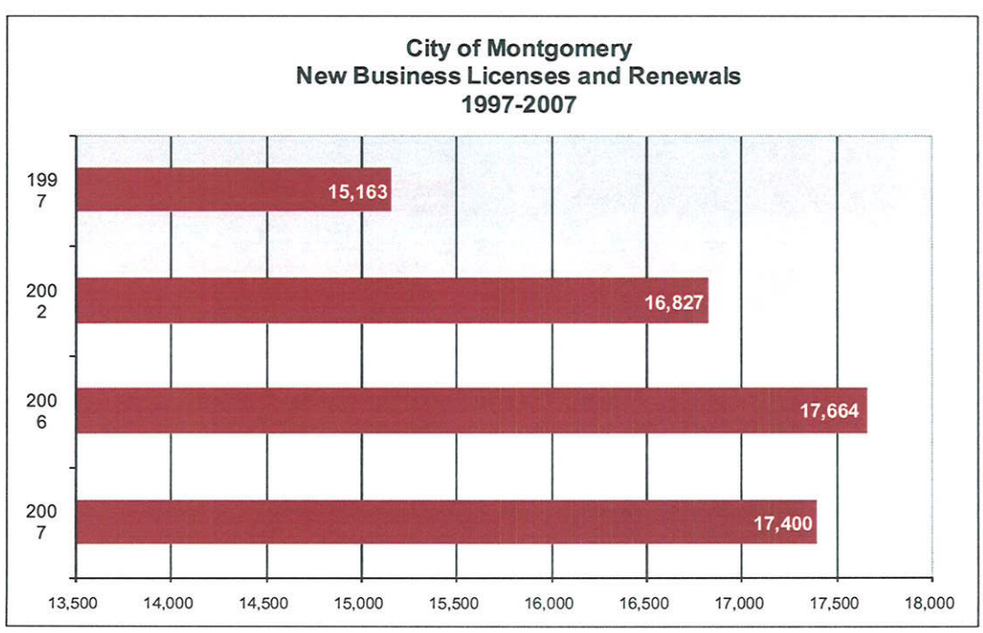
- **Among the state's largest MSAs, Montgomery is maintaining its lead in growth of family income, up 6.6% in 2008 vs. 2007. Over time, Montgomery has been the consistent leader in growth of this important metric.**



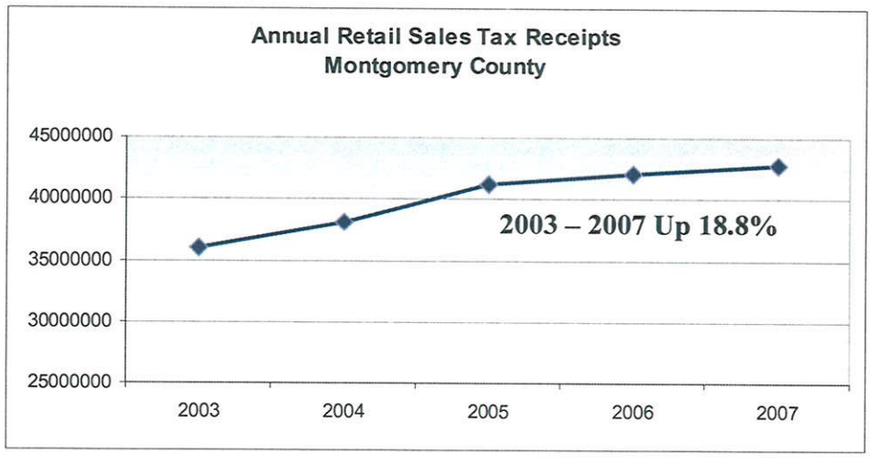
Building Permits and Licensing Show Long-Term Growth

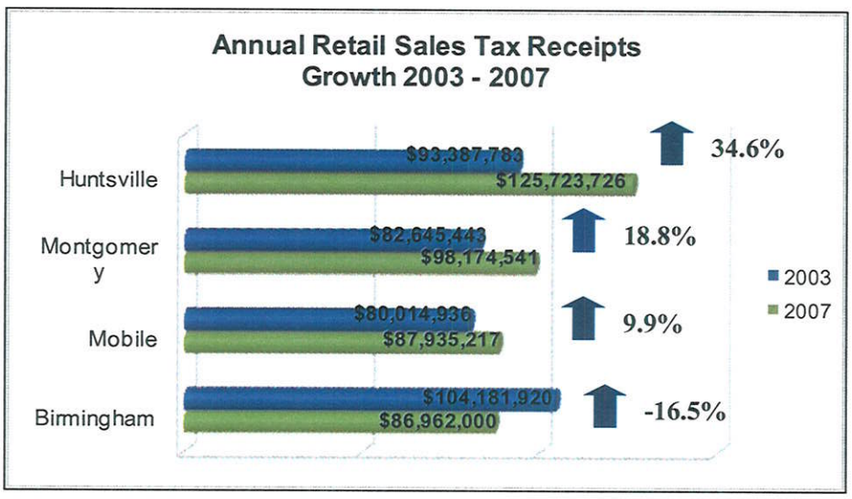
- **Although Montgomery's building permit valuations declined by -24% in 2007 (Huntsville's dipped -33% for the same period), over time building permit valuations for the capital city (1997-2007) have increased by 27%.**

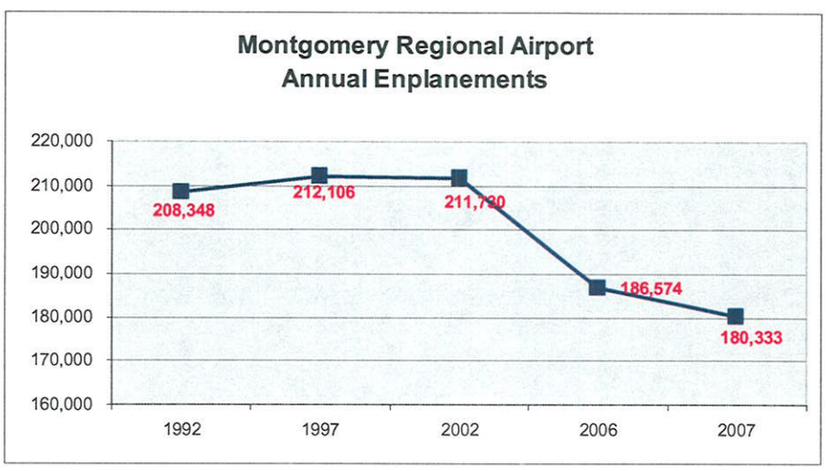




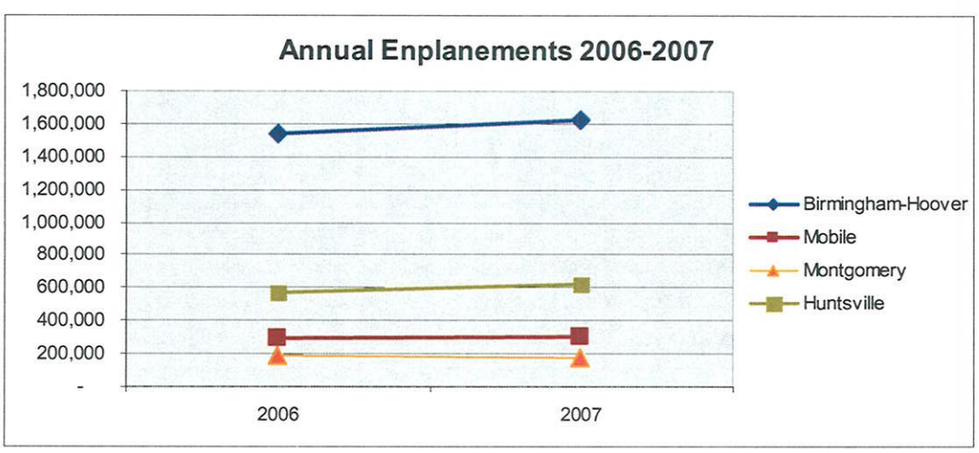
City of Montgomery Sales Tax Receipts







Montgomery Regional Airport Enplanements



Joint City / Chamber Federal Request Gaining Momentum

A coalition comprised of the City of Montgomery , the Montgomery County Commission, and the Chamber presented a joint federal issues agenda to the Alabama Congressional Delegation in March. A cohesive partnership working on behalf of Montgomery at the federal level is critical to Montgomery's economic development success. Key projects on the FY08 agenda included:

- Riverfront & Downtown Development
- Montgomery Regional Airport
- I-85 Connector/Outer Loop

■ Military Construction Funding History

Fiscal Year	Description	Appropriation $
FY99-FY02	5 MILCON projects (Large addition to the academic facility, a 160-room dormitory for the Squadron Officers College, an additional 120-room dormitory for Officers Training School, and a maintenance hanger and fuel cell hanger for the 908th Airlift Wing	$56,000,000.00
FY03	OTS Dormitory 120 Room (COT)	$13,500,000.00
FY04	Integrated Operations Support Facility at Gunter for SSG	$12,600,000.00
FY05	Squadron Officers College Phase III Dormitory	$14,300,000.00
FY06	Squadron Officers College Phase IV Dormitory	$14,900,000.00
	ANG 187th FW Composite Operations & Training Facility --$9.1M (MILCON)	$ 9,100,000.00
FY09	Electronic Firing Range MAFB	$ 13,900,000.00
	Total Military Construction FY99-FY09	**$134,300,000.00**

■ Federal Appropriations FY99-FY08

FY99	
Union Station Intermodal	$ 5,000,000.00
FY01	
Airport Expansion	$ 2,000,000.00
Riverwalk	$ 2,000,000.00
I-85 Connector/Outer Loop	$ 3,000,000.00
Molton Street Intermodal	$ 3,000,000.00
Amphitheatre Trail Head	$ 4,000,000.00
FY02	
Airport Expansion	$ 2,000,000.00
Riverwalk	$ 2,000,000.00
Molton Street Intermodal	$ 5,000,000.00
Mass Transit buses	$ 8,000,000.00
Riverwalk sewer relocation	$ 305,000.00
FY03	
Molton Street Intermodal	$ 5,000,000.00
Riverwalk	$ 2,000,000.00
Airport Expansion	$ 2,000,000.00
I-85 Connector/Outer Loop	$ 2,000,000.00
Riverfront Community Policing	$ 250,000.00
FY04	
I65 Cloverland Bridges	$ 1,000,000.00
Riverwalk	$ 1,000,000.00
I-85 Connector/Outer Loop	$ 2,000,000.00
Civil Rights Trail Trolleys	$ 500,000.00
Airport Expansion	$ 2,000,000.00
FY05	
Mass Transit buses	$ 700,000.00
Intelligent Transportation System	$ 1,000,000.00
I-85 Connector/Outer Loop	$ 2,000,000.00
I-85 Extension Study	$15,000,000.00
Cleveland Ave. Y Cultural Center	$ 200,000.00
Airport Expansion	$ 2,000,000.00
FY06	
Mass Transit bus gps/shelters	$ 500,000.00
Riverwalk	$ 250,000.00
Riverfront	$ 500,000.00
County Courthouse Security	$ 250,000.00
Cleveland Ave. YMCA Youth	$ 400,000.00
Cleveland Ave. YMCA Expansion	$ 250,000.00
FY08	
ITS Acquisition and Implementation	$ 1,035,000.00
Airport Intermodal Facility	$ 1,035,000.00
Montgomery City and County Courthouse Security	$ 400,000.00
YMCA After School Care	$ 400,000.00
Total Earmarks FY99-FY08	**$79,975,000.00**

City/Chamber Proactive Military Affairs Partnership Reaps Rewards for Montgomery

- **The strong partnership between the City of Montgomery and the Chamber in support of Maxwell AFB and all DoD operations in Montgomery is reaping long-term economic rewards for the capital city, with new construction, new jobs, increased missions, and positive positioning for future growth.**

- The 187th Fighter Wing was designated as one of four units in the country in 2007 to become an Associate Unit with active duty personnel. The Wing will receive three additional F-16 Aircraft and 150 active duty personnel in 2008. This was a significant victory for the Montgomery community and positions Montgomery for continued growth at Maxwell-Gunter AFB.

- The Bell Street Widening project is fully designed and approved for construction by the Alabama Department of Transportation (ALDOT). Crews have started work on utility relocation and ALDOT will let the contract for construction at end of June 2008.

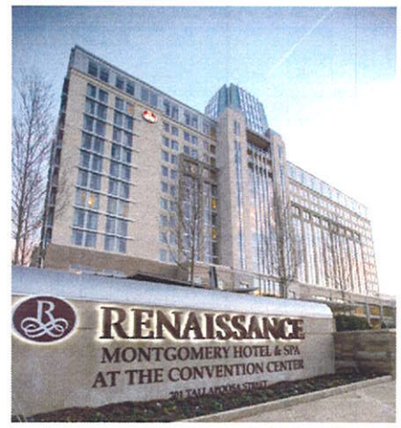
- Maxwell-Gunter AFB has been designated as one of 18 locations to be considered for a new location for the Headquarters, Air Force Cyber Command. After site visits to the finalists, the Air Force will make a final selection in September 2009. The new Headquarters for Air Force Cyber Command could create 550 new jobs. In addition, a new Numbered Air Force Headquarters will be created at one of the finalist locations, creating an additional 275 jobs. The Chamber is aggressively pursuing this opportunity, and believes Montgomery is very competitive for one of these two headquarters opportunities.

- In October 2007, the Air Force let a $300 million contract to privatize Military Family Housing at six bases including Maxwell AFB. This resulted in 50 new jobs in Montgomery. In addition, about $50 million of local contracts will be let over the next five years to build and refurbish housing units on Maxwell and Gunter Annex. This will result in numerous construction jobs in the local economy.

- Maxwell AFB has been designated as the single national location for all Air Force ROTC summer training. Training will start in June 2008 and will result in 2500 new students coming to Maxwell for the four-week training course. A new $13.9 million Combat Arms Facility (with construction set to begin October 2008) will support the ROTC training mission, in addition to bringing numerous high paying construction jobs to Montgomery.

Goal III

Transform Montgomery's Image



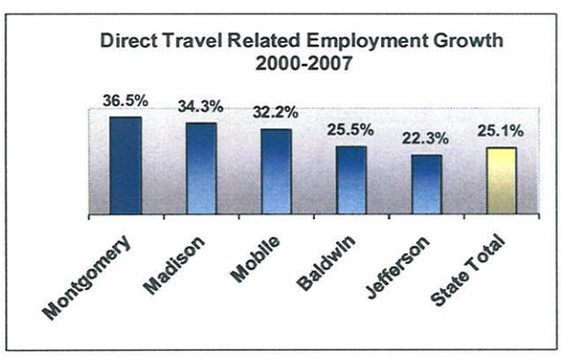
- **Under the leadership of Mayor Bright and the City Council, the image of downtown Montgomery has been forever transformed by the new convention center, hotel and performing arts center complex. The long-term vision of the Riverfront District is becoming a reality, with entertainment, recreation and tourism intersecting in the very heart of the Capital City. The result is a significant new catalyst for economic growth and a vibrant centerpiece for a quality of life that is second to none.**

- Last year, the Chamber's convention market consultant estimated that the CVB should convert 5% of its convention and group leads into booked business. Midway throough the 2008 calendar year, the CVB is averaging 16% of its leads converted into booked business. This business, when combined with other pending projects expected to close shortly, will generate direct city tax receipts of $3,138,824 — almost a 200% return on the City's investment in Chamber tourism activities in a six-month period.

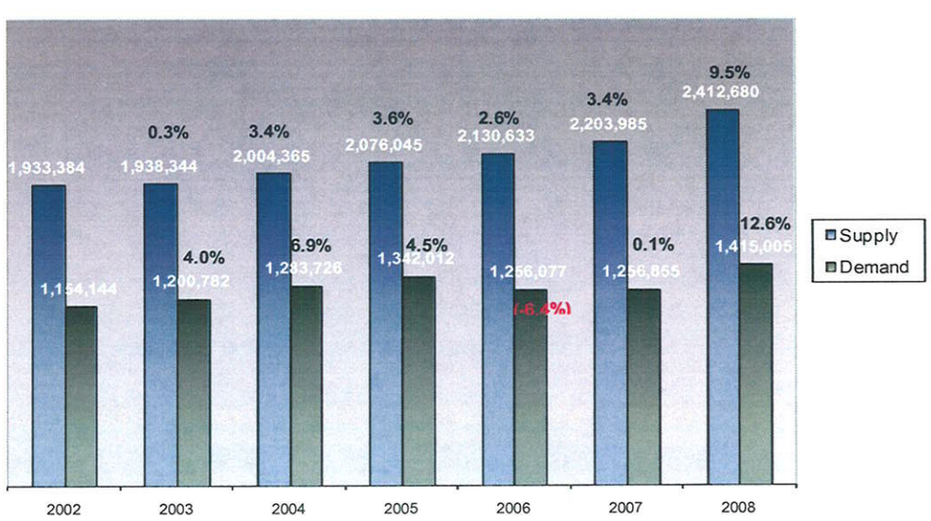
- By year-end 2008, Montgomery will offer more than 7,000 rooms throughout the City with over 900 available rooms within walking distance to the new convention center complex. More than 800 new hotel rooms have been added to Montgomery's inventory for 2008. Since 2004, Montgomery has increased its overall hotel inventory by 28%.

- **Montgomery outpaced the other major metropolitan cities in the state as well as the Gulf Coast beaches in direct travel-related employment growth and growth in travel-related earnings from 2000-2007.**

Source:: AL Bureau of Tourism & Travel



Montgomery Room Supply and Demand 2002-2008
Supply=total available room nights/yr Demand= occupied room nights/yr



Goal IV

Embrace Diversity & Enhance Leadership Capacity

- **The *Imagine a Greater Montgomery* economic development strategy is the most comprehensive ever developed by the Chamber. While Goal IV of the *Imagine* strategy originally seemed somewhat outside of the Chamber's core mission, it quickly became very clear that the overriding success of *Imagine* would hinge upon a solid foundation built upon the objectives of Goal IV.**

Young Professionals Program Up and Running

- The Chamber is working in partnership with Leadership Montgomery to facilitate Goal IV of the *Imagine* strategy. The business community firmly believes that a major component of enhancing leadership and the future quality of life of Montgomery is the launch of a successful Young Professionals (YP) program, aimed at recruiting and retaining young, talented professionals in the capital city. After months of work by a core focus group of YP volunteers, Montgomery's new Young Professionals (YP) Program, known as Emerge Montgomery, is taking flight and gaining tremendous momentum. Emerge launched Februuary 26th to a capacity crowd at the Renaissance with more than 450 YP's in attendance.

Strengthening Leadership Development

- The Chamber has forged a strong partnership with Leadership Montgomery, built around a shared vision to create a more comprehensive and sustainable leadership development initiative in the capital city. Major components of the expanded Leadership Montgomery mission include the Emerge young professionals program; a strengthed core leadership curriculum; and an alumni relations program that will harness the more than 800 Leadership Montgomery alumni and engage them around key community issues as agents for positive change.

Embracing Diversity as a Community Asset

- The Chamber will holds its first-ever Diversity Summit September 11th. A major initiative under Goal IV, the Diversity Summit is an evolution of the Chamber's Minorities and Women in Business program, expanded to encompass a broader mission of promoting diversity within the workplace. The Chamber is working in partnership with Leadership Montgomery, Emerge, and through the Chamber's newly launched Women in Businesss Forum to increase the outreach and impact of the event.

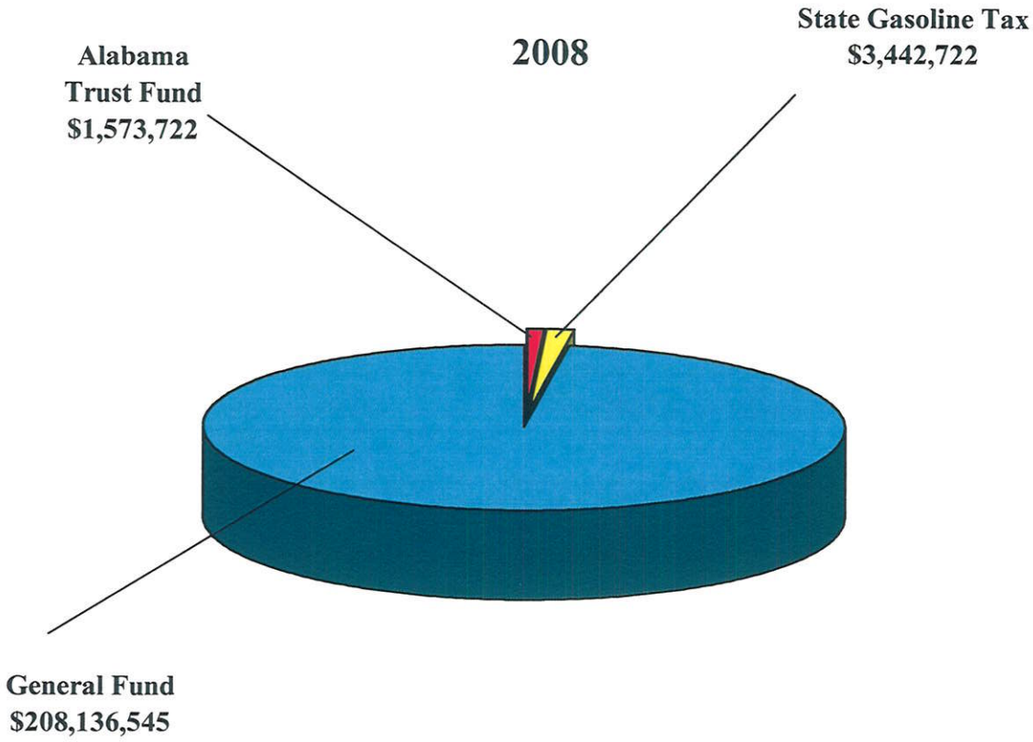
Montgomery Area Chamber of Commerce

FY09 City Of Montgomery Funding Request

	FY08 ACTUAL	FY09 REQUEST
Economic Development	$ 300,000.00	$ 300,000.00
Tourism	$ 1,579,654.00	$ 1,579,654.00
Federal Programs	$ 60,000.00	$ 60,000.00
City Initiatives	$ 60,000.00	$ 60,000.00
Total Chamber Appropriation Request	**$ 1,999,654.00**	**$ 1,999,654.00**

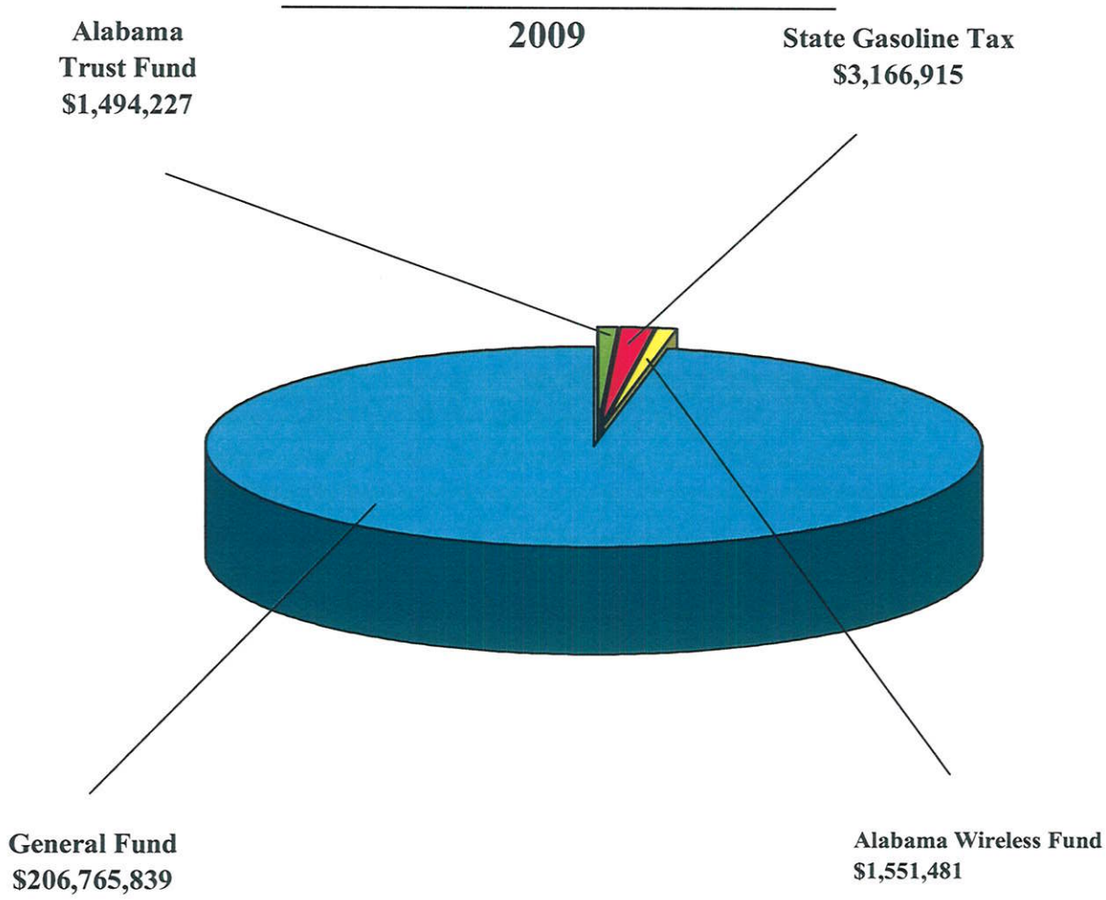
REVENUES AND FUND BALANCES

2008



TOTAL $213,152,989

2009



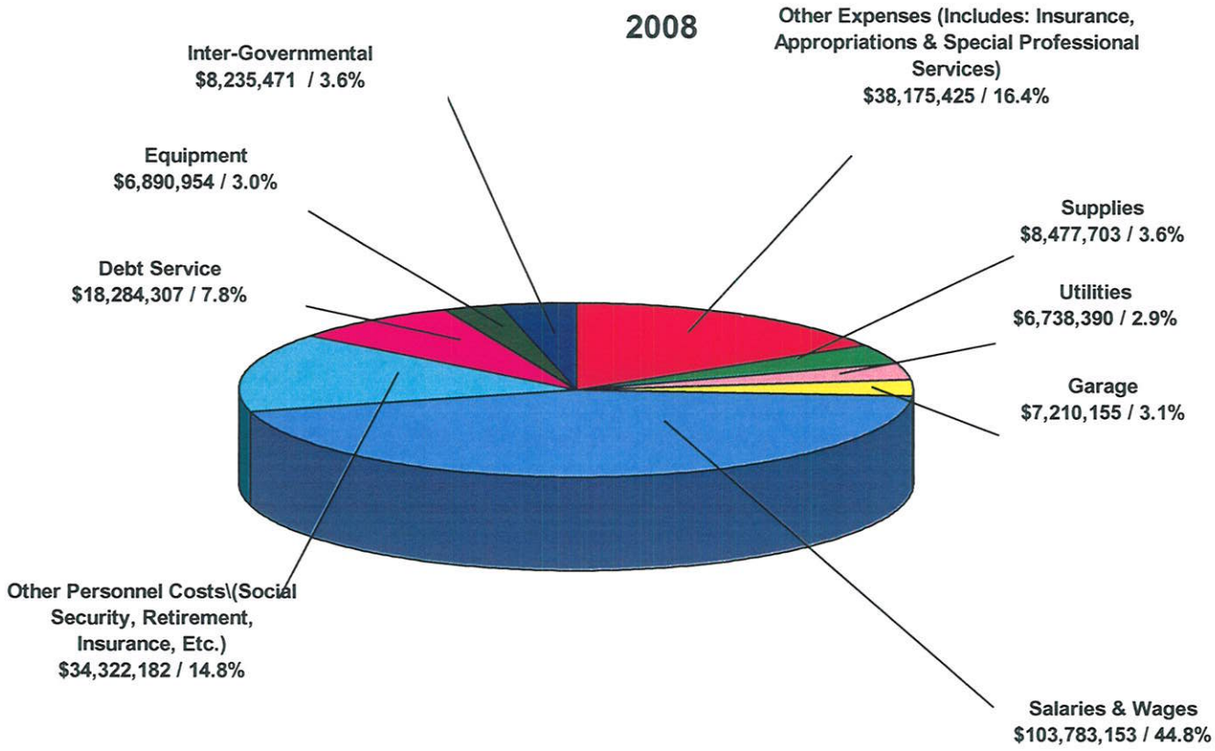
TOTAL $212,978,462

FUND BALANCE TRANSFER	$	14,195,000
ESTIMATED REVENUES YE 9/30/2009	$	212,978,462
TOTAL AVAILABLE FUNDS	$	227,173,462
LESS PROPOSED BUDGET OUTLAYS	$	(227,173,462)
UNCOMMITTED FUND BALANCE	$	0

OUTLAYS

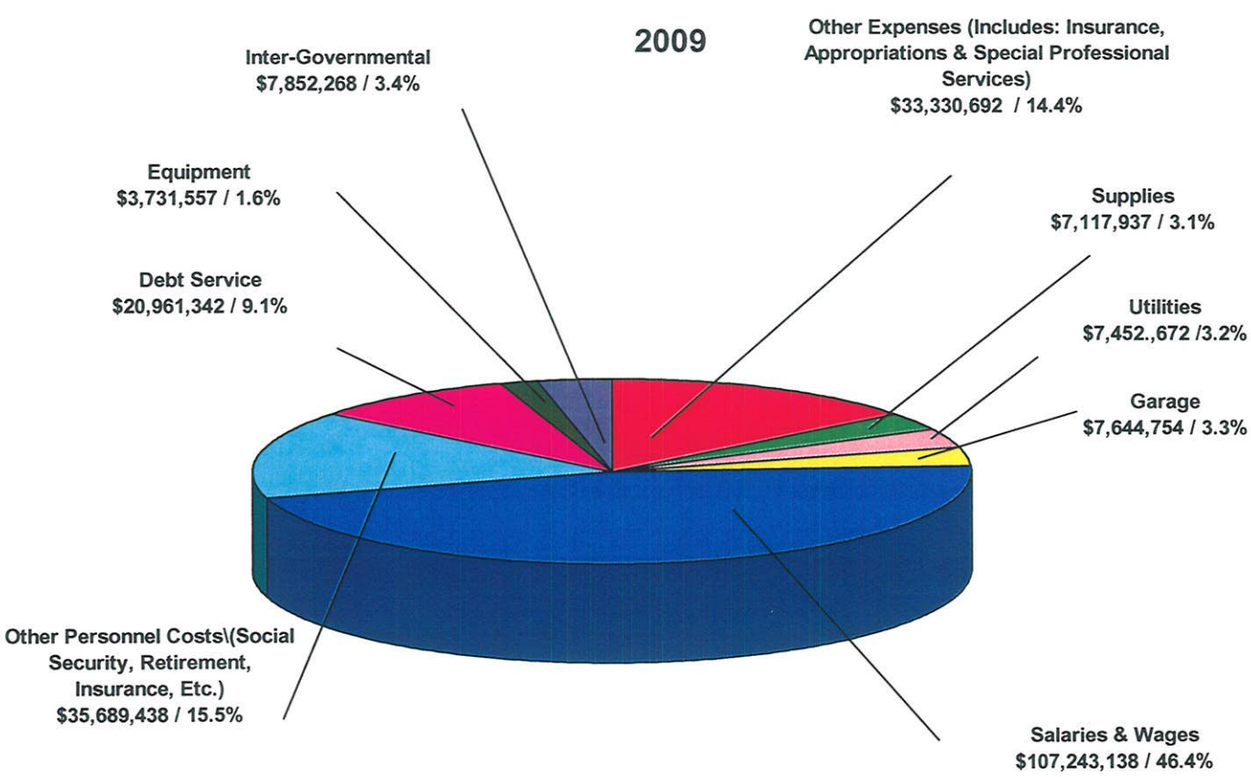
OPERATING & DEBT SERVICE BUDGET

2008



EXPENDITURES & TRANSFERS		
Operating & Debt Service	$	232,117,740
Less Jointly Funded Activities	$	(4,220,540)
TOTAL	$	227,897,200

2009



EXPENDITURES & TRANSFERS		
Operating & Debt Service	$	231,023,798
Less Jointly Funded Activities	$	(3,850,336)
TOTAL	$	227,173,462